

Vestas Conflict Minerals Policy

Vestas Wind Systems A/S and its group of companies (“Vestas”) is committed to corporate responsibility and to respecting human rights in its own operations and in its global supply chain. As part of that commitment, Vestas will seek to identify, reduce, and ultimately eliminate the use of conflict minerals from conflict-affected or high-risk areas in Vestas’ supply chain. By having an on-going, proactive and reactive process, in which Vestas is able to identify, manage and report on risks in Vestas’ supply chain, Vestas seeks to ensure that its suppliers import minerals and metals from responsible and conflict-free sources only.

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 supply chain due diligence on conflict minerals, following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals to ensure we are not inadvertently contributing to human rights harms. Due diligence entails verifying that minerals and metals used in our suppliers’ products, such as tin, tantalum, tungsten, and gold (3TGs), 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. The internationally recognised Conflict Minerals Reporting Template is used for supplier reporting of smelters being utilised.

The subsequent action towards suppliers is based on the risk-level of the reported smelters, and includes a follow up with suppliers that have reported potential risks to request for declarations on a company or product level. Supplier engagement helps us encourage more accurate reporting and progressively eliminate risks from upstream actors. The aim of our conflict minerals program is not to remove particular smelters right away, but to educate our supply chain and encourage them to establish their own responsible sourcing programs.

Vestas has the following expectations from its suppliers:

- Make available upon request CMRT on a product level, or a company level, if the initial one is not obtainable
- If any high-risk smelters are reported in the CMRT, identify if your vendors, who have listed these smelter sources, contribute to the products, parts or materials sold by you to Vestas
- After conducting due diligence, if any of the high-risk smelters remain in the supply chain of products, parts or materials sold by you to Vestas, you, as supplier to Vestas, must provide written documentation of your due diligence process to address this.

In the event Vestas evaluates that a supplier is unable to comply with this policy, and the supplier fails to collaborate in developing and achieving reasonable corrective steps, Vestas reserves the right to take applicable actions up to and including discontinuing purchases from the supplier.

Vestas is committed to continuous due diligence, including regular internal educational sessions equipping our employees to lead the dialogue with key stakeholders such as customers and suppliers. We are dedicated to achieving annual improvement in reported smelter data quality and increasing suppliers’ response rate, which will enable us to reach the final objective of ensuring that our suppliers’ products do not contain minerals sourced from conflict-affected or high-risk areas.

ANNEX

Key Terms & Definitions

“REGULATION (EU) 2017/821 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.”

“Conflict-affected and high-risk areas means areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses.”

“Supply chain due diligence scheme or due diligence scheme means a combination of voluntary supply chain due diligence procedures, tools and mechanisms, including independent third-party audits, developed and overseen by governments, industry associations or groupings of interested organizations.”
(Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017)

“The Conflict Minerals Reporting Template (CMRT) is a free, standardized reporting template developed by the Responsible Minerals Initiative (RMI) that facilitates the transfer of information through the supply chain regarding mineral country of origin and the smelters and refiners being utilized. The template also facilitates the identification of new smelters and refiners to potentially undergo an audit via the RMI’s Responsible Minerals Assurance Process (RMAP).”
(Responsible Mineral Initiative, RMI, What are conflict minerals?)

“The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas provides step-by-step management recommendations endorsed by governments for global responsible supply chains of minerals in order for companies to respect human rights and avoid contributing to conflict through their mineral or metal purchasing decisions and practices. The Due Diligence Guidance may be used by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas, and is intended to cultivate transparent, conflict-free supply chains and sustainable corporate engagement in the minerals sector.”
(Organisation for Economic Cooperation and Development (OECD), Due Diligence Guidance)

CMRT on a Company Level provides coverage for all the products manufactured by a supplier.

CMRT on a Product Level includes only the parts and products that a supplier sold to Vestas.



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