Realizing the UN Global Compact Advanced 2014

Vestas' Communication on Progress consists of the Annual Report 2014 combined with additional information about Vestas' sustainability initiatives at vestas.com. A pfd is prepared of the additional information on the web and both documents are uploaded to UN Global Compact.

This document provides a self-assessment of how Vestas' Communication on Progress lives up to the advanced level by providing references to the Annual Report 2014 and links to vestas.com respectively.

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)	Reviewed by peers in Global Compact Nordic Network
		Information is assured by independent assurors (e.g., accounting or consulting firm) using their own proprietary methodology	
		Information is assured by independent assurors (e.g., accounting or consulting firm) against recognized assurance standard (e.g., ISAE3000, AA1000AS, other national or industry-specific standard)	Annual Report 2014, p 110
		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	Annual Report 2014, p 107 GRI Index
		Qualifies for Level B or higher of the GRI G3 or G3.1 application levels	GRI Index
		Is 'in accordance – core' with GRI G4	
		Is 'in accordance – comprehensive' with GRI G4	
		Provides information on the company's profile and context of operation	Corporate governance Annual Report 2014, pp 17, 20-27, 101-103

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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.	Suppliers Partnership Against Corruption Initiative
		Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.	Management systems
		Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.	Organising sustainability
		Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs.	
		Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts.	Management systems Stakeholder engagement Suppliers
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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.	Management systems Safety standards
		Communicate policies and expectations to suppliers and other relevant business partners.	Suppliers
		Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence.	Suppliers
		Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.	Suppliers
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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)	Annual Report 2014, p 31-32 Code of Conduct Human rights and labour
		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)	Annual Report 2014, p 31-32 Code of Conduct
		Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)	Annual Report 2014, p 31-32 Human rights and labour
		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)	Code of Conduct
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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	
		On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)	Annual Report 2014, p 31-32 Human rights and labour
		Internal awareness-raising and training on human rights for management and employees	Annual Report 2014, p 31-32 Human rights and labour
		Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE4 +ARE4)	
		Allocation of responsibilities and accountability for addressing human rights impacts	Human rights and labour
		Internal decision-making, budget and oversight for effective responses to human rights impacts	Human rights and labour
		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)	Human rights and labour
		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)	
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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)	Suppliers Human rights and labour
		Monitoring drawn from internal and external feedback, including affected stakeholders	
		Leadership review of monitoring and improvement results	
		Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)	
		Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)	EthicsLine
		Outcomes of integration of the human rights principles	Suppliers Human rights and labour
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	

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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	Annual Report 2014, p 31-32 Code of Conduct
		Reflection on the relevance of the labour principles for the company	Annual Report 2014, p 31-32 Code of Conduct
		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).	Annual Report 2014, p 31-32 Code of Conduct
		Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	Suppliers
		Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation	
		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 fulfill 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	Human rights and 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	Human rights and labour
		Internal awareness-raising and training on the labour principles for management and employees	Human rights and labour
		Active engagement with suppliers to address labour-related challenges	
		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	EthicsLine
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	
	8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration	System to track and measure performance based on standardized performance metrics	
		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	Suppliers
		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	
		Outcomes of integration of the Labour principles	Human rights and labour
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	

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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)	Annual Report 2014, p 31 Code of Conduct
		Reflection on the relevance of environmental stewardship for the company	Annual Report 2014, p 33
		Written company policy on environmental stewardship	Sustainability policies
		Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	Suppliers
		Specific commitments and goals for specified years	Carbon footprint Renewable energy Recyclability
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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	Management systems
		Assessments of lifecycle impact of products, ensuring environmentally sound end-of-life management policies	Annual Report 2014, p 33 Life cycle assessment
		Allocation of responsibilities and accountability within the organisation	Organising sustainability
		Internal awareness-raising and training on environmental stewardship for management and employees	Training
		Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	EthicsLine
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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	Annual Report 2014, p 9 Selected environmental data
		Leadership review of monitoring and improvement results	Management systems
		Process to deal with incidents	Global standards and processes
		Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	Suppliers
		Outcomes of integration of the environmental principles	Annual Report 2014, p 9 Selected environmental data Annual Report 2014, p 33, 108-109 Carbon footprint
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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)	Annual Report 2014, p 31 Code of Conduct
		Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes (B2)	Code of Conduct Partnership Against Corruption Initiative
		Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	Partnership Against Corruption Initiative
		Detailed policies for high-risk areas of corruption (D4)	Partnership Against Corruption Initiative
		Policy on anti-corruption regarding business partners (D5)	
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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)	Organising sustainability
		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)	Code of Conduct
		Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	
		Actions taken to encourage business partners to implement anti-corruption commitments (D6)	Suppliers
		Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)	
		Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)	EthicsLine
		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 fulfill 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)	Organising sustainability
		Process to deal with incidents (D13)	EthicsLine
		Public legal cases regarding corruption (D14)	
		Use of independent external assurance of anti-corruption programmes (D15)	
		Outcomes of integration of the anti-corruption principle	Partnership Against Corruption Initiative
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	

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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.	Annual Report 2014, p 26-27 Sustainable products
		Develop relevant products and services or design business models that contribute to UN goals / issues.	Annual Report 2014, p 26-27 Sustainable products
		Adopt and modify operating procedures to maximize contribution to UN goals / issues.	Annual Report 2014, p 31-33 Carbon footprint
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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.	
		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.	Communities
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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.	Political affairs
		Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals / issues.	
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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.	WindMade UN Sustainable Energy for All
		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.	Memberships Active member of PACI taskforce
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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.	CEO statement
		CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.	Sustainable Energy for All
		CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.	Annual Report 2014, p 10
		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	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	
	20: The COP describes Board adoption and oversight	Board of Directors (or equivalent) assumes responsibility and oversight for long term corporate sustainability strategy and performance.	Organising sustainability
		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 Annual Report
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	
	21: The COP describes stakeholder engagement	Publicly recognize responsibility for the company's impacts on internal and external stakeholders.	Relations with stakeholders
		Define sustainability strategies, goals and policies in consultation with key stakeholders.	
		Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.	Stakeholder engagement Material issues
		Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'.	EthicsLine
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	

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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	Annual Report 2014, p 32 Communities
		Adherence to best practices even where national law sets a lower standard, including in the management of security services	
		Management of the supply chain to avoid contributing to conflict through purchasing decisions and practices	
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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	Partnership Against Corruption Initiative
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill 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	
		Approaches to stakeholder engagement involving civil society, international organizations, etc	
		Actions toward constructive and peaceful company-community engagement	
		Sustainable social investment projects	Communities
		Other established or emerging best practices	
		Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	