



Statutory report on **gender distribution**

according to section 99b of the Danish Financial Statements Act
– the accounting period 1 January 2018 - 31 December 2018

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This statutory report on gender distribution covers the period 1 January 2018 – 31 December 2018 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 (Board) and implement a diversity policy to increase the share of the underrepresented gender at other 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, an if not, why not, as well as on its diversity policy.

The report forms part of the management's review in the Annual report 2018.

Gender principles

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. We aim for a more equal distribution of gender among employees in leadership positions, but, 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.

The 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. It is therefore important that employees in leadership positions have the proper competencies, irrespective of gender.

Vestas has 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 the Group and equips Vestas to more effectively address the global challenges ahead.

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.

Follow-up and reporting

Once a year, typically in third quarter, the Nomination and Compensation Committee discusses the status of diversity and the strategy for the diversity area in Vestas for the coming year – and the Board of Directors (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. However, these goals must not compromise the other recruitment criteria.

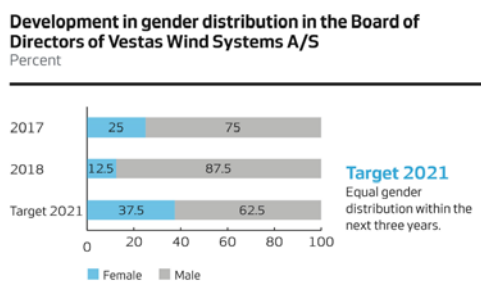
The Board of Directors

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.

In 2018, the General Meeting decided to extend the number of members of the Board with an additional member and Mr. Jens Hesselberg Lund was elected – and in July Ms. Lykke Friis decided to resign from her 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.

Based on the latest development in the composition of the Board it is an ambitious goal to reach equal gender distribution no later than 2021, but the Board has decided not to change the target.



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 has introduced a Diversity and Inclusion Policy which replaces the former Policy on Equality. Part of Vestas' Diversity and Inclusion policy is to describe and support the on-going work at Vestas on increasing the number of the under-represented gender in management positions in Vestas and by that enhance a more equal distribution of the number of men and women.

In that respect, Vestas' strategic objectives also comprise that Vestas obtains a more equal distribution of men and women in management, and that the composition of managers reflects the distribution of women and men in the labour market in the longer run, however, always considering competencies when deciding who are the best qualified persons for the job.

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

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 is 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 management 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 2018

In October 2018, the Nomination & Compensation Committee discussed the status of diversity and the strategy for the diversity area in Vestas for the coming year, including the overall principles regarding diversity.

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

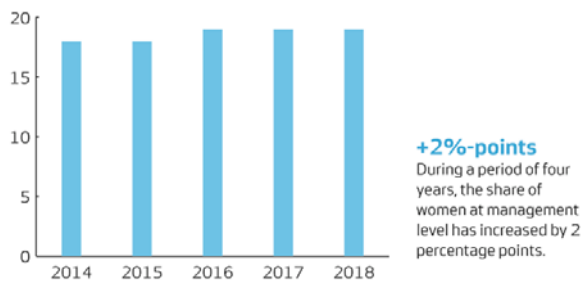
- Unconscious bias training for people leaders to enhance awareness and understanding for the benefits of a diverse work force, and to minimize any unconscious biases.
- Unconscious bias training via self-paced virtual online learning path provided to all employees
- Diversity reporting for Executive management quarterly.
- Ensure a diverse pool of candidates in the entire recruitment process by e.g. educating recruiters and line managers and by highlighting inclusiveness in our career and job materials.
- Ensuring fair employment opportunities – e.g. within parental leave, and equal pay, and include this in the Diversity reporting.
- Exposing the engineering opportunities to women, including specific events for female engineering candidates.

These initiatives will continue into 2019, combined with:

- Establishment of a Diversity & Inclusion Advisory Board with regional and functional representatives from the entire organisation.
- Benchmarking of our Diversity & Inclusion reporting towards an external index.
- Increased communication externally around our various Diversity & Inclusion efforts and initiatives.
- Revision of our people processes to enhance the understanding of diversity and improve inclusive leadership.

Women at management level

Percent



In 2018, the share of women at management level within Vestas was 19 percent, which is a 1 percent increase over a five-year period.

Vestas Wind Systems A/S
Hedeager 42, 8200 Aarhus N, Denmark
Tel: +45 9730 0000, Fax: +45 9730 0001
vestas@vestas.com, vestas.com