

# Welcome to **Vestas Insights on Sustainability – Part 2**

14<sup>th</sup> April 2021





# Agenda

## **Welcome**

Richard Baylis, Vice President Sales East & Business Development

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## **A New Approach to Sustainability**

Lisa Malmquist Ekstrand, Global Head of Sustainability

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## **Focus: Carbon reductions in own operation**

Lilian Harbak, Senior Environmental Specialist, QSE

Peter Garrett, Senior Environmental Specialist, QSE

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## **Focus: Carbon reductions in supply chain**

Soren Steinfeldt, Sustainability Specialist, Global Procurement

Sara Nassehi Nejad, Sustainability Specialist, Global Supply Chain



# A New Approach To Sustainability

Lisa Ekstrand





# January 2020: Vestas launches a sustainability strategy 'Sustainability in everything we do'

Integrating sustainability into the full value chain



From 'Sustainability is the business we are in'



To 'Sustainability in everything we do'



# Sustainability in everything we do

CARBON FOOTPRINT

## Carbon neutral company by 2030 – without using carbon offsets

Reducing CO<sub>2</sub> emissions in own operations by 55% by 2025, without using carbon offsets

Reducing CO<sub>2</sub> emissions in own operations by 100% by 2030, without using carbon offsets

Reducing CO<sub>2</sub> emissions in the supply chain by 45% per MWh generated by 2030 compared to 2019



CIRCULARITY

## Producing zero-waste wind turbines by 2040

Hub and blade to be 50% recyclable by 2025

Hub and blade to be 55% recyclable by 2030



OUR EMPLOYEES

## Safest, most inclusive & socially-responsible workplace in the energy industry

25% women in leadership positions by 2025 and 30% by 2030

Inclusive leadership training and unconscious bias training mandatory part of all talent and leadership training by 2021

Reduce the rate of total recordable injuries to 1.5 by 2025, and to 0.6 by 2030



ENERGY TRANSITION

## Leading the transition towards a world powered by sustainable energy

Take a leading role in driving electrification beyond the power sector

Team up with other sustainability leaders to drive change

Supporting our partners in their journey to become more sustainable

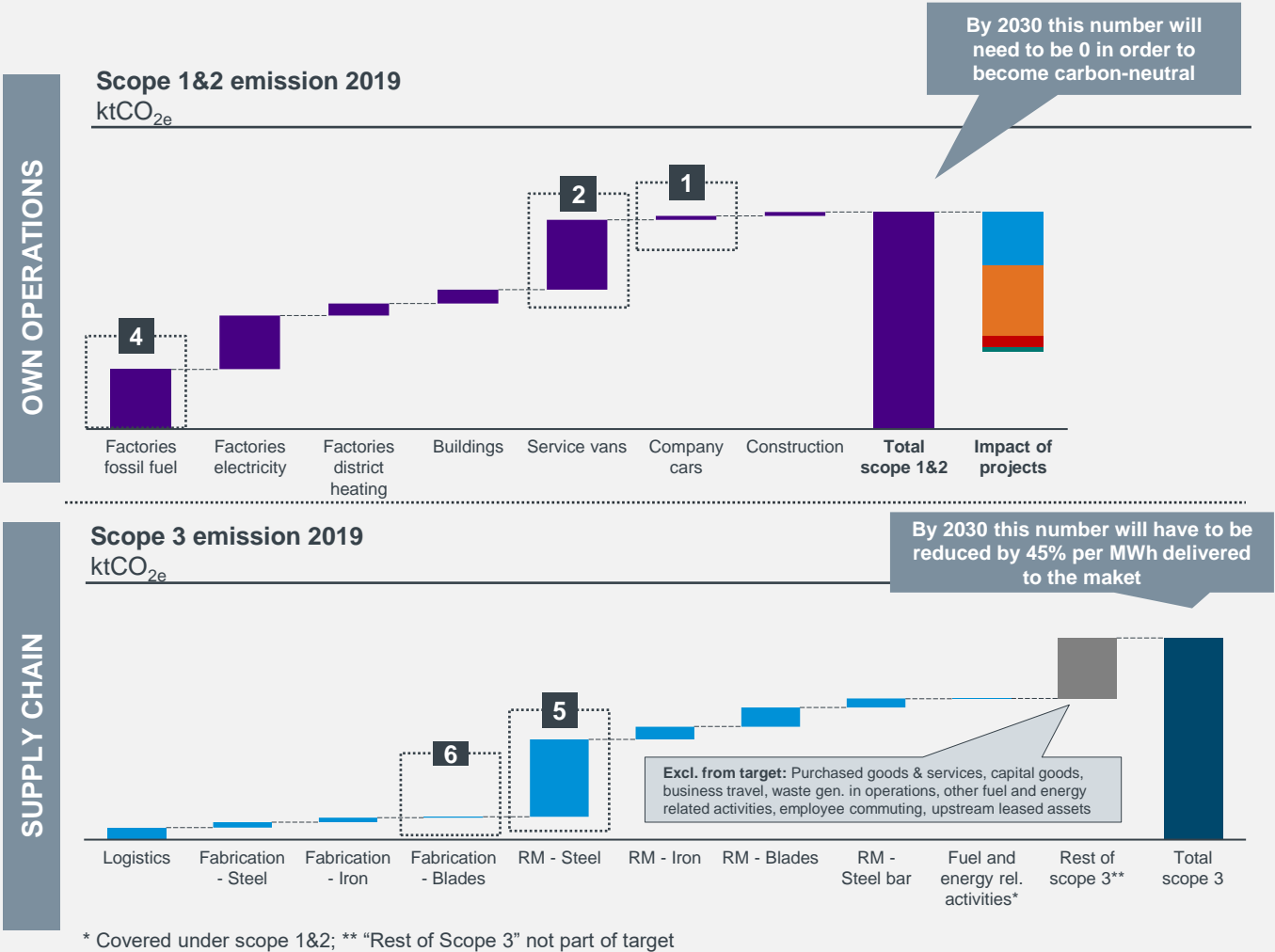




# Vestas sustainability priority projects

Six projects selected for 2020/21 based on CO2 reduction impact, customer demand & opportunities

2020/21 PROJECTS	
1	BENEFIT CARS 2020-2025
2	SERVICE VEHICLES 2020-2025
3	CHARGERS
4	PILOT – REDUCE CO2 FROM HEATING
5	CO2 REDUCED STEEL IN TOWER
6	BLADE RECYCLING PROJECTS





# Carbon reductions in own operations

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Lilian Harbak & Peter Garrett

Global QSE



# Progress on CO2 reductions in own operations

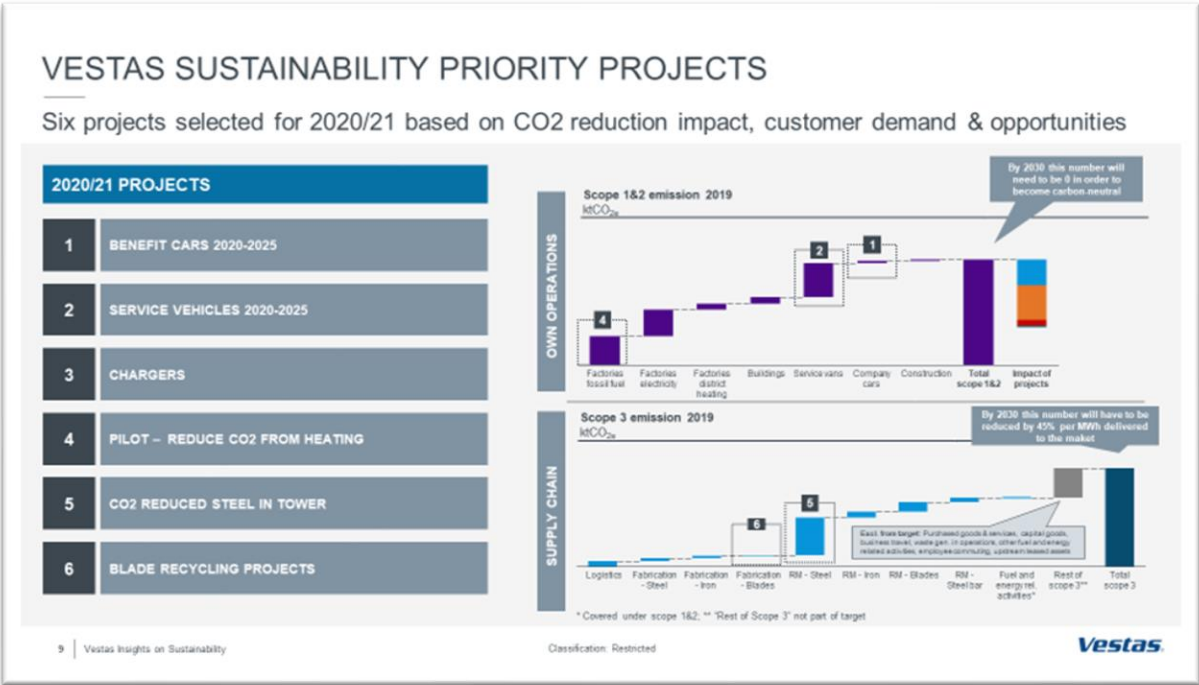
33% CO<sub>2</sub> reduction in own operations last year

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## KEY ACHIEVEMENTS 2020

- ✓ **33%** reduction in scope 1 & 2 emissions, electricity consumption now 100% renewable
- ✓ Replaced **35%** of benefit car fleet with EVs/PHEVs
- ✓ Introduced **127** sustainably fueled service vehicles
- ✓ 50 chargers installed, ~ 40 in progress
- ✓ CO<sub>2</sub> reduction targets validated by the Science Based Targets Initiative





# Energy

## Energy efficiency and transition to renewable energy

### Energy consumption

- 48% renewable in 2020
- Global Energy Management Board
  - Energy policy and mappings
  - Identifying savings potentials
  - Sharing best practices
  - Short- and long-term reduction targets energy and CO<sub>2</sub>

### Electricity consumption

- 100% renewable in 2020
- Member of RE100
- In 2020, 15% own production
- By 2022, 9% on-site generation, learning to be shared

### Service fleet

- Only sustainably fuelled vehicles by 2025. EV etc.
- Target for 2020; 115 sustainable service vans globally, reached 127
- Target for 2021 is 207 sustainable service vans globally

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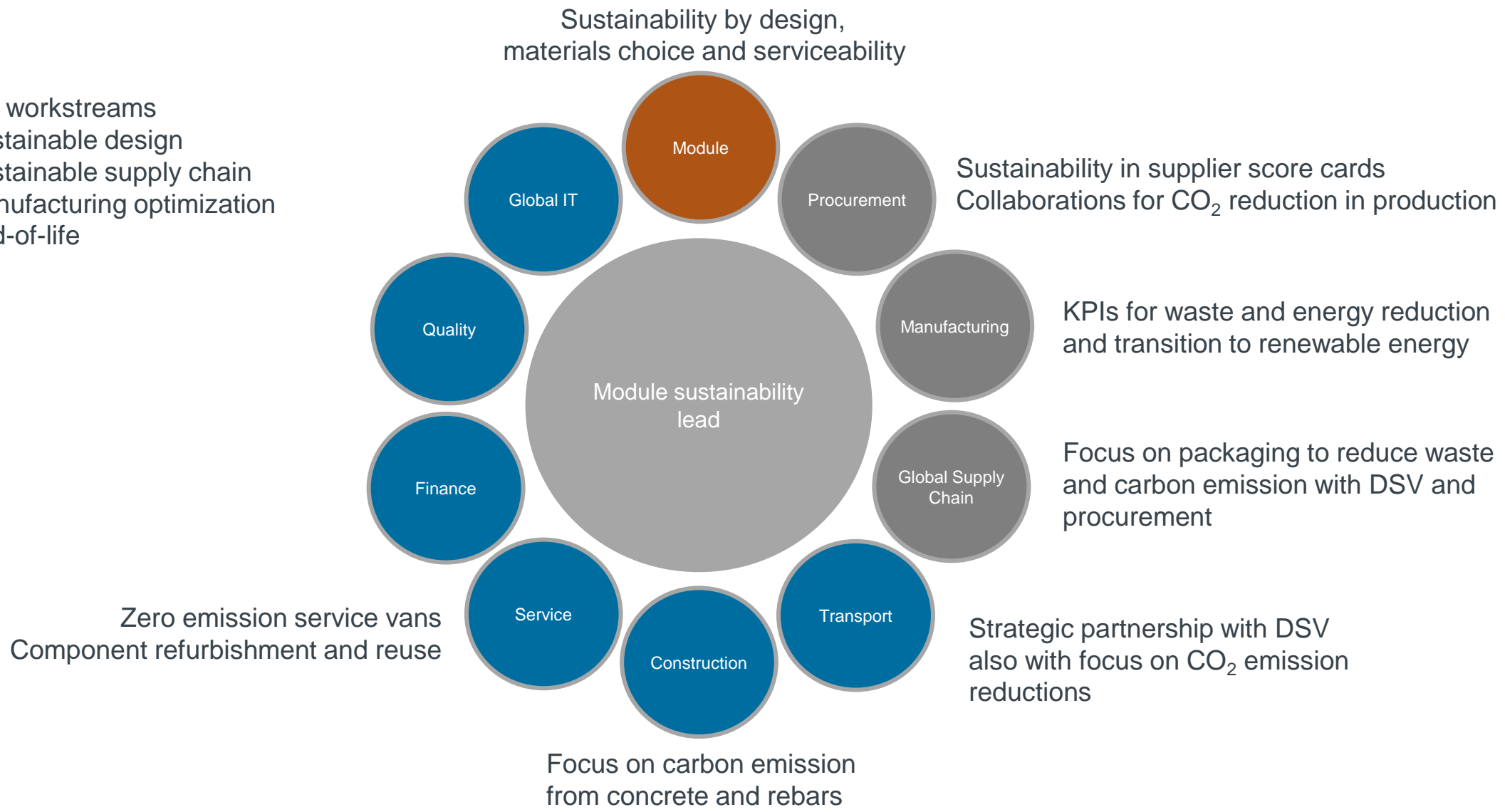
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# Sustainability strategy implementation in full value chain

- Typical workstreams
- Sustainable design
  - Sustainable supply chain
  - Manufacturing optimization
  - End-of-life





# Working with suppliers at site

- Certified Quality, Safety and Environment management system covering all of Vestas
- Working on
  - Replacing diesel generators used during constructions with more sustainable alternatives
  - Reducing waste during service
  - Combining accident statistics for Vestas employees and contractors



Preceding	Preparation	Execution	Post processing
<div> </div> Qualified Subcontractors & Equipment	<div> </div> Project H&S Plan	<div> </div> Site Induction	<div> </div> Safety Awarding
<div> </div> Supplier Performance Dashboard	<div> </div> Page Turn Meeting	<div> </div> Toolbox Meeting	<div> </div> HSE Contractor Days
<div> </div> Subcontractor Training	<div> </div> Health, Safety and Environment Kick Off meeting	<div> </div> H&S Dashboard	<div> </div> Lessons Learned Best Practice
<div> </div> Site Planning	<div> </div> Transport safety	<div> </div> Job Safety Analysis	<div> </div> KPI's
	<div> </div> Process safety	<div> </div> Incident Reporting Safety Stand Down	

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# Life Cycle Assessment (LCA) at Vestas

Fact-based approach to quantify and improve product environmental performance

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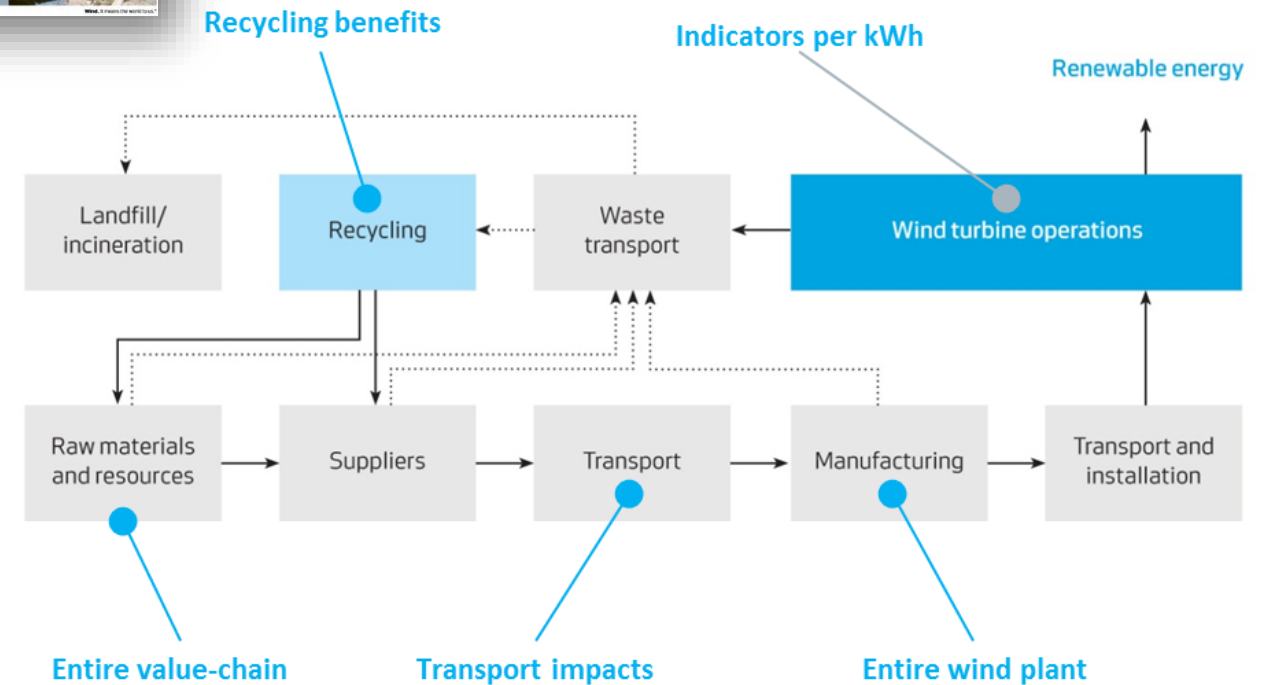
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compared to 2019



- ✓ **Transparent disclosure** of wind plant environmental performance since 1999
- ✓ Supports **product development** process and targets
- ✓ Quantifies **environmental impacts of entire plant** over the life cycle up to grid, accounting for around 25 000 parts per turbine
- ✓ **State-of-the-art approach** critically reviewed according to ISO14040/44\*



\*Garrett, P., Rønne, K., (2012). Life cycle assessment of wind power: comprehensive results from a state-of-the-art approach. Int. Journal of LCA (DOI) 10.1007/s11367-012-0445-4



# Vestas SiteLCA™ - Life Cycle Assessment (LCA)

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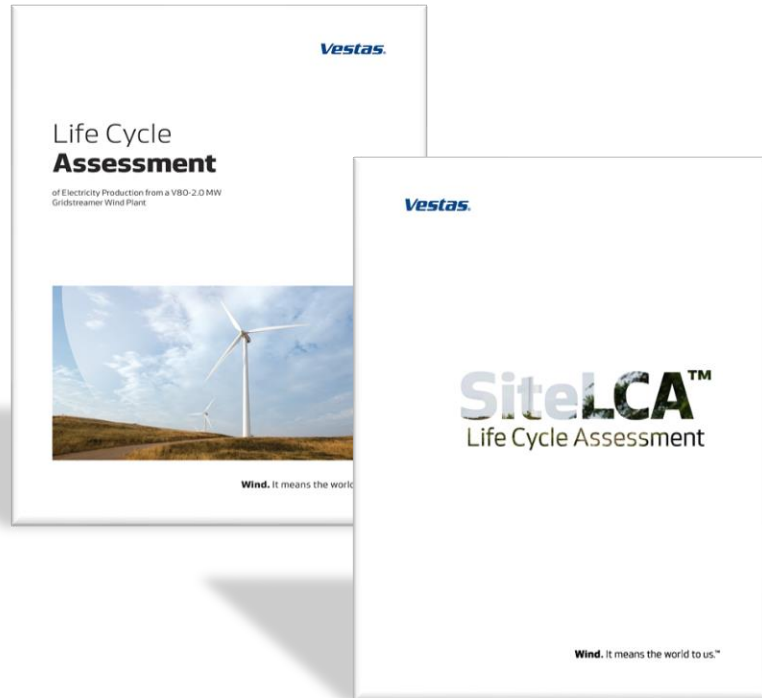
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State-of-the-art environmental consultancy service that adds certainty to your business case



- ✓ Delivering transparent **environmental indicators** of your wind power plant
- ✓ Assesses **environmental performance** of your wind power plant
- ✓ Underpins fact-based communication **supporting your energy/sustainability strategy** and planning/permitting





# Carbon reductions in supply chain

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Soren Steinfeldt & Sara Nejad

Global Procurement

Global Supply Chain



# Sustainability Expectation to Key Strategic Suppliers

Strategic alignment on sustainability

## Supplier Forum 2020

Building a Sustainable Future –  
Today!



## Sustainability Expectations

Communicated to key strategic  
suppliers



## Commitment

Suppliers have accepted and  
committed  
to Vestas' expectations





# Supplier Performance – Sustainability Update

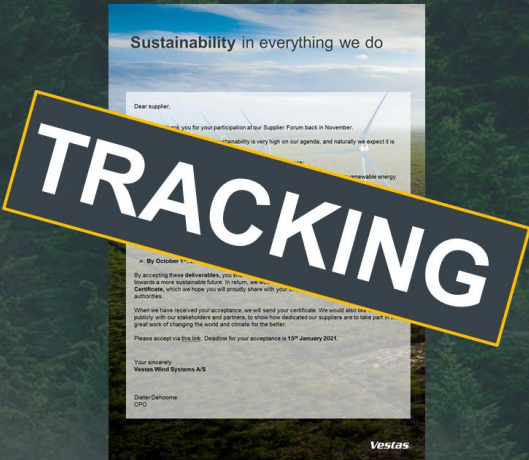
Sustainability in Supplier Collaboration

## Supplier Scorecard Update

Survey updated to reflect key business priorities and secure good collaboration and high performance



## Sustainability Commitments



## Supplier Engagement

Relationship based on trust and honesty to create the future of sustainable energy solutions together





# Supplier Collaboration & Partnerships

Examples of Sustainability Cases

## Partnership

Surface Treatment  
& Coating Solutions



## Partnership

Transport and Logistics



## Partnership

Tower Technology





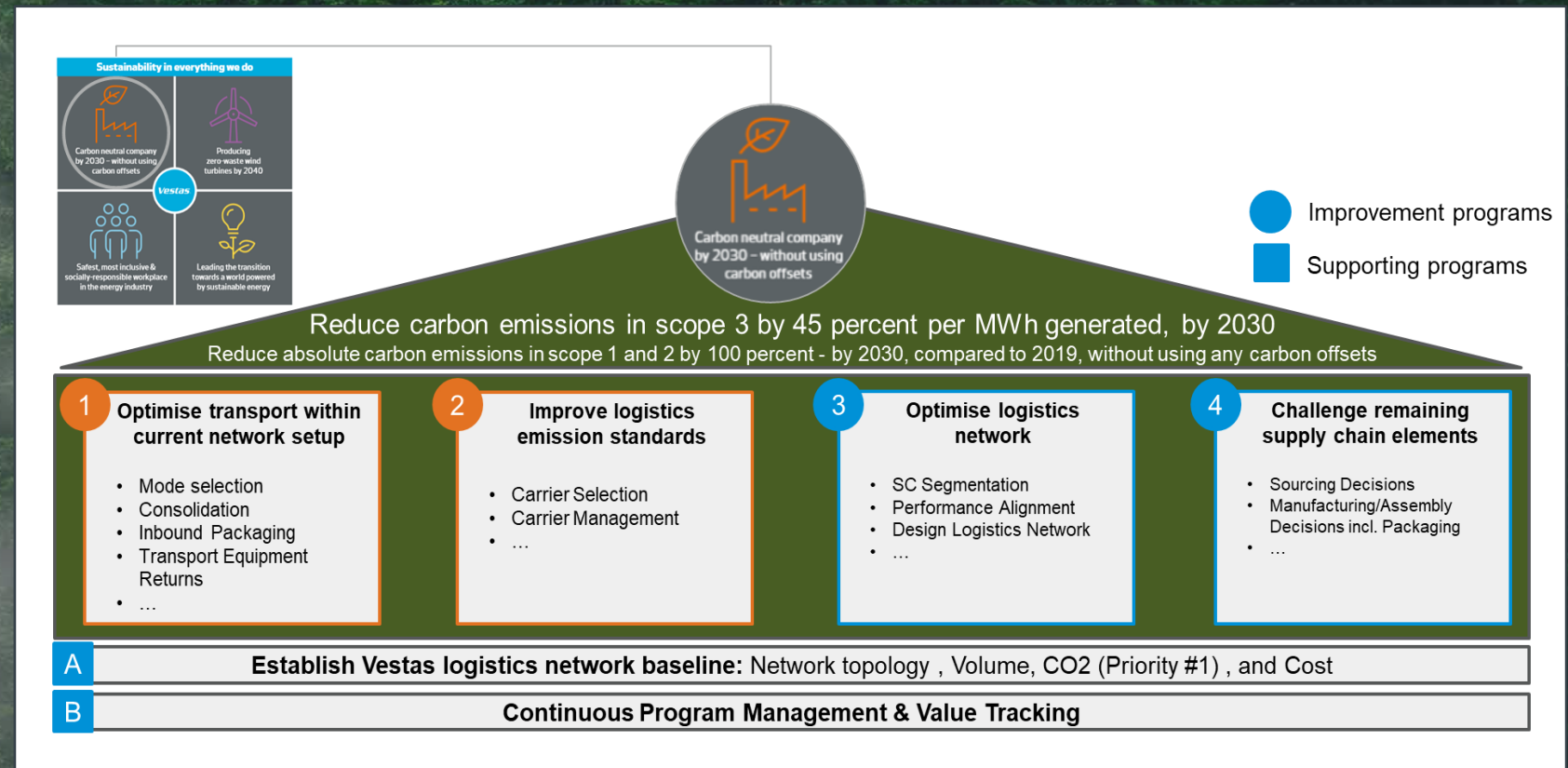
# Vestas/DSV Green Logistics Vision

In 2020 6% of the overall Scope 3 CO2 emissions are based on Logistics and Transport

With the focus on Vestas' Sustainability goal of **"becoming a carbon neutral company by 2030 without using carbon offsets"**, the so-called **Green Logistics Vision** was jointly created by Vestas and DSV

## Main initiatives in 2021 are:

- Creation of Project Cargo and General Freight CO2 Baseline 2020
- Pilot project using the Green Procurement Handbook for Air & Sea
- Further investigation into alternative fuels
- Inbound Packaging initiative to increase truck utilization and minimize packaging waste
- Including CO2 calculation into Vestas' Transport Planning system





# Next Steps

Key Focus Areas

## Scaleability

Expand scope in supply base



## Data Model

Digitalization of Supply Chain  
Sustainability Data



## Opportunities with Supply Base

Sustainability





Thank you for your attention.

