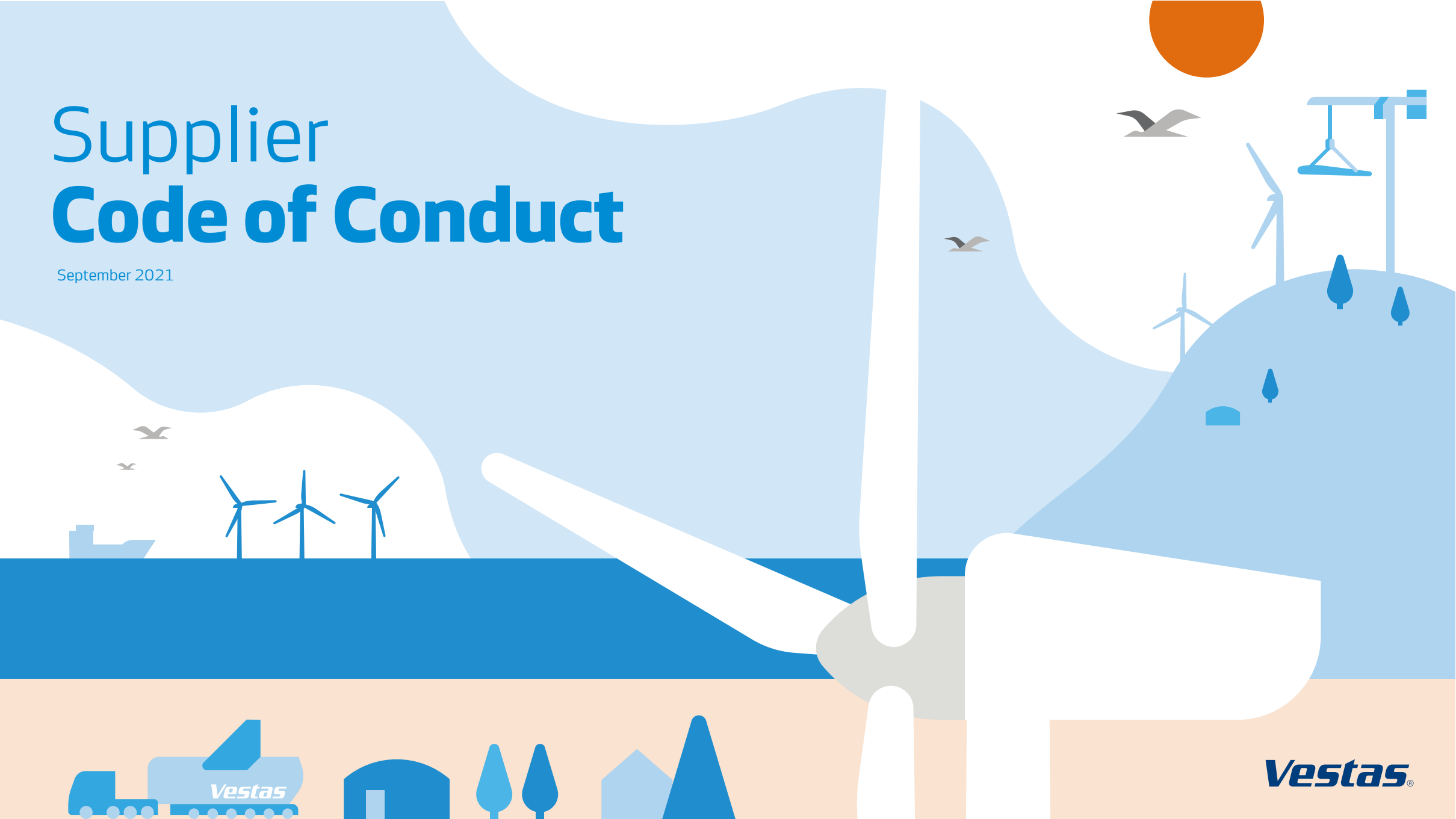


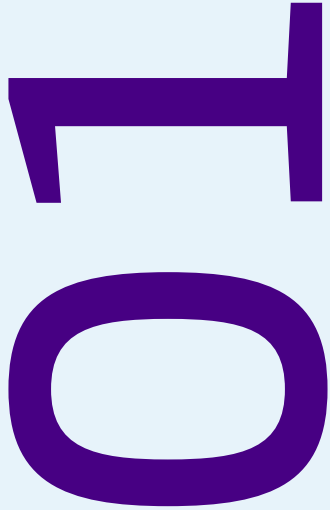
# Supplier Code of Conduct

September 2021



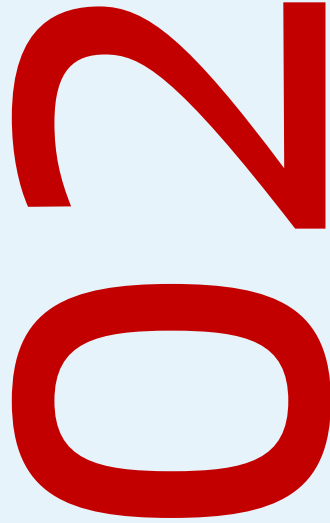
**Vestas**<sup>®</sup>

Introduction



**Human Rights**

- Health & Safety
- Labour Rights
- Community Engagement
- Use of Security Personnel
- Conflict Minerals



**Working with Integrity**

- Bribery & Facilitation Payments
- Gifts & Hospitality
- Conflicts of Interest



**Respecting the Environment**

- Environment



**Fair Business Practices**

- Intellectual Property & Confidentiality
- Information Security
- Data Privacy
- Competition Law
- Export Control & Sanctions



# Introduction

Vestas' suppliers play a central role in our mission to become the global leader in sustainable energy solutions, and we rely on their commitment to conduct business ethically and responsibly. We work with suppliers around the globe who share our values and dedication to doing business with integrity.

At Vestas, we are working to integrate sustainability into everything we do. As part of this vision, we are dedicated to improving our sustainability performance across several key areas, from reducing carbon emissions, to ensuring that we lead an inclusive and fair energy transition across our global operations. We also extend this expectation to our suppliers and are committed to supporting our supplier network to improve our shared sustainability performance.

Vestas requires its suppliers to respect and comply with this Supplier Code of Conduct (the Supplier Code) when conducting business.

The Supplier Code applies to all Vestas suppliers. For the purposes of this Supplier Code, 'suppliers' refers to suppliers, subcontractors, agents, consultants, and their respective affiliates who provide goods and/or services for Vestas.

## Scope

## Standards

Vestas has been signatory to the United Nations (UN) Global Compact since 2009 and we are committed to the UN Guiding Principles on Business and Human Rights. Accordingly, we respect all internationally recognised human rights, including the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work. In addition, Vestas is guided by the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises' recommendations on responsible business conduct. Vestas is committed to complying with all applicable national and local laws, rules, and regulations, and our suppliers must do the same. When local laws and regulations set lower standards but do not prohibit applying international standards that exceed local laws and regulations, our suppliers should apply international standards.

As part of the supplier selection process, Vestas conducts due diligence on its suppliers to identify and manage potential risks. As key partners, we expect our suppliers avoid causing, or contributing to, adverse human rights impacts across their own operations and supply chains, and within the local communities where they operate. We encourage suppliers to uphold inclusive and respectful workplaces, proactively manage risks in their supply chain, and take into account the human rights of all stakeholders impacted, paying specific attention to women, migrants, indigenous people, and vulnerable groups.



## Compliance

Our suppliers must comply with this Supplier Code, in addition to all applicable laws, regulatory requirements, and Vestas' contractual requirements and policies. If there is discrepancy or conflict between the terms of this Supplier Code and national laws, suppliers are expected to follow the most stringent standard and immediately inform Vestas if they cannot comply.

We expect our suppliers to commit to continuous improvement in all areas covered in this Supplier Code. We recognise that our suppliers may be at different maturity levels, but we expect all suppliers to demonstrate continuous progress.

As part of their compliance with this Supplier Code, we also expect our suppliers to maintain appropriate records and to make these records available upon request. And we reserve the right to monitor and audit our suppliers' compliance activities and performance. Based on risk criteria, we select suppliers for additional assessments which can include a code of conduct audit. We may also decide to conduct an audit if we detect or reasonably suspect that a supplier is not complying with this Supplier Code. Our Procurement team leads this process and will be your point of contact should the need for an audit arise.

If suppliers are not meeting our expectations, we will work together with the supplier to agree on a corrective action plan. If a supplier violates the Supplier Code, or the supplier fails to correct non-compliance within a reasonable timeframe, we will consider suspending or terminating the business relationship.

## Management systems

We expect our suppliers to have adequate management systems in place to ensure compliance with this Supplier Code. Our suppliers are responsible for conducting due diligence to identify and manage potential risks related to human rights, the environment, and business ethics in their supply chain. This includes having appropriate policies, responsible supply chain management systems, and grievance mechanisms proportionate to the size of the supplier and the complexity and risk of the business environment. For this Supplier Code, we follow the definitions of 'due diligence' and 'management systems' as set out in the OECD Guidelines for Multinational Enterprises.

## How to raise a concern

We expect our suppliers to have a reporting system in place to ensure that employees can voice concerns anonymously and without fear of retaliation. All reports should be investigated in a fair and timely manner. Suppliers and their employees are also strongly encouraged to use our global whistleblower system, EthicsLine, to make a report if they suspect misconduct among their employees and/or Vestas employees. All reports to EthicsLine can be made anonymously; they will be handled in a prompt and professional manner and treated confidentially. EthicsLine can be accessed at [vestas.whistleblownetwork.net](https://vestas.whistleblownetwork.net). It is important to note that Vestas does not tolerate retaliation and expects that no supplier will retaliate against anyone who reports suspected or known cases of misconduct in good faith.



# 01

## Human Rights

# Health & Safety

## Vestas' Expectations

At Vestas, we are committed to improving health and safety standards throughout our supply chain. In our contracts, we clearly describe the minimum Health, Safety, and Environment (HSE) targets and requirements that our suppliers must meet when working on behalf of Vestas. These minimum HSE requirements are clearly communicated in the following resources:

- Global Minimum Contractor/Subcontractor HSE Requirements.
- Vestas Occupational Health, Safety & Environment (OHSE) Manual.

Suppliers should never compromise safety or feel pressured to cut corners in order to meet business targets. When supervised contractor injuries do occur, we record them and conduct investigations to minimise the chance of reoccurrence.

## What does this mean for **Vestas suppliers?**

- Provide a safe and healthy workplace. All employees must be given mandatory health and safety training and the personal protective equipment (PPE) necessary to perform their tasks safely. Such training, and the provision and maintenance of PPE, must be at no cost to the employee.
- Implement a robust Safety Management System, including policies, risk assessment, incident monitoring system, and safety committees.
- Develop the best possible emergency preparedness measures, tailoring interventions to specific work activities, locations, and circumstances.
- Provide suitable first aid arrangements, medical support facilities, and resources.
- Ensure that employees are not under the influence of drugs or alcohol.
- Where onsite accommodation is provided, it must be suitable and safe, while also catering for gender and cultural differences and enabling privacy and wellbeing. Living conditions must comply with local and national laws, industry standards, and any relevant collective bargaining agreements, where applicable.
- For non-supervised contractors, all injuries must be recorded and investigated by the contractor.

# Labour Rights

## Modern Slavery

### Vestas' Expectations

Vestas does not permit, under any circumstances, the use of modern slavery or human trafficking within its global business. As such, we expect our suppliers to take diligent and reasonable steps to prevent these labour rights violations within their own supply chain.

Modern slavery is any work or service that is exacted from a person under the threat of a penalty, and for which that person has not offered him- or herself voluntarily. Modern slavery can come in many different forms, for example slavery, servitude, forced or compulsory labour, coercive and deceptive recruitment, debt bondage, and human trafficking. Work practices such as mandatory overtime can also be considered modern slavery.

### What does this mean for **Vestas suppliers?**

- Do not participate in, or benefit from, the use of modern slavery or human trafficking in any form. All labour must be voluntary.
- Ensure all employees have freedom of movement during the course of their employment and the right to terminate their contract at all times, providing they give reasonable notice (if applicable).
- Do not withhold wages, identity cards, travel documents, or other important documents that could prohibit an employee from ending his or her employment or moving freely.
- Do not charge recruitment fees or require deposits from employees. Ensure that no employment fees or costs are charged, in whole or in part, to any employee.
- If using a contractor to provide recruitment or employment services, conduct due diligence to ensure they do not engage in any form of modern slavery.

# Labour Rights

## Child Labour and Juvenile Work

### Vestas' Expectations

By definition, a child is a young human being below the age of 18, while juveniles are children between the age of 15 and 18. Child labour is work that is mentally, physically, socially, or morally dangerous and harmful to children, and/or interferes with their schooling.

At Vestas, we do not permit, under any circumstances, the use of child labour in our business; employees must be at least 15 years old, or the age at which compulsory schooling is completed – whichever is highest. For juvenile workers, clear provisions must be in place to ensure they are only engaged in light work, do not work excessive hours or at night, and are not involved in any hazardous work. Hazardous work is, by its nature or the circumstances in which it is carried out, any work that is likely to jeopardise the health, safety, or morals of young persons.

### What does this mean for **Vestas suppliers?**

- Do not use child labour or benefit from the use of child labour in either your own operations or your supply chain.
- If employing juvenile workers, have in place clear juvenile labour provisions to ensure that juvenile workers are only engaged in light work, do not work excessive hours or at night, and are not involved in any hazardous work.
- Verify new employees' dates of birth via official identification and document this information in personal files. If it is not possible to view official identification, use alternative age verification systems.
- If you find child labour in your operations or supply chain, put in place a remediation process guaranteeing the best interests for the child involved.



# Labour Rights

## Working Conditions

### Vestas' Expectations

Vestas upholds applicable laws, industry standards, and relevant collective agreements regarding working hours, resting periods, compensation, and benefits (including leave). And we expect our suppliers to do the same. If there are differences between local, national, and Vestas' standards, the higher standards prevail.

### What does this mean for **Vestas suppliers**?

- Pay wages that, as a minimum, meet relevant national statutory minimum wages. Where there is no statutory minimum, you must meet trade or industry standards or collective bargaining agreements in the country of operation. If no established rates or conditions apply, you must pay rates of wages and observe conditions which are not lower than the general levels observed locally by comparable employers.
- Ensure that working hours fall within the limits set by law or by applicable collective agreements.
- Ensure that employees are given rest breaks in accordance with the law, and as a minimum at least one day off for every consecutive six-day working period.
- Provide social benefits that meet, as a minimum, national or local legal requirements. Where there are no legal requirements, benefits must meet industry standards or applicable collective agreements.
- Provide employees with a wage statement that specifies hours worked during the pay period. Statements should also show the rate of compensation according to applicable laws and in a language that all employees can understand.
- Ensure employees have proper visas, work permits, and other documents required to perform their work for Vestas.

# Labour Rights

## Freedom of Association & Collective Bargaining

### Vestas' Expectations

Vestas supports constructive dialogue and respects employees' rights to freely associate and collectively bargain. Freedom of association means respecting the right of all employers and employees to freely and voluntarily establish and join groups for the promotion and defense of their occupational interests. Collective bargaining refers to a voluntary process or activity through which employers and employees discuss and negotiate their working relations, particularly the terms and conditions of work.

### What does this mean for **Vestas suppliers**?

- Respect the right of all employees to form and join (or not join) a trade union, freely elect their own representatives, and bargain collectively. You must not interfere with or restrict this right. Employees should not fear intimidation or retaliation (including discrimination) for forming or joining a trade union, or participating in collective bargaining.
- Promote communication and cooperation with employees to raise work-related concerns and discuss them with management.
- Conduct bargaining with employee representatives in good faith.

# Labour Rights

## Discrimination

### Vestas' Expectations

At Vestas, we are committed to a diverse and inclusive workplace free from discrimination and we expect our suppliers to commit to the same.

Discrimination takes many forms; it can be unfair treatment based on employee characteristics, including but not limited to an employee's race, sex, gender identity, sexual orientation, age, language, religion, or disability. Discrimination can occur as a single incident, or as multiple incidents over time. It can also be directed towards one employee or a group of employees. In some jurisdictions discrimination is illegal and can result in significant fines, reputational damage, and even imprisonment.

We believe diversity and inclusion are critical to our success, and we are committed to protecting the right of equal treatment and opportunities. We also encourage all of our suppliers to adapt similar diversity and inclusion initiatives.

### What does this mean for **Vestas suppliers?**

- Treat all individuals equally and with dignity and respect.
- Do not discriminate in hiring or employment decisions, for example those relating to promotions or disciplinary actions. Such decisions must be based on qualifications, competences, and experience.

# Labour Rights

## Harassment

### Vestas' Expectations

Vestas prohibits workplace harassment, violence, bullying, and any other behaviour that is perceived to be disrespectful, offensive, or humiliating, regardless of whether it is spoken or written, physical, or psychological. Harassment can refer to a range of unacceptable behaviours and practices that result – intentionally or otherwise – in physical, psychological, sexual, or economic harm. It can occur as a single incident or as multiple incidents over time. It can also occur both in the workplace and outside of work. In some jurisdictions, harassment is illegal and can result in significant fines, reputational damage, and even imprisonment.

### What does this mean for **Vestas suppliers**?

- Promote a work environment free of harassment, violence, and bullying.
- Put in place policies to prevent harassment and ensure employees and managers are adequately trained.
- Ensure a reporting system is available for employees to raise concerns.

# Community Engagement

## Vestas' Expectations

At Vestas, we believe it is important to engage with potentially affected local communities proactively and in a respectful manner. In this way, we aim to understand local community concerns and gain their acceptance of a project.

Community engagement is the responsibility of all parties, including Vestas suppliers. Vestas commits to respect the rights and interests of local communities – including indigenous people – in relation to our operations and projects. When indigenous people are potentially affected by our activities, we are guided by relevant international standards, such as the International Finance Corporation (IFC) Performance Standards.

## What does this mean for **Vestas suppliers**?

- Avoid causing or contributing to negative impacts on local communities' human rights.
- Engage with and listen to local communities in an inclusive, equitable, culturally appropriate, and gender-sensitive way, particularly indigenous communities (where relevant).
- Treat communities' views with respect and consider them without discrimination.
- Do not tolerate retaliation against community members or civil society stakeholders who have raised concerns.
- Establish an adequate, accessible, and reliable operational grievance mechanism to respond to complaints and grievances from community members; ensure any complaints or grievances are addressed.

# Use of Security Personnel

## Vestas' Expectations

In line with international standards, such as The International Code of Conduct for Private Security Service Providers and the Voluntary Principles on Security and Human Rights, Vestas operates on the principle that the right to use force rests primarily with the legally constituted governments of the countries in which we operate. However, some national governments lack sufficient resources to adequately protect the health and safety of our employees. In such circumstances, engaging armed security guards may be required.

## What does this mean for **Vestas suppliers**?

- Notify and seek authorisation from Vestas for the use of armed security guards.
- If you are contracting armed security providers, you must implement security plans and company guidelines on the use of force. Vestas reserves the right to ensure that such plans and guidelines are of a similar standard to those used by Vestas.
- Regardless of whether you are using armed security or not, you need to ensure that all contracted security providers:
  - Act to protect personnel and property in accordance with applicable laws and international human rights standards.

# Conflict Minerals

## Vestas' Expectations

Vestas does not source minerals or metals directly. However, we source parts and components from our suppliers that can contain small amounts of minerals and metals that may originate from conflict-affected and high-risk areas, as defined by the OECD. Conflict-affected areas are characterised by the presence of armed conflict, widespread violence, or other risks of harm to people. High-risk areas may be defined by, but are not limited to, areas of political instability and repression, and extensive violence. In such areas, human rights abuses and violations of national or international law are often widespread.

Vestas conducts its own due diligence on conflict minerals, following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals to ensure we are not linked to human rights harms. Due diligence entails verifying that minerals and metals used in our suppliers' products, such as tin, tantalum, tungsten, and gold, 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 sources of the minerals and metals they use.

## What does this mean for **Vestas suppliers?**

- Do not source minerals and metals that contribute to ongoing conflicts.
- Exercise due diligence on the source and chain of custody of conflict minerals and metals in your supply chain.
- Make available upon request all documentation and supporting evidence that demonstrate your due diligence measures.



# 02

**Working with  
Integrity**



# Bribery & Facilitation Payments

## Vestas' Expectations

Vestas strictly prohibits our suppliers, and anyone acting on our behalf, from giving or accepting bribes or making facilitation payments.

Bribes are money, gifts, or anything of value offered to influence someone to get an unfair advantage, either for personal or professional gain. Bribes are illegal and can significantly damage the trust that our customers and suppliers have in us and our reputation. They also affect the communities where we live and work by creating unfair competition and increasing wealth inequality.

Facilitation payments are small bribes to public officials to secure or speed up certain administrative process which Vestas is already entitled to. Examples include passing immigration checks and granting minor approvals or customs clearance. Such payments may seem harmless, as the sums involved are generally small and often regarded as part of local custom or culture. However, facilitation payments undermine the efficient operation of governments and social services, and as such are far from harmless.

## What does this mean for **Vestas suppliers?**

- If offered or requested to give a bribe, you must always refuse and report it to Ethicsline.
- When interacting with public officials on Vestas' behalf, familiarise yourself with all relevant local laws.
- If you are requested to make a facilitation payment, you must refuse the request and challenge the legitimacy of it, for example by asking for a receipt. You should only make the payment if you fear for your safety, but you must report the incident to EthicsLine.

# Gifts & Hospitality

## Vestas' Expectations

Gifts and hospitality are a common way to express appreciation and build a business relationship. However, they can create an expectation of a favour in return.

Gifts and hospitality can sometimes be considered bribery and have the potential to expose Vestas and its suppliers to legal and reputational risk. Suppliers need to be careful, because even the appearance of inappropriate gifts and/or hospitality can damage the trust our customers and suppliers have in us.

## What does this mean for **Vestas suppliers?**

- Any gifts or hospitality given to Vestas employees must be legal, appropriate, inexpensive, and infrequent.
- If you are providing hospitality to Vestas employees, there must be a clear business purpose and link, for example a normal lunch following a meeting.
- Never give gifts or hospitality around the time of a business engagement, tender process, or contract renewal.
- Never give gifts or hospitality with the intention of unduly influencing a transaction.
- Never give gifts in the form of cash or cash equivalent, such as a gift card.

# Conflicts of Interest

## Vestas' Expectations

A conflict of interest can occur when a supplier's private interests influence or have the potential to influence the decisions they make while working for Vestas. It can be difficult for suppliers to make decisions impartially when they have two opposing interests.

It is crucial for Vestas that business activities are conducted in the best interests of the company. Conflicts of interests can create an uneven playing field (or the perception of one), and if not managed have the potential to evolve into corruption.

### Potential conflict of interest scenarios include:

- A supplier having a close relationship with a Vestas employee, such as a friend or family member.
- A former Vestas employee becoming a Vestas supplier.

## What does this mean for **Vestas suppliers?**

- Avoid conflicts of interest and use sound judgment.
- If you are faced with a conflict of interest, manage it by being open and transparent, and disclose the situation to Vestas.



# Respecting the Environment

# Environment

## Vestas' Expectations

Vestas supports a precautionary approach to environmental challenges. We evaluate the environmental performance of our activities and strive to continuously improve our performance and promote greater environmental responsibility.

We expect all suppliers to share and support our commitments in this area. Suppliers must comply with Vestas' environmental requirements, in addition to all relevant legislation and regulations – regardless of whether our requirements set higher standards than local laws.

## What does this mean for **Vestas suppliers**?

- Follow all Vestas' environmental requirements, as defined by Vestas.
- Identify and meet all relevant legislative and regulatory requirements.
- Maintain all applicable licenses, registrations, and permits.
- Work in accordance with an environmental management system – one that can deliver continuous improvements and enable emergency response preparedness.
- Evaluate the environmental performance of your activities, ensuring efficient use of resources like energy and water. You should also avoid or reduce waste and emissions, including CO<sub>2</sub> emissions, and adopt the principles of reuse and recycling.
- Ensure all hazardous substances are approved for the Vestas site at which you are working (where relevant). They should be stored, used, and transported in accordance with applicable guidelines, with all information included in safety data sheets. Where possible, hazardous substances should be substituted with less hazardous ones.
- Report all environmental accidents, near misses and hazard observations to your Vestas contact; this will enable us to deal with these issues in line with internal reporting policies.



# 04

## Fair Business Practices

# Intellectual Property & Confidentiality

## Vestas' Expectations

Vestas' intellectual property (IP) and confidential information are valuable and important assets to Vestas. We also recognise that intellectual property and confidential information belonging to others are of equal importance and value to them.

If we fail to protect our IP assets, there could be significant adverse financial, commercial, and technological consequences for Vestas, such as loss of business opportunities and technology exclusivity. Similarly, failure to respect the IP of others could lead to major financial, commercial, and reputational exposure for our organisation. Our suppliers play an important role in this area, helping to safeguard Vestas' confidential information, documents, software, tools, and technology from unauthorised use.

## What does this mean for **Vestas suppliers?**

- Carefully and diligently respect and protect intellectual property and confidential information created by and for Vestas.
- Always respect intellectual property and confidential information that belongs to others.



# Information Security

## Vestas' Expectations

Information is one of the most important assets at Vestas, which means that protecting it is crucial to our business. Our suppliers should always act truthfully, in a timely manner, and provide complete and accurate information to Vestas on any cybersecurity events or threats.

An informed and responsible supplier is one of the most effective safeguards against digital threats in our supply chain. We cannot rely solely on security products or tools; our suppliers' good judgement will play an important part in keeping our information safe and secure.

## What does this mean for **Vestas suppliers?**

- Respect all information security controls when dealing with Vestas systems and information.
- Protect Vestas' information, including intellectual property, and other sensitive business information.





# Data Privacy

## Vestas' Expectations

Protecting the integrity of personal data – of our employees, customers, suppliers, and other business partners – is of vital importance to Vestas. We are committed to processing personal data in an orderly and secure manner, in compliance with relevant data protection legislation. We expect our suppliers to share this commitment.

To support our efforts in this area, we have adopted a policy on data privacy that describes how Vestas processes personal data and the measures we have implemented to ensure all personal data is processed in an orderly and secure manner. This policy also outlines the mandatory principles we apply for the collecting and processing of personal data – principles we expect our suppliers to uphold.

## What does this mean for **Vestas suppliers?**

- Protect the data privacy of Vestas employees and suppliers when collecting and processing personal data.
- Adhere to all applicable data privacy laws when collecting, storing, using, processing, and sharing personal data.



# Competition Law

## Vestas' Expectations

Vestas expects its suppliers to respect free and fair competition and to comply with all applicable competition laws. Violating competition laws can have severe consequences, not only for Vestas, but for our suppliers also. Our suppliers must never take part in any illegal price fixing, illegal market sharing, or abuse any dominant position towards Vestas.

## What does this mean for **Vestas suppliers**?

- Do not enter into anti-competitive agreements or engage in concerted practices with competitors, suppliers, customers, or other business partners.
- Do not abuse a possible dominant position in the market.

# Export Control & Sanctions

## Vestas' Expectations

Economic sanctions and export control laws prevent Vestas and our suppliers from working with certain entities, persons, specific countries and/or their governments. It is essential that Vestas can rely on its suppliers to comply with applicable sanctions regimes and export control laws and provide all information required for Vestas to be compliant.

## What does this mean for **Vestas suppliers**?

- Identify and comply with applicable sanctions regimes and export control laws.
- Identify and manage risks related to sanctions regimes and export control laws in collaboration with Vestas.
- Conduct due diligence when selecting suppliers and avoid using sanctioned entities and persons.

**Vestas Wind Systems A/S**

Hedeager 42  
8200 Aarhus N  
Denmark

Phone: +45 9730 0000

[www.vestas.com](http://www.vestas.com)

©Vestas 2021

This document was created by Vestas Wind Systems A/S and contains copyrighted material, trademarks and other proprietary information. All rights reserved. No part of the document may be reproduced or copied in any form or by any means such as graphic, electronic or mechanical, including photocopying, taping or information storage and retrieval systems, without the prior written permission of Vestas Wind Systems A/S. All specifications are for information only and are subject to change without notice. Vestas does not make any representations or extend any warranties, expressed or implied, as to the adequacy or accuracy of this information.