SUPPLIER INFORMATION DECK

Digital Procurement

One portal for supplier collaboration

May 2022

LETTER TO SUPPLIERS

Dear Valued Vestas Supplier,

In Vestas, we are transforming the way we collaborate with our suppliers and we are excited to invite you to join us on this journey!

We use SAP Ariba, to gather all interactions with suppliers in one portal for the best supplier collaboration. We have already implemented the first modules and are well on the way to digitalize our end-to-end procurement processes, fundamentally changing how we interact with you.

As a valued Vestas supplier, we want you to join us in this initiative so that we can continue to further strengthen and optimize our collaboration. We firmly believe that moving to Ariba will not only benefit Vestas, but also bring tangible benefits to you as a supplier.

In this document you can read more about these benefits and the initiative in general. You can also learn how to get started and find answers to the questions we most often get from our suppliers.

We look forward to welcoming you onboard our journey!

Best regards,

Dieter Dehoorne, *Head of Global Procurement*
Jakob Larsen, *SVP and CIO, Global IT*

Dieter Dehoorne
Head of Global Procurement,
Vestas

Jakob Larsen
SVP and CIO,
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Vestas

WHERE ARE WE HEADING?

Procurement in Vestas is moving towards a fully digital future to support our continued growth

In Vestas, we are transforming **the way we work**, enabling world-class procurement through **one portal for supplier collaboration**

Simplicity

We want to make it easy to do business with Vestas by gathering all collaboration with our suppliers on one digital and connected platform.

Compliance

We want to reinforce compliance and increase transparency for Vestas and our suppliers by embedding policies and guidelines, minimizing risks and ensuring we always use contracted terms.
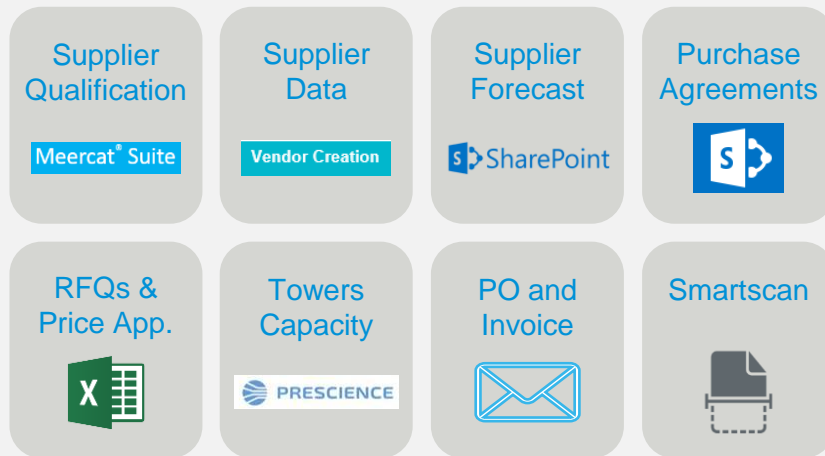
Performance

We want to strengthen performance and increase efficiency by digitalizing, connecting and automating processes across Vestas and suppliers.
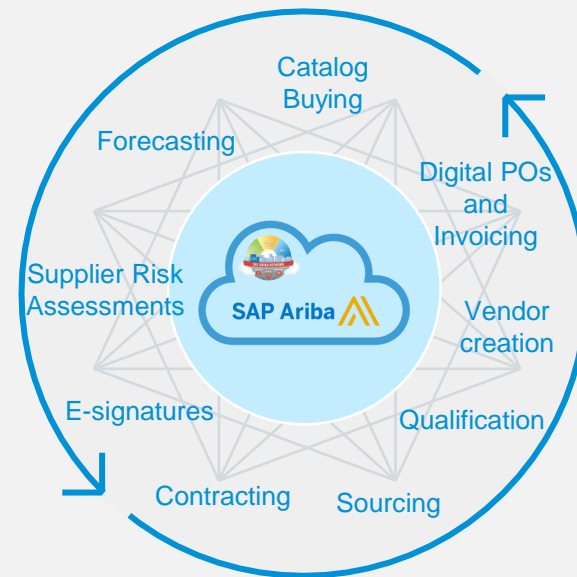
ONE PORTAL: SAP ARIBA

One shared portal to further strengthen collaboration with our suppliers

Digital Procurement covers the implementation of SAP Ariba and the underlying Ariba modules. The implementation offers one portal for Vestas to collaborate effectively with suppliers when we buy, invoice, select, negotiate agreements, and manage information and relationships. All in a simple, compliant, and efficient way.

Previously suppliers interacted with Vestas through multiple systems and channels…

Supplier Qualification **Meercat® Suite**	Supplier Data **Vendor Creation**	Supplier Forecast **SharePoint**	Purchase Agreements
RFQs & Price App.	Towers Capacity **PRESCIENCE**	PO and Invoice	Smartscan

…Today all our collaboration will be facilitated via one portal: SAP Ariba

SAP Ariba

- Catalog Buying
- Forecasting
- Digital POs and Invoicing
- Supplier Risk Assessments
- Vendor creation
- E-signatures
- Qualification
- Contracting
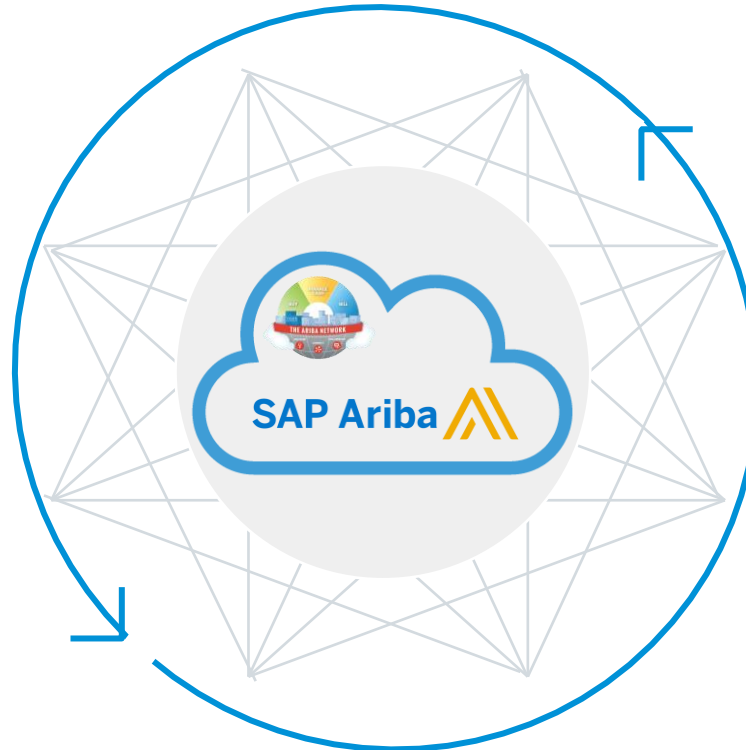- Sourcing

Vestas

MEET SAP ARIBA…

Ariba is a cloud-based B2B collaboration platform where millions of companies interact

Since 1996, Ariba has been transforming the global procurement landscape for businesses of all sizes. Ariba provides the world's largest business network as well as a suite of leading digital procurement solutions – covering the entire procurement process.

The world's largest **business-to-business** network

Available in **24 languages** on PC and as mobile app
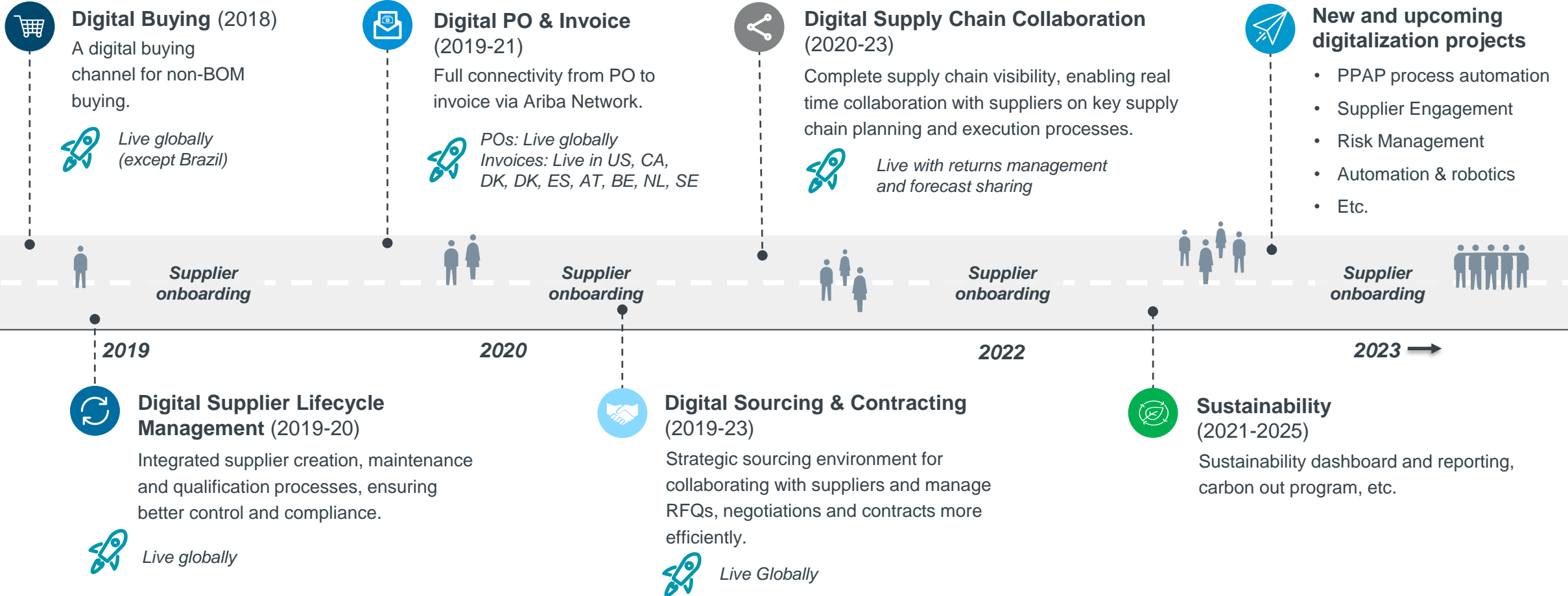
180M transactions totaling 3.2 trillion USD per year

6.7M suppliers in 190 countries, with 90 new suppliers joining every hour

+60M annual purchase orders

Integrated end-to-end procurement processes

DIGITAL PROCUREMENT | ROADMAP

Transforming the way we work with Procurement

Digital Buying (2018)
A digital buying channel for non-BOM buying.

Live globally (except Brazil)

Digital PO & Invoice (2019-21)
Full connectivity from PO to invoice via Ariba Network.

*POs: Live globally
Invoices: Live in US, CA, DK, DK, ES, AT, BE, NL, SE*

Digital Supply Chain Collaboration (2020-23)
Complete supply chain visibility, enabling real time collaboration with suppliers on key supply chain planning and execution processes.

Live with returns management and forecast sharing

New and upcoming digitalization projects
- PPAP process automation
- Supplier Engagement
- Risk Management
- Automation & robotics
- Etc.

Supplier onboarding

Supplier onboarding

Supplier onboarding

Supplier onboarding

2019

2020

2022

2023

Digital Supplier Lifecycle Management (2019-20)
Integrated supplier creation, maintenance and qualification processes, ensuring better control and compliance.

Live globally

Digital Sourcing & Contracting (2019-23)
Strategic sourcing environment for collaborating with suppliers and manage RFQs, negotiations and contracts more efficiently.

Live Globally

Sustainability (2021-2025)
Sustainability dashboard and reporting, carbon out program, etc.

Classification: Restricted

WHAT ARE THE BENEFITS?

Launching the Digital Procurement program in 2018, Vestas and our suppliers are already reaping the mutual benefits of simpler, more compliant and efficient collaboration. Gathering our collaboration on one portal simply makes it easier for us to do business with each other.

"Now Vestas is our easiest account to handle due to Ariba. It is very easy to use and we love it."

- US Vestas supplier
(previously #1 for invoicing issues)

What is in it for Vestas?

- **Employees managing own buying** in Ariba via catalogues or free-text, in compliance with Vestas' procurement policies and processes.

- **Easy access to the right suppliers**, allowing for closer collaboration with selected and contracted vendors and minimizing maverick spend.

- **Integrated supplier lifecycle management**, from registration to qualification and throughout the duration of the supplier relationship.

- **Ensured compliance** with policies, processes and contracted terms automatically applied in transactions.

- **Secure and efficient supplier master data management** without risk of third-party change requests.

- **Increased supplier satisfaction** due to fewer Parked & Blocked invoices and better on-time payment.

… And what is in it for suppliers?

- **Accurate and timely payments** as POs and invoices are automatically matched, reducing order complexity and ensuring on-time payment.

- **Improved cost-efficiency** due to shorter processing time and reduced manual handling of orders and documents.

- **Real-time visibility to invoice payment status** ensuring increased transparency throughout the transaction (e.g. via e-mail notifications).

- **Easy and secure administration of your information**, as suppliers are able to self-register and maintain profile details independently without third-party intervention.

- **As a registered supplier, compliance is ensured** and you are ready for future business with Vestas with contracted terms automatically applied in transactions.

- **Improved opportunity for business growth** with exposure to established buyers in the Ariba Network.

Classification

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WHAT ARE THE KEY CHANGES FOR SUPPLIERS?

Ariba will change the day-to-day interaction between Vestas and suppliers

Ariba affects specific processes in our collaboration with suppliers. We expect all our suppliers to understand and follow these new ways of working when they are onboarded to Ariba. Only by adopting the new processes are we able to realize the mutual benefits of transacting through Ariba.

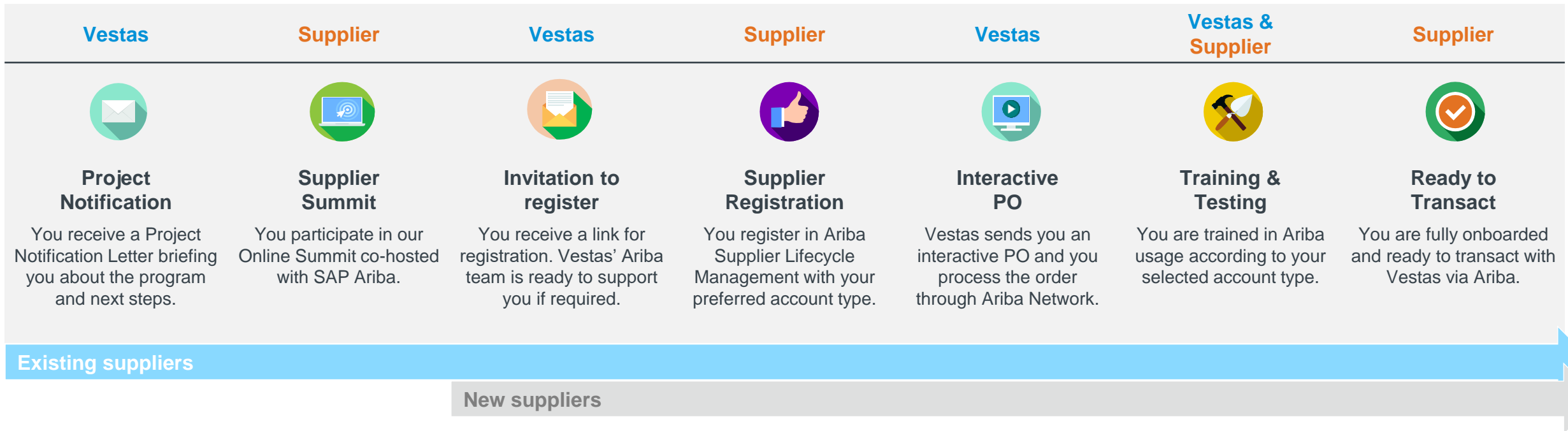|	**Before Ariba**		**With Ariba**
Ordering	Purchase orders are send from Vestas to suppliers via email and suppliers returns order confirmations via email.	→	Purchase orders and order confirmations are exchanged through Ariba via the Digital PO & Invoice module.
Invoicing	Invoices are send as PDF documents via email from suppliers to Vestas.	→	Invoices are sent to Vestas through Ariba via Digital PO & Invoice, providing full transparency of invoice status.
Master data	Suppliers send an email to Vestas when there are changes to their master data.	→	Suppliers self-maintain parts of their master data in Ariba using the Digital Supplier Lifecycle module.
Qualification	Suppliers in scope for qualification receive supplier assessment questionnaires via separate system.	→	Suppliers in scope for qualification receive questionnaires through Ariba via the Digital Supplier Lifecycle module.
RFx	RFIs, RFPs, and RFQs are sent to suppliers through email.	→	RFx are distributed through Ariba via the Digital Sourcing & Contracting module.
Signing	Signing of contracts and NDAs is done manually and scanned.	→	Signing of contracts and NDAs is done with e-signatures through DocuSign (optional).
Forecast	Forecast information is shared in Excel	→	Forecasting information is shared and available directly in Ariba

Vestas

HOW TO GET STARTED?

We are committed to help suppliers get started with SAP Ariba

Onboarding of existing Vestas suppliers is done in waves based on suppliers' regional location. Vestas will make sure all suppliers receive the information and support needed during the transition when it becomes relevant. All new Vestas suppliers are instructed to sign up directly through SAP Ariba.

The supplier onboarding journey:

Vestas	Supplier	Vestas	Supplier	Vestas	Vestas & Supplier	Supplier
Project Notification	**Supplier Summit**	**Invitation to register**	**Supplier Registration**	**Interactive PO**	**Training & Testing**	**Ready to Transact**
You receive a Project Notification Letter briefing you about the program and next steps.	You participate in our Online Summit co-hosted with SAP Ariba.	You receive a link for registration. Vestas' Ariba team is ready to support you if required.	You register in Ariba Supplier Lifecycle Management with your preferred account type.	Vestas sends you an interactive PO and you process the order through Ariba Network.	You are trained in Ariba usage according to your selected account type.	You are fully onboarded and ready to transact with Vestas via Ariba.

Existing suppliers

New suppliers

SAP ARIBA ACCOUNT TYPES

There are two SAP Ariba account types available for suppliers

As a supplier, you can choose between two account types to best suit your needs. Both account types can be used to transact with Vestas. The **Standard account is always free-of-charge**, while the Enterprise account is subject to fees depending on the number of documents and the volume of the transactions you are running through Ariba.

Standard Account

Free

- **Free-of-charge** access to all SAP Ariba modules needed to transact with Vestas.
- Collaborate on **all basic document types**: Orders, Order Confirmations, Service Entry Sheets and Invoices.
- Receive **Invoice Status Notifications** in real-time and view scheduled payment dates.
- Access is always initiated via an **Interactive Email** attached to the Order.
- Access can be provided to **multiple users** in the supplier organization.
- **Mobile** enabled and it is free.

Enterprise Account

- Supplier funded subscription which is **subject to fees**.
- Provides the ability for Suppliers to **manage own catalogues**.
- **Invoices are archived** online for the life of the account.
- Dedicated live-chat, phone and email **support included** from SAP Ariba.
- Enables **back-end integration** with a Supplier ERP system.
- Enhanced **reporting** capabilities.

Click to get the full overview of **functionalities included** in the account types.

Click to **calculate the value** for your company or to see the **pricing overview** (hover over your region and click 'Fee schedule').

WHERE TO LEARN MORE?

Support is available

For more information

Visit the Vestas website to learn more about the Digital Procurement program, see supplier Quick Guides, Videos and more

For questions or technical support

If you need technical support or have questions to the supplier onboarding process, please contact the Vestas SSC Ariba team.

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DIGITAL PROCUREMENT
ONE PORTAL FOR SUPPLIER COLLABORATION

APPENDIX:
Frequently Asked Questions (FAQ)

On the following pages, you can find answers to some of the common questions asked by our Suppliers.

Click on a topic to the right to jump directly to the relevant section.

1 — **General / Program**

2 — **Account Setup**

3 — **Notifications**

4 — **Training & Support**

What will it cost us to join SAP Ariba?

You can select between two account types: a free-of-charge Standard account or an Enterprise account which is subject to fees. Both account types give you full ability to transact with Vestas. Please join the Supplier Summit to learn more about the options and which is most suitable to your needs.

Will Ariba be the only method to transact with Vestas in the future?

Yes. Vestas is fully committed to going digital, as we see a lot of benefits for both Vestas and for our suppliers. Ariba is the preferred method and, eventually, it will be the only method to transact with Vestas.

What if we do not wish to transact through Ariba?

Vestas Procurement is going digital and we want you as our valued suppliers to join us on the journey. We know this is not a small decision and we want to give you some time to consider it, however, from Vestas's side the aim is to get all of our suppliers to transact with us through Ariba.

Will Vestas cover our costs related to the implementation of SAP Ariba?

No. As a supplier, you can always choose a Standard account which is free-of-charge. Also, for many suppliers there are a number of benefits in joining Ariba which should outweigh the costs.

What is the impact on Transport management?
Transport booking will be still managed via ITM. Integration of ITM with Ariba is not in current scope, but would be in future.

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1. GENERAL (2/2)

What entities are Vestas moving to the SAP Ariba solution?

Vestas will move all entities to the SAP Ariba solution. This means that once you join the network, you will receive all orders from Vestas through SAP Ariba.

What if we have other entities around the world?

As there are different legal requirements and tax regulations applying for different countries, we are rolling out e-invoicing country by country. Please bring up the topic during the training sessions to discuss how this applies to you specifically.

Does it require a paid account to access any of the modules?

No, all modules can be accessed using a Standard account. The Enterprise account provides additional functionality for the Digital PO and Invoicing module, however, it is not required to transact with Vestas.

Is e-invoicing through Ariba mandatory?

Yes, once we go-live, it is mandatory to invoice only through Ariba for countries where e-invoicing is approved. This will enable Auto-posting of invoices in our system and ensures on-time payment.

How should we process old invoices/legacy purchase orders after the go live date?

Old POs and invoices should be processed through the existing process. Only new POs that you receive through Ariba, after signing up, will be processed through Ariba.

2. ACCOUNT SETUP

Can more than one person within our organisation access the Ariba Network Standard account?

Yes, additional users can be added to the Ariba Network by going to Company Settings, Users followed by Create.

Do we need one account for each of our entities located in different countries?

No, you can opt for 'Multi-Org', which allows you to link all the accounts you want under an account hierarchy. A designated account would act as a "parent account".

Can we start with a Standard Account and later move to the Enterprise account?

Yes, in fact we would recommend starting with the Standard account, so that we can start transacting through Ariba right away. Setting up the Enterprise account will take some time. You can always upgrade to an Enterprise account, either from the beginning or at a later stage.

How do I update our VAT information so that it is automatically output on our Invoices?

Your VAT/GST registration details can be administered from within the Company profile which is accessible under Company Settings, Company Profile, Business 'tab' followed by Tax Information.

3. NOTIFICATIONS

What are examples of notifications that I will receive within the Ariba Network with a Standard account?

Examples of notifications include; receipt of new Orders and unconfirmed Order reminders, Service Entry Sheet status changes (where applicable), Invoice rejection notifications and status changes, payment remittance, etc.

Can notifications be sent to multiple people within our organisation?

Yes, notifications can be sent to up to three email addresses. This can be administered under Company Settings, Notifications, followed by General, Network, Discovery and Sourcing & Contracts.

Will Vestas get notifications on changes that we make in Ariba? E.g. to Order Confirmations

No, Ariba will send notifications only to suppliers, not buyers. Therefore, we always recommended that you consult with the buyer before you make any changes to what we requested.

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4. TRAINING & SUPPORT

Will we receive training in using the new system?

Yes, we are committed to ensure that our suppliers are off to a good start with Ariba. Therefore, when you have registered for Ariba, you will be invited for relevant training. In addition, you will receive Ariba manuals and instruction videos as well as access to Ariba's FAQ forum.

Where can I get support once I have registered?

The level of continuous support depends on your account type. Suppliers with Standard Account (free version) may contact the Vestas Ariba team at ariba.ssc@vestas.com, whereas Enterprise Account suppliers are able to contact Ariba's Support Center.

Does Ariba support local language requirements?

Yes. The language on the Ariba platform changes in accordance with the internet browser settings set by the user.