

# Diversity & Inclusion Policy

## Vestas Wind Systems A/S



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## Purpose

The Diversity & Inclusion Policy at hand outlines Vestas' Diversity and Inclusion strategy, setting the overall aim, and specifying our focus areas globally within this area.

Vestas strives to create and sustain an environment that actively embraces diversity and inclusion by recognising that all individuals bring a diverse set of experiences and perspectives to the table for approaching and solving problems. Only by acknowledging and harvesting from different perspectives, will Vestas gain competitive advantage and leverage the effect of diversity for business success. Lack of diversity represents a loss of talent.

By focusing on Diversity and Inclusiveness, Vestas aims at creating equal access to opportunity regardless of social identity. We believe that a diverse workforce will improve teamwork and collaboration, ensure a focus on innovation and creativity, foster organisational responsiveness and agility, and for maintaining a high-performance organisation. Hence, it is important to cultivate a workforce as diverse as possible, without consideration of social identity any specific importance to gender, ethnic background, nationality, sexual orientation, religion or age.

## Scope

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

## Definition of Diversity

In Vestas, we define a diverse workforce that due to its composition of different social identities provide the company with differences in experience, perspective, opinions and solutions. Diversity is found in any social identity, such as gender, age, culture, ethnicity, physical abilities, political and religious beliefs, sexual orientation, and other attributes.

We aim for diversity in our total workforce, but, Vestas does not compromise on qualifications and will continue to employ the most qualified candidate regardless of social identity.

The policy sets out the elements in diversity and inclusion indicating our overall aim, but at current, focuses on the focus areas outlined below.

### Gender

As per Danish legislation<sup>1</sup>, Vestas will determine targets and maintain the policy at hand for the underrepresented gender, as well as report hereon.

Vestas is committed to working towards increasing the share of the underrepresented gender in executive and managerial positions, internally referred to as People Leadership positions. The goal is to increase the number of female managers at all levels long-term.

Vestas strives towards an adequate diversity in terms of qualifications and competencies among the members of the Board of Directors. It is a prerequisite that collectively the members of the Board of Directors shall have sufficient knowledge, professional competencies and experience to understand the Group's activities and the related risks. In compliance with legislation, Vestas has set a target for the underrepresented gender in the Board. The target was set in 2017 by the board itself and is to reach an equal gender distribution<sup>2</sup> no later than 2021 among the members of the Board of Vestas Wind Systems A/S elected by the general meeting.

In general, men are over-represented in Vestas. This is not unusual in the industry, which traditionally has more job roles attracting men than women. These are primarily the so-called STEM roles such as engineers, technicians, but does also include industrial workers. Vestas aims at increasing the number of females in STEM positions, and have defined an ambition of having 17 percent in these roles corresponding – on average – to the number of females pursuing this line of education in our primary locations.

The targets should help guide our decisions, increase awareness and ensure focus; however, Vestas does not compromise on qualifications and will continue to employ the most qualified candidate regardless of social identity. Our targets will be revised annually.

### Nationality

Vestas is dedicated to working towards a balanced nationality composition in all layers of the organisation, hence having a flexible and mobile workforce. In all our locations, we will aim at having a diverse workforce in terms of nationality / national culture.

<sup>1</sup> (Law no. 1383 of 23 December 2012; [https://erhvervsstyrelsen.dk/sites/default/files/vejled\\_om\\_koen\\_0.pdf](https://erhvervsstyrelsen.dk/sites/default/files/vejled_om_koen_0.pdf))

<sup>2</sup> 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.

#### Age and seniority

No matter whether the employee is 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.

### Diversity and Inclusion initiatives

In connection to this policy, Vestas aims at integrating Diversity and Inclusion in our core people processes, where relevant and possible.

#### Employment conditions

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

#### Employer Branding

Vestas will make a Diversity value proposition and use this as part of our Employer Branding - to enforce, communicate, and share our inclusive culture and work environment.

#### Recruitment

Diversity including gender composition is among others emphasised in the recruitment process, both for internal as well as external hires, as an important selection criterion to set the right team and fill positions with the best-suited candidates. We expect one third of candidates shortlisted for any position to be the underrepresented gender, and that a diverse pool of candidates is represented in general.

To attract women with a STEM background, we seek to partake in career fairs and associations targeted females.

Diversity and inclusion must be a natural element of any job ad posted on behalf of any Vestas organisation, outlining our approach and policy.

Both recruiters and hiring managers must be trained in unconscious bias to minimize biased decisions and recommendations of candidates.

#### Annual Activities

Annually, a string of initiatives is designed and implemented. The specific initiatives are revised in November by the Board and the Executive Committee, and is overall described in the Annual report paragraph on Statutory report on gender distribution.

Internally, initiatives can be found on the People & Culture Knowledgebase. Further, we encourage all employees to report any discriminatory behaviour or observations to our EthicsLine.

### 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 Q3, the Nomination and Compensation Committee discusses the status of diversity and inclusion and the strategy for the area in Vestas for the coming year – and the Board of Directors (Board) discusses the overall principles regarding diversity.

#### Executive Committee | Reporting

The Vestas' Executive Committee will bi-annually be provided with Diversity & Inclusion reporting. This includes the development of the share of women and men at the various management levels. If the share of either women or men at management level is below 40 percent, Executive Management evaluates the need for further actions.

#### Diversity Cockpit | Reporting

A Diversity & Inclusion Cockpit will be updated quarterly and made available to People & Culture employees as well as BU leaders. BUs are required to add Diversity and Inclusion to their leadership agenda.

#### Annual Report | Statutory report on gender distribution

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



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