

Vestas Wind

The largest wind turbine manufacturer in the world, this Danish company has had a good record on ESG issues despite having some difficult years financially in the past. However, Vestas has shown little improvement on many measures over the past four years.

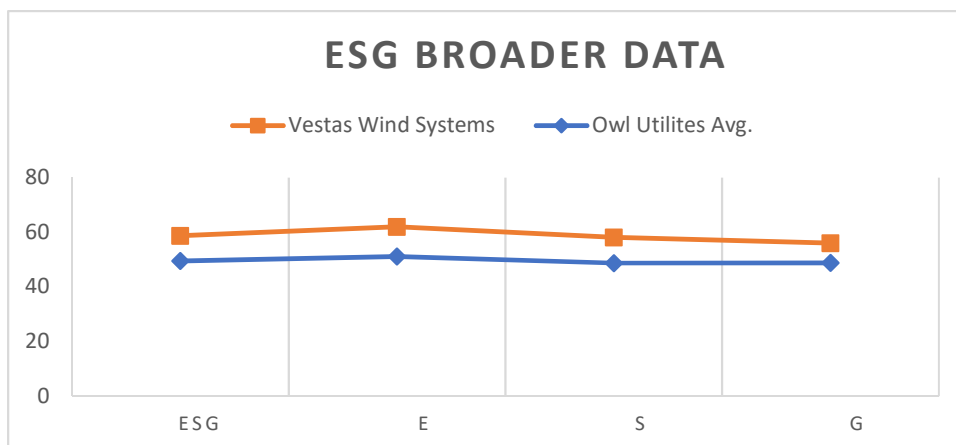
The nature of its business is very positive on environmental grounds. Over the entire life span of a turbine, it will generate more than 30-50 times the energy that it uses. In addition, it will only emit about 1% of the emissions of a coal power plant. This equals savings of about 317 tons of carbon emissions per megawatt of wind power produced.

While overall environmental metrics don't show significant declines in the absolute amount of emissions or resources utilized, they do support the idea that companies can grow without putting a greater burden on the world. From 2013 through 2017, Vestas increased their number of employees by 35% (to 23,303) and their revenues by 64% (to nearly \$11.5 billion). Over this period, their consumption of energy fell by 3%. Carbon dioxide emissions have increased by about 7%, yet have declined by nearly 40% when adjusted for the amount of turbines produced. Vestas still has room for improvement. Their goal is to utilize 100% renewable resources for all their power needs, yet the absolute amount of renewables hasn't grown since 2013. (It represents 57% of all energy consumed.)

The company has a goal of recycling 100% of its turbines as they come out of commission. Currently, their recycling rate is 55%. The greatest challenge is that the turbine blades are not yet recyclable. The total amount of waste the company recycles has fallen by 7% over the past four years.

Overall, Vestas receives grades of only 'C' from the Carbon Disclosure Project for its work on Climate Change and Water issues.

Vestas has studied the gender pay gap issue in its U.K. operations and found that women make 2.2% more than men based on median measures and 6% less based on arithmetic means. The survey was relatively small, however, as only 7% of the 478 employees in the U.K. are women. (13% of the company's total employees are women. Only 2.5% of management level employees are women, but 25% of the Board is female.) We will encourage the company to do a similar study for other countries in which it operates. Vestas does not report on the percentage of minorities within its workforce.



Source: OWL SHARES

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