MODERN SLAVERY STATEMENT OF

DONG ENERGY POWER (UK) LIMITED

DONG Energy Power (UK) Limited is a subsidiary of DONG Energy A/S and a part of the DONG Energy group (**"DONG Energy"**).

The board of directors of DONG Energy Power (UK) Limited has considered and adopted the Modern Slavery Statement of DONG Energy, a copy of which is annexed.

This statement was approved by the Board of Directors of DONG Energy Power (UK) Limited.

Benjamin J. Sykes
Director, DONG Energy Power (UK) Limited

DONG ENERGY MODERN SLAVERY STATEMENT 2016

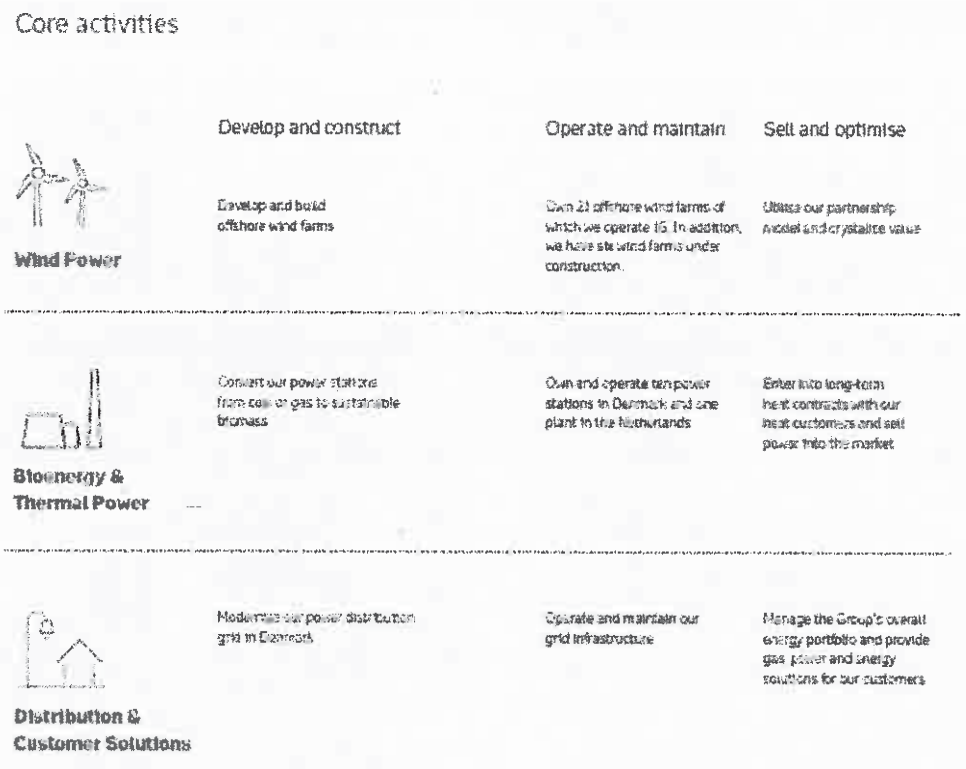
This statement is published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by the DONG Energy entities covered under the provisions of the Modern Slavery Act in 2016 to prevent modern slavery in its business and supply chains. This statement is intended to fulfil the legal requirement for a slavery and human trafficking statement on behalf of all DONG Energy entities in scope. Our efforts against slavery and human trafficking complement our broader Sustainability Commitment and our adherence to the UN Global Compact.

Our Business and supply chains

In DONG Energy, we want to lead the energy transformation by delivering green, independent, and economically viable energy solutions. We aim to achieve this by investing in renewable technologies and help change the global energy systems to green energy. As market leader in building offshore windfarms, we continuously work to deploy more offshore wind capacity and strengthen its competitiveness against other energy technologies. We are also committed to operating greener power stations by converting our coal- and gas – fired power stations to sustainable biomass.

We have a strong presence in North-western Europe and also have positions in US and Taiwan. We divide our operations into four business areas: Wind Power, Bioenergy & Thermal Power, Distribution and Customer Solutions, and Oil & Gas. In 2016, we decided to divest our Oil &Gas business and discontinue our production activities.

We rely on a highly skilled workforce of 6,200 employees to operate our business.



DONG Energy has an annual turnover of DKK 61bn.

DONG Energy has over 22,000 suppliers worldwide and across diverse industry sectors: heavy manufacturing, construction, maritime services, as well as raw materials such as biomass and coal.

Policies

At DONG Energy, responsible business conduct is fundamental to how we do business. Our approach is outlined in a number of policies.

We have an overarching policy on sustainability - our Sustainability Commitment. In this policy, we commit to running our business in a way that supports the UN Sustainable Development Goals. We have incorporated into this policy our commitment to safeguard and strengthen labour and human rights and promote fair and safe working conditions across our operations and our global supply chains.

We have applied our Code of Conduct for Business Partners to all our suppliers since 2006 which is aligned with international standards, including the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In 2015 we extended its application to include our joint venture partners. The code outlines our expectations regarding compliance with applicable law and respect for labour and human rights. It includes provisions on forced labour, hiring practices, child labour, as well as working hours, remuneration, harassment, abuse, and disciplinary measures.

Due diligence

At DONG Energy, we hold ourselves and our business partners to the highest standards of integrity and corporate responsibility. We developed our Responsible Business Partners Programme (RPP) to assess and improve the social, environmental, and ethical performance of our suppliers and joint venture partners. Through this platform, we implement a risk based process of due diligence.

The programme is aligned with the International Labour Organization conventions, the United Nations Global Compact principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multi-national Enterprises, the UK Bribery Act, and the UK Modern Slavery Act, and is founded on a collaborative approach that promotes continuous improvement on responsible practices of our business partners.

The programme assesses business partner compliance with our Code of Conduct identifying opportunities to promote responsible business practices.

DONG Energy: Responsible Business Partner Programme

For DONG Energy, integrity throughout our business is vital. We believe that acting responsibly is a fundamental basis in the way we do business and for creating long-term value.

Through our ***Responsible Business Partner Programme*** we aim to support our business partners in assessing and improving social, environmental, and ethical practices.

The programme is founded on a collaborative approach that promotes positive engagement on responsible practices and increases mutual trust and understanding between DONG Energy and our suppliers. Read more about the programme here.

This includes:

- ***Business partner acceptance of our expectations*** as set out in our Code of Conduct regarding compliance with laws and regulations, respect for human rights, protection of the environment, and commitment to prevent corruption and bribery.
- ***Risk Screening*** of both new and existing business partners based upon the risk profiles associated with the sector and the countries of production
- ***Assessment*** of business partner performance against our expectations through self-assessment questionnaires and/or site assessments
- ***Follow-up*** with our business partners in the development of improvement plans to address areas of non-compliance with our code identified during the assessment and promote opportunities for improved performance.

Through the RPP, we systematically screen new supplier contracts with a value greater than EUR 400,000 and new joint venture partners on a continuous basis as well as existing suppliers that make up our top 80 per cent spend annually.

In 2016, we initiated a human rights risk mapping of our primary supply chains. The aim is to identify our salient human rights risks related to our supply chains in order to mitigate them through the RPP. We expect to complete this mapping in 2017.

We also operate a **Whistleblower Hotline** which can be used by employees, business partners, customers, and any other stakeholder to report serious concerns in a secure and confidential way. All reports will be fully investigated and appropriate remedial actions taken.

Governance

At DONG Energy, responsibility for our sustainability performance lies with the business at the relevant levels of the organisation, with the Board of Directors as the highest authority. Our Sustainability Committee, which is chaired by our CFO, oversees that we live up to our Sustainability Commitment and monitors the progress of our all our programmes, including the RPP.

A steering committee representing the principal procurement functions and headed by Senior Vice President of Group Stakeholder Affairs, oversees the performance of the RPP. The committee meets twice a year and supervises the programme's achievements. The RPP also reports outcomes of the supplier assessment process to the Compliance Committee, chaired by our CEO biannually and to the CFOs of each business unit quarterly.

In a continuous effort to strengthen our sustainability reporting, our independent Internal Audit function has, in 2016, audited our Responsible Business Partner Programme and assessed the programme's risk identification process, procedures, and results. The conclusion was that our processes and controls are reliable.

Assessment of Modern Slavery risk within our supply chain

We understand that Modern Slavery is a risk to any business. Through our assessment of our operations, we believe that our principal modern slavery risks are in our supply chains and that our internal human resources policies and procedures are adequate for mitigating risks within our operations

In 2016, we have increased our focus on Modern Slavery in our supply chains. We conducted an analysis of our sourcing countries and product areas to identify where our biggest risks lie. This enables us to focus on suppliers where our actions can have the most impact. The vast majority of DONG Energy suppliers are located in countries with a low risk of forced labour.

Our analysis highlighted the possibility of risks of modern slavery in services industries, particularly maritime services, and construction. We also identified sourcing countries with a high influx of foreign migrants that presented potential risks of poor recruitment practices and debt bondage, workers on vessels, working conditions for foreign workers. The results of this process were integrated into our supply chain due diligence.

Through the RPP, we conducted 2 site assessments of suppliers which presented the highest risks of modern slavery in our current supply chain. This included a new supplier in Turkey and an off-shore accommodation rig. During site assessments, the RPP team spends 2 days at the production site. The visit includes a tour of production facilities, interview with management, interviews with employees and union representatives if relevant.

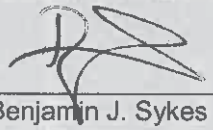
We understand that Modern Slavery is not static and will continue our proactive approach to identifying and mitigating this risk in the years ahead.

Case: Addressing Modern Slavery risk in our maritime supply chain

In 2016, we prioritized maritime services suppliers for engagement in our Responsible Business Partner Programme as part of our modern slavery risk identification process. This year, we signed a contract with a new supplier for the provision of an off-shore accommodation rig. In December, the RPP team visited the rig and conducted interviews with crew employees. The interviews focused on a wide range of labour and human rights issues such as their recruitment process, their working conditions, contracts, hours and wages. While the assessment revealed that the overall working environment was in alignment with international good practice, there were nevertheless some labour issues that presented a potential risk of modern slavery. The RPP team provided recommendations for addressing these issues which the supplier accepted and began implementing in January 2017.

This statement was approved by the Board of Directors of DONG Energy Power (UK) Limited

Signed on behalf of the Board



Name: Benjamin J. Sykes
Director, DONG Energy Power (UK) Limited
Date: 08 JUNE 2017