Group Tax Policy

Vestas Wind Systems A/S
CVR No. 10403782

The Group Tax Policy outlines Vestas' global management of taxes including governance, structuring and risk management. The policy is approved annually by the Board of Directors.

The purpose of the Vestas Group Tax Policy is to define global management of taxes including governance, structuring and risk management. The Group Tax Policy applies to all decisions that directly or indirectly affect reporting and/or payment of taxes notwithstanding the nature of the tax as long as it falls or could fall under the liability of any Vestas Group Company.

Roles & responsibilities

The Tax organisation is responsible for ensuring that all tax-related matters are executed accurately and responsibly aligned with Vestas' Group Tax Policy. To achieve this, Global Tax operates through dedicated organisational lines, each dedicated to assessing and managing different aspects of taxation that affect Vestas.

Group Tax is responsible for:

- Maintaining a global tax framework to accommodate the Vestas Business Model
- The Global Transfer Pricing Policy
- Maintaining a global control-framework
- Global tax- processes and technology
- Consolidating the Group tax position
- Managing global tax risk reporting
- Subject matter expert support across Tax
- Supporting complex and cross-border matters with tax authorities

Regional Tax Directors are responsible for:

- Application of the global tax framework in close coordination with the Group Tax subject matter experts
- Handling daily communication with tax authorities
- Acting as business partner to regional business functions in collaboration with the tax business partner function
- Overseeing local tax compliance and tax filing
- Monitoring, controlling, and reporting regional taxes to Group Tax
- Managing tax risks related to regional project execution

The Tax Business Partner function is responsible for:

- Ensuring alignment of the Global Tax framework towards new global business cases
- Maintaining close coordination with Regional Tax Directors to align regional and global initiatives
- Facilitating tax structuring in the earliest phases of business development
- Managing tax risks related to Global project execution
- Coordination of legal structures and financing

Shared Service Center is responsible for:

- Rule-based accounting, controlling, and reporting activities
- Standardisation of reporting and controlling activities in collaboration with relevant functions
- Support- and perform local tax compliance activities from the dedicated Tax Center

Tax Policy

Our approach to tax

Vestas considers a sustainable, socially responsible, and compliant tax practice to be a corner stone in contributing positively to the communities we are part of and create a sustainable planet for future generations. By taking a responsible and transparent approach to tax, our tax practice helps sustain the Group's license to operate globally and locally, and we therefore also believe that local operations must be proportionally matched by local tax contributions.

We strive for high tax compliance standards across the Group, and we recognise that a tax policy is part of securing the long-term competitiveness of a multinational Group. Therefore, in order to support shareholder interests, Vestas aims at meeting industry standards in the countries we operate, and do not establish subsidiaries or branches in any jurisdictions unless supported by business operations and a physical footprint.

In support of our approach to tax, Vestas' Code of Conduct help ensure integrity and compliance in our corporate decisions, while our Values of Accountability, Collaboration, Simplicity and Passion provide further guidance. In addition, responsible tax planning and tax practices contribute to the UN Sustainable Development Goals and are part of our sustainability strategy "Sustainability in everything we do".

In this policy, we outline the principles that guide our decision making and practice on tax as a multinational entity, including how we ensure we contribute positively to the societies we are part of, and how we navigate the grey areas resulting from multiple jurisdictions' tax legislation with developing tax regimes as well as international organisations such as OECD which can lead to interpretative challenges in situations when the letter of the law is not consistent with the intention of the law.

Tax Governance

The Vestas' tax practice is governed by a global organisation where the roles have been defined to secure an efficient structure where:

- The Group Tax Policy and strategy are centralised in Group Tax along with the global controlling function
- The Regional Tax Directors oversee regional tax positions and ensures compliance with the Global Tax Policy, general tax compliance and tax filing in their respective Region
- The Global Tax Business Partner function collaborates with global business units, providing tax advice for decision-making, planning and execution
- The Shared Service Center support with accounting, controlling and compliance tasks across the tax functions

In order to execute in accordance with the Group Tax Policy, Vestas retains the necessary level of trained tax professionals to adequately ensure understanding of the Vestas business model, comply with tax filing requirements in a sufficient and timely manner and to develop and maintain the information necessary to explain how Vestas' business decisions have affected individual tax filings.

The Group Tax Policy must set internal standards across all business areas for responsible tax practice when navigating the grey areas in the legislation where the letter of the law is not consistent with the intention of the law.

The Group Tax Policy is subject to an annual review and approval by the Board of Directors of Vestas Wind Systems A/S. This review process is anchored in the Audit Committee. Besides this review process executed at the top governance level of Vestas, our financial control processes are designed to monitor that our operation and activities are in line with the Group Tax Policy. Vestas is committed to high ethical standards, and through Vestas' whistleblower system "EthicsLine" inappropriate behaviour or incidents can be brought forward and handled in a fair and timely manner – this also includes tax related issues.

Tax Planning

As part of the Global Tax Policy Vestas has defined guiding principles for a number of issues where difficult decisions must be made on recurrent basis:

- In accordance with the corporate values of Vestas – Accountability and Simplicity – we find aggressive tax planning to be contrary to sustainable development and potentially also damaging to the long-term development and success of our industry. Rooted in the Vestas values we take a responsible and prudent approach to tax planning by focusing on the substance of our business and by not pursuing artificial structures.
- Structuring: Vestas relies on sound legal structures that are based on the individual business cases and does not apply legal structures that are constructed to avoid or artificially defer corporate tax payments or unduly shift the tax jurisdiction governing transactions.
- Tax Havens: When establishing subsidiaries and branches, Vestas will solely consider this based on the business opportunities at hand. Vestas does not engage in establishing subsidiaries or branches in any jurisdictions where this is not supported by a business decision and a physical footprint.
- Tax rulings and APAs: Vestas generally accepts unilateral- & bilateral agreements, Advance Pricing Agreements (APA) and Mutual Agreement Procedures (MAP) as means to secure tax- certainty & compliance. Based on this, Vestas actively pursues a strategy to confirm the judgement underlying the adopted principles in jurisdictions where complexity is high. Where possible, Vestas seeks to adopt bilateral measures to support transparency.
- Tax incentives: Vestas operates in a number of jurisdictions where the government has introduced and promote incentives to encourage specific investments & activities. Such incentives commonly reduce tax rates or postpone tax payments through advanced depreciations. Vestas seeks to benefit from such tax incentives where these are commonly available across the industry.
- Stakeholder tax planning: Vestas generally expect vendors, partners and customers to share Vestas values in respect to tax planning. To the extent possible Vestas monitor the behaviour of partners from project to project. Based on this screening Group Tax, together with management, continuously evaluate if stakeholders act within Vestas values of integrity and accountability and take appropriate actions.
- Geopolitical Developments: Vestas monitors geopolitical developments and trade policy shifts that may impact cross-border taxation, tariffs, and supply chain costs. The tax function collaborates with other stakeholders to assess the tax implications of trade conflicts and aims to ensure agile responses through scenario planning and structural flexibility.

Investments by Vestas Development

Vestas has a separate business unit, Vestas Development, which is responsible for funding and development of wind power projects in the Vestas Development portfolio. Vestas Development identifies project sites, funds and develops the wind power projects, by obtaining all rights and permits that support the construction and operation of them with Vestas' technology. All rights and permits required to be obtained for the wind farms under development (including but not limited to the power purchase agreements, licenses, permits, land rights, contacts, etc.), are key value drivers. Vestas seek to sell the projects to a third-party investor in advance of the start of construction, with the right to sell Vestas' technology and Active Output Management (AOM) long-term services. It is vital to secure all rights and responsibilities to the project in a separate company whose shares may be sold to a new owner(s). Developing wind power projects is complex and risky and many project opportunities will never make it to construction. For these reasons, the project development rights and permits will be owned and funded by a special purpose vehicle (SPV), which will enable the isolation and securitisation of assets in a separate company. Different investment structures such as joint-ventures or forms of co-investments are sometimes needed, making it necessary to set up a holding structure creating a separation between the operation and the ownership. This allows for flexibility and changes in the ownership structure without interfering with the underlying investment, i.e., the wind power project.

Vestas Development invests primarily in projects in greenfield development stage but also invests in mid-or late-stage development projects that may already hold a significant value or where Vestas Development may be offering financial solutions in exchange of Vestas technology and services exclusivity. The development work is performed either through Vestas Development's own frontline teams in regional and local Vestas Development companies or through local third-party developers. For projects acquired, Vestas will in general seek to align the ownership structure to our Group Tax Policy and general approach, but for some projects we may deviate and leave it as-is. This can be a result of a limited holding period or a limited size of the project, which would make it commercially unviable to re-work the structure.

Investments by Vestas Ventures

Vestas Ventures is a platform designed to invest into external companies to challenge our status quo and achieve our long-term vision to become the global leader in sustainable energy solutions. The typical investment case for Vestas Ventures will be to take a minority stake in the target company for a medium to long-term holding.

The activities in Vestas Ventures and Vestas Development may from time-to-time lead to the acquisition or investment in projects or companies, which at the point of investment can have a corporate structure that is not fully in line with Vestas' Group tax policy outlined in this document. In line with the above-mentioned Stakeholder Tax Planning, Vestas sees it as an obligation to use its leverage in the planning phase to design an investment structure in accordance with Vestas' values and policies.

Transfer Pricing

Vestas subscribes to the OECD Transfer Pricing framework in applying the arm's length principle and as part of the Group Tax Policy allocates taxable income to where the true and fair value is considered to be created and Vestas' transfer pricing policy is based on general recognised transfer pricing principles.

Tax Disputes

From time-to-time Vestas is faced with individual tax authorities that disagree to the judgement performed internally by Vestas. This is a consequence of running a global and complex operation, despite a conservative and responsible approach by Vestas to tax governance and tax planning.

Such situations most commonly arise out of transfer pricing where judgements often give rise to a different opinion. In these cases, Vestas seeks to be as transparent as possible in demonstrating the basis for the judgement. Where a common understanding cannot be reached, Vestas will consider escalating to administrative- and judicial courts as well as application of mutual agreement procedures, when available, to eliminate the risk of double taxation.

Tax Risk Management

Vestas recognises that the complexity of a global tax policy require a clear strategy on managing risk. This is supported by the Vestas tax risk management principles that are based on a two-tier system:

- A bottom-up reporting of identified tax risks from regional- and global tax business partners that are assessed and consolidated centrally, and
- a centralised evaluation of the systemic risks related to operating based on a global business model.

The risks are consolidated on a quarterly basis and prioritised based on likelihood and impact. Actions are planned on how to most effectively mitigate and prevent identified tax risks.

The Vestas Material Risk Policy forms a central element of the tax and VAT governance in relation to project activities and corporate structure by securing those decisions with material impact on the tax risk profile are decided by management based on recommendations from the corporate structure committee and Group Tax.

Controlling of compliance is performed on an annual compliance list where local management confirms that they have fulfilled the statutory filing requirements in the jurisdictions where they operate.

Tax risks are included in our tax risk management reporting and reported to management on a quarterly basis together with assurance that sufficient contingencies are in place.

Vestas' VAT positions (receivables and liabilities) are being recurrently monitored and required actions are taken in case of unforeseen build-ups.

Digital tax administration

The digitalisation of the global economy has prompted a wave of regulatory responses such as real time exchange of transactional data through government provided portals, upload of standard audit file for tax (SAF-T) and the reporting required under the OECD framework for Pillar I and II.

The digitalisation is happening at a rapid pace and underlines the requirements for ensuring correctness of master data and that all transactions are recorded in Vestas' ERP system (SAP). Group Tax is recurrently validating relevant tools to ensure this. This includes considerations of where and how to apply AI, e.g. within the areas of predictive analysis and anomaly detection.

To ensure compliance and mitigate tax risk in the digital economy, Vestas is:

- Maintaining robust transfer pricing documentation aligned with OECD guidelines, especially for digital transactions and intangibles.
- Implementing systems that enable real-time exchange of data with tax authorities
- Monitoring the legislative landscape in the countries where Vestas is present to ensure on-time compliance with the regulatory changes

Effective Tax Rate & Payments

Based on the Group Tax Policy in place Vestas expects a stable tax rate marginal around the statutory tax rate of the jurisdictions where Vestas has operations and translating into tax payments on par with the reported tax rate.

This policy has been approved by the Board of Directors of Vestas Wind Systems A/S on 12 August 2025.