

## News release from Vestas Wind Systems A/S

Aarhus, 12 April 2023

### Fortum Oyj, a state-owned Finnish company, undermines EU sanctions by launching arbitration against Vestas

The state-owned Finnish company, Fortum Oyj, has initiated arbitration in Sweden against Vestas Wind Systems A/S. The arbitration claim, in excess of 200 mEUR, relates to Vestas' termination of Russian wind project contracts in order to comply with the European Union sanctions arising from Russia's invasion of Ukraine. Since the start of the invasion, the European Union has published a series of sanctions packages, which include comprehensive sanctions against the Russian "energy sector".

Sanctions and export controls regulations issued in 2022 prevented Vestas from delivering, installing and servicing wind turbines in accordance with its contracts with Russian customer WEDF, which is owned by Fortum. Faced with this difficulty, Vestas invoked the sanctions-specific clause in each contract between Vestas and WEDF, which gave each party the unambiguous right to terminate the contracts if performance was impacted by international sanctions. These clauses explicitly included sanctions against Russia. After months of negotiation between the parties in an effort to find an agreement, Vestas terminated the contracts in late June 2022.

Henrik Andersen, President and CEO of Vestas, says: *"We strongly believe the arbitration to be without merit, and we are astonished and dismayed a state-owned company from a fellow EU-country would openly question the sanctions against Russia and thereby the unity of EU countries. Member states and companies were aware from the outset that the sanctions would have financial consequences, also outside of Russia, and questioning whether sanctions apply can only benefit the interests of Russia and its sympathisers. We have approached political stakeholders to find a sensible resolution to the matter, which together with a public conversation around the arbitration's broader impact on the perceived unity of EU member states hopefully will cause Fortum to reconsider its position. We will vigorously defend ourselves should this meritless arbitration continue."*

WEDF was Vestas' sole customer in Russia. The arbitration case against Vestas Wind Systems A/S is filed in Sweden by a Fortum subsidiary in Ireland, Fortum Finance Ireland DAC.

#### For more information, please contact:

Anders Riis  
Vice President, Communications  
Mail: [anpr@vestas.com](mailto:anpr@vestas.com)  
Tel : +45 41813922

Claes Lautrup Cunliffe  
Lead Public Relations Specialist  
Mail: [caecn@vestas.com](mailto:caecn@vestas.com)  
Tel: +45 50509491

**About Vestas**

Vestas is the energy industry's global partner on sustainable energy solutions. We design, manufacture, install, and service onshore and offshore wind turbines across the globe, and with more than 164 GW of wind turbines in 87 countries, we have installed more wind power than anyone else. Through our industry-leading smart data capabilities and unparalleled more than 144 GW of wind turbines under service, we use data to interpret, forecast, and exploit wind resources and deliver best-in-class wind power solutions. Together with our customers, Vestas' more than 28,000 employees are bringing the world sustainable energy solutions to power a bright future.

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