



Statutory report on **gender distribution**

according to section 99b of the Danish Financial Statements Act
– the accounting period 1 January 2019 - 31 December 2019

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This statutory report on gender distribution covers the period 1 January 2019 – 31 December 2019 and is prepared pursuant to section 99b of the Danish Financial Statements Act, which requires Vestas to set quantitative targets for the share of the underrepresented gender in Vestas Wind Systems A/S' Board of Directors (the Board) and implement a diversity policy to increase the share of the underrepresented gender at all management levels. Furthermore, Vestas is required to report in the annual report on the status of these targets, including whether a given target has been achieved, and if not, why not, as well as on its diversity policy.

The report forms part of the management's review in the Annual report 2019.

Diversity and Inclusion Policy

Vestas has a Diversity and Inclusion policy to support our efforts of creating an environment that actively embraces diversity and inclusion, and by creating equal access to opportunities. Our aim is to develop and sustain an inclusive culture that allows everyone to thrive and develop their full potential. For instance, we aim for a more equal distribution of gender among employees in leadership positions. At the same time, Vestas does not compromise on qualifications and will continue to employ the most qualified candidate regardless of social identity that being gender, political, religious, age, cultural, or other personal orientation.

Currently, 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, covering science, technology, engineering and maths. Nonetheless, Vestas' ambition is to be an attractive workplace for both women and men by providing women and men with equal opportunities to pursue careers and to attain and hold positions of leadership. Vestas is a global organisation and the employee base is becoming more and more diverse. The management believes that having employees with many different skills, backgrounds, and experiences benefits Vestas and equips Vestas to more effectively address the global challenges ahead.

Follow-up and reporting

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

In November, Executive Management receives a report which describes 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.

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.

The parent company, Vestas Wind Systems A/S

The Board pursues the goal of having members representing multiple nationalities as well as both genders – and believes that its members should be chosen for their overall competences, yet it also recognises the benefits of a diverse board in respect of culture, age, and other factors.

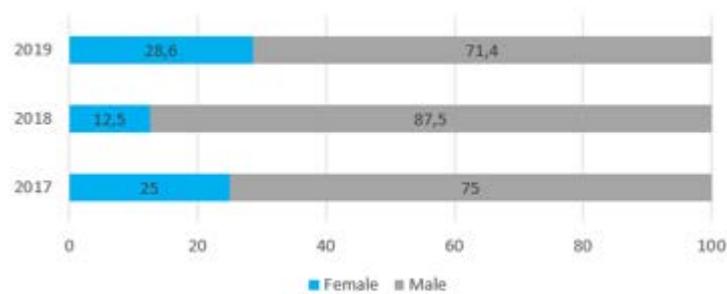
The Board of Directors

In compliance with legislation, Vestas has set a target for the underrepresented gender in the Board. The target was set in 2017 and is to reach an equal gender distribution¹ no later than 2021 among the members of the Board of Vestas Wind Systems A/S elected by the general meeting. Further information about the composition of the Board is available on the corporate website. Already in August 2019, Vestas reached equitable gender distribution according to the Danish Business Authority's definition on Board members elected by General Meeting.

In 2019, the General Meeting elected eight Board members and as of 1 August Henrik Andersen resigned from his position as member of the Board.

¹ 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.

Development in gender distribution in
the Board of Directors of Vestas Wind Systems A/S
Percent



The subsidiaries

Among the Group's Danish subsidiaries, five companies are subject to the reporting requirement for the under-represented gender according to section 99b in the Danish Financial Statements Act.

The Board of directors

The directors in the boards of the subsidiaries are appointed based on key positions in the parent company, and the current constitution of the boards is therefore reflecting who is currently holding these positions within Vestas Wind Systems A/S.

All five Danish subsidiaries covered by the obligation to report on gender representation have an equal gender distribution in their boards among the members elected by the general meeting. Therefore, no target has been set.

Vestas' Diversity and Inclusion policy

Vestas' Diversity and Inclusion policy is available on the corporate website.

Part of the policy is to describe and support the on-going work at Vestas on increasing the equal representation of genders in management positions in Vestas, as well as making sure that the composition of managers reflects the distribution of women and men in the labour market in the longer run.

A part of the strategic goal is also to ensure more information and enlightenment on the area of Diversity & Inclusion, which is to be done by offering a range of training programmes during the last quarter of 2019 and beginning of 2020.

Processes

Each year a People Review process is carried out, where employees on corporate leadership levels are being evaluated. In this process, the employee's manager, the manager of the latter and colleagues and a representative from People & Culture participate. Performance and potential are assessed based on the employee's current job role and expected capabilities, and this information supports Vestas in recruitment of managers internally, in career development, and in ensuring that e.g. promotions are carried out in consideration of Vestas' objectives to ensure everyone equal career opportunities.

Naturally, the distribution of men and women in leadership positions is considered in that connection. In continuation hereof, Vestas will not accept any kind of differential treatment and is therefore obliged to let qualifications be the only deciding factor in all aspects of employment, including recruitment, development, and promotion.

Activities in 2019

Vestas is working with several activities to ensure relevant diversity and inclusiveness at management levels, such as:

- Inclusive Leadership training for people leaders to enhance awareness and understanding of the benefits of a diverse work force, and to minimize any unconscious biases
- Unconscious bias training for all recruitment roles to ensure equality in recruitment
- Cultural assessment tools for all employees to enhance team collaboration across cultures and nationalities
- Collaboration with experienced external partners on diversity strategies and initiatives
- Diversity reporting for Executive management bi-annually

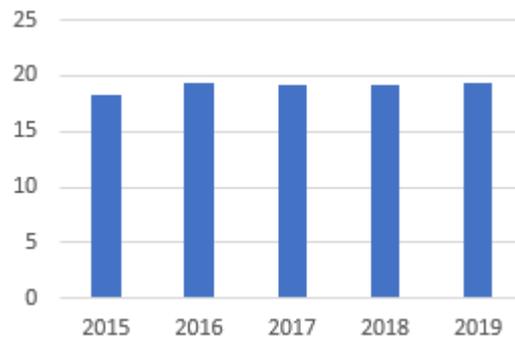
- Ensure a diverse pool of candidates in the entire recruitment process by highlighting inclusiveness in our career and job materials
- Ensuring fair employment opportunities – e.g. within parental leave, and equal pay.
- Making sure to communicate fair employment opportunities clearly and thereby encouraging employees to take them
- Exposing the career opportunities with science, technology, engineering and math to women, including specific events for female engineering candidates
- Close collaboration with our regional Diversity & Inclusion partners, who drive initiatives relevant for their region as well as provide feedback and input to the global process and overall initiatives

These initiatives will continue into 2020, combined with:

- Advancing the initiatives related to informing the business about the advantages of having a strong focus on Diversity & Inclusion within their teams, from leader to employee, from colleague to colleague, and from management to business
- Continuation of a Diversity & Inclusion Advisory Board with regional and functional representatives from the entire organisation to provide insights and feedback
- Increased communication internally as well as externally around our various Diversity & Inclusion efforts and initiatives
- Revision of our people processes to enhance the understanding of diversity and improve inclusiveness throughout the organisation

Women in leadership positions

Percent



The number of women in leadership positions has been steadily increasing over the past five years.