



Modern slavery and human trafficking statement 2018

As one of the world's largest green energy developers, acting responsibly and with integrity is deeply rooted in the way we do business at Ørsted.

This statement is published in accordance with the UK Modern Slavery Act 2015. It sets out the policies, procedures and concrete actions taken by Ørsted and its UK entities in 2018 to prevent, detect and respond to the risk of modern slavery and human trafficking in all its forms.

## 1. Who are we

The Ørsted vision is a world that runs entirely on green energy. Ørsted owns, develops, constructs and operates offshore and onshore wind farms, solar energy, electricity storage, bioenergy plants and innovative waste-to-energy solutions. Ørsted UK focuses on the development, construction, and operation of offshore wind farms and waste-to-energy solutions. Headquartered in Denmark, Ørsted employs over 6,000 people, including over 1,000 in the UK.

To realise our ambitious green energy targets, we work with diverse supply chains including: heavy manufacturing, construction and maritime services. The geographical distribution of our top 80% spend sourcing was approximately 88% from Europe, 11.5% from the USA and 0.5% from Asia<sup>1</sup>. Although this will change as we continue to develop our markets in the USA and Asia.

## 2. Our Code of Conduct and policy framework to address modern slavery and human trafficking

As a global green energy company, we aim to address risks of human trafficking and modern slavery by operating responsibly, safely and with integrity. We have developed a number of policies to ensure both we and our suppliers uphold high ethical standards that respect human rights.

Our approach to business integrity is guided by the United Nations Global Compact, of which we have been a signatory for 13 years. We are furthermore guided by international conventions, principles and guidelines, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

### *Policies*

Our [Code of Conduct for Business Partners](#) and overall sustainability framework guide our staff and business partners to take action to identify and to prevent forced labour and human trafficking in our own operations and the operations of our supply chains.

The Code of Conduct for Business Partners is an integral part of our business relationships and it is included in all contracts with suppliers. We fully commit ourselves to the principles of the Code of Conduct for Business Partners. The code outlines our expectations regarding compliance with applicable law and respect for labour and human rights. It includes clear requirements on all of our business partners relating to hiring practices, forced labour, and child labour as well as requirements relating to working hours, remuneration, harassment, abuse and disciplinary measures.

In 2018, we up-dated the Code of Conduct and we have strengthened our requirements relating to discrimination, disciplinary measures and sourcing from conflict-affected

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<sup>1</sup> Data based on invoicing country

areas. The new Code of Conduct for Business Partners has been approved and published on our website.

Our [Sustainability Commitment](#) sets out our overarching policy on sustainability and defines how we commit to safeguarding and strengthening human rights. The company policy on [Good Business Conduct](#) promotes good business behaviour and encourages employees to speak up and report non-conformities with our own policies, and international and national laws. Our Human Resources policies and particularly the policy on Mitigation of Recruitment Risks, promotes an open and transparent recruitment process which minimises the risk of forced and trafficked labour within our own company.

#### *Governance*

Our Responsible Business Partner Programme is the primary delivery mechanism for analysing, identifying and mitigating the risk of modern slavery and human trafficking in our supply chains. The Programme works closely with our procurement functions and is governed by a Steering Committee which is comprised of representatives from senior level Group and Procurement functions. The Responsible Business Partner Programme is implemented by a dedicated team of professionals in close cooperation with the procurement team and other functions across the business, and reports on a biannual basis to the Compliance Committee, chaired by Ørsted's Chief Executive Officer, on Key Performance Indicators.

The Responsible Business Partner Programme is an integral part of our programmatic approach to sustainability that addresses the societal challenges that we and our stakeholders believe are most material to our business. The Board of Directors is the highest authority that oversees our sustainability work, while the Group Executive Management has accountability for our sustainability programmes with specialist support from appointed committees.

#### *Whistleblower hotline*

An external provider manages our whistleblower hotline, which can be used by employees, business partners and any other stakeholder to report serious concerns in a secure and confidential way. All reports to the hotline are fully investigated and the report and any remedial action taken is presented to the Board of Directors.

### **3. Our due diligence and actions to identify and prevent modern slavery**

Modern slavery is a risk to any business and its supply chains. To mitigate our risks, we have established systematic due diligence and screening procedures of our own operations and supply chains. Based on this work, we believe that our primary modern slavery risks are found in our supply chains.

In 2018, we expanded the scope of our green energy solutions to include onshore wind, solar energy and energy storage, while we also consolidated our presence in the USA and Taiwan. To reflect the potential prevalence of modern slavery risks in our new supply chains and markets, we strengthened our screening due diligence in three ways:

- We introduced a new due diligence approach to assess country risks for our new sourcing markets in Asia and North America. This included selecting 30 Verisk Maplecroft database risk indices, used to produce a rating on the overall risk of operating in any given country. The rating is combined with sector-specific knowledge and available human rights reports from organisations such as Amnesty International and Human Rights Watch, and in complex cases external social specialists are contracted.
- We continued our engagement and risk assessments of our offshore maritime wind power suppliers as it was identified as a risk category in 2017. Our screenings and on-site assessments have demonstrated a general good compliance with the Maritime Labour Convention and our Code of Conduct for Business Partners. Regarding other contracted maritime services, our vetting of vessels is supported by RightShip's online screening platform to manage marine risks and eliminate substandard ships in our supply chain.
- We initiated a human rights impact assessment of our supply chain, which includes risk analyses of forced labour, human trafficking and other forms of modern slavery. This in-depth risk assessment is supported by an external human rights consulting company and will be concluded in 2019.

The Responsible Business Partner Programme implements a four-step process that combines risk screening and continuous improvement with our suppliers to mitigate any form of forced labour in our supply chain.

1. All Ørsted suppliers must accept our Code of Conduct for Business Partners as part of the contractual agreement. The Code of Conduct is therefore part of all contract templates in Ørsted.
2. Risk screening is carried out immediately after contract-signing taking into account the risk profiles associated with the country of production, the product or service category and the level of spend with the supplier.
3. High-risk and strategic suppliers are assessed against our expectations through questionnaires and site assessments where we review if they have policies, procedures and management systems in place to prevent forced labour, human trafficking, child labour and all other areas of our Code of Conduct for Business Partners.

4. If adverse findings or compliance gaps are found, we require our suppliers to develop and implement an improvement plan addressing areas of non-compliance to meet the expectations set out in our Code of Conduct for Business Partners.

This process is complemented by an extended 'Know Your Customer' screening of suppliers located in high-risk countries before contract signing which also include legal risks screening regarding corporate human rights abuses.

The Responsible Business Partner Programme also conducts an annual analysis of Ørsted 'top 80% spend' suppliers in order to identify potential strategic suppliers for further assessment and engagement. In addition, the programme produces periodic human rights impact assessments of our own operations and supply chains.

In addition, during 2018 we have strengthened our screening procedures and stakeholder engagement in three different ways:

- We have improved our standard supplier due diligence procedures in new markets for offshore wind power. This meant frontloading our screening and site assessment of suppliers to the pre-qualification stage to assess suppliers before contract signing. The site assessments in the Asia-Pacific region have demonstrated an overall good level of compliance with the business practices and standards that we require our business partners to agree to. If any non-conformities to our policies are identified, we have collaborated with our suppliers to put corrective action plans in place before contract implementation.
- We have participated actively in formulating Wind Europe's internal industry principles for supply chains, and we participate in the Dutch initiative for Responsible Business Conduct for the Wind Power Sector.
- We have strengthened our active engagement in three multi-stakeholder collaboration and peer learning groups, which we see as important to continuously improve our ability to understand and address modern slavery risks. We participate in the Danish Ethical Trading Initiative's working group on human rights impact assessments, the Global Compact Network Denmark's working group on human rights and the European Responsible Sourcing Council hosted by The Conference Board.

#### 4. Reporting and training

In 2018, the Responsible Business Partner Programme screened 248 suppliers. The programme made 24 comprehensive assessments and self-assessments of suppliers and opened 93 improvement actions, 37 of which

concerned human and labour rights. These areas have been addressed in collaboration with the suppliers, and we monitor that corrective actions are implemented and documented.

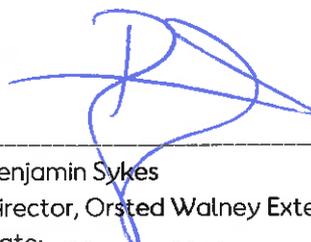
We continue to strengthen our targeted employee awareness of the need to ensure that human rights are protected within our own business and within our supply chain, and of the need to enforce our Code of Conduct for Business Partners. In 2018, this was done through face-to-face training and other internal communication platforms. Our face-to-face training was targeted on procurement staff and included training on the risk of forced labour and modern slavery within our supply chain. Approximately 100 procurement staff were trained, which constitutes approximately 40% of all our global procurement staff.

Our [Sustainability Report](#) and [ESG Performance Report](#) are published annually and presents data and performance on all our sustainability programmes, including the Responsible Business Partner Programme.

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This statement was approved by the Board of Directors of Orsted Walney Extension Holdings Limited

Signed on behalf of the Board



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Benjamin Sykes  
Director, Orsted Walney Extension Holdings Limited  
Date: 28 June 2019

## 5. References

This statement relates to the financial year ending 31 December 2018. It is published by Ørsted A/S and covers the following UK entities:

- Burbo Extension Ltd
- Lincs Wind Farm Limited
- Ørsted Bioenergy & Thermal Power A/S
- Orsted Burbo (UK) Limited
- Orsted Burbo Extension Holding Ltd
- Orsted Lincs (UK) Ltd
- Orsted London Array II Limited
- Orsted Power (UK) Limited
- Orsted Power Sales (UK) Limited
- Orsted Race Bank (Holding) Limited
- Orsted Sales (UK) Limited
- Ørsted Salg & Service A/S
- Orsted Walney Extension Holdings Limited
- Orsted West of Duddon Sands (UK) Limited
- Orsted Westernmost Rough Limited
- Ørsted Wind Power A/S
- Race Bank Wind Farm Limited
- Walney (UK) Offshore Windfarms Limited
- Walney Extension Limited
- Westernmost Rough Limited