



Community meeting - Taiba, Senegal

**Vestas**

# Vestas' Social Management System

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## 1. INTRODUCTION

The global transition to a low-carbon economy requires the rapid deployment of renewable energy. Vestas plays a key role in addressing climate change by developing and delivering sustainable energy solutions. Running our business sustainably requires this transition to be inclusive and responsible for the communities where Vestas operates. Vestas is therefore committed to respecting human rights by minimising adverse impacts on local communities and enhancing positive outcomes as an integral part of how we do business.

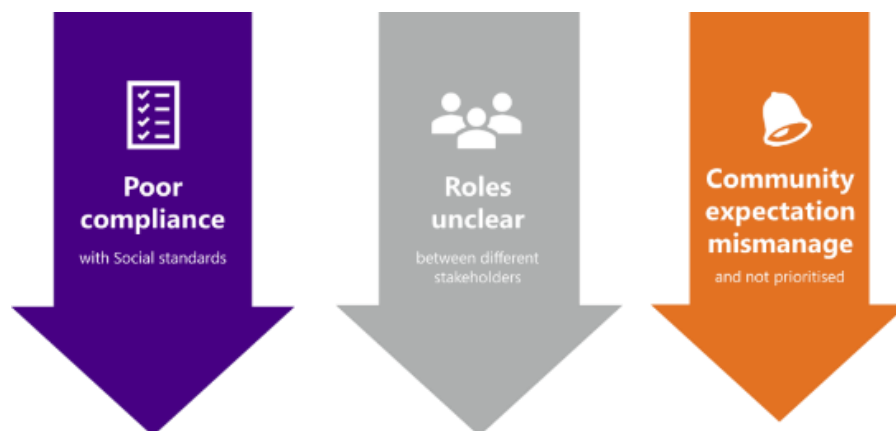
This document outlines how Vestas has operationalised its social framework across wind farm projects to support the responsible scaling of wind energy. In doing so, it helps Vestas remain a trusted partner to customers, investors, and society.

## 2. VESTAS' SOCIAL LICENSE TO OPERATE

Gaining and maintaining a Social License to Operate (SLO) is increasingly recognised by financiers as a critical success factor for the delivery of large infrastructure projects, particularly in emerging markets. Unlike legal permits, a social license cannot be formally obtained; it exists when a project has the ongoing acceptance and trust of local communities and other stakeholders. As a result, Vestas - or its customer - may hold a social license for one project but not for another, even within the same country or province.

Where an SLO is weakened or lost, wind farm projects may experience disruptions such as community opposition, road blockades, strikes, or legal disputes, leading to delays, cost overruns, reputational damage, and in some cases project cancellation.

Drawing on experience across multiple markets, Vestas has identified three core social risk factors that, if not effectively managed, are the most frequent contributors to the loss of SLO. These risks have directly informed the design, focus, and prioritisation of Vestas' social framework.



Vestas operationalises this commitment by applying the concept of SLO through a structured social framework that embeds lessons learned from past projects and aligns with international good practice. The framework is informed by recognised social safeguards, including the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the IFC Performance Standards on Environmental and Social Sustainability. Through this approach, Vestas integrates proactive risk identification, stakeholder engagement, and impact management throughout the project life supporting responsible project delivery and long-term value creation.

### 3. VESTAS' SOCIAL FRAMEWORK

At Vestas, we act with integrity in everything we do. This means making the right decisions when faced with difficult situations and ensuring that our actions match our values of Accountability, Collaboration, Simplicity and Passion.

Our values and external commitments are transferred into our Code of Conduct, policies and procedures setting the global standard for all employees in Vestas and for Vestas' business partners, and extending beyond national borders, cultures and local traditions.

#### 3.1 Commitments & Policies

Vestas is a signatory to the United Nations Global Compact and the World Economic Forum's Partnering Against Corruption Initiative. Furthermore, we are guided by the International Bill of Human Rights, the Fundamental Conventions of the International Labour Organisation, the IFC Performance Standards on Environmental and Social Sustainability, the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

The Code of Conduct and related global policies are routinely reviewed by Vestas' Executive Management, approved by the Board, and communicated to internal and external stakeholders on Vestas's intranet and website.

- [Vestas Employee Code of Conduct](#) and [Supplier Code of Conduct](#)

The Vestas Employee Code of Conduct sets the standard for all employees to be able to act with integrity and to make the right decisions when faced with difficult situations. The Vestas Supplier Code of Conduct outlines the minimum requirements that our Suppliers shall respect and comply with when conducting business with Vestas.

- [Vestas Human Rights Policy](#)

Vestas recognises its responsibility to respect human rights as set out in the United Nations Universal Declaration of Human Rights and according to the framework outlined in the UN Guiding Principles on Business and Human Rights. This commitment, which includes our expectations for Vestas' business partners, is described in the Vestas Human Rights Policy and implemented across the organisation globally.

- [Vestas Freedom of Association and Collectively bargaining](#)

Vestas commits to respecting employees' rights to freedom of association and collective bargaining without interference and free from discrimination. Vestas promote these rights in relations with business partners, as described in the Supplier Code of Conduct, and will seek to prevent or mitigate any adverse impacts on this right by business partners which are directly linked to Vestas' operations, products or services.

- [Vestas Anti-Slavery and Human Trafficking Statement](#)

Pursuant to the United Kingdom's Modern Slavery Act 2015, and to support greater transparency in this area, Vestas prepares a statement annually. The Statement addresses the steps Vestas has taken to ensure that there is no modern slavery in our own business and our supply chain.

Vestas recognises that Modern Slavery (slavery, servitude and forced or compulsory labour and human trafficking) is an emerging global issue, which we need to be alert to and prepared to act on.

#### 3.2 Vestas' Social Due Diligence process

Vestas' Social Due Diligence (SDD) is tailored to the wind industry, implemented globally, and is today an integral part of Vestas' Sales gate process.

The scope and level of the SDD are determined through a risk-based prioritisation process, ensuring that due diligence efforts are proportional to potential social risks and impacts, and level of influence.

The potential for Vestas to cause or contribute to adverse social impacts on local communities varies depending on the Scope of Work (SoW) and our level of on-site presence. Projects with greater physical presence and construction activities involve increased interaction with communities and therefore carry higher social risk.

Vestas' SoW is categorised into three main contract types with differing social impacts and risks:

- I. Engineering, Procurement and Construction (EPC) projects involve activities such as establishing site camps, constructing access roads, preparing foundations and lay-down areas, and erecting wind turbines. These activities can lead to temporary social impact including effects on community health and safety (e.g. dust, heavy traffic, influx of workers) as well as restrictions on land use during construction. As a result, they often require increased interaction with local communities. Vestas, together with our Customer, acts as a point of contact for these communities supporting engagement and addressing concerns.
- II. Supply & Installation (S&I) projects carry a moderate level of social risk. As Vestas' involvement begins once access roads and foundations have been completed by the developer, our on-site presence and duration of activities are more limited. This reduces the extent of potential impacts on local communities and the level of community interaction compared to EPC projects.
- III. Supply Only contracts represent a minimal level of social risk, as Vestas' role is limited to manufacturing and transporting wind turbines from the factory to the port of departure. With no on-site presence, there is no direct interaction with local communities and therefore negligible potential to cause or contribute to adverse social impacts.

#### Social due diligence in-scope projects

For social due diligence purposes, in-scope project opportunities are those located in *high* or *extreme high-risk* countries<sup>1</sup>. The SDD process applies to EPC projects and S&I projects of 100 MW or above in such countries, as well as to projects with potential impacts on Indigenous Peoples' lands, territories, or livelihoods<sup>2</sup>. Supply Only projects are excluded from the scope of social due diligence.

In addition, SDD may be initiated if Vestas becomes aware of potential social concerns raised by internal functions or external stakeholders, regardless of the initial risk categorisation.

#### Identification and assessment of social risk

The SDD process is initiated during the tender phase and consist of a country risk assessment, a Know Your Customer (KYC) assessment, and a project specific social assessment. The process identifies and assesses potential and actual adverse social risks<sup>3</sup>, and seeks to avoid, minimise and where not possible, compensate for the adverse impact caused or contributed to by Vestas. The findings will inform the preparation of project-level social mitigation plans, tailored to the risks, whilst also seeking to maximise local community opportunities.

Potential impacts are identified through customer dialogue, cross-functional input, and a review of project documentation, with particular attention to risks related to stakeholder engagement, land acquisition, cultural

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<sup>1</sup> Country risk classification: country risk ratings are based on Maplecroft's scoring of selected social indices. For social due diligence purposes, future in-scope project opportunities are those located in countries classified as *high* or *extreme high* risk.

<sup>2</sup> Countries where the Maplecroft Indigenous Peoples' Rights index risk score is Extreme or High.

<sup>3</sup> Social risks: Vestas has conducted a corporate-wide Human Rights Impact Assessment across our Value Chain. Part of the process was to "translate" and link social issues addressed in the Vestas Social Due Diligence methodology with potential adverse human rights impacts.

heritage, community health and safety, and access to remedy. These inputs are key to ensuring that potential social risks are clarified in a timely manner, including the clear allocation of roles and responsibilities.

The developer's Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), and Stakeholder Engagement Plan (SEP) are the main inputs for this assessment and are used to develop a project-specific social mitigation plan.

For complex projects, or where documentation does not meet Vestas' SDD standards, external experts may be used to support impact identification and assessment. The SDD is a living document and is updated when there are significant changes during the project.

The below matrix describes main social issues assessed in the Vestas SDD.

Social issue	Description of potential adverse social/human rights impact	IFC Performance Standard (PS) (2012)
Stakeholder engagement	Absence of, or poor, local community consultation and engagement, not taking into consideration the local context such as literacy and educational levels, languages, gender inclusion or inclusion of other vulnerable groups. Impact on project affected indigenous people present in the project area but failure in obtaining a Free Prior and Informed Consent (FPIC).	PS 1 PS 7
Land acquisition, land use and livelihood	Lack of clarity on land ownerships and current land use; project situated in an area currently, historically or potentially affected by conflict or violence; any negative impact on livelihood e.g. crop damages, land loss, loss of residential or business infrastructure; restriction on the land use during Construction or Operation and Service.	PS 5 PS 7
Displacement and Resettlement	Project causing resettlement (physical and/or economic displacement), forcible eviction of communities for the project, absence of or poor resettlement action including in community consultation, inadequate, poor or delayed compensation, vulnerable groups being disproportionately affected in resettlement, no development benefits for displaced communities and persons.	PS 5 PS 7
Local employment and procurement opportunities	Absence of or inadequate local employment offerings and non-adherence by contractors or Customer to any legal requirements pertaining to local labour and material or non-fulfilment of promises made related to this in community consultations/interactions; division of labour in terms of unskilled, temporary labour among others.	PS 2
Demographic movement	Influx of construction workers from outside the project area or even migrant workers leading to local community tension (e.g. employment related) and also strain on local infrastructure and services.	PS 2 PS 8
Cultural customs and heritage	An area with wind potential can face serious change in local demographic and cultural environment due to influx of outside labour, behaviour incompatibilities, unacceptable practices, even health related issues (transmittable or endemic diseases). This could adversely affect local customs and leading to resentment among communities. Any chance findings of cultural heritage related, and culturally significant historical, archaeological structure or property involves great degree of sensitivity of local communities.	PS 8 PS 7
Community Health and Safety	Communities living in close vicinity to a project can experience adverse disturbance and human health effects from e.g. noise, dust, and traffic accidents. They also may face increased exposure to diseases, hereunder water and vector borne diseases, and communicable diseases.	PS 4
Access to remedy	Grievance mechanism is important and needs to be accessible and working throughout the project life to allow project affect communities to express their concerns and register any project related complaints.	PS 1 PS 5

### Key social mitigation measures

The following key social mitigation measures outline how Vestas, in coordination with the Customer, seeks to manage potential social impacts associated with wind park projects. These measures are informed by project-level risk assessments and are aligned with international standards and Vestas' Social Management System. Together, they support meaningful engagement with project-affected communities, help maintain the project's SLO, and contribute to the responsible and successful delivery of projects across their lifecycle.

#### *(a) Community Engagement*

Community engagement is a continuous process throughout the project lifecycle and involves shared but distinct responsibilities between the project developer (Customer) and Vestas.

During the early stages of project development, the project developer holds the primary responsibility for establishing relationships with project-affected communities. This includes conducting public consultations, disclosing relevant project information, identifying potential social impacts, and providing communities with the opportunity to raise questions, concerns, and expectations related to the wind park. Early engagement supports informed decision-making, contributes to impact identification, and helps manage community expectations prior to construction.

As the project progresses into construction and subsequent phases, community engagement continues, with responsibilities increasingly shared. Vestas plays a supporting and complementary role, focused on maintaining constructive and respectful relationships with communities affected by project activities linked to Vestas' scope of work. This includes engaging on issues related to construction activities, workforce interactions, safety, and other Vestas-related impacts, in close coordination with the Customer.

Effective community engagement is underpinned by a robust and accessible operational grievance mechanism. While the Customer retains overall responsibility for ensuring that a grievance mechanism is in place and operational, Vestas contributes to its effective functioning for issues related to Vestas' activities. This includes cooperation in grievance handling, timely response to concerns, and implementation of corrective actions within Vestas' control.

The grievance mechanism is complemented by regular interaction with local communities, facilitated in many cases by a project-level Social Coordinator. These ongoing interactions provide a structured channel for dialogue beyond formal complaints and help ensure that community concerns are heard, assessed, responded to, and managed in a transparent and timely manner through a defined process.

Through clear role allocation, coordination with the Customer, and continuous engagement, Vestas supports meaningful community dialogue, effective grievance resolution, and the maintenance of trust essential to the project's SLO.

#### *(b) Social awareness training to demystify wind parks*

Targeted social awareness initiatives are a key component of gaining and maintaining the project's SLO. Educating local communities about wind energy and project-specific activities helps address misconceptions, reduce unfounded concerns, and promote informed understanding and acceptance of the project. These activities are primarily implemented on projects located in rural areas and in contexts where community movement and interaction with the project are expected, particularly during the construction phase.

Social awareness training provides clear, accessible, and locally relevant information on the purpose and functioning of wind parks, planned project activities, potential impacts, and mitigation measures, with particular attention to community health and safety. Information is adapted to the local context, including literacy levels, languages, and cultural norms, to support inclusive and meaningful engagement.

Community safety training is especially important during construction and may cover topics such as traffic safety, construction-related hazards, restricted areas, and emergency preparedness, with the aim of minimizing risks to nearby communities.

These initiatives are complemented by ongoing community liaison, enabling dialogue, feedback, and early identification of concerns. In parallel, Vestas emphasizes training of employees and contractors, especially non-local workers, on local customs, cultural norms, and expected standards of conduct to prevent misunderstandings and social tensions.

Together, community-focused social awareness initiatives and internal cultural awareness training support respectful interactions, strengthen community relations, and contribute to the long-term acceptance and sustainability of wind park projects.

#### *(c) Local Employment and 'Local-Local'<sup>4</sup> procurement*

Vestas seeks to foster a sense of project ownership within local communities by promoting local employment and procurement opportunities, primarily through contractors and subcontractors. This includes both direct local job opportunities and indirect income-generation opportunities that support alternative livelihoods.

Most employment opportunities arise during the construction phase, particularly within civil and electrical works. In addition, Vestas seeks to enhance access to unskilled employment by supporting roles such as traffic marshals, patrol leads (especially in remote or challenging terrains), road safety educators, green teams, and similar functions.

In parallel, and where feasible, project-related materials and services should be sourced locally in accordance with applicable legal requirements and international standards. Vestas promotes a "local-local" approach, prioritising procurement from the immediate vicinity, district, or province, as applicable.

#### *(d) Community Development*

Community development forms an important part of Vestas' approach to supporting positive social outcomes in project-affected areas. Projects should identify and, where appropriate, support priority community development needs that contribute to social and economic upliftment and improve overall quality of life. These may include support for social infrastructure (such as healthcare, education), skills development for local employment, and local cultural or community-building initiatives.

Community development activities are designed to respond to locally identified needs and priorities and are implemented in line with the Vestas Community Development Instructions, establishes a consistent, transparent, and principled approach to community development.

In practice, Vestas' engagement in community development is typically focused on the construction phase, as this period often involves the highest levels of project activity and community interaction and provides an opportunity to demonstrate early commitment to the project area. Where appropriate, initiatives may also contribute to longer-term benefits for communities beyond the construction phase.

Vestas coordinates community development activities closely with the Customer/developer to align approaches, avoid duplication, and, where feasible, leverage shared resources to maximise outcomes and reach. Such coordination helps ensure that community development efforts are complementary to broader project

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<sup>4</sup> "local-local" procurement: Differs from Local Content by providing benefits to the local community by creating business opportunities with local enterprises in immediate vicinity to a project i.e. from the district or provincial level.

engagement and contribute to building goodwill, strengthening community relationships, and fostering local advocates who can positively communicate about the project within the wider community.

#### Tracking and reporting on progress

Progress on the implementation of social mitigation measures is monitored and reported to the Customer on a monthly basis, typically as part of the Health, Safety, and Environmental (HSE) reporting framework. This regular reporting supports transparency, facilitates dialogue with the Customer, and ensures alignment on social performance and emerging risks and, where necessary, the introduction of corrective actions.

Monthly reporting includes updates on the status of agreed social mitigation measures, key activities completed during the reporting period, any deviations from planned actions, and identified social risks or emerging issues. Where challenges or non-conformances are identified, these are documented together with proposed or implemented corrective and preventive actions, including timelines and responsibilities.

In addition to project-level reporting, Vestas tracks and reports on in-scope project opportunities that have undergone social due diligence and the number of community grievances received through the Operational-level Grievance Mechanism. These data are consolidated and disclosed annually as part of Vestas' Annual Report.

Collectively, these tracking and reporting processes ensure that social risks and impacts are monitored, communicated, and addressed, while supporting compliance with international standards, customer requirements, and Vestas' own commitments to responsible business conduct.

### 3.3 Vestas Operational-level Grievance Mechanism

Vestas is committed to remedying actual adverse impacts on individuals, workers, and communities that we have caused or contributed to through our operations. Where impacts are caused by third parties linked to Vestas' services, Vestas seeks to use its leverage to support effective remedy. To this end, Vestas has established an Operational-level Grievance Mechanism (OGM) for wind farm projects during construction and service operations, where a compliant mechanism is not already in place by the project Owner.

The OGM provides a transparent, fair, and accessible channel through which project-affected stakeholders can raise concerns or grievances without limiting access to other remedies. It is an integral part of Vestas' stakeholder engagement approach and supports early identification of issues, trust-building, and the maintenance of the project's SLO. The OGM is different from Vestas' whistle-blower hotline, EthicsLine, which is intended for reporting suspected violations of the Vestas Code of Conduct.

Grievances may be submitted through multiple channels adapted to the local context, including face-to-face engagement, community meetings, suggestion boxes, email, and telephone hotlines. Grievances can be raised anonymously, and personal data is handled in accordance with Vestas' Privacy Policy.

Upon receipt, grievances are screened jointly with the Customer, registered in Vestas' global Incident Management System (IMS), and managed through a defined process. Stakeholders are provided with timely, transparent feedback, and grievances are tracked until resolution or formal closure.

Vestas ensures that records and evidence are registered and tracked in the global IMS. The closing timeline of the grievance will depend on each case. However, regardless of whether a complaint is accepted or not, a response to the stakeholder must be promptly provided, in an understandable and transparent way.

**Grievance categories**

A complainant, be it a group or an individual, can raise a concern, or a grievance related to below issues e.g.:

Grievance categories	Description
Livelihood	Issues could be due to e.g. damage to water wells, take of more land for access roads than agreed too, damage to traditional tracks, mismanagement of dust impact from transport and vehicles on roads on crops or animals causing respirational diseases, accidents involving animals, inadequate restoration of sites.
Community health & safety	Issues with community health & safety could be due to e.g., lack of information/awareness of impacts, supplier non-compliance with project code of conduct or related policies, accidents involving people due to increased traffic and movement of heavy machinery, social ills (e.g. prostitution, drugs, alcoholism, sexually transmitted diseases, etc.), impact from flicker, noise or dust from transport and vehicle on roads, pressure on local health resources, social conflicts etc.
Cultural heritage and customs	Issues with cultural heritage and customs could be due to e.g. damage to archeological, religious, or historical sites, undermining of cultural values and indigenous rights.
Misalignment about project benefits	Issues with project benefits could be due to, e.g., mismanagement of community expectations to local employment, uneven job distribution/ competition for jobs, uneven community development distribution etc.
Security concerns	Issues with security guards could be due to complaints or concerns about the security arrangements and acts of security personnel expressed by e.g. affected communities, employees, contractors and which could result in resettlement, distrust and escalation of events.
Land compensation	Issue with land compensation could be due to e.g., flawed land acquisition process, land ownership being non-transparent, inadequate resettlement plan, lack of free, prior and informed consent from indigenous people etc.

**Effectiveness criteria**

The Vestas OGM is designed to be culturally appropriate (e.g. language, educational level), dialogue-based and in line with the UNGP effectiveness criteria:

Effectiveness criterion	How it is met by the Vestas OGM
Legitimate	Clear roles and responsibilities, accountability, and fair and objective handling of grievances, supporting trust among affected stakeholders.
Accessible	Widely communicated, locally adapted entry points; assistance available where needed; no barriers to use, including anonymous submissions.
Predictable	Defined and communicated procedures with indicative timelines, acknowledged receipt, and clear resolution pathways.
Equitable	Fair access to information, advice, and expertise, enabling informed participation of all parties.
Transparent	Stakeholders are kept informed of progress and outcomes in a timely and appropriate manner.
Rights-compatible	Outcomes are consistent with internationally recognised human rights, confidentiality, and non-retaliation principles.
A source of continuous learning	Grievances are analysed for trends, informing corrective actions, system improvements, and training for staff and contractors.

#### 4. IMPLEMENTATION OF THE SOCIAL MANAGEMENT SYSTEM

The development, oversight, and continuous improvement of the Social Management System (SMS) are anchored within the Group CSR team, while the day-to-day implementation of project-specific social mitigation measures is the responsibility of the Construction or Service teams, in close coordination with relevant project functions.

To ensure that the SMS continues to meet external expectations and evolving requirements, the Group CSR team maintains active awareness of emerging trends, changes in the global and national social context, developments in industry practices, and updates to international norms and standards that may have direct or indirect implications for Vestas. Continuous development of the Group CSR team's competencies and expertise is essential to effectively inform, support, and prepare the business in identifying, assessing, and managing social risks.

The SMS manual and its supporting policies and procedures are subject to regular review. If gaps, needed improvements, or changes in external or internal requirements are identified, updates are made to keep the approach relevant, effective, and aligned with Vestas' commitments and best practice.

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