Tax Sustainability Report 2024

Wind. It means the world to us.™

Vestas Wind Systems A/S – Company reg. no.: 10403782
Hedeager 42, 8200 Aarhus N, Denmark

Vestas®

Contents

Introduction

→ The evolving landscape of tax transparency
→ Our business

The evolving landscape of tax transparency

Tax transparency is not just about compliance; it is about demonstrating our values and principles and build a foundation of trust and mutual respect. We believe a clear understanding of how we contribute to the economies and societies in which we operate is essential to Vestas' long-term success, and we therefore share our tax strategy and material outcome with our stakeholders.

In 2024, Vestas incorporated the Corporate Sustainability Reporting Directive (CSRD) in relevant reporting practices. To this end, we conducted a double materiality assessment available in our Annual Report 2024 in page 57, which included evaluating both the financial- and non-financial impacts of our tax practices. After this thorough analysis, we disclosed transparent tax as a relevant topic within the Governance section of our reporting. This disclosure is a testament to our continued commitment to maintaining the highest standards of corporate governance and transparency.

We're proud to have been ranked the most sustainable energy solutions company in the world and #3 overall by Corporate Knights Global 100. Being among the top three for four consecutive years yet again underline our continued commitment to sustainability.

As part of our ambition and following our sustainability strategy, we prioritise tax transparency with the aim of fostering strong relationships with our stakeholders, including investors, regulators, and the communities in which we operate. This includes a comprehensive disclosure of our tax practices.

We identified several years ago that tax transparency is a key subject which is here to stay. The relevance of this subject among our stakeholders has demonstrated the crucial importance of a responsible tax transparency strategy for building trust and credibility in the market. By being transparent about our tax practices, we demonstrate our commitment to ethical business conduct and accountability. To this end, we demonstrate accountability showing the reader some on the main aspects of Vestas such as, Total Tax Contribution, Country-by-Country-Report and our Approach to Tax.

Furthermore, our approach to tax transparency aligns with global trends and regulatory expectations. As governments and international bodies increasingly emphasise the importance of transparency and accountability, we are committed to staying ahead of these developments. Our proactive stance on tax transparency not only ensures compliance with current regulations but also prepares us for future changes in the regulatory landscape.

Hjalte Volqvartz,
Vice President, Vestas Group Tax

We believe that clear and honest communication about our tax practices not only enhances our reputation but also contributes to the overall stability and sustainability of our industry.

Our business

Vestas has more than 35,000 employees and operates in more than 70 countries.

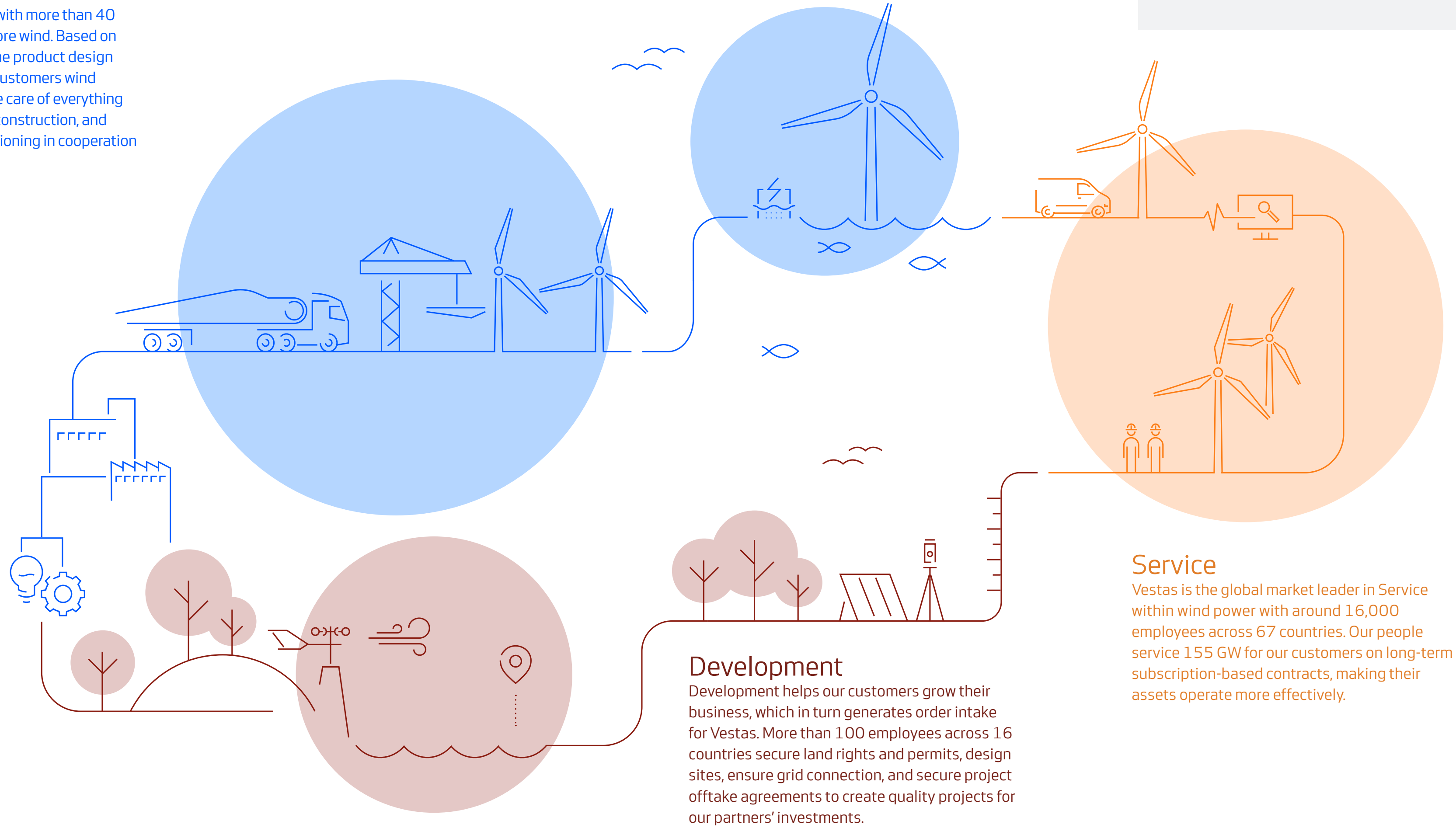
+35,000

Offshore

Vestas is becoming a leading player in Offshore wind with almost 30 years of experience. Based on our own offshore wind turbine product design and development, we offer customers wind power solutions, and we take care of all stages from siting through final commissioning.

Onshore

Vestas is the market leader with more than 40 years of experience in Onshore wind. Based on our own onshore wind turbine product design and development, we offer customers wind power solutions, and we take care of everything from siting, manufacturing, construction, and installation to final commissioning in cooperation with our partners.

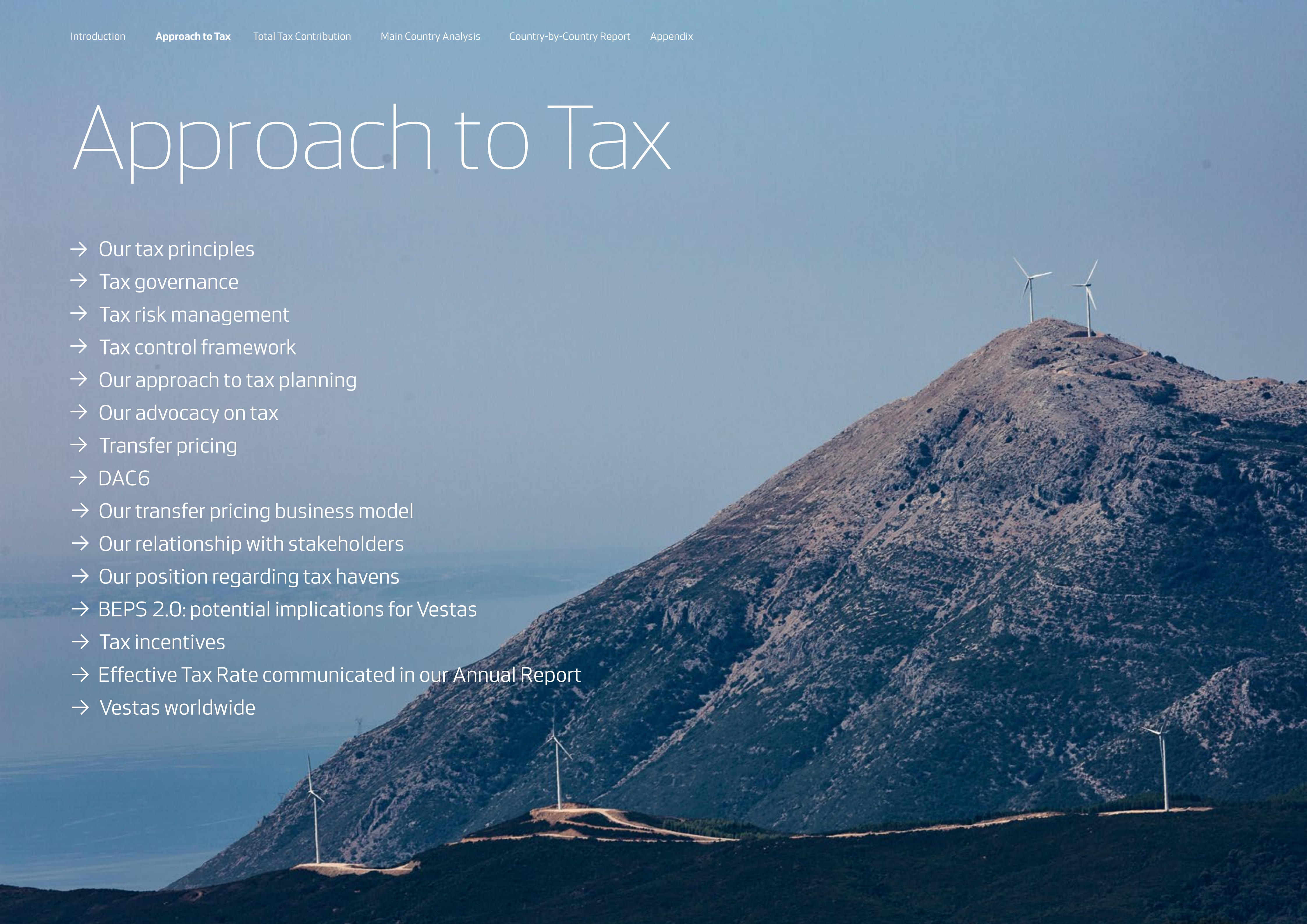


Service

Vestas is the global leader in Service within wind power with around 16,000 employees across 67 countries. Our people service 155 GW for our customers on long-term subscription-based contracts, making their assets operate more effectively.

Development

Development helps our customers grow their business, which in turn generates order intake for Vestas. More than 100 employees across 16 countries secure land rights and permits, design sites, ensure grid connection, and secure project offtake agreements to create quality projects for our partners' investments.

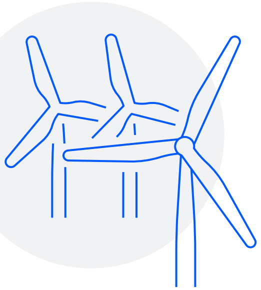


Approach to Tax

Our tax principles

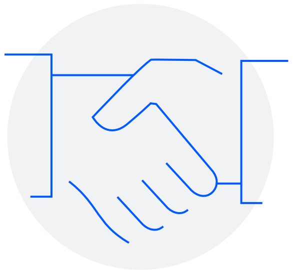
Simplicity

We strive to simplify our solutions. For this reason, we only develop branches and subsidiaries in the jurisdictions where we operate and invest.



Collaboration

We work in a collaborative and respectful way in all the jurisdictions where we operate.



Accountability

We decide and act in a constructive way, undertanding the importance of taxation for the sustainable development of the countries where we operate.

Passion

We are dedicated to our planet, our people, and Vestas. Our strong team of tax professionals are evidence of this dedication.

By taking a responsible and transparent approach to tax, our tax practice helps sustain the Group's licence to operate globally and locally. We therefore also believe that local operations must be proportionally matched by local tax contributions.

Likewise, Vestas' principles of Simplicity, Collaboration, Accountability and Passion drive our actions and guide everything we do within Vestas Global Tax Organisation.

See more about Vestas Group's tax policy here.

We consider a sustainable, socially responsible and compliant tax practice to be a cornerstone of our efforts to contribute positively to the communities we are part of, and to create a sustainable planet for future generations.

Tax governance

Vestas' tax practice is governed by a global organisation in which roles have been defined to secure an efficient structure, ensuring:

- The global tax policy and strategy is centralised in Group Tax along with the global controlling function.
- The Regional Tax Directors oversee regional tax positions and ensure compliance with the global tax policy, general tax compliance and tax filing in their respective regions.
- The Global Tax Business Partner function collaborates with global business units, providing tax advice for decision-making, planning, and execution.

In order to execute in accordance with the policy, Vestas retains the necessary level of trained tax professionals to adequately ensure understanding of Vestas' business model; comply with tax filing requirements in a sufficient and timely manner; and develop and maintain the information necessary to explain how Vestas' business decisions have affected individual tax filings. In addition, responsible tax planning and tax practices contribute to the UN Sustainable Development Goals (SDGs) and are part of our sustainability strategy, Sustainability in Everything We Do.

Our 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 process being executed at the top governance level within Vestas, our financial control processes are designed to ensure that our operations and activities are in line with our tax policy. Vestas is committed to high ethical standards, and through our whistle-blower system, EthicsLine, inappropriate behaviour or incidents - including tax-related issues- can be brought forward and handled in a fair and timely manner.

Vestas' Code of Conduct helps ensure integrity and compliance in our corporate decisions, while our Values of Simplicity, Collaboration, Accountability, and Passion provide further guidance.

Tax risk management

Vestas recognises the complexity of a global tax policy and the need for a clear strategy in managing risk. Our approach is supported by robust tax risk management principles:

- **Identification of tax risk:** local management identifies tax risks, which are then assessed and consolidated centrally. This ensures that risks are recognised at the source and evaluated comprehensively.

- **Centralised evaluation:** we conduct a centralised evaluation of systemic risks associated with operating a global business model. This allows us to understand and manage the broader implications of our tax practices.

Tax risks are consolidated on a quarterly basis and prioritised based on their likelihood and impact. This systematic approach ensures that we focus on the most significant risks and allocate resources effectively to mitigate them.

Actions are planned to effectively mitigate and prevent identified tax risks. This proactive stance helps us address potential issues before they escalate, safeguarding our operations and financial stability.

The Vestas Material Risk Policy is a central element of our tax and VAT governance, particularly concerning project activities and corporate structure. Decisions with a material impact on our tax risk profile are made by management, based on recommendations from the corporate structure committee and Group Tax. This ensures that our tax strategies are aligned with our overall business objectives and risk management framework.

We perform annual compliance checks where local management confirms that they have fulfilled statutory filing requirements in their respective jurisdictions. This process ensures ongoing compliance with local tax laws and regulations.

Tax risks are included in our tax risk management reporting and communicated to management on a quarterly basis. This reporting includes assurances that sufficient contingencies are in place to address potential risks. By maintaining this rigorous reporting and assurance process, we ensure that our tax risk management remains effective and responsive to changing conditions.

Tax control framework

The Board of Directors ultimately play a key role in overseeing our tax controls and other key tax-related matters which is mainly exercised by the Audit Committee. This includes the final review and approval of Vestas annual tax report before approval by the Board of Directors.

Our commitment to transparency is further demonstrated by subjecting the figures in our total tax contribution statement to limited assurance by our external auditor.

These figures were published in our 2024 Annual Report, specifically within the Sustainability Statement page 128. We provide a detailed breakdown of the taxes borne and collected, categorized by region, to offer a clear and comprehensive view of our tax contributions.

At the same time, our tax positions reflected in the Vestas 2024 financial statements on pages 178 to 180 were subject to an audit performed by our independent external auditors.

Our approach to tax planning

Vestas relies on sound legal structures based on individual business cases. We do not apply legal structures designed to avoid or artificially defer corporate tax payments or unduly shift the tax jurisdiction governing transactions.

We operate in a number of jurisdictions where the government has introduced and promotes incentives to encourage specific investments and 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.

We generally expect vendors, partners and customers to share Vestas' values in respect to tax planning. As far as possible, we monitor the behaviour of partners from project to project. Based on this screening, Group Tax, together with management, continuously evaluates whether stakeholders uphold Vestas' values of integrity and accountability and takes appropriate actions.

We find aggressive tax planning contrary to Vestas' policy and potentially damaging to the long-term development and success of the industry.

Our advocacy on tax

We are committed to facilitating open dialogue on taxation issues and promoting effective and stable tax systems, with a particular focus on taxes relevant to our industry. We proactively engage with various national and international organisations on tax matters, sharing our concerns regarding tax developments and our practices. In 2024, we collaborated with the European Business Tax Forum (EBTF), holding meetings to discuss the structuring of our tax transparency strategy for the upcoming year and our perspectives on the evolving tax landscape. Transparency is paramount for fostering trust among both external and internal stakeholders.

Consequently, we provided the EBTF with our Country-by-Country Report and Total Tax Contribution information to facilitate a study aimed at elevating the standards in public tax discourse.

During 2024, our Head of Tax actively participated in several initiatives, discussing the role that a Fair Tax Transparency system will play in the year ahead and the transformation of the tax landscape into a more cooperative environment. Vestas' tax policy is founded on a responsible approach to tax governance and relations with tax authorities.

Vestas also participated for the second consecutive year in the EU Tax Transparency Benchmark from VBDO, which is a comparative study of tax transparency among Dutch and EU stock-listed companies. Vestas achieved 14th position out of a total of 116 companies, making it the highest-ranked Danish company in the study.

Transfer pricing

The OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines) are widely accepted by both tax administrations and multinationals.

The OECD Guidelines and the OECD Model Convention establish the arm's length principle as the guiding principle for tax purposes and pricing of cross-border transactions between associated entities. Agreed by the OECD member countries, the arm's length principle constitutes an international standard that is recognized and accepted globally.

We follow the advice and guidance of the OECD Guidelines and structure our daily operations and transfer pricing management to adhere to the arm's length principle.

We have also adopted the three-tiered approach to transfer pricing documentation, comprising of a Master File., Local Files and a Country-by-Country Report (CbCR), as suggested by the OECD Guidelines. We strive to ensure transfer pricing compliance in all jurisdictions where the Group is represented by either a legal entity or a permanent establishment. As such, transfer pricing documentation packages are prepared in accordance with local regulations following the standards set by the OECD Guidelines.

DAC6

In addition to the three-tiered approach proposed by the OECD, Vestas follows the 2018 EU Directive, DAC6. This covers the disclosure of certain international transactions, establishing the mandatory exchange of information in relation to cross-border arrangements by intermediaries or taxpayers to tax authorities.

As a Group, we have developed an internal platform where we assess tax positions against the DAC6 directive. The process we have launched requires people from all regions to report any transactions that might fall within the scope of DAC6. Internally, the Group tax team analyses such transactions and determines whether it is necessary to report them to the tax authorities. This process is repeated on a monthly basis.

Our transfer pricing business model

In Power Solutions, our largest segment, Vestas operates a centralised business model in which the Group parent entity, Vestas Wind Systems A/S, is the entrepreneurial entity owning all intellectual property and being responsible for strategic management.

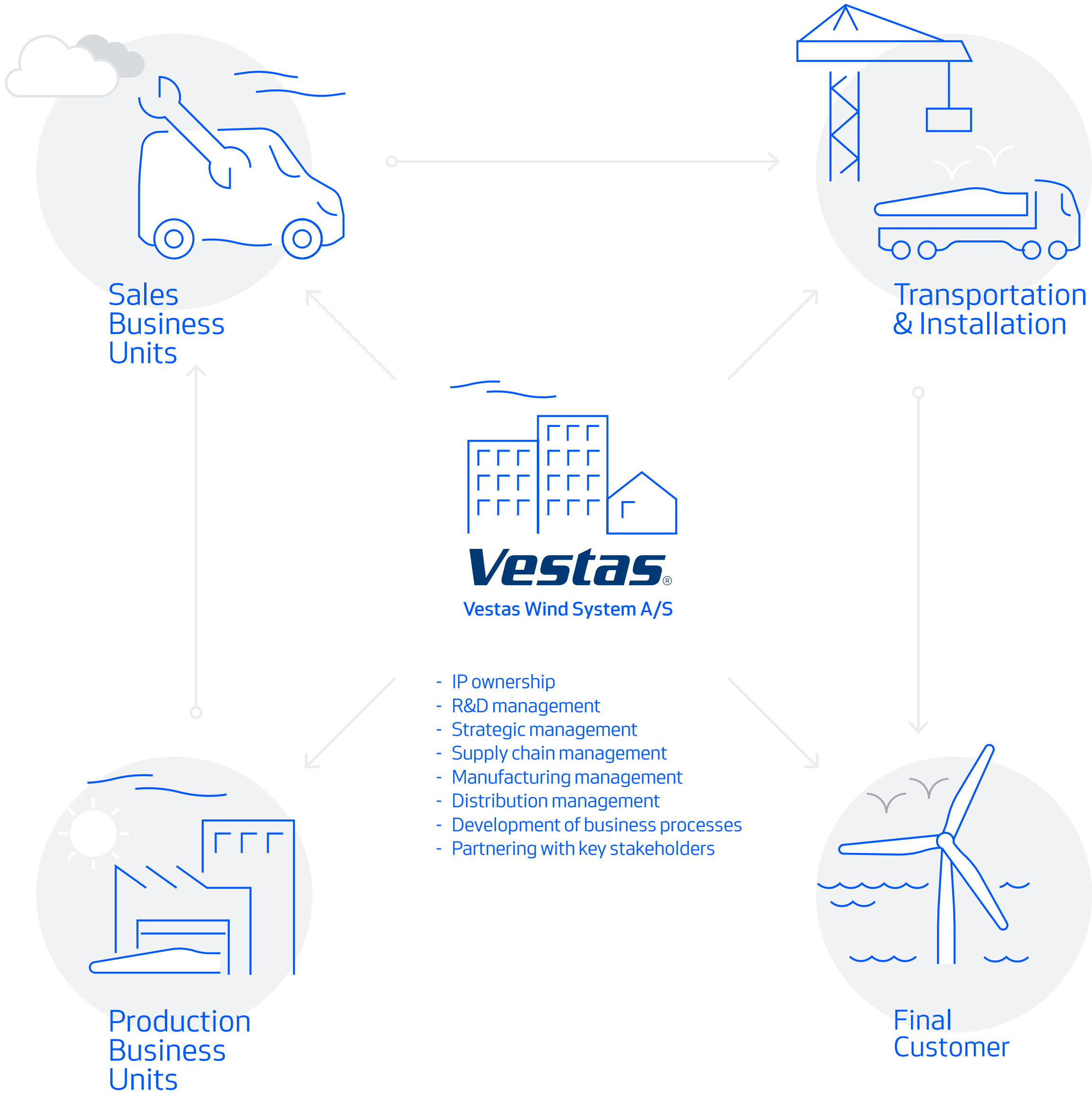
With a presence in more than 70 countries, Vestas' related party transactions are driven by our business operations and global commercial strategy. These intercompany transactions are guided by the OECD guidelines and the Vestas transfer pricing policy is applied consistently around the world.

Vestas' subsidiaries are assigned specific tasks, and are considered either production entities or project sales and service entities. In addition, we operate a few entities focusing on the provision of shared internal services. Subsidiaries within the Vestas Group are regarded as low-risk entities.

The Vestas Group applies an activity-based remuneration model, in accordance with which our subsidiaries are remunerated in line with value creation. As such, remuneration of subsidiaries within the core power solution business is carried out using the transactional net margin method (TNMM), with a cost-based profit level indicator (PLI).

All intercompany transactions within the group support our goal of helping customers implement industry-leading sustainable power plants. Within this context, Vestas Wind Systems plays a decisive role in providing business units with the knowledge they need to develop best-in-class power solutions.

For financial transactions, the Vestas Group follows a generally accepted approach applying the comparable uncontrolled price (CUP) method.



Our relationship with stakeholders

At Vestas, we believe that maintaining a sustainable, socially responsible, and compliant tax practice is fundamental to our mission. Vestas' tax policy builds on a responsible approach towards tax governance and tax authorities.

From time to time, there might be disagreements in judgment. These disagreements can be a result of differences of scale and perspective between local and global operations. Such situations most commonly relate to transfer pricing, where judgments often lead to different opinions. Vestas is committed to open and honest collaboration with tax administrations during transfer pricing controversy. We actively support tax administrations in carrying out the appropriate controls and assessment of the Vestas Group's operations.

We aim to adopt a transparent and collaborative approach with our partner institutions. We believe that a fair tax system is essential to the growth of local communities. In this regard, Vestas supports public debate around taxes and a fair tax system.

To mitigate risk and prevent the escalation of conflicts, we pursue active collaboration with the tax authorities through Mutual Agreements Procedures (MAPs) and Advance Pricing Agreements (APAs). This approach helps to eliminate misunderstandings around our operation and the way we organise our activities and transactions. In 2024, MAP cases with Chile (FY 2014-2015), France (FY 2014-2016 and FY2017-2018), Italy (FYI 2016-2017) and Bulgaria (FY 2016) were closed, whereas bilateral APAs were agreed between Denmark and China (FY 2024-2028) and Denmark and India (FY 2016-2020). By proactively seeking APAs, we demonstrate our commitment to transparency and responsible tax management.

Our position regarding tax havens

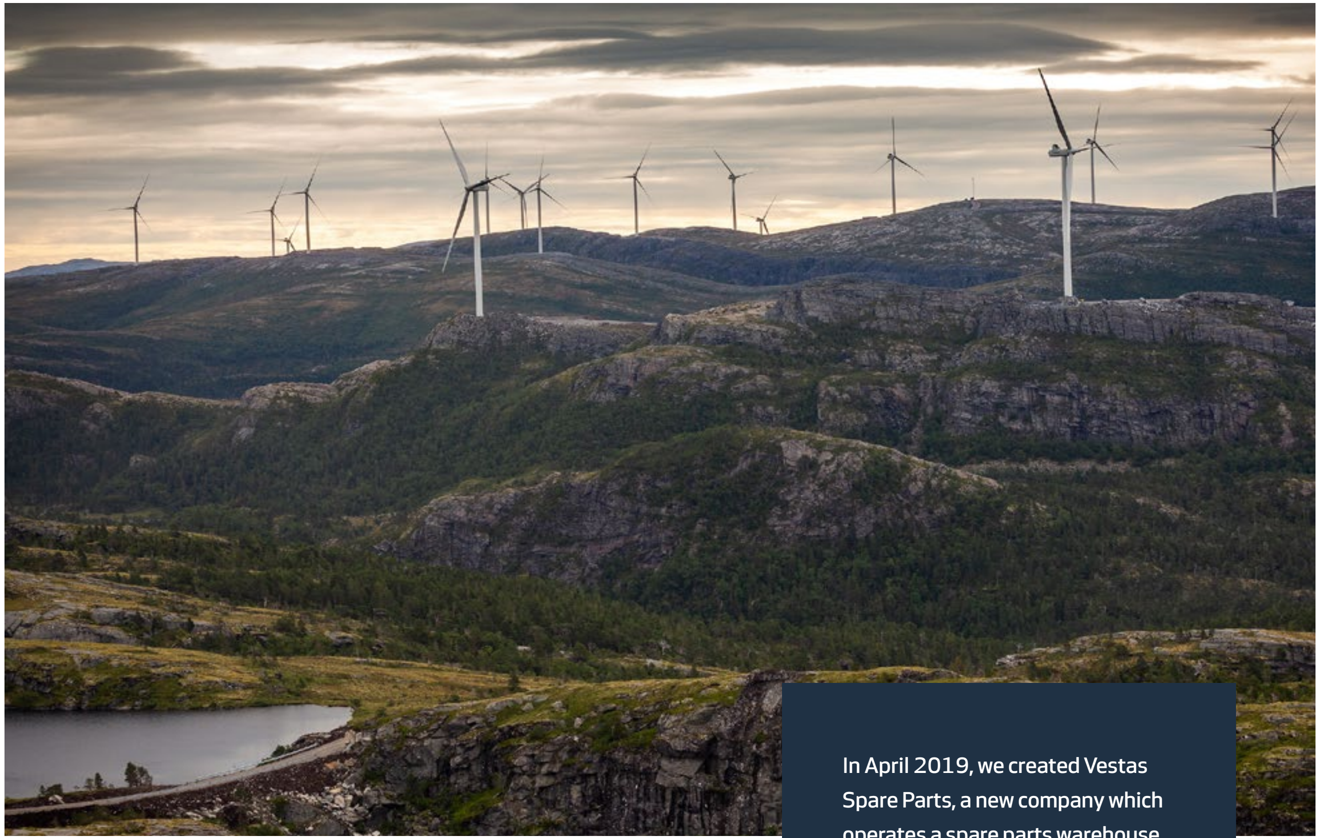
The OECD defines tax havens by their lack of transparency, nominal or no taxes on relevant income, ineffective exchange of information, and absence of substantial activity requirements.

The countries we operate in do not have uniform lists on jurisdictions considered tax havens. Therefore, for this analysis we have considered the EU list of non-cooperative jurisdictions. The EU list is composed of the following countries: American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, US Virgin Islands, and Vanuatu.

It is important to highlight that this list is updated on an annual basis.

One of our main principles is that our decisions need to be aligned with the commercial operations and interests of the company. However, sometimes the activity of the company leads to operations in some countries that can be controversial from a tax perspective. As a company, we would like to be completely transparent about all the factors that may raise concerns among our stakeholders.

Of all the jurisdictions in which we had operations and a corporate footprint in 2024, only one, Panama, is listed as 'non-cooperative'.



Currently, our presence in Panama is related to projects and carried out through two legal entities: Vestas Overseas Panama and Vestas Spare Parts Panama.

Our operations in this country started in 2018, when we received our first order from Elecnor Panama for a wind energy solution for the 66MW Toabre wind park.

The project involved installation, assembly, erection, testing, and commissioning. Vestas Overseas was awarded the installation scope, as well as a five- year service contract to be carried out at the site in Panama.

In April 2019, we created Vestas Spare Parts, a new company which operates a spare parts warehouse. The company contracts international freight forwarding and other logistics providers, with the objective of onwards distribution in the region. Panama was chosen because of its unique geographical position and global role as a logistical hub.

BEPS 2.0: potential implications for Vestas

The emergence of new information and communication technologies has presented challenges for OECD tax regimes, leading to a reduction in tax payments from companies in certain countries.

To combat these scenarios, the OECD has launched a series of measures known as BEPS 2.0 Pillar One and Pillar Two. At Vestas, we support these efforts, which have been developed in cooperation with responsible companies to increase efficiency and avoid unnecessary administration. It is important that regulations are clear and practical to implement in order to create trust and legal certainty among tax payers.

Pillar Two (Global Minimum Tax) was presented by the OECD on 20 December 2021. The project developed the Global Anti- base Erosion (GLoBE) Model Rules, which provide a framework for the calculation of the minimum payment of 15 percent tax. The objective of this regulation is for large multinational enterprises (MNEs) to bear a minimum tax rate of 15 percent or higher, referred to as Effective Tax Rate (ETR) in all the jurisdictions where they operate. Membership countries of the EU were obligated to implement it for the year 2024.

Vestas is within the scope of the OECD Pillar Two model rules, also known as the Global Anti-Base Erosion (GloBE) Rules. The GloBE Rules came into effect on 1 January 2024. Under the Pillar Two legislation, Vestas is liable to pay a top-up tax for jurisdictions where its GloBE effective tax rate is below the 15 percent minimum rate. In addition to the GloBE rules, transitional Safe-Harbour rules were enacted. Based on the Safe Harbour assessment, Vestas identified that eight jurisdictions did not meet any of the Safe Harbour tests. For these jurisdictions, Vestas calculated a total top-up tax of EUR 3m, which is recognised as a current tax expense for the year impacting the effective tax rate with an increase of 1 percent.

Vestas applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

In recent years, we have seen a change in mentality around international taxation and the mechanisms for fighting tax evasion and aggressive tax planning.

Tax incentives

Governments are looking to implement tax incentives to encourage decarbonisation and investment in areas like R&D and the energy transition. Vestas, as part of the energy industry, could benefit in some countries that offer tax incentives or subsidies that may have a direct or indirect effect on our projects. As a company, we strive to use tax incentives responsibly, aligning them with our commercial activites and complementing our demand. In keeping with our commitment to transparency, the page sets out some of the tax incentives from which Vestas benefits.

The USA
The Inflation Reduction Act (IRA) aims to, in part, invest in domestic energy production while promoting clean energy. The Act offers numerous business incentives that encourage sustainable action, from creating new opportunities in green industries to fostering a competitive edge in domestic manufacturing.

Brazil
The Brazilian Government has implemented a series of incentives, including tax exemptions or reductions, for companies that establish themselves in specified regions within Brazil, primarily in the north and northeast. These incentives are intended to accelerate the development of certain less-developed regions and industries that are considered important to the economy.

Some of those benefits are the Industrial Development Fund (FDI) in the form of a VAT on Sales and Services (ICMS) exemption on the acquisition or import of equipment and components specifically used for solar and wind power generation. Additionally, the SUDENE (Lucro da Exploração) is a tax incentive aimed at promoting productive activities in the northeast. This incentive can result in a reduction of the statutory tax rate from 34 percent up to 20 percent.

The UK
The UK Government has an ambitious target to increase total investment in research and development (R&D). R&D tax incentives play a key role in supporting this investment by supplementing the costs of innovation. One such incentive is the Research and Development Expenditure Credit (RDEC), which gives a taxable credit on the amount of qualifying R&D expenditure, payable as cash or as an offset against the company's corporation tax liabilities.

R&D activities become eligible for tax credits when a project seeks to achieve an advance in overall knowledge or capability in a field of science or technology. The RDEC tax credit rate of 20 percent can be claimed against certain costs incurred from 1 April 2023 that are allowable for tax purposes on the project.

Portugal
The Portuguese Government has created a list of tax incentives to promote investments in the country in order to increase its competitiveness.

One of them is the SIFIDE II, which is an incentive regime for research and development. It consist of a deduction of the amount designated to R&D expenditures. To apply for these tax incentives, companies must meet the requirements covered in the IRC Code.

Denmark
In 2018, the Danish Government introduced a variety of tax incentives by allowing a tax deduction of R&D expenses exceeding actual costs, with the aim of promoting R&D activities and encouraging innovation and growth in the country.

According to Danish tax regulation, expenses for the purchase of operating equipment and ships used for experimental and research activities may be deducted immediately in the year of acquisition. The deduction is gradually increased from 100 percent to 110 percent as follows: income years 2018–19 = 101.5 percent; income year 2020 = 103 percent; income years 2021–22 = 105 percent; income years 2023–25 = 108 percent; and income year 2026 and onward = 110 percent.

The taxpayer may choose to take tax depreciation in the same year and the following four years on a straight-line basis. Costs incurred in connection with the exploration for raw materials may also be fully deducted in the same year.

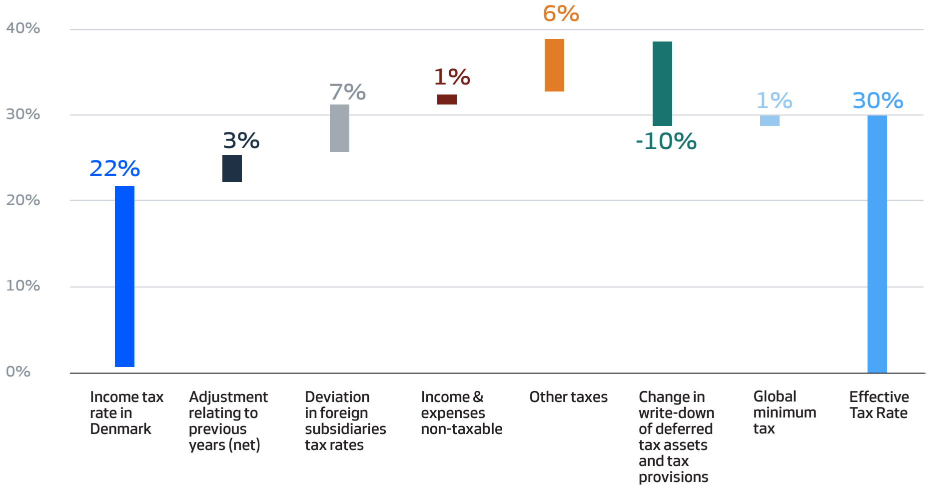
Effective Tax Rate communicated in our Annual Report

The chart on the right represents the reconciliation between the Danish statutory tax rate and our final calculated ETR.

The main reasons for these differences are as follows:

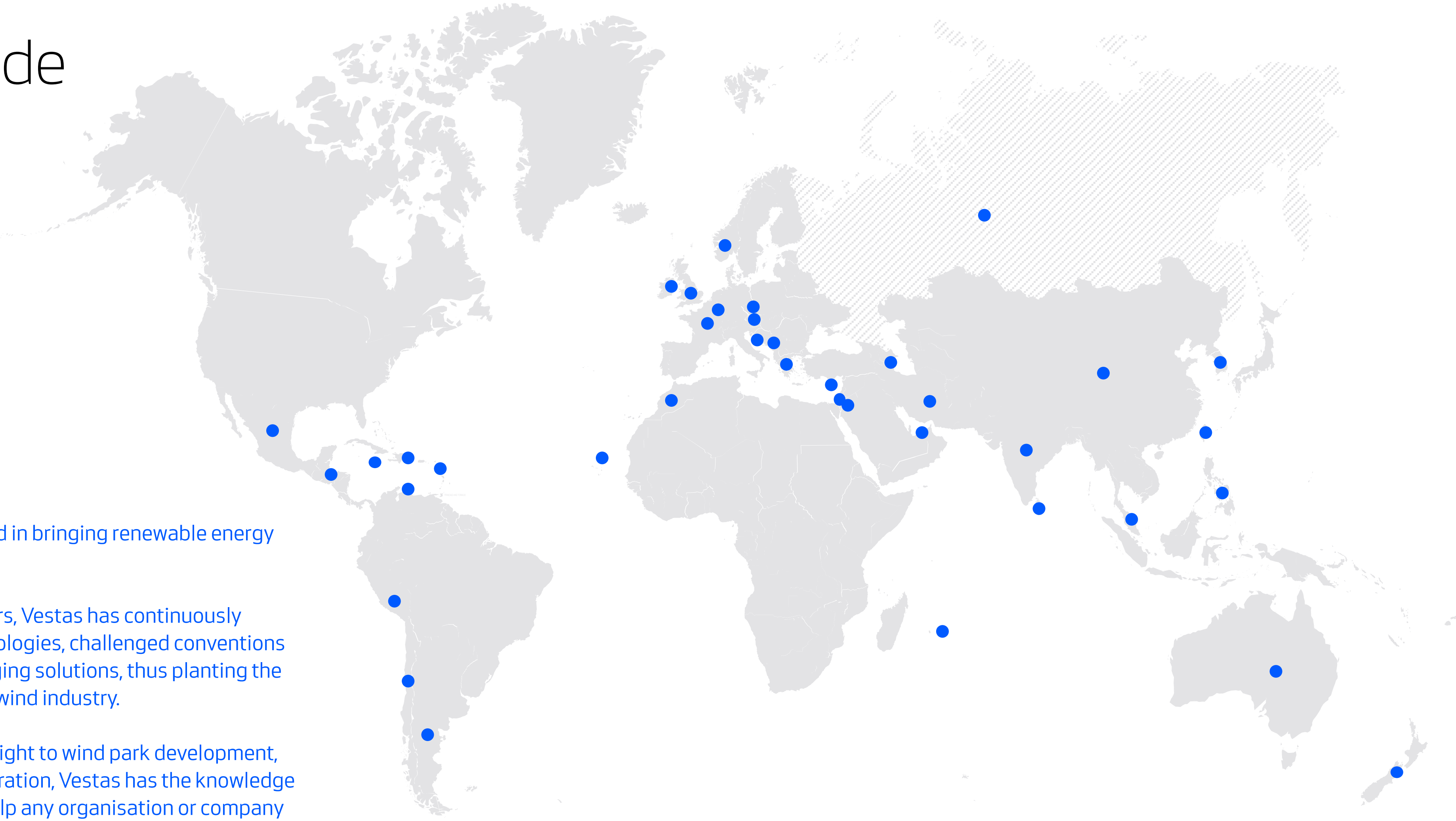
- Adjustment relating to the previous year, representing an increase in our ETR of 3 percentage points.
- Deviation in foreign subsidiaries' tax rates, which represents the difference in tax rates between foreign jurisdictions where we operate and Denmark. This represented an addition of 7 percentage points, mainly due deviations in Brazil, the US, and Argentina.
- Due to local tax regulations, non-taxable income and expenses had an additional impact of 1 percentage point.
- Other taxes resulted in 6 percentage points, mostly related to withholding taxes in Brazil.
- Change in the write-down of deferred tax assets and tax provisions mainly relates to reduction of provision for uncertain tax positions, resulting in a reduction of ETR by 10 percentage points.
- Global minimum tax resulted in 1 percentage point and is further described in page 15.

The ETR that we recognised in our Annual Report 2024 was as expected for the year.



Our Global ETR represents the total tax expenses according to IFRS and is included in our Annual Report 2024. The calculation of this rate is the result of dividing the income tax provision by the profit before tax.

Vestas worldwide



Vestas has succeeded in bringing renewable energy to 39 markets.

Over the past 40 years, Vestas has continuously pioneered new technologies, challenged conventions and developed emerging solutions, thus planting the seeds of the modern wind industry.

From wind energy insight to wind park development, construction and operation, Vestas has the knowledge and capabilities to help any organisation or company successfully invest in wind energy.

Vestas has a unique global reach in manufacturing, sales, and installation.

● Markets Vestas has pioneered

Total Tax Contribution

- → Clarifying key concepts
- → Overall review of total tax contribution
- → Total tax contribution by region
- → Trends between 2024 and 2023 in tax paid
- → Total tax contribution figures 2024

Clarifying key concepts

The Total Tax Contribution (TTC) gives an overall understanding of the tax payments made during the year by Vestas. We categorise those payments by taxes borne and tax collected, splitting them into three regions (Europe, Middle East & Africa, Americas, and Asia Pacific) and breaking them down into tax typologies (corporate income taxes, indirect taxes, and employee taxes).

The TTC places tax payments in two categories: taxes borne and taxes collected.

Taxes borne: taxes paid to governments at any level (federal, state, or local) that will be or have been recognised as a cost in Vestas' financial statement.

Taxes collected: taxes collected on behalf of governments at any level (federal, state, or local) that will not be recognised as a cost in Vestas' financial statement.

Throughout this report we refer to different tax typologies, which we divide into three groups: **indirect taxes, corporate income taxes, and employee taxes.**

Indirect taxes: taxes generated through transactions across the supply chain and either recognised as operating cost (borne) or received (collected) from customers and settled towards the treasury (also referred to as product taxes). This includes VAT non-refundable, net VAT collection, customs duties, stamp duties, and property taxes.

Corporate income taxes: taxes paid and accrued in relation to Vestas profit generation (also referred to as profit tax). This includes corporate income taxes and withholding taxes paid during the year.

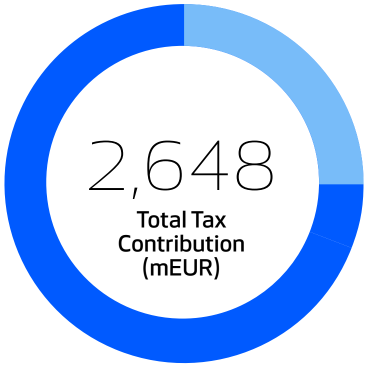
Employee taxes: taxes paid and expensed (borne) or withheld (collected) in relation to Vestas' people (also referred to as people taxes). These taxes primarily include compulsory social security contributions , unemployment, and healthcare benefits.

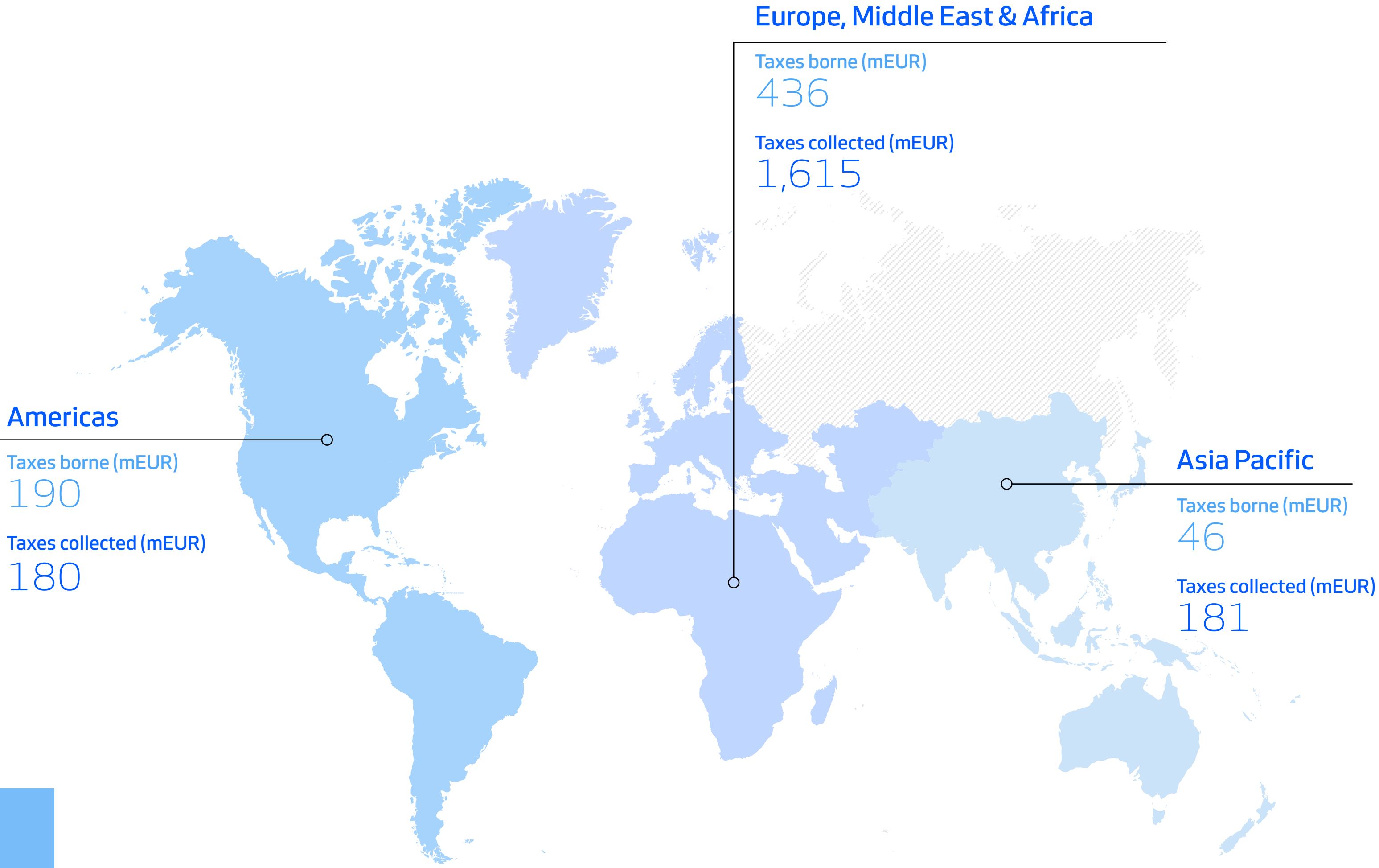
Effective tax rate (ETR): the result of the tax provision divided by the profit (loss) before tax that we record in our Country-by-Country Report. It is important to highlight that the profit (loss) before tax that we report is based on the Vestas GAAP, which is based on IFRS principles.

Statutory tax rate (STR): refers to the legally imposed rate set by the government on income, corporations, transactions, or activities.

Full-time equivalent (FTE): refers to the full-time equivalent employees that we have at the end of the year in the countries where we operate.

Overall review of Total Tax Contribution





Total Taxes Collected (mEUR)

Corporate income taxes
67

Indirect taxes
1,279

Employee taxes
630

Total Taxes Borne (mEUR)

Corporate income taxes
246

Indirect taxes
142

Employee taxes
284

The Total Tax Contribution overview provides a comprehensive explanation of our tax footprint worldwide. The Total Tax Contribution methodology is the cash payment criterion. We only consider taxes paid in 2024 and split these taxes between borne and collected.

All figures included on this page were included in our Annual Report and were subject to limited assurance. If you want to read more, please go to our Sustainability Statement in the Annual Report 2024 page 128.

Our total global tax footprint during 2024 involved a Total Tax Contribution of EUR 2,648m, divided between EUR 672m as taxes borne and EUR 1,976m as taxes collected. The map shows that the total tax is mainly concentrated in Europe, Middle East & Africa (EMEA) region, where we also have our headquarters.

Total Tax Contribution by region

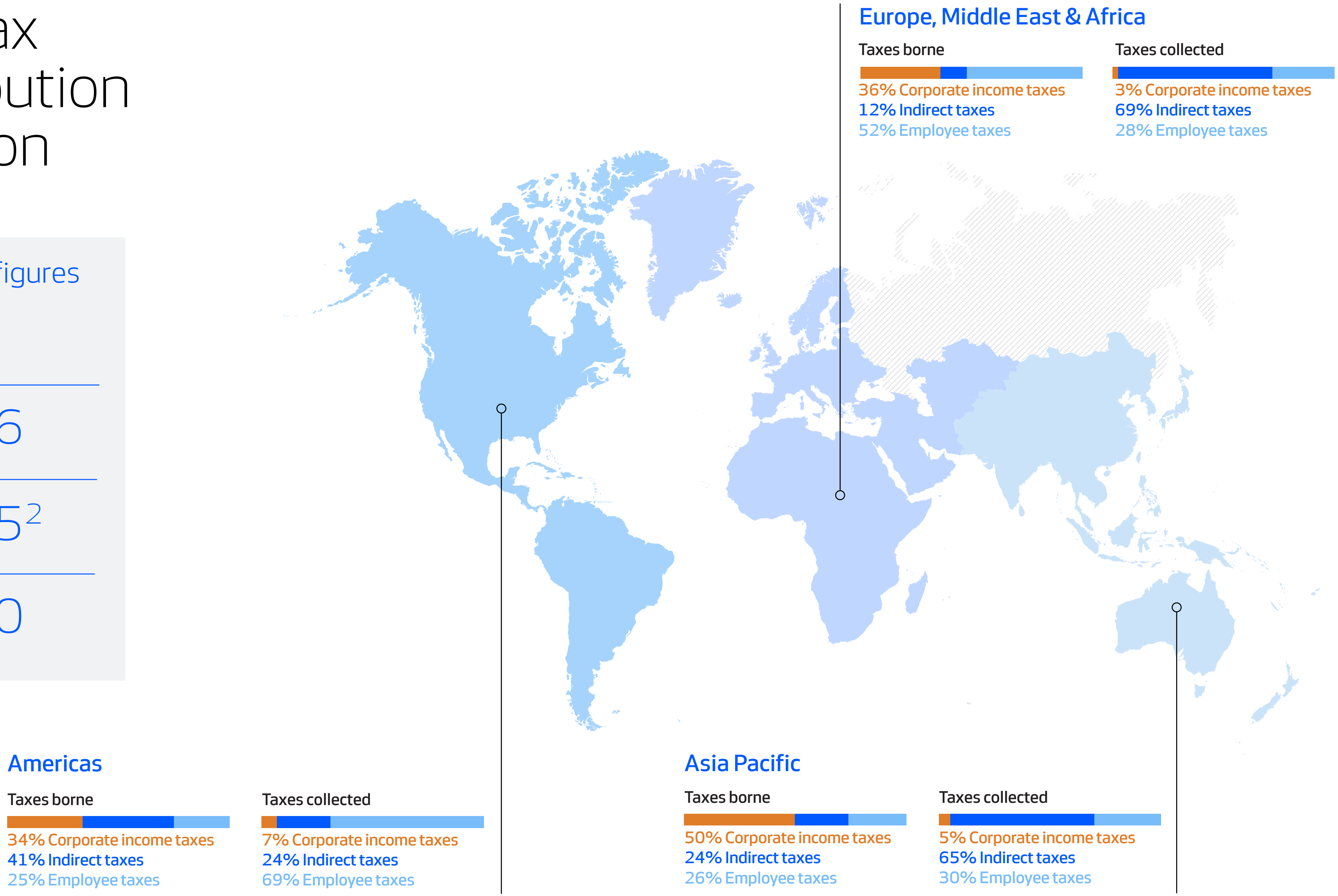
Total main figures

>130[1]
Companies

13,676
Tangible assets (mEUR)

17,295[2]
Revenue (mEUR)

35,100
FTE



[1] Companies of immaterial significance have been left out of the overview, see page 185 Annual Report 2024 for further information.
[2] This figure only includes external revenue.

Trends between 2024 and 2023 in taxes paid

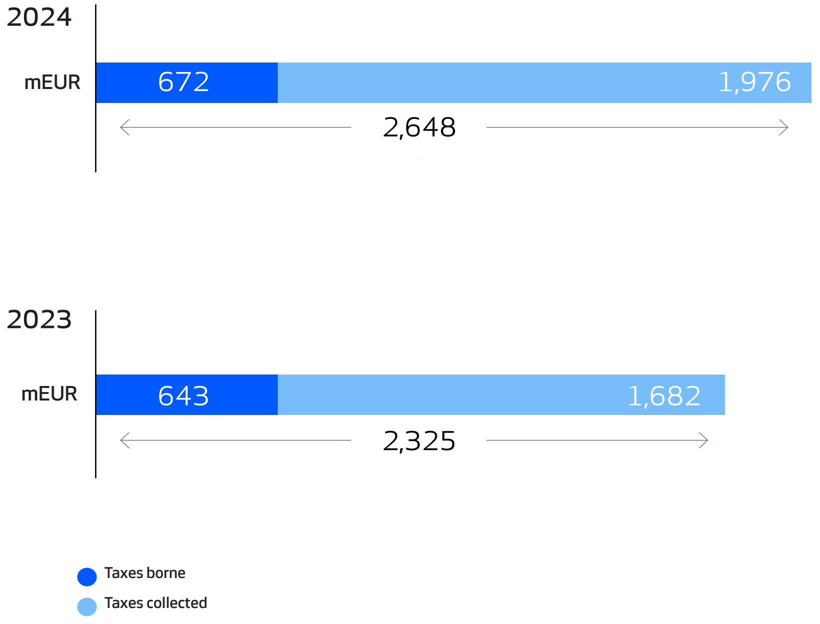
As a Group operating in multiple jurisdictions, our tax contributions vary from year to year. This is primarily due to our global operations and the changes in our global FTE footprint, which affect our total tax payments. In 2024, our taxes were divided into 25 percent borne and 75 percent collected.

Taxes borne in 2024 amounted to EUR 672m. The main component of these taxes was employee taxes, which represented 42 percent of the total taxes paid. The next significant category was corporate income taxes at 37 percent, followed by indirect taxes at 21 percent. Our contributions increased compared to 2023 due to the rise in the number of employees, which increased our staff costs[3].

Taxes collected in 2024 amounted to EUR 1,976m. The main component of these taxes was indirect taxes, which represented 65 percent of the total taxes collected. Employee taxes followed at 32 percent, with corporate income taxes at 3 percent. Our contributions during 2024 were higher compared to 2023, primarily due to the increase in our total revenue. As a manufacturer, Vestas' sale of goods led to an increase in our indirect tax payments. Additionally, the growth of our workforce resulted in higher employee tax collections.

It is important to highlight that 77 percent of the taxes we paid were centralised in the Europe, Middle East, & Africa region, which was the most significant region in terms of revenue.

[3]You can read more about our staff costs and employees in our Annual Report 2024, which is available on the Vestas website.



Total Tax Contribution figures 2024

Country	Employee taxes borne mEUR	Indirect taxes borne mEUR	Corporate income taxes borne mEUR	Employee taxes collected mEUR	Indirect taxes collected mEUR	Corporate income taxes collected mEUR	External revenue mEUR	FTE
Argentina	3.59	2.41	2.79	1.01	-	1.16	319.06	277
Australia	0.73	0.94	11.11	30.31	67.36	0.11	1,204.88	768
Austria	2.94	0.48	0.52	2.02	15.65	-	177.43	158
Aruba	-	-	-	-	-	-	0.72	3
Belgium	4.90	0.54	2.40	6.11	-	-	196.39	211
Bolivia	-	0.11	-	-	-	0.10	1.36	-
Brazil	3.28	24.96	0.27	18.09	-	1.65	1,738.99	1,266
Bulgaria	0.31	-	0.13	0.16	1.26	-	6.36	67
Canada	1.66	0.23	2.01	7.63	29.48	-	588.03	383
Cape Verde	0.03	-	0.08	0.06	-	-	0.04	6
Curacao							3.36	3
Chile	0.53	0.23	0.38	-	-	-	82.25	213
China	8.99	4.26	-1.49	5.41	0.02	-	67.21	898
Colombia	0.18	0.03	1.31	0.22	1.49	6.77	15.42	21
Costa Rica	0.07	-	0.28	0.04	0.18	0.16	-0.35	7
Croatia	0.09	0.01	0.01	0.08	1.15	-	34.79	19
Cyprus	0.10	0.09	0.02	0.04	-	-	11.02	14
Czech Republic	0.15	0.10	0.15	0.05	-	-	23.18	14
Denmark	65.74	7.72	53.16	288.30	193.72	36.02	314.04	7,002
Dominican Republic	0.07	0.19	0.26	0.14	-	0.53	7.92	27
Egypt	0.01	0.02	-0.22	0.01	-	0.16	17.05	6
El Salvador	0.01	0.01	0.08	0.01	-	0.26	1.09	4
Estonia	0.07	-	-	0.04	2.92	-	31.50	8
Finland	0.20	5.80	0.71	4.43	165.55	-	818.99	321
France	13.67	5.31	23.96	9.11	171.27	1.34	1,021.09	886
Germany	30.24	5.11	54.94	32.08	146.75	0.79	2,298.06	2,499
Georgia		0.02	0.55	0.01	0.10	0.31	2.83	2
UK	12.77	5.30	7.07	22.67	110.87	0.54	589.09	1,709
Greece	1.99	0.73	-0.30	1.87	16.37	0.02	157.18	263
Guatemala	0.03	0.01	0.27	0.02	-	0.01	2.42	9
Honduras	0.01	0.08	0.12	-	-	0.03	11.23	9
Hungary	-	-	0.11	-	0.77	-	4.05	14
India	-	1.63	8.82	7.91	-	6.24	67.67	3,120
Indonesia	-	-	-	-	-	0.01	-	-
Ireland	1.15	0.07	0.84	2.79	-	1.44	180.98	126
Italy	19.01	8.82	-5.80	10.13	24.22	0.11	628.53	1,330
Jamaica	0.02	0.08	-	0.06	0.22	-	2.76	4
Japan	-	0.92	1.86	0.98	41.35	0.08	368.05	166
Jordan	0.17	0.14	-	0.05	-	-	9.46	32

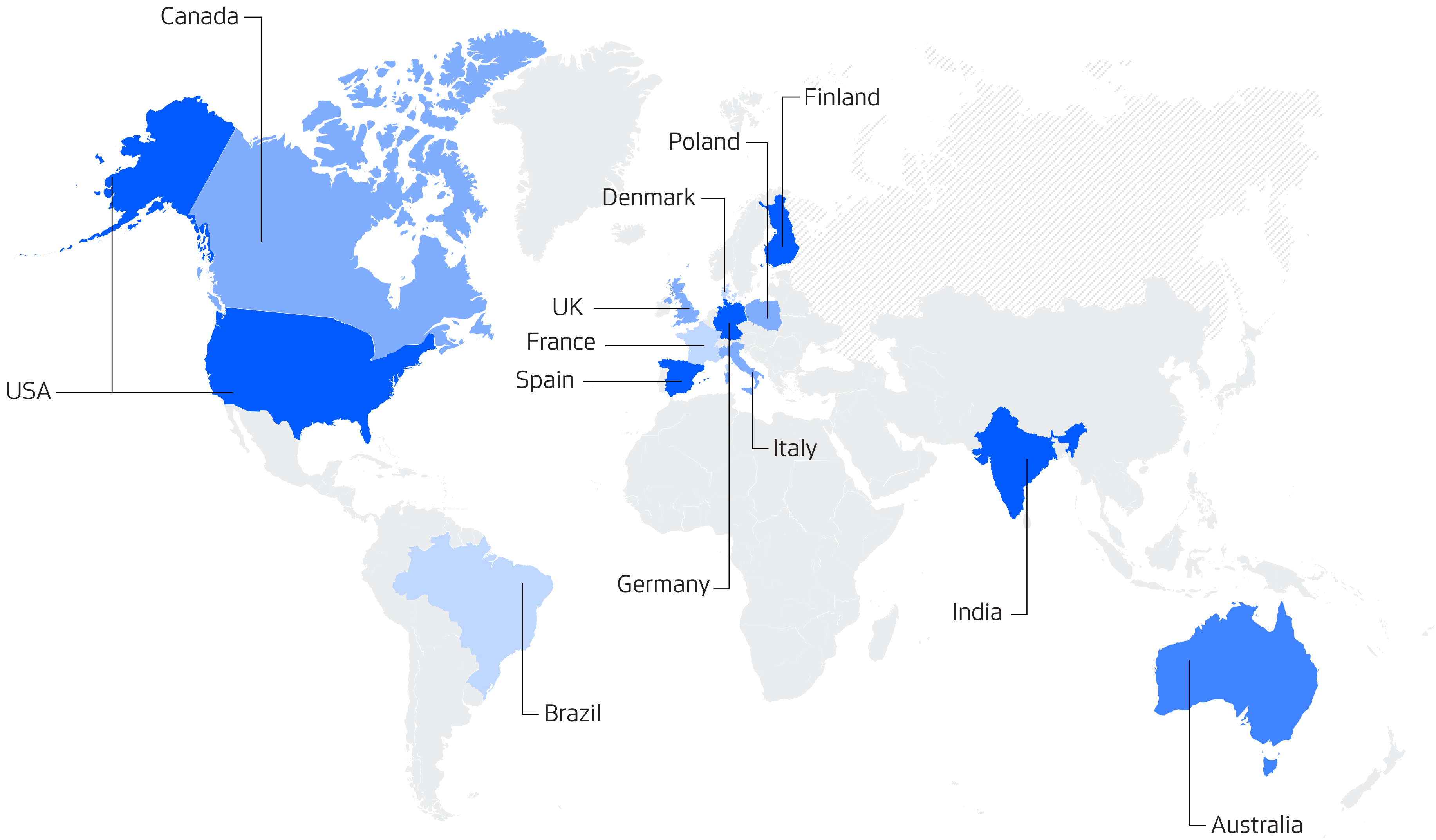
Inflow cash flow from corporate income taxes borne has been included to reconcile the amount with net corporate income tax payments.

Total Tax Contribution figures 2024

Country	Employee taxes borne mEUR	Indirect taxes borne mEUR	Corporate income taxes borne mEUR	Employee taxes collected mEUR	Indirect taxes collected mEUR	Corporate income taxes collected mEUR	External revenue mEUR	FTE
Kazakhstan	0.03	0.05	0.61	0.02	0.24	0.01	2.54	9
Kenya	-	0.35	3.58	0.21	1.72	2.88	13.72	17
Korea	1.08	0.16	-0.44	1.37	4.10	-	48.02	135
Latvia	0.03	-	-	0.02	0.29	-	1.08	5
Lithuania	0.01	0.02	0.28	0.04	4.07	-	35.41	6
Mexico	2.87	7.64	5.41	4.21	-	0.06	75.58	426
Mongolia	0.02	0.05	0.48	0.05	-	0.18	2.90	9
Morocco	0.05	0.18	-	0.08	-	0.03	0.09	9
Netherlands	19.65	0.54	2.37	6.53	17.71	-	166.80	291
New Zealand	0.01	0.40	0.31	1.49	5.09	0.02	12.42	57
Nicaragua	0.05	0.02	0.02	0.01	0.21	0.25	2.56	6
Norway	1.58	0.30	0.17	3.11	2.85	-	26.23	147
Pakistan	-	-	0.01	-	-	0.02	-	-
Panama	0.08	0.04	-	0.15	0.07	0.03	6.58	7
Peru	0.17	0.02	1.63	0.07	-	0.18	0.52	13
Philippines	0.01	0.13	1.29	3.40	-	0.15	6.82	1,116
Poland	6.29	2.87	0.17	4.44	76.94	1.51	468.28	1,018
Portugal	8.01	-	0.72	18.53	2.48	0.03	45.22	912
Romania	0.44	0.06	0.82	8.30	26.63	-	56.66	391
Saudi Arabia	0.24	0.02	0.30	-	-	0.01	3.70	24
Senegal	0.02	0.13	0.16	0.19	1.89	0.01	4.70	13
Serbia	0.04	0.09	0.02	0.03	0.65	-	2.99	8
Singapore	-	-	0.15	-	-	-	-	12
Slovakia	-	-	-	-	-	-	0.02	-
South Africa	-	2.13	1.28	2.88	22.80	-	300.47	184
Spain	24.33	4.06	2.91	17.54	39.01	0.68	369.53	2,088
Sri Lanka	-	0.20	0.42	-	-	0.01	2.79	-
Sweden	9.71	0.11	1.68	8.75	66.75	-	277.11	602
Switzerland	-	0.02	0.01	-	1.30	-	0.25	-
Taiwan	0.70	1.55	-0.04	1.32	-	1.69	737.16	293
Thailand	0.02	0.14	0.41	0.23	0.33	0.39	4.75	33
Turkey	1.31	1.46	3.54	1.13	0.51	0.26	82.86	233
Ukraine	0.18	0.15	1.23	0.20	0.27	0.08	3.70	39
Uruguay	1.16	0.68	0.35	0.57	1.94	0.38	8.06	84
USA	32.90	41.71	49.67	91.69	10.82	0.82	3,504.70	4,890
Vietnam	-	0.43	0.04	1.24	-	0.29	16.96	158
	283.68	142.04	245.95	629.69	1,279.37	67.80	17,295.31	35,100

Inflow cash flow from corporate income taxes borne has been included to reconcile the amount with net corporate income tax payments.

Main Country Analysis



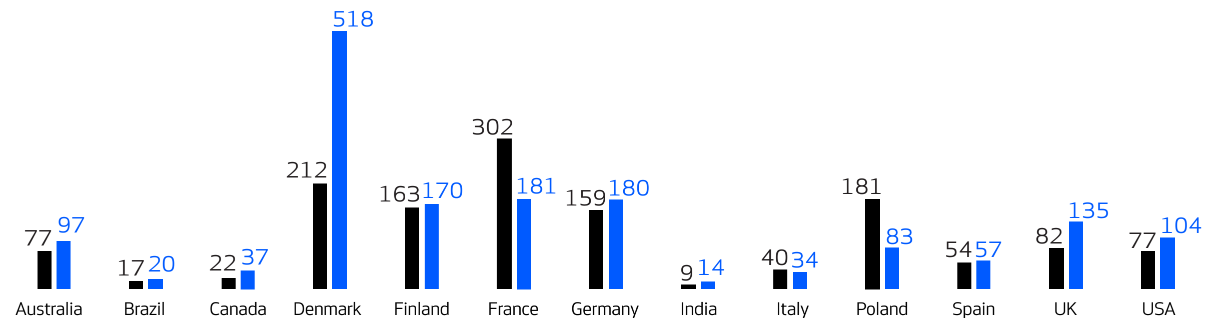
*We include in this analysis the most important countries in terms of external revenue and FTE reported during 2024.

*All figures reported in the main analysis refer to payments and figures recognised during 2024

Taxes collected by country
(main countries)

This graph shows the comparison between the figures we reported for taxes collected in 2024 and 2023. As demonstrated, the countries with the highest concentration of taxes collected were in Europe: Denmark, Finland, France, and Germany.

The significant increase in total tax paid in Denmark was due to a rise in indirect tax payments, which was primarily related to an increase in revenue. Conversely, we saw a decrease in our tax payments in France. In 2023, we paid a substantial amount of indirect taxes due to a change in VAT regulations, where VAT on supplies of goods is now due upon payment of deposit. This change increased our contribution in 2024 as we regulated all existing contracts.



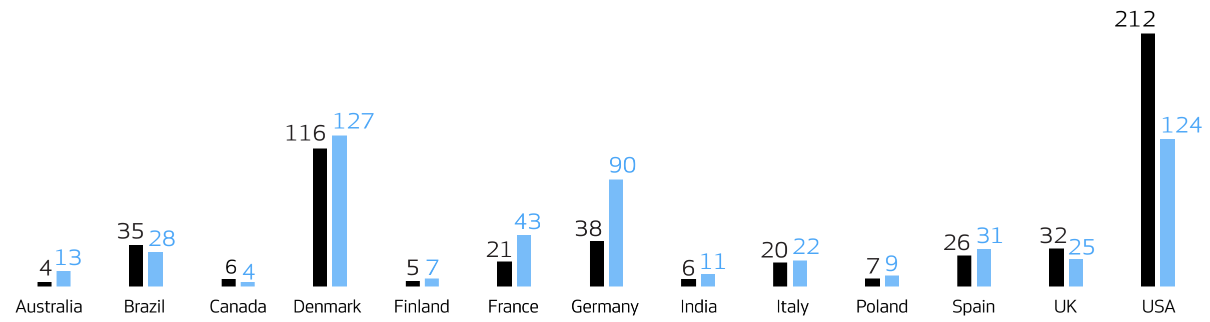
Taxes collected by country (mEUR)

Taxes borne by country
(main countries)

Taxes borne during 2024 were concentrated mostly in the USA and Denmark.

We saw a significant decrease in our contributions in the USA compared with 2023. This was due to the Bilateral Advanced Pricing Agreement between the USA and Denmark, which resulted in a substantial corporate income tax (CIT) payment in 2023. As this was a one-time payment, it escalated our tax borne contribution in 2023 compared to 2024.

On the other hand, the increase in taxes borne in Germany is due to the outcome of a tax audit from 2017-2020, which resulted in a payment, that would be subjected to MAP.



Taxes borne by country (mEUR)

Our total tax footprint in Australia

We make significant contributions in Australia, primarily due to our workforce, which is representative of the country with around 800 employees in 2024.

In 2024, we observed an increase in our project pipeline in Australia, which also led to an increase in our indirect tax contributions, amounting to EUR 67m for the year.

The primary cause of the fluctuation between the STR and the ETR was the application of recognition principles in Group GAAP, resulting in expenses being excluded from tax calculation.

Total tax payment (mEUR)

110
2024

81
2023

Taxes collected:

30
Employee taxes

67
Indirect Taxes

Taxes borne:

11
Corporate income taxes

1
Employee taxes

1
Indirect taxes

Key figures

768 FTE	1,233 Revenue mEUR	35% ETR
58 Profit before tax mEUR	30% STR	

Vestas has been awarded the Engineering, Procurement, and Construction (EPC) for the second stage of Golden Plains Wind Farm in Australia. The second stage will feature 93 of Vestas' V162-6.2 MW wind turbines from the EnVentus platform.

We are currently delivering the 756 MW EPC contract for the first stage. The extension will provide an additional 577 MW, generating a total of 1.3 GW, making it Vestas' largest-ever onshore wind farm.

Delivery of our wind turbines for the second stage of the project is expected to begin in the first quarter of 2025, with commissioning to commence in the first quarter of 2026.

Our total tax footprint in Brazil

Vestas' presence in Brazil has been stable over time and remained strong in 2024. We have made significant contributions in terms of taxes, amounting to a total of EUR 48m.

Our main contributions come from employee tax payments, which align with our workforce of approximately 1,200 employees in the country. These employee tax payments, totaling EUR 21m, increased during 2024 due to the rise in our number of FTE. Our total tax contributions were limited due to the reduced need for imported goods compared to 2023.

Our ETR for 2024 is calculated at 31percent, which is lower than the STR of 34 percent in Brazil. The fluctuation in the ETR for 2024 was due to the tax benefit from SUDENE (Exploration Profit), which reduced the corporate income tax from 34 percent up to 20 percent for qualifying income and the possibility of remitting Interest on Net Equity (INE) to the shareholders in Denmark.

Total tax payment (mEUR)

48
2024

52
2023

Taxes collected:

2
Corporate income taxes

18
Employee taxes

Taxes borne:

3
Employee taxes

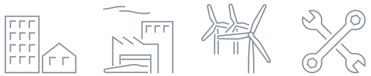
25
Indirect taxes

Vestas has announced a substantial investment of EUR 22m to expand its wind turbine production facility in Aquiraz, Ceará.

The expansion project will centre around the implementation of the V163-4.5 MW wind turbine production line. This new production line represents a significant leap forward in both capacity and technological efficiency. The V163-4.5 MW turbine is designed to deliver higher energy output and improved performance, making it a key component in the transition to more sustainable energy sources.

By investing in this advanced technology, we aim to enhance our production capabilities and meet the increasing demand for renewable energy solutions in Brazil and beyond. This initiative not only highlights Vestas' commitment to innovation and sustainability, but also reinforces Brazil's position as a pivotal player in the global renewable energy landscape.

Key figures



1,266 FTE	1,773 Revenue mEUR	31% ETR
182 Profit before tax mEUR	34% STR	

Our total tax footprint in Canada

During 2024, we increased our presence in the Canadian market, reflecting our commitment to expanding our operations in this key region. As a result of our sales activity, we paid EUR 29m in indirect taxes, underscoring our significant contribution to the local economy.

Regarding our ETR calculation, this rate differs from the STR of 28 percent in Canada. The main reason for this difference relates to non deductible cost and prior adjustments where the latter decreased the ETR calculated for 2024. These adjustments reflect our ongoing efforts to align our tax practices with local regulations and ensure compliance.

Our increased presence in Canada highlights our growth in the renewable energy sector. It also demonstrates our dedication to supporting the local economy through substantial tax contributions and job creation.

Total tax payment (mEUR)

2024	2023
41	28

Taxes collected:

Employee taxes	Indirect Taxes
8	29

Taxes borne:

Corporate income taxes	Employee taxes
2	2

Key figures

383 FTE	605 Revenue mEUR	12% ETR
12 Profit before tax mEUR	28% STR	

In 2024, Vestas continued to strengthen its presence in Canada, making significant contributions to the renewable energy sector. The year was marked by several key developments that highlight Vestas' commitment to growth, sustainability, and community engagement.

Vestas secured new orders totaling 180 MW for wind turbine installations across Canada as part of our 2024 order intake. These projects are part of our ongoing efforts to expand wind energy capacity in the country, supporting both onshore and offshore wind initiatives. The successful execution of these projects underscores Vestas' role as a leader in the renewable energy market and our dedication to advancing clean energy solutions.

Our total tax footprint in Denmark

Vestas, headquartered in Denmark, is dedicated to the continuous development of our industry and the enhancement of our technology. In 2024, we experienced significant growth in our workforce, creating approximately 1,000 new jobs. This expansion is linked to our commitment to innovation and excellence.

The impact of this growth is evident in the substantial amount of employee taxes paid in 2024, which totaled EUR 354m, encompassing both borne and collected taxes.

In 2024, the ETR of 112 percent exceeded the statutory tax rate, of 22 percent. The high ETR is primarily attributed to super-deductions related to R&D and Property, Plant and Equipment, which are partly offset by significant withholding tax payments. The higher ETR reflects the complexities of our global operations and our adherence to tax regulations across different jurisdictions.

Total tax payment (mEUR)

645	328
2024	2023

Taxes collected:

36	288	194
Corporate income taxes	Employee taxes	Indirect taxes

Taxes borne:

53	66	8
Corporate income taxes	Employee taxes	Indirect taxes

In 2024, Vestas continued to make significant strides in Denmark, showcasing its resilience and innovation in the renewable energy sector.

Technological advancements remained at the forefront of our operations. We introduced new innovations that enhanced the efficiency and performance of our wind turbines, contributing to the reduction of wind energy costs and bolstering our competitiveness in the market.

Vestas also focused on sustainability, launching initiatives aimed at reducing the environmental impact of our operations. These efforts included improving recycling processes and minimising waste, aligning with our commitment to sustainability and environmental stewardship.

Key figures

7,002	7,350	112%
FTE	Revenue mEUR	ETR
-18	22%	
Profit before tax mEUR	STR	

Our total tax footprint in Finland

During 2024, we paid a total of EUR 177m in Finland. This amount was primarily composed of tax collected EUR 170m, which does not impact the financial results of our company in Finland.

Our ETR for 2024 was 14 percent, which is lower than the STR in Finland of 20 percent. The difference is due to prior year adjustments related to certain provisions that were subsequently identified as non-deductible under Finnish tax regulations.

We continue to monitor and manage our tax positions diligently to ensure compliance with all relevant regulations and to optimize our tax efficiency.

Total tax payment (mEUR)

177
2024

168
2023

Taxes collected:

4
Employee taxes

166
Indirect taxes

Taxes borne:

1
Corporate income taxes

6
Indirect taxes

Key figures

321 FTE	874 Revenue mEUR	14% ETR
3 Profit before tax mEUR	20% STR	

In 2024, Vestas made significant strides in Finland, securing a major contract to deliver and commission 30 V162-6.2 MW wind turbines for the Pahkakoski wind farm. This 186 MW project, in collaboration with Ilmatar, highlights Vestas' commitment to expanding renewable energy in the Nordics.

We began delivering turbines in the third quarter of 2024, with commissioning scheduled for the second quarter of 2025. We also signed a 30-year Active Output Management 5000 service agreement to optimise turbine performance. These milestones underscore Vestas' dedication to technological innovation and sustainability. The project not only boosts Finland's renewable energy capacity but also strengthens our presence in the Nordic market.

Our total tax footprint in France

Our presence in the French market remained stable in 2024, with our total installed capacity in the country increased through new installation projects.

These installation projects led to significant contributions in indirect taxes, with the primary tax paid in France amounting to approximately EUR 176m in 2024.

An extraordinary tax payment related to previous years was realised due to the settlement of a MAP between the Danish and French tax administrations for the income years 2014 to 2018. The dispute between the tax authorities was centred around the profit level for Vestas France and the application of transfer pricing principles. The impact of the settlement materialised in 2024 with an upwards adjustment of the taxable profit in France and a corresponding reduction in our taxable income in Denmark. The technical effect from the accounting treatment of the settlement led to a negative ETR.

Total tax payment (mEUR)

2024	2023
224	323

Taxes collected:

Corporate income taxes	Employee taxes	Indirect taxes
1	9	171

Taxes borne:

Corporate income taxes	Employee taxes	Indirect taxes
24	14	5

Key figures

886 FTE	1,035 Revenue mEUR	-124% ETR
-18 Profit before tax mEUR	24% STR	

In 2024, Vestas France has secured a significant contract to supply and install 40 V150-4.2 MW wind turbines for the Montagne Noire wind farm, one of the largest projects in the region.

The Montagne Noire project will substantially increase France's wind energy capacity, contributing to the country's renewable energy goals. We also signed a 20-year service agreement to ensure the long-term performance and reliability of the turbines.

Our total tax footprint in Germany

Germany is one of the main countries for Vestas, thanks to our privileged location for wind generation. This strategic positioning allows us to harness wind energy efficiently and contribute significantly to the renewable energy sector.

Our tax footprint in Germany is primarily composed of indirect tax payments. In 2024, we recorded a total of EUR 147m indirect taxes collected and EUR 5m indirect taxes borne. This represents an increase from 2023, driven mainly by our higher revenue. The increase in revenue is a result of our expanded installed capacity, which in turn leads to higher indirect tax payments.

Additionally, our ETR for 2024 was 34 percent, which is close to the STR in Germany. The minor discrepancy between our ETR and the STR arises from permanent differences, such as certain non-deductible expenses. These expenses primarily include interest on income taxes for assessment years up to 2017, and the non-deductible portion of financing costs under German law, such as interest on debts and rental and lease payments.

Overall, our operations in Germany not only help drive the growth of renewable energy, but also make substantial contributions to the local economy.

Total tax payment (mEUR)

2024	2023
270	197

Taxes collected:

Corporate income taxes	Employee taxes	Indirect taxes
1	32	147

Taxes borne:

Corporate income taxes	Employee taxes	Indirect taxes
55	30	5

Key figures

2,499 FTE	2,577 Revenue mEUR	34% ETR
82 Profit before tax mEUR	31% STR	

In 2024, Vestas secured a firm order for RWE's 900 MW Nordseecluster B offshore wind project in Germany. This significant project includes the supply, delivery, and commissioning of 60 V236-15.0 MW wind turbines.

Located approximately 50 km north of the island of Juist in the German North Sea, the Nordseecluster B project is set to enhance Germany's renewable energy capacity.

Vestas will oversee the installation of the wind turbines, scheduled to begin in 2028, with commercial operations expected to commence at the start of 2029. Following the installation, we will provide a five-year service agreement, ensuring optimal turbine performance and reliability.

Our total tax footprint in India

In 2024, Vestas maintained a stable tax footprint in India, contributing EUR 25m.

As we have significant receivables pending for reclaim, we do not have indirect tax collection data for the year.

A major milestone in 2024 was signing an APA with the Central Board of Direct Taxes (CBDT) on 22 January. This agreement, covering fiscal years 2011-12 to 2019-20, marks a significant achievement for Vestas. Notably, it is the first-ever Bilateral APA (BAPA) in India's wind sector, covering seven types of international transactions over nine years. The agreement is bilateral with Denmark and unilateral with other countries.

Our ETR slightly exceeded the STR, mainly because of prior year tax payments made during this period, related to the APA achieved.

Total tax payment (mEUR)

25
2024

15
2023

Taxes collected:

6
Corporate income taxes

8
Employee taxes

Taxes borne:

9
Corporate income taxes

2
Indirect taxes

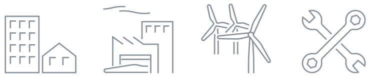
In 2024, Vestas inaugurated its largest office worldwide in Chennai, accommodating over 2,500 employees. This new facility underscores our commitment to expanding our presence in India and driving innovation in renewable energy.

We also enhanced our manufacturing capabilities, introducing new production lines for advanced wind turbines to meet the growing demand for renewable energy solutions.

During the year, we launched sustainability initiatives aimed at minimizing our environmental impact and improving recycling processes. Additionally, we engaged with local communities, supporting educational programmes to raise awareness about renewable energy.

These efforts highlight Vestas' dedication to social responsibility and our role in fostering a sustainable future for India.

Key figures



3,120 FTE	384 Revenue mEUR	35% ETR
31 Profit before tax mEUR	25% STR	

Our total tax footprint in Italy

Italy is a key country for Vestas, hosting one of our regional factories that contributes to the company's growth and competitiveness in the market. This strategic location allows us to leverage local resources and expertise, enhancing our production capabilities and market presence.

Our tax footprint in Italy is primarily composed of indirect taxes, totaling EUR 32m in taxes borne and collected. This includes value added tax and other indirect taxes that arise from our extensive operations in the country. Additionally, employee taxes form a significant part of our tax contributions, reflecting the substantial workforce we maintain in Italy to support our production activities. This workforce is crucial for our operations, driving innovation and ensuring the high quality of our products.

In 2024, our ETR was calculated at -5 percent. This lower rate is primarily due to prior year adjustments related to a tax case between Denmark and Italy linked to the income years 2006 to 2007 , which resulted in a MAP. Consequently, we have a negative CIT payment associated with the resolution of this MAP.

Total tax payment (mEUR)

2024	2023
56	60

Taxes collected:

Employee taxes	Indirect taxes
10	24

Taxes borne:

Corporate income taxes	Employee taxes	Indirect taxes
-6	19	8

Key figures

1,330 FTE	801 Revenue mEUR	-5% ETR
24 Profit before tax mEUR	29% STR	

In 2024, Vestas continued to strengthen its presence in Italy, making significant advancements in the renewable energy sector. One of the key highlights of the year was the receipt of a 63 MW order for a wind park in Italy. This contract includes the supply and installation of 14 V150-4.5 MW wind turbines, along with a 10-year Active Output Management 5000 (AOM 5000) service agreement. This project underscores our commitment to delivering high-performance wind energy solutions and supporting Italy's renewable energy goals.

Additionally, we expanded our production capabilities by inaugurating a new blade production line for our flagship V236-15.0 MW offshore wind turbine at our factory in Taranto. This investment not only enhances Vestas' European footprint, but also supports the local economy by creating jobs and fostering technological innovation.

Our total tax footprint in Poland

In line with our ongoing commitment to Poland, we have increased our workforce in the country to around 1,000 employees.

Nevertheless, our main tax contribution in Poland comes from our indirect tax payments, amounting to EUR 80m, both borne and collected. While this is primarily due to onshore wind turbine installations, our first offshore project in Poland, Baltic Power, which consists of 76 wind turbines with a unit capacity of 15 MW, is also making an impact.

In 2024, we calculated our ETR to be 32 percent for the year. This rate is influenced by non-deductible expenses related to financial items and liquidated damages.

Total tax payment (mEUR)

2024	2023
92	188

Taxes collected:

Corporate income taxes	Employee taxes	Indirect taxes
2	4	77

Taxes borne:

Employee taxes	Indirect taxes
6	3

Key figures

1,018 FTE	511 Revenue mEUR	32% ETR
37 Profit before tax mEUR	19% STR	

In 2024, Vestas announced a pause in previously declared plans to establish a second offshore factory in Szczecin, Poland. This new factory is intended to produce blades for our flagship offshore wind turbine, the V236-15.0 MW. Although production is now on hold, we are ready to invest in ramping up capacity when the overall market forecast for offshore wind meets expectations.

Together with a previously announced nacelle assembly factory in Szczecin, under operation from January 2025, Vestas' manufacturing footprint in Poland will create over 1,700 direct jobs. These investments highlight Vestas' commitment to supporting Europe's offshore wind industry and Poland's transformation into a key offshore hub.

Our total tax footprint in Spain

We make significant tax contributions in Spain, which reflect our strong presence in the country. Spain hosts one of our regional headquarters, and Vestas is represented by approximately 2,000 employees across the country.

In addition to our regional headquarters, we have a factory located in Daimiel. This factory plays an important role in our production setup and contributes to our substantial indirect tax payments, which totalled EUR 43m in 2024. These contributions highlight the importance of our production activities in Spain and their impact on the local economy.

Our ETR for 2024 was calculated close to the STR of 25 percent. The slight difference between our ETR and the STR is due to permanent differences for non-deductible items that materialised during the year, such as contributions to pension plans, fines and donations.

Total tax payment (mEUR)

88
2024

80
2023

Taxes collected:

18	39
Employee taxes	Indirect taxes

Taxes borne:

3	24	4
Corporate income taxes	Employee taxes	Indirect taxes

Key figures

2,088 FTE	755 Revenue mEUR	22% ETR
16 Profit before tax mEUR	25% STR	

In 2024, Vestas Eólica and Vestas Manufacturing Spain achieved remarkable milestones, reinforcing their leadership in the renewable energy sector. Vestas secured a significant order for the Dama de Baza wind farm, supplying nine V163-4.5 MW wind turbines, totaling 41 MW.

Additionally, we inaugurated a new state-of-the-art blade manufacturing facility in Galicia, aimed at enhancing production capacity and supporting the growing demand for renewable energy solutions in Europe. This facility is expected to create over 500 new jobs, contributing to local economic development and sustainability efforts and environmental stewardship.

Engaging with local communities, during 2024 we supported educational programmes and initiatives to raise awareness about renewable energy. These activities highlight our dedication to social responsibility and our role in fostering a sustainable future for Spain.

Our total tax footprint in the UK

In 2024, we made significant tax contributions in the UK, particularly in terms of indirect taxes. The UK is a key market for the wind energy industry due to its potential for development. Vestas has a factory in the UK that contributes to our supply chain footprint, plus a workforce of almost 2,000 FTE. These factors partially explain our substantial employee taxes in the UK, which in 2024 amounted to EUR 36m.

Additionally, in 2024 we paid a total of EUR 116m in indirect taxes, both borne and collected.

In the UK, the STR is 25 percent, which is higher than our ETR of 2 percent for 2024. Our lower ETR is mainly due to prior year adjustments, as a consequence of Vestas claiming additional capital allowances while utilising the UK Government's 130 percent super-deduction on qualifying investments made in 2022. These investments are complex and difficult to calculate, and are therefore recognised only when approved.

Total tax payment (mEUR)

2024	2023
160	114

Taxes collected:

Corporate income taxes	Employee taxes	Indirect taxes
1	23	111

Taxes borne:

Corporate income taxes	Employee taxes	Indirect taxes
7	13	5

In 2024, Vestas secured a firm and unconditional order for the 1.1 GW Inch Cape Offshore Wind project in Scotland from Inch Cape Offshore Limited. the project is an equal joint venture between ESB and Red Rock Renewables.

The agreement is for the supply, installation, and commissioning of 72 V236-15.0 MW wind turbines. Upon completion, we will also deliver a service agreement followed by an operational support agreement.

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Key figures

1,709 FTE	754 Revenue mEUR	2% ETR
31 Profit before tax mEUR	25% STR	

Our total tax footprint in the USA

In 2024, Vestas increased its commitment to the US market, expanding our workforce by nearly 1,000 employees. This growth is primarily due to the increase in our project pipeline and the potential for both offshore and onshore projects in the country. This expansion is reflected in our substantial employee tax contributions, which amounted to EUR 125m in 2024.

Additionally, we made significant contributions in terms of indirect taxes, totaling EUR 52m.

Our ETR for 2024 was lower than the STR of 26 percent in the USA. This difference is mainly due to Advanced Manufacturing Production Credit (AMPC) incentives.

These incentives, introduced under the Inflation Reduction Act (IRA) of 2022, provide tax credits for the production and sale of eligible renewable energy components manufactured in the USA. In 2024, the AMPC incentives significantly reduced our tax liability, resulting in a lower ETR for the year.

Total tax payment (mEUR)

228
2024

289
2023

Taxes collected:

1	92	11
Corporate income taxes	Employee taxes	Indirect taxes

Taxes borne:

50	33	41
Corporate income taxes	Employee taxes	Indirect taxes

In 2024, Vestas secured an 810 MW offshore order from Equinor to power New York's Empire Wind 1 offshore wind project. The order includes 54 V236-15.0 MW turbines and marks Vestas' first US order for an offshore platform and for our industry-leading, type-certified V236-15.0 MW turbine.

The order includes turbine supply, delivery, and commissioning of the turbines, as well as a five-year comprehensive service agreement. This agreement is designed to ensure optimised asset performance followed by a long-term service support agreement.

Turbine delivery is expected to begin in 2026 with completion scheduled for 2027.

Key figures

4,890 FTE	4,486 Revenue mEUR	18% ETR
223 Profit before tax mEUR	26% STR	

Key tax takeaways in 2024

Brazil
Brazil's incorporation of OECD rules for Transfer Pricing marks a significant milestone in its tax policy. This alignment aims to modernise Brazil's transfer pricing framework, making it consistent with international standards and the arm's length principle.

Key points include:
- Alignment with OECD standards: Brazil's new transfer pricing rules are designed to align with the OECD guidelines, moving away from its previous formula-based system.
- Implementation timeline: the new rules became optional in 2023 and mandatory from 2024 onwards.
- Types of adjustments: the new framework introduces four types of transfer pricing adjustments: spontaneous, compensatory, primary, and secondary.
- Legislative changes: the adoption of these rules was formalized with the signing of Law No. 14.596 in June 2023

This transformation is expected to enhance Brazil's attractiveness to foreign investment, reduce tax avoidance, and integrate the country more effectively into global economic chains.

Carbon Border Adjustment Mechanism (CBAM)
The EU's Carbon Border Adjustment Mechanism (CBAM) is a tool designed to put a fair price on the carbon emitted during the production of carbon-intensive goods entering the EU. It aims to encourage cleaner industrial production in non-EU countries.

By ensuring that a price has been paid for the embedded carbon emissions linked to certain goods, the CBAM will align the carbon price of imports with that of domestic production, thereby supporting the EU's climate objectives. CBAM is also designed to be compatible with WTO rules.

CBAM will be fully implemented in 2026, following a transitional phase from 2023 to 2025. This gradual introduction aligns with the phaseout of free allowances under the EU Emissions Trading System (ETS) to support the decarbonisation of EU industry. Vestas has been involved in the implementation of this regulation since its approval, utilising internal resources and technology to submit the required information to the EU.

CBAM's first reporting period for importers ended on 31 January 2024. Vestas completed this initial implementation period and we are now in the gradual phasing-in stage. This process allows for a careful, predictable, and proportionate transition for both EU and non-EU businesses, as well as public authorities.

Navigating the new era of international commerce
Increased trade sanctions present several challenges for international companies like Vestas, which operate globally and have an extensive supply chain. This new era is likely to see an increase in tariffs and new protectionist measures in global markets.

The landscape of international taxation could change significantly in the coming years, with various potential implications for Vestas. Therefore, we are closely monitoring all developments that may arise in the coming years.

New Country by Country Reporting Requirement in Australia
On 10 December 2024, the Australian Government enacted a new measure regarding the publication of Country-by-Country Reporting (CbCR) for large multinational groups operating in Australia. This measure requires such groups to submit data on their global financial and tax footprint to the Australian Tax Office (ATO). For Australia and specified jurisdictions, particular information must be published on individual basis. For all other jurisdictions in which the CbC reporting group operates, the parent entity has the option to publish the required information on either an individual jurisdiction or aggregated basis.

Country-by-Country Report

Clarifying key concepts

What is country-by-country reporting?

Country-by-country reporting is an initiative from the OECD and G20 based on BEPS (Base Erosion and Profit Shifting) as an action plan to control and prevent tax avoidance by multinational corporate enterprises (MNEs) . MNEs must file to the authorities in the country where they are headquartered. They must provide information related to the activities of different group entities in the countries where they operate.

Where do we distribute our Country-by-country Report?

In 2024, Vestas operated in more that 70 countries. Our Country-by-Country-Report (CbCR) is provided to Skattestyrelsen in Denmark where our company is headquartered. From here, the CbCR is distributed by the Danish authorities to the relevant authorities in all countries where we operate.

In the following pages, we provide tables which explain the figures that we reported during 2024 relating to 2023.

What kind of companies must be submitted in the Country-by-Country Report?

We must report specific information related to all our permanent establishments, and to all subsidiaries where we have 100 percent ownership.

Definition of the concepts used in our Country-by-Country Report

Revenue: in the CbCR, we report the total sum of the revenue of the companies. This means the revenue of all legal entities of the MNE Group, generated from transactions with independent parties. As well as revenue with related parties, which means revenue generated from transactions with the Group's associated enterprises.

Profit or (loss) before tax: the PBT reported is based on Vestas GAAP, which is based on IFRS principles.

Corporate income tax paid: tax paid during the year 2023 by all legal entities resident for tax purposes in all the jurisdictions where the Group operates.

Corporate income tax accrued:tax expenses recorded on taxable profits or losses linked to all the legal entities and adjustments from previous years.

Stated capital: the stated capital of all legal entities resident for tax purposes in a relevant jurisdiction.

Accumulated earning: The amount of net profit realised by the entities in each tax jurisdiction, net of dividends paid and any other reduction.

Employees: the number of employees is based on the average amount of full-time employees for the year.

Tangible assets: the net book values of tangible assets of all legal entities resident for tax purposes in the relevant tax jurisdiction. Tangible assets for this purpose do not include cash or cash equivalents, intangibles, or financial assets.

Activity: the main activities that are performed in the country.

*Explanatory note:
As a multinational group, it is necessary to choose our reporting principles in the CbCR file. With any choice there will be benefits and sacrifices. We have made a choice that favours speed and reconciliation of the total dataset, based on application of the Group Accounting Principles (IFRS numbers), and report based on uniform accounting treatment, as we see this as being the most transparent approach. The sacrifice, compared to the use of local accounting principles, is that individual tax returns are mostly derived from local accounting, which means we encounter timing differences in our reporting. This can lead to difficulties in clearly explaining the link between paid tax and the tax provision in the IFRS numbers. We see cash payments as the most objective financial data point and based on our accounting practice these numbers reconcile with the IFRS tax provision over time.

Country-by-Country Report 2024

Included financial data relate to 2023

Jurisdiction	Non-related party revenue	Related party revenue	Total revenue	Profit (loss) before tax	Corporate income tax paid	Corporate income tax accrued	Stated capital	Accumulated earnings	Employees	Tangible assets	Activity
Argentina	141,171,684	25,981,402	167,153,086	80,365,331	2,142,381	-17,726,913	29,877,298	-6,220,424	223	55,098,682	SMD, PUP
Aruba	721,000	-	721,000	69,000	-	15,000	-	105,000	3	1,252,000	PUP
Australia	930,539,610	19,335,250	949,874,860	15,633,054	2,252,327	-6,932,333	47,219,056	64,946,780	681	448,127,970	SMD, PUP, Other
Austria	236,133,944	2,529,836	238,663,780	-4,559,234	505,569	1,132,813	7,035,000	11,480,742	134	36,097,981	SMD, PUP
Belgium	154,082,816	22,801,993	176,884,809	5,183,787	1,676,198	-1,785,532	24,561,499	60,633,808	190	89,441,757	SMD, PUP
Bolivia	1,195,234	2,148,083	3,343,317	-467,452	-	812,445	10,743	-17,634,471	-	7,508,672	SMD, PUP
Bosnia and Herzegovina	-	-	-	79,088	-	-7,900	30,000	-86,977	-	-	Dormant
Brazil	1,488,465,298	38,455,032	1,526,920,330	159,216,232	522,537	-47,005,240	33,141,862	276,271,343	1,126	821,832,492	MP, SMD, PUP, Other
Bulgaria	10,624,746	319,640	10,944,386	1,271,240	-1,061,173	333,841	2,556	19,255,089	50	6,480,224	SMD, PUP
Canada	337,053,566	21,839,973	358,893,539	16,077,377	2,771,830	-4,934,499	60,869,278	49,293,073	354	127,630,341	SMD, PUP
Cape Verde	-	418,761	418,761	-41,928	-	-1	1,814	-65,937	6	360,750	SMD, PUP
Chile	85,092,602	7,823,813	92,916,415	-607,136	1,195,717	671,740	6,574	-20,679,080	200	88,940,893	SMD, PUP
China	48,881,459	960,410,247	1,009,291,706	34,893,537	2,281,632	-8,897,426	258,430,543	484,172,563	963	1,187,035,432	MP, SMD, PUP,RD, Other
Colombia	36,595,357	5,299,168	41,894,525	10,358,267	2,911,825	-119,550	35,694	9,973,364	27	5,003,640	SMD, PUP
Costa Rica	3,209,799	317,890	3,527,689	-140,323	43,761	71,265	-	2,694,587	6	1,054,375	SMD, PUP
Croatia	6,978,463	163,346	7,141,809	2,576,427	98,087	-477,932	667	2,344,540	11	2,947,744	PUP
Curaçao	3,360,000	-	3,360,000	63,000	-	9,000	-	223,000	3	-	PUP
Cyprus	4,983,615	286,773	5,270,388	914,423	19,113	-114,303	300,000	2,110,714	14	956,748	SMD, PUP
Czech Republic	14,897,876	52,961,174	67,859,050	-722,679	240,231	-455,642	7,401	-4,823,859	13	28,477,192	SMD, PUP
Denmark	472,677,278	5,726,773,592	6,199,450,870	-586,749,232	30,545,750	43,153,739	1,106,828,896	3,790,306,171	6,182	3,991,071,912	SMD,PUP,MP,RD,HSO, AMSS, HMIP,IGF,I,RFS
Dominican Republic	2,966,950	4,099,120	7,066,070	-8,699,099	128,251	-484,807	-	-8,529,102	27	13,395,506	SMD, PUP
Egypt	82,540,963	6,722	82,547,685	-10,251,029	1,009,869	-30,218	281	-20,463,296	7	30,767,925	SMD, AMSS, PUP, IGF
El Salvador	351,904	3,527,526	3,879,430	-278,229	520,905	10,750	1,780	-456,428	3	2,011,904	SMD, PUP
Estonia	105,168,891	15,694	105,184,585	848,073	-	-	2,500	849,326	3	15,446,104	SMD
Finland	764,287,077	20,056,458	784,343,535	1,949,783	1,208,065	-654,586	2,500	6,974,420	251	89,042,127	SMD,PUP
France	935,886,948	7,529,097	943,416,045	64,852,790	1,983,653	-4,097,824	5,140,000	120,638,430	784	232,016,427	SMD,PUP
Georgia	857,524	23,998	881,522	462,985	-	-	24,634	6,069,920	2	725,651	SMD,PUP
Germany	1,974,875,466	230,765,285	2,205,640,751	50,746,784	11,487,066	-18,056,157	85,552,155	462,695,034	2,264	766,523,063	SMD,PUP,R&D, MP
Greece	146,287,865	7,503,452	153,791,317	-977,131	2,768,283	-537,975	6,813,000	-2,401,727	242	66,033,944	SMD, PUP, Other
Guatemala	1,744,264	59,677	1,803,941	622,019	-638	-138,375	602	-96,546	10	1,341,745	SMD,PUP
Honduras	647,731	-18,226	629,505	-1,375,523	19,622	67,659	-	-2,270,856	9	644,345	SMD,PUP
Hungary	3,008,325	-	3,008,325	532,520	26,426	-50,323	16,978	1,086,712	-	430,902	SMD,PUP
India	177,020,402	260,082,195	437,102,597	61,544,561	1,562,880	-16,612,722	35,882,069	-21,073,685	2,736	284,936,446	SMD,PUP, R&D, MP, Other
Indonesia	-	-	-	-999,623	-	-	5,591,087	-1,260,173	-	3,694,716	Other
Ireland	47,774,300	2,689,523	50,463,823	2,597,923	241,393	-334,793	2,000,000	11,105,017	115	10,510,931	SMD,PUP,Other
Italy	319,641,813	138,387,450	458,029,263	13,704,067	3,445,981	-3,804,325	32,703,750	96,289,607	1,030	503,580,442	SMD,PUP,MP,Other
Jamaica	1,050,824	64,118	1,114,942	-745,912	104,567	91,151	-	-341,219	4	549,913	MP, SMD, PUP
Japan	93,864,115	1,351,839	95,215,954	-42,877,563	1,168,761	529,729	2,517,123	-2,585,012	132	30,309,783	SMD,PUP
Jordan	9,697,162	223,651	9,920,813	-7,107,524	-	353,463	-	-20,424,457	30	2,747,553	SMD,PUP

Activities: **SMDPUP:** Sales, Marketing or Distribution Provision of Services to Unrelated Parties **PUP:** Provision of Services to Unrelated Parties **MP:** Manufacturing or Production **R&D:** Research and Development **AMSS:** Administrative, Management or Support Services **PP:** Purchasing or Procurement **HSO:** Holding Shares or Other Equity Instruments **HMIP:** Holding or Managing Intellectual Property **IGF:** Internal Group Finance **I:** Insurance **RFS:** Regulated Financial Services

Country-by-Country Report 2024

Included financial data relate to 2023

Jurisdiction	Non-related party revenue	Related party revenue	Total revenue	Profit (loss) before tax	Corporate income tax paid	Corporate income tax accrued	Stated capital	Accumulated earnings	Employees	Tangible assets	Activity
Kazakhstan	3,581,649	585,437	4,167,086	2,671,757	84,111	-547,699	220	2,758,828	9	2,956,841	SMD,PUP
Kenya	1,951,049	2,496,304	4,447,353	8,481,085	1,230,097	-55,272	898	23,645,055	17	21,391,720	SMD,PUP
Korea, Republic of	30,446,936	8,515,408	38,962,344	-463,156	-2,007,507	-94,878	22,735,088	10,679,526	109	32,489,438	SMD,PUP, Other
Latvia	91,949,691	72,947	92,022,638	208,683	9,469	-69,697	2,500	955,209	3	184,483	SMD,PUP, Other
Lithuania	703,327	206,370	909,697	599,890	1,156	-	8,400	710,032	1	184,749	SMD,AMSS,PUP,IGF
Mexico	69,943,009	82,119,606	152,062,615	-6,910,461	113,254	-18,804,662	555,315	-78,163,666	360	118,255,497	SMD,PUP,Other
Mongolia	3,847,253	640,273	4,487,526	2,143,837	493,215	-548,100	93,995	5,880,253	10	1,042,136	SMD,PUP
Morocco	2,387,086	111,008	2,498,094	-304,168	-	94,331	927	1,738,462	9	1,056,112	SMD,PUP
Netherlands	363,700,675	26,947,435	390,648,110	1,129,815	1,237,318	-1,111,279	4,997,170	61,650,349	250	106,148,861	SMD,PUP,HSO
New Zealand	92,806,452	337,033	93,143,485	8,683,770	114,429	-327,906	62,802	21,691,022	55	6,900,222	SMD,PUP
Nicaragua	359,875	32,948	392,823	-2,377,996	74,036	399,661	1,644	-1,090,725	6	1,497,985	SMD,PUP
Norway	30,302,170	37,226,426	67,528,596	24,666,300	-2,627	301,778	114,548	6,933,201	150	46,686,104	SMD,PUP
Pakistan	56,097	-	56,097	-337,162	22,209	97,777	2,874	-406,761	-	14,523	SMD,PUP
Panama	-4,689,677	47,506	-4,642,171	-6,180,642	153,185	-26,846	17,563	-7,161,181	11	7,872,740	AMSS, SMD, PUP
Peru	4,165,729	146,669	4,312,398	1,337,756	93,686	-408,773	269	26,394,282	13	970,495	SMD,PUP
Philippines	4,127,279	41,952	4,169,231	1,226,396	579,366	-469,073	968,733	-1,313,548	994	10,026,587	SMD,PUP
Poland	471,994,174	22,726,761	494,720,935	4,848,556	-29,505	-3,163,327	107,604	39,933,435	774	288,978,365	MP, SMD, PUP, Other
Portugal	109,541,603	931,550	110,473,153	9,240,684	309,611	-171,705	6,000,501	19,870,786	861	39,166,274	SMD,PUP
Romania	108,499,594	2,772,253	111,271,847	3,228,118	700,097	-729,128	3,081,524	12,732,984	347	21,768,600	SMD,PUP
Russia	-	-427,786	-427,786	-9,855,520	15,676	-	26,106,639	-41,491,784	-	-	MP, SMD, PUP
Saudi Arabia	6,987,129	1,516,590	8,503,719	1,423,217	112,172	-66,663	21,732	-1,134,726	31	6,662,130	SMD,PUP
Senegal	3,994,921	2,314,224	6,309,145	1,127,838	146,381	-53,341	1,524	-7,410,365	15	19,217,700	PUP
Serbia	3,718,803	88,157	3,806,960	2,960,490	3,308	-459,830	97,037	4,788,777	7	3,634,562	SMD,PUP
Singapore	-	-	-	3,622,062	63,325	-22,477	6,486,346	-334,496	15	3,524,027	SMD,PUP
Slovakia	37,131	-	37,131	-1,724	4,380	362	5,000	-19,807	-	2,673	SMD,PUP
South Africa	39,684,168	1,875,356	41,559,524	6,435,284	422,307	-229,262	59	64,578,502	154	177,813,825	SMD,PUP
Spain	248,758,685	446,053,168	694,811,853	8,241,061	1,397,899	-2,911,662	46,343,815	120,342,346	1,911	541,678,513	MP,SMD,PUP,PP,HSO,Other
Sri Lanka	2,338,997	3,133,939	5,472,936	1,194,308	1,247	-333,706	9,806	892,031	-	3,572,124	SMD,PUP
Sweden	269,330,680	21,242,872	290,573,552	14,625,175	1,644,744	-1,763,587	121,806	57,759,901	540	61,870,074	SMD,PUP,Other
Switzerland	539,877	16,145	556,022	245,388	10,063	-52,003	92,293	2,889,644	-	45,340	SMD,PUP
Taiwan	557,251,274	8,525,213	565,776,487	1,737,661	79,332	-347,533	158,979	-20,994,905	207	262,754,247	SMD,PUP
Thailand	2,818,604	1,546,936	4,365,540	-108,801	1,153,463	21,346	264,194	10,726,278	30	5,148,497	SMD,PUP
Turkey	75,811,551	204,806,892	280,618,443	11,611,574	6,863,565	-2,876,410	4,400,337	2,384,124	208	129,826,307	SMD,PUP,PP
Ukraine	1,792,588	227,555	2,020,143	540,775	1,777,491	-88,112	61,099	39,856,864	39	-5,602,417	SMD,PUP
United Arab Emirates	-	-	-	-12,895	-	-	11,095	15,893	1	211,267	SMD
United Kingdom	1,019,490,126	155,704,722	1,175,194,848	11,660,985	13,518,378	-6,136,641	43,574,705	120,129,904	1,597	447,816,671	MP, SMD, PUP,RD,Other
United States	3,072,263,241	626,510,930	3,698,774,171	127,709,642	158,688,402	-31,093,017	1,960,907,649	551,952,562	3,818	1,477,840,476	MP, SMD,PUP,HSO,Other
Uruguay	23,989,881	594,335	24,584,216	3,051,117	200,408	-761,198	22,083	-1,680,318	68	10,263,223	SMD,PUP
Vietnam	23,320,947	4,768,788	28,089,735	6,635,085	-	5,673,036	208,685	-22,936,196	131	22,832,882	SMD,PUP
	15,382,139,445	9,228,689,474	24,610,828,919	102,698,435	261,099,010	-153,142,277	3,872,254,798	6,377,857,763	30,586	12,830,732,085	

Activities: SMDPUP: Sales, Marketing or Distribution Provision of Services to Unrelated Parties PUP: Provision of Services to Unrelated Parties MP: Manufacturing or Production R&D: Research and Development AMSS: Administrative, Management or Support Services PP: Purchasing or Procurement HSO: Holding Shares or Other Equity Instruments HMIP: Holding or Managing Intellectual Property IGF: Internal Group Finance I:Insurance RFS:Regulated Financial Services

Appendix

GRI 207 Tax Standard

In 2019, the Global Reporting Initiative (GRI) launched the 207 Tax Standards. This initiative emerged due to the need for organisations to explain their tax contributions for sustainable development, and in response to the demands of stakeholders relating to tax transparency.

The Standard is part of the GRI Sustainability Reporting Standards. It can be used by organisations of any size to report their impact on the economy, the environment, and society. Although the Standard is voluntary, we use it to guide our approach to reporting our tax contribution, because we believe this provides greater clarity about the organisation and our total tax footprint. Therefore, while we do not follow GRI 207, we use it as a best practice reference to reflect all our tax aspects.

This standard covers the following subjects :
- Approach to tax (GRI 207-1)
- Tax governance, control and risk management (GRI 207-2)
- Stakeholder engagement and management of concerns related to tax (GRI 207-3)
- Country-by-country reporting (GRI 207-4)

Throughout this report, we use explanations in relation to our total tax footprint in the regions where we operate and the composition of this footprint. At the same time, we demonstrate the key principles that guide our tax policy and how we ensure those principles are undertaken.

GRI 207: Tax

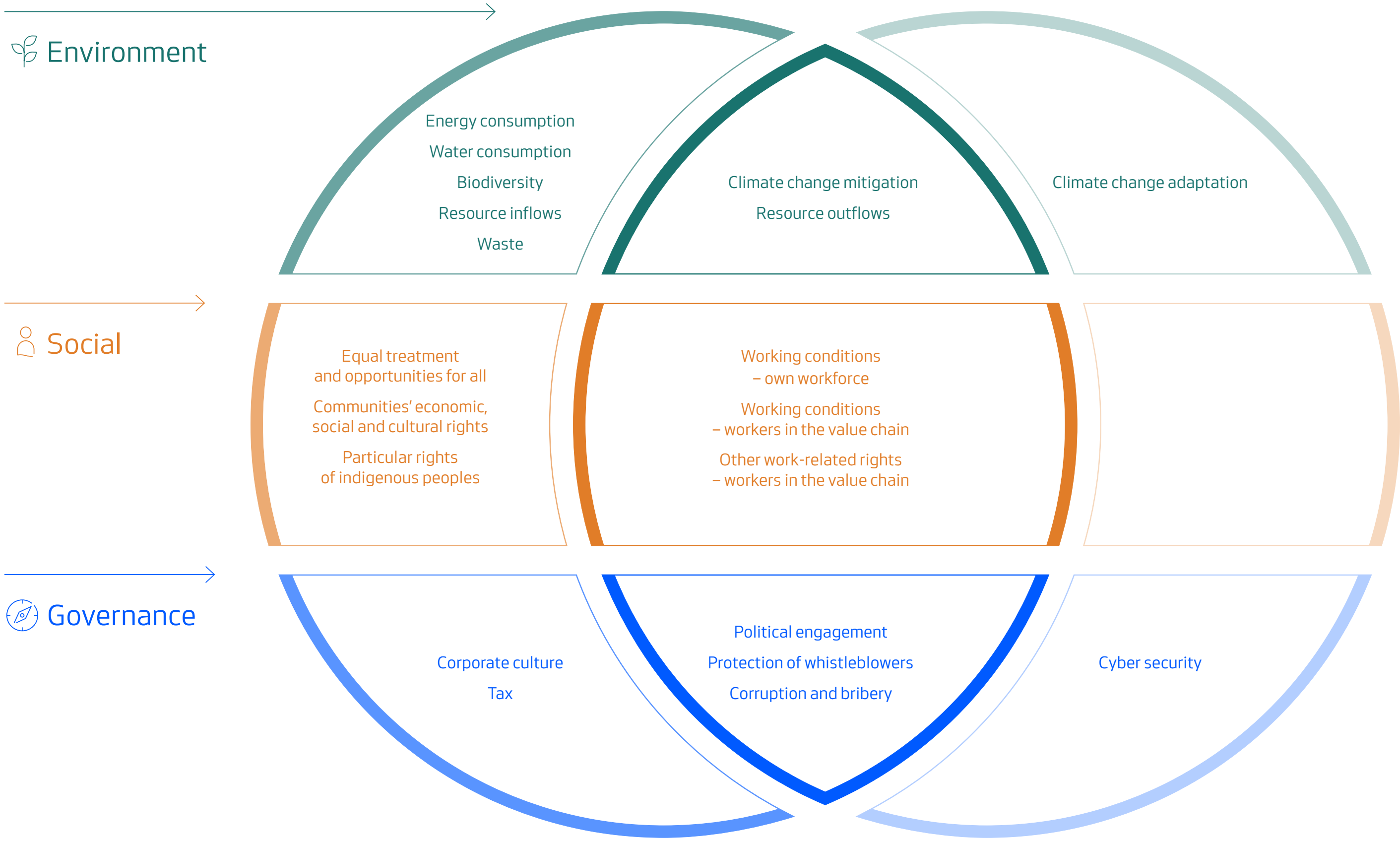
Disclosure	Description	Does this report contain this information?
GRI 207-1 Approach to tax	a. A description of the approach to tax, including: i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available; ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review; iii. the approach to regulatory compliance; iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.	Yes The Vestas Group's tax policy Annual report 2024
GRI 207-2 Tax governance, control, and risk management	a. A description of the tax governance and control framework, including: i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy; ii. how the approach to tax is embedded within the organization; iii. the approach to tax risks, including how risks are identified, managed, and monitored; iv. how compliance with the tax governance and control framework is evaluated.	Yes
	b. A description of the mechanisms for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax.	Yes, See the page Code of Conduct
	c. A description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion.	Yes
GRI 207-3 Stakeholder engagement and management of concerns related to tax	a. A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including: i. The approach to engagement with tax authorities; ii. The approach to public policy advocacy on tax; iii. The processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.	Yes
GRI 207-4 Country-by-country reporting	a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes.	Yes, See the Consolidated Statements for further information.
	b. For each tax jurisdiction reported in Disclosure 207-4-a: i. Names of the resident entities; ii. Primary activities of the organization; iii. Number of employees, and the basis of calculation of this number; iv. Revenues from third-party sales; v. Revenues from intra-group transactions with other tax jurisdictions; vi. Profit/loss before tax; vii. Tangible assets other than cash and cash equivalents; iii. Corporate income tax paid on a cash basis; ix. Corporate income tax accrued on profit/loss; x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.	Partially, we explained all the differences in the main countries that we included in the main countries analysis.
	c. The time period covered by the information reported in Disclosure 207-4	

Double Materiality Assessment

During 2024, we finalised our first double materiality assessment (DMA). The outcome of this process led to the addition of several new topics to our materiality scope, including 'transparent tax,' which was identified as an entity-specific disclosure. This was recognised as having a positive impact on our operations.

We have disclosed this positive impact in our Annual Report in accordance with the ESRS disclosure requirements. Additionally, we have provided a more detailed description within this report, following GRI 207 guidelines, as we believe these guidelines offer a more comprehensive approach for readers to understand how we develop transparent tax within the Group.

As this topic is part of the Annual Report it is subjected to limited assurance (both text and figures) from our auditors, which reinforces our commitment to transparent tax and stakeholder engagement.



Business Conduct

Sub-Topic	Impact description	Value chain	Actual/Potential
Entity-specific	**Transparent tax** Positive impact of transparent reporting on Vestas' tax practices	Own operations	Actual

Financial risk or opportunity description	Value chain
Transparent tax-related financial risks and opportunities scored as immaterial	N/A

Entity-specific disclosures: Transparent Tax

IRO-1

Tax related impacts, risks and opportunities

Scope and approach
By engaging with internal stakeholders, we identified additional topics of importance for Vestas, which are not covered by the ESRS gross list of sustainability matters. In this regard, we identified transparent tax as an entity-specific sub-sub topic. We utilised an internal assessment, conducted by our Tax department, on the market perception of Vestas publishing a Sustainable Tax Report, which evidenced a positive perception.

SBM-3

Entity-specific impacts

Transparent tax
At Vestas, the concept of responsible tax management is an integrated part of our decision-making. Vestas is committed to responsible tax practices and ensures that the appropriate taxes are paid in all jurisdictions in which we operate. The taxes we pay directly contribute to the funding of essential public services such as healthcare, education, and infrastructure. Essentially, by paying fair taxes, we support the economic development of the regions in which we operate.

Vestas would like to be a front runner in transparency of our tax practices by going beyond legal requirements and we therefore publish an annual tax report aligned with GRI-207 that discloses our total tax contribution. Our DMA has identified a positive impact related to tax transparency. The report includes disclosures that explain Vestas' tax operating model for the benefit of relevant stakeholders. The impact happens across all of our value chain and in the short-term time horizon. The report provides a comprehensive overview of tax contributions made during the year, along with insights into the internal tax control mechanisms governing the applied tax practices. The report also explains how we align our tax strategy with environmental sustainability goals by utilisation of tax incentives designed to promote green energy and reduce GHG emissions. The 2024 Tax Sustainability Report will be published in April 2025 and will be made available at our corporate website.

Impacts, risks, and opportunities management

MDR-P

Policies

Tax Policy
Vestas' Tax Policy applies to all decisions that directly or indirectly affect the reporting and/or payment of taxes, regardless of the nature of the tax, provided that the liability falls or could fall under the jurisdiction of any Vestas Group company. All Vestas affiliates are required to adopt the Tax Policy approved by the Board of Directors. The Board conducts an annual review of the Tax Policy and approves the version of the tax policy that is readily available on the corporate website, thereby promoting transparency and accountability.

By adhering to these principles, Vestas demonstrates its commitment to ethical tax behaviour, stakeholder trust and longterm sustainability.

MDR-A

Actions and resources

Annual publishing of our Tax Sustainability Report
Since 2022, Vestas has taken deliberate actions to promote responsible tax practices, emphasising transparency and positive impact. We voluntarily publish information about respon- sible tax and tax payments, believing that transparency builds trust within communities and supports the decarbonisation of the planet.

For this reason, we disclose information on key aspects of responsible tax in our Tax Sustainability Report including the following topics:

- Tax governance and risk management: Vestas' board oversees tax strategy, ensuring alignment with company values and long-term objectives. We have a tax risk management framework to identify and evaluate tax risks globally.
- Tax strategy and policy: Our tax policy promotes honest and open cooperation with tax authorities, supporting appropriate controls of Vestas Group's operations.
- Total tax contributions: We break down tax contributions by type and jurisdiction, and voluntarily disclose country-by-country reporting to explain our economic contributions.
- Effective Tax Rate (ETR): Our tax report explains the ETR, helping stakeholders understand our tax expenses relative to profits in main markets.
- Tax incentives: We detail the tax incentives utilised by Vestas to ensure transparency.

Scope of our Tax Sustainability Report

- To ensure full transparency, we have provided a country-by-country breakdown of our tax contributions, with the breakdown between sales, profit before tax, corporate income tax paid, corporate income tax accrued, stated capital, accumulated profit, employees, tangible assets and activities.
- The effective tax rate of the main countries is calculated to give an insight into our tax burden in relation to our accounting profit. The calculation is based on the corporate income tax accrued and the accounting profit before tax, through this formula Vestas has included its ETR for the year and explained the variation between it and the STR.
- Tax incentives are explained with a description and the main purpose of their use and how they impact sustainability objectives.

Responsible taxation contributes to financing and supports our sustainability goals. We are promoting diverse initiatives to implement processes to extract total tax payments in the countries where we operate, fostering the use of technology for the data collection.

By aligning our actions with these principles, Vestas demonstrates dedication to ethical tax behaviour and long-term sustainability.

Targets and metrics

MDR-T

Targets

At Vestas, we are dedicated to responsible tax practices and contribution to sustainable development. While our ambition is to publish an annual Tax Sustainability Report, Vestas does not have any formalised measurable targets related to trans- parent tax. Based on external stakeholder feedback and con- sultation, we will assess during 2025 whether we should de- fine a concrete target in connection with measuring the impact of the report.

At present, Vestas employs technology to streamline processes and obtain realtime data on tax payments. To this end, Vestas is participating in a pilot programme to extract tax payments from our system. This will enable us to monitor our Effective Tax Rate and demonstrate our commitment to transparent and fair tax practices. Vestas' commitment to responsible tax practices is ongoing. We regularly review and update our tax objec- tives to reflect changes in our business, the regulatory environment and stakeholder expectations. By setting and working towards these objectives, we aim to make a positive contribution to the economies and communities in which we operate.

MDR-M

Metrics

At Vestas, we are committed to transparency and accountability in our tax practices, as we believe responsible tax practices are key to funding public services and contributing to the development of the societies in which we operate. To measure this, we use specific metrics to ensure stakeholders understand our tax contributions and their impact.

- Total tax contribution figures are broken down into tax paid and tax collected, both of which are simultaneously broken down into corporate income tax, indirect taxes and em- ployee taxes.

By providing detailed figures, Vestas ensures transparency in its tax contributions and builds trust among its stakeholders by informing them about its tax strategy, governance and key tax figures.

Disclaimer

This document has been prepared internally by Vestas. The data in the document has been processed by Vestas and amounts have been rounded. As a result, the rounded amounts may sometimes differ from the rounded totals.

The currency used in this report is euros.

Want to read more?

Find the full reporting for 2024 at Vestas.com

Our Employee Code of Conduct
The Vestas Employee Code of Conduct is your guide to making the right decisions as a Vestas employee. The Code outlines the behaviours expected from us every day and reflects our values: Accountability, Collaboration, Simplicity, and Passion.

Our Annual Report
For the year 2024, Vestas achieved revenue of EUR 17,295m (outlook: EUR 16.5-17.5bn), with an EBIT margin before special items of 4.3 percent (outlook: 4-5 percent), and total investments of EUR 1,142m (outlook: approx. EUR 1.0bn). The value of the combined order backlog across Power Solutions and Service increased to EUR 68.4bn.

Vestas Group Tax Policy
The purpose of the Vestas Group Tax Policy is to define global management of taxes including governance, structuring, and risk management.

The 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 fall or could fall under the liability of any Vestas Group Company.

Vestas Wind Systems A/S
Hedeager 42
DK-8200 Aarhus N

Tel: +45 9730 0000
vestas@vestas.com

vestas.com

Vestas®