

Vestas[®]

Diversity, Equity, Inclusion, & Belonging Policy

Vestas Wind Systems A/S



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Purpose

The Diversity, Equity, Inclusion, & Belonging Policy (DEIB Policy) at hand outlines Vestas' approach and strategy to DEIB.

Vestas DEIB Mission Statement

At Vestas, we believe that a diverse and inclusive workforce is vital for accelerating the green energy transition globally. We know that our differences make us stronger, more innovative, and better equipped to address the challenges of the future. Therefore, we are committed to making sure that all potential, future, and current Vestas employees are guaranteed equal opportunities and fair treatment regardless of their background. Everyone must feel safe, valued, and a sense of belonging, and know that their voice will be heard. This journey has only just begun - together, we will keep moving forward and become sustainable in everything we do.

Scope

This policy applies to all employees, all functions, all units at Vestas, and all regulated subsidiaries. Local additions may be added where needed but the global policy must be adhered to.

Definition of Diversity, Equity, Inclusion, and Belonging (DEIB)

At Vestas we recognise that DEIB is the cultural foundation that enables everyone to unleash their full potential.

- **Diversity is a fact** – we recognise that everyone of us brings their unique self and skills to the table which is why we want our workforce to be societally representative. We understand diversity in the broadest sense possible to capture people's different identities, backgrounds, and lived experiences
- **Equity is a process** – we want to break down the barriers that may have prevented some people from receiving fair treatment and equal opportunities in the past
- **Inclusion is a behaviour** – we want everyone to feel that they are included, and that they feel understood and heard – regardless of their background
- **Belonging is the freedom to be your true self** – we want everyone to feel like they belong to the one winning team at Vestas and that they are valued for who they truly are

Focusing on DEIB will allow us to attract, recruit, and retain the most talented and most qualified candidates and provide them with a work environment where they will be able to thrive and unleash their full potential. Below, we outline several focus areas in terms of diversity.

Gender

As per Danish legislation,¹ Vestas will determine targets and maintain the DEIB policy for the underrepresented gender, as well as report hereon. Vestas is committed to increasing the share of the underrepresented gender in general, and at the Board, executive and managerial levels.

¹ Ref. Section 139c of the Danish Companies Act and section 99b of the Danish Financial Statements Act.

In general, men are over-represented in Vestas. This is not unusual in an industry that is primarily comprised of manufacturing and STEM roles², which traditionally has more job roles attracting men than women.

In line with Danish legislation, we set a target in 2017 for equal gender distribution³ among the members of the Board of Directors of Vestas Wind Systems A/S (the Board) elected by the general meeting. As of 2022, the Board reached its goal of equal gender distribution. The continued commitment to equal gender distribution is in line with new Danish legislation (applicable as of 1 January 2023) and in anticipation of a new EU Directive which can be deviated from by the individual Member States where national regulation already exists.

The same new Danish legislation also mandates for a more gender-balanced distribution in senior management levels (defined as the executive management team and people managers who report directly to the executive management team). To comply with this, we have set a realistic and yet ambitious target that moves us towards a more gender-balanced representation in senior management positions (as outlined by the new Danish regulation). We seek to increase our share of women in senior management positions to 25 percent by 2025. These targets are a deepening of our pre-existing targets to increase the share of the under-represented gender in corporate leadership positions – all positions above the level of professionals, covering all three career tracks (i.e., People Leader, Specialist and Project Manager). To steadily move towards a more gender-balanced representation in corporate leadership positions and thereby diversify our leadership pipeline, we have set targets to increase the share of our underrepresented gender (i.e., women) in corporate leadership positions to 25 percent by 2025 and 30 percent by 2030.

Ethnicity

Vestas is dedicated to working towards a balanced ethnic composition at all layers of the organisation to represent the societies we operate in and work with. Unlike gender, we cannot set global targets for ethnicity due to the European General Data Protection Regulations (GDPR). However, we will use nationality as a proxy to track our global progress while encouraging our regions to set their own regional targets where it is legally permissible to record our employees' ethnicity (e.g., in the USA). While we will not be able to set global ethnicity targets, we will focus on ethnicity in our awareness-raising campaigns and initiatives throughout 2023.

Age and seniority

No matter the employees age or seniority, whether they are employed as a graduate, manager, senior employee, vice president or any other title, Vestas will provide the conditions for the individual to thrive and continuously develop competences.

On an annual basis, we revise our targets and select an annual diversity awareness-raising focus.

² STEM stands for Science, Technology, Engineering and Math – representing the core subjects normally taught at Higher Educational Organisations.

³ According to the Danish Business Authorities' definition, see Danish Business Authorities: Guidelines on target figures, policies and reporting on gender composition of management. March 2016.

DEIB Initiatives

At Vestas, we believe that successful DEIB initiatives are:

- (1) *Preceded by awareness-raising campaigns* to create the desire for cultural change;
- (2) *Contextualised* (consider our regional contexts and respective different challenges, needs, demands, and opportunities);
- (3) *Evidence-based* (i.e., based on scientific research and internal people data that identifies specific challenges);
- (4) *Embedded into our core people processes* (e.g., recruitment practices, people review)

All our DEIB initiatives strive towards fulfilling these four criteria. Below, we list our most important initiatives.

Inclusive Leadership Training for People Managers

To create a foundation of DEIB awareness, we began to roll-out Inclusive Leadership training for all our people managers in 2022. This will continue throughout 2023 and will be built upon in the years to come. Additionally, we aim to roll out such a training for all our colleagues at some point in the future to truly drive DEIB at every single level of the business.

Annual Awareness-raising Focus

To create awareness around certain inequalities and problem areas, we select an annual diversity focus to be the theme of our annual awareness-raising campaign. This bimonthly campaign is curated together with the regions to highlight different regional aspects of the diversity focus theme across our global company.

Regional DEIB Steering Committees and Task Forces

We recognise that every single region and country has different challenges, needs, demands, and opportunities in relation to DEIB. This is why we have focused on supporting our region's DEIB steering committees and task forces where they are already existing. Similarly, we strive to establish such committees or task forces in all other regions where they are not yet established. This allows us to set not only global targets and directions but enables each region to set more specific targets and engage in initiatives specific to their needs.

Global DEIB Team

To support the regionalisation of DEIB, share knowledge across the regions and functions, and to provide a global anchoring point and sparring partner, we initiated a Global DEIB Team in 2023. The Global DEIB Team is comprised of all interested DEIB actors and regional committee members and is headed by our Global Head of DEIB.

Employee lifecycle assessment

To truly embed DEIB in our core people processes and ensure that everyone receives the same fair treatment and equal opportunities, we need to continuously assess and adjust our employee life cycle. This includes but is not limited to mitigating bias in recruitment processes and people reviews.

Leave & Equal Pay

Vestas strives at offering flexibility to retain employees during the time in which the employee establishes a family, e.g., through leave arrangements, flexible / part-time employment, etc. Further, Vestas seeks to ensure that all employees are treated equally in connection to parental benefits and equal pay, and that we aim at having career planning targeted expectations of different age groups.

Harassment & Discrimination

Harassment and discrimination are not in line with Vestas' DEIB values and are therefore not tolerated at Vestas. We encourage all employees to report any observed or experienced discriminatory behaviour or harassment to our whistle-blower platform, *EthicsLine*.

Annual Activities

Annually, a string of initiatives is designed and implemented globally and regionally. The specific global initiatives are revised in November by the Board and the Executive Management team and are overall described in the *Annual Report's* paragraph "*Statutory Report on Gender Distribution*." Internally, initiatives can be found on the People & Culture Knowledge Base and the DEIB HUB page.

Follow-up and Reporting

Vestas commits to the below mentioned follow-up mechanisms and reporting.

Nomination and Compensation Committee | Diversity principles

Once a year, typically in the third quarter, the Nomination & Compensation Committee discusses the status of DEIB and the strategy for the area in Vestas for the coming year – and the Board discusses the overall principles regarding diversity.

Executive Committee | Reporting

The Vestas' Executive Management Team receives annual reports on Vestas' DEIB status. This includes the development of the share of women at the various management levels.

Global DEIB Team | Action

The Global DEIB Team convenes monthly to identify the most pertinent areas for the regions to work on and receive input on. The members are comprised of the main drivers of all DEIB initiatives implemented in the regions and the Regional DEIB Steering Committees and Task Forces.

Annual Report | Statutory report on gender distribution

In connection with the disclosure of our Annual Report, Vestas will report on the progress against the target setting in accordance with ref. section 99b of the Financial Statements Act.