

Social and environmental performance

UN Sustainable Development Goals

Vestas is committed to supporting the UN Sustainable Development Goals (SDGs). Six SDGs have been identified, which support the approach on how sustainability is powering development for Vestas and for its stakeholders, including the many communities where the company is present. With SDG No. 7, Affordable and clean energy as the overarching goal, the other five selected SDGs are: Quality education (4); Decent work and economic growth (8); Responsible consumption & production (12); Climate action (13); and Partnerships for the goals (17).

How does Vestas work with the SDGs?

Connected with Vestas' ambition to show how the company powers development towards the SDGs, Vestas and its partners have commissioned a preliminary study of the emerging socio-economic impacts from the Lake Turkana Wind Power (LTWP) project in Kenya. The study ("Lake Turkana Impact Study") is now publicly available.

Lake Turkana socio-economic impact study

Existing evidence of the potential socio-economic impact of wind park developments has, to date, largely focused on high-income countries; there is limited evidence on the potential advantages or disadvantages of wind parks in emerging markets with high-levels of poverty concentrations. The Lake Turkana Impact Study provides insights into the potential socio-economic impact of large-scale wind park infrastructure projects in a developing country context.

Part of the LTWP project was to build a 208 km access road from the main road to the project site. The Lake Turkana Impact Study indicates that the new access road has contributed to:

- Transport time reduced from 1-2 days to four hours;
- Average transport price reduced between 16 to 37 percent, depending on what is transported;
- Increased accessibility for education and health authorities in the area;
- Increased economic activity along the road.

Investments in renewable energy are generally expected to deliver on three dimensions: climate change mitigation, increased access to affordable and clean energy, and economic development and job creation.

The Lake Turkana Impact Study has generated new insights into the potential contribution of the LTWP project in advancing Kenya's socio-economic objectives both at a national and local level. Vestas has preliminary evidence of the shared benefits that can accrue from wind park developments, which is consistent with the

company's objective to deliver tangible value to its host country and the local communities.

This study provides valuable input for the continued discussion on how to minimise impacts from large-scale renewable energy infrastructure projects in emerging markets, and how to enhance potential positive contributions.

Employees

During the third quarter of 2018, the number of employees increased by 135 to 24,486.

As a response to current market developments and to sustain its competitiveness, Vestas has commenced the layoff of approx. 400 employees, mainly in Northern and Central Europe, as announced in a press release on 28 September 2018.

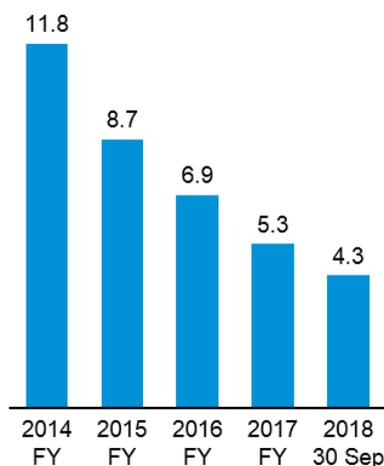
Vestas will continue to scale the organisation according to, among other things, the expected activity level.

Safety

In the third quarter of 2018, the number of total recordable injuries decreased to 163 compared to the year-earlier quarter. The incidence of total recordable injuries decreased from 6.6 per one million working hours in the third quarter of 2017 to 4.3 in the third quarter of 2018, below the 2018 target of maximum 4.8.

Incidence of total recordable injuries

Per one million working hours



Environmental performance

The increase that can be seen in the total environmental impact quarter on quarter – the waste generation and energy consumption from Vestas' manufacturing and service activities – stems from a continued increase in production and service activities in the third quarter of 2018.

Renewable energy

Vestas has achieved 100 percent sustainable renewable electricity consumption, partly by purchasing renewable

electricity when available, and partly by compensating for the consumption of non-renewable electricity with Vestas-owned wind power plants.

In the third quarter of 2018, 61 percent of all energy consumption came from renewable energy sources, which was higher than the year-earlier period due to increased blade production. The increase in the share of renewable energy for the quarter compared to full year is attributable to seasonality.

Renewable energy

Percentage of total energy consumption

