

Realizing the UN Global Compact Advanced 2020

Vestas uses its Sustainability Report 2020 for its annual Communication on Progress (CoP) and has uploaded it to the UN Global Compact (UNGC).

This document provides a self-assessment of how Vestas' CoP lives up to the advanced level by providing references to the report and other documents, if necessary.

Reporting	Component	UNGC suggested best practice	Vestas practice
CoP description	How is the accuracy and completeness of information in your COP assessed by a credible third-party?	Information is reviewed by multiple stakeholders (e.g., representatives of groups prioritized in stakeholder analysis)	
		Information is reviewed by a panel of peers (e.g., members of the same industry, competitors, benchmarked leaders, others organized via Global Compact Local Network)	
		Information is assured by independent assurers (e.g., accounting or consulting firm) using their own proprietary methodology	
		Information is assured by independent assurers (e.g., accounting or consulting firm) against recognized assurance standard (e.g., ISAE3000, AA1000AS, other national or industry-specific standard)	Annual Report 2020, p. 134
		Other established or emerging best practices	
	The COP incorporates the following high standards of transparency and disclosure	Applies the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines	
		Is 'in accordance – core' with GRI G4	
		Is 'in accordance – comprehensive' with GRI G4	
		Applies elements of the International Integrated Reporting Framework	
		Provides information on the company's profile and context of operation	Sustainability Report 2020, pp 6-7, 42-43

Reporting	Component	UNGC Suggested best practice	Vestas practice
COP description	Which of the Sustainable Development Goals (SDGs) do the activities described in your COP address?	SDG 4: Ensure inclusive and equitable education and promote lifelong learning opportunities for all	Sustainability Report 2020, pp 24-27, 46-47
		SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	Sustainability Report 2020, pp 6-7, 46-47
		SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Sustainability Report 2020, pp 22-27, 30-31, 46-47
		SDG 12: Ensure sustainable consumption and production patterns	Sustainability Report 2020, pp 32-38, 46-47
		SDG 13: Take urgent action to combat climate change and its impacts	Sustainability Report 2020, pp 3-5, 46-47
		SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	Sustainability Report 2020, pp 16-17, 40-41, 44-45, 46-47
	With respect to your company's actions to advance the Sustainable Development Goals (SDGs), the COP describes	Opportunities and responsibilities that one or more SDGs represent to our business	Sustainability Report 2020, pp 46-47
		Where the company's priorities lie with respect to one or more SDGs	Sustainability Report 2020, pp 46-47
		Goals and indicators set by our company with respect to one or more SDGs	Sustainability Report 2020, pp 8-18, 46-47
		How one or more SDGs are integrated into the company's business model	Sustainability Report 2020, pp 46-47
		The (expected) outcomes and impact of your company's activities related to the SDGs	Sustainability Report 2020, pp 46-47
		If the company's activities related to the SDGs are undertaken in collaboration with other stakeholders	Sustainability Report 2020, pp 46-47
		Other established or emerging best practice	

Dimension	Criterion	UNGC Suggested best practice	Vestas practice
Implementing the Ten Principles into Strategies and Operations	1: The COP describes mainstreaming into corporate functions and business units	Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) ensuring no function conflicts with company's sustainability commitments and objectives.	Sustainability Report 2020, pp 42-43
		Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.	Sustainability Report 2020, pp 18, 42-43
		Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.	Sustainability Report 2020, pp 42-43
		Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs.	Sustainability Report 2020, pp 8-18, 42-43
		Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.	Sustainability Report 2020, pp 42-43
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	2: The COP describes value chain implementation	Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.	Sustainability Report 2020, pp 11, 31
		Communicate policies and expectations to suppliers and other relevant business partners.	Sustainability Report 2020, p. 31
		Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence.	Sustainability Report 2020, p. 31
		Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.	Sustainability Report 2020, p. 31
		Other established or emerging best practices	Cascading environmental reporting and target-setting down our value chain, cf. Sustainability Report 2020, p. 31
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	

Issue Area	Criterion	UNGC Suggested best practice	Vestas practice
Robust Human Rights Management Policies & Procedures	3: The COP describes robust commitments, strategies or policies in the area of human rights	Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g. the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)	Sustainability Report 2020, pp 14-15, 30-31, 40-41
		Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)	Sustainability Report 2020, pp 14-15, 30-31, 40-41
		Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)	Sustainability Report 2020, pp 14-15, 30-31, 40-41
		Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)	Sustainability Report 2020, pp 30-31
		Other established or emerging best practices	Setting human rights-related KPIs, cf. Sustainability Report 2020 p. 49
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	4: The COP describes effective management systems to integrate the human rights principles	Process to ensure that internationally recognized human rights are respected	Sustainability Report 2020, pp 14-15, 30-31, 40-41
		On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)	Sustainability Report 2020, pp 14-15, 30-31, 40-41
		Internal awareness-raising and training on human rights for management and employees	
		Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE4 + ARE4)	Sustainability Report 2020, pp 14-15, 30-31, 40-41, 49
		Allocation of responsibilities and accountability for addressing human rights impacts	Sustainability Report 2020, p. 42-43
		Internal decision-making, budget and oversight for effective responses to human rights impacts	Sustainability Report 2020, p. 42-43
		Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)	Sustainability Report 2020, pp 14-15, 30-31, 40-41
		Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)	Sustainability Report 2020, pp 14-15, 30-31, 40-41
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	5: The COP describes effective monitoring and evaluation mechanisms of human rights integration	System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)	Sustainability Report 2020, pp 14-15, 30-31, 40-41, 49
		Monitoring drawn from internal and external feedback, including affected stakeholders	Sustainability Report 2020, p. 11
		Leadership review of monitoring and improvement results	Sustainability Report 2020, p 42-43
		Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)	Sustainability Report 2020, pp 30-31, 40-41
		Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)	Sustainability Report 2020, pp 14-15, 30-31, 40-41, 49
		Outcomes of integration of the human rights principles	Sustainability Report 2020, pp 30-31, 40-41, 49
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	

Issue Area	Criterion	UNGC Suggested best practice	Vestas practice
Robust Labour Management Policies & Procedures	6: The COP describes robust commitments, strategies or policies in the area of labour	Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	Sustainability Report 2020, pp 30-31
		Reflection on the relevance of the labour principles for the company	Sustainability Report 2020, pp 30-31, 40-41
		Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).	Sustainability Report 2020, pp 30-31, 42-43
		Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	Sustainability Report 2020, pp 30-31
		Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation	Sustainability Report 2020, pp 24-25
		Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government).	
		Structural engagement with a global union, possibly via a Global Framework Agreement	
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
		7: The COP describes effective management systems to integrate the labour principles	Risk and impact assessments in the area of labour
	Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards		
	Allocation of responsibilities and accountability within the organisation		Sustainability Report 2020, pp 42-43
	Internal awareness-raising and training on the labour principles for management and employees		
	Active engagement with suppliers to address labour-related challenges		Sustainability Report 2020, pp 30-31
	Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers		Sustainability Report 2020, pp 30-31, 40-41
	Other established or emerging best practices		
	8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration	System to track and measure performance based on standardized performance metrics	Sustainability Report 2020, pp 24-29
		Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future	
		Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	Sustainability Report 2020, pp 30-31
		Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices	Sustainability Report 2020, 30-31
		Outcomes of integration of the Labour principles	Sustainability Report 2020, pp 24-29
Other established or emerging best practices			
Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff			

Issue Area	Criterion	UNGC Suggested best practice	Vestas practice
Robust Environmental Management Policies & Procedures	9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	Reference to relevant international conventions and other international instruments (e.g., Rio Declaration on Environment and Development)	Sustainability Report 2020, pp 3, 8-18
		Reflection on the relevance of environmental stewardship for the company	Sustainability Report 2020, pp 3, 8-18
		Written company policy on environmental stewardship	Sustainability Report 2020, p. 32
		Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	Sustainability Report 2020, p. 31
		Specific commitments and goals for specified years	Sustainability Report 2020, pp 8-18
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	10: The COP describes effective management systems to integrate the environmental principle	Environmental risk and impact assessments	Sustainability Report 2020, pp 9, 23
		Assessments of lifecycle impact of products, ensuring environmentally sound end-of-life management policies	Sustainability Report 2020, p. 26
		Allocation of responsibilities and accountability within the organisation	Sustainability Report 2020, pp 42-43
		Internal awareness-raising and training on environmental stewardship for management and employees	Sustainability Report 2020, pp 42-43
		Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	Sustainability Report 2020, pp 20-21
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	System to track and measure performance based on standardized performance metrics	Sustainability Report 2020, pp 18, 28, 49
		Leadership review of monitoring and improvement results	Sustainability Report 2020, pp 42-43
		Process to deal with incidents	Sustainability Report 2020, p. 27
		Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	Sustainability Report 2020, p. 21
		Outcomes of integration of the environmental principles	Sustainability Report 2020, pp 22-28
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	

Issue Area	Criterion	UNGC Suggested best practice	Vestas practice
Robust Anti-Corruption Management Policies & Procedures	12: The COP describes robust commitments, strategies or policies in the area of anti-corruption	Publicly stated formal policy of zero-tolerance of corruption (D1)	Sustainability Report 2020, pp 20-21, 42-34
		Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes (B2)	Sustainability Report 2020, pp 20-21, 42-34
		Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	Sustainability Report 2020, pp 20-21, 42-34
		Detailed policies for high-risk areas of corruption (D4)	Sustainability Report 2020, pp 20-21, 42-34
		Policy on anti-corruption regarding business partners (D5)	Sustainability Report 2020, pp 20-21, 42-34
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	13: The COP describes effective management systems to integrate the anti-corruption principle	Support by the organization's leadership for anti-corruption (B4)	Sustainability Report 2020, pp 42-34
		Carrying out risk assessment of potential areas of corruption (D3)	
		Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)	Sustainability Report 2020, pp 30-31, 42-43
		Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	Sustainability Report 2020, pp 30-31, 42-43
		Actions taken to encourage business partners to implement anti-corruption commitments (D6)	Sustainability Report 2020, pp 30-31
		Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)	Sustainability Report 2020, pp 30-31, 42-43
		Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)	Sustainability Report 2020, pp 30-31
		Internal accounting and auditing procedures related to anticorruption (D10)	
		Other established or emerging best practices	
	Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff		
	14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	Leadership review of monitoring and improvement results (D12)	Sustainability Report 2020, 42-43
		Process to deal with incidents (D13)	Sustainability Report 2020, pp 30-31
		Public legal cases regarding corruption (D14)	
		Use of independent external assurance of anti-corruption programmes (D15)	
Outcomes of integration of the anti-corruption principle		Sustainability Report 2020, pp 30-31	
Other established or emerging best practices			
Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff			

Dimension	Criterion	UNGC Suggested best practice	Vestas practice
Taking Action in Support of Broader UN Goals and Issues	15: The COP describes core business contributions to UN goals and issues	Align core business strategy with one or more relevant UN goals / issues.	Sustainability Report 2020, pp 46-47
		Develop relevant products and services or design business models that contribute to UN goals / issues.	Sustainability Report 2020, pp 46-47
		Adopt and modify operating procedures to maximize contribution to UN goals / issues.	Sustainability Report 2020, pp 46-47
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	16: The COP describes strategic social investments and philanthropy	Pursue social investments and philanthropic contributions that tie in with the core competences or operating context of the company as an integrated part of its sustainability strategy.	Sustainability Report 2020, pp 40-41, 46-47
		Coordinate efforts with other organizations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.	
		Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups.	Sustainability Report 2020, pp 40-41, 46-47
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	17: The COP describes advocacy and public policy engagement	Publicly advocate the importance of action in relation to one or more UN goals / issues.	Sustainability Report 2020, pp 46-47
		Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals / issues.	Sustainability Report 2020, pp 46-47
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	18: The COP describes partnerships and collective action	Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy.	Sustainability Report 2020, pp 46-47
		Join industry peers, UN entities and/or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/ or local levels with an emphasis on initiatives that extend the company's positive impact on its value chain.	Sustainability Report 2020, pp 43, 46-47
Other established or emerging best practices			
Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff			

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Corporate Sustainability Governance and Leadership	19: The COP describes CEO commitment and leadership	CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.	Sustainability Report 2020, pp 4-5
		CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.	Sustainability Report 2020, pp 4-5
		CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.	Sustainability Report 2020, pp 4-5, 42-43
		Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team.	
		Other established or emerging best practices	
	20: The COP describes Board adoption and oversight	Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
		Board of Directors (or equivalent) assumes responsibility and oversight for long term corporate sustainability strategy and performance.	Sustainability Report 2020, pp 42-43
		Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability.	
		Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).	Board approves Sustainability Report
		Other established or emerging best practices	
	21: The COP describes stakeholder engagement	Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
		Publicly recognize responsibility for the company's impacts on internal and external stakeholders.	Sustainability Report 2020, pp 11, 42-43
		Define sustainability strategies, goals and policies in consultation with key stakeholders.	Sustainability Report 2020, pp 11, 42-43
		Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.	Sustainability Report 2020, pp 11, 42-43
		Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'.	Sustainability Report 2020, pp 11, 30-31, 42-43, 52
Other established or emerging best practices			

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ANNEX: Business & Peace	The COP describes policies and practices related to the company's core business operations in high-risk or conflict-affected areas	Information on how policies, strategies and operating practices have been adapted to the specific high-risk/conflict context based on due diligence	Sustainability Report 2020, pp 14-15, 31, 40-41
		Adherence to best practices even where national law sets a lower standard, including in the management of security services	Sustainability Report 2020, pp 14-15, 40-41
		Management of the supply chain to avoid contributing to conflict through purchasing decisions and practices	Sustainability Report 2020, pp 30-31
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	The COP describes policies and practices related to the company's government relations in high-risk or conflict-affected areas	Assessment of opportunities for constructive engagement with government actors in order to support peace	
		Measures undertaken to avoid complicity in human rights violations by government actors	
		Management practices aimed at preventing corrupt relationships with government officials	Sustainability Report 2020, pp 30-31
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff	
	The COP describes local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas	Assessment of opportunities for constructive engagement with government actors in order to support peace	
		Stakeholder engagement mechanisms across company and contractor operations	Sustainability Report 2020, pp 14-15, 31, 40-41
		Approaches to stakeholder engagement involving civil society, international organizations, etc	Sustainability Report 2020, pp 14-15, 40-41
		Actions toward constructive and peaceful company-community engagement	Sustainability Report 2020, pp 14-15, 40-41
		Sustainable social investment projects	Sustainability Report 2020, pp 14-15, 40-41
Other established or emerging best practices			
Any relevant policies, procedures, and activities that the company plans to undertake to fulfil this criterion, including goals, timelines, metrics, and responsible staff			