

Annual Report

2024



Wind. It means the world to us.TM

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Company reg. no.: 10403782

Vestas[®]

Contents

Letter from the Chair & CEO	3
Our business	5
In brief	6
Highlights for the year	7
Financial and operational key figures	10
Sustainability key figures	11
In focus: Five years of Vestas' Sustainability Strategy	12
Outlook	13
Strategy and ambitions	15
Business model	16
Market outlook	17
Corporate strategy	19
Business area strategy	22
Capital structure strategy	24
Business area progress	25
Our people, our strength	26
Onshore	28
Offshore	29
In focus: Repowering and lifetime extensions	30
Service	31
Development	32
Customer partnerships	33
Our footprint	34
Corporate governance	35
Corporate governance and governance principles	36
Shareholders	37
Board of Directors	38
Day-to-day management	42
Remuneration	46
Sustainability governance	47
Risk management	49
Sustainability statement	51
General information	52
Progressing on our sustainability journey	53
Vestas' inaugural Sustainability statement	56
The result of the double materiality assessment	57
Our value chain	62
Sustainability risk management	63
The double materiality assessment process	64
Basis for preparation	69
Environmental information	71
E1 Climate change	72
E3 Water and marine resources	81
E4 Biodiversity and ecosystems	83
E5 Circular economy and resource use	86
EU Taxonomy	93
Social information	98
S1 Own workforce – Working conditions: Health and safety	99
S1 Own workforce – Working conditions: Secure employment	102
S1 Own workforce – Equal treatment and opportunities for all	107
Statutory diversity reporting under Danish law	111
S2 Workers in the value chain	112
S3 Affected communities	117
Governance information	123
G1 Business conduct	124
Entity-specific disclosures: Transparent tax	128
Entity-specific disclosures: Cyber security risks	130
Financial statements	133
Consolidated financial statements, Financial performance, and Notes	134
Parent company financial statements and Notes	189
Auditor and management statements	199
Additional information	206



How to read this report

This is Vestas' first integrated Annual Report, consisting of the two main sections Management's Review (Our business and the Sustainability statement) and Financial statements.

With the aim of addressing the new Corporate Sustainability Reporting Directive requirements from the EU in a reader friendly way, we have addressed the requirements in the parts of the report where they fit into the context. This also means that throughout this report, you will find codes such as 'GOV-1' and 'SBM-3' which refer to specific disclosure requirements or data points from the European Sustainability Reporting Standards (ESRS).

An index of the ESRS disclosure requirements and codes can be found on pages 212-213 and the definition of terms on page 210.



[Letter from the Chair & CEO](#)

Progress in a challenging year

[Dear stakeholder,](#)

Vestas continued its positive trajectory in 2024, although the year did not evolve as we expected. At a macro level, geopolitical uncertainty continued to cause disruption for societies and businesses, including ours. At an operational level, Vestas did not perform as expected in certain areas, but through strong execution and progress in others we are pleased to have achieved our outlook for the year and sustained our industry leadership. Once again, Vestas was stronger leaving the year than entering it.

Our progress in 2024 was driven by our relentless focus on value over volume, combined with improved execution. Our energy solutions proved their competitiveness yet again, highlighting the value of extending product life cycles and accelerating industrialisation. Indeed, these measures are key to maintaining a profitable pathway during uncertain times. They were certainly instrumental to the tremendous turnaround in our Power Solutions business, where our profitability increased 6.1 percentage-points year-on-year, despite quality not being where it needs to be. Our Offshore business continued to grow with 4.6 GW of order intake, while Development also contributed significantly to Vestas' earnings. Our Service business, however, had a challenging 2024, battling rising costs that required an organisational and cultural recalibration.

We remain focused on our strategy and delivering on our promises, and our 2024 results will help to lay the foundations for shareholder value creation. Our goal is to ensure that investment in Vestas delivers stable profits that are returned to our shareholders through dividends and/or share buybacks.

The world needs energy as never before

While the geopolitical landscape remains uncertain, globalisation also continues to be pushed back by nationalism and protectionism, creating new coalitions that impact business operations as well as trade and logistics. Nationally and regionally, the political focus on security, competitiveness, self-sufficiency, and affordability have reached levels we haven't seen in decades. This environment presents both an opportunity and a challenge for renewables.

Wind energy is pivotal in this context, because it lowers energy prices, builds energy independence and helps to meet growing energy demand across the globe. Compared to previous years, climate goals have become a peripheral driver for investments, replaced by security or cost-of-living concerns. These shifts have also made energy and renewables a divisive topic in public discourse where opinions and decisions aren't necessarily based on what we know, but on what we believe.

Counterintuitively, the criticality and politicisation of increasing energy supply can cause hesitation to invest in new capacity or adjust policy frameworks. This made 2024 challenging for clean energy companies as projects got delayed or withdrawn, especially for enabling technologies like PtX and storage. Our industry must therefore continue to mature, and developers and OEMs should let what cannot stand, fall. Positively, many countries including the USA, Germany, Australia, and the UK remain focused on expanding energy capacity. However, to accelerate the build-out politicians must act with a long-term view. As Europe learned the hard way with its dependence on Russian gas, all kilowatt-hours are not created equal.

Another significant step towards double-digit profitability

Throughout 2024, financially and operationally we benefitted gradually from improved execution and from the strong commercial culture we have built since 2021. This was underlined by our great end to the year, which also marked the completion of low-margin legacy projects in our backlog. Given the recent challenges experienced in Service, the turnaround in Power Solutions has perhaps not received the attention it deserves, but the improvement achieved by our colleagues since 2022 is praiseworthy.

Considering how 2024 unfolded, we were pleased to see our EBIT margin before special items improve to 4.3 percent, up from 1.5 percent in 2023, on a turnover that grew to EUR 17.3bn. Our combined backlog stands at a record-high EUR 68.4bn as we exit 2024.

While 2024 was a disappointing year for our Service business, Service remains highly profitable and a cornerstone of our present and future value proposition to customers. Indeed, when Power Solutions struggled, Service was the stabilising factor. And although the challenges it experienced dented investor confidence, our Service

organisation responded resolutely, sharpening its operational focus and organisational setup to drive stronger leadership and accountability, while enabling our technicians to work more efficiently.

In Offshore, we continued to build our order backlog, including receiving the first offshore order in the USA. The commercial traction of the V236-15.0 MW™ remains satisfactory, but 2024 also showed that ramping up manufacturing across several locations is far from straightforward. In 2025, we start delivering the first V236 turbines, which will entail a steep learning curve for the first projects that will impact our margin negatively. The sustainable path forward for Offshore is to industrialise to drive scale and efficiency. Certainly, we will not take unnecessary risks by entering a re-vitalised arms race or being swayed by unrealistic political aspirations.

A common denominator for our success across Onshore, Offshore and Service is quality. Our quality improved throughout the year, but as we witnessed in the third quarter of 2024 and in our challenges in Service, quality issues can derail progress. And while we can see that our plans for quality are moving things in the right direction, it will still take time before we reach the level at which we should be operating. The same goes for sustainability, where we also made progress in 2024 but where it became clear we won't achieve our 2025 targets for GHG emissions, due to the impact from Offshore.

However, our 2025 goals were set before we re-entered offshore wind, and the fact we won't meet them shouldn't detract from the improvements we have achieved in our sustainability performance. Key highlights include offering circular blades and low-emissions towers, converting our benefit vehicle fleet to EV/PHEV, as well as decreasing Scope 1 and 2 emissions by 44 percent outside Offshore. The most important thing is the progress we make, not the bureaucratic difficulty that ESG reporting is becoming for EU-based companies.

In 2024, we were also pleased with how our Development business contributed significantly to both our earnings and order intake. Development is focusing on maturing and converting our pipeline. Historically, it has generated more than 7 GW of order intake across all regions, including maturing a 270 MW project in the USA at the end of 2024.

As the industry leader, organisational development remains key to our future success. An important part of leadership development is our annual Vestas Leadership Forum, which features internal and external keynotes on topics within strategy and leadership. In 2024, the list of external speakers included the CEOs of RWE and Volvo Trucks, as well as the Chair of Maersk. We also perceive changes to both our Board and Executive Management as strengthening the future of Vestas. These changes are illustrated in the diversity of our Board, and in the fact that women account for 25 percent of our leadership roles.

Grasping opportunities and delivering on our promises

Overall, our strategy is working, and when we get our four business areas firing on all cylinders, we have a tremendous opportunity to help build affordable, resilient and sustainable energy systems while delivering shareholder value. The world's energy demand continues to grow through electrification, increasing living standards and new technologies such as AI, and the outlook for wind energy remains strong.

As a reflection of our progress, we are pleased to return value to our shareholders by proposing payout of a dividend combined with a share buy-back. Additionally, we are pleased to pay out bonuses to our colleagues across our global operations.

The path forward is likely to take further unexpected turns, which we can only address through strong partnerships across the value chain. We would therefore like to thank our customers, partners, shareholders and Vestas' 35,000+ employees for their continued support and engagement throughout 2024 and the years to come.

Thank you.

Anders Runevad

Chair of the Board of Directors

Henrik Andersen

Group President & CEO

Our business

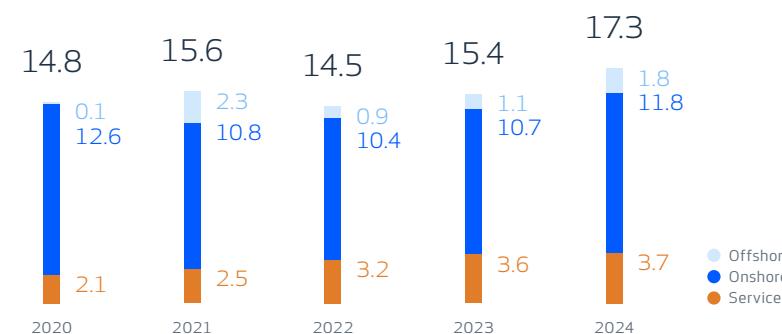
- In brief
- Strategy and ambitions
- Business area progress
- Corporate governance



In brief

- Highlights for the year
- Financial and operational key figures
- Sustainability key figures
- In focus: Celebrating five years of Vestas' sustainability strategy
- Outlook

Financial highlights



Revenue

bnEUR

In 2024, Vestas achieved revenue of EUR 13.6bn in the Power Solutions segment, with growth in both Onshore and Offshore driven primarily by higher pricing. Despite adjustments to planned costs in 2024, the Service segment also saw growth as revenue increased to EUR 3.7bn.



EBIT and EBIT margin

before special items, mEUR and percent

Profitability continued to improve in 2024, with an EBIT margin of 4.3 percent, up from 1.5 percent in 2023. Profitability was positively impacted by improved margins in Power Solutions, offset by a decline in Service profitability due to adjustments to planned costs made during the year.



Value of order backlog

bnEUR

By the end of 2024, the value of Vestas' combined order backlog amounted to a record-high EUR 68.4bn. The increase was driven by strong order intake in our core markets for both Onshore and Offshore, as well as a record-high Service backlog.

In 2024, Vestas continued to improve profitability and realised an EBIT margin of 4.3 percent, despite cost challenges in Service. The improvement was driven by our Power Solutions segment, achieved through higher selling prices, improved project execution and lower warranty costs. The fourth quarter in particular was a testament to the successful turnaround.

For a review of the development in activities and financial results, see Financial Performance on pages 135-136.

Operational highlights

The core of our business model consists of Onshore, Offshore, Service, and Development. In 2024, we achieved considerable progress in Power Solutions, while Service had a challenging year. Vestas remains the global leader in wind power with 189 GW of total installed wind power capacity.

Onshore

Deliveries (GW)

11.5 11.7
2024 2023

Order intake (GW)

12.3 15.3
2024 2023

Order backlog (GW)

21.7 21.0
2024 2023

Maintaining leadership
Vestas continued to maintain market leadership and demonstrate good project execution with an Onshore order intake of 12.3 GW, and 11.5 GW of Onshore deliveries. In 2024, we successfully added extra shifts to our manufacturing facilities in the USA.

[Read more on page 28.](#)

Offshore

Deliveries (GW)

1.4 1.0
2024 2023

Order intake (GW)

4.6 3.1
2024 2023

Order backlog (GW)

7.5 4.3
2024 2023

Becoming a global leader
With a firm order backlog of 7.5 GW, Vestas is well underway to becoming a global leader in offshore wind. In 2024, we continued to expand our offshore manufacturing footprint, in both Denmark and Poland.

[Read more on page 29.](#)

Service

GW under service

155 149*
2024 2023

Average backlog contract duration (years)

11 11
2024 2023

Value of order backlog (bnEUR)

36.8 34.1
2024 2023

A challenging year for Service
Vestas set new records with 155 GW under service and a EUR 36.8bn backlog, but cost challenges sparked an increased focus on operational efficiency and cost control.

[Read more on page 31.](#)

Development

Sale transactions (number)

8 13
2024 2023

Order intake generated (GW)

0.9 0.3
2024 2023

Pipeline of projects (GW)

27.8 30.2
2024 2023

Generating 945 MW of orders
Vestas Development generated 945 MW of order intake for Vestas in 2024. The 27.8 GW pipeline is concentrated in our core markets of Australia, the USA, Spain, and Brazil.

* Restated in connection with the regional validation and clean-up of contract data conducted in the first quarter of 2024

Sustainability highlights

At the beginning of 2025, as we celebrate the five-year anniversary of our sustainability strategy, we were again ranked "the most sustainable energy solutions company in the world" by Corporate Knights. We have improved our material efficiency rate, tested sustainable aviation fuel, introduced low-emission steel towers among many initiatives towards our ultimate ambition of 'Sustainability in everything we do'.

Climate	Circularity	Social	Energy transition
Scope 1 & 2 GHG emissions (k tonnes CO ₂ e) 105 109 2024 2023	Material efficiency rate 1.0 1.2 2024 2023	Injury rate (TRIR) 3.0 3.0 2024 2023	Green energy R&D (mEUR) 531 500 2024 2023
Scope 3 GHG emissions intensity (kg CO ₂ e/MWh generated) 5.66 6.30 2024 2023	Refurbished component utilisation (%)** 34.5 33.5 2024 2023	Women in leadership (%) 25 24 2024 2023	Delivered turbines (GW) 13 13 2024 2023
Expected GHG emissions avoided (million t CO ₂ e)* 455 396 2024 2023	Materials recycled (%)*** 68 68 2024 2023	Community beneficiaries (thousand) 7.9 9.8 2024 2023	Political engagement Launch of our 'This is not a windfarm' campaign, highlighting the need for having windfarm auctions redesigned and translated into real action.
Low-emission steel towers In 2024, we introduced low-emission steel towers as a new product offering to our customers as part of our value proposition and we will continue to expand our range and offerings in 2025 and beyond. Read more on page 54.	Industrialising blade recycling In 2024, we advanced the development of a new circular recycling method for epoxy-infused blades, while continuing to recycle blades through traditional recycling routes for repowering projects in the USA. Read more on page 88.	Respecting human rights In 2024, we updated our Human Rights Policy to reflect evolving best practice and were ranked first in the Danish Institute for Human Rights' benchmark of large Danish companies. Read more on page 118.	Advancing the transition In 2024, we invested EUR 531m in green R&D to continue to advance our scalable, reliable and sustainable energy solutions. Read more on page 135.

* Expected GHG emissions to be avoided over the lifetime of the capacity produced and shipped during the year.

** Number restated for 2023, see page 69 for more details.

*** KPI has not been subject to assurance.

Financial and operational key figures

Financial key figures (mEUR)	2024	2023	2022	2021 ¹	2020	Financial ratios ³	2024	2023	2022	2021 ¹	2020
Income statement						Gross margin (%)	11.9	8.3	0.8	10.0	10.4
Revenue	17,295	15,382	14,486	15,587	14,819	EBITDA margin (%) before special items	9.3	6.7	(0.4)	8.6	9.4
Gross profit	2,057	1,283	118	1,556	1,538	EBIT margin (%) before special items	4.3	1.5	(8.0)	2.8	5.1
EBITDA before special items	1,605	1,028	(63)	1,342	1,391	EBITDA margin (%)	9.6	7.1	(1.2)	8.0	9.3
Operating profit/(loss) (EBIT) before special items	741	231	(1,152)	428	750	EBIT margin (%)	4.6	1.9	(11.0)	1.9	4.7
EBITDA	1,658	1,089	(437)	1,271	1,382	Return on Capital Employed (ROCE) (%) before special items	8.0	2.9	(18.5)	4.5	13.5
Operating profit/(loss) (EBIT)	794	292	(1,596)	289	698	Interest-bearing position (net)/EBITDA before special items	(0.5)	0.0	NA	(0.9)	(1.4)
Net operating profit after tax (NOPAT)	556	223	(1,071)	275	619	Solvency ratio (%)	14.4	13.5	15.2	23.9	25.9
Net financial items	(86)	(164)	(110)	(101)	(95)	Return on equity (%)	16.2	2.6	(43.9)	3.6	21.4
Profit/(loss) before tax	705	102	(1,696)	224	934						
Profit/(loss) for the year	494	78	(1,572)	143	771						
Balance sheet											
Balance sheet total	24,644	22,514	20,090	19,648	18,160	Share ratios					
Equity	3,542	3,042	3,060	4,697	4,703	Earnings per share (EUR)	0.5	0.1	(1.6)	0.1	0.8 ⁴
Investments in property, plant and equipment	670	457	371	476	379	P/E ratio	26.6	356.6	(17.4)	200.2	49.6
Net working capital	(2,297)	(1,507)	(1,349)	(1,049)	(1,127)	Dividend per share (EUR)	0.1 ⁵	-	-	0.1	0.23 ⁴
Capital employed	6,813	6,429	5,487	6,133	6,057	Pay-out ratio (%)	15.0 ⁵	-	-	36.0	30.0
Interest-bearing position (net), end of the period	809	32	46	1,200	1,920	Share price at the end of the period (DKK)	98.1	214.3	202.1	200.0	287.9 ⁴
Interest-bearing debt, end of the period	3,271	3,387	2,427	1,436	1,354	Number of shares at the end of the period	1,009,867,260	1,009,867,260	1,009,867,260	1,009,867,260	1,009,867,260
Statement of cash flows											
Cash flow from operating activities	2,332	1,027	(195)	956	743	Operational key figures					
Cash flow from investing activities	(1,341)	(782)	(679)	(899)	(267) ²	Order intake (bnEUR)	19.2	18.5	11.9	11.6	12.7
Free cash flow	991	245	(874)	57	476 ²	Order intake (MW)	16,844	18,386	11,189	13,896	17,249
Adjusted free cash flow	1,095	(51)	(1,134)	155	197	Order backlog - wind turbines (bnEUR)	31.6	26.0	19.1	18.1	19.0

1 Comparative figures for 2021 have been adjusted following the accounting policy change in 2021 for configuration and customisation cost in cloud computing arrangements.

2 Comparative figures for 2020 have been restated to reflect change in classifications of investments in 2021.

3 The ratios have been calculated in accordance with the guidelines from "Finansforeningen" (The Danish Finance Society) (Recommendations and Financial ratios).

4 As of 28 April 2021, a share split at a ratio of 1:5 of the Vestas share was carried out. Comparative figures for 2020 have been restated.

5 Based on proposed dividend.

6 The Service order backlog value disclosed in the Annual Report 2021 has been corrected from EUR 29.2bn to EUR 27.8bn.

Sustainability key figures

Environmental	2024	2023	2022	2021	2020
Utilisation of resources					
Consumption of energy (GWh)	640	658	641	738	621
- of which renewable energy (GWh)	214	213	231	283	295
- of which renewable electricity (GWh)	166	166	187	233	261
Renewable energy (%)	33	32	36	38	48
Renewable electricity for own activities (%) ¹	100	100	100	100	100
Withdrawal of fresh water (1,000 m ³)	323	279	341	378	421
Waste					
Volume of waste from own operations (1,000 t)	44	44	47	70	89
- of which collected for recycling (1,000 t)	30	30	26	35	46
Recyclability rate of hub and blade (%) ¹	88	90	42	42	41
Recyclability rate of total turbine (%) ¹	97	-	-	-	-
Material efficiency (tonnes of waste excl. recycled per MW produced and shipped) ¹	1.0	1.2	1.6	2.0	2.5
GHG emissions					
Scope 1 GHG emissions (1,000 t CO ₂ e)	104	108	98	99	83
Scope 2 GHG emissions market-based (1,000 t CO ₂ e)	1	1	2	3	14
Scope 3 GHG emissions (million t CO ₂ e)	7.99	7.66	8.18	10.56	10.59
Scope 3 GHG emissions intensity (target value) (kg CO ₂ e per MWh generated)	5.66	6.30	6.46	6.65	6.63
Products					
Expected GHG avoided over the lifetime of the capacity produced and shipped during the period (million t CO ₂ e) ¹	455	396	408	532	493
Expected annual GHG avoided by the total aggregated installed fleet at the end of the period (million t CO ₂ e) ¹	239	231	219	210	186

¹ Entity-specific ESRS metric

² For the definition of 'women in top management', refer to the Accounting policies, page 110.

³ 'EthicsLine cases' here represents the total number of unsubstantiated cases, plus the number of substantiated cases and cases still under investigation at the time of reporting. For the years 2023 and 2024, at the end of 2024, 110 cases from 2024 and two cases from 2023 were still under investigation, and hence the substantiation rate for the two years may change.



For definitions, accounting policies, and comments to development related to the Sustainability key figures, see the Sustainability statement. Note that the comparative numbers from 2020 to 2023 have been under limited assurance by our previous auditors but not subject to assurance of Sustainability statement prepared in compliance with ESRS.

Social	2024	2023	2022	2021	2020
Safety (own workforce)					
Total Recordable Injuries per million working hours (TRIR)	3.0	3.0	3.3	3.1	3.3
Lost Time Injuries per million working hours (LTIR)	1.2	1.3	1.2	1.0	1.2
Total Recordable Injuries (number)	240	216	200	201	185
- of which Lost Time Injuries (number)	97	91	73	67	65
- of which fatal injuries (number)	2	1	0	0	0
Employees					
Average number of employees (FTEs)	32,729	29,463	28,779	29,164	26,121
Employees at the end of the period (FTEs)	35,100	30,586	28,438	29,427	29,378
Diversity and inclusion					
Women in the Board of Directors at the end of the period (%)	60	43	38	25	25
Women in top management ² at the end of the period (%)	26	-	-	-	-
Women in leadership positions at the end of the period (%)	25	24	23	21	19
Human rights					
Community grievances (number) ¹	2	3	13	17	20
Community beneficiaries (number) ¹	7,919	9,769	7,572	8,236	14,770
Social Due Diligence on projects in scope (%) ¹	83	59	65	0	78
Governance					
Whistle-blower system³					
EthicsLine cases (number)	757	667	539	465	287
- of which substantiated (number)	147	148	152	129	65
- of which unsubstantiated (number)	500	517	386	336	222

In focus

Celebrating five years of Vestas' sustainability strategy

Vestas' sustainability strategy comes with a clear mandate: Sustainability in everything we do. In February 2025, we celebrate its five-year anniversary. Five years of planning, execution, learnings, and challenges, plus an ambitious will to succeed. Here, Lisa Ekstrand, VP, Sustainability, and Javier Rodriguez Diez, EVP, Sales, reflect on our sustainability journey and achievements.

"In many ways, sustainability has been part of Vestas' DNA for more than four decades. We are making products that are part of the solution to climate change", says Ekstrand. "But our operations and activities generate carbon emissions as well as waste and if we look some years back sustainability was not always integrated holistically within Vestas."

"Then sustainability became increasingly important for all our stakeholders, for customers, investors and current as well as future employees," Rodriguez observes.

"At the same time, with the growing demand for renewable energy, the industry has enormous potential, therefore Vestas is expected to scale. As we grow as an industry, we must do so sustainably, while accepting that it requires carbon emissions in our operations until we reach our ultimate emission reduction targets."

A five-year evolution

Vestas operates as a global company with approximately 35,000 employees. "In the area of sustainability, we work in both matrix and project structures with representatives from many different departments.

We focus on clearly defined priorities," explains Ekstrand. These range from reducing carbon emissions and waste from our production and construction sites, to replacing our corporate and service fleet with electric and sustainably fuelled vehicles. We also focus on testing alternative fuels for offshore vessels and helicopters, ensuring access to low-emission steel as well as other low-emission materials, and developing fully circular rotor blades for wind turbines.

To succeed, Vestas maintains close dialogues with its customers and suppliers and places high demands on its entire value chain.

As Rodriguez notes: "For many of our customers, and for policymakers around the world, the energy transition is an opportunity to create long-term value for society. It's no longer just a question of how to accelerate, but about what kind of energy transition we want? For this reason, sustainability is increasingly being included as a requirement in tenders. The sustainability-linked bonds we issued in 2022 and 2023 were significantly oversubscribed. We also see that sustainability increases the motivation and commitment of our employees."

So, is everything going according to plan and at the desired pace? "Often yes, sometimes not," says Ekstrand. "The response we get from customers, investors, and employees confirms that we are on the right path. However, there are surprises and challenges along the way, and we can see that we are not going to meet our 2025 scope 1 & 2 GHG reduction target. This is due to our target being set before we re-entered offshore wind, whereby our scope of activities increased. This is something we will consider when we revalidate our SBTi targets later during 2025."

Future outlook

"We recognise that our sustainability goals are ambitious. But we believe goals must be set high to inspire

real change", Ekstrand highlights. "Our vision is focused on maintaining industry leadership in sustainability, while innovating and scaling our initiatives."

Corporate Knights acknowledged our vision and efforts, as we were, again, ranked "the most sustainable energy solutions company in the world" in early 2025. As we grow as a business and an industry, we can only achieve our ambitions by maintaining the mindset and mandate of 'sustainability in everything we do'.

Our sustainability strategy:



Climate

Carbon neutral company by 2030 – without using carbon offsets



Circularity

Producing zero-waste wind turbines by 2040



Social

Safest, most inclusive and socially responsible company in the energy industry



Energy transition

Leading the transition towards a world powered by sustainable energy

Outlook

Outlook for full year 2025

Wind energy remains key to an affordable, secure and sustainable energy system, and although ongoing geopolitical and trade volatility is expected to cause uncertainty, the execution of our record-high order backlog is expected to drive increased revenue in 2025. Despite a step-up in depreciations and amortisations related to our V236-15.0 MW™ platform, we expect profitability to increase in 2025 through stable raw material and transport costs as well as the completion of low margin legacy projects in 2024.

Revenue is expected to range between EUR 18-20bn, with an EBIT margin before special items of 4-7 percent. Total investments are expected to amount to approx. EUR 1.2bn in 2025.

The Service segment is expected to generate EBIT before special items in 2025 of around EUR 700m.

The above expectations are based on the assumption that the global geopolitical environment will not significantly change business conditions for Vestas during 2025, including energy or supply chain disruptions, changes to the regulatory environment, or other external conditions, such as bad weather, exchange rates, lack of grid connections and similar. In relation to forecasts on financials from Vestas in general, it should be noted that Vestas' accounting policies only allow the recognition of revenue when the control has passed to the customer, either at a point in time or over time.



Outlook 2025

Revenue (bnEUR)	18-20
EBIT margin (%) before special items	4-7
Total investments ¹ (bnEUR)	approx. 1.2

¹ Total cash flows from the purchase of intangible assets and property, plant, and equipment, net of proceeds from the sale of intangible assets and property, plant, and equipment.

Long-term ambitions

Financial ambitions

Wind power has outcompeted fossil fuel alternatives in most parts of the world, and the coming years are promising, with wind power's increasingly central role as critical infrastructure. Consequently, Vestas' addressable market is expected to grow significantly in the years ahead. More information about the market outlook can be found in this report on pages 17-18 and 29.

Onshore

The demand for onshore wind power globally (ex. China) is expected to grow by 7-9 percent annually towards 2030¹ driven by new increased ambitions for renewable energy, increased electrification, and wind as an independent cost-effective source of electricity. On this background, Vestas maintains its long-term ambitions to grow faster than the market and be a visible market leader in Onshore wind.

Offshore

Offshore wind power is likely to form an important part of the future energy system. Despite the recent years of turmoil, the prospects for both demand and financial return remain attractive, with offshore wind expected to grow by 20-25 percent per year until 2030.¹ As we ramp up serial manufacturing of the V236-15.0 MW™ platform and deliver the first projects in 2025 and 2026, it is expected that Offshore will be dilutive to the Power Solutions EBIT margin. It remains our ambition in the long term to achieve an EBIT margin on par with Onshore.

Service

The global market value for service solutions (ex. China) is expected to grow by 8-10 percent per year until 2030¹ and Vestas expects to remain a global leader in wind power service. We maintain our ambitions in the long term for Service revenue to grow faster than the market, and to achieve an EBIT margin in Service at a level of 25 percent. In the mid term, however, the margin will likely be lower, as we address the current cost challenges.

General ambitions

Our industry is going through structural change to increase profitability. The structural changes primarily entail keeping the commercial discipline in customer dialogues, working closer across the industry supply chain, and lowering the frequency of new technology introductions as well as maturing the assessment of risk.

In 2024, Vestas managed to take a significant step to get 'back on track' as our commercial and operational discipline is paying off. The year underlined that Vestas is on the right strategic path to improve the industry structurally and continue to build the commercial and operational maturity to achieve our financial ambitions. In that context, a 10 percent EBIT margin remains achievable in the mid-term, and Vestas is committed to deliver on this trajectory step by step.

Sustainability ambitions

Vestas is leading the industry with a number of groundbreaking sustainability innovations and technologies. We have set a target to become carbon neutral in our own operations by 2030 – without using carbon offsets. This requires that all our offices, factories, vehicles, vessels, and other operations are fully decarbonised through our own actions. At the same time, we are working to decarbonise the entire wind energy supply chain by working with strategic suppliers to lower the carbon intensity of energy generated by our turbines (Scope 3) by 45 percent by 2030.

We are committed to creating zero-waste wind turbines by 2040. Through our industry-leading Circularity Roadmap, we have outlined our pathway and interim targets towards this goal, one of which is to improve our material efficiency rate to 0.2 tonnes of waste per MW produced and shipped by 2030.

We want to be the most inclusive and socially responsible company in the energy industry and have set a target to increase the share of women in leadership positions to 30 percent by 2030.

Safety is our number one priority. With effect from 1 January 2025, we have updated our safety targets from 1.5 to 2.4 TRIR by 2025 and from 0.6 TRIR to below 1.0, respectively, to reflect a shift in

Long-term financial ambitions

Revenue	Grow faster than the market and be market leader in revenue	
EBIT margin before special items	At least 10 percent	
Free cash flow*	Positive	
ROCE	20 percent over the cycle	

Long-term sustainability ambitions	2025	2030
Reduce scope 1 & 2 emissions**	↓55%	↓100%
Reduce scope 3 emissions**	–	↓45%
Increase material efficiency rate***	to 1.2	to 0.2
Increase share of women in leadership positions	to 25%	to 30%
Reduce injury rate (TRIR)	to 2.4	to < 1.0

* Excl. acquisitions of subsidiaries, joint ventures, and associates, and financial investments.

** Baseline year 2019.

*** Tonnes of waste per MW produced and shipped.

Vestas' risk profile, the inclusion of growing offshore activities as well as an overall increase in work activities across various areas. The aim is to implement more realistic short-term ambitions across different regions and functions which can lead to more consistency and focus.

¹ Market forecasts adapted from Wood Mackenzie: Global wind power market outlook update: Q4 2024. December 2024.

A photograph showing a person wearing a blue high-visibility jacket with reflective stripes, a white hard hat, and safety glasses. They are positioned on a dark, curved surface, likely the side of a wind turbine tower. The background is a bright blue sky with scattered white clouds.

Strategy and ambitions

- Business model
- Market outlook
- Corporate strategy
- Business area strategy
- Capital structure strategy

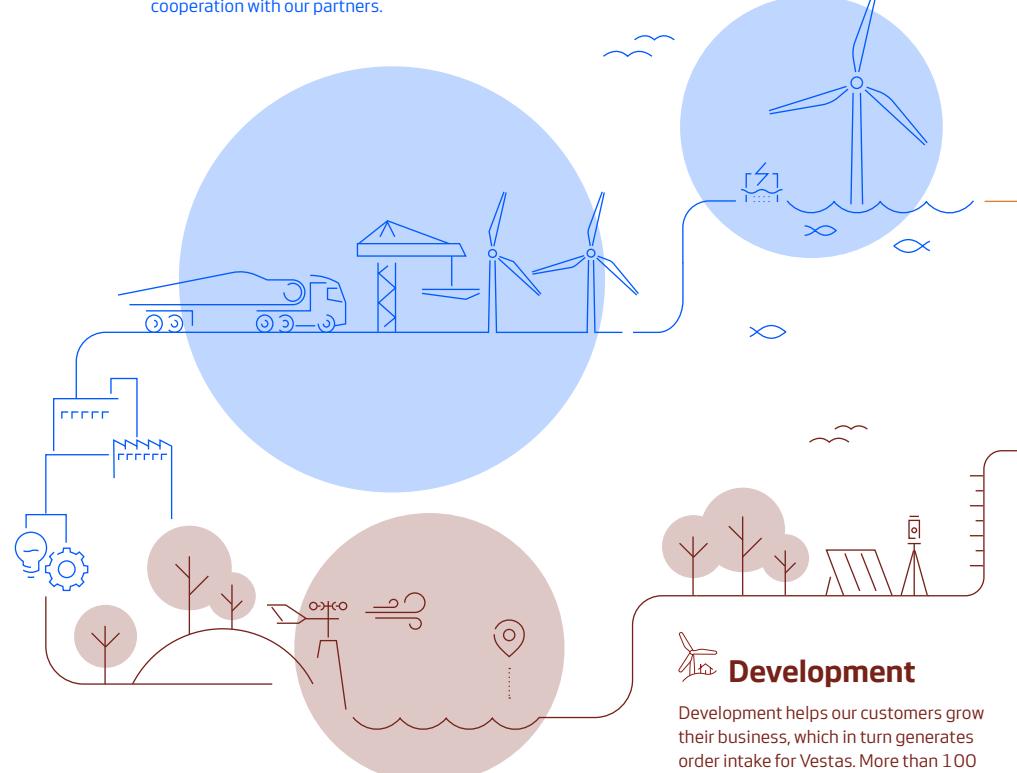
Business model

Our vision is to become the Global Leader in Sustainable Energy Solutions. By leading across our four business areas, Onshore, Offshore, Service, and Development, we aim to lead the energy transition forward.

SBM-1-42a

Input

Viewed through the lens of sustainability and the ESRS, our key inputs are raw materials, capital employed, energy, and employee working hours. We gather these inputs through business relationships in the supply chain and in our own operations spanning from own workforce to contractors. Development and securing of the inputs is primarily through continuous improvement efforts, formal contractual agreements and risk mitigation frameworks taking into account any potential disruption of operations.



SBM-1-42b

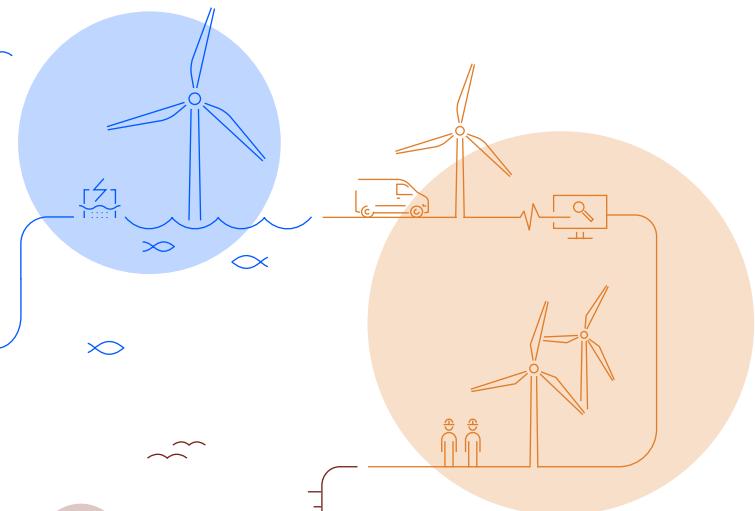
Output/outcome

Viewed through the lens of sustainability and the ESRS, the key outputs and outcomes of our business model are wind turbines installed. The value we create for our employees, investors, customers, and other stakeholders is salaries, EBIT margin before special items, total recordable injuries and GHG emissions avoided.



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.



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.

Market outlook

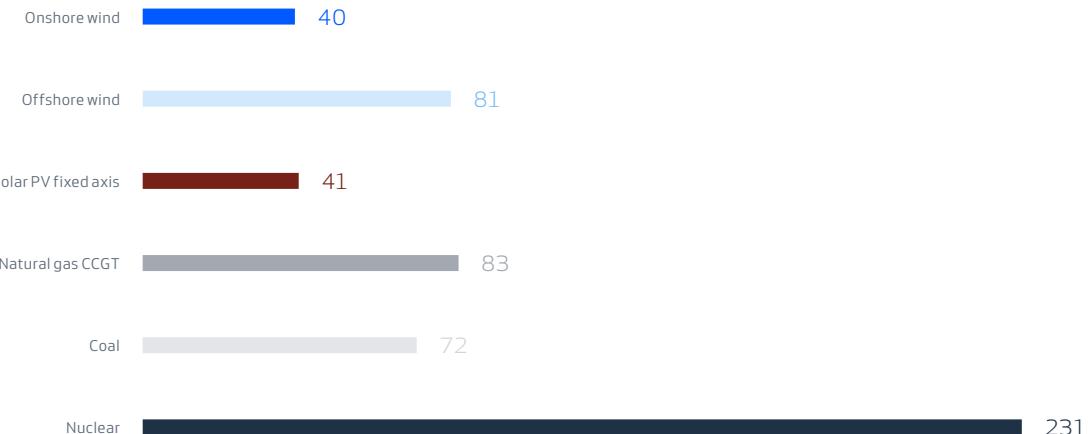
Wind energy has never been more competitive and is readily deployable. Renewables continue to outperform fossil-fuel based electricity on cost, to the point where renewables have become the most sustainable and cost-efficient electricity source available.

Plenty of room for growth

Today, wind electricity accounts for merely 8 percent of global electricity generation.¹ As the demand for electricity continues to rise, the expansion of renewable and wind energy is growing at an even faster rate, driven by ongoing electrification and decarbonisation efforts. This trend lays the foundations for an addressable market that should see significant growth in the coming years. Notably, the share of wind in electricity generation is expected to more than double by 2035.¹

While the current momentum and growth potential for wind energy is impressive, the path to limiting global warming to 1.5°C within three decades is becoming increasingly impossible. According to the International Energy Agency (IEA), wind energy needs to expand from around 1,000 GW of installed capacity in 2023, to more than 4,500 GW by 2035, rising to 7,900 GW by 2050 if we are to achieve net zero.¹

Levelised Cost of Electricity (LCoE), renewables continue to outperform fossil fuels*
USD/MWh (real 2022), global weighted-average benchmark



* LCoE benchmarks do not include subsidies or tax credits
Source: Bloomberg NEF, Energy Transition Factbook 2024. October 2024

↑
According to Bloomberg New Energy Finance, onshore wind and solar PV are the cheapest forms of new-build electricity generation, at about half the cost of coal and natural gas.

Levelised Cost of Electricity



Onshore



Offshore

↓60% ↓70%

Over the past 10 years, the Levelised Cost of Electricity for onshore and offshore wind has decreased by around 60 and 70 percent, respectively.²

¹ Source: International Energy Agency: World Energy Outlook 2024. October 2024.

² Source: Bloomberg New Energy Finance: Energy Transition Factbook 2024. October 2024.

Inflation beginning to decline

The need for energy security has become ever more apparent, and the need to build resilience by scaling renewables continues. However, permitting and grid infrastructure remain bottlenecks for renewable buildout. Throughout 2024, we saw the recent years of supply chain disruptions ease, and many of our core markets experienced declining inflation.

Auction designs moving in the right direction

In previous years, the industry faced challenges linked to offtake prices and Power Purchase Agreements (PPAs) not reflecting new cost realities, particularly in offshore wind. However, in 2024 there were several positive developments in this area. Allocation Round 6 in the UK awarded more than twice the capacity compared to 2023 across all generation technologies. Germany awarded a record

11 GW in onshore wind capacity auctions and also made significant permitting improvements. In the USA, with the presidential election in November 2024, we saw a change in political administration, but the positive impacts of the Inflation Reduction Act (IRA) continue, as well as a general move towards larger onshore projects.

Data centres and AI boom driving demand for new power solutions

Technological developments, such as AI services and cloud computing, are also driving demand for electricity. In large economies like the EU, China and the USA, data centres account for 2-4 percent of electricity demand today, according to the IEA. Further, a single hyperscale data centre has annual electricity consumption equivalent to 350,000-400,000 electric cars.³ Wind power, perhaps coupled with battery storage solutions, may play a key role in supplying this growing demand for power.

Business area market outlook

With more than 40 years of experience in wind energy, we have established a leadership position within the wind power industry. Our four business areas are all expected to benefit from the transition from fossil-based energy systems to resilient renewable energy systems. New installations in Onshore and Offshore are expected to grow at an annual rate of 7-9 and 20-25 percent, respectively towards 2030. The market value of Service is expected to grow at a rate of 8-10 percent annually towards 2030.⁴

Business area growth expectations

Onshore

Market expectation 2024-30

New installations (GW)⁴

Annual growth:

↑7-9%

Restarting growth

- Increasing activity expected in 2025 driven by all major wind markets
- Increase in activity from 2026 mainly driven by Germany and the USA

Offshore

Market expectation 2024-30

New installations (GW)⁴

Annual growth:

↑20-25%

Global expansion

- Expansion in Europe and new markets such as South Korea and Japan
- Growth to accelerate from 2026 driven by the UK and Germany

Service

Market expectation 2024-30

Market value (EUR)⁴

Annual growth:

↑8-10%

Solid growth

- Solid growth driven by installed base and higher share of offshore
- Power price increases and electricity shortage to drive higher need for output optimisation

Development

Foundation in place

- Ambition to outgrow the total onshore market in firm order intake generated
- Strategic focus on converting quality project pipeline to firm order intake

"The need for energy security has become ever more apparent, and the need to build resilience by scaling renewables continues.

³ Source: International Energy Agency (IEA); "Artificial Intelligence" article on iea.org/topics.

⁴ Adapted from Wood Mackenzie: Global wind power market outlook update: Q4 2024. December 2024. Data excluding China.



SBM-1

Corporate strategy

As the global demand for clean energy rises, Vestas stands at the forefront of the energy transition. Our strategy centres on maturing the industry, partnering with customers, and scaling up to meet future growth.

Net zero requires Vestas to scale

To achieve net zero, wind power installations must increase to over 300 GW per year by 2050,¹ up from 117 GW in 2023.² While government pledges signal progress, there is still a considerable gap, especially with some countries falling behind on their renewable energy plans. Despite this, global wind power installations continue to grow, and Vestas is prepared to meet this demand through its comprehensive portfolio of products and services.

Full portfolio to address the wind energy transition needs

Vestas' business model supports the wind energy transition with a comprehensive range of high-capacity onshore and offshore turbines, tailored to various wind conditions and geographic needs.

¹ Estimates based on International Energy Agency: World Energy Outlook 2024, October 2024.

² Source: Global Wind Energy Council: Global Wind Report 2024, April 2024.

We also offer extensive after-sales services, including operations and maintenance, performance optimisation, and repowering to ensure the longevity and efficiency of wind installations. In addition to our core products, we develop wind power projects, thereby expanding market opportunities and supporting the growth of global partners.

We operate globally with a track record of 189 GW capacity installed in 88+ countries. Our full suite of wind energy solutions ensures we can grow market presence in regions with significant wind potential, serving a wide array of customers across multiple regions, including Europe, North & South America, and Asia Pacific, while expanding our offshore wind capabilities to new markets. Our main customers are utility companies, which seek to integrate renewable energy into their power grids.

We also work with independent power producers that develop and operate wind farms relying on our technology to deliver consistent energy output.



Value-adding partnerships

Partnerships are integral to Vestas' strategy. By collaborating with customers, suppliers, governments, and communities, Vestas fosters innovation, optimisation of the supply chain, and drives joint growth. These partnerships allow Vestas to deliver reliable energy solutions and play a critical role in the successful global energy transition.

Selectivity and priority customers

In line with strengthening partnerships, our customer approach prioritises value creation over sheer volume, emphasising the delivery of high-quality, profitable solutions. Maintaining a commercial culture, we ensure that projects contribute to long-term earnings growth. Priority customers have global account managers within Vestas, and leading access to our siting capabilities and attractive projects from Vestas Development.

Transforming our industrial system from push to pull

We are optimising our industrial system for efficiency and scalability, whilst ensuring customer-centric solutions. By focusing on modular designs, flexible supply chains, and a strong digital backbone, we can meet a wide range of market needs while managing costs. This approach not only boosts efficiency but ensures that the solutions delivered are both competitive and resilient in the long term.

Competent partners for a complex supply chain

Our manufacturing model is complex, with both a product and project side. The product side seeks repeatability, and the project side flexibility. By shifting our industrial system from push to pull, we aim to optimise resource use and supply chain lead time. We will enhance engagement and integration with our supply chain partners, such as Maersk, ZF and ArcelorMittal, ensuring transparency on how our business and the market evolves. In the long term, reduced costs and inventory across the supply chain will benefit both Vestas and our supplier partners.



In September 2024, our long-term customer EDF visited Vestas' Test Centre in Aarhus, Denmark, to learn more about our design processes.



The annual Vestas Supplier Forum is dedicated to building strong relationships with our key suppliers. The 2024 event was held in November in Aarhus, Denmark, and hosted around 200 participants from around the globe.

Securing talent and capabilities

To accelerate the energy transition, having the right talent is pivotal. We strive to create an inclusive work environment that fosters diversity, collaboration, and cross-functional teamwork. By investing in leadership development and internal talent, we ensure we have the expertise necessary to drive innovation and meet future energy demands.

Read more about the strategic priorities in each of our four business areas on pages 22-23.

Sustainability strategy

Our corporate strategy is underpinned by a foundation of "Sustainability in everything we do". All of our sustainability-related goals are applicable to all products, services, geographies, and customer categories. The way our goals interact with stakeholders is further elaborated in the Sustainability statement, page 67. Above and beyond this foundational ESG management system, we have also identified four strategic sustainability areas where we aim to achieve an industry-leading performance.

Reducing carbon emissions

First, we have set a target to achieve carbon neutrality of our own operations by 2030 – without using carbon offsets, and to reduce the GHG intensity of our supply chain by 45 percent by 2030, from a 2019 baseline. This involves a concerted effort to transition our vehicles and vessels to run on electricity or renewable sources, procure 100 percent renewable electricity, and procure low-emission materials, among others (see page 77 for more information on our carbon emission reduction targets).

Our current projections tell us that we will not be able to deliver on the 2025 target to reduce GHG emissions by 55 percent by 2025, however we will continue to adapt our strategy and transition plan to stay in alignment with the Paris Agreement. To achieve this, we plan to seek a revalidation of our targets in 2025, considering our new scope of operations, which includes our offshore activities, and complying with the SBTi five-year revalidation requirement.

Designing zero-waste wind turbines

Second, we innovate to produce zero-waste wind turbines. This includes a strong focus on reducing waste from our own manufacturing and key suppliers, innovating new methods for blade and composite recycling, repairing and refurbishing our components to extend their useful life, and ensuring that the waste we do have is managed responsibly (see page 84 for our circular economy targets).

Promoting social responsibility

Third, we protect our people, the communities and value chain workers impacted by our operations. Over the last two decades,

Climate

We want to achieve carbon neutrality by 2030.

Reduce scope 1 & 2 GHG emissions 55% by 2025 and 100% by 2030

Reduce scope 3 GHG emissions per MWh generated 45% by 2030

we have reduced the injury rate of our operations by more than 70 percent, and we continue to strive for improvement in the safety outcomes of the wind industry. We also maintain a strong focus on psychological safety, including through DEIB efforts, and are working to increase the number of women in leadership positions.

Finally, we engage with impacted communities near our projects to minimise and address potential grievances and support local community projects (see pages 112-122).

Leading the transition to a world powered by sustainable energy

Finally, we will lead the transition to a world powered by sustainable energy by setting a strong example of a responsible and sustainable company and taking a leading role in shaping global energy policy

Circularity

We want to produce zero-waste wind turbines by 2040.

Improve material efficiency by 90% by 2030

Increase rate of refurbished component utilisation to 55% by 2030

Social

We want to be the safest, most inclusive and socially responsible company in the industry.

Reduce injury rate (TRIR) to 2.4 by 2025 and <1.0 by 2030*

Increase the share of women in leadership positions to 25% by 2025 and 30% by 2030

Reach 35,000 community beneficiaries by 2025

Energy transition

We want to lead the transition towards a world powered by sustainable energy.

Take a leading role in driving electrification and decarbonisation beyond the power sector

Campaign for a sustainable scale-up of renewable energy by helping align public policy with climate commitments

to accelerate the global energy transition, with renewable energy at its core (see page 124). An assessment of our sustainability-related goals, broken down into key products, services and geographies, is presented to the Executive Management and the Board on a quarterly basis, or, in the case of scope 3 and community engagement, on an annual basis. None of the listed ESRS sectors are significant in terms of revenue for Vestas.

The sustainability matters that relate to our corporate strategy are mainly Climate change mitigation (E1), Circular economy and resource use (E5), Own workforce (S1), Affected communities (S3), and Political engagement (G1). The main challenges, critical solutions and projects are described under 'Impacts, risks and opportunities' and 'Actions and resources' in the respective topical sections.

Business area strategy

We are accelerating the deployment of wind energy by strengthening the core of our business model – Onshore, Offshore, Service, and Development. Through these business areas, we aim to drive the energy transition and achieve a sustainable future.

Onshore strategy

Capturing the full momentum in Onshore

Onshore wind energy forms the backbone of tomorrow's sustainable energy system. Due to its highly competitive cost and independence, onshore wind offers affordable electricity, which is key to building sustainable and prosperous societies.

With 178 GW of installed onshore capacity, Vestas continues to lead the industry with a focus on sustained, profitable growth. This growth is achieved through timely and customer-centric technology and a disciplined commercial culture, which enable us to capture the true value of our onshore wind energy solutions.

Expectations and strategic priorities

Onshore wind's position in the future energy system continues to strengthen in outlook, with around 60 GW of new wind capacity outside China projected to be added annually towards 2030.¹ These projections are linked to new policy frameworks in the EU, the USA, and Australia. Key markets such as Germany, and the UK have also improved renewable auction designs to accelerate the energy transition and create sustainable jobs within the renewable energy sector.

In the short term, while progress is being made, the continued expansion of onshore wind requires grid infrastructure to be improved and permitting to be simpler, faster, and predictable. Larger and more efficient storage and balancing solutions are also required. While utility-scale Power-to-X remains mostly in the pre-commercial technology phase, battery storage is developing rapidly.

In our strategic priorities for Onshore, we continue to focus on value over volume, driving modularisation to ensure competitive, high-quality products, and addressing a growing repowering market (read more on page 30). We are also advancing digitalisation and efficiency measures across the value chain. Further, we will cultivate strategic customer partnerships and continue to mature industry dynamics to improve some of the fundamentals in onshore wind. This means we must continue to lead the effort to industrialise the wind energy industry, with the aim of restoring and improving profitability.

Offshore strategy

A year of transition with early signs of industry reversal

Offshore wind farms represent a vital part of achieving global climate targets and tackling the energy crisis. As an increasingly scalable and competitive source of clean energy, offshore wind is a key enabler of the global energy transition.

In recent years, the dynamic macro environment has been challenging for the industry, and political ambitions have become disconnected from commercial market realities. Overall, 2024 was a transition year, showing early signs of possible reversal. However, the industry needs to adopt policies and enable a sustainable build-out to avoid customers sitting with impaired or stranded projects. Auction designs can be improved further by stopping uncapped negative bidding, introducing revenue-sharing mechanisms, harmonising prequalification requirements, and rewarding the use of proven and mature wind turbine technology.

Expectations and strategic priorities

Offshore wind is now expected to reach 25 GW of annual installations (excl. China) by 2030,¹ with key markets being the UK, Germany, Poland, and the Netherlands, select countries in Asia and potentially Australia. Vestas is committed to becoming a global leader in offshore wind and we are determined to lead the industry towards a financially sustainable market, technology, and supply chain development. We will continue to focus on safety, quality, cost control, and performance in: design, supply chain, installation, and operations. We are set to deliver the first commercial scale projects (He Dreiht in Germany and Baltic Power in Poland) with the V236-15.0 MW™ in 2025 and 2026.

Targeting a financially sustainable business plan in a dynamic market environment, we are scaling up our supply chain to ensure maximum utilisation. And we are doing this in close alignment with our commercial traction. Our mission as technology leaders is to propel the energy transition while upholding principles of quality, industrialisation, and profitability to maintain our strategy's integrity.



Service strategy

Driving efficiency through repowering and capturing output

Vestas is the global leader in wind energy service solutions, with more than 155 GW under service across more than 56,000 wind turbines. Growing and developing our Service business will strengthen the stability of wind energy generation and help to accelerate the deployment of wind power across the global energy system. The Service business continues to contribute significantly to our success, supporting Vestas' ongoing profitability journey and efforts to drive industry maturity.

Our size and scale remain a key differentiator in providing customer-centric solutions, including repowering, and improving efficiency and profitability. The continued expansion and scalability of our Service business is paramount to realising our full potential in this area. Our Service business growth also remains closely linked to annual capacity additions. Further, it provides our customers with opportunities to strengthen their sustainability performance and digitalise asset management and planning related to spare parts and repair solutions, leveraging Vestas' digital capabilities. These capabilities are a core part of our commitment to make our operations more efficient and carbon neutral by 2030.

Expectations and strategic priorities

The global market value for service solutions is expected to grow at around 8-10 percent per year towards 2030.¹ This growth will be driven by the increase in global installed volume, as well as the higher value of offshore service solutions.

The cost challenges experienced in 2024 stem from higher unit costs, operational inefficiencies, and quality-related effects. Hence the strategic priority is to get Service 'back on track'. To address these challenges, we are deploying a recovery plan with a series of initiatives to support regional performance, such as standardised cost control, intelligent work order scheduling, advanced troubleshooting, and commercial resetting with customers, including contract trimming. The recovery plan will allow us to reap the full benefit of our unparalleled service backlog and prepare for future growth.



Development strategy

Quality projects to accelerate the energy transition

The availability of high-quality renewable energy projects is vital to the global energy transition. For this reason, over recent years our Development business has built a 27.8 GW pipeline of projects. By engaging in project development, we are expanding the addressable market for our wind energy solutions while helping our global partners to grow their businesses.

Development covers the phases from initial site identification through to the commencement of construction. Key activities include securing land rights and appropriate permits, taking wind measurements, ensuring grid connection and public acceptance, delivering site designs, and securing power offtake agreements.

Expectations and strategic priorities

With our robust project pipeline and the political momentum behind renewable energy, the outlook for our Development business remains positive. While interest rates could stay higher for longer, and there are challenges with permitting and grid availability, Development is well positioned to jump these hurdles in partnership with customers.

To grow our Development business profitably, we focus on achieving project quality and maturing our pipeline in core markets, building on our industry expertise, intelligence, and experience. We will continue to originate new projects in promising markets to maintain and grow the long-term value of our pipeline.

In addition to our own Development business, Vestas has a 25 percent ownership in Copenhagen Infrastructure Partners (CIP). This mutual collaboration benefits from early development and creating value by de-risking projects through the construction phase, while providing access to potential partnerships on a project-by-project basis.

¹ Source: Wood Mackenzie: Global Wind Power Market Outlook Update: Q4 2024. December 2024.

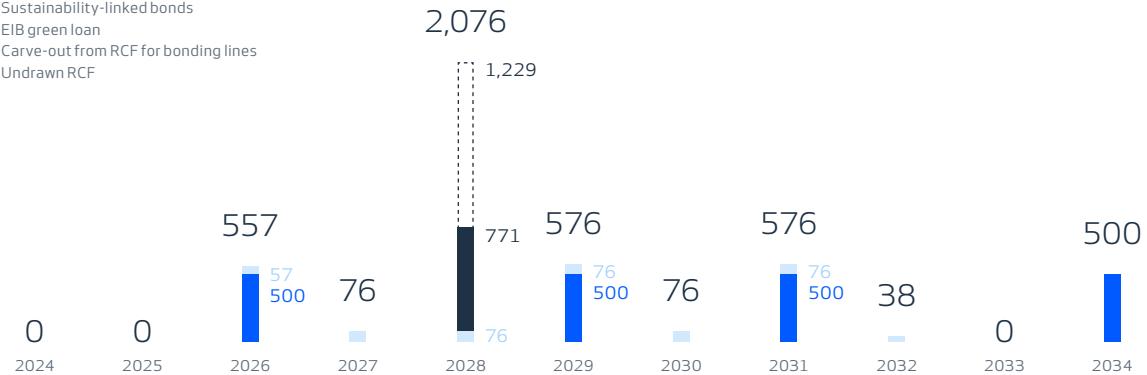
Capital structure strategy

The Vestas Board of Directors and Executive Management regularly evaluate our capital structure. This process involves assessing how we fund our operations and growth to ensure these efforts align with shareholder interests and support our corporate strategy.

Debt maturity profile

mEUR

- Sustainability-linked bonds
- EIB green loan
- Carve-out from RCF for bonding lines
- Undrawn RCF



Financial management

Our financial management goal is to ensure flexibility, financial headroom, and an optimal cost of capital throughout the business cycle. We aim to meet our long-term financial ambitions while delivering value to customers and maximising returns for shareholders.

At the end of 2024, our liquidity reserve remained strong at EUR 5,510m. This is the result of a solid cash position and revolving credit facility (RCF), as well as undrawn money market facilities. Due to our strong liquidity situation, Vestas decided not to exercise the six-month extension option on the EUR 750m RCF in 2024. Moody's Ratings currently rates our credit as Baa2 with a stable outlook.

Capital structure targets

As a key player in a market where projects, customers, and wind energy investors are increasing in size and number, we want to ensure we are a strong financial counterparty. We aim to maintain sufficient capital resources to provide financial flexibility and stability, enabling us to operate efficiently and achieve our strategic goals. We are targeting a net interest-bearing debt to EBITDA below 1x through the business cycle.

Capital allocation priorities

In our capital allocation, we apply the following principles:

- Allocate the investments and R&D required to realise our corporate strategy.
- Make value-creating acquisitions to accelerate or increase profitable growth prospects.
- Ensure all investments in organic growth and acquisitions support our long-term financial ambition of achieving a 20 percent return on capital employed.
- Explore divestments of non-core assets to strategic owners who support industry scaling.
- Pay shareholder dividends based on the Board's intention to recommend 25–30 percent of the company's annual net result after tax, which will be paid out following shareholder approval at the Annual General Meeting.
- From time to time, initiate share buy-back programmes to adjust the capital structure.

Any decision to distribute cash to shareholders will be based on the capital structure target and availability of excess cash. The level of excess cash will be determined in line with our growth plans and liquidity requirement. On the back of 2024, we decided to propose payout of a dividend in 2025 combined with a share buy-back to return value to our shareholders.

Our current capital and share structure serve the interests of our shareholders and provide the strategic flexibility needed to pursue our business strategy.



Business area progress

- Our people, our strength
- Onshore
- Offshore
- In focus: Repowering and lifetime extensions
- Service
- Development
- Customer partnerships
- Our footprint

Our people, our strength

At Vestas, our people are the foundation of our success and are essential to achieving our strategic goals. We prioritise their growth and development, with the aim of inspiring them to lead the energy transition of tomorrow.

Developing our people

Our dedication to developing our people is at the heart of everything we do. We believe that by investing in high-quality training, leadership development, talent programmes, and other learning opportunities to foster a healthy and inclusive culture, we can empower our employees to reach their full potential and drive our mission forward.

Training - learn and grow

Vestas offers a comprehensive range of targeted technical, functional, and leadership learning opportunities. Throughout 2024, we provided almost four million hours of training globally. This commitment to ongoing training and development is reflected in the improvement of our 'learn and grow' score in our annual Employee Engagement Survey, which increased from 73 in 2023 to 76 in 2024. This extensive



Nadine Grace Abild O'Donnell, Senior Project Manager, Customer Project Execution Offshore, Northern & Central Europe



"In my 18 years at Vestas, I've learned that openness and asking for help are key. This company thrives on mutual support, not hiding mistakes. We all make mistakes, but it's crucial to acknowledge, learn from them, and move forward."



Natarajan Sethuramalingam, Lead Director, Head of Remote Operations, Global Service Operations



"Handling challenges in offshore projects requires the team to have a willingness to collaborate and a passion for the job. When team members hold these values, their grit, determination, and enthusiasm can drive the project to completion."

training supports the enhancement of our employees' skills, directly contributing to the development and maintenance of our products.

Vestas Academy Portal

In 2024, we launched the Vestas Academy Portal to offer learning across all functional domains. In its first year, the portal attracted 60,000 visitors, demonstrating our commitment to continuously supporting growing the skills and capabilities of our employees.

Leadership Development

Vestas invests in a variety of talent programmes, including Regional Talent Programmes, Rising Executives, and our Graduate Programme. Additionally, in 2024, we developed and piloted a Frontline Leadership Programme to enhance leadership in Manufacturing, Service, and Construction. We plan to roll out this programme globally in 2025, impacting over 20,000 colleagues.

Strategic alignment and Vestas Leadership Forum

We also emphasise the alignment of our leadership teams through annual events like the VLF – Vestas Leadership Forum (top 250 leaders) and the Enterprise Leadership Team (top 80 leaders), as well as Regional Leadership Forums. These initiatives focus on growing leadership skills, supporting strategic alignment, and achieving key business deliverables.

Learn More

To discover more about our approach to people development and employee satisfaction, see the Social section of our Sustainability statement, page 98.

→
In May 2024, 117 Vestas colleagues graduated the Regional Talent Programme



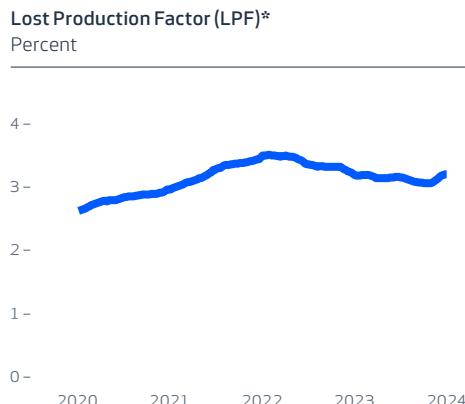


An improving market

In 2024, the market environment for onshore wind solutions improved in most of our core markets.

In Europe, the need for independent power generation has arguably never been greater, as electricity prices linger above pre-Covid levels and energy security remains a key concern. However, permitting processes are improving in many European countries. Germany, for example, is implementing the concept of 'overriding public interest' in order to expedite projects. There is still work to be done, nonetheless, and some European auctions remain undersubscribed.

↓
The Lost Production Factor has improved
in the past two years, a sign that our heightened
focus on quality is working.



* LPF measures potential energy production not captured by Vestas' wind turbines. Measured as Last Twelve Months (LTM).

In the USA, there are strong incentives for building out wind power, particularly when projects live up to domestic content requirements. With an onshore order backlog in the USA of 7.5 GW, and our local manufacturing footprint centred in Colorado, Vestas is strongly positioned to benefit from the attractive prospects for onshore wind power in this market.

Onshore order intake of 12.3 GW

In 2024, we maintained our market leadership with an onshore order intake of 12.3 GW. Our top three onshore markets during the year were the USA, Germany, and Australia. In the USA, we saw continued strong order intake of 3.2 GW, compared to the record-high 6.8 GW in 2023. Germany grew to 2.2 GW of firm and unconditional orders compared to 1.3 GW the previous year, driven by improved permitting and higher auction awards. In Australia, we recorded 1.1 GW of order intake compared to 0.3 GW in 2023, as the country's first Capacity Investment Scheme (CIS) auction proved a success and the corporate PPA market set a new record.

Lost Production Factor improving

We believe that quality is the key to value creation. It was therefore encouraging to see that our Lost Production Factor (LPF) continued to show an improving trend for the second year in a row.

New Technology & Operations organisation

To evolve our technology and product introductions and ramp up manufacturing, during the year we united several functional areas into one Technology & Operations organisation comprising more than 13,000 people. This organisation will become the foundation for an enterprise-wide industrial system within Vestas.

Commercial culture and good project execution

During 2024, Vestas remained focused on restoring profitability by keeping a disciplined commercial culture and demonstrating good project execution. We managed to effectively deliver all the last low-margin orders from before mid-2022 at the same time as achieving a Customer Net Promoter Score of 59 for Onshore, and we entered 2025 with the healthiest onshore backlog in years.





Delivering on a promise

Vestas is enabling the rapid expansion of offshore wind to meet the goals of the global energy transition. Since we re-entered the offshore segment in 2020, we have demonstrated our commitment and ability to lead offshore wind by commercialising our flagship V236-15.0 MW™ turbine.

In 2024, we completed 1.3 GW of V174-9.5 MW™ projects in the Baltic Sea and Taiwan. We also secured our first firm offshore order in the US market with the 810 MW project Empire Wind 1. Overall, Vestas is well underway to becoming a global leader in offshore wind, with a firm order backlog of 7.5 GW mostly based on the V236 turbine.

Synergies with Onshore

While offshore wind solutions differ from onshore in size and complexity, our customers are the same. When customers engage across our business areas, we are able to understand their needs and preferences better, leading to a deeper partnership. Additionally, cross-selling opportunities arise and we can leverage shared experiences to improve future project execution to the benefit of both parties.

The Vestas footprint is growing

We are currently expanding our offshore footprint to deliver on our commercial pipeline. In Lindø, Denmark, we are producing nacelles for the V236-15.0 MW™ platform, and in February 2024 we held a foundation stone ceremony at our newest nacelle and assembly factory in Poland.

These efforts further cement our promise to drive a competitive renewable energy transition. For blades, our key sites in Nakskov, Denmark, and Taranto, Italy, are running serial production to enable the Baltic Power and He Dreiht projects in 2025.

As we make progress in offshore wind development, we recognise the environmental impact of our steel and iron components. To address this issue, we are working in partnership with ArcelorMittal to enable a low-emission steel offering. The Baltic Power project in Poland with Orlen Group and Northland Power will be the first in the world to utilise low-emission steel for the V236-15.0 MW™ turbines.

↑

In February 2024, Vestas laid the foundation stone at our nacelle and hub assembly factory in Szczecin, Poland, in an event attended by HM The King of Denmark, here seen greeting Vestas' CEO Henrik Andersen.

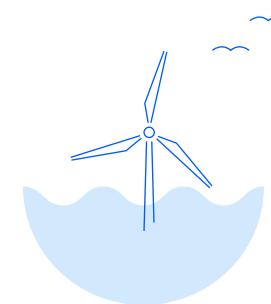
Getting ready for execution – quality is key

We put quality at the centre of everything we do; as it is a key enabler for scaling and protecting profitability. For the second year running, our type certified V236-15.0 MW™ prototype at the Test Centre in Østerild, Denmark, continued to perform under rigorous testing regimes and quality controls, delivering key learnings.

In June 2024, the second V236 turbine became operational and produced power for the first time in Thyborøn, Denmark. In collaboration with our customers, we are undertaking a range of operational testing campaigns focusing on transport, installation, and service operations. The testing process will ensure we are ready for project execution, and able to deliver safely to the highest industry standards.

Voice of the industry

As one of the leading voices in the industry, Vestas launched the 'This is not a wind farm' initiative in 2024, to highlight the growing gap between 'say' and 'do'. Poorly designed offshore wind auctions present a major challenge to achieving a sustainable industry, as evidenced by the failed auction in December 2024 in our home country Denmark. This challenge can be overcome by redirecting efforts from raising capital to project realisation. This was demonstrated in the redesigned and hence successful UK CfD Allocation Round 6 in September 2024. To this end, policies must recognise the need for independent energy security, industrialisation, scalability, quality, and the true cost of offshore wind as key pillars of future buildout.



7.5 GW

Offshore order backlog
at end 2024

In focus

Repowering and lifetime extensions

The world's onshore wind asset base is ageing, with many of the earliest wind turbines either decommissioned or operating well beyond their original design life. Repowering these assets will be critical to sustaining renewable energy generation and is particularly important for countries with a sizeable installed fleet.

A growing opportunity for Vestas

Vestas continues to redefine industry wind power service standards and shape new markets. One example of this is our approach to ageing fleets. Around the world, the share of ageing wind turbines is increasing, with 15 percent having reached over

15 years of age by the end of 2024.¹ With an ageing fleet, additional needs occur such as lifetime extensions, repowering activities, and decommissioning, all of which Vestas is uniquely positioned to address.

Towards 2030, according to Wood Mackenzie the market opportunity for full repowering is expected to reach around 6 GW in annual installations (excluding China).¹ This opportunity is likely to come mainly from the USA, Germany and Spain. As installed fleets continue to age, the repowering market is expected to become a considerable driver of medium and long-term demand. In 2024, Vestas received around 900 MW of orders linked to the repowering of older wind farms.

The choice for owners

As wind turbines approach the end of their designed life, asset owners have an opportunity to delay the cost of decommissioning and continue generating power. There are three key options:

1. Lifetime extension: continue to safely operate assets beyond their design life. Existing wind turbines remain in place and continue to generate power. The key advantages of lifetime extension are minimal investment requirements and a lack of new PPA arrangements.

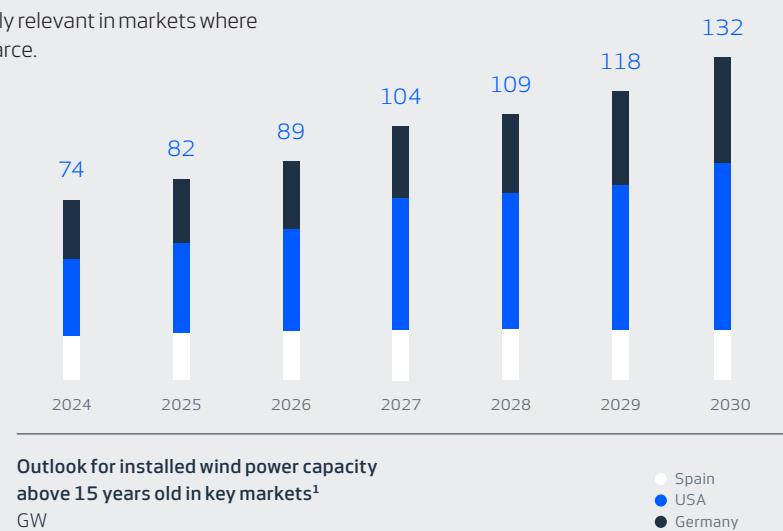
2. Partial repowering: adopt tailored solutions to inject new energy into existing assets. The wind turbine towers, foundations, and grid connections remain in place, but developers can change certain parts, for example opting for larger rotors, new nacelle or drivetrain components.

3. Full repowering: replace old wind turbines (which are then decommissioned) with modern ones. Given the increased size of new wind turbines, this option may also require the replacement of foundations and grid connections. Repowering is an attractive proposition for owners whose sites offer good wind resources. Furthermore, there is no need to build community acceptance from scratch. Such considerations are particularly relevant in markets where onshore land is scarce.

The key markets for repowering

The USA is the largest repowering market in the world, despite not being the most mature market. This is in part driven by the Inflation Reduction Act (IRA), which allows partially and fully repowered projects in the USA to reapply for tax credits. As such, this market is primarily focused on partial repowering.

In Europe, high electricity prices have been an obstacle to repowering, as asset owners have been reluctant to halt profitable generation, even to replace turbines with new and more efficient variants. Germany and Spain are the other two largest repowering markets. Given their maturity as well as restrictions to grid capacity and availability of attractive land for onshore wind, these markets are primarily focused on full repowering and lifetime extensions.



Service

Scalability in a global service business

At the end of 2024, we reached 155 GW under service compared to 149 GW in 2023, solidifying our position as the largest Service business in the industry. Our active service contracts span more than 56,000 wind turbines across 71 countries.

Service is a network business, which means scale matters for both operational efficiency and profitability. Our size continues to be a key differentiator, and it was encouraging to see further growth in GW under service in 2024.

Maximising value creation

In line with our strategic priorities for Service, we remain focused on maximising value creation with our customers. During 2024, we continued to strengthen our operational performance in the core business by streamlining our operations. Following the decision in 2023 to close Covento, our digital marketplace for wind turbine spare parts, in 2024 we fully integrated Utopus into the Service business. This move will help us expand our digital offering and accelerate progress towards our digital ambitions. In addition, we further expanded our ongoing initiatives to increase operational efficiency and drive down costs where needed.

Around the world, customers continue to appreciate Vestas' service offerings. They also value our strengths within digital solutions, as evidenced by our Service order backlog, which stood at EUR 36.8bn at the end of 2024. Our annual Customer Loyalty Survey saw sustained high levels of customer satisfaction and a Customer Net Promoter Score for Service of 44. And the average contract duration in the backlog is stable at 11 years.

Strengthening operational performance and profitability

In 2024, we increased our focus and expanded our operational efficiency and cost initiatives as part of our efforts to ensure scalable growth. The importance of these efforts was underscored by the

adjustment we made to our future cost plans in the autumn 2024. These adjustments came as a result of sustained inflation, operational inefficiencies and quality-related effects. To address these challenges, we are deploying a recovery plan with a series of initiatives to support regional performance, such as standardised cost control, intelligent work order scheduling, advanced trouble-shooting software, and commercial resetting with customers, including contract trimming.

Driving sustainability in Service

Both onshore and offshore, we continued our work to reduce the GHG emissions linked to our Service operations. For our onshore activities within Service, we aim to make all new service vehicles zero-emission from 2025. By the end of 2024, 25 percent of our total service fleet consisted of renewably fuelled vehicles, including EVs and biofuel vehicles. For Offshore, we tested the world's first hydrogen-powered crew transfer vessel (CTV) in 2022.

→
Service employs around
16,000 employees across
67 countries.

44 NPS

Customer Net Promoter Score given to our Service business in the 2024 survey.





Development

Successful transactions

In 2024, our Development business continued to generate value with a total of 2.0 GW of successful project exits. Among these was the 285 MW Lotus Creek wind farm in Australia, now under construction by CS Energy. Lotus Creek wind farm is the first project delivered by Vestas Development in Australia to reach financial close and construction readiness.

During 2024, in the USA, Steelhead Americas, Vestas' North American development arm, sold three mid- to late-stage projects, totalling 670 MW. We also divested a 277 MW wind portfolio in Italy, one of our strategic markets in Vestas Development. The transaction showcases our ability to originate, develop, and monetise quality projects to the benefit of both Vestas and our partner customers.

Development pipeline

At the end of the year, our Development pipeline stood at 27.8 GW compared to 30.2 GW at the end of 2023. We originated 2.5 GW of early-stage projects, mainly in Australia, the USA, and Brazil. Our continued focus on the quality of our pipeline led to the closure of several early-stage projects mainly in the USA, Vietnam and Australia, which offset the additions made during the year. The vast majority of our pipeline is located in our core markets of Australia, the USA, Spain, and Brazil.

945 MW of wind turbine orders generated

During 2024, a total of 945 MW of wind turbine order intake was generated for Vestas from development projects. These included orders for the Lotus Creek project in Australia and two projects in the USA.

Internal collaboration to ensure project quality

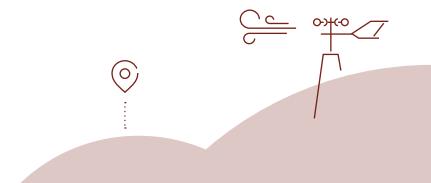
Over the year, internal collaboration strengthened our ability to utilise existing Vestas know-how when developing projects in-house. Leveraging our capabilities in this way not only ensures end-to-end quality, but also enables us to capture more of the value added from de-risking projects during development. Developing the 285 MW Lotus Creek project in Australia to construction readiness is a prime example of the progress we have made in this area.

Exploring next generation project opportunities

The future opportunities to support our customers in the development space remain significant. In line with our strategic ambitions to maximise value, in 2024 we increasingly concentrated our efforts in core markets, adding value by continuing to de-risk projects under development while deploying rigorous quality controls.

27.8 GW

Development pipeline.



Customer partnerships

Vestas is placing an increasing focus on strategic customer partnerships. The political uncertainty, lack of industry maturity and uneven value distribution across the value chain calls for elevated long-term partnerships with trusted customers. This will allow us to collaborate better and succeed with large projects, such as Nordseecluster with RWE, and Golden Plains owned by TagEnergy.

Safety: In November 2024, we suffered a tragic fatality of a sub-contractor on the Golden Plains site. Our thoughts are with their families and loved ones.

“
The political uncertainty, lack of industry maturity and uneven value distribution across the value chain calls for long-term partnerships.

→
RWE CEO Markus Krebber (right) in a fireside chat with Vestas CEO Henrik Andersen on the topic of partnerships and the industry outlook at the Vestas Leadership Forum, September 2024.

TagEnergy CEO Franck Woitiez on working with Vestas on the Golden Plains project:

“The Golden Plains Wind Farm is Vestas' and TagEnergy's largest onshore project. The project is first and foremost propelled by a genuine partnership, which is demonstrated through our tenacity to problem solve and years of relentless collaboration with our industry, government, and local community. Like all strong partnerships, we've overcome unforeseen project challenges, as well as successes together, never losing sight of our shared vision to safely deliver a cleaner, and more innovative future. Who better to partner with than Vestas, the world's largest provider of wind energy.”

Facts on Golden Plains Wind Farm

Orders: Golden Plains I (2022) and Golden Plains II (2024)

Country: Australia

Total size (I & II): 1,330 MW

Installation: 2024 (stage I) and 2025 (stage II)



↑

The sod-turning ceremony for the Golden Plains Wind Farm in Australia with CEO of TagEnergy, Franck Woitiez, as third from the right. Once operational, Golden Plains will generate the equivalent of 9 percent of the state of Victoria's energy usage.



RWE CEO Markus Krebber on the long-term partnership with Vestas:

“RWE and Vestas have a joint interest in decarbonising the world through good technology and great projects. But we have very long lead times in developing projects, which creates uncertainty and high risk. Our partnership with Vestas mitigates a good deal of those risks. Having Vestas as a profitable supplier is part of creating a healthy industry across the entire value chain.”

Facts on the Nordseecluster offshore wind farm

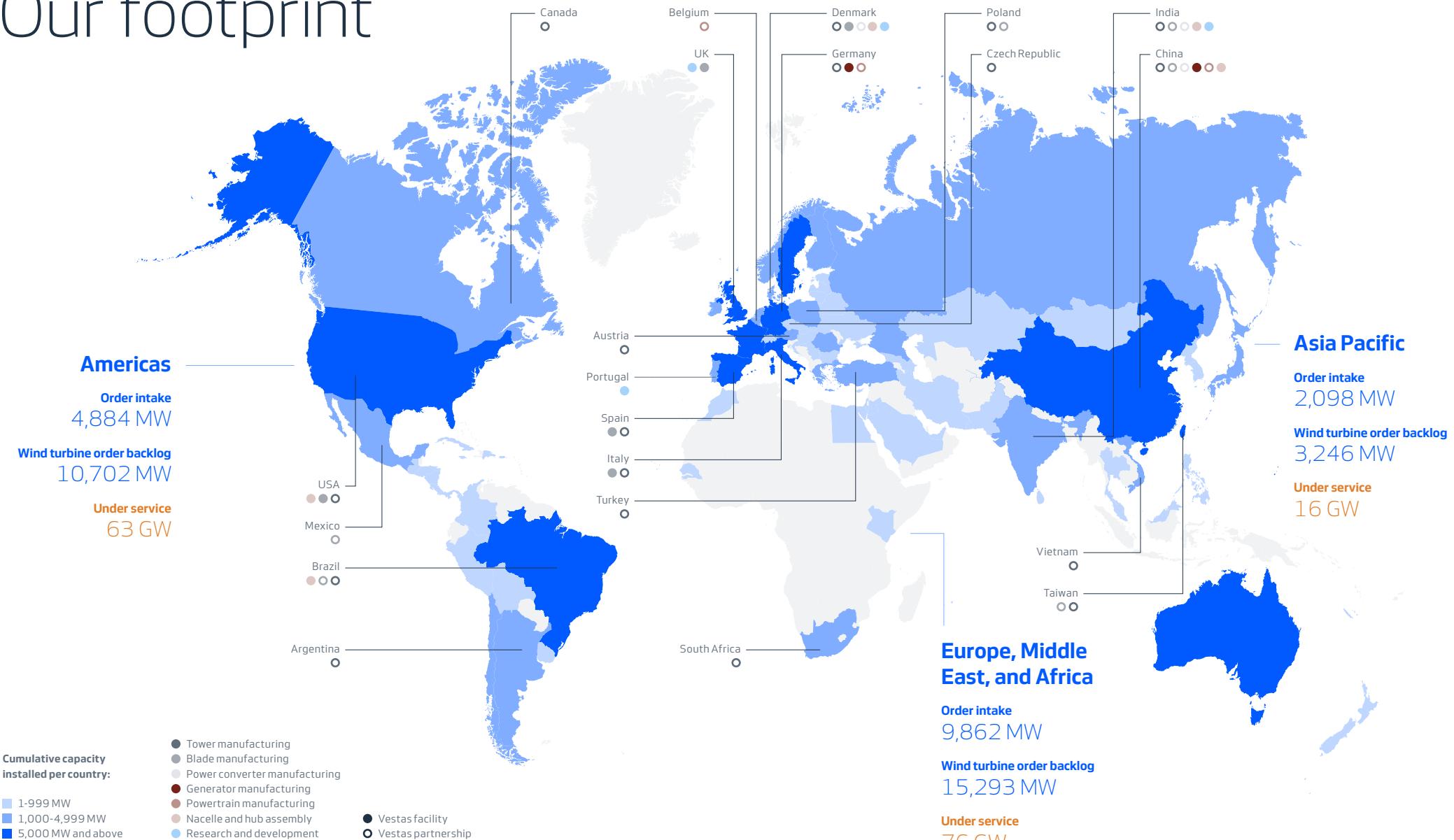
Orders: Nordseecluster A & B (both 2024)

Country: Germany

Total size (A & B): 1,560 MW

Expected installation: 2026 (A) and 2028 (B)

Our footprint





Corporate governance

- Corporate governance and governance principles
- Shareholders
- Board of Directors
- Day-to-day management
- Remuneration
- Sustainability governance
- Risk management

Corporate governance and governance principles

Governance structure and principles

A fundamental element of Vestas Wind Systems A/S' corporate governance system is its two-tier management structure. This structure provides a clear, transparent, and effective separation between the responsibilities of the Board and Executive Management. It also helps to clearly distinguish their tasks in connection with the management of the company's affairs. Documents relating to policies, regulation, and governing principles, to which Vestas adheres, are available at our corporate website.

To the Board, corporate governance is an ongoing process which supports value creation and accountable management, thereby contributing to the company's long-term success. The Board believes that having an open and transparent corporate governance structure ensures the company is managed and monitored responsibly, which in turn builds confidence among investors, business partners, financial markets, customers, employees, and the general public.

We operate in a market where renewables generally, and wind power specifically, have been defined as critical infrastructure. In an environment characterised by high demand, clear and well-considered management is especially important.

More detailed information on Vestas' corporate governance can be found in our Corporate Governance Report 2024, prepared in accordance with section 107b of the Danish Financial Statements Act. The report is available at: vestas.com/en/investor/reporting/2024.

Reporting on specific corporate governance topics

Reporting on transactions with related parties

According to section 98c of the Danish Financial Statements Act, a related party transaction is defined as any transaction, direct or indirect, between Vestas or any of its subsidiaries and/or affiliates. Any related party transaction with a value greater than the lowest 10 percent of Vestas' total assets, and equalling more than 25 percent of Vestas' operating profit/loss, is published on our corporate website. For 2024, the threshold corresponded to a value of EUR 73m. During the year, there were no such significant transactions.

Vestas' governance structure



Data ethics policy and report

The overall objective of our data ethics policy is to encourage and motivate all employees to handle data with care and respect, and to follow our guiding principles on data use and ethics. Through the ethical use of our smart data capabilities and groundbreaking technologies, we aim to achieve our objectives and extend our position as the industry's leading global partner in sustainable energy. We report on these efforts in accordance with section 99d of the Danish Financial Statements Act.

Reporting on diversity

Information about diversity in our Management is available on pages 38 and 43, and our reporting regarding diversity in our parent company, Vestas Wind Systems A/S, in accordance with section 107d of the Danish Financial Statements Act, can be found on page 111.

Corporate governance at Vestas

The way we work – our values

Our vision is to become the Global Leader in Sustainable Energy Solutions. As part of this vision, the company's goal is to lead the transition to a world powered by sustainable energy. This goal commits Vestas to taking a leading role in driving electrification and decarbonisation beyond the power sector.

To achieve these ambitions, it is essential for us to build strong foundations through our organisational values: Accountability, Collaboration, Simplicity, and Passion. Vestas places increasing emphasis on leadership, good corporate governance, and transparent sustainability governance to anchor and embed these values.

Shareholders

Shareholder governance

Our shareholders represent the supreme governing body of Vestas Wind Systems A/S. They exercise their right to make decisions at general meetings, during which, with a few formal requirements, they are entitled to submit proposals, vote, and speak. Most resolutions can be passed by a simple majority. However, resolutions to amend the Articles of Association require two-thirds of the votes cast and capital represented, unless other adoption requirements are imposed by the Danish Companies Act.

At the Annual General Meeting in 2024, the shareholders decided not to pay out a dividend. They also elected two new members to the Board and appointed Deloitte as the company's new external financial and non-financial auditor. Information about the Annual General Meeting 2024 and the Annual General Meeting 2025 is available at our corporate website.

According to Article 3 of the Articles of Association, the shareholders have authorised the Board to increase the company's share capital in one or more issues of new shares, up to a nominal value of DKK 20,197,345. The authorisation is valid until 1 April 2026.

At the Annual General Meeting in 2024, the shareholders authorised the Board to let the company acquire treasury shares in the period to 31 December 2025, equal to 10 percent of the share capital at the time of authorisation. The main condition is that the nominal value of the company's total holding of treasury shares does not exceed 10 percent of the company's share capital at that time.

The company's share capital remained unchanged in 2024, and the Board used the authorisation granted at the Annual General Meeting to purchase 1.6 million treasury shares in May. The shares were purchased to cover issues of shares under Vestas' incentive programmes.

At the Annual General Meeting in 2025, the Board will propose that both authorisations granted to the Board are renewed.

Shareholder return

The general intention of the Board is to recommend a dividend of 25-30 percent of the company's annual net result after tax. For the financial year 2024, the Board recommends a dividend of EUR 75m equivalent to EUR 0.07 (DKK 0.55) per share, based on the year's results and also recommends a share buy-back of EUR 100m. For information about our capital structure strategy, see page 24.

An overview of treasury shares can be found in the Financial statements, page 139.

Shareholder and stakeholder engagement

In 2024, the Chair met with shareholders and other stakeholders to gain insights into their expectations and perspectives. Supported by the Investor Relations team, the company also engaged in dialogue with shareholders as well as proxy advisors regarding financials, sustainability, management remuneration, and other topics. These dialogues are very important, helping to ensure we are aware of and aligned with our owners' expectations and recommendations.

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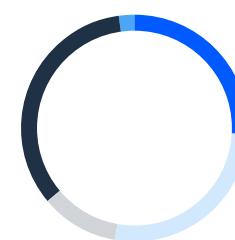
In 2024, the total number of registered shareholders increased by 30,000 to around 247,000.

The Vestas share

Stock exchange	Nasdaq Copenhagen
Stock exchange quotation	1998
ISIN code	DK0061539921
Ticker symbol	VWS
Share capital	201,973,452
Nominal denomination	DKK 0.20
Number of shares	1,009,867,260
Share classes	One share class
Voting rights	One share carries 20 votes
Free float	100% free float
Trading lot (minimum)	None, one share is tradeable
Share price, year-end	DKK 98.08
Major shareholder	BlackRock, Inc. (Wilmington, DE, USA)*

* BlackRock Inc. informed that its holding was 7.59 percent on 1 October 2024.

Shareholder geographic split



- USA, 26%
- Denmark, 27%
- United Kingdom, 11%
- Other, 34%
- Unregistered, 2%

the Audit Committee, the Technology & Manufacturing Committee, and the Nomination & Compensation Committee. The members of these committees are elected by the Board from its members.

Information about the Board's work and the composition of the board committees is available in our Corporate Governance Report 2024.

Board diversity

By the end of the year, the Board comprises two different nationalities, has an age range of 43 to 68, tenures from one to 20 years, and is made up of 60 percent female members. For 2024, the independent rate was 60 percent, as all six shareholder-elected board members are considered independent, while the four employee representatives are not. This composition ensures a robust governance structure and a substantial proportion of unbiased decision making within our Board.

Board evaluation

Once a year, the Board and its committees carry out an evaluation of their work. At least once every third year, external consultants are brought in to support these evaluations. This process is designed to further develop the Board's efficiency and working procedures. The evaluation also serves as a tool for determining the Board's existing and required expertise and skills.

Main conclusions and outcomes of the 2024 evaluation

In 2024, the Board evaluation was facilitated by an external consultancy firm based on surveys, interviews, and external benchmarking.

The evaluation concluded that the Board and its committees are well functioning and effective; with strong engagement, leadership, governance, and organisation. The collaboration between the Board and Executive Management was found to be effective and there is a strong sense of trust in Executive Management and among Board members, as also emphasised by the frequent interaction between these two bodies, as well as between the Board Chair and the committee chairs.

The evaluation identified a few focus areas for 2025 to help improve the Board's impact and value-add. The full Board Evaluation Report 2024 is available at our corporate website.

Skills and expertise

In connection with the external Board evaluation, the Board also reviewed and evaluated its expertise and skills. The result of the assessment, which is based on the individual board members' education, job experience, or management duties during their careers, can be seen in the skills matrix on page 41. The distribution of competencies across the Board shows diverse sustainability-related skills and expertise, which are important in our journey towards becoming the Global Leader in Sustainable Energy Solutions.

In addition to the skills possessed by Board members, the Board is supported by Vestas employees and specialists. Key individuals attend board meetings when requested to provide input on more detailed matters and/or to educate the Board on specific topics. Furthermore, our external auditor attends each of the Audit Committee's meetings and supports the committee in areas such as reporting, risk assessments, internal controls, and specific accounting areas.

Whenever needed, the Board receives training on specific topics. In 2024, a training event was organised, covering a diverse range of topics such as our obligations as a listed company, cyber security, and the EU CSRD regulation. Both internal specialists and external advisors participated in the event.

Meeting attendance 2024*	Board	Audit Committee	Nomination & Compensation Committee	Technology & Manufacturing Committee
Elected by the shareholders:				
Anders Runevad	11/11 (Chair) (100%)	-	5/5 (Chair)	6/6
Karl-Henrik Sundström	10/11 (Deputy Chair) (91%)	6/6 (Chair)	4/5	-
Eva Merete Søfælde Berneke	11/11 (100%)	6/6	5/5	-
Lena Olving	11/11 (100%)	-	-	6/6 (Chair)
Helle Thorning-Schmidt	11/11 (100%)	-	5/5	-
Henriette H. Thygesen	9/9 (100%)	4/4	-	-
Elected by the employees:				
Claus Christensen	11/11 (100%)	-	-	-
Michael Abildgaard Lisbjerg	11/11 (100%)	-	-	-
Sussie Dvinge	11/11 (100%)	-	-	-
Louise B. Schmidt Nielsen	11/11 (100%)	-	-	-
Board members who stepped down in 2024:				
Bruce Grant	2/2 (100%)	-	-	0/1
Kentaro Hosomi	1/2 (50%)	2/2	-	-
Pia Kirk Jensen	2/2 (100%)	-	-	-
William Fehrman	5/5 (100%)	-	-	2/3

* The first figure represents attendance, the second the possible number of meetings.

Composition of the Board

It is crucial that we have a Board that can create long-term value, and that promotes sound values in the company. The following overview and skills matrix are based on input received from the board members.

Topic experts

Included in the overview is an indication of the member or members which the Board has appointed as its experts in relation to the six topics below. More details about the Board's skills under each topic are presented in the skills matrix on page 41.

- Governance and change management
- Financial
- Business
- Environmental
- People and social
- Communication and dialogue

* In accordance with 3.2.1 of the Danish Corporate Governance Recommendations as designated by Nasdaq Copenhagen.
Shareholder-elected board members are independent from the company and management as well as major shareholders.

Mr Anders Runevad Chair	Mr Karl-Henrik Sundström Deputy Chair	Ms Eva Merete Søfelde Berneke	Ms Lena Olving
<p>Born: 1960 Nationality: Swedish Residence: Sweden</p> <p>Position with Vestas Wind Systems A/S 2020: Elected by the shareholders for the first time. Currently elected for the period 2024-2025. 2020: Member of the Technology & Compensation Committee 2023: Appointed Chair of the Board and the Nomination & Compensation Committee</p> <p>Independence: Independent*</p> <p>Board expert on: ● ● ● ○</p> <p>Positions and management duties in listed companies - Peab AB (chair and chair of the Remuneration Committee and Finance Committee) - Schneider Electric SE (board member and member of the Governance, Nomination & Sustainability Committee and the Investment Committee)</p> <p>Positions and management duties in unlisted companies and other organisations - The National Golf & Resort AB (chair). - Copenhagen Infrastructure Partners GP Interests Holding K/S (board member) - Copenhagen Infrastructure Partners Holding P/S (board member)</p> <p>Education - MBA studies, University of Lund - Master of Science in Electrical Engineering, University of Lund</p> <p>Holdings in Vestas securities: Trading in Vestas shares, 2024: +10,000 Number of shares, end 2024: 50,480</p>	<p>Born: 1960 Nationality: Swedish Residence: Sweden</p> <p>Position with Vestas Wind Systems A/S 2020: Elected by the shareholders for the first time. Currently elected for the period 2024-2025. 2020: Appointed Chair of the Audit Committee 2023: Appointed Deputy Chair of the Board and member of the Nomination & Compensation Committee</p> <p>Independence: Independent*</p> <p>Board expert on: ● ● ● ○</p> <p>Positions and management duties in listed companies - Boliden AB (chair) - NXP Semiconductors N.V. (board member, chair of the Audit Committee, and member of the Human Resources and Compensation Committee)</p> <p>Positions and management duties in unlisted companies - Etelset SA (Chief Executive Officer) - École Polytechnique (board member) - Copenhagen Infrastructure Partners Foundation (board member)</p> <p>Education - MBA programme, INSEAD - Master of Mechanical Engineering, Technical University of Denmark - Master studies, Economics, École Centrale Paris</p> <p>Holdings in Vestas securities: Trading in Vestas shares, 2024: None Number of shares, end 2024: 17,295 (incl. closely related holdings)</p>	<p>Born: 1969 Nationality: Danish Residence: France</p> <p>Position with Vestas Wind Systems A/S 2019: Elected by the shareholders for the first time. Currently elected for the period 2024-2025. 2019: Member of the Nomination & Compensation Committee 2020: Member of the Audit Committee</p> <p>Independence: Independent*</p> <p>Board expert on: ● ● ● ○</p> <p>Positions and management duties in listed companies - Assa Abloy AB (board member) - Investment AB Latour (board member) - NXP Semiconductor NV (board member)</p> <p>Positions and management duties in unlisted companies - Olving & Ohberg AB (Founder and Partner) - Nodica Group AB (chair) - Stena Metall AB (board member)</p> <p>Education - Master of Science, Mechanical Engineering, Chalmers University of Technology</p> <p>Holdings in Vestas securities: Trading in Vestas shares, 2024: +2,640 Number of shares, end 2024: 3,370</p>	<p>Born: 1956 Nationality: Swedish Residence: Sweden</p> <p>Position with Vestas Wind Systems A/S 2022: Elected by the shareholders for the first time. Currently elected for the period 2024-2025. 2023: Appointed Chair of the Technology & Manufacturing Committee</p> <p>Independence: Independent*</p> <p>Board expert on: ● ● ● ○</p> <p>Positions and management duties in listed companies - Etelset SA (Chief Executive Officer) - École Polytechnique (board member) - Copenhagen Infrastructure Partners Foundation (board member)</p> <p>Education - Advanced Management Programme, Harvard Business School - Trainee Financial Management, LM Ericsson Group - Business Administration, specialising in Finance and Accounting, Uppsala University - Royal Coast Artillery, Rank Master Sergeant and Boat Chief, Military Service</p> <p>Holdings in Vestas securities: Trading in Vestas shares, 2024: None Number of shares, end 2024: 8,200</p>

Ms Helle Thorning-Schmidt	Ms Henriette H. Thygesen	Mr Claus Skov Christensen	Mr Michael Abildgaard Lisbjerg
<p>Born: 1966 Nationality: Danish Residence: Denmark</p> <p>Position with Vestas Wind Systems A/S</p> <p>2019: Elected by the shareholders for the first time. Currently elected for the period 2024-2025.</p> <p>2019: Member of the Nomination & Compensation Committee.</p> <p>Independence: Independent*</p> <p>Board expert on: </p> <p>Positions and management duties in unlisted companies and other organisations:</p> <ul style="list-style-type: none"> - The Meta Oversight Board (co-chair) - Neurons Inc. ApS (board member) - Daniel J. Edelman Holding, Inc. (board member) - SafeLane Global Ltd. (board member) - Schwab Foundation for Social Entrepreneurship (board member) - Vista Advisory Board (member) - Foreign policy think tanks (member) - The US Council of Foreign Relations (member) - The European Council for Foreign Relations (member) - The Atlantic Council International Advisory Board (member) - The Berggruen 21st Century Council (member) - The Danish Football Union (DBU)'s Governance and Development Committee (chair) <p>Education</p> <ul style="list-style-type: none"> - Master's Degree in European Studies, the College of Europe in Bruges - Master's Degree in Political Science, the University of Copenhagen <p>Holdings in Vestas securities:</p> <p>Trading in Vestas shares, 2024: None Number of shares, end 2024: 0</p>	<p>Born: 1971 Nationality: Danish Residence: Denmark</p> <p>Position with Vestas Wind Systems A/S</p> <p>2024: Elected by the shareholders for the first time. Currently elected for the period 2024-2025.</p> <p>2024: Member of the Audit Committee.</p> <p>Independence: Independent*</p> <p>Board expert on: </p> <p>Positions and management duties in listed companies</p> <ul style="list-style-type: none"> - Terna A/S (President & CEO) - ISS A/S (board member) <p>Education</p> <ul style="list-style-type: none"> - Executive MBA "E-MBA Global", Columbia University New York / London Business School - PhD in Applied Mathematics, Copenhagen Business School - Master of Science (Cand.Merc.Mat), Copenhagen Business School - MBA (International Management), ECCIP Paris / EU Munchen - Participated in various executive courses at Stanford, IMD, Harvard, and Columbia Business School <p>Holdings in Vestas securities:</p> <p>Trading in Vestas shares, 2024: None Number of shares, end 2024: 0</p>	<p>Born: 1968 Nationality: Danish Residence: Denmark</p> <p>Position with Vestas Wind Systems A/S</p> <p>2022: Joined the Board as Group representative. Currently elected for the period 2024-2027.</p> <p>Independence: Not considered independent* due to employment in Vestas.</p> <p>Positions and management duties in unlisted companies</p> <ul style="list-style-type: none"> - DM Skjern-Ringkøbing P/S (board member) - Vestas Northern Europe A/S (Lead Technician, Shop Steward for Danish Service Technicians) 	<p>Born: 1974 Nationality: Danish Residence: Denmark</p> <p>Position with Vestas Wind Systems A/S</p> <p>2008: Elected by the Group employees for the first time. Currently elected for the period 2024-2027.</p> <p>Independence: Not considered independent* due to employment in Vestas.</p> <p>Positions and management duties in unlisted companies</p> <ul style="list-style-type: none"> - DM Skjern-Ringkøbing P/S (deputy chair) - DMSR of 24. oktober 2016 ApS (deputy chair) - Vestas Manufacturing A/S (Skilled worker, Production and Shop Steward)
		<p>Ms Louise B. Schmidt Nielsen</p> <p>Employee representative</p> <p>Born: 1981 Nationality: Danish Residence: Denmark</p> <p>Position with Vestas Wind Systems A/S</p> <ul style="list-style-type: none"> - Supply Chain & Transport HSE Specialist <p>2024: Elected by the company employees for the first time. Currently elected for the period 2024-2027.</p> <p>Independence: Not considered independent* due to employment in Vestas.</p>	<p>Ms Sussie Dvinge</p> <p>Employee representative</p> <p>Born: 1970 Nationality: Danish Residence: Denmark</p> <p>Position with Vestas Wind Systems A/S</p> <ul style="list-style-type: none"> - Management Assistant, Technology & Service Solutions <p>2005: Elected by the company employees for the first time. Currently elected for the period 2024-2027.</p> <p>Independence: Not considered independent* due to employment in Vestas.</p>

Board skills matrix

Below can be seen the number of shareholder-elected board members with advanced, general, or limited special skills that are essential to the Board's work.

Governance and change management

- ● ● ● ● ● Global business leadership
 - ● ● ● ● ● Strategy and strategic operations
 - ● ● ● ● ● Legal, regulatory compliance and listed company

Financial

- ● ● ● ● Finance (accounting and financial)
 - ● ● ● ● Risk management
 - ● ● ● ● Capital market
 - ● ● ● ● Financial and non-financial reporting

Business

- ● ● ● ● Industry and energy market
 - ● ● ● ● Technology
 - ● ● ● ● Manufacturing and operational excellence
 - ● ● ● ● Sales and market
 - ● ● ● ● Service and aftermarket
 - ● ● ● ● Digitalisation and cyber security

Environmental

- ● ● ● ● Climate change
 - ● ● ● Environmental responsibility

Resonance and social

- People and social
 - Human Resources
 - Talent and diversity

Culture

- People leadership and organisational transformation

Communication and dialogue

- ● ● ● ● Society, politics, and geopolitics
 - ● ● ● ● Communication and corporate affairs



Day-to-day management

The Executive Management team

The members of our day-to-day management – the Executive Management team – are appointed by the Board, with none of the members representing a stakeholder group. Furthermore, the Board decides in collaboration with the CEO on the split of responsibilities between individual executives.

The team observes the guidelines and recommendations issued by the Board and ensures timely reporting and provision of information to the Board, our shareholders, and other stakeholders. The members of management strive to be globally visible to all Vestas' stakeholders, including all of Vestas' employees, demonstrating the company's values and conveying its vision and strategy. The team meets in person at least once a month and often more frequently, with at least two offsite gatherings annually.

The Executive Management team, from the left, back row: Henrik Andersen, Javier Diez, Anne Pearce. In front: Anders Nielsen, Christian Venderby, and Thomas Alsbjerg. Not in photo: Rasmus Gram (interim CFO), Jakob Wegge-Larsen (incoming CFO, as announced on 15 January 2025).



In January 2024, Anne Pearce joined the Executive Management team as our new Chief People & Culture Officer. In June, our Technology organisation merged with Manufacturing & Global Procurement to form a new Technology & Operations organisation. This new entity provides the foundation for one enterprise-wide industrial system within Vestas, headed by Executive Vice President & CTOO, Anders Nielsen. As a consequence, Tommy Rahbek Nielsen left Vestas as per end of June 2024.

In December 2024, CFO Hans Martin Smith informed of his decision to step down, and as per 4 December 2024, Rasmus Gram stepped into the role as interim Executive Vice President and CFO.

On 15 January 2025, Vestas announced the appointment of Jakob Wegge-Larsen as new Executive Vice President and CFO. Jakob Wegge-Larsen is expected to step into his role in the second quarter of 2025.

Our global matrix organisation

Our day-to-day management is led by the Group President & CEO, Henrik Andersen, and is structured around six functional areas, representing all key company disciplines and employees.

As illustrated in the operating model on this page, these executive functional areas are headed by members of the Executive Management team, who ensure Vestas' all-round operational and organisational performance. This secures a global alignment and best practice to be shared and implemented, with a view to achieving 'one enterprise' thinking across global functions.

The other dimension, a lean organisation with offices in 30 countries and five strong regions, each headed by a Regional President, secures a regional focus on executing our strategy. An overview of our regional manufacturing footprint is available on page 34. With regional offices and manufacturing, we demonstrate visibility, commitment, and leadership.

GOV-1

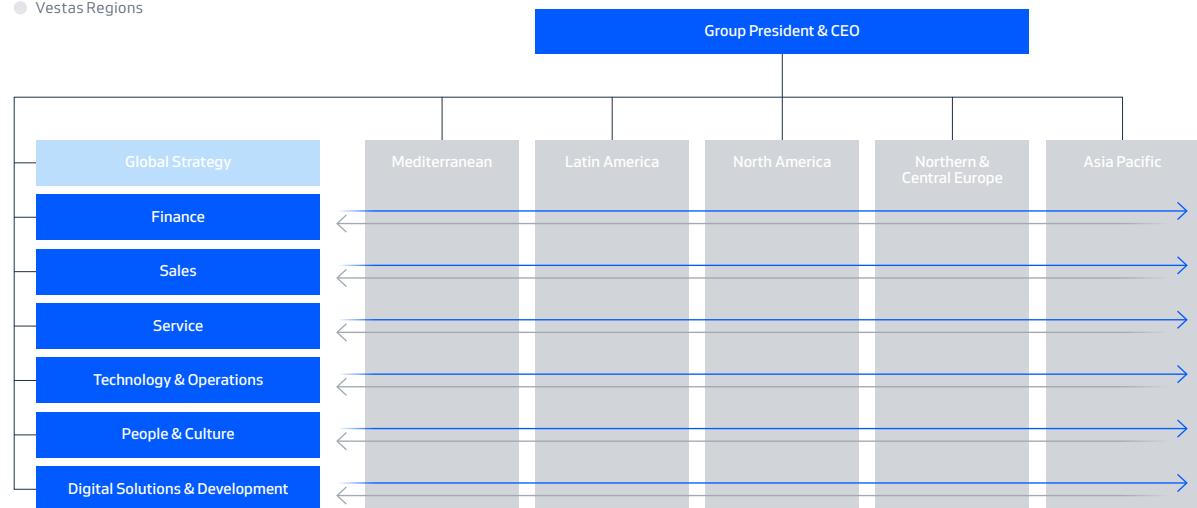
Executive Management team composition and diversity, end of year

	2024	2023
Executive Management team members (number)*	7	7
Gender distribution		
Women (number)	1	0
Women (%)	14	-
Men (number)	6	7
Men (%)	86	100
Age distribution (number)		
< 40 years	0	0
40-49 years	1	2
50-59 years	5	4
60-69 years	1	1
> 69 years	0	0
Total	7	7

* The Executive Management team forms the 'Executive' part of the 'Administrative, Management, and Supervisory bodies'

Our global operating model

- Executive Management team area
- Staff function
- Vestas Regions



Composition of the Executive Management team

By the end of 2024, the Executive Management team consisted of seven members. Of these, the CEO and CFO together comprise what is defined as Vestas' Executive Management, appointed by the Board and registered as executives with the Danish Business Authority.

Topic experts

Included in the overview is an indication of the expert areas of each member.

- Governance and change management
- Financial
- Business
- Environmental
- People and social
- Communication and dialogue

* Listed company.

Mr Henrik Andersen Executive Management Group President and CEO Born: 1967 Nationality: Danish Tenure 5 years and 5 months (appointed August 2019) Education Master in Law, University of Aarhus Graduate Diploma in International Business, Aarhus School of Business Career Henrik began his career in Jyske Bank [*] and ISS A/S [*] where he held various manager related positions. In 2011, he was appointed CFO of ISS A/S and later as COO of EMEA. In 2016, he was appointed Group President & CEO of Hempel A/S. Special skills based on education and previous positions  Other management duties, etc. Member of the boards of Copenhagen Infrastructure Partners GP Interests Holding K/S, Copenhagen Infrastructure Partners GP Interests Topco ApS, Copenhagen Infrastructure Partners Holding P/S, MHI Vestas Japan Co., Ltd, and Saxo Bank A/S. Member of the investment committee of Maj Invest Equity 5 & 6 K/S.	Mr Rasmus Gram Executive Management EVP and CFO (interim) Born: 1982 Nationality: Danish Tenure 28 days (appointed December 2024) Education Bachelor of Economics and Business Administration, Copenhagen Business School Career Rasmus was previously an auditor at KPMG before joining Vestas in 2007. He has since held various financial positions in Manufacturing, Technology, and Service, incl. the role as Regional CFO of Vestas Asia Pacific. In 2023, he was appointed Senior Vice President and Head of Group Financial Performance, Vestas Wind Systems A/S. Special skills based on education and previous positions 	Mr Thomas Alsbjerg EVP, Development & Digital Solutions Born: 1973 Nationality: Danish Tenure 2 years and 7 months (appointed June 2022) Education M.Sc. Engineering, Technical University B.Sc. finance, Copenhagen Business School Career Thomas held various leadership positions across operations, commercial, and support in Coloplast A/S [*] before joining Vestas in 2020. He began his career at Vestas as Head of Corporate Strategy, M&A and Global Intelligence and in 2021 he was appointed Head of Vestas Development. Special skills based on education and previous positions 	Mr Javier Rodriguez Diez EVP, Sales Born: 1974 Nationality: Spanish Tenure 4 years and 6 months (appointed July 2021) Education Executive Development Program at IMD Executive MBA, IE Business School, Madrid Industrial Engineer. Electromechanical Specialty. University E.T.S. Carlos III Madrid Career Javier worked for Sistemas e Instalaciones de Energías Renovables before joining NEG Micon (Vestas) in 2001. He has since held different sales roles in Vestas Mediterranean and was appointed President of the Vestas Region in 2020. Special skills based on education and previous positions 
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Mr Anders Nielsen

EVP, Technology & Operations

Born: 1962
Nationality: Swedish**Tenure**
4 years and 8 months
(appointed May 2020).**Education**
B.Sc. in industrial Engineering from the University of Linköping**Career**
Before joining Vestas Anders held various positions in the Scania Group^a in Sweden and in Latin America. In 2012, he was appointed CEO MAN Truck & Bus AG and in 2016, he was appointed CTO of the Traton Group.**Special skills based on education and previous positions****Other management duties, etc.**
Chairman of the board of Concentric AB*.**Ms Anne Pearce**

EVP, People & Culture

Born: 1974
Nationality: New Zealand / Australian / UK**Tenure**
1 year
(appointed January 2024)**Education**
Degree BComm, University of Melbourne**Career**
Anne held a number of roles in Human Resources in international companies including at BlueScope Steel and ArcelorMittal before joining Shell in 2014. She was initially appointed Vice President of Human Resources of Deepwater based in the USA before transferring to the Netherlands and then United Kingdom.**Special skills based on education and previous positions****Mr Christian Venderby**

EVP, Service

Born: 1969
Nationality: Danish**Tenure**
5 years and 5 months
(appointed August 2019)**Education**
Business Program at IMD
General Management Program at CEDEP
Graduate Diploma, Finance, Copenhagen Business School**Career**
Before joining Vestas Christian held various positions in the FLSmidth Group^a in Japan, Brazil, Egypt, and India. In 2006, he joined Vestas Americas as CFO and later as COO. In 2014, he was appointed Group Senior Vice President of Service.**Special skills based on education and previous positions****Other management duties, etc.**
Member of the board of Stiftelsen Det Norske Veritas, Det Norske Veritas Holding AS, and DNV Group AS.

Remuneration

GOV-3

Remuneration Policy

The overall objective of our Remuneration Policy is to attract, motivate, and retain qualified members of the Board and Executive Management. It also aims to secure a remuneration package that has a clear link to our business strategy and aligns with shareholder interests. The policy states that:

- Board members receive a fixed amount, and the Chair and Deputy Chair receive fixed multiples thereof. No board members are included in any incentive or performance-based remuneration.
- The Executive Management receive a fixed remuneration and participate in a variable short-term and long-term incentive scheme.

The policy is prepared in accordance with section 139 and 139a of the Danish Companies Act and approved by the Annual General Meeting. In 2024, it was updated to the effect that an additional fixed fee for board members residing outside Europe may be granted. The aim of this change is to compensate for time spent on travel and online meetings outside normal working hours.

Summary of the Remuneration Report 2024

Each year, we prepare a separate Remuneration Report in accordance with section 139b of the Danish Companies Act. The report includes detailed information about the remuneration awarded to the Board and Executive Management and is submitted to the Annual General Meeting for an advisory vote. The Remuneration Report 2023 was

approved by 82 percent of the represented capital at the Annual General Meeting in 2024.

Remuneration of the Board

In 2024, ten board members received remuneration (2023: 12) and the total board remuneration for 2024 was EUR 1.4m (2023: EUR 1.4m), which did not deviate from our remuneration policy.

Remuneration of Executive Management

In 2024, in connection with Vestas' annual salary review process, the salary for our CEO and former CFO was evaluated by the Nomination & Compensation Committee. The Board also approved a salary increase of 3 percent for the CEO and former CFO. The bonus targets for 2024 triggered a payout of total DKK 0.7m for the CEO, former CFO, and interim CFO. Additional information about the remuneration of the Executive Management is available in the Remuneration Report 2024.

For the financial year 2024, no extraordinary or severance payments were made to the CEO or CFO.

E1 GOV-3

Incentive schemes linked to sustainability matters

The remuneration of the Executive Management team is linked to the results of Vestas' financial and sustainability performance, through incentives. The annual process for selecting KPIs and setting targets for the incentives is based on Vestas' strategic direction, and the KPIs are approved by the Board in the second quarter of the annual meeting cycle. The process includes input from each business area and leads to consolidated strategic prioritisation from the Executive Management and the Board when deciding KPIs and targets.

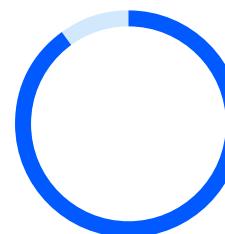
For the Executive Management team, 10 percent of the short-term incentive scheme is linked to climate-related KPIs in the form of the KPI 'GHG emissions avoided'. During the year, we have not paid any short-term incentives to the Executive Management team linked to climate-related targets as the said targets were not met. The long-term incentives are not linked to sustainable targets, nor is the base remuneration. For the Board, 0 percent of the remuneration is linked to climate-related considerations.

Remuneration	2024	2023
Board of Directors		
Number of members, end of year	10	12
Board fee	0.9	0.9
Committee fee	0.4	0.4
Social security	0.1	0.1
Total remuneration	1.4	1.4
Executive Management*		
Number of members, end of year	2	2
Fixed remuneration	3.4	2.5
Variable remuneration	3.7	6.3
Total remuneration	7.1	8.8

* The 2024 numbers include the CEO remuneration, and the remuneration Hans Martin Smith and Rasmus Gram received in the period as CFO and interim CFO, respectively, as well as the remuneration Hans Martin Smith is entitled to during his garden leave in 2025.

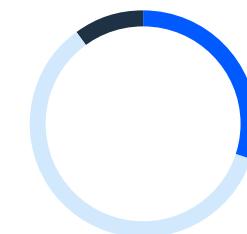
Short-term incentive scheme, components (STI)

- EBIT, 90%
- GHG emissions avoided, 10%



Long-term incentive scheme, components (LTI)

- Return on Capital Employed (ROCE), 30%
- Earnings per share (EPS), 60%
- Market share, 10%



Sustainability governance

The Board of Directors

- Ensuring that relevant sustainability matters are incorporated into governance, strategy, decision making, risk management, and accountability reporting.
- Ensuring high-quality ESG reporting, so that sustainability priorities are understood and aligned throughout the organisation, and that targets and metrics are identified and monitored.
- Ensuring that a sustainability governance structure is in place, with access to expertise and skills on sustainability matters.

The Audit Committee

- Monitoring the integrated reporting process, including quality control, risk management, key accounting policies, and assurance.
- Oversight of impacts, risks, and opportunities, including stakeholder issues, policies, targets, actions, resources, data collection, and controls.
- Monitoring compliance with applicable regulation and due diligence processes.

Technology & Manufacturing Committee

- Monitoring and evaluating the short- and long-term manufacturing footprint and production setup in support of the corporate and sustainability strategies.
- Monitoring and evaluating sustainability topics in our own operations and supply chain, such as GHG emissions, waste, and safety.

Nomination & Compensation Committee

- Monitoring the implementation of our sustainability strategy in relation to human resources.
- Reviewing the statutory reporting for Diversity and Underrepresented Gender, Corporate Governance, and Remuneration.
- Reviewing the qualifications of the members of the Board and our Remuneration Policy.

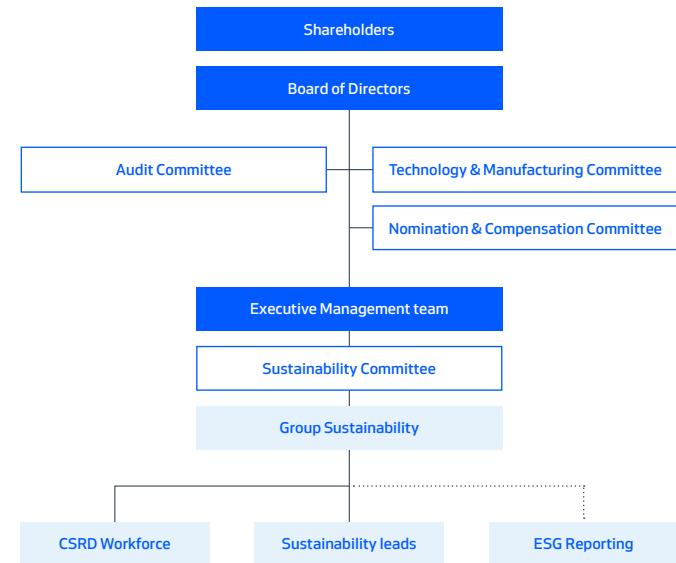
A review of the Board's work in 2024 is available in the Corporate Governance Report 2024.

Executive Management team

- The Executive Management team:** Reviews relevant material before being presented to the Board

- CSO, Sales:** Responsible for defining our sustainability strategy and overseeing its implementation, including performance and monitoring of impacts, risks, and opportunities.
- CFO:** Responsible for integrated reporting, including ESG data, monitoring of targets, processes, risks, and controls, and for reporting risks of misstatement.

Sustainability governance bodies



Key roles and responsibilities of Vestas' governance bodies¹

The responsibilities of Vestas' governance bodies in general are outlined in our steering documents. A high-level outline of responsibilities related to impacts, risks and opportunities is presented below. Our Rules of Procedure for the Board of Directors and Audit Committee Charter provide further details on responsibilities in terms of reference and board mandates. More information can be found at our corporate website.

¹ In the context of the ESRS, Vestas' governance bodies ('Administrative, Management, and Supervisory Bodies') comprise the Board and the Executive Management team.

GOV-2

How the governance bodies are informed about sustainability matters

During the year, our governance bodies are informed about sustainability matters in the following way:

- The CFO gives an update on non-financial matters to the Audit Committee and the Board every quarter.
- The Vice President and Head of Sustainability reports to the Audit Committee on performance on selected metrics relevant to key targets in the Sustainability strategy on a quarterly basis.
- Updates on implementation of due diligence takes place via Enterprise Risk Management and the review of persistent risks (see the Annual ERM wheel on page 49).
- Reviews of the effectiveness of our policies are currently taking place distributed throughout the year.
- Targets are evaluated annually in connection with the policy review cycle, depending on relevance.

Before being presented to the Board, all sustainability topics go through a review by the Executive Management team.

During 2024, the Board and Audit Committee were updated on sustainability topics by the Vice President and Head of Sustainability, providing information on the CSRD in general, the scope of reporting, implications, and the governance structures supporting the oversight of material impacts, risks, and opportunities.

With regards to policy reviews, the Board and Audit Committee reviewed the Tax Policy, the DEIB Policy, as well as the Human Rights Policy. There was one annual update on the scope of metrics in 2024, which will be revisited in February 2025. Furthermore, the targets on GHG emission reductions were evaluated, as these need to be revisited every five years in line with SBTi requirements.

The timeline to the right shows when these topics were addressed by the Board and the Audit Committee during the year.

Sustainability topics raised in 2024

The illustration indicates the most important sustainability matters addressed in the 2024 reporting period.



The governance bodies have delegated responsibilities for sustainability management, as follows:

Internal committees²

- Sustainability Committee:** Overseeing strategic sustainability targets and activities; supporting implementation across the organisation and acting as coordinator and facilitator for sustainability activities that have potential impact beyond individual functions.

Internal functions

- Sustainability:** Developing the sustainability strategy and driving execution on a practical level, in close collaboration with relevant functional areas. Reporting to the CEO monthly, to the Sustainability Committee, and Executive Management team multiple times a year. Also reporting frequently to the Audit Committee and the Technology & Manufacturing Committee and to the Board at least once a year.
- CSR Workforce:** Represents subject matter experts from all relevant departments with regards to CSRD compliance, managed by Sustainability. The workforce possesses and shall be able to leverage sustainability-related expertise within each material impact, risk, and opportunity.³
- ESG Reporting:** Anchored in Group finance, ESG Reporting is responsible for consolidation, controlling, and reporting of quantitative data points as per the CSRD, as well as controlling and reporting of Sustainability key figures externally, on a quarterly basis. It is a part of the CSRD workforce, ensuring internal controls and processes for quantitative sustainability data within relevant internal functions.
- Functional area sustainability leads:** Defining action plans related to priority projects and allocate resources to support the achievement of sustainability goals and targets within their business area.

2 Constituted by representatives from across the organisation.

3 Including legal and best practice knowledge related to e.g climate change mitigation (climate scenario analysis), child and forced labor (human rights impact assessment) or communities' economic, social and cultural rights (community engagement).

Risk management

Enterprise Risk Management annual wheel

- Risk Committee
- Executive management team
- Board of Directors/Audit committee



At Vestas, risk management is an integral part of business operations and strategy. Our focus is on identifying and mitigating risks that may impact short- to medium-term plans, while also addressing long-term risks that could hinder the achievement of our strategic goals, safeguarding Vestas' future longevity.

Enterprise Risk Management

As a global company, we face a wide range of risks inherent to our industry and the countries in which we operate, including operational, commercial, macroeconomic, and regulatory challenges.

Our Enterprise Risk Management (ERM) framework ensures a consistent approach to identifying, assessing, mitigating, and monitoring these risks. It promotes comprehensive understanding and transparency in risk management, minimising negative impact on our strategic and financial ambitions. Our ERM also aims to create and protect shareholder value, ensure risk awareness, and balance risk against reward.

Vestas' most significant risks, including material sustainability topics (such as climate change mitigation and business conduct), are reviewed every six months by our Executive Management Team, the Board of Directors, and the Audit Committee. These risks are based on insights gathered from management teams across the organisation and include all types of risks that could cause significant disruptions to the achievement of our strategic objectives.

An overview of our key risks, along with detailed descriptions, is provided on the next page.

Our risk management governance

Board of Directors/Audit Committee

Provides independent and objective assurance and reviews the adequacy and effectiveness of risk management processes at Vestas.

Executive Management team and Risk Committee

- Oversees and challenges the enterprise risk profile of Vestas.
- Allocates risk accountability.
- Directs the execution of risk mitigations.
- Ensures that risk management inputs are integrated into strategic planning.

Corporate ERM

- Responsible for implementing the ERM framework.
- Consolidates Vestas' risk landscape.
- Offers support and promotes risk awareness across the organisation.
- Plans and facilitates Risk Committee meetings.

Risk Owners, Risk Officers and Action Owners

- Responsible for the management of assigned risks.
- Responsible for developing and implementing action plans to mitigate risks.
- Provides half-year updates to corporate ERM.

Functional and regional risk management processes

Main risks

Geopolitics and regulatory framework

Project execution

Cyber-attacks

Description

In 2024, Vestas continued to navigate significant challenges arising from shifting geopolitical tensions across the world. Conflicts in Ukraine and the Middle East, as well as steep competition in key clean-tech sectors, have impacted Vestas' business operations.

Uncertain dynamics between countries have also led major economies, such as the EU, China, and the USA, to adopt measures to defend their industrial bases and manufacturing jobs. Such policies have led to an increase in trade restrictions and other regulatory actions that add complexity to Vestas' supply chain and global operations.

Project execution involves the effective management and delivery of projects to achieve desired outcomes within specified parameters relating to quality, cost, and timeline.

Success in executing large onshore and offshore projects depends heavily on external factors. These include governments' ability to create regulatory frameworks that support ambitious renewable energy targets and ensure the creation of a sustainable and scalable supply chain.

Key risks in project delivery include lack of industry products and supply chain standardisation, insufficient logistical infrastructure, challenges in internal coordination between processes and IT systems, and the availability of organisational capacity. The growing volume of large projects further exposes Vestas to these risks.

Vestas' digital assets are exposed to cyber-attacks. A cyber-attack may have dual implications for both Vestas as a company and for the societies that our energy solutions serve.

Electricity producers rely on Vestas' energy solutions for reliable and secure sustainable energy production, making these solutions critical infrastructure for societies around the world.

Cyber-threat actors constantly evolve their methods and techniques to attack Vestas' energy solutions, for the purpose of extortion or to destabilise energy generation. Vestas' technology, data, and operations are a potential target for geopolitical actors and the cyber-criminal industry.

Potential impact

Geopolitical tensions and shifts in the regulatory framework may create barriers to business operations and to the cost-efficiency of Vestas' global supply chains.

For example, the imposition of additional tariffs on key components might cause an increase in our landed costs, or significant disruptions in our supply chain.

Delays in project delivery due to logistical challenges or internal coordination issues may result in missed deadlines, increased costs, and reputational damage.

Cost overruns stemming from, for example, inefficient supply chains, lack of standardisation, corrections costs, or restriction of free mobility of employees across borders, could erode profit margins.

Politically motivated cyber actors may seek to disrupt energy production. A cyber-attack on Vestas may be designed to impact our customers' operations, causing electricity outage and physical damage to assets.

A successful cyber-attack on Vestas' energy solutions and our infrastructures might result in significant economic loss and reputational damage.

How we manage it

Vestas manages geopolitical risks by continuously monitoring global developments and implementing appropriate mitigations.

By maintaining a regionalised manufacturing footprint that minimises single sourcing, Vestas can effectively respond to geopolitical shifts and regulatory changes.

Proactive advocacy ensures alignment and compliance with evolving policies and the regulatory climate. Additionally, we exercise discipline in our supply chain, procurement, and sales, utilising indexation and financial hedging strategies to minimise exposure.

To mitigate this risk, we are implementing cross-functional strategies, for example launching an end-to-end planning function to oversee our portfolio of large and complex projects.

We have also established an offshore readiness programme to support the delivery of the first V236 turbines.

We actively work to influence the regulatory frameworks in key Vestas markets, particularly in terms of advocating for industry standardisation.

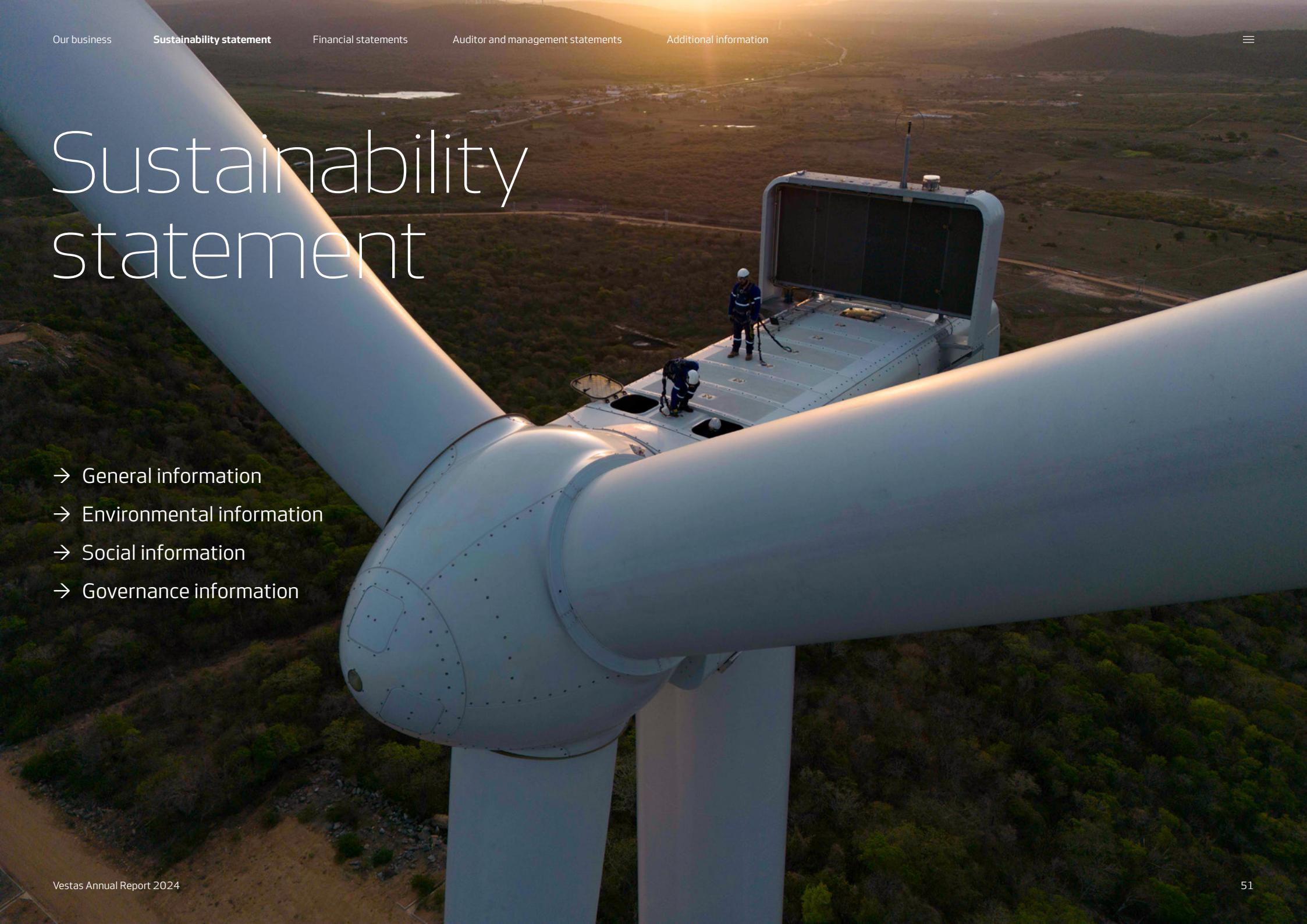
As a global manufacturer and key contributor to critical infrastructure, Vestas is required to continuously address evolving cyber risks, both to our company and to the customers we serve.

We are developing cyber security services aimed at helping our customers navigate cyber risks effectively, fulfil industry requirements and standards, and uphold their responsibilities.

During 2024, Vestas' cyber security efforts were effective and no critical cyber security incidents took place.

Sustainability statement

- General information
- Environmental information
- Social information
- Governance information





General information

- Progressing on our sustainability journey
- Vestas' inaugural Sustainability statement
- The result of our double materiality assessment
- Our value chain
- Sustainability risk management
- The double materiality assessment process
- Basis for preparation

Progressing on our sustainability journey

In January 2025, we were ranked “the most sustainable energy solutions company in the world” in the Corporate Knights Global 100 ranking for the fourth consecutive time, and the third most sustainable among all companies in the ranking.

Vestas stands at the forefront of the energy transition. As generating wind energy is one of the most carbon-efficient ways to generate electricity, we play a critical role in mitigating the global climate crisis. On average, the turbines we manufacture are expected to avoid around 50 times the emissions they produce over their life cycle. At the end of 2024, our entire installed turbine fleet had the capacity to avoid 239 million tonnes of GHG emissions per year, while the capacity produced and shipped during 2024 is expected to avoid 455 million tonnes of GHG emissions over their lifetime.

Together with our customers and supply chain, this creates an enormous decarbonisation impact in the global energy system and represents our greatest positive sustainability contribution. However, we also cause negative environmental and social impacts through our manufacturing, installation, and servicing activities that we cannot ignore.

In 2024, we made further progress towards the targets in our global sustainability strategy, ‘Sustainability in everything we do’. This strategy roadmap lays out four pillars with our strategic objectives to reduce carbon emissions, improve our material efficiency rate, become the safest, most inclusive and most responsible company in the energy industry, and lead the transition to a world powered by sustainable energy.

Our efforts continue to be recognised. In January 2025, we were ranked “the most sustainable energy solutions company in the world” in the Corporate Knights Global 100 ranking for the fourth consecutive time, and the third most sustainable among all companies in the ranking, such as in 2024. Additionally, we are included in the Dow Jones Sustainability Indices (Europe and World), ranked in the Climate Change Leadership category through CDP’s annual questionnaire, and awarded a gold medal by EcoVadis, placing us in the top 5 percent of all companies assessed by EcoVadis over the last twelve months.¹

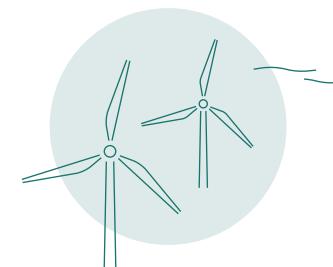
“

As generating wind energy is one of the most carbon-efficient ways to generate electricity, we play a critical role in mitigating the global climate crisis.

¹ EcoVadis: Understanding EcoVadis Medals and Badges. Page on support.ecovadis.com.

GHG emitted compared to GHG avoided million tonnes

Scope 1 & 2	Scope 3
+0.1	+7.9



×50

Expected GHG emissions avoided compared to emitted
Vestas’ wind turbines produced and shipped during one year are estimated over their lifetime to avoid around 50 times the GHG emitted during their production.

Scope 4

-455



Climate

We remain committed to a science-based decarbonisation of our own operations (scope 1 and 2) and supply chain (scope 3) without using carbon offsets.

To reduce emissions from our own operations, we continue to source 100 percent of our electricity from renewable energy sources. We are also progressing on the replacement of existing factory heating systems with renewably fuelled systems. In 2024, we extended the reach of the biomass boiler at our blade factory in Daimiel, reducing the dependence on natural gas for heating, and we are preparing to install an electric HVAC system at our facility in Brighton, USA, to replace the current gas-fired heating system. Additionally, we increased the share of electric and plug-in hybrid vehicles in our benefit car fleet to 92 percent, and continued the build-out of charging infrastructure across our main locations.

Nearly 80 percent of emissions from our own operations are related to our service business. One of our key initiatives to reduce service emissions is through the transition of our service vehicle fleet. Through partnerships with automotive leaders in Europe and the USA, we are increasing the share of renewably fuelled vehicles in our service fleet, which now represent about 25 percent of the total fleet. To reduce emissions in offshore service, we are testing alternatives to conventional fuels for our operations. After pioneering a hydrogen-powered crew transfer vessel (CTV) in 2022, we signed a ten-year lease for a CTV that runs solely on methanol in 2023, which will be in



Nearly 80 percent of emissions from our own operations are related to our service business. One of our key initiatives to reduce service emissions is through the transition of our service vehicle fleet.

operation from 2025. In 2024, we also successfully tested the use of sustainable aviation fuel (SAF) during the construction phase of the Baltic Eagle wind farm in the Baltic Sea, reducing emissions by approximately 38 percent compared to a conventionally fuelled helicopter.¹

We can see that we are not going to meet our 2025 scope 1 & 2 CO₂e reduction target. This is because our target was set before we re-entered offshore wind and our scope of activities therefore has increased. We will consider this when we re-validate our SBTi targets during 2025.

Reducing scope 3 emissions, primarily from upstream materials and transportation, remains the single greatest decarbonisation challenge in the wind industry. Steel and iron materials alone make up between 80 to 90 percent of the material mass of a wind turbine and are responsible for about 50 percent of our scope 3 emissions. To begin reducing steel emissions, we have partnered with ArcelorMittal to produce low-emission steel for our towers. By reusing scrap steel in an electric arc furnace powered entirely by wind energy, we can reduce GHG emissions of heavy steel plates used in turbine towers by up to 66 percent compared to traditional steelmaking.² In 2024, we introduced low-emission steel towers as a new product offering to our customers as part of our value proposition, and we will continue to expand our range of low-emission materials and transport offerings in 2025 and beyond.

¹ Heliservice: Worldwide 1st SAF Crew Change Operations at Baltic Eagle Wind Farm. News article of 31 May 2024 at heliservice.com.

² According to the Environmental Product Declaration from ArcelorMittal Europe

Circularity

Our Circularity Roadmap guides us towards a fully circular value chain that avoids waste, reuses materials and creates a circular economy for our turbine components and materials. We place great emphasis on reducing waste from our own production and from our key suppliers, repairing and refurbishing our components to extend their useful life and ensuring that the waste generated is disposed of responsibly.

In 2024, we advanced the development of a new circular recycling method for epoxy-infused blades, while also continuing to recycle blades through traditional recycling routes for repowering projects in the USA. Our blade circularity solution, developed in collaboration with Aarhus University, Danish Technological Institute and Olin, allows for the separation and recovery of the raw materials in epoxy-infused blades, improving auction competitiveness for projects with non-price criteria on circularity and allowing for new high-value recycling options for composite materials.

During 2024, we continued to develop the blade circularity solution to an industrially relevant scale, in close collaboration with our recycling partner Stena Recycling.

31 eNPS

Our Employee Net Promoter Score increased from 19 in the previous year to 31 in 2024.

Social

People are the driving force behind our success. We strive to create a safe, diverse and inclusive working environment for every employee to realise their full potential, while also respecting the rights of impacted communities near our projects.

Safety is more than just a priority, it is the foundation of what we do, and we remain focused on establishing a strong safety culture throughout our operations.

We continue emphasising inclusive leadership and the promotion of a strong speak-up culture to help safeguard the physical and psychological safety of our employees. Our year-on-year Employee Net Promoter Score increased from 19 in the previous year to 31 in 2024. This score correlates with increased engagement and retention of our employees.

Building and maintaining a solid relationship with affected communities near our projects remains vitally important to Vestas. In 2024, we updated our Human Rights Policy to reflect evolving best-practice, and we continue to work with affected communities near our projects to both minimise and address potential grievances and support local community projects. In 2024, we once again ranked first in the Danish Institute for Human Right's Benchmark of large Danish companies, having previously ranked first in 2020.¹

Energy transition

We take a leading role in shaping global energy policy to accelerate the global energy transition with renewable energy at its core. By publicly campaigning for the rapid adoption of renewable and secure energy systems, we set a strong example of a responsible and sustainable energy industry.

Through 40 years of technological innovation, a pioneering spirit and extraordinary dedication, Vestas continues to work with a vision of being the global leader in sustainable energy solutions. As we prepare for the massive scale-up required to combat climate change and secure energy independence, we are committed to further strengthen our sustainability leadership.

By mitigating emissions, establishing circularity practices, fostering social sustainability and driving forward the transition to a world powered by renewable energy, we aim to collaboratively build a sustainable and resilient energy system and realise our ultimate ambition of 'Sustainability in everything we do'.



¹ Danish Institute for Human Rights: Documenting Respect for Human Rights – a 2024 Benchmark of Large Danish Companies. Report of 25 November 2024.

Vestas' inaugural Sustainability statement

Vestas published its first Sustainability report in 2010. From 2024 onwards, we are reporting on sustainability as an integrated part of our Annual Report in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD), and its reporting framework the European Sustainability Reporting Standards (ESRS).

The integration of sustainability into the Annual Report is reflected in our inaugural Sustainability statement.

The effect of CSRD on our sustainability reporting

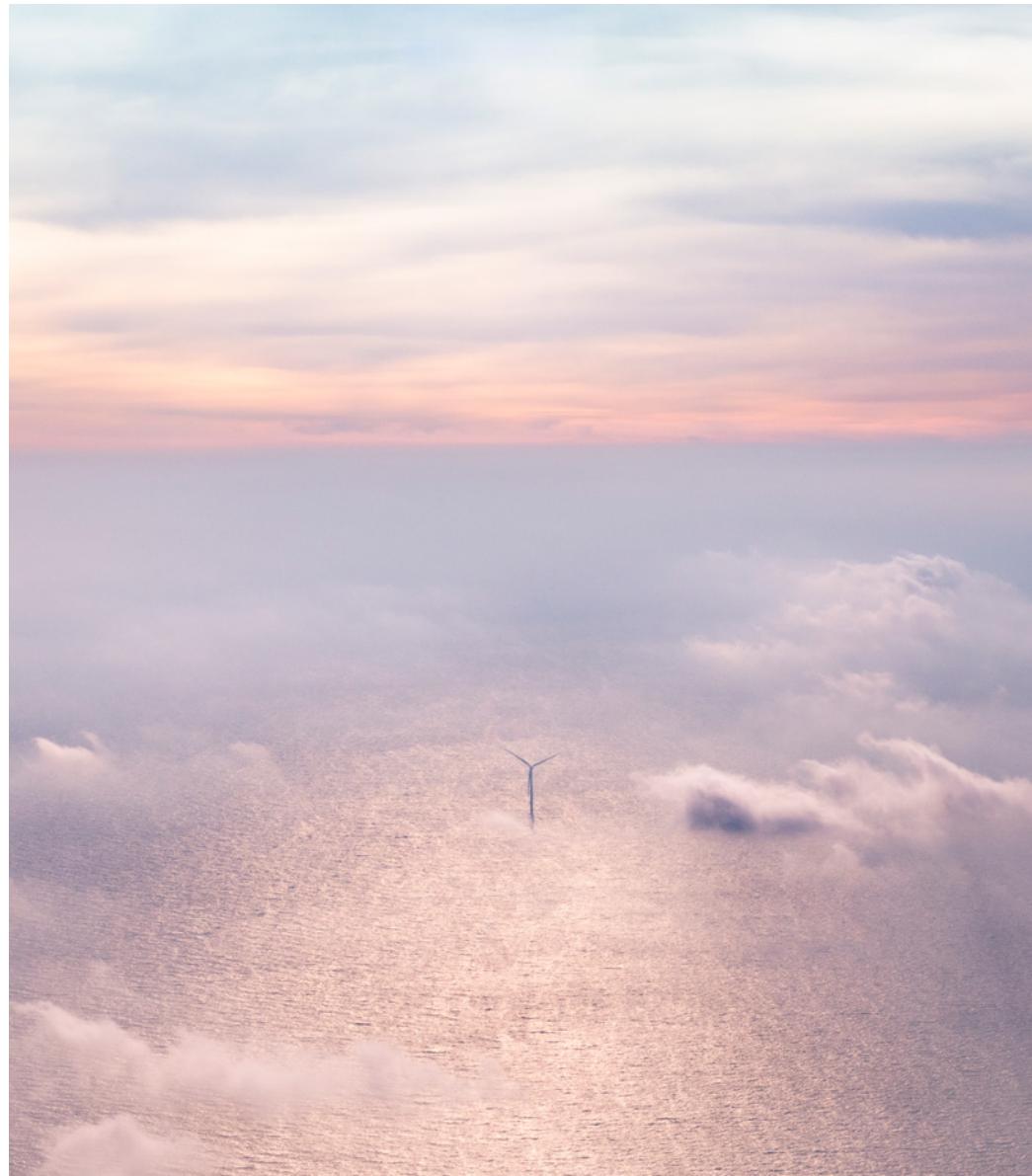
In 2024, we conducted our ESRS-aligned Double Materiality Assessment (DMA), and identified material impacts, risks and opportunities (IROs) for the 2024 financial year. The result of the assessment determined which sustainability matters are mandatory for Vestas to report on.

To report on our material sustainability matters, Vestas has adopted the prescribed sustainability statement structure by selecting relevant policies, actions, targets and metrics vis-à-vis our material IROs. We also report on additional ESRS disclosure requirements for each material topical E, S, and G standard, that are deemed important in the context of our DMA. By reporting on sustainability in this manner, we are embedding the ESRS' qualitative characteristics of relevance, comparability and understandability.

Additionally, as required by the CSRD, our full sustainability statement has undergone limited assurance. This underpins the shift towards a new sustainability reporting regime, which is compliant with ESRS in all material aspects.

Vestas is committed to and welcomes transparent standardised ESG reporting for better comparability between companies. However, the reporting burden should not become an impediment to change. Our actions remain the most important driver of sustainable progress.

"
In an era defined by an escalating climate crisis and conflicts over energy security, sustainability is no longer an option – it is a global imperative.



The result of our double materiality assessment

In our 2024 double materiality assessment, we identified 20 sustainability matters as material to Vestas.

The material topics identified in the double materiality assessment (DMA) confirmed our strategic path, and identified areas to improve on specific topics.¹ The material impacts, risks, and opportunities are listed under each ESRS-defined sub-topic. In addition, we identified two entity-specific sustainability matters, 'Cyber security' and 'Transparent tax'.²

The sub-topics are presented in the illustration to the right, while all the material impacts, risks, and opportunities that were identified as a result of the DMA, are presented in tables on the following pages. For further elaboration on each material topic, see the topic-specific sections' SBM-3 disclosures.

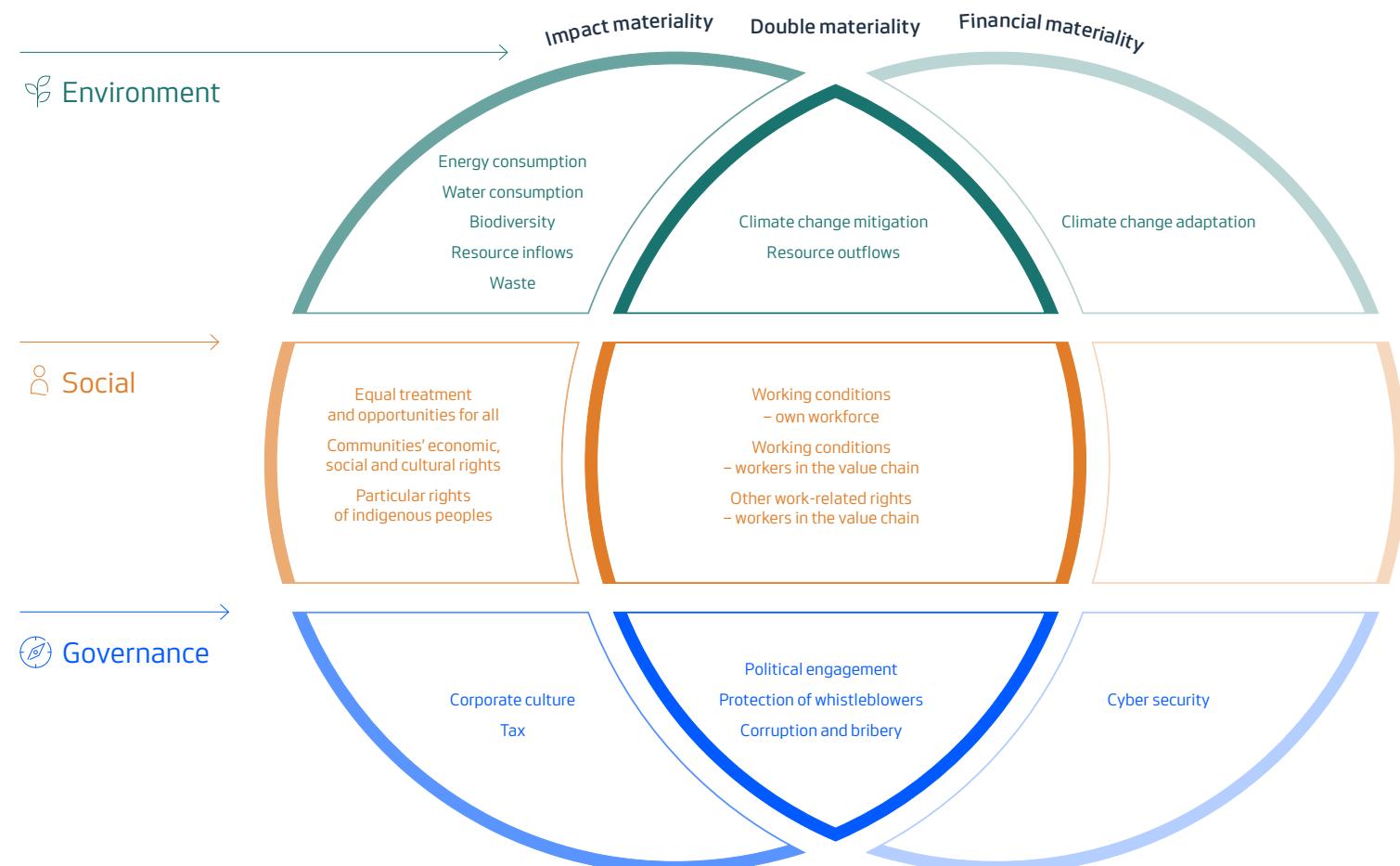
The topics with double materiality and the financially material topics are being integrated into Vestas' Enterprise Risk Management programme and prioritised in comparison with other topics. Impact material topics such as corporate culture, tax and community engagement are also included based on legacy and relevance.

Vestas will use the learnings from this year to further improve the DMA process.

SBM-3 48g; SBM-3 48h

¹ Vestas conducted the ESRS-aligned DMA for the first time in 2024. Therefore, the methodology that has been established is not comparable to previous years.

² All identified impacts, risks, and opportunities, including entity-specific ones, are reported in line with ESRS' disclosure requirements.



Vestas' material impacts, risks, and opportunities

The material impacts, risks, and opportunities (IROs) identified in Vestas' double materiality assessment are presented in the tables below and on the following pages. On the left side of the table, are the identified impacts and on the right side are the

financial risks and opportunities. This high-level overview includes a short description of the IROs on sub- and sub-sub-topic level, including value chain position, and in the case of impacts, whether it is an actual or potential impact.

E1 Climate Change

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Double materiality Climate change mitigation	● Scope 1 & 2 GHG emissions The GHG emissions from Vestas' own operations have a negative impact on the climate.	Own operations	Actual	⌚ Investments in scope 1 & 2 GHG emission reductions The investments in new technologies to lower our emission footprint constitute a financial risk.	Own operations
	● Scope 3 GHG emissions The GHG emissions from Vestas' value chain represent more than 98 percent of our total GHG emissions, and have a negative impact on the climate.	Upstream and downstream	Actual	⌚ Strong ESG profile The possibility to secure and attract capital via sustainability-linked financial mechanisms, based on strong sustainability performance, constitute a financial opportunity.	Downstream
	⌚ Instigating sustainable development (entity-specific) Instigating sustainable development through e.g., lobbying for renewable energy expansion and driving demand for low-emission steel has a positive impact on the environment.	Entire value chain	Actual	⌚ Diversified revenue streams Sustainable value propositions for customers such as recyclable blades and low-emission steel constitute a financial opportunity.	Downstream
	⌚ Enabling the green transition (entity-specific) As a global manufacturer of wind turbines, Vestas enables companies and society to reduce their emissions through access to renewable energy, which has a positive impact on the environment.	Downstream	Actual	⌚ Growth rate of the wind industry The projected growth rate of the wind industry presents a financial opportunity that Vestas is well positioned to take advantage of.	Downstream
Impact materiality Energy consumption	⌚ Energy consumption Energy consumed during manufacturing, construction, and service of turbines has a negative impact on the climate, depending on the source of energy.	Own operations	Actual	Energy consumption-related financial risks and opportunities scored as immaterial.	N/A
Financial materiality Climate change adaptation	Climate change adaptation impacts scored as immaterial.	N/A	N/A	⌚ Carbon taxes and tariffs High carbon taxes and tariffs will increase the price of GHG intense materials such as steel, increasing the overall cost to produce wind turbines.	Own operations

Impact materiality

Financial materiality

+ Positive

⌚ Opportunity

- Negative

⌚ Risk

E3 Water and marine resources

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Impact materiality Water consumption	● Water consumption Water consumption from our sites located in areas with water scarcity put further pressure on local water resources.	Own operations	Actual	Water consumption-related financial risks and opportunities scored as immaterial.	N/A

E4 Biodiversity and ecosystems

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Impact materiality Direct impact on biodiversity loss	● Climate change impact on biodiversity The GHG emissions originating in our supply chain from the extraction, production, and transportation of raw materials and products have a negative impact on biodiversity.	Upstream	Actual	Biodiversity-related financial risks and opportunities scored as immaterial.	N/A

E5 Circular economy and resource use

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Double materiality Resource outflows related to production and services	● Non-recyclable materials Non-recyclable materials in turbines have a negative impact on the environment.	Downstream	Actual	① Recyclable materials Design with greater proportion of recyclable materials, e.g. the blade circularity solution, is a financial opportunity.	Downstream
Impact materiality Resource inflows including usage	● Raw materials required for turbines Extraction of base metals and rare-earth metals has a negative impact on the environment.	Upstream	Actual		N/A
Waste	● Waste generation The negative impact on environment related to waste generated in our own operations.	Own operations	Actual		N/A

S1 Own Workforce

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Double materiality Working conditions	⊕ Workforce safety culture (entity-specific) A strong safety culture has a positive impact by increased safety awareness.	Own operations	Actual	∅ Safest place to work The reputation of being the 'safest workplace in the industry' creates a financial opportunity to attract a higher-quality talent pool and increases operational efficiency.	Own operations
	⊖ Health and safety incidents of own workforce The negative impact related to health and safety incidents in our own workforce.	Own operations	Actual	⊖ Cost implication of injuries in own workforce Potential injuries leading to delays, lost work hours and compensation costs pose a financial risk.	Own operations
Impact materiality Working conditions	⊕ Secure employment The high share of permanent contracts and stable market position has a positive impact on employees by providing a secure and predictable work environment.	Own operations	Actual	Secure employment-related financial risks and opportunities scored as immaterial.	N/A
Equal treatment and opportunities for all	⊕ Diversity The positive impact from the diversity of Vestas' global workforce and emphasis on diversity, equity, inclusion and belonging.	Own operations	Actual	Diversity-related financial risks and opportunities scored as immaterial.	N/A
	⊖ Training and skills development Benefits from ongoing professional development leading to a positive impact on our own workforce.	Own operations	Actual	Training and skills-related financial risks and opportunities scored as immaterial.	N/A

S2 Workers in the value chain

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Double materiality Working conditions	⊖ Health and safety incidents of supply chain workers Health and safety incidents leading to negative impacts on workers in the supply chain.	Upstream	Actual	∅ Financial repercussions from health and safety incidents of value chain workers The risk of injuries to value chain workers, combined with regulations with very high administrative fines in case of violation, poses a financial risk.	Upstream
	⊖ Health and safety incidents of contractors and subcontractors Health and safety incidents leading to negative impacts on contractors, subcontractors and temps working on Vestas sites.	Own operations	Actual		
Other work-related rights	⊖ Child or forced labour Risk of forced labour and child labour in our supply chain.	Upstream	Potential	∅ Fines related to forced or child labour Vestas' global network of suppliers combined with the risk of fines related to child and forced labor constitute a potential financial risk.	Upstream

Impact materiality

Financial materiality

⊕ Positive

∅ Opportunity

⊖ Negative

⊖ Risk

S3 Affected communities

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Impact materiality Communities' economic, social, and cultural rights	⊕ Land-related impacts Land-use restrictions during wind farm construction leading to a temporary negative impact in the form of physical and economic displacement (e.g. income losses) of local communities.	Own operations	Actual	Affected communities-related financial risks and opportunities scored as immaterial.	N/A
Particular rights of indigenous peoples	⊕ Impacts on the right to free, prior, and informed consent Failure to respect indigenous peoples' right to own, control, and use their lands in development, construction and operation of wind farms is a negative impact.	Own operations	Potential		

G1 Business Conduct

Sub-Topic	Impact description	Value chain	Actual/ Potential	Financial risk or opportunity description	Value chain
Double materiality Protection of whistleblowers	⊕ Promotion of ethical behaviour amongst suppliers Positive impact of investigations into acts of unethical behaviour amongst suppliers.	Own operations	Actual	⊕ Prevention of faulty processes through whistleblower cases Understanding underlying patterns of misconduct at early stages presents a financial opportunity as it enables prevention of faulty processes.	Own operations
	⊕ Promotion of ethical behaviour amongst own employees Positive impact of having strong business ethics and employees being accountable for their actions.	Own operations	Actual		
Corruption and bribery	⊕ Prevention and detection of bribery and corruption Positive impact of anti-bribery and anti-corruption training, supporting employees in preventing and detecting bribery.	Own operations	Actual	⊖ Risk of corruption and bribery Global presence increases the risk of exposure to corruption and bribery, presenting a financial risk.	Own operations
Political engagement	⊕ Political engagement contributing to the green transition Positive impact on the green transition by supporting policies and regulation aligned with the Paris Agreement and by means of lobbying activities and top line messaging on the energy transition.	Upstream	Actual		
Impact materiality Corporate culture	⊕ Corporate culture Positive impact of corporate culture influencing employees to behave more ethically.	Own operations	Actual	Corporate culture-related financial risks and opportunities scored as immaterial.	N/A
Entity-specific	⊕ Transparent tax Positive impact of transparent reporting on Vestas' tax practices.	Own operations	Actual	Transparent tax-related financial risks and opportunities scored as immaterial.	N/A
Financial materiality Entity-specific	Cyber security risk-related impacts scored as immaterial.	N/A	N/A	⊖ Cyber security risks A cyber-attack could cause a material financial impact as result of business operations disruption, loss of intellectual property, and legal liability.	Own operations

Impact materiality
 Positive
 Negative

Financial materiality
 Opportunity
 Risk

Our value chain

SBM-1 42c

Below is a simplified overview of Vestas' value chain. The main upstream business actors are suppliers of raw materials and wind turbine components, developers, and transportation companies.

Vestas uses the raw materials and components for manufacturing of wind turbines, and sells wind power plants and service to the primary down-stream actors, wind project asset managers.

Further downstream actors are partners within transportation, decommissioning, recycling, and waste handling.



Sustainability risk management

GOV-2 26b; GOV-5

Our enterprise risk governance and management system supports our sustainability reporting process. The aim of our ERM programme is to manage various inherent risks and support the fulfilment of our operational and strategic objectives, including sustainability.

Vestas' governance bodies consider impacts, risks, and opportunities supported by the structure of the Enterprise Risk Management (ERM) programme. The structure of the ERM Annual Wheel (illustrated on page 49) supports them in overseeing strategy, risk management, and trade-offs related to impacts, risks, and opportunities.

The features of the annual risk management and internal control system are aligned with the annual integrated reporting process. Relevant information from the double materiality assessment and other operational areas feeds into the risk reviews and thereby also the annual information flow managed by the ERM, involving the Risk Committee, Executive Management Team, Audit Committee, and Board of Directors.

The scope of risks stretches from all relevant areas in terms of strategic, financial, operational, and compliance risks, including material sustainability topics such as climate change mitigation and adaptation, anti-corruption and bribery, working conditions and human rights. In terms of risk prioritisation, we are aiming at enhancing our methodologies for identifying, assessing, and managing risks. Our risk prioritisation methodology is based on an assessment of risk severity (based on likelihood and impact) and mitigation efficiency (evaluating the effectiveness of current mitigation actions). The final discussion of prioritisation related to persistent risks takes place in the Risk Committee. The long-term emerging risks and opportunities are further aligned with the Corporate Strategy process.

During 2024, we have worked on embedding all relevant material sustainability topics in persistent risk cards based on financial impact assessments and threshold settings in accordance with the ERM programme. The risk assessment approach ensures that material sustainability topics are embedded, assessed, and prioritised into the ERM programme, relative to other types of ERM risks, if they are assessed as financially significant.

A closer cooperation has also been built with the Corporate Strategy team to ensure that identified risks and opportunities, including dependencies, are assessed and addressed in a strategic manner. In this way, the process has changed compared to previous reporting, making sustainability an integral part of the internal corporate risk reporting, operational mitigation measures and the information flow, involving relevant internal functions and governance bodies.

Internal controls

During 2024, we have transferred the responsibility for consolidating, controlling, and reporting quantitative sustainability data to Group Finance to ensure standardised accounting procedures. Resources have been allocated to improve the overall sustainability governance and reporting, including data collection processes and internal controls.

An in-house consolidation system has been developed as a part of our ambition to achieve efficient and effective reporting and a stronger foundation for limited assurance. In addition to an ESG consolidation system, Vestas employs advanced Human Resource and Health, Safety and Environmental software systems to record, manage, and monitor ESG metrics.

Respective functional area owners develop, maintain, and ensure compliance with policies and procedures as well as local jurisdictional requirements, while central functional areas perform data aggregation and controls. These functional controls and aggregations are further supported by quarterly controls and ad-hoc compliance visits, ensuring rigorous oversight and adherence to our sustainability goals.

In terms of operational management of risks in a third-party perspective, we are certified in line with international standards, including ISO 9001 for Quality, ISO 14001 for Environment, and ISO 45001 for Health and Safety.

During 2024, we have also started developing new internal controls that will help us do completeness checks for the Sustainability statement, referring to qualitative and quantitative data points in line with the ESRs. This internal controls process facilitates the identification of the information to be disclosed in relation to material IROs.



The double materiality assessment process

IRO-1; IRO-2

Description of the process to identify and assess material impacts, risks, and opportunities

During 2024, we finalised our first double materiality assessment (DMA). The outcome of the process confirmed our current path and added a few new topics to our scope of materiality. Going forward, Vestas will revisit the DMA process annually to ensure we continuously monitor material impacts, risks, and opportunities (IROs).

Identifying and assessing material impacts

The process to identify IROs started with our CSRD workforce reviewing all the sustainability matters in ESRS-1, Appendix A. Impacts were described and assessed in a tool including the entire gross list where materiality of each matter is determined by its positive or negative nature, actual or potential impact (most topics were actual) and the severity and likelihood of impact. The topics were listed to be assessed on a sub-sub-topic level.

Negative impacts are prioritised based on severity (considering scale, scope and irreversibility) and likelihood. Positive impacts are prioritised based on scale, scope, and likelihood. Our impact threshold honours the principles: Inclusion of all impacts with "critical" severity and severity taking precedence over likelihood – all within timeframes consistent with the ESRS. This is the process to assess and prioritise impacts supported by a quantitative scoring methodology.

Examples of core activities in our upstream value chain are related to extraction of raw materials, refiners, smelters, components assembly and transport. Activities in own operations relate to project development, construction, manufacturing and service. Our downstream value chain mostly comprises activities in our customers' scope, decommissioning and end-of-life solutions.

As demand for renewable energy is increasing, it also means that our value chain will scale significantly. It is therefore important that we address the risks that come with scaling and the heightened adverse effects across the value chain that come with growth. After assessing specific activities, business

relationships, geographies, and other factors, the topics of climate change, circularity, biodiversity, human rights and health and safety have been found to represent overarching adverse impacts across our value chain and these are addressed in our current sustainability strategy and mitigation measures.

We have, however, found that more work is needed to assess our ability to influence biodiversity downstream. In addition, it is necessary to continuously manage risks when moving into new geographies and involving new business relationships.

The main assessment of our impact on people is informed by our Corporate-Wide Human Rights Assessment (CW-HRA), a high-level due diligence process to identify and assess emerging human rights risks and impacts across our entire value chain.

Our CW-HRA involves consultations with external experts representing relevant rightsholders such as indigenous peoples, workers, and affected communities, Vestas' senior management and internal subject matter experts, to ensure we understand how affected stakeholders are impacted and that we adhere to local as well as international expectations. For more information about our CW-HRA see page 120.

The main assessment of our impact on the environment is informed by a global environmental mapping, which outlines the primary environmental risks across our business areas, and the processes and mitigating measures in place to manage them. The environmental due diligence mapping covers areas such as pollution prevention, energy efficiency, GHG emissions, biodiversity conservation, cultural heritage, and cumulative impacts. See the section Additional information for our Statement on Due Diligence, page 211.

The social and governance topic specific assessments have been supported by materials such as our CW-HRA and social due diligence process, Vestas' Employee Engagement Survey, our incident management system, EthicsLine cases, supplier assessments, audits, assessments of lobbying activities, ESG rating platforms (DJSI, CDP and EcoVadis) and consolidated ESG data.

See pages 64-66 for more information on assumptions used for the analysis of material topics on climate change (E1-IRO-1), water (E3-IRO-1), biodiversity (E4-IRO-1), and resource use and circular economy (E5-IRO-1).

After identifying material topics on a sub-sub-topic level, material data points connected to the sub- sub-topics were identified using the EFRAG data point list and assessed according to the ESRS decision tree for determining disclosures to be included. See Additional information for the 'Content index of ESRS disclosure requirements' (page 212-213) and the 'List of data points that derive from other EU legislation' with page references (page 214-218).

Identifying and assessing material risks and opportunities

ESG Reporting in Finance was engaged to advise on the financial impact methodology, assessing the financial significance of risks and opportunities, their likelihood and the nature of the financial impact on all identified impacts. Once the scope for the financial impact analysis was set, each topic was financially assessed based on estimates and assumptions backed by interviews with subject matter experts, online reports, benchmarking studies, and internal and external statistics.

The financial materiality criteria-tiers were aligned to Vestas' existing enterprise risk management (ERM) programme, including short, medium and long-term time frames and ranges for likelihood that were plotted on a scale from 1-5 (similar to impacts). Rating for likelihood and financial impact was assessed for each time frame and topic, resulting in an expected trendline for each risk and opportunity. See time horizons on page 69 in Basis for Preparation for more information.

The financial impact threshold for material was aligned with ERM to ensure that relevant sustainability-related risks and opportunities are included and prioritised on par with general Vestas-specific topics. Consequently, sustainability-related topics were integrated in overarching annual decision making in alignment with the risk annual reporting wheel.

Connections between impacts, risks, opportunities and dependencies

Most of the topics assessed for financial materiality were derived from the material impacts identified. Additionally, some were added and assessed based on dialogues with subject matter experts across the organisation. Financial effects such as fines, lost working hours or delays were identified and assessed by Group Finance.

In doing so, it was possible to list material financial sub-sub-topics on par with the material impacts, and assessing the interlinked financial risk and opportunity in a double materiality perspective. Vestas' dependency on social and natural resources was also assessed by looking into key inputs such as social resources and key raw materials versus the current and future market situation.

For more information about the decision-making processes incorporating these risks, opportunities, and dependencies, see the section on Sustainability governance, pages 47-48 and the section on Sustainability risk management, page 63.

E1-IRO-1

Climate-related impacts, risks and opportunities

Scope and approach

Impacts, risks and opportunities related to climate change mitigation and adaptation are identified based on our climate scenario analysis. The climate scenario analysis is an annual recurring process, conducted in the first half of the year, covering both physical and transitional climate-related impacts, risks and opportunities.

The analysis is conducted using third-party software solutions, by involving internal and external subject matter experts, and following best-practice international standards like the Task Force on Climate-related Financial Disclosures (TCFD).

The analysis of physical climate risks covers a wide range of chronic and acute climate-related hazards in line with the EU Taxonomy, excluding hazards that have been deemed irrelevant such as avalanche, saline intrusion, and permafrost thawing.

The physical risks are assessed on site level using geospatial coordinates for our manufacturing facilities, warehouses, and critical suppliers, while they are assessed on a national level for our construction and service sites. Detailed desktop analysis, including assessments of a wide range of climate metrics, is always conducted in the initial phase of a development project. The analysis of transitional climate risks follows TCFD's recommendations and covers Vestas at entity level, our supply chain, and key stakeholders, such as customers and investors. No transition risks are excluded from the analysis.

Climate-related impacts, risks and opportunities were identified through engagement of internal and external subject matter experts, as well as external stakeholders such as NGOs and customers. Through workshops and interviews both within and outside our organisation, we have collected input that strengthens our understanding of the importance of areas related to climate change. Through life cycle assessments and carbon accounting, we calculate our GHG emissions and estimate paths to reach carbon neutrality in line with our targets.

Physical climate risks are assessed using third-party software that allows site-level analysis of a wide range of acute and chronic climate hazards and projections of climate variables across multiple future looking scenarios and time horizons.

Changes in specific climate variables are assessed using three of IPCC's Shared Socioeconomic Pathways (SSP); SSP 126, SSP 245, and SSP 585. SSP126 is an aggressive mitigation scenario, where consumption is focused on minimising material resources and energy usage, and net-zero is reached after 2050. SSP245 is a 'middle of the road' scenario, where emissions remain around current levels until mid-century from where they decline towards 2100. SSP 585 is a high-emission, worst-case scenario, where fossil-fuel development and dependence continue throughout the 21st century.

The key drivers of these scenarios are relevant to Vestas, as they give an indication of the political development and the growth of renewable versus fossil energy sources across different time horizons.

The scenarios used to assess physical risks allow estimation of the potential for significant impairment damages to assets in our manufacturing facilities that significantly contribute to property, plant and equipment as presented in note 3.2 in the Financial statements.

The scenarios are assessed across three different time horizons; short-term 2030 (2021-2040), mid-term 2050 (2041-2060), and long-term 2070 (2061-2080). The time horizons are different from the ESRS. Although the risk of drastic environmental changes is most significant in the long term, the average lifetime of our assets, our strategic planning horizon, and our capital allocation plans do not stretch beyond the mid-term. Therefore, assessing physical risks in the short and mid-term is most strategically relevant. The materiality of the acute and chronic physical risks is determined based on the potential impact on Vestas using a consequence/likelihood scale.

Transition climate risks and opportunities are identified through literature review, and engagement of internal and external subject matter experts. A list of sector-specific risks on policy, technology, market and reputation are identified alongside a list of sector-specific opportunities related to resource efficiency, energy sources, products and service, and markets.

Afterwards, these risks and opportunities are ranked based on their potential impact on Vestas using a consequence/likelihood scale. The assessment of the potential impact of the most material transition risks and opportunities is based on two different scenarios and assessed across three different time horizons; short term (one-five years), medium term (five-10 years), and long term (10-30 years).

The scenarios used are the International Energy Agency's Net Zero Emissions by 2050, representing a climate scenario in line with limiting global warming to 1.5°C, and the Stated Policy Scenario, representing a more conservative benchmark for the future, not taking for granted that governments will reach all stated goals and energy-related objectives.

These scenarios are relevant to Vestas as they cover both a very optimistic and a more realistic future scenario. Opposite to physical risks, transition risks and opportunities are more extreme in scenarios that assume successful mitigation of the worst effects of climate change, as drastic political and market measures are necessary to change the current path. Therefore, these scenarios prepare companies well to adapt to changes in status quo.

[E3-IRO-1](#)

Water and marine resources related impacts, risks, and opportunities

Scope and approach

Our water and marine resources related impacts, risks, and opportunities are assessed through an impact assessment developed in collaboration with third-party experts, utilising third-party platforms, and by consulting internal subject matter experts. The assessment covers our entire value chain. During 2025, we aim to collect more robust data to further refine and support the materiality conclusions of our up- and downstream value chain.

By engaging third-party experts in the impact assessment, we get access to leading knowledge and platforms, supporting a more thorough analysis and conclusion. The impact of our supply chain is an assessment of water use and water pollution, estimated through sector-country averages based on our procurement spend. Using sector-specific country averages allows impact assessment across many suppliers based on assumptions of water use and pollution.

The impact of our own operations is an assessment of the actual water use across our facilities, while the impact of our downstream value chain is an assessment of water pollution during offshore activities. The analysis of water risk is focused on the level of water stress in the areas where our manufacturing facilities and critical suppliers are located. We use third-party software and geospatial coordinates to assess the risk level. The third-party software uses globally comparable information on water risks and allows users to identify and prioritise locations facing the highest physical (water quantity and quality), regulatory, and reputational water risks. We assess water risks in our downstream value chain by engaging internal experts.

We assess opportunities connected to water by engaging internal experts. We analyse dependencies on water at sector level for the wind industry and the metals and mining industry.

We have not yet consulted affected communities in the assessment of water-related impacts, risks, and opportunities.

For more information on our approach to manage water related impacts, risks, and opportunities see pages 81-82.

E4-IRO-1

Biodiversity and ecosystems related impacts, risks, and opportunities

Scope and approach

Our biodiversity and ecosystems-related impacts, risks, and opportunities (IROs) are identified through an impact assessment developed in collaboration with third-party experts, utilising third-party platforms and by consulting internal subject matter experts. The assessment covers our entire value chain. During 2025, we aim to collect more robust data to further refine and support the materiality conclusions.

By engaging third-party experts in the impact assessment, we get access to leading knowledge and platforms, supporting a more thorough analysis and conclusion. The impact of our supply chain is an assessment of land use, climate change, air pollution, water use and water pollution, estimated through sector-country averages based on our procurement spend. Using sector-country averages allows impact assessment across many suppliers, but is based on assumptions of e.g. land use and air pollution levels.

The impact assessment of our own operations is split in two categories: impacts arising from factories (e.g. land occupation and pollutants from paint), and impacts arising from other own operation activities, e.g. service and construction of on- and offshore wind farms and the related emissions from transportation. For our own operations, we consider land use, climate change, air pollution, and water use impacts. The impact on our downstream value chain is an assessment of how wind turbine parks might affect biodiversity and ecosystems during operation.

The analysis of transition and physical biodiversity risks (including systemic risks) is conducted using third-party software solutions, also allowing assessment of biodiversity risks across multiple future looking scenarios and time horizons, and by leveraging internal and external subject matter expertise. See section E1-IRO-1 on page 65 for more information on the scenarios used in the analysis. No specific assessment criteria were applied in the analysis as a consequence of our material biodiversity impact.

Through geospatial coordinates we map the proximity of our factories to biodiversity-sensitive areas such as Natura 2000¹ areas. None of our facilities located near biodiversity-sensitive areas have been assessed to lead to material deterioration or disturbance of natural habitats or the habitats of species.

We analyse dependencies on biodiversity and ecosystems at sector-level using third-party software. The assessment includes ecosystem services with risk of being disrupted. The analysis of dependencies on biodiversity and ecosystems covers our own operations and up- and downstream value chain.

To identify opportunities, we engaged our Sales and Public Affairs organisations to understand how developing and offering biodiversity solutions that support no net loss (NNL) or even a net positive impact (NPI) can provide a competitive advantage for Vestas in the future.

Affected communities were not consulted or involved in the materiality assessment. We have not identified any material negative impacts on priority ecosystem services of relevance to affected communities in our overall analysis. For more information about our approach to biodiversity, see pages 83-85.

E5-IRO-1

Resource use and circular economy related impacts, risks, and opportunities

Scope and approach

Our circular economy and resource use related impacts, risks, and opportunities were assessed through consulting internal subject matter experts, particularly by drawing on life cycle assessments (LCAs) conducted for our products, and by analysing data inputs from internal software platforms. We also consulted external experts and stakeholders such as our customers. The analysis of impacts, risks, and opportunities covers our entire value chain.

Vestas conducts ISO-compliant LCAs of our wind turbines. These LCAs form the foundation for our understanding of the environmental footprint of our products, and the basis to identify impacts, risks, and opportunities related to resource inflows and outflows. The LCAs cover the full life cycle and over 99.5 percent of material inflows for all onshore and offshore wind turbines. Although our LCA is a methodologically strong analysis, it is based on several assumptions including the lifetime of the asset and its handling at end-of-life. Additionally, data from Vestas' own manufacturing operations, reported via our waste management process, identifies all waste fractions and treatment methods relevant for own operations.

G1-IRO-1

Business conduct related impacts, risks, and opportunities

Scope and approach

Vestas is committed to doing business with integrity wherever we are present. Our strategy, which includes compliance as our foundation, sets the tone and direction for building business conduct culture.

The business conduct topics assessed were identified using various sources including internal dialogues and interviews, global data from our whistleblower system, a global compliance survey conducted annually, and financial data from the Public Affairs department.

SBM-3 48F

Strategy resilience

The 2024 resilience analysis of our strategy demonstrates capability to address material IROs with our current strategic and operational initiatives and to take advantage of material opportunities. The changes to IROs compared to the previous reporting period has not been extensive, thus Vestas has been working with managing and pursuing many of the IROs in a strategic perspective for several years. Nevertheless, it is the first time we assess some of these areas both in terms of financial impact and dependency, and more insight remains to be gained.

The analysis was conducted based on input from our climate and biodiversity resilience analysis, evaluation of mitigation actions, financial impact assessments, and dependency analysis of natural and social resources. All areas were assessed in line with a short-term time horizon that is current year to less than three years, which correlates with our corporate strategy and enterprise risk management approach (see pages 19 and 49).

In 2025, the plan is to strengthen this analysis further vis-à-vis material IROs by improving the methodology, including mid- and long-term time horizons in line with the CSRD requirements. Therefore, Vestas has chosen not to disclose a more in-depth analysis overview for 2024 as defined by ESRS 1, SBM-3.

¹ Natura 2000 is a network of protected areas covering Europe's most valuable and threatened species and habitats

SBM-2

Interests and views of stakeholders

At Vestas, we value the concerns of and ongoing dialogue with our stakeholders as we aim for collaboration to pursue mutual goals. The Vestas stakeholder engagement process is detailed below, with examples of input and how stakeholders' interests relate to our strategy in the table on the right.

Stakeholder engagement is also a critical step in Vestas' double materiality assessment (DMA) process and central to Vestas' due diligence. As preparation for the 2024 DMA, a comprehensive list of matters based on impact assessments was consolidated to identify relevant representatives from affected stakeholder groups to engage in the DMA process. The CSRD workforce, representing subject matter experts, reviewed the list to identify stakeholder groups to engage in the process, and their perspectives were then collected via interviews and surveys, supported by a third party.

Stakeholder views were taken into account when assessing the ESRS gross list of topics, ensuring their interests were captured when determining material topics.

Our stakeholder engagement has focused on obtaining information regarding interests, views, and rights of people in our own workforce (S1), value chain workers (S2) and affected communities (S3), but it also contains insights from other key stakeholders such as investors, customers, and environmental experts. Both positive and negative issues have been raised, some of which were also identified as material by Vestas.

The cross-checking of key interests and how they relate to our business model is also demonstrated in the table on the right. The types of stakeholder interests raised reflect general areas that Vestas is already working on, such as recycling solutions, engagement with communities, or addressing human rights in the supply chain. However, an identified area which needs to be further assessed is land-use change and the state of species in the downstream value chain.

Examples of key stakeholder interests identified in our DMA process

Key stakeholders	Engagement and organisation	Key topics raised (positive)	Key topics raised (Negative)	How this relates to our strategy and business model
Customers	We engage with our customers via a customer survey which also incorporates sustainability areas; and through interviews, inviting them to inform our DMA.	Vestas' contribution towards mutual decarbonisation targets; sustainability criteria added to procurement processes, including carbon accounting transparency.	Increasing prices of raw materials; the need to scale up the blade recycling solution fast enough to meet market needs.	See page 21 for the commitments in our sustainability strategy, and section E5, page 86 for further details.
Suppliers	We engage with our suppliers through our supplier engagement initiatives and through interviews, inviting them to inform our DMA.	Solving the recycling challenges connected to turbine blades; design choices with positive impact; and contractual requirements driving improvements in working conditions.	The design and domino effect of having to choose larger suppliers; infrastructure challenges due to larger components.	See section E5, page 86 for further details.
Civil society organisations (NGOs, interest organisations)	We participate in relevant networks and organise regular meetings to discuss common interests; and we invite them to inform our DMA process.	Framework agreements for labour relations; engagement with communities, being mindful of inherited human rights issues.	The responsibility and risk of negative impact on human rights in the supply chain, especially in mining.	See page 21 for our sustainability strategy, and section S3, page 117 for further details.
Affected communities	We engage with affected communities during project execution and invite them to inform our DMA process.	Contribution to economic well-being and overall quality of life; providing job opportunity.	Land-use change that can have impact on indigenous communities and their relationship with the land.	See page 21 for the commitments in our sustainability strategy, and section S3 on page 117 for further details.
Environmental experts	We collect and assess relevant research, and interviews have been conducted to identify relevant impacts.	Land-use change opening new bio-corridors, e.g. how offshore wind farms can have positive impacts on the state of fish species; acting as artificial reefs; reducing fishing activities.	The impact on state of species and biodiversity loss connected to land-use change and the need for more data to keep up to speed with investors' and shareholders' expectations.	See section E4, page 83.
Investors, banks, and shareholders	We regularly engage with our investors via conference calls, roadshows, and interim and annual reports. Interviews have also been conducted to inform our DMA process.	A strong ESG profile with sustainability KPIs attached to financial mechanisms.	Not achieving Sustainability KPIs connected to bonds and loans may have a negative impact on Vestas' capability to attract capital.	See section E1, page 72.
Employees	We collect and analyse employee input via an annual Employee Engagement Survey (EES). Workers representatives are part of the EES and included as per the Danish Companies Act section 118a.	General sense of workplace acceptance and empowerment to speak up. The EES showcased that employees experience good career opportunities and learning possibilities.	More communication addressing various working conditions and diversity is needed.	See section S1, page 102 for further details.

[S1-SBM-2](#)**Own workforce**

The interests, views, and rights of our workforce are fundamental to shaping our strategy and business model. We believe that a motivated and engaged workforce is pivotal to achieving our strategic objectives. Therefore, we actively engage with our employees through regular engagement surveys, town hall meetings, and focus groups to gather their insights on various aspects of our operations. This continuous feedback loop ensures that our strategic decisions are aligned with our workforce, fostering a culture of respect and collaboration.

By integrating employee perspectives, we enhance job satisfaction, mitigate risks related to our own workforce, improve retention rates, and drive innovation.

Respect for human rights is a foundational element of our strategic framework. We ensure that our business practices are based on fair wages, safe working conditions, and non-discriminatory policies. We regularly assess whether our business operations creates, exacerbates, or mitigates significant material impacts on employees. Based on these assessments, we adapt our strategies to address any identified risks or challenges.

[S2-SBM-2](#)**Workers in the value chain**

As a wind turbine manufacturer working with suppliers globally, our responsibility towards people in the workforce extends beyond our own operations. We recognise the importance of understanding and addressing the interests of the value chain workers, ensuring respect for human rights throughout our supply chain. To this end, we have a supplier due diligence process to ensure our suppliers comply with Vestas' Supplier Code of Conduct, which sets out our requirements for labour standards and human rights.

The general views and interests of the workers in our supply chain are currently obtained via an annual Corporate-Wide Human Rights Assessment. We are assessing the possibility of implementing a process of engagement with workers specifically from our supply chain to extend the feedback beyond the more general insights. When it comes to specific concerns and complaints, the non-Vestas workforce can, just as Vestas' own employees, utilise the EthicsLine platform.

[S3-SBM-2](#)**Affected communities**

Vestas is committed to building resilient relationships with communities affected by our operations, and we prioritise working with all stakeholders to achieve this.

To ensure that the views, interests, and rights of potentially affected communities are discussed and taken into consideration in wind power projects we are involved in, we proactively engage with communities across our operations. This helps us understand, prevent, and mitigate any potential adverse impacts and to further drive positive impacts on affected communities.

The 'Social' pillar of our sustainability strategy – aiming at making us the safest, most inclusive, and socially responsible company in the energy industry – reflects our commitment to integrating human rights into everything we do.

Basis for preparation

BP-1

General basis for preparation of the Sustainability statement

Scope of consolidation

The Vestas Sustainability statement covers data and information aligned with our 2024 calendar year, from 1 January to 31 December.

The consolidation scope is aligned with that of our Financial statements, and covers Vestas Wind Systems A/S (the parent company) and the subsidiaries over which Vestas Winds Systems A/S exercises control. See an overview of Vestas' legal entities on pages 184-185. For disclosures pertaining to E1-6, E2-4 and SBM-3 in E4, we also consider operational control when determining the consolidation scope.

We follow the ESRS topical standards in terms of metrics and value chain data boundaries.

We have identified and report on five entity-specific material topics, which are; Instigating sustainable development, Enabling the green transition; Workforce safety culture; Transparent tax; and Cyber security risks. Any exceptions are detailed in the accounting policies placed after each topical standard.

Vestas has not omitted any information based on intellectual property, know-how, or the results of innovation.

Upstream and downstream value chain

Vestas has conducted a double materiality assessment covering the upstream and downstream value chain. Vestas' Sustainability statement covers both upstream and downstream value chain impacts, risks, and opportunities, including environmental, social, and governance (ESG) factors such as green house gas (GHG) emissions, resource use, and labour conditions. In its materiality assessment, Vestas includes these factors across its value chain. This approach extends to Vestas' policies, actions, and targets, which focus on reducing emissions, improving resource efficiency, and promoting ethical labour practices. Additionally, Vestas incorporates both upstream and downstream value chain data into its sustainability metrics, ensuring comprehensive coverage of the entire value chain.

The Sustainability statement covers the value chain of the Vestas Group with respect to impacts, risks, and opportunities (IROs) in the main parts of our upstream and downstream value chain. Our policies, actions, and metrics extend to the entire value chain when relevant, however, some targets are still under development.

BP-2

Disclosures in relation to specific circumstances

Time horizons

Vestas has selected time horizons consistent with the ESRS definitions for impacts, risk and opportunities. The time horizons are short (< one year), medium (one to five years) and long-term (> five years). However, when assessing and embedding material risks and opportunities in our annual strategic and Enterprise Risk Management (ERM) annual wheel, the topics need to be re-assessed following the current ERM time horizons: current year to less than three years for persistent risks, and more than three years for emerging risks.

Changes in preparation or presentation of the Sustainability statement

One restatement has been made, for 'refurbished component utilisation (%)' a new methodology was implemented, now including all components except liquids and chemicals. This approach captures a broader range of items compared to previous years, which only included main components. The calculation is based on weight, which is considered more accurate than per quantity, which was used historically.

The new methodology for refurbished component utilisation adjustments results in a difference in the calculation of 16.7 percent. Under the 2023-unit style methodology, the calculation would have been 16.8 percent while the updated and more accurate weight calculation for 2024 results in 33.5 percent.

Disclosures from other legislation or sustainability reporting standards

This report contains disclosure as per EU Sustainable Finance Taxonomy on pages 93-97.

Vestas no longer discloses Sustainability Accounting Standards Board (SASB) indicators due to priority given to CSRD. Previous TCFD disclosures are incorporated into our General information section under IRO-1 and the Environmental information section under E1: Climate mitigation and adaptation disclosures, with additional information on vestas.com. Information on our contribution to the Sustainable Development Goals (SDGs) is also available at our corporate website.

European standards

Vestas relies on the Life Cycle Assessment (LCA) methodology for calculating resource inflows and seeks external validation to confirm conformity with ISO standards ISO14040/44. Similarly, Vestas' Health and Safety Management System is based on legal requirements and adheres to the recognised ISO 45001 standard.

Incorporation by reference

Vestas has utilised ESRS' "Incorporation by reference" approach for improved narrative purposes and has placed certain disclosure requirements in the management report, Financial statements and Additional information, however, outside of the Sustainability Statement. The list of disclosure requirements incorporated by reference and their location in this Annual Report can be found in the table on page 70.

Use of phase-in and voluntary provisions

Vestas has in 2024, with a few exceptions, chosen to exercise all phase-in provisions dedicated to companies with more than 750 employees. We have also chosen to omit all voluntary metrics, except those which could impact a fair review of the relevant sustainability topic.

Sources of estimation and outcome uncertainty, including value chain estimation

There are inherent sources of estimation and uncertainty in GHG emissions, resource inflows and outflows, and working conditions within the value chain. These uncertainties stem from the

methodologies, assumptions, and industry factors employed in the calculations and models. To minimise these uncertainties and maintain transparency, Vestas follows established standards and protocols. While Vestas does not consider any of its metrics to be subject to high levels of measurement uncertainty, certain areas do introduce varying levels of uncertainty.

Life-cycle Assessments, GHG emissions, and resource inflows have been deemed to involve varying levels of uncertainty, as described below:

Life-cycle Assessments (LCAs)

Vestas uses Life-cycle Assessments (LCAs) to conduct thorough 'cradle-to-grave' evaluations of environmental impacts across its products and operations. These assessments factor in the expected durability of products, measured through on-site longevity. Uncertainty Source: The duration of the turbines' life is one key area of uncertainty.

While Vestas is an established leader in wind turbine manufacturing with extensive historical data, there is still some degree of uncertainty in the longevity estimates of the turbines. Vestas has also collaborated with WindEurope to standardise LCA methodologies across major Western wind turbine manufacturers, further enhancing accuracy.

Scope 3 GHG emissions

Scope 3 GHG emissions are calculated using actual data where available, combined with emission factors and sector-average data for categories such as purchased goods, services, and transportation when direct data is not available.

Uncertainty Source: The use of Emission Factor sector-average data introduces uncertainty, especially in areas where direct data collection is limited. Vestas is actively implementing new systems and processes to enhance the collection of direct data from suppliers, aiming to reduce reliance on proxy data.

Resource inflows

When direct data is not available, Vestas utilises sector averages and proxy data, particularly for upstream activities. These proxies are drawn from industry benchmarks and peer data.

Uncertainty Source: The reliance on proxy data for estimating resource inflows and outflows brings moderate uncertainty. Vestas mitigates this by using extensive LCAs and by collaborating with suppliers to improve the accuracy of data collection in upstream activities.

Measurement basis

The accounting policies have been applied consistently for the sustainability figures for the financial year and for previous comparative years. They provide information about inputs and methods of calculation used to produce estimates or approximations.

When possible, Vestas considered approaches for quantification in the following order of priority:

1. Direct measurement
2. Periodic measurements
3. Calculation based on site-specific data
4. Calculation based on published factors
5. Estimation

List of disclosure requirements incorporated by reference

Strategy, business model and value chain	SBM-1	Our business, page 16
Composition and diversity of the administrative, management, and supervisory bodies	GOV-1	Our business, pages 38-45
Percentage of independent board members	GOV-1	Our business, pages 38; 40-41
Information provided to and sustainability matters addressed by the administrative, management, and supervisory bodies	GOV-2	Our business, page 48
Integration of sustainability-related performance in incentive schemes	GOV-3	Our business, page 46
Integration of sustainability-related performance in incentive schemes	E1-GOV-3	Our business, page 46
Statement on due diligence	GOV-4	Additional information, page 211
Disclosure requirements in ESRS covered by Vestas' sustainability statement	IRO-2	Additional information, page 212-213
List of data points that derive from other EU legislation	IRO-2, ESRS 2	Additional information, pages 214-218
Non-ESRS sustainability progress indicators	NA	Additional information, page 219

List of data points incorporated by reference

Information about strategy resilience	SBM-3 48f	Our business, page 66
Net revenue	E1-5 40,41; E1-6 53; E3-4 29	Financial statements, pages 146-148
List of subsidiaries exempted from individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU	BP-1 5b ii)	Financial statements, pages 184-185
Current financial effects of Vestas' material impacts, risks, and opportunities	SBM-3 48d	Financial statements, page 188





Environmental information

- [**E1** Climate change](#)
- [**E3** Water and marine resources](#)
- [**E4** Biodiversity and ecosystems](#)
- [**E5** Circular economy and resource use](#)
- [EU Taxonomy](#)

E1 Climate change

While the expected avoided emissions over the average lifetime of a wind turbine are about 50x greater than the GHG emitted during their production, we have a responsibility and determination to reduce our negative environmental impact. Our largest footprint comes from our Scope 3 emissions, and from the usage of steel in our components. In 2024 we took a leap forward when we started to offer innovative solutions, such as low-emission steel towers, to our customers.

E1-1

Transition plan for climate change mitigation

We are committed to powering the green transition, and have set an ambitious strategy to integrate sustainability into everything we do.

Our strategic ambitions to mitigate climate change:

- Become carbon neutral in our own operations by 2030 without using carbon offsets.
- Reduce GHG emissions from our value chain by 45 percent per MWh generated by 2030, from a 2019 baseline.

Combatting climate change is at the core of our business model. Each day, Vestas wind turbines capture the energy from the wind, producing a renewable alternative to fossil fuels, a key lever to decarbonise the world's energy systems. The turbines we produced and shipped during 2024 are expected to avoid 455 million tonnes of GHG emissions over their lifetime, equivalent

to reducing the GHG emissions from powering 86 million average US homes for one year.¹ At the same time, producing, installing, and servicing our products comes with a footprint, which we cannot ignore.

Vestas is included in the EU Paris-aligned Benchmarks. Our climate change transition plan starts with the first goal in our sustainability strategy: To become carbon neutral in own operations by 2030 without using carbon offsets. Our 2030 emission reduction targets are validated by the Science Based Targets initiative (SBTi), to ensure our transition plan for climate change mitigation is in line with the Paris Agreement and limiting global warming to 1.5°C.

We also work to reduce emissions that occur beyond our own operations, with an SBTi-validated scope 3 target to reduce GHG emissions from our value chain by 45 percent per MWh generated by 2030, from a 2019 baseline. Our emissions reduction targets are further explained in section E1-4, page 77.

To understand our impact, and to set clear targets and milestones to reduce our carbon footprint, we have worked with carbon accounting for many years. The capability to analyse our footprint enables us to adapt our strategy and business model, with management reviewing the progress towards our emission reduction targets on a quarterly basis.

Impacts, risks, and opportunities

IRO type

Impact materiality

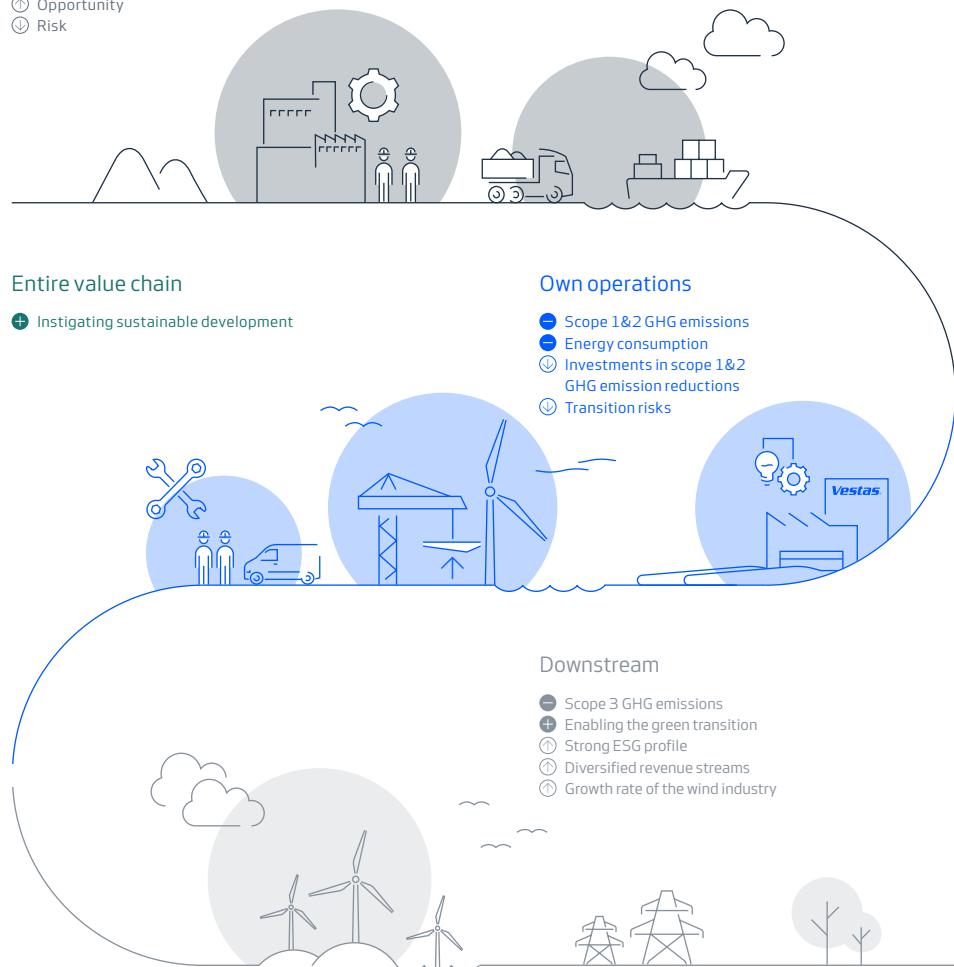
- ⊕ Positive
- ⊖ Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream

- ⊖ Scope 3 GHG emissions



¹ Source: US Environmental Protection Agency: Greenhouse Gas Equivalencies Calculator

455

million tonnes expected GHG emissions avoided over the lifetime of turbines produced in 2024

Equivalent to:

86

million homes' electricity consumption for one year*



* Source: US Environmental Protection Agency: Greenhouse Gas Equivalencies Calculator

We are making progress in implementing our transition plan, particularly through our priority actions on reducing GHG emissions from manufacturing and phasing out service vehicles and benefit cars powered by fossil fuels. In 2024, we continued to source 100 percent renewable electricity across our own operations globally, and 92 percent of our benefit cars were electric or hybrid vehicles by the end of year – see Additional information, page 219. Section E1-3 provides further details on implementation of our transition plan.

Vestas is not on track to meet its 2025 mid-term target for scope 1 and market-based scope 2, primarily related to the acquisition of the offshore business and rapid growth of our onshore and offshore service operations and associated fuel consumption. We will continue to adapt our strategy and transition plan to stay in alignment with the Paris Agreement and to ensure our target for scope 1 & 2 emissions remains realistic; to achieve this we plan to seek revalidation of our targets in 2025, following SBTi's requirement to have all targets reviewed five years after the original target was set. For more information on progress against our targets, see section E1-4.

To progress against these targets, we have identified the following decarbonisation levers and implemented climate change mitigation actions within these areas, which are outlined in more detail in E1-3:

- Transition to renewable energy across our own operations to reduce scope 1 and 2 emissions
- Work with suppliers to reduce value chain scope 3 emissions from materials and transport

We have allocated EUR 0.5m in CAPEX and EUR 23.2m in OPEX in 2024 to support the implementation of the decarbonisation levers. More information is provided in E1-3. Our OPEX and CAPEX related to the reduction of our GHG emissions are aligned in accordance with the Commission Delegated Regulation 2021/2178. We expect our alignment with the EU Taxonomy to remain high in the foreseeable future. For more information on reporting on the key performance indicators in relation to the EU Taxonomy, see pages 93-97.

None of our assets are identified to have locked-in emissions. Our products do not generate emissions during their operating lifetime and the key assets in our own operations can be replaced by sustainably-fuelled alternatives.

The transition plan, including its targets and required investment level, has been approved by Executive Management and the Board.

Impacts, risks, and opportunities

SBM-3

Climate change related impacts

Scope 1 and 2 GHG emissions

The emissions from Vestas' own operations have a material negative impact on the climate, with 105 thousand tonnes of combined scope 1 and 2 emissions in 2024. This actual negative impact occurs in our own operations across the short, medium and long term.

Reducing scope 1 and market-based scope 2 emissions is the target of the first pillar of Vestas' sustainability strategy, to achieve carbon neutrality by 2030 without offsets. Scope 1 emissions are primarily driven by fossil fuels. Scope 2 emissions are primarily driven by electricity and district heating. The emission of greenhouse gases drives climate change impacting the natural environment as outlined by the Intergovernmental Panel on Climate Change (IPCC). To make progress on our carbon neutrality target, Vestas has established a transition plan for climate change mitigation. Mitigation actions have been established across the organisation. These are described in section E1-3.

Scope 3 GHG emissions

Scope 3 emissions represent a material negative impact for Vestas, as 98.8 percent of our total greenhouse gas emissions occur in our value chain. In 2024, 7.99 million tonnes of CO₂e were emitted from our value chain, and our value chain scope 3 emission intensity was 5.66 kg/MWh. This actual, negative impact occurs across the short, medium and long term.

We have set a target to reduce scope 3 emissions in line with our SBTi-validated scope 3 target of 45 percent reduction per MWh generated by 2030, from a 2019 baseline.

To track our progress towards this target and ensure our strategy is aligned with the required emission reductions, Vestas reports scope 3 emissions in the categories 1 through 7, and 12. Of these, category 1 (purchased goods) contributes more than 85 percent of Vestas' total scope 3 emissions, largely related to the steel that is required for manufacturing wind turbines. To mitigate the impacts from steel, we have developed

partnerships to procure and supply low-emission steel. See section E1-3 page 75 for more information about low-emission steel and other scope 3 mitigation actions.

Instigating sustainable development

Vestas is among the leading companies in the sustainability field globally. Through engagement in industry associations and coalitions and spearheading decarbonisation initiatives, such as the development of a value chain for low-emission steel, and piloting renewably-fuelled service vessels, we are instigating the transition to a sustainable future. This actual positive impact occurs across our value chain in the short and mid term.

Enabling the green transition

As a leading global manufacturer of wind turbines, Vestas plays a pivotal role in the availability of renewable energy globally, enabling companies and society to reduce their GHG emission footprint. This actual positive impact occurs downstream in our value chain in the short, medium and long term.

Vestas' wind turbines produced and shipped in 2024 are expected to avoid 455 million tonnes of GHG emissions over their lifetime.

Energy consumption

Energy is consumed during the manufacture of wind turbine components and the construction and servicing of wind parks. Energy consumption in our own operations relies on fossil fuels, leading to resource depletion and emissions that actually impact the climate negatively in the short term.

Reducing reliance on fossil fuels is part of our strategy to achieve carbon neutrality by 2030 for our scope 1 and scope 2 emissions. In section E1-3, we describe our mitigation actions in detail.

E1-SBM-3

Resilience analysis to assess climate-related physical and transition risks

Our annual scenario analysis supports our assessment of the resilience of our business against climate change. It covers our entire value chain, prioritising areas we can directly impact. The analysis identifies material impacts, risks, and opportunities. For more information related to the scenarios and time horizons, see section E1-IRO-1, page 65.

Results of the resilience analysis

The 2024 scenario analysis identified climate change mitigation and transition risks, of which two were deemed material to Vestas: Investments in scope 1 and 2 GHG emission reductions, and Carbon taxes and tariffs (details on page 65). It also identified three material climate-related opportunities: Growth rate of the wind industry, Strong ESG profile, and Diversified revenue streams. While physical risks like water stress, heat stress, and extreme rainfall may impact our facilities and suppliers, they are not expected to materially affect our operations. The analysis of the future is based on significant uncertainties and assumptions, also in relation to market developments and evolving climate patterns.

With an ambition to become the global leader in sustainable energy solutions, we are well-positioned to exploit opportunities from the global transition to a sustainable economy. Where our operations are exposed to acute and chronic climate risks, that could disrupt our business activities, we have the organisational and strategic priorities in place to address them. However, aligning our own operations with ambitious climate targets and mitigating financial impacts from carbon taxes requires significant capital investments, and some necessary solutions are still immature.

Our business outlook also depends on political action; without supportive policies, our industry may struggle to meet global climate targets. Despite these risks, we have the strategic priorities in place and are making the necessary investments and mitigating actions to address them.

SBM-3

Climate change related risks and opportunities

Investments in scope 1 and 2 emission reductions

Reducing our scope 1 and 2 emissions is key to our sustainability strategy. Investing in new technologies to lower emissions entails financial costs, especially in less developed regions. There is moderate financial risk associated with electrifying our vehicle fleet, procuring green fuels for service vessels, and transitioning to renewable heating systems in factories. This transition risk occurs in our own operations in the short and mid term.

Diversified revenue streams

Vestas aims to optimise the increasing demand for renewables with new value propositions for its customers. Blade circularity and low-emission steel are two examples of key offerings that

1,090
Coal

990
Oil

550
Gas

460
World average

	Life-cycle emissions from different energy sources*			
	Kilograms of CO ₂ e per MWh			
30 Solar	6.2 V162- 6.2 MW™	5.6 V150- 4.5 MW™	5.0 Nuclear	4.4 V117- 4.2 MW™
	—	—	—	—

* Source for Coal, Oil, Gas, Solar, and Nuclear: University of Stuttgart and Sphera Solutions GmbH Germany: Sphera LCA FE dataset, 2024.
 'World average' source: International Energy Agency: CO₂e emissions from purchased and consumed electricity – all fuels, 2024.
 Vestas turbines range from 4-9 kg/MWh. Source: Vestas' Life-cycle Assessments (available at our corporate website).

demonstrate how we are propelling the energy transition forward. By offering innovative solutions that address key emission-intensive challenges in the wind industry, we are unlocking diversified revenue streams from our customers. This is a financial opportunity for Vestas, expected to materialise in coming years and thus supporting our outlook for the future. This opportunity occurs in our own operations over the short and mid term.

Strong ESG profile

Vestas sees its strong ESG profile as a financial opportunity, as it enables us to secure capital and attract customers, especially in auctions with non-price criteria. In addition, Vestas has four bond programmes¹ and has access to a revolving credit facility² tied to selected ESG metrics, reflecting our sustainability performance. This opportunity occurs in our downstream value chain in the short and medium term.

Growth rate of the wind industry

Governments worldwide have set progressive targets for the expansion of wind energy to meet the temperature threshold of the Paris Agreement. The offshore wind market alone is forecast to increase by more than 130 GW between 2024–2028. As a leader in wind turbine solutions, we are well-positioned to capitalise on this significant financial opportunity (details on page 30). The opportunity occurs downstream across the short, medium, and long term.

Transition risks

Our business outlook is influenced by political and legal developments. Political and market transition risks, such as carbon taxes, can significantly impact Vestas. High carbon taxes will increase the cost of CO₂-intensive materials like steel, raising the overall cost of wind turbines. If we cannot distribute these costs along our value chain, our profitability may be impacted. This actual risk occurs in our own operations across the short, medium, and long term.

Management of impacts, risks, and opportunities

MDR-P; E1-2

Policies

Climate change mitigation and adaptation

In line with Vestas' Safety, Quality, Health, and Environmental (SQHE) Policy and Health, Safety, and Environment (HSE) framework, we have a commitment to proactively identify and manage all material IROs related to climate change mitigation and adaptation, and to promote risk-based thinking and acting. Our SQHE Policy and HSE framework together serve as the policy anchors to manage all environmental IROs identified throughout the environmental sections of the sustainability statement i.e. E1, E3, E4 and E5.

SQHE Policy

The key content of Vestas' SQHE Policy is our approach to manage environmental, health and safety matters across our organisation. It represents our commitment to proactively assess, identify and mitigate IROs in all activities, at all levels of the organization. Particularly, it outlines our approach to sustainability matters, such as continuous renewable energy deployment, resource efficiency initiatives (i.e., material, energy, waste and water), circular solutions, protection of biodiversity and ecosystems, and creating a safe workplace for employees. We ensure efficacy and monitoring of the policy via the HSE framework.

In the context of the E1 section, Vestas' SQHE Policy addresses matters such as climate change mitigation, climate change adaptation, energy efficiency and renewable energy deployment. We manage performance by setting and reviewing targets, acting on deviations and customer feedback, following best practices and ensuring legal compliance.

The scope of the policy applies to our own operations and contractors under our operational control. The most senior level accountable for the policy is our Executive Management. For third party standards, the policy follows ISO 14001, 45001 and SBTi. The policy was designed based on internal

stakeholder consultations. The policy is publicly available at our corporate website, and for internal stakeholders it is accessible on internal portals.

HSE Framework

The Vestas Global HSE Framework outlines the key HSE requirements that each region and function within the Vestas organisation shall incorporate in respect to support of our strategic direction. The framework sets minimum requirements for the development and implementation of an effective HSE management system in accordance with internationally recognised standards and for our environmental focus areas.

The HSE framework outlines how we manage environmental IROs connected to climate change mitigation, climate change adaptation, energy efficiency and renewable energy deployment. The global Head of HSE is responsible for developing the framework, and the Regional Presidents are responsible for implementing it. The framework is ISO 14001 and 45001 certified, and has undergone an internal stakeholder consultation through a hearing process. Internal stakeholders can access our framework on the intranet as well as at our corporate website, where it is publicly available.

MDR-A; E1-3; S1-SBM-3 14e

Actions and resources

We have identified two overarching decarbonisation levers, for which we have established actions and allocated resources to meet our emission reduction targets:

- Transition to renewable energy across our own operations to reduce scope 1 and 2 emissions.
- Work with suppliers to reduce supply chain scope 3 emissions from materials and transport.

Scope of priority actions

We drive the implementation of our transition plan through priority actions, which are actions that have the greatest potential to reduce our GHG emissions. The scope of these priority actions includes activities in our own operations (scope 1 and 2) and upstream value chain (scope 3).

We track progress on these actions across all geographies where we operate, and we work on implementation with stakeholders across our manufacturing, construction, and service operations, as well as with our suppliers. Vestas acknowledges that our transition plans for GHG reduction could potentially have some material impacts on workers. For example, we acknowledge the need to continue to assess and consider the

feedback from our colleagues in Service and Manufacturing, who are transitioning to electric vehicles (EVs), to ensure these EVs meet all requirements for standard vehicles and that sufficient training is provided to operate the vehicles.

Achieved and expected GHG emission reductions

Since establishing our decarbonisation actions in 2019, we have achieved a 7.9 percent reduction in GHG emissions for scope 1 and (market-based) scope 2 combined. For scope 3, we have achieved a 17.0 percent reduction in emissions intensity (kg CO₂e / MWh). The emission reduction expected by 2030, compared to our 2019 baseline, is a 100 percent reduction for scope 1 and 2 and a 45 percent reduction in intensity for scope 3. While we are not going to meet our 2025 mid-term targets, the time horizon for when we intend to complete our actions is 2030, which is the target year for our near-term GHG reduction targets.

Operating expenses (OPEX) and capital expenditures (CAPEX) related to emission reduction actions

Our ability to implement financial GHG reduction actions depends on the allocation of resources. In 2024, we allocated EUR 0.5m in CAPEX and EUR 23.2m in OPEX to support the implementation of the actions. In 2025 we expect to allocate EUR 1.2m in CAPEX and EUR 27.8m in OPEX to support implementation of the transition plan. The type of financial resources allocated to achieve our actions are primarily employee costs, leasing costs of vehicles and capital expenditure related to software and property, plant and equipment. The operating expenditure related to emission reduction actions is included in notes 1.5 and 1.6 in the Financial statements, while the capital expenditure is included in notes 3.1 and 3.2. Our OPEX and CAPEX related to the reduction of our GHG emissions are aligned in accordance with the Commission Delegated Regulation 2021/2178. For more information on reporting on the key performance indicators in relation to the EU Taxonomy, see pages 93–97.

Transition to renewable energy across our operations to reduce scope 1 and 2 emissions

Source 100 percent renewable electricity across own operations

Since 2020, we have sourced 100 percent renewable electricity across our own operations globally. For more information on Vestas' renewable electricity in own operations, see page 219.

Implement renewable heating: Factories in own operations

We are transitioning to renewable energy for heating in our factories. In 2024, we extended the reach of the biomass boiler at our facility in Daimiel, so it provides renewable heating to more of the factory. We also initiated a project to facilitate the

1 Refer to our corporate website for more information on our bond programmes and revolving credit facility.

2 Source: Global Wind Energy Council: Global Wind Report. December, 2024.

3 Heating systems running or supported by renewable electricity, renewable fuel, renewable energy, renewable district heating, renewable gas or biomass.

installment of an electrical HVAC system at our facility in Brighton, USA, which will replace the current gas fuelled heating system. At the end of 2024, five of our 15 factory heating systems are renewably fuelled.³

For the definition of heating systems, see page 219.

Phase out benefit cars powered by fossil fuels

In 2024, Vestas had a total of 732 benefit cars in its fleet, and 523 of these were renewably fuelled.¹ Furthermore, 92 percent of our benefit cars in-use or on order were (PH)EVs. To support the scale-up of (PH)EVs, we have invested in charging infrastructure across our main locations.

Transition all new service vehicles to be renewably fuelled¹

For our onshore service activities, we are cooperating with industry leaders to transition to electric vehicles. In 2024, Vestas had a total of 6,676 service vehicles in its fleet, and 1,734 of these were renewably fuelled at the end of 2024. For more information, see page 219.

Piloting sustainable fuels for offshore service vessels

To transition to sustainable biofuels for our offshore service vessels, we pioneered the first hydrogen-powered crew transfer vessel (CTV) in the wind industry in July 2022. In 2023, we extended an existing charter of a dual-fuel CTV from five to ten years. The vessel, initially powered by methanol with marine gas oil as a backup, will be operated entirely with methanol. These pilot projects aim to facilitate a complete green transition of the fleet by 2030.

Piloting sustainable aviation fuel for offshore construction

Vestas piloted Sustainable Aviation Fuel (SAF) at the Baltic Eagle wind farm in the Baltic Sea during 2024. As part of the project, Vestas' technicians and jack-up vessel crew were transported by helicopters partly powered by SAF to and from the Baltic Eagle wind farm during the construction phase of 50 offshore wind turbines.

SAF is a fuel produced from bio-waste materials such as used cooking oil or tallow, which enables an expected 38 percent CO₂e savings per flight compared to using a standard helicopter powered by conventional jet fuel. SAF is considered a more sustainable alternative to conventional jet fuel because it helps reduce life-cycle GHG emissions from air travel. Helicopters in the project used a 40 percent SAF blend, the highest permitted today, pioneering the use of such a high blend rate during offshore wind farm construction.

Work with suppliers to reduce supply chain scope 3 emissions from materials and transport

More than 98 percent of our carbon footprint comes from our value chain scope 3, so we are committed to greening our supply chain. Since 2020, we have worked to reduce emissions with our strategic suppliers of steel, iron, blades, and transport, which account for about 66 percent of Vestas' scope 3 emissions. Reductions in suppliers' production and supply chains significantly impact our scope 3 emissions.

To support achieving our sustainability goals, we are building a sustainability data platform using digital twin technology to calculate real-time climate footprints and run scenarios for monitoring, forecasting, and optimisation. To reduce scope 3 emissions, we prioritise gathering precise sustainability data from suppliers, focusing on high-emitting sources like steel and blade production. This engagement enables evidence-based target setting with suppliers and supports our overall scope 3 reduction target. We are committed to continuous improvement and further driving the need for high quality sustainability data.

Commercialise low-emission steel

Steel and iron are key raw materials of our wind turbines and account for about 48 percent of Vestas' scope 3 emissions. Decarbonising steel production is crucial to meet our reduction targets. In addition, the EU's Carbon Border Adjustment Mechanism may increase costs for imported conventional steel and thus increase the need for emissions-reduced steel.

Vestas partnered with ArcelorMittal in 2023 to create low-emission steel by melting scrap steel in an electric arc furnace powered entirely by wind energy, reducing GHG emissions by up to 66 percent compared to the conventional steel making route.² In 2024, Vestas introduced low-emission steel in its sustainable product portfolio. The first project using this steel is the Baltic Power offshore wind project in Poland, starting construction in 2025, with 52 out of 76 towers using

low-emission steel. Additionally, Vestas has received a conditional order to supply 112 turbines for the Nordlicht 1 and 2 projects, with 56 towers using low-emission steel, reducing the towers' carbon footprint by 16 percent.

Piloting wooden tower technology alternative to steel

In 2021, Vestas invested in Modvion™, a company specialising in modular sustainable wind turbine towers made from laminated veneer lumber (LVL). LVL is a low-carbon material sourced sustainably, offering significant carbon emission reductions compared to steel or concrete towers, as wood stores carbon when trees grow. Thus, more carbon emissions are stored in the tower than emitted during the production process.

Vestas aims to support Modvion's™ scale-up strategy and integrate LVL towers into our design and manufacturing processes. This collaboration will help Vestas offer sustainable, cost-competitive solutions, enhancing transportation ease and providing cost-effective tall towers.

Our value chain (scope 3) GHG emissions in 2024

87.9%

Purchased goods
and service



¹ Vehicles fuelled by electricity, biofuels, advanced biofuels, green-hydrogen, or green-ammonia.

² For more information, see the LCA for the V236 turbine at our corporate website.

Targets and metrics

MDR-T; E1-4; E1-7

Targets and metrics

Targets related to climate change mitigation and adaptation

In line with our commitment to manage our material climate change impact, Vestas has set concrete targets to mitigate our environmental impact. The targets make up the first pillar in our sustainability strategy, which was developed by the Head of Sustainability in collaboration with experts across the organisation, reviewed by Vestas' Sustainability Committee, and approved by the Executive Management and Board of Directors. Through climate targets, we aim to meet the objectives of our SQHE Policy and HSE Framework (see section E1-2 for more information about our policies).

We have two global targets to reduce our GHG emissions:

1. An absolute emissions reduction target on our scope 1 and scope 2 combined emissions.
2. An intensity target to reduce emissions from our supply chain, which addresses the scope 3 emissions from our upstream and downstream value chain.

With our targets being validated by the Science Based Targets Initiative (SBTi), we have followed their methodology including the Greenhouse Gas Protocol when defining the targets. We also adhere to SBTi's cross-sector absolute reduction requirement for scope 1 and 2, to reduce emissions at a minimum of 4.2 percent annually, regardless of business growth. In doing so, the ambition level of the targets is based on conclusive scientific evidence and aligned with the emission reductions needed to adhere to the Paris Agreement 1.5°C scenario, as well as to ensure that the targets are consistent with our GHG inventory boundaries. Our targets were validated by SBTi in August 2020, with a 2019 baseline and 2030 target year. There have been no significant changes to the targets, metrics or calculation methodology during 2024. For more information about Vestas' GHG accounting, see the E1 Accounting policies on page 80.

We have identified two expected decarbonisation levers to achieve our targets:

1. Transition to renewable energy across our own operations to reduce scope 1 and 2 emissions.
2. Work with suppliers to reduce supply chain scope 3 emissions from materials and transport.

When quantifying the overall contribution of each of the decarbonisation levers towards achieving our GHG emission targets, the scope 1 and 2 decarbonisation lever represents 1.3 percent of our total GHG emissions, and 100 percent of these emissions need to be reduced to reach our 2030 target, from a 2019 baseline.

Our scope 3 decarbonisation lever represents 98.8 percent of our total GHG emissions, and we include 70 percent of these emissions within our scope 3 intensity target in alignment with SBTi requirements. SBTi states that above two thirds of scope 3 GHG emissions must be included for the target to be validated. Vestas chose to include 70 percent of emissions to be above this threshold. To reach the target, this scope 3 decarbonisation lever needs to achieve a 45 percent reduction in intensity by 2030, from a 2019 baseline.

Target for Scope 1 and 2 GHG Emissions

We have set an absolute target to reduce emissions from activities in our own operations by 55 percent by 2025 and 100 percent by 2030 (from a 2019 baseline), without using offsets. As required by the ESRS, we disclose the climate targets we have set, which is a combined scope 1 and 2 target. We measure progress towards the target on the total combined scope 1 and market-based scope 2 emissions compared to the baseline year. A distinction between the share of scope 1 and 2 emissions to be reduced to reach the target is not set separately, though we expect the remaining emission reduction in the coming years will need to come from scope 1. The target boundary covers all geographies in our operations globally. When validating our targets, SBTi confirmed that our carbon neutrality target is in line with the efforts required to keep global warming to 1.5°C above pre-industrial temperature levels, providing Vestas with an ambitious designation through the SBTi validation process.

Target for Scope 3 GHG Emissions

By 2030, we aim to reduce GHG emissions from our value chain by 45 percent per MWh generated, from a 2019 baseline. The target boundary covers 70 percent of our scope 3 emissions

across our upstream and downstream value chain and all geographies. We chose a sectoral intensity-based target to incentivise sustainability partnerships with suppliers that reduce carbon emissions. Based on our pipeline and projected growth, our absolute scope 3 emissions will increase in the same period compared to our baseline year. This material increase is an unavoidable consequence of the significant growth of the global renewable energy sector, which is essential for global decarbonisation and we assume that absolute emissions will increase across the industry.¹

Performance on climate targets

We evaluate our performance on our two targets quarterly through reviews by Vestas' Sustainability Committee, Executive Management, and the Audit Committee. Progress is communicated externally in our interim reports and internally in townhall meetings. The metric used is tonnes of CO₂e for the combined scope 1 and 2 absolute target, and kg of CO₂e/MWh for the scope 3 intensity target. The performance on these metrics is also broken down by segment and region to understand trends and set specific action plans. We ensure that our baseline value is representative in terms of the activities covered by reviewing that the scope of activities remains the same throughout the reporting years since setting the target, so there is year-on-year consistency in measurement scope.

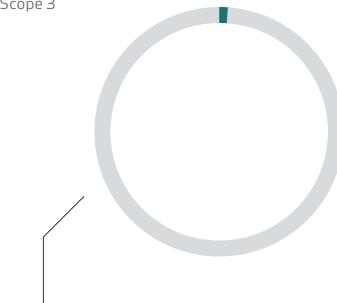
Where activities have changed (i.e., only one case is relevant for Vestas where our offshore business was included into the scope since setting the original baseline), then the baseline has been adjusted so the scope is consistent from baseline year to target reporting years. Through doing this we consider external factors and their influence on our baseline. As described in section E1-3, we have implemented several actions to reduce our GHG emissions across scope 1, 2 and 3.

Performance on our scope 3 target continues to be on track with our expected progress. However, our performance reviews show that we are not going to meet our mid-term 2025 target for scope 1 and 2 emissions. Since setting our targets in 2020,

Vestas' total GHG emissions

Share of scope 1&2 and scope 3, respectively

- Scope 1&2
- Scope 3



98.8% of our total GHG emissions originate in the value chain

¹ Source: Global Wind Energy Council (GWEC): Global Wind Report 2024. GWEC forecasts global wind power capacity growth at 10 percent year-on-year 2024-2030. April 2024.

E1-4 GHG emission reduction targets for scope 1, 2, and 3	2019 baseline	2025 Mid-term target		2030 Long-term target	
		Number	Percent	Number	Percent
Scope 1 + market-based scope 2 (tonnes CO ₂ e)	114,000	55	51,000	100	0
Scope 3 (kg CO ₂ e / MWh generated)	6.82	-	-	45	3.74

E1-5

Energy consumption and mix

	2024
1. Fuel consumption from coal and coal products (GWh)	0
2. Fuel consumption from crude oil and petroleum products (GWh)	385
3. Fuel consumption from natural gas (GWh)	35
4. Fuel consumption from other fossil sources (GWh)	0
5. Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (GWh)	6
6. Total fossil energy consumption (GWh) (sum of 1 to 5)	426
Share of fossil sources in total energy consumption (%)	67
7. Consumption from nuclear sources (GWh)	0
Share of consumption from nuclear sources in total energy consumption (%)	0
8. Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen etc.) (GWh)	22
9. Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (GWh)	192
10. Consumption of self-generated non-fuel renewable energy (GWh)	0
11. Total renewable energy consumption (GWh) (sum of 8 to 10)	214
Share of renewable sources in total energy consumption (%)	33
12. Total energy consumption (GWh) (sum of 6 and 11)	640

Energy intensity per net revenue

	2024
Total energy consumption from activities in high climate-impact sectors per net revenue from activities	0.037

Connectivity of energy intensity based on net revenue with financial information

	2024
Net revenue (mEUR) from activities in high climate-impact sectors	17,295

Energy production

	2024
MWh	
Renewable energy production	101,498
Non-renewable energy production	0

we have seen significant growth in the wind power industry as well as undergone a major structural change when Vestas acquired 100 percent ownership in the joint venture MHI Vestas Offshore Wind in 2021. We have analysed the trends and significant changes in our business that have impacted our ability to meet our scope 1 and 2 target. If we had kept our original target scope without including the offshore business, at the end of 2024 we would have achieved a reduction of approximately 44 percent in emissions compared to 2019. We will continue to review progress towards these targets and update our transition plan to drive further reductions in GHG emissions in our operations and supply chain. In 2025, we plan to seek revalidation of our targets with SBTi, according to their requirement to have targets revalidated five years after their original publication.

Why we do not use carbon offsets to achieve our targets
 Carbon offsetting means investing in environmental projects that work to reduce future carbon emissions. Carbon offsetting can play a role in accelerating the transition to net-zero emissions at the global level. However, it does not replace the need to reduce value chain emissions in line with scientific methods (SBTi 2020). To ensure we drive direct emission reductions, we have chosen to achieve our targets without using GHG removals.

E1-5

Energy consumption and mix

Energy consumption and mix across our factories, construction, and service operations are shown in the table on the left. In addition to transitioning our own operations to green energy sources, we drive energy efficiency improvements in accordance with our environmental policy. In 2024, we continued mapping our energy consumption and initiated energy efficiency projects. Our activities are linked to NACE codes C27, C28, F42, and F43, which are all considered high climate-impact sectors.

All of our energy consumption is connected to these high climate-impact sectors.

Finally, renewable energy production refers to the self-generation of electricity from our wind turbines, supplied to local grid and not directly used by us.

E1-6

Progress on scopes 1, 2 and 3 GHG emissions**Total GHG emissions**

In 2024, Vestas' total GHG emissions (i.e. the sum of Scope 1, 2 and 3) were 8.09m tonnes using the market-based method, and 8.14m tonnes using the location-based method. See the table on page 79 for details. There were no significant changes in our GHG accounting methodology or definitions in 2024 which would effect year-on-year comparability of the reported GHG emissions. In 2024, there also were no significant events or changes in circumstances relevant to our GHG emissions which impacted our reporting.

Scope 1 and 2 GHG emissions

In 2024, our combined scope 1 and 2 GHG emissions amounted to 105 thousand tonnes. The scope 1 GHG emissions were 104 thousand tonnes. The scope 2 market-based emissions were 1 thousand tonnes. These figures demonstrate a 4 percent decrease from 2023. The reduction is primarily driven by decreased offshore construction activity in the UK, which was highly dependent on marine fuels, introduction of biomass heating systems in manufacturing and increased adoption of electric vehicles. We track our performance based on market-based scope 2 emissions, rather than location-based scope 2 emissions, because we purchase renewable electricity credits to cover our energy consumption in the markets where we operate.

E1-6

Regional split on scope 1 and 2 GHG emissions – 2024

1,000 t CO ₂ e	Americas	APAC	EMEA	Total
Scope 1	29	6	69	104
Scope 2	0	0	1	1
Total scope 1 and 2	29	6	70	105

The share of contractual instruments for scope 2 is 84 percent, of which 94 percent is bundled and 6 percent is unbundled. These contractual instruments include purchased electricity from renewable energy suppliers, green energy certificates, guarantees of origin, and renewable energy certificates.

Currently none of our scope 1 emissions are regulated under emission trading schemes.

The biogenic emissions from the combustion or biodegradation of biomass not included in Scope 1 and Scope 2 GHG emissions was 6.9 thousand tonnes and 11.2 thousand tonnes respectively.

Scope 3 GHG emissions

Our scope 3 emissions account for 98.8 percent of our total emissions. As such, reducing our value chain emissions has the most impact on mitigating climate change. In 2024, our absolute scope 3 emissions amounted to 7.99 thousand tonnes. This demonstrates a 4 percent increase of our scope 3 emissions compared to 2023. However, we track performance based on our scope 3 intensity target, and in 2024 it was 5.66 kg CO₂e / MWh generated. Here we saw a 10 percent reduction in emission intensity. The reduction in emission intensity is driven primarily by over-reporting of our project cargo transport emissions in 2023 due to improved data quality, as well as improvements in product performance to extend the average lifetime. Great effort has been made during 2024 to improve our transport data, moving gradually away from assumptions and industry averages to primary data from logistic suppliers. For more information, on our GHG emissions see Table 'E1-6' to the right.

The significant scope 3 categories for Vestas are: purchased goods and services, capital goods, fuel and energy related activities, upstream transport and distribution, waste generated in operations, business travel, employee commuting and end-of-life of sold products.

The biogenic emissions from combustion or biodegradation of biomass not included in scope 3 GHG emissions was 51.4 tonnes CO₂e in 2024.

Excluded categories, and their reason for exclusion, are: processing of sold products (our products need no further processing), use of sold products (our products do not emit GHG emissions during their use), downstream leased assets (we do not lease any owned facilities or equipment to a third party), franchises (we do not have any franchises), downstream transport and distribution (we report all transport that we pay for as upstream transport) and investments.

E1-6
GHG emissions¹

		Retrospective				Milestones and target years			Annual % target / Base year
		Base year	2023	2024	% N / N-1	2025	2030	2050	
Scope 1 GHG emissions									
Gross scope 1 GHG emissions (1,000 t CO ₂ e)	66	108	104	-4	NA	NA	NA	NA	NA
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions (1,000 t CO ₂ e)	NA	45	48	+7	NA	NA	NA	NA	NA
Gross market-based Scope 2 GHG emissions (1,000 t CO ₂ e)	48	1	1	0	NA	NA	NA	NA	NA
Significant scope 3 GHG emissions									
Total Gross indirect (Scope 3) GHG emissions (million t CO ₂ e)	7.83	7.66	7.99	+4	NA	NA	NA	NA	NA
1. Purchased goods and services	7.03	6.21	7.02	+13	NA	NA	NA	NA	NA
2. Capital goods	0.14	0.14	0.16	+14	NA	NA	NA	NA	NA
3. Fuel and energy-related activities (not included in scope 1 or 2)	0.03	0.03	0.03	0	NA	NA	NA	NA	NA
4. Upstream transportation and distribution	0.48	1.15	0.60	-48	NA	NA	NA	NA	NA
5. Waste generated in operations	0.01	0.02	0.02	0	NA	NA	NA	NA	NA
6. Business travelling	0.03	0.03	0.04	+33	NA	NA	NA	NA	NA
7. Employee commuting	0.04	0.07	0.05	-29	NA	NA	NA	NA	NA
8. Upstream leased assets	0.04	NA	NA	NA	NA	NA	NA	NA	NA
9. Downstream transportation	NA	NA	NA	NA	NA	NA	NA	NA	NA
10. Processing of sold products	NA	NA	NA	NA	NA	NA	NA	NA	NA
11. Use of sold products	NA	NA	NA	NA	NA	NA	NA	NA	NA
12. End-of-life treatment of sold products	0.01	0.01	0.07	+600	NA	NA	NA	NA	NA
13. Downstream leased assets	NA	NA	NA	NA	NA	NA	NA	NA	NA
14. Franchises	NA	NA	NA	NA	NA	NA	NA	NA	NA
15. Investments	0.01	0	NA	NA	NA	NA	NA	NA	NA
Total GHG emissions									
Total GHG emissions (location-based) (million t CO ₂ e)	NA	7.81	8.14	+4	NA	NA	NA	NA	NA
Total GHG emissions (market-based) (million t CO ₂ e)	7.94	7.77	8.09	+4	NA	NA	NA	NA	NA
GHG intensity per net revenue									
									2024
Total GHG emissions (location-based) per net revenue (million t CO ₂ e / mEUR)									0
Total GHG emissions (market-based) per net revenue (million t CO ₂ e / mEUR)									0

¹ NA refers to GHG emission targets and values not applicable to Vestas. Vestas' Scope 3 targets are not absolute GHG-based, but intensity based (i.e. CO₂e per MWh). Refer to Section "Targets and metrics" on page 77 for specific details on Vestas' targets.



Accounting policies for E1 – Climate Change

Products

'Expected GHG avoided over the lifetime of the capacity produced and shipped during the period (million t CO₂e): This is based on total turbines (MW) produced and shipped during the reporting period. A weighted average capacity factor was applied in 2024, based on actual hourly performance data from the turbine types produced and shipped in the reporting year. Vestas applies an expected lifetime based on site-specific agreed lifetimes where this differs from the standard design lifetime. The expected GHG avoided over the lifetime of the turbines is calculated using the latest updated standard factor of global average carbon emissions for electricity from the International Energy Agency (2024).

'Expected annual GHG avoided by the total aggregated installed fleet at the end of the period (million tonnes CO₂e): is calculated on one year operation of total annual installed capacity and global average CO₂e emissions. Vestas applied the fleet average capacity factor from 2024. The expected GHG avoided is based on the latest updated standard factor of global average carbon emissions for electricity from the International Energy Agency (2024).

Financial resources allocated to action plan (CAPEX and OPEX)

The CAPEX and OPEX allocated to climate-related action plans is focused on reducing GHG emissions across scope 1, 2, and 3. The key actions are accounted for and monitored by the respective owners of each sustainability action. The Group Sustainability department maintains the budget overview and receives data from relevant regional and functional heads for i) investments incurred in the current year, and ii) future investments. The reported data is supported by documentation such as invoices for investments incurred in the reporting period and approved budget for future investments.

Energy

Total energy consumption related to own operations includes renewable sources, crude oil and petroleum products, natural gas, other fossil sources as well as consumption of purchased or acquired electricity, heat, steam, and cooling (from renewable sources or fossil sources) and district heating consumed at Vestas-owned or operationally controlled assets, consumption comes from direct measurements such as meter readings or purchase bills, fuel cards and vouchers. Wherever data is unavailable from our operations, we have made estimations based on the type of operations and employee headcount. More than 99 percent of the data is based on direct measurement, with less than one percent estimated. Consumption of electricity comprises electricity purchased externally. Oil for heating is

based on external purchases and meter readings at the end of reporting period. All energy from non-renewable sources is considered fossil source. Electricity and heating from renewable energy sources is calculated based on renewable energy certificates (RECs) and supplier statements. Renewable share of fuel for transport is based on local renewable energy mix in line with fuel specific legal requirements and where legal requirements are exceeded, the added renewable energy is based on supplier statements. Renewable electricity is calculated based on supplier statements and Renewable Energy Certificates or equivalent. Only 100 percent renewable electricity is counted as renewable electricity. Percentage of renewable energy is based on total consumption of energy. Total energy consumption from activities in high climate impact sectors equals to Vestas' energy consumption.

'Energy intensity per net revenue': Vestas measures its Energy intensity by providing information on its total energy consumption in high climate impact sectors, expressed in Gigawatt hour (GWh) per million EUR net revenue. For revenue, see the Financial statements, page 147.

CO₂e emissions

Carbon emissions are measured using the carbon dioxide equivalent (CO₂e) to include all relevant greenhouse gasses (seven Greenhouse gases (GHG), carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃s) according to the ESRS and the support of Greenhouse Gas Protocol (GHG Protocol). A distinction is made between scope 1, 2, and 3 emissions, as also defined by the GHG Protocol. Vestas follows the ESRS and GHG Protocol, for disclosures pertaining to E1-6 (Gross Scopes 1, 2, 3 and Total GHG emissions), E2-4 (Pollution of air, water and soil) and SBM-3 i E4 (Biodiversity and Ecosystems), we also consider operational control when determining the consolidation scope. Emission factors are selected for the most recent year available, where possible, from published or licensed databases. In some cases, emission factors may not be updated on an annual basis or not be available for a material or location, in this case a suitable proxy will be used that is appropriate for material type/process, which may lead to uncertainty. We strive to utilise representative emission factors to provide transparent disclosure according to GHG Protocol.

Scope 1 GHG emissions (1,000 t CO₂e)

'Scope 1 GHG emissions': Direct GHG emissions are calculated based on determined amounts of fuel for own transport and the direct consumption of fossil-based fuels (e.g. oil, gas and refrigerants), with the usage of standard factors published by the UK Department for Environment, Food & Rural Affairs (DEFRA) (2024).

Scope 2 GHG emissions market-based (1,000 t CO₂e)

'Scope 2 GHG emissions': Covers emissions released in connection with the consumption of purchased electricity and heat. Indirect market-based GHG emissions from consumption of electricity are calculated using national grid emission factors published by the International Energy Agency (2024). Indirect GHG emissions from district heating are calculated using DEFRA (2024) emission factors.

Scope 3 GHG emissions (million t CO₂e)

'Scope 3 GHG emissions': Indirect GHG emissions from the value chain are reported based the ESRS requirements and the GHG Protocol. Vestas reports on scope 3 categories 1-7 and 12. Scope 3 categories 8, 10, 11, 13, and 15 are immaterial for Vestas and categories 9 and 14 are not applicable. The percentage of scope 3 GHG emissions calculated using primary data (7 percent) is aligned with the definition from the GHG Protocol.

Wind plant: The largest part of the emissions is in category 1 'Purchased goods and services'. Emissions from materials going into products are calculated based on LCAs following ISO 14040 and 14044, publicly available at vestas.com. The GHG emissions of different materials and component types are based on the total quantity of annual produced and shipped turbines and the material composition of the individual turbine types as stated in the LCA reports. Based on this, the global material mass balance is calculated for all materials consumed during the production and GHG emissions are calculated using Sphera (2024) emission factors per material group for raw materials used in production and manufacturing processes. The actual steel mass for all produced and shipped turbines is used to calculate global GHG emissions for the raw material production of tower steel and for foundation materials.

Construction: The GHG emissions emitted during the construction of a wind farm are estimated based on the quantity of diesel fuel consumed per turbine produced and shipped in markets in which Vestas is responsible for installing the turbine. LCA studies for the diesel combustion per turbine installation and respective DEFRA emission factors (2024) are applied.

Service: GHG emissions from service operations are estimated using the quantity of spare parts that are replaced and repaired in the reporting year, as well as expected repair and replacement levels. Sphera (2024) emission factors for the raw materials are applied to estimate global GHG emissions.

Capital goods and waste: Other purchased goods and services (category 1), capital goods (category 2), and waste generated in operations (category 5) are estimated based on spend data using DEFRA (2011) factors for indirect emissions from the supply chain. Fuel- and energy-related activities are calculated using DEFRA (2024) factors for emissions related to the pro-

duction of fuel, NREL factors (2019) for renewable electricity and IEA factors (2024) for grid electricity.

Transportation: Emissions from upstream transportation (category 4) are based on supplier information and estimated based on the LCA reports for weight and distance of components transported and DEFRA (2024) carbon emissions factors. Business travel (category 6) emissions for air flights, hotels, and rental cars are activity-based data provided by the travel agency used for all bookings. Employee commuting (category 7) is reported on daily commute by car, which is estimated based on the average number of FTEs and a selected sample of commuting distance. It applies standard factors published by the DEFRA (2024).

End-of-life treatment: Emissions from end-of-life treatment of sold products (category 12) are estimated based on material composition of all produced and shipped wind turbines in the reporting year, including estimated end-of-life transport emissions. For materials that are not recyclable, an average Sphera (2024) emission factor for inert landfill is applied.

Biogenic GHG emissions

Emissions of biogenic CO₂ are accounted for separately from the gross scope 1, 2 and 3 GHG baseline. Direct scope 1 and 2 biogenic GHG emissions CO₂, N₂O and CH₄ gases are determined based on amounts of biogenic fuel for own transport and the direct consumption of biogenic-based fuels, with the usage of standard factors (DEFRA, 2024). Scope 3 biogenic GHG emissions are determined according to other accounting principles described, and applying, where relevant, biogenic CO₂ factors derived from GaBi (2024) and DEFRA (2024).

Scope 3 GHG emissions intensity (target value)

(kg CO₂e per MWh generated)

Vestas' SBTi-validated scope 3 target is measured as kg CO₂e per MWh generated. The amount of MWh generated is based on the number and type of wind turbines produced and shipped in the financial year along with values for wind turbine capacity factor and site-specific lifetime. Vestas applies an expected lifetime based on site-specific agreed lifetimes where this differs from the standard design lifetime. In relation to the target to reduce GHG emissions in the value chain, indirect GHG emissions from the value chain per MWh generated include 70 percent of the scope 3 emissions. Each year we disclose our absolute scope 3 emissions and progress towards our scope 3 intensity target. However, we will not disclose our absolute emissions in our target year (2030) for our scope 3 intensity target, as this will allow a very precise calculation of forecasted growth and future sales. This commercial forecast is highly confidential and commercially sensitive. Disclosing our sales forecasts would potentially impact market share and competition by influencing market perceptions, affecting strategic planning and undermining negotiations or partnerships in a harmful way.

E3 Water and marine resources

Vestas' primary water consumption is for domestic purposes. By implementing water management procedures across our manufacturing sites, we address water-related risks and bring attention to water conservation and sustainable practices.

SBM-3

Impacts, risks, and opportunities

Water consumption

The primary use of water in our operations is for domestic purposes. Vestas thus has a low environmental impact connected to water usage relative to many other industrial companies. As our operations are not water-dependent, our strategy and business model are resilient to water-related risks.

Despite our water consumption primarily stemming from domestic use, our operational presence in water-scarce regions may stress local water resources, negatively impacting the local population and nature.

Using third-party software and geospatial mapping, we have identified that we consume water in eight manufacturing facilities that are located in regions facing high or extreme immediate water stress, and that we have 18 sites with water consumption in countries that are exposed to high or extreme immediate water stress.

In total, 86.3 percent of our total water consumption is from areas with high or extreme water stress. This actual negative impact occurs in our own operations in the short term.

Climate change, through higher temperatures, heatwaves, and altered precipitation patterns, can lead to water scarcity. Renewable energy, like wind power, helps reduce fossil fuel dependence and mitigate climate change effects. Therefore, our business activities and focus on emission reduction also play a crucial role in mitigating global water scarcity.

Impacts, risks, and opportunities

IRO type

Impact materiality

- + Positive
- Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream



Own operations

- Water consumption



Downstream



Management of impacts, risks, and opportunities

E3-1

Policies

Our approach to address water related issues and preserve marine resources is outlined in our SQHE policy and HSE framework. They introduce our commitment to reduce or mitigate water withdrawal and consumption, wastewater discharge, and water pollution, and our focus to specifically minimise water consumption in regions with risk of freshwater scarcity.

Our water and wastewater management procedure implements water-related commitments from the SQHE policy and HSE framework and outlines how water-related risks are addressed. It ensures systematic water consumption management, resource efficiency improvement, and prevention of water pollution. The procedure defines roles, responsibilities, and requirements for sustainable water management, ensuring progress and risk management are tracked.

The policy does not address the use and sourcing of water and marine resources, water treatment, or product and service design to address water-related issues and preservation of marine resources. The policy does not specifically mention practices related to sustainable oceans and seas.

The MDR-P disclosures related to this policy, including consideration of interests of our key stakeholders in setting the policy, as well as how the policy is made available are addressed in section E1-2 on page 75.

MDR-A; E3-2

Actions and resources

During 2024, to address our impact on water consumption, we have initiated the implementation of new water management systems and continued to raise awareness of water conservation across our manufacturing sites. The CAPEX and OPEX invested in implementing these actions are not considered significantly material to justify disclosure.

Water management systems

To support sustainable water usage, we released a water management procedure in 2024. During 2024 and 2025, a water management system will be implemented at all Vestas locations where Vestas is responsible for water management.

The systems are to be evaluated and revised with significant changes in water consumption or wastewater generation. The systems requirements are detailed in the water and wastewater management procedure.

We also focus on water leakage management to reduce wastage and overall consumption. Site management must regularly inspect for leaks. By continuously reducing water use, especially in water stressed areas, we minimise our impact on people and nature. Because our impact is hard to quantify, and our overall water consumption is low, we do not directly remediate local populations or nature in these areas.

Awareness of water conservation

Our SQHE policy, applied at all manufacturing facilities, promotes water conservation. We emphasise responsible water use, especially in water-scarce areas, with three principles:

- Minimise irrigation through landscaping with low water requirements.
- Use only non-potable water for dust suppression and irrigation.
- Avoid cooling by open water evaporation to air.

Targets and metrics

MDR-T; MDR-M; E3-3

Targets and metrics

Vestas has not set water-related targets nor a base year to measure progress from. We have no plan to do so, as our water use is mainly for domestic purposes, and our employees need access to water. However, we continue to measure, monitor, and work towards reducing freshwater consumption.

E3-4

Water consumption

To bring attention to water conservation and sustainable practices, we monitor and report on our water consumption, withdrawal and discharges. See the table below for an overview of our performance.

In 2024, our total water consumption was 73 thousand m³. Our water consumption primarily takes place in connection with manufacturing. Water consumption in areas exposed to water stress accounted for 86.3 percent of total water consumption in 2024. Water withdrawal and discharges increased relative to 2023. In 2024, our water intensity ratio was 0.4 thousand m³ per mEUR revenue. We did not recycle or reuse any water in 2024.

E3-4

Water consumption

1,000 m³

2024

Total water consumption	73
Water consumption in areas at water risk	63
Water recycled and reused	0
Water stored	3
Changes in water storage	0
Total water withdrawals	323
Total water discharges	250
Water intensity (1,000 m ³ consumption per mEUR revenue)	0.004
Share of the measure obtained from direct measurement, from sampling etc. (%)	99



Accounting policies for E3
– Water and marine resources

Water m³

Measurements follow Vestas HSE' definitions of total water used, withdrawal, discharged, water recycled and reused: The information comes from direct measurements such as meter readings or purchase bills, and supplier statements with minimal assumptions made.

'Water consumption'

Measurements follow ESRS definitions of total water withdrawal and water not discharged back to water environment or a third party in the reporting period. The information comes from direct measurements such as meter readings or purchase bills, and supplier statements with minimal assumptions made.

'Total water consumption in areas at water risk'

Vestas utilises the WRI Water Risk Atlas to map our sites' geolocations with areas at "Overall Water Risk" and includes those sites with High or Extremely High Overall Water Risk and follows water consumption definition for calculations.

'Water intensity (m³ consumption per mEUR net revenue)'

Vestas measures its water intensity by providing information on its total water consumption in its own operations, expressed in cubic meters (1,000 m³) per million EUR net revenue.

'Total water withdrawals'

Water withdrawals from surface water sources, ground water, rain water collected and supplied water from municipal or other water utilities.

E4 Biodiversity and ecosystems

Wind farms can have a negative impact on biodiversity and ecosystems, however, replacing traditional energy generation with renewable sources has a positive impact. By utilising nature-based solutions and mitigating harm through technology, we collaborate with our customers to deliver projects with the lowest impact on biodiversity and ecosystems.

E4-1

Transition plan for biodiversity

Wind farms can have a negative impact on biodiversity, but ultimately play a positive role in protecting global biodiversity and ecosystems, as replacing traditional energy sources with renewables supports GHG emissions avoidance. By utilising nature-based solutions, mitigating harm with technology and focusing on ecosystem restoration, wind farms might even have a nature-positive biodiversity impact.

Resilience of our strategy and business model

We have assessed and mapped our biodiversity IROs and dependencies. The analysis is conducted in line with TNFD recommendations, using the LEAP-approach and third-party solutions, and supports our understanding of the resilience of our strategy and business model to biodiversity and ecosystem-related physical, transition, and systemic risks.

Multiple risks are assessed using internationally recognised scenarios (SSP126, SSP245, SSP585, IEA NZE, IEA STEPS)

and time horizons (Physical: 2030, 2050, 2070, Transition: one-five years, five-10 years, 10-30 years) for our manufacturing facilities, warehouses and critical suppliers. The assumptions of the analysis are in line with the scenarios used, and include e.g. future GHG emissions in the atmosphere. Dependencies are assessed at the sector level (Electric energy production and Metals & mining). The impact and opportunity assessments are conducted with internal and external experts covering our entire value chain. We have not yet engaged with local or indigenous people during the assessment.

Wind power plays an important role in mitigating climate change and thereby in stemming global biodiversity loss. Through our strategic focus on reducing scope 1, 2, and 3 GHG emissions and producing zero waste wind turbines, we are concentrating on the areas with the biggest influence on our biodiversity impact.

As the resilience analysis did not identify any material biodiversity risks, opportunities, or dependencies, and our strategic focus caters for our material impact, we believe our business currently is resilient to changing ecosystem conditions. However, as we accelerate the transition to a world powered by renewable energy, we must do so in balance with local ecosystems and species.

Impacts, risks, and opportunities

IRO type

Impact materiality

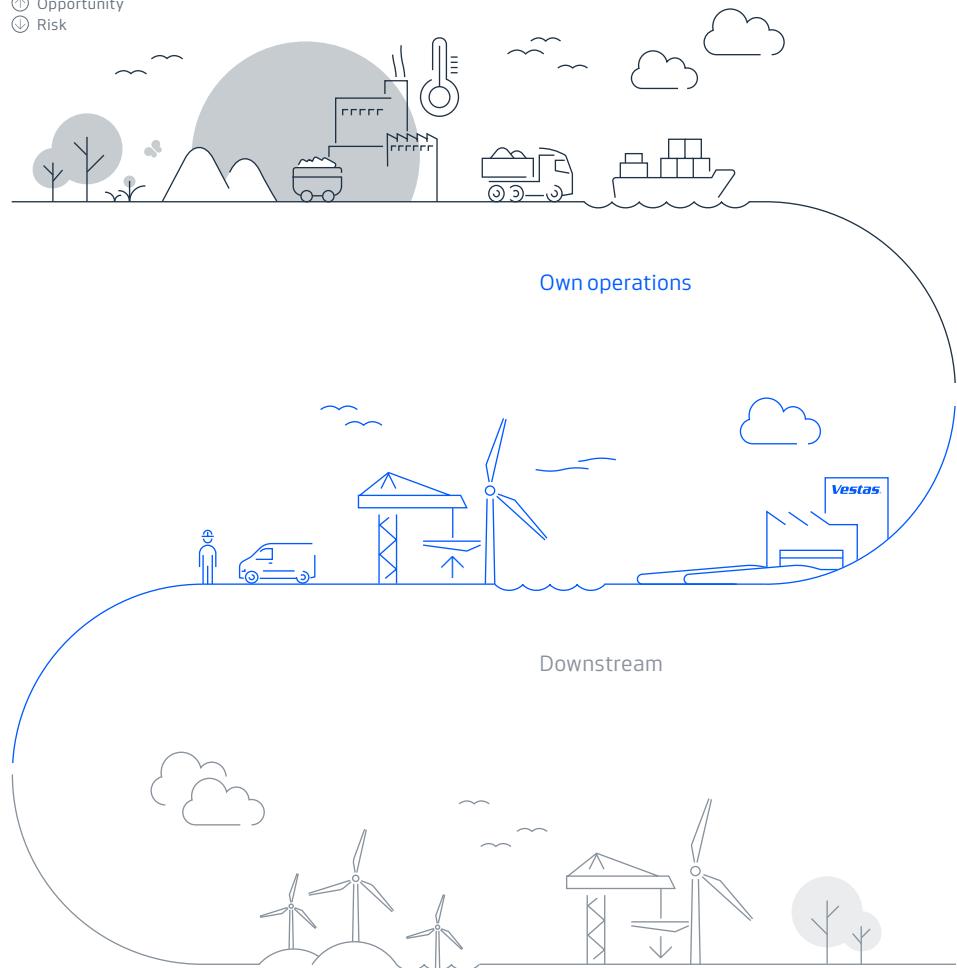
- ⊕ Positive
- ⊖ Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream

- Climate change impact on biodiversity



SBM-3

Impacts, risks, and opportunities



Climate change impact on biodiversity

Although replacing fossil energy sources with renewable energy from wind has a positive effect on biodiversity and ecosystems through mitigating climate change, the GHG emissions originating in our supply chain have a material negative effect on biodiversity and ecosystems. This actual negative impact occurs across the short, medium and long term.

Of the combined negative impact of GHG emissions on biodiversity, 99 percent stems from our supply chain from the extraction, production, and transportation of raw materials and products, necessary to produce wind turbines. The highest emitting sub-sectors in our supply chain relate to ferrous metals incl. steel and iron, rubber, plastics, machinery and equipment, and sea and land transportation. Of all sub-sectors, transportation and mining are the most impactful.

Climate change leads to biodiversity and ecosystem degradation, which has a negative effect on both nature and people. Mitigating our negative effect on biodiversity through reducing the emissions from our supply chain is a core element of our sustainability strategy, and we have set a target of reducing scope 3 emissions by 45 percent per MWh generated by 2030.

Facilities near key biodiversity areas

We have several facilities located near Natura 2000 or other biodiversity-sensitive areas, but none of them have been assessed to have a material negative impact on the local habitat in terms of land degradation, desertification, or soil sealing, or to have a negative effect on threatened species.

When building new factories or procuring or leasing existing ones, we always ensure that an environmental impact assessment is in place, which follows local legislation and lives up to the standards of Directive 2011/92/EU or equivalent.

Complimentary information:

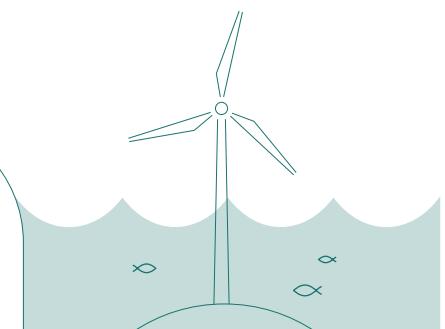
Other impacts, risks, opportunities and dependencies

While our material negative impact on biodiversity is GHG emissions stemming from our supply chain, wind farms can also negatively impact aerofauna biodiversity through bird and bat collisions with turbine blades.



Aerofauna

While decarbonisation is essential to protect global aerofauna biodiversity, we work to further minimise our impact on local bird populations with technology.



Reefs

Offshore wind turbines can help protect marine areas and the foundations can create artificial reefs, helping restore an ecosystem heavily damaged by overfishing and bottom trawling

By conducting Environmental Impact Assessments (EIAs) and ensuring optimal site locations during development, collaborating with customers and stakeholders throughout construction and operations and continuously improving product sustainability, consideration for biodiversity and ecosystems is already an integrated part of how we operate.

We continue to develop our approach to biodiversity with consideration of the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030.

Management of impacts, risks, and opportunities

E4-2

Policies

Our approach to biodiversity and ecosystems protection as well as climate change mitigation is outlined in our SQHE policy and HSE framework. The policy and framework highlight our commitment to manage material impacts, risks, and opportunities related to climate change and biodiversity, including our commitment to protect and restore biodiversity and ecosystems during all our activities. In our assessment and management of material IROs, we consider all the matters specified in ESRs AR 4, such as contribution to direct impact drivers on biodiversity loss.

Our commitment to protect biodiversity and ecosystems covers all our operations, including facilities located near biodiversity sensitive areas. In line with our SQHE policy and HSE framework, we always develop projects on land and at sea according to local legislation and the recommendations of environmental impact assessments (EIAs). The SQHE policy also outlines our commitment to engage with our suppliers in reducing the emission footprint of the materials we procure. We do so also with circularity principles in mind, aiming to increase the share of recycled and low-emission materials in our products, and ensuring our products can be sustainably handled at end-of-life, reducing the overall negative impact on biodiversity.

The policy does not address production, sourcing, or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity, nor social consequences of biodiversity and ecosystems-related impacts. It does not directly address traceability of products, components and raw materials with significant actual or potential impacts on biodiversity and ecosystems along the value chain either. The policy does not address deforestation, but we have established a working group to ensure compliance with the EU Deforestation regulation. The MDR-P disclosures related to this policy can be found in section E1-2 on page 75.

 [E4 Biodiversity and ecosystems](#)

MDR-A; E4-3

Actions and resources

Decarbonising our value chain

Reducing the environmental and carbon footprint of our supply chain is our most significant contribution to biodiversity. The primary actions we are taking to reduce our scope 3 GHG emissions include working with our suppliers on setting decarbonisation targets and developing partnerships for low-emission materials such as steel. Refer to pages 75-76 for more information on these initiatives, our decarbonisation journey in general and the CAPEX and OPEX we are allocating to our action plan.

While decarbonisation is our most impactful measure to protect global biodiversity, we also continuously work to further minimise our impact during our development, construction, and operational activities. Similar to Vestas' decarbonization efforts, we do not use biodiversity offsets.

Location-specific impact assessment and siting

We can lower our impact on local biodiversity and ecosystems through spatial planning of wind energy development zones. By conducting wind resource and biodiversity impact assessments, we can optimise locations to minimise or negate negative impacts on habitats and species. Working with local agencies, experts, and regulation, we carry out EIAs, develop environmental management plans, and implement nature-based solutions when developing new projects, sometimes engaging indigenous knowledge. We mitigate or compensate for any adverse impacts of our projects.

Careful siting of wind farms helps avoid migratory corridors and sensitive areas, reducing risks to aero fauna. Operational curtailment based on local bird and bat activity peaks, and radar systems can further reduce impacts on aero fauna. When establishing a wind power plant, the planning process should always include a location specific impact assessment. Unless we develop the project ourselves, our customers have the primary responsibility for undertaking EIAs and develop environmental management plans for the wind power plant.

During construction, we collaborate with customers to implement measures highlighted in the environmental management plan. Whether during development, construction, or operation, we work closely with relevant stakeholders to ensure wind farms are built with careful consideration of the environment.

Targets and metrics

MDR-T; E4-4

Targets

We drive positive change and progress on our commitment to protect and restore biodiversity and ecosystems through our sustainability strategy and targets. The target of reducing our scope 3 GHG emissions by 45 percent per MWh generated by 2030 directly contributes to minimise our negative impact on biodiversity. The target is not informed by the Kunming-Montreal Global Biodiversity Framework, but indirectly supports target 8 of the frameworks. The target was not developed following specific ecological thresholds, but is in line with the 1.5°C threshold of the Paris Agreement. For more information on the target see page 77. In 2025, we plan to further develop the assessment of our biodiversity impact.

MDR-M; E4-5

Metrics

Although we do have facilities located near biodiversity sensitive areas, we have concluded that none of them have a material negative impact on the areas. Therefore, we have no biodiversity specific metrics nor have we set a base year from which progress is measured. For more information, refer to the SBM-3 disclosure.



[Accounting policies for E4
– Biodiversity and ecosystems](#)

Biodiversity

We determine the proximity of our facilities to Natura 2000 and Key Biodiversity areas by mapping the location of our sites in the respective platforms' map viewer.

For all facilities located near sensitive areas, we assess the characteristics of the location and surrounding environment, as well as the characteristics of our activities, i.e., how they might harm or influence the immediate environment and the sensitive ecosystem. The assessment of the sites' potential impact is conducted by internal experts with knowledge of ecosystem conditions and our manufacturing activities.

E5 Circular economy and resource use

Our circularity efforts are integrated throughout the turbine product life cycle – through design, our own operations and material recovery. In 2024, we have increased our recycling rate of waste in our own operations with 17 percent. A key value proposition to our customers is our blade circularity solution. The solution allows for new competitive recycling options of composite materials, and we continue to work with our partners to deliver this offering at an industrially viable scale.

SBM-3

Impacts, risks, and opportunities

We have identified three material impacts and one opportunity related to circular economy and resource use that are ESRS disclosure requirements; 1) Raw materials (base metals and rare-earth metals) required for turbines; 2) Waste generation and 3) Non-recyclable materials related to production and services; 4) Recyclable materials related to blade circularity.

Raw materials required for turbines

Our turbines are 80-90 percent metals, 10-15 percent composites, and relatively smaller amounts of electronics, lubricants, and fluids. The environmental impact arises from metal extraction and processing, causing GHG emissions. We are exploring solutions with suppliers to address this negative impact, which occurs primarily in the upstream value chain in the short term.

Waste generation

Waste is produced across manufacturing, construction and service operations, presenting a potential negative impact on the environment, especially through some disposal methods like landfill and incineration. We prioritise reducing waste and increasing recycling through our material efficiency metric (see page 91). This negative impact occurs in our own operations in the short term. Our sustainability strategy prioritises material efficiency as a key target, making us resilient to this impact.

Non-recyclable materials related to production and services

Some turbine materials, especially composite blades, pose challenges at end-of-life, potentially impacting the environment through landfill or incineration. Approximately 85 percent of turbine materials are recyclable, excluding composites, which have historically been a sector-wide issue. This negative impact occurs downstream in the long term.

Recyclable materials related to blade circularity

Our blade circularity solution to eliminate blade landfilling enhances recyclability, financial performance and auction competitiveness. The ongoing initiative involves close collaboration with customers on end-of-life blade recycling. This financial opportunity occurs downstream in both the short, medium, and long term (see section E5-2).

Impacts, risks, and opportunities

IRO type

Impact materiality

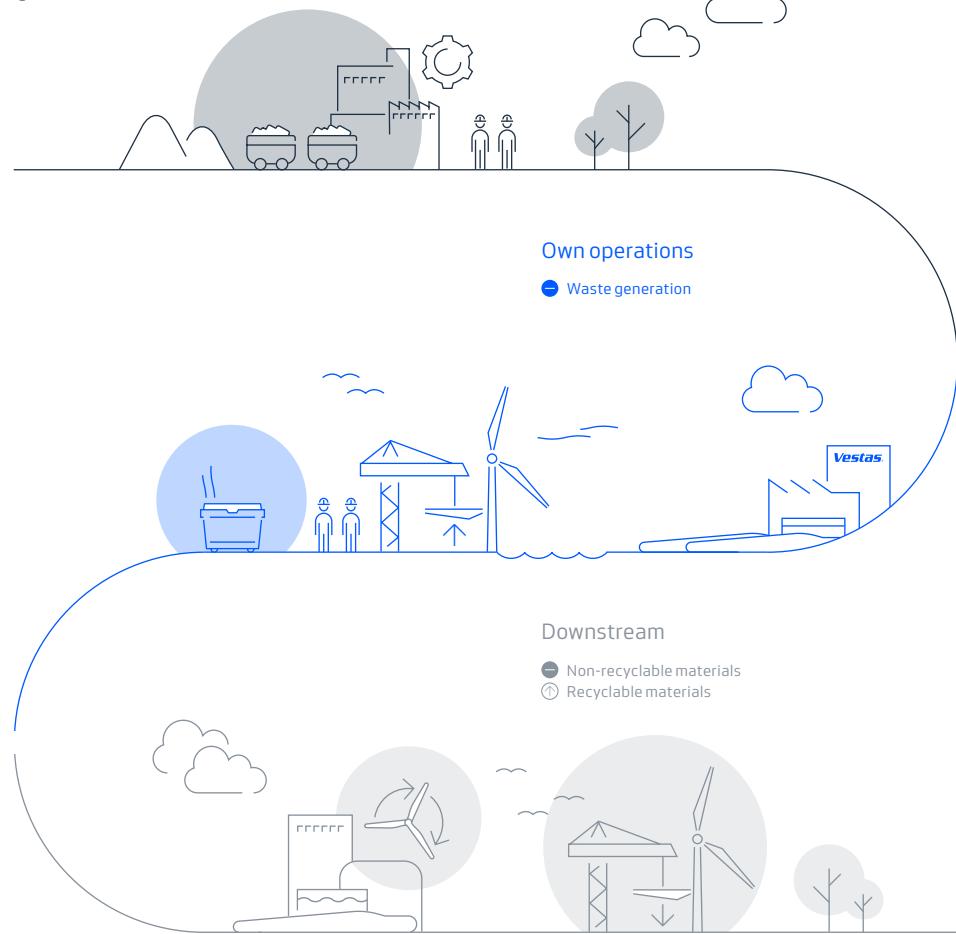
- ⊕ Positive
- ⊖ Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream

- Raw materials required for turbines



Management of impacts, risks, and opportunities

E5-1

Policies

Our policies related to circular economy and resource use are outlined in the Vestas SQHE policy and HSE framework. We use Life-cycle Assessments to make comprehensive and transparent disclosures on the resource usage and recyclability of our products. Finally, our Circularity Roadmap sets the strategic actions and targets to improve circularity across the entire life cycle of our products.

SQHE Policy

The SQHE policy addresses environmental impacts, risks, and opportunities by focusing on pollution prevention, renewable energy promotion, resource efficiency and biodiversity protection. The policy is supported by our HSE framework which establishes minimum global health, safety and environmental requirements across regions and functions, ensuring regulatory compliance and operational alignment with international standards. This includes waste management protocols covering storage, handling, disposal and vendor assurance, transitioning away from the use of virgin resources where possible by increasing the share of recycled and renewable content in purchasing of materials, and ensuring comprehensive oversight of environmental impacts from waste.

The MDR-P disclosures related to this policy can be found in the E1 Climate change section (page 75).



Circularity roadmap

Launched in October 2021, the Circularity Roadmap outlines our commitment to manufacture zero-waste turbines by 2040. It provides a vision for a fully circular value chain, preventing waste, reusing materials and creating a closed-loop economy for our turbine components and materials.

By 'zero waste' wind turbines, we mean preventing all waste and developing a circular economy for all materials in which we reuse, repair, remanufacture or recycle, without recourse to incineration or landfilling. We use incorporation by reference and refer to the remaining information related to this disclosure under section E1-2.

MDR-A; E5-2

Actions and resources

Our Circularity Roadmap sets actionable goals and pathways under three main pillars: Design for circularity, Operational circularity, and Material recovery. Each of these areas contributes to enhancing resource efficiency, reducing waste and maximising material reuse across the entire turbine life cycle.

In 2024, we have allocated EUR 20.5m in OPEX to support the implementation of the actions under these three pillars. In 2025, we expect to allocate EUR 20.7m in OPEX to continue the advancement of our key actions.

Design for circularity

Recyclability of wind turbine blades

We have significantly invested in advancing blade recycling technical pathways and infrastructure. In 2024, we continued progressing on innovative recycling methods for both epoxy-infused and non-epoxy-infused blades, as well as directly enabling the recycling of blades linked to our repowering projects in the USA.

- Breakthrough solution for epoxy-infused blades: Through the CETEC (Circular Economy for Thermoset Epoxy Composites) initiative, we spearheaded the innovation of a chemical process that can break down epoxy resin, enabling the recovery and reuse of blade materials. This solution, designed with partners Aarhus University, Olin and the Danish Technological Institute, allows for the recycling of existing blades without introducing the technical risk of new blade materials, and without requiring extreme conditions of heat or pressure.

In 2024, we remained focused on scaling up the blade circularity solution through our partnership with Stena Recycling.

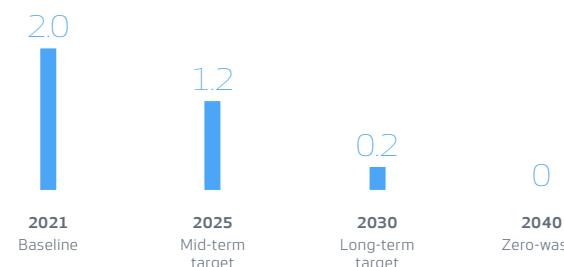
Circularity roadmap



Design for circularity

Improve material efficiency

Metric: Tonnes of waste / MW produced and shipped



Operational circularity

Repair and refurbish components

Metric: Refurbished components utilisation rate (% of components)*

14%**
35%
55%
75%

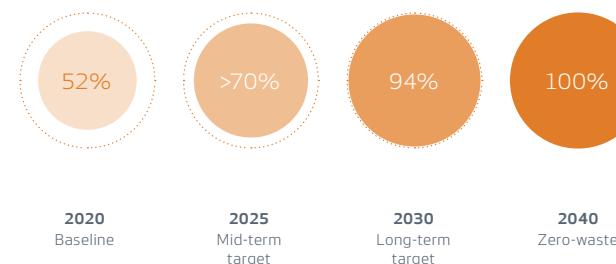


* In 2024, we changed the calculation method. Please refer to page 69 for more details.
** The calculated value of 2020 (14%) is based on the old methodology.

Material recovery

Increase recycling rate of waste

Metric: % recycled or reused (own operations)



At the pilot project's completion in 2026, we aim to have established an industrially relevant recycling facility for epoxy-infused blades, including the development of a market for recovered material fractions, as well as the chemical recycling of epoxy resin back into a virgin commodity resin that can be used in new blades. This is the first step towards true circularity of composite materials, with the potential of an industrially viable circularity pathway for many industries beyond wind, including aviation, defense and recreational vessels.

- Non-epoxy infused blades: Since January 2021, we have engaged with the DecomBlades project in close collaboration with other wind manufacturers, recyclers and industry experts to identify methods for the recycling of non-epoxy blades. Major advancements include the successful implementation of industrial-scale pyrolysis, reclamation of glass fibres and the development of a detailed material passport standard to enhance transparency and facilitate circularity of turbine blades.
- Blade recycling in the USA: In 2024, linked to our US repowering portfolio, we recycled 165 wind turbine blades (2023: 188). Recycling methods in the USA have included cement co-processing, gasification, material reuse and fibre reclamation.

Material efficiency

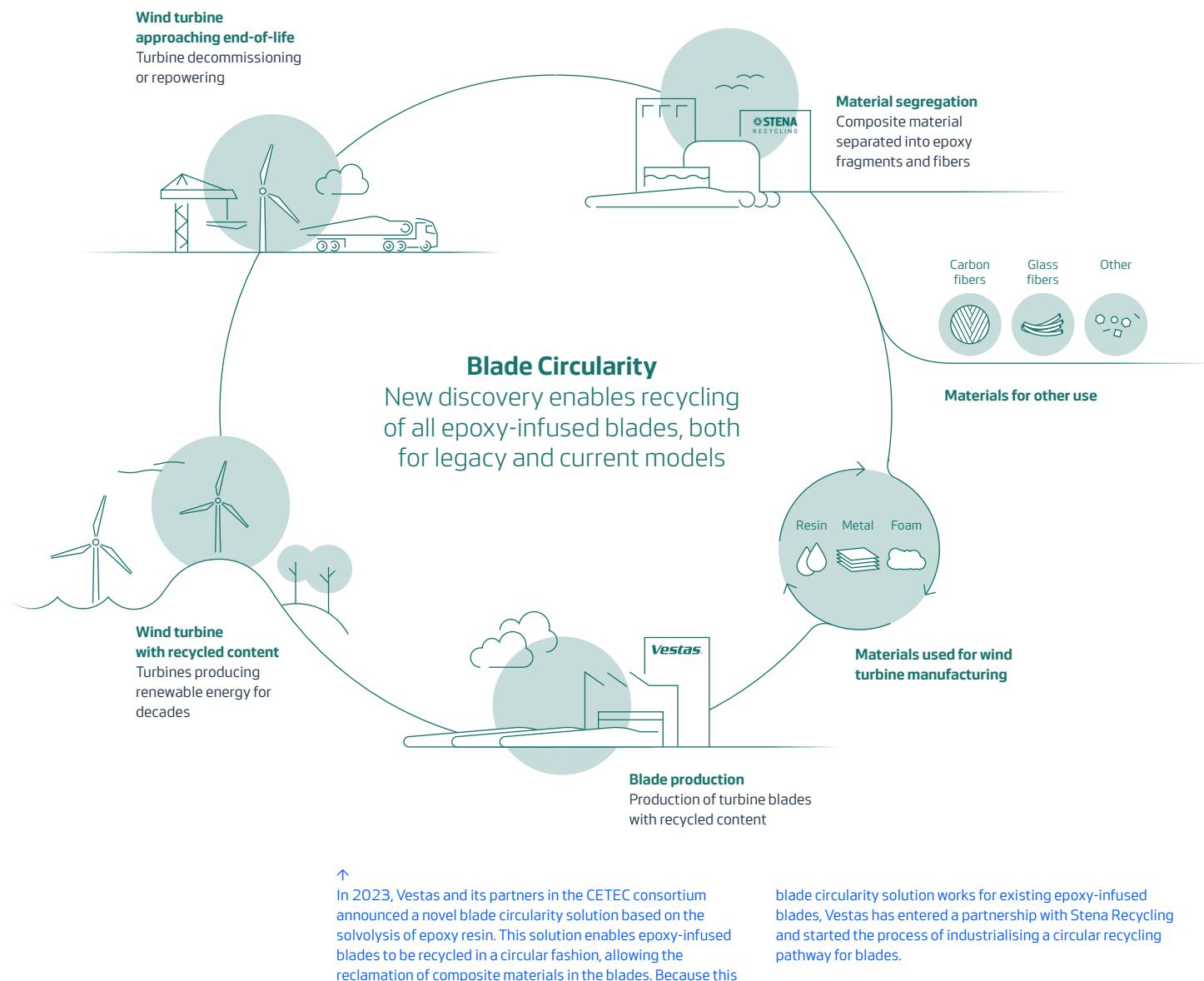
Reducing material waste in manufacturing is a core focus, and blade manufacturing remains the largest contributor to our internal waste categories. Actions to reduce manufacturing waste include the development of advanced recycling infrastructure near our manufacturing facilities, optimising design to minimise material use and implementing manufacturing kits that reduce scrap.

Operational circularity

Repair and refurbishment

Repair and refurbishment allows us to extend the lifespan of turbine components, reduce waste and cut GHG emissions by up to 45 percent compared to manufacturing new parts. Major turbine components, such as blades, gearboxes and generators, are already largely refurbished and reused.

- Regionalised repair infrastructure: Our Circularity Roadmap includes goals to regionalise repair and refurbishment networks, enabling cost-effective repairs that reduce emissions associated with component transport and support local job creation.



- Expanded repair loops for minor components: To increase the repairability of smaller components, we are investing in specialised repair solutions and partnerships with local suppliers. By enhancing the durability and repairability of these minor parts, we aim to further reduce material waste and support local businesses in the value chain.

Material recovery**Eliminating landfilling and incineration**

Working with increasing our recycling rate is a key ongoing action for us until we meet our target: We aim for a recycling rate of at least 94 percent by 2030, and to produce zero-waste wind turbines by 2040.

In 2022, we introduced circularity targets for the entire value chain, working with sustainability module leads and targets for each wind turbine part. We also utilised a regionalised Health, Safety, and Environment structure to introduce year-on-year recycling targets for each of our factories.

E5-4**Resource inflows****2024**

Overall total weight of products and technical and biological materials used during the reporting period (1,000 t)	1,743
Biological materials and biofuels used for non-energy purposes (%)	0.3
Absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials (1,000 t)	430
Secondary reused or recycled components, secondary intermediary products and secondary materials (%)	24.6

MDR-M; E5-4; E5-2 20b

Resource inflows

Our resource inflows can be split into two categories: Products (raw materials including packaging) and materials (materials and consumables for manufacturing operations). Additionally, it should be noted that Vestas uses a high rate of reused or recycled secondary raw materials in its turbines. In 2024, Vestas used an estimated 430 thousand tonnes of secondary raw materials in its turbines. This figure is based on estimations from standard database data and is not Vestas supplier-specific.

Raw materials including packaging

Vestas uses ISO-compliant Life Cycle Assessments (LCAs) to evaluate the environmental performance of wind turbines from raw material extraction to end-of-life. The assessments cover the entire plant until grid connection, including the turbine, foundation, site cabling, and transformer station, using Sphera LCA for Experts software.

These detailed studies account for approximately 25,000 parts, typically covering over 99.5 percent of the turbine mass and 99.9 percent of the complete wind plant. Each component's material type, weight, and manufacturing processes are described. The LCA models form the basis for Vestas' global Resource inflow mass balance. Double counting is avoided as reused and recycled inflows are considered separately. The LCA reports account partially for packaging in the bills-of-materials of the product. Based on our estimated data, packaging accounts for below 1 percent of material flows in total, being relatively negligible.

Wind turbines are typically composed of 85-90 percent steel, iron, and metals, 10-15 percent composites and polymers, and the rest electronics, lubricants, and fluids.¹ Recycled content is accounted for using industry datasets, such as Worldsteel or Eurofer. More information can be found at our corporate website.

Materials and consumables for manufacturing operations

Critical raw materials, including rare earth elements, are detailed in the 'Social information' section of the Sustainability statement under 'S2 Workers in the value chain'. These materials are also modelled in the LCA and managed by Global Procurement through cross-functional activities. We monitor waste at each site, preferring recycling over landfill. Waste quantities are tracked through weight slips, invoices, or statements from the waste recipients and reported quarterly. All business units follow this waste management process.

MDR-M; E5-5

Resource outflows**Products and materials**

Refer to section 'E5-2 Actions and resources' for further details on resource outflows related to products and materials, in relation to achievements and how circular economy principles are applied in Vestas.

Sustainability product offerings

Collaborations and customer commitments are vital for a more sustainable wind industry. Supplier partnerships and our sustainability products help reduce GHG emissions and waste, enhancing product value for customers.

Low-emission steel

Vestas and ArcelorMittal have partnered to offer low-emission steel, reducing GHG emissions from wind turbine towers by up to 66 percent per kg steel compared to conventional steel. Steel and iron, which make up 80-90 percent of wind turbine mass, account for about 50 percent of a turbine's total life-cycle GHG emissions. Low-emission steel is produced from 100 percent scrap, melted in an electric arc furnace powered by wind energy, enhancing circular economy performance

Blade and turbine recyclability

Vestas is accelerating blade recyclability through our DecomBlades and CETEC projects, as a means of engaging in product end-of-life waste management. DecomBlades focuses on recycling existing blades, while CETEC introduces a chemical process for epoxy-based blades. Scaling these technologies will divert blades from landfills and create circular epoxy value chains. Together, these projects help establish a recycling infrastructure across the industry.

Product metrics: Resource outflows

See Accounting policies (Section E5-6) for metric definition. Further details of data sources and assumptions are described below.

Product durability – average lifetime of turbines

Average lifetime is determined according to Vestas' project-specific sales documentation, which indicates the wind turbine lifetime according to specific wind power projects in the reporting year. The average lifetime of 24.63 years is based upon standard design lifetime or according to site-specific lifetime evaluations. This compares to an industry average of approximately 20-25 years.²

E5-5**Resource outflows****2024**

Recyclability rate of hub and blade at end-of-life (%)*

88

Recyclability of complete turbine at end-of-life (%)*

97

End-of-life legacy blades recycled (number)**

165

* Entity-specific ESRS metric

** Vestas' progress indicator, i.e. not an ESRS data point.

Recyclability rate of hub and blade and total turbine at EOL
Recyclability rates are estimated and reported with an updated method for 2024, which reflects the recyclability of designed 'As-built Turbine' as described further in the newest life cycle assessment report (of V163-4.5MW turbine). Actual recycling rates may vary, depending on project specific factors and regional waste management practices, and may lead to lower "real world" recyclability.

Repairability of products

See section E5-2 "Repair and refurbishment" page 89 and 90 for more information regarding repairability of our turbines.

Waste

The waste generated in own operations, are classified into hazardous vs non-hazardous waste based on local regulatory requirements. The waste is a combination of all types. We do not have any sector specific waste in our own operations. Materials that are present in waste include electronic waste, glass, wood, chemicals and solvents, paper, plastic, scrap metal (aluminium, brass, iron, copper, cables and paint).

The carbon composite waste generated during manufacturing presents significant recycling challenges and is a cross-sector issue, often resulting in landfill or incineration. The common practice across sectors is to dispose of carbon composites in landfills or through incineration due to the lack of available technologies and local regulatory practices. For our disclosures on E5-5-6 and E5-5-17, see Accounting policies for E5 on page 92.

¹ Vestas: Life Cycle Assessments. Page on vestas.com

² WindEurope: Sustainability. Page on winedeurope.org.

Targets and metrics

MDR-T; E5-3

Targets and progress

In October 2021, Vestas launched the Circularity Roadmap, a comprehensive set of commitments to be implemented across the value chain to accelerate our journey to reach zero-waste turbines by 2040, setting a new benchmark for circularity and waste reduction in the wind industry. The roadmap outlines circularity pathways for Vestas' value chain by setting targets in three main areas: Design for circularity, Operational circularity and Material recovery. In line with our targets, we aim to prevent, re-use or recycle waste wherever possible.

We have involved both internal and external stakeholders in defining the concepts of circularity and the targets. The targets are voluntary and are all developed based on scientific evidence and were set by involving key internal and external stakeholders.

Targets related to Design for circularity

Material efficiency target

To design out production waste in our own operations, we have set a target to increase our material efficiency by 90 percent by 2030, to 0.2 tonnes of waste per MW produced and shipped, compared to a baseline value of 2.0 tonnes of waste per MW produced and shipped in 2021. This target applies to manufacturing, construction and operations and maintenance activities in our own operations.

In 2024, our material efficiency improved to 1.0 tonnes of non-recycled waste per MW produced and shipped (2023: 1.2 tonnes). This demonstrates a decrease of 17 percent largely due to waste generation decreasing relative to production levels, as well as the impact of a large clean-up of waste in our Windsor site in 2023 and reduced production in our Ringkøbing site during the year.

Blade rotor recyclability target

We have committed to create a 100 percent recyclable rotor by 2030, while minimising down-cycling of blade materials to preserve their value and potential use in the creation of new products. This target applies to the turbine rotor (i.e. hub and blades), which primarily takes place at the end-of-life in our downstream value chain.

In 2024, we achieved a 88 percent recyclability rate of blade rotor (2023: 90 percent). This demonstrates a decrease, which was partially due to changes in recycling measurement method, but primarily as a result of increased volume of non-epoxy infused resin blades production for turbines produced and shipped.

Targets related to Operational circularity

Repair, reuse and refurbish targets

Vestas aims to refurbish 55 percent of turbine components by 2030 and 75 percent by 2040, mainly by creating new repair loops for components. We measure this target in percentage of refurbished components utilisation rate (weight of components) with a baseline year of 2020, where we had a 14 percent refurbishment rate. Through increasing the use of refurbished components, we reduce the use of new materials. This target applies to our operations and maintenance activities in our own operations.

In 2024, we achieved a refurbished component utilisation rate of 34.5 percent. This demonstrates a moderate improvement of 1 percentage point (2023: 33.5 percent). The increase in refurbished component utilisation rate was primarily driven by a higher utilization of refurbished main components.

Targets related to Material recovery

Ceasing landfilling and expanding incineration targets

Vestas aims for a recycling rate of at least 94 percent by 2030, and to produce zero-waste by 2040. We measure this target in percentage of recycled or reused waste in our own operations with 2020 as baseline year, where we had a recycling rate of 52 percent. This target applies to our downstream activities.

In 2024, we generated 44 thousand tonnes of waste, with 88.6 percent non-hazardous and 11.4 percent hazardous. We landfilled 11.4 percent, incinerated 2.3 percent, incinerated 18.2 percent with energy recovery, reused 0 percent, and recycled 68.2 percent. Waste generation decreased relative to production levels, though performance varies globally due to local infrastructure and turbine variants. We monitor waste at each site, preferring recycling over landfill. Waste quantities are tracked through weight slips, invoices, or statements from the waste recipients, and reported quarterly. All our business units follow this waste management process. Critical raw materials, including rare earth elements, are detailed in 'S2 – Workers in the value chain' page 112. These materials are also modelled in the LCA.

The metrics covering how we measure our circularity performance is covered in section E5-4 and E5-5 on page 90.

E5-5

Waste generated

1,000 t

2024

1.	Hazardous waste diverted from disposal due to preparation for reuse	-
2.	Hazardous waste diverted from disposal due to recycling	3
3.	Hazardous waste diverted from disposal due to other recovery operations	1
4.	Sub-total: Hazardous waste diverted from disposal (sum of 1 to 3)	4
5.	Non-hazardous waste diverted from disposal due to preparation for reuse	-
6.	Non-hazardous waste diverted from disposal due to recycling	27
7.	Non-hazardous waste diverted from disposal due to other recovery operations	7
8.	Sub-total: Non-hazardous waste diverted from disposal (sum of 5 to 7)	34

9. Total diverted from disposal (sum of 4 and 8)

38

10.	Hazardous waste directed to disposal by incineration	0
11.	Hazardous waste directed to disposal by landfilling	1
12.	Hazardous waste directed to disposal by other disposal operations	-
13.	Sub-total: Hazardous waste directed to disposal (sum of 10 to 12)	1
14.	Non-hazardous waste directed to disposal by incineration	1
15.	Non-hazardous waste directed to disposal by landfilling	4
16.	Non-hazardous waste directed to disposal by other disposal operations	-
17.	Sub-total: Non-hazardous waste directed to disposal (sum of 14 to 16)	5

18. Total directed to disposal (sum of 13 and 17)

6

19.	Non-recycled waste	14
20.	Percentage of non-recycled waste (%)	31.4
21.	Total amount of hazardous waste (sum of 4 and 13)	5
22.	Total amount of radioactive waste (part of hazardous)	0
23.	Waste, grand total (sum of 9 and 18)	44

Non-recycled waste

2024

Material efficiency (tonnes of non-recycled waste per capacity in MW of wind turbines produced and shipped)*

1.0

* Entity-specific ESRS metric



Accounting policies for E5 – Resource use and circular economy

E5-4 32

Resource inflows

The following four metrics define Resource inflows:

- Total weight products and technical and biological materials.
- Percentage (based on total weight) of biological materials (and biofuels used for non-energy purposes).
- Total weight (tonnes) and Percentage (based on total weight) of secondary reused or recycled components (and secondary intermediary products, and secondary materials).
- Percentage (based on total weight) of secondary reused components (and secondary intermediary products, and secondary materials).

The scope of Resource inflows includes materials in Vestas' wind turbines produced and shipped and components for service operations for the reporting period. The metric excludes property, plant and equipment, which are deemed negligible.

The data for resource inflows is sourced from Vestas LCAs and the corresponding bill-of-materials, supplier certification scheme information and global Service transaction data.

Refer to section E5-4 'Resource inflows' for further description of data sources and assumptions.

Resource outflows

The following three metrics define Resource outflows:

'Product Durability – Average lifetime of turbines (measured in years)'

Product durability is the average lifetime (measured in years) for Vestas' wind turbines produced and shipped during the reporting period. It is calculated using data from Vestas' project-specific sales documentation.

'Recyclability rate of hub and blade at end-of-life (%)'

This is calculated as the recyclable share of the total rotor (i.e. hub and blade) based on percentage weight (tonnes). Recyclability rates of different materials and component types are quantified and estimated based on information from life cycle assessment (LCA) reports, including blades, based on CETEC project, as updated in 2023. Additionally, the recyclability method has been updated in 2024 to reflect the wind turbine recyclability rate of the designed "As-built Turbine-only", including non-metal materials.

Actual recycling rates may vary, depending on project specific factors and regional waste management practices, and may lead to lower "real world" recyclability.

'Recyclability of complete turbine at end-of-life (%)'

This was reported for the first time in 2024. The total turbine consists of the blade, hub, nacelle, and tower. The recyclability method and calculation applied is the same as for hub and blade.

Refer to section E5-5 'Resource outflows' for further description of data sources and assumptions.

Defined terms:

- Durability: the ability of a product, component or material to remain functional and relevant when used as intended.
- Longevity: designed for maintenance and durability in such a way that encourages longer use than the industry standard in practice and at scale and in such a way that does not compromise circular treatment at the end of functional life.

E5-5 40

Waste

Waste is reported for:

- All manufacturing and test facilities.
- Other operations in service, construction and office entities where waste is Vestas' responsibility.
- Offices controlled by Vestas.

The above covers our consolidation scope as stated in Basis for preparation and thus includes Vestas' Group including all its subsidiaries.

In alignment with ESRS, all waste produced by Vestas is classified as hazardous and non-hazardous based on disposal methods. The quantity of waste reported is based on weight slips, invoices or statements received from the waste recipients for deliveries included in the accounting period.

'Percentage of non-recycled waste'

This is calculated by comparing the total amount of waste generated with the amount of waste not recycled, based on receipts from all waste management operations.

'Total amount of hazardous and non-hazardous waste'

Vestas utilises countries' local mandated legislation classifications for hazardous and non-hazardous waste diverted from disposal due to preparation of reuse, recycling and other recovery operations as well as hazardous and non-hazardous waste directed to disposal by incineration, landfilling and other disposal operations.

'Material efficiency (tonnes of waste excluding recycled per MW produced and shipped)'

Material efficiency is defined as the total number of non-recycled waste materials from Vestas' own manufacturing per MW capacity produced and shipped during the reporting period.

Financial resources allocated to action plan (CAPEX and OPEX)

The CAPEX and OPEX allocated to circularity-related action plans are focused on design for circularity, operational circularity, and material recovery.

The key actions are accounted for and monitored by the respective owners of each sustainability action. The Group Sustainability department maintains the budget overview and receives data from relevant regional and functional heads for i) investments in the current year and ii) future investments. The reported data is supported by documentation such as invoices for investments incurred in the reporting period and approved budget for future investments.



EU Taxonomy

Mitigating climate change is at the core of our business model. For 2024, we report 99 percent aligned revenue, 92 percent aligned OPEX and 99 percent aligned CAPEX.

The EU Taxonomy for sustainable activities (the "Taxonomy") is a classification system of economic activities that are determined by the EU to make a substantial contribution to environmental sustainability.

Under Article 8(1) of the Taxonomy regulation (EU) 2020/852, companies required to publish non-financial information pursuant to the Non-Financial Reporting Directive ("NFRD") shall disclose information to the public on how and to what extent their activities are associated with environmentally sustainable economic activities.

For the reporting year 2024, companies are required to report on 1) the eligibility of their economic activities considering all six environmental objectives, 2) the environmental objective(s) their eligible activities substantially contribute to, and 3) the alignment of their eligible activities with the applicable do no significant harm ("DNSH") criteria and the Minimum Safeguards in line with Article 3 of EU/2020/852 and supplementing regulations.

We have the following economic activities: manufacturing, construction, development, service and sale of spare parts. All activities are considered enabling. Revenue relating to manufacturing and construction is grouped under the Power Solutions segment. Revenue relating to service and sale of

spare parts is grouped under the Service segment. Development is a stand-alone business area. Revenue from development is not a bundled performance obligation. It is reported under supply-only in the Power Solutions segment.

All of Vestas' subsidiaries are included in the technical screening exercise and the calculation of KPIs.

Substantial contribution and allocation of activities

There are no changes to our reporting scope in 2024. Our manufacturing and construction activities are considered eligible under Activity 3.1: Manufacture of renewable energy technologies, and our development, service, and sale of spare parts activities are considered eligible under Activity 4.3: Electricity generation from wind power.

Our manufacturing activities substantially contribute to climate change mitigation by manufacturing renewable energy technologies, and our development, construction, service, and sale of spare parts activities substantially contribute to climate change mitigation by developing, constructing, or servicing wind farms and thereby generating or supporting electricity generation from wind power. This allocation was implemented in 2023 following the two commission notices adopted on the 20th of October 2023.

In line with FAQ 139 of the first commission notice, our service and development activities are allocated to activity 4.3 and not activity 7.6, as neither activity is related to technical building systems, which activity 7.6 is limited to. However, in line with the description of activity 4.3, the technical screening criteria of activity 7.6 apply to our service activities, as they are an integral element of the 'maintenance and repair of renewable energy technologies'. As such, the allocation change for service only affects the presentation of the activity, not the alignment criteria.

In line with FAQ 22 of the second commission notice, revenue from Supply-only, Supply-and-installation and EPC contracts is reported together under activity 3.1, as these are bundled performance obligations. Revenue from our service and sale of spare parts activities is reported together under activity 4.3, as these activities are not treated as distinct in our financial accounting. In line with FAQ 9 of the first commission notice, activities have only been screened against DNSH criteria that are relevant to the activity.

Taxonomy alignment

Economic activities are reported as taxonomy-aligned if they 1) contribute to one or more of the six environmental objectives, 2) DNSH to any of the other environmental objectives, and 3) comply with the Minimum Safeguards. Extensive work has been conducted to determine and document compliance with these three alignment criteria.

Climate Change Adaptation

The DNSH criteria related to climate change adaptation are applicable to all our eligible activities. Our approach to climate change adaptation is outlined on pages 65.

Activity 3.1 (Manufacture of renewable energy technologies)

All DNSH criteria of Activity 3.1 are applicable to our manufacturing activities. However, we do not consider transition to circular economy applicable to our construction activities, as the criteria is related to the manufacture of products.

Our approach to sustainable use and protection of water and marine resources and protection and restoration of biodiversity and ecosystems is available in section E3 and E4 respectively. An EIA or screening in accordance with Directive 2011/92/EU, including an assessment of the impact on water in accordance with Directive 2000/60/EC or equivalent, has been carried out for all our manufacturing facilities and construction sites. Our approach to Transition to circular economy, including our work with design and operational circularity and material recovery, is available in section E5.

We regulate restricted and prohibited chemicals at all business levels and units in line with Vestas' Prohibited and Restricted Substance Management (VPRS) document. The document aligns with the standards under the five sub-criteria of pollution prevention and control.

Activity 4.3 (Electricity generation from wind power)

All DNSH criteria of Activity 4.3 are applicable to our development activities. Only climate change adaptation is applicable to our service and sale of spare parts activities.

Our approach to sustainable use and protection of water and marine resources and protection and restoration of biodiversity and ecosystems is available in section E3 and E4 respectively. An EIA or screening in accordance with Directive 2011/92/EU or equivalent is carried out for all development projects, and we do not hamper the achievement of good environmental status as set out in Directive 2008/56/EC or equivalent in offshore development projects. The few components used in development are highly durable, easy to dismantle and reuse, and to a great extent recyclable at end-of-life.

Minimum Safeguards

We work with human rights according to the United Nations Guiding Principles on Business and Human Rights and Organisation for Economic Co-operation and Developed Guidelines for Multinational Enterprises. Our commitment to respect human rights is embedded into several policies including our Human Rights Policy and Codes of Conduct.

We continuously work to identify and assess salient human rights issues and risks in our operations. We refresh our corporate-wide human rights assessment every third year, and on an ongoing-basis conduct due diligence in both our up- and downstream value chain. We proactively take measures to prevent and mitigate risks and make our Operational Grievance Mechanism and EthicsLine channels available for affected stakeholders to raise concerns and access remediation where necessary.

EU Taxonomy eligibility and alignment in 2024

Percent	Eligible	Aligned
Revenue	99	99
Capital expenditure (CAPEX)	99	99
Operating expenditure (OPEX)	92	92

We have global and regional Anti-Bribery and Corruption Compliance Programmes, and our annual Global Anti-Bribery and Corruption Survey is taken by Vestas employees globally, ensuring we spot corruption risks proactively. Our Codes of Conduct include a section on competition law, and we have also developed a detailed Competition Law Guideline and mandatory e-learning for office employees. Our Tax Policy covers all decisions that directly or indirectly affect reporting and payment of taxes under the liability of any Vestas Group Company.

During 2024, we have not registered any final court convictions on violations of labour law and human rights, tax laws, corruption laws, or fair competition laws against the Vestas Group or its senior management.

Taxonomy-aligned revenue

99 percent of our revenue is aligned for 2024. 78 percent of the aligned revenue is related to activity 3.1, and 21 percent of the aligned revenue is related to activity 4.3. For further information on key drivers of change in revenue please refer to note 1.2 in our Financial statements.

Revenue not Taxonomy-aligned

1 percent of our revenue is non-eligible for 2024. Based on our assessment, we cannot conclude that revenue related to 'over the counter' sale of spare parts is eligible under any of the six environmental objectives.

Taxonomy-aligned OPEX

92 percent of our operating expenditure (OPEX) is aligned for 2024. 53 percent of the aligned OPEX is related to activity 3.1, and 39 percent of the aligned OPEX is related to activity 4.3. The aligned OPEX has increased by EUR 20m in 2024 as a result of increase in research and development costs and repair and maintenance costs. For further information on key drivers of change in OPEX, see note 1.5 in the Financial statements.

The aligned OPEX consists of expenditures relating to short term leases, research and development costs not capitalised during the year, building renovation measures and other direct expenditures linked to service and operation of assets related to manufacturing, construction, development, and service.

OPEX not Taxonomy-aligned

8 percent of our OPEX is non-eligible as it is related to 'over the counter' sale of spare parts, and supporting administrative functions not directly linked to our eligible business activities.

Taxonomy-aligned CAPEX

99 percent of our capital expenditure (CAPEX) is aligned for 2024. All CAPEX relating to assets in manufacturing, technology, sales, development, and service is aligned.

CAPEX not Taxonomy-aligned

1 percent of our CAPEX is non-eligible as it is related to 'over the counter' sale of spare parts, and supporting administrative functions not directly linked to our eligible business activities.

Nuclear and fossil gas related activities

The undertaking carries out, funds or has exposures to:

Nuclear energy related activities

1. Research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle:

No

2. Construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies:

No

3. Safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades:

No

Fossil gas related activities

4. Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels:

No

5. Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels:

No

6. Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels:

No

Accounting policies – Revenue

Vestas recognises revenue in compliance with IFRS 15, split into two segments: Power Solutions and Service. Refer to note 1.1 and 1.2 in the Financial statements.

The Power Solutions segment comprises revenue relating to Supply-only, Supply-and-installation and EPC (Engineering, Procurement and Construction) contracts.

The Service segment comprises revenue relating to contracts for servicing wind turbines manufactured by Vestas as well as wind turbines manufactured by third parties.

In 2021, Vestas launched Development as a stand-alone business area. Revenue from Development is reported under Supply-only in the Power Solutions segment.

Vestas also sells spare parts through longstanding and one-off service contracts and as 'over the counter' sales. Revenue generated from the sale of spare parts is reported under 'products and services transferred at a point in time' in the Service segment. More details on key accounting estimates, judgments, and accounting policies for revenue are available on page 147, note 1.2.

We report all our eligible revenue as aligned. The non-eligible revenue relating to 'over the counter' sale of spare parts is presented separately. To avoid double counting, we excluded non-aligned revenue from the total revenue when calculating the percentage of aligned revenue.

No Taxonomy-aligned activities have been consumed internally.

We recognise the continuous development of the Taxonomy's accounting principles and will update our approach accordingly.

Accounting policies – OPEX

Our OPEX in the financial statements comprises 1) research and development costs not capitalised during the year, and 2) distribution costs and administration costs.

The definition of OPEX in the Taxonomy is different from the one used at Vestas. Following the definition of OPEX in Article 8(2) of the Delegated Act, we have included all expenditures relating to short term leases, repair and maintenance relating to the day-to-day servicing of assets of property, research and development not capitalized during the year, building

renovation measures and other direct expenditures relating to servicing and operation of assets in our calculation of OPEX.

The denominator includes OPEX relating to eligible as well as non-eligible activities. The numerator includes OPEX directly linked to aligned business activities and therefore excludes OPEX related to the non-eligible part of sale of spare parts, and support functions. Selected accounts that match the definition of OPEX have been classified based on specific business activities and summed up to calculate the numerator and the denominator. Each account is added to the sum only once to avoid double counting.

Accounting policies – CAPEX

Vestas has fixed assets presented as Intangible assets and Property, Plant and Equipment in the Balance Sheet as specified on page 138.

Any additions to these asset categories are considered as CAPEX. Refer to accounting policies in note 3.1 and 3.2 on page 160 and 162.

For Taxonomy reporting, the following assets are considered as additions: software, other intangible assets, development projects in progress, land and buildings, plant and machinery, other fixtures and fittings, tools and equipment in progress and right-of-use assets.

Both cash and non-cash additions to these assets are considered as CAPEX.

The denominator includes all CAPEX for the assets mentioned above.

The numerator includes CAPEX directly linked to aligned business activities and therefore excludes any CAPEX related to 'over the counter' sale of spare parts, and assets owned by support functions.

The CAPEX related to 'over the counter' sale of spare parts has been calculated using an allocation key based on revenue. The capital expenditure relating to our service warehouses was proportionately allocated to 'over the counter' sale of spare parts, as a percentage of its revenue out of the total service revenue.

To avoid double counting, we have calculated the percentage of eligible CAPEX by excluding non-eligible CAPEX from total CAPEX for all asset classes.

Revenue

Economic activity (1)	Code (2)	Absolute revenue (3) mEUR	Proportion of revenue, year 2024 (4)	Substantial Contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Category (enabling activity or (transitional activity) (20)	Category (eradicating activity or (19)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) revenue, year 2023 (18)	% Y/N
				Climate change adaptation (6)	Climate change mitigation (5)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Climate change adaptation (12)	Climate change mitigation (11)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies ¹	CCM 3.1	13,502	78%	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	76%	E		
Electricity generation from wind power ²	CCM 4.3	3,579	21%	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	-	Y	Y	Y	23%	E		
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		17,081	99%	99%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	99%	E		
Of which Enabling		17,081	99%	99%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	99%	E		
Of which Transitional		0	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	N/A	0	0%	-	-	-	-	-	-	-	-	-	-	-	-	0%			
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
A. Revenue of Taxonomy-eligible activities (A.1+A.2)		17,081	99%	99%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	99%	E		
B. Taxonomy non-eligible activities																			
Revenue of Taxonomy-non-eligible activities		214	1%																
Total		17,295	100 %																

¹ Codes: C27,C28.² Codes: F42,F43.

Operating expenditure (OPEX)

	Code (2)	OPEX (3) mEUR	Proportion of OPEX, year 2024 (4) %	Substantial Contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Category (enabling activity) (19)	Category (transitional activity) (20)	E	T
				Climate change adaptation (6)	Climate change mitigation (5)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Climate change adaptation (12)	Climate change mitigation (11)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
Economic activity (1)																			
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies ¹	CCM 3.1	206	53%	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	45%	E		
Electricity generation from wind power ²	CCM 4.3	148	39%	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	-	Y	Y	Y	47%	E		
OPEX of environmentally sustainable activi- ties (Taxonomy-aligned) (A.1)		354	92%	92%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	92%	E		
Of which Enabling		354	92%	92%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	92%	E		
Of which Transitional		0	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
N/A		0	0%	-	-	-	-	-	-	-	-					0%			
OPEX of Taxonomy-eligible but not environ- mentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%								0%			
A. OPEX of Taxonomy-eligible activities (A.1+A.2)		354	92%	0%	0%	0%	0%	0%								92%	E		
B. Taxonomy non-eligible activities																			
OPEX of Taxonomy-non-eligible activities (B)		31	8%																
Total		385	100%																

¹ Codes: C27,C28.² Codes: F42,F43.

Capital expenditure (CAPEX)

	Code (2)	CAPEX (3) mEUR	Proportion of CAPEX, year 2024 (4)	Substantial Contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Category (enabling activity) (19)	Category (transitional activity) (20)	E	T
				Climate change mitigation (5)	Water and marine resources (7)	Climate change adaptation (6)	Pollution (8)	Circular economy (9)	Climate change adaptation (12)	Climate change mitigation (11)	Water and marine resources (13)	Biodiversity and ecosystems (10)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
Economic activity (1)																			
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies ¹	CCM 3.1	1,288	87%	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	81%	E	
Electricity generation from wind power ²	CCM 4.3	182	12%	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	-	Y	Y	Y	Y	16%	E	
CAPEX of environmentally sustainable activi- ties (Taxonomy-aligned) (A.1)		1,470	99%	99%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	97%	E	
Of which Enabling		1,470	99%	99%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	97%	E	
Of which Transitional		0	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	-	0%	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	N/A	0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
CAPEX of Taxonomy-eligible but not environ- mentally sustainable activities (not Taxono- my-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
A. CAPEX of Taxonomy-eligible activities (A.1+A.2)		1,470	99%	99%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	97%	E	
B. Taxonomy non-eligible activities																			
CAPEX of Taxonomy-non-eligible activities (B)		18	1%																
Total		1,488	100%																

¹ Codes: C27,C28.² Codes: F42,F43.



Social information

- **S1** Own workforce
 - Working conditions: Health and safety
 - Working conditions: Secure employment
 - Equal treatment and opportunities for all
- Statutory diversity reporting under Danish law
- **S2** Workers in the value chain
- **S3** Affected communities

In order to create a better narrative flow, we have deviated from ESRS' structure by splitting up our 'Own workforce' related disclosures into three thematic sections; Working conditions; Health and Safety; and Equal treatment and opportunities for all. Similarly, our presentation of identified material impacts, risks and opportunities are presented under these themes.

S1 Own workforce

Working conditions: Health and safety

For Vestas, safety is at the core of everything we do. While our injury rate remained stable, there were tragically five fatalities in 2024. We remain focused on improving our safety culture and minimising risks of incidents in our own operations, as every incident is one too many.

SBM-3; S1-SBM-3

Impacts, risks and opportunities

It is Vestas' ambition to become the safest company in the energy industry, and our people are the driving force behind our success. We are committed to prioritise safety in everything we do and empower our employees through involvement, participation, consultation, and competence development with defined responsibilities, and provide the necessary health and safety resources, training, and support. All materially affected members of our own workforce are included in the scope of this disclosure.

Health and safety incidents of own workforce

Incidents related to health and safety have been identified as an actual negative impact in our own operations, and as long as we are operating, it will always be a material topic to Vestas.

During manufacturing, installation, and servicing of wind farms, Vestas' site personnel, including contractors under our operational control, are exposed to a work environment with

risks such as working at heights, confined spaces, hazardous energy, mechanical lifting operations, driving vehicles, operating equipment, manual handling and weather-related risks.

Every health and safety incident is one too many, and we thoroughly investigate each case to assess root cause and mitigation actions at the given site of occurrence. The inherent risk and negative impact of health and safety incidents is actual, short-term, localised and not widespread or systemic. When operating in a heavy industry it also becomes naturally connected to our business model and part of our strategy including commitments, targets and progress reporting aligned with our annual reporting cycle.

Workforce safety culture

A key focus for Vestas is to enable a strong safety culture, which leads to a positive impact in the form of safety awareness and trust in colleagues, leading to greater well-being and less incidents. This impact occurs in our own operations, and over the short to long term time horizon, since awareness is raised through continuous learning, while the establishment of culture is built over time. This impact is directly connected to our strategy, and it is extremely important that we continuously focus on establishing a strong safety culture, supported by policies, procedures, training and continuous risk management.

Impacts, risks, and opportunities

IRO type

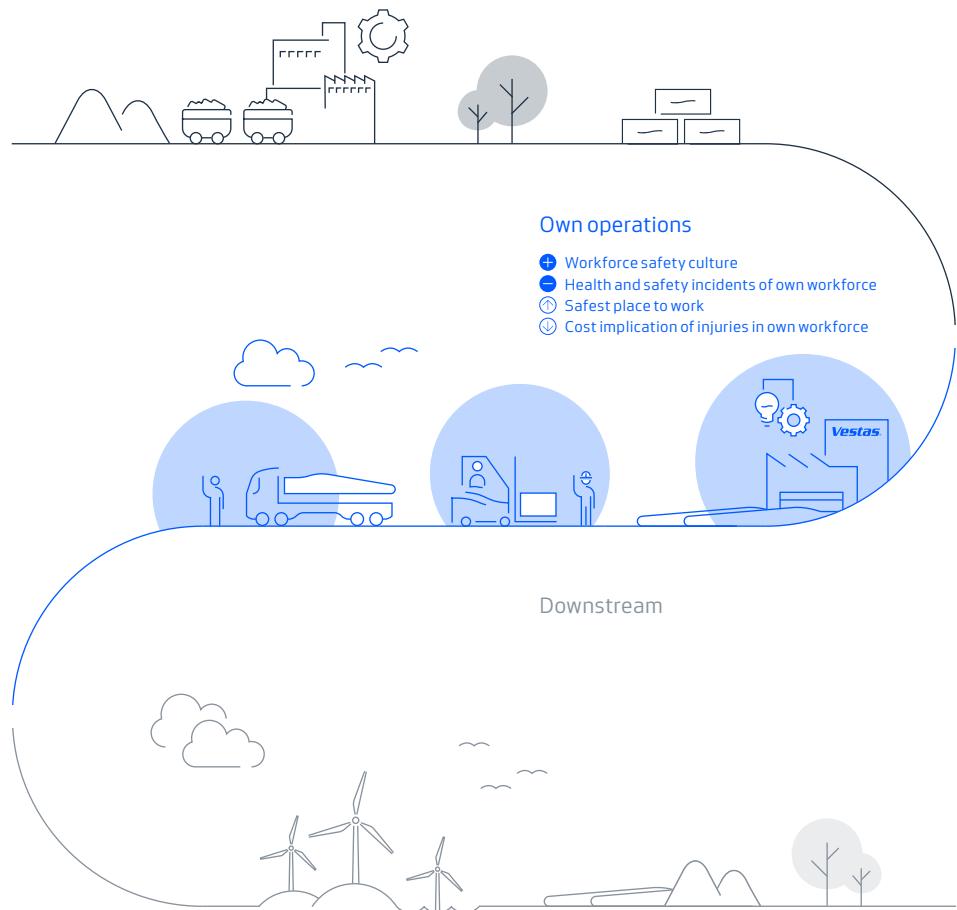
Impact materiality

- + Positive
- Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream



Safest place to work

At Vestas, safety is more than a priority – it is foundational to how we work. We understand that true safety goes beyond compliance; it is about building resilient systems and empowering our people to adapt and make informed, proactive decisions. We aim to lead our industry by creating a work environment that not only meets but exceeds legal safety requirements. This commitment to safety is not just an operational commitment – it is a strategic opportunity, originating in our own operations. A strong health and safety culture is essential to our success, as our workforce is our most critical asset. Recognising the substantial short, medium and long-term financial benefits of an engaged and safe workforce, we have embedded our Total Recordable Injury Rate (TRIR) into our core business targets. We are continuing to evolve our approach to safety to ensure we improve our safety performance. We recognise that future improvement requires us to look beyond human error as a cause of injuries, but also seek to understand the systemic issues that exist across our entire organisation.

We strive to ensure that we have appropriate safety decision-making structures and each business unit takes ownership of safety by implementing tailored initiatives that respond to the specific risks of their work environments. The opportunity and potential positive impact of a strong 'Workforce safety culture' thereby arises from reduced impact to all types of employees in our workforce irrespective of employment type. See "Actions and resources" for more information on the activity related to positive impact. For this reason this is considered a financial opportunity in the short, medium and long-term. This opportunity arises from our dependency on our workforce. Together, we are setting the standard for operational safety, prioritising risk control, and fostering a culture of continuous learning and improvement, where the employee is at the centre of the improvement opportunity. More than half of Vestas' workforce is comprised of blue-collar employees who are working in a high-risk environment. Thus, to create a robust working environment, provide training and equipment, and being the safest place to work is a key priority. The same goes for our suppliers.

Cost implication of injuries in own workforce

Through our operations, we have a risk of injuries on our workforce, which could cause delays, lost work hours and compensation costs for Vestas. This financial risk occurs in our own operations, in the short to long term. The financial effects of this risk have been evaluated to be potentially material.

The risk is thereby related to our negative impact identified as 'Health and safety incidents' and also arises from our dependency on workers providing labour for Vestas.

Management of impacts, risks, and opportunities

S1-1

Policies

The Vestas Safety, Quality, Health, and Environmental (SQHE) Policy and HSE framework outline the procedures in identifying, mitigating, and reporting health and safety related negative impacts and risks for own workforce as well as for contractors and suppliers in the value chain for all positions globally.

The SQHE Policy is approved by the Executive Management and supported by our HSE management system based on the principles of ISO 45001. Reports on injury rate performance are shared with the Board on a quarterly basis, and with the Executive Management team on a monthly basis.

Our SQHE Policy applies to all Vestas entities, employees, activities, products and services, and includes our expectations in relation to external parties. The policy is reviewed annually and was aligned with the ESRS and Vestas' HSE framework in 2024.

The most senior level accountable for the policy is our Group President & CEO, as safety is our number one priority. In addition, our leaders are responsible for implementing the HSE Policy, taking action and leading through intent to empower our people to make safe and appropriate decisions.

For further information related to the MDR-P requirements for the QHSE policy, see page 75 in E1-2.

MDR-A; S1-4

Actions and resources

It is our obligation and responsibility to ensure that our employees can return home to their families and loved ones as safe and healthy as they started their workday at Vestas, and we must ensure the right conditions for working safely. Our actions within this area are dedicated to building a strong HSE system, creating safety awareness, reporting, and analysing root causes to prevent incidents. These actions are already in place, of ongoing nature, and serve to prevent fatalities and health and safety incidents of our employees. In addition, Vestas enables remedy to its materially affected members of its workforce in line with local regulation.

Awareness raising

Widespread awareness is integral to the management and prevention of safety hazards. Safety training is a mandatory part of the onboarding process for all employees. In addition, we launch periodic safety campaigns so our employees feel more secure in seeking advice and raising concerns. In connection with awareness raising and having a common safety language, Vestas has established five safety principles and eight LIFE saving rules with the aim of saving lives and preventing serious injuries. Finally, to emphasise leadership commitment in improving safety performance, we continue our long-standing 'Walk and Talk' programme. 'Walk and Talk' is about engaging one-on-one to reinforce good safety behaviours and how to prevent risks.

HSE management system

We continue to evolve and improve our HSE management system covering all our sites and all workers working in our value chain, rooted in a risk-based approach, designed to build capacity within our operations to manage and adapt to potential safety risks. This system forms the foundation of our commitment to proactive HSE management, fully integrated into our daily processes and future projects. By emphasising critical control checks and a strong assurance process, we enhance our ability to anticipate, absorb, and respond to operational risks, creating a safer, more resilient work environment for all.

For more information on Vestas' quantitative disclosures related to health and safety see section S1-14 on page 101.

Targets and metrics

MDR-T; S1-5

Targets and metrics

In line with our SQHE policy, we are committed to set, measure, monitor, and review our health and safety targets and act upon deviations. Every day, our employees manufacture, install, and service wind farms all over the world. Without exception, they always operate under the principle of 'Safety First'. Since we want to become the safest company in our industry, we have committed to reduce our Total Recordable Injury Rate (TRIR).

Our TRIR includes 'restricted work injuries' and 'medical treatment injuries' in addition to Lost Time Injuries (LTIs). The TRIR therefore provides greater insight to help inform our activities and initiatives. Our TRIR includes 'restricted work injuries' and 'medical treatment injuries' in addition to Lost Time Injuries (LTIs). The TRIR therefore provides strong insight to help inform our activities and initiatives. The scope of our TRIR reporting includes Vestas employees and contractors working under our operational control.

The process for setting and monitoring health and safety targets involves factors such as an analysis of past performance, the risk profile of the company and alignment with Vestas strategic initiatives. This is to ensure that our targets are both relevant and achievable.

We have updated our 2025 and 2030 TRIR targets from 1.5 to 2.4 and 0.6 to below 1 respectively, to reflect a shift in Vestas' risk profile, the inclusion of growing offshore activities as well as an overall increase in work activities across various areas. The aim is to implement more realistic short-term ambitions across different regions and functions which can lead to more consistency and focus.

The new targets will be valid as of 1 January 2025 and will continue to be monitored and reviewed monthly for execution. The monthly reviews and dashboards for tracking injuries, along with quarterly performance reports in the interim reports, provide a clear picture of progress and areas in need for attention.

Although we do not engage directly with the workforce in setting these targets, sharing performance updates monthly helps keep everyone informed and aligned with the health and safety goals identified by the HSE team.

Vestas has been conducting safety awareness training and Safety 'Walk & Talks' to support a strong safety culture. We require our leaders to perform at least four Safety 'Walk and Talks' per year, and regions can establish their own targets for operational leaders. We plan to establish a system to track the influence of this and also assess the impact that safety leadership training can have on the safety culture including if it can be used as a metric to drive safety culture further in 2025.

MDR-M; S1-14

Progress

Vestas' Total Recordable Injury Rate (TRIR) is our main metric to measure progress against our target. Our TRIR remained constant at 3.0 in 2024 (2023: 3.0). While we have managed to reduce our TRIR by 9 percent since 2020, we remain committed to maintaining progress. For the 2024 reporting year, progress is measured in accordance with our original TRIR targets of 1.5 by 2025 and 0.6 by 2030.

During 2024, our LTIR per million working hours decreased to 1.2 from 1.3 in 2023. We continued to focus on incidents with high actual severity or high potential severity. During 2024, two fatalities occurred in Vestas' own operations. We ensure that we learn from these incidents and share the lessons across the organisation to help prevent reoccurrence.

We are deeply saddened to report that we incurred five fatalities in total during 2024. Three of these fatalities involved contractors not under Vestas' operational control. These incidents have been thoroughly investigated with learnings incorporated into our management system.

S1-14

Health and safety metrics

	2024
Workforce covered by health and safety management system (%)	100
Total Recordable Injuries per million working hours (TRIR)	3.0
Lost Time Injuries per million working hours (LTIR)	1.2
Total Recordable Injuries (number)	240
- of which Lost Time Injuries (number)	97
- of which fatal injuries of own workforce (number)	2
Fatal injuries of workers outside Vestas' supervision (number)	3



Accounting policies for S1 – Own workforce

Health and safety

Scope of disclosure and definition of 'Own workforce'

Vestas' Global HSE Framework and related metrics cover Vestas' 'Own workforce'. Vestas' own workforce is defined as own employees plus other workers, i.e. contractors and sub-contractors, working under Vestas' supervision and control.

100 percent of our own workforce is covered by our Health and Safety Management System, which is based on legal requirements and recognised ISO 45001 standards and certified by third-party auditors.

The work-related injuries, ill health and fatalities of own workforce are registered in Vestas' Incident Management System (IMS). Incidents can be occupational injuries, occupational illness, environmental accidents, legal non-compliance, and security incidents.

'Total Recordable Injuries (number)'

The sum of lost time incident cases, restricted work cases, medical treatment cases, and fatalities. Work-related accidents or injuries arise from exposure to hazards at work. All non-work-related injuries and illness (e.g., heart attacks etc.) occurring at the workplace are excluded.

'Of which Lost time Injuries (number)'

The Lost Time Injuries are based on incidents reported in Vestas' reporting system, with more than one day of absence from work, including externally employed workers under Vestas' supervision and include fatalities.

'Of which fatal injuries (number)'

Fatal injuries are based on incidents reported in Vestas' reporting system resulting in death. Deaths occurring after the incident are included if they are a direct result of the incident.

'Total Recordable Injury Rate (TRIR)'

Represents all injuries reported in the Vestas' reporting system per million working hours, including injuries of externally employed workers under Vestas' supervision.

'Lost Time Injury Rate (LTIR)'

Represents all Lost Time Injuries reported per million working hours. The working hours for Vestas' employees and workers under Vestas' supervision are registered and measured on the same basis as the Total Recordable Injuries.

'Number of working hours'

The number of working hours is measured on the basis of hours registered in system for hourly-paid employees, and prescribed working hours for salaried employees excluding e.g. holidays, absence due to illness and parental leave.

'Occupational illness'

Any abnormal condition or disorder caused by exposure to health hazards in the work environment associated with employment at Vestas, other than one resulting from an occupational injury. This includes both acute illnesses and chronic diseases.

S1 Own workforce

Working conditions: Secure employment

Contractual security is a foundational element of being a trusted employer. It ensures Vestas' ability to attract and retain the best talent in the industry – enabling us as an organisation to deliver on our strategic ambition. In recent years we have decreased our reliance on temporary workers, which plays a key part in the reduction of our employee turnover rate.

SBM-3; S1-SBM-3

Impacts, risks, and opportunities

Vestas' workforce comprises more than 35,000 employees, dedicated to accelerating the energy transition. At Vestas, we value our people immensely, and strive to create a safe, diverse and inclusive working environment for all. Securing employment is a foundational element in an effective workplace. It ensures Vestas' ability to attract and retain the best talent in the industry – enabling us as an organisation to deliver on our strategic ambition. All members of our workforce who could be materially impacted by Vestas are included in the scope of this disclosure. See the Accounting policies for 'Characteristics of employees' for further information about the scope of impact.

Secure employment

In 2024, 97.3 percent of our workforce held a standard employment contract (2023: 97.7 percent). Today, temporary employees are brought on primarily for project-based roles with specific end dates or to cover absence such as parental leave. In addition to contractual security, Vestas has seen a decrease

in employee turnover rate, at the end of 2024 at 13.1 percent compared to 12.5 percent in 2023.

While external factors remain unavoidable (e.g., pandemic and inflation), standard contracts with no fixed end date provide employees with the stability to focus on their long-term career development, despite uncertainties surrounding their employment.

Furthermore, secure employment enables Vestas to preserve knowledge and expertise which is essential when driving performance and innovation. To meet evolving business challenges and market demands, it is pivotal for Vestas to have the right workforce. The actual positive impact of secure employment is expected to remain across the short, medium and long term.

All members of our workforce, with a standard employment contract directly with Vestas, who could be materially impacted are included in the scope of this disclosure. See Accounting policies, 'Characteristics of employees' on page 106 for further clarification on the scope of workforce included. The rights of all members of our own workforce are protected by their employment contracts and by the policies and procedures applicable at their work locations.

Impacts, risks, and opportunities

IRO type

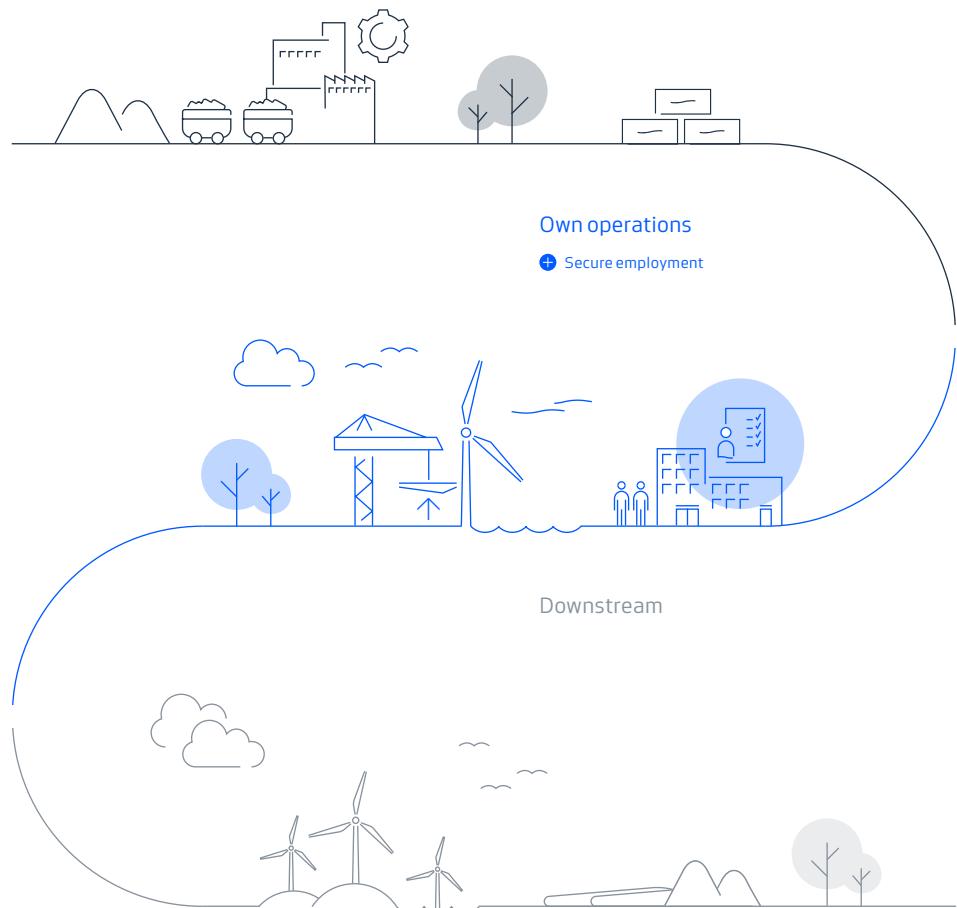
Impact materiality

- + Positive
- Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream



Management of impacts, risks, and opportunities

MDR-P: S1-1

Policies

Our workforce is governed by a comprehensive set of policies designed to prevent risks, injuries and any harm at work, ensuring fair and equitable treatment, and protection of human rights. Our Human Rights Policy and Employee Code of Conduct (The Code) have been developed to set a high level of commitment within these areas including ethical principles and standards.

Human Rights Policy

Our Human Rights policy outlines our commitment to respect human rights, including labour rights, of people in Vestas' own workforce and our value chain. Vestas applies international, best practice standards in circumstances where local laws and regulations set lower standards and do not prohibit their application.

The policy applies globally in our own operations and therefore covers all members of our workforce. The commitments in this policy also apply to our business partners, such as customers and suppliers, across our whole value chain where we seek to use our leverage to promote respect for human rights.

The policy addresses the management of impacts, risks, and opportunities related to working conditions and equal treatment and opportunities for all. This includes respecting the labour rights of our own workforce and engaging with our own workforce. The policy is available for all employees and other stakeholders at our corporate website.

The application of the policy is monitored through our due diligence framework both upstream and downstream in our value chain, as well as through our Corporate-Wide Human Rights Assessment conducted every three years.

The Human Rights Policy was introduced in 2010, before which we considered various internal stakeholders, and it was revisited in 2015 and 2019. The policy is signed by the Board Chair, and Executive Management holds the highest level of accountability for implementing the policy.

The policy undergoes an annual review to evaluate whether adjustments are needed. The most recent update took place in 2024; find more information about the update on page 118. The policy is also publicly available at our corporate website.

In addition to the standards endorsed in our Employee and Supplier Codes of Conduct, this policy also endorses the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the International Labour Organization (ILO) Convention No. 169 on Indigenous and Tribal Peoples.

Employee Code of Conduct

The Vestas Employee Code of Conduct (the Code) sets out the behavioural expectations Vestas has to members of its own workforce globally. The Code sets the standard and commitments to ensure a safe and ethical workplace, respecting the human rights of all stakeholders engaged, to create a workplace free from discrimination, and to respect labour rights. The Code therefore governs Vestas' approach to managing the S1 related IROs under working conditions, health and safety, equal opportunities as well as the G1 IROs related to political engagement, see G1-5 page 127.

The Code is binding for all employees with a Vestas employment contract. It was drafted in consultation with external and internal stakeholders, representing different regions and functions across the organisation and the CEO is the most senior level accountable for its implementation.

Familiarisation with and signing of the Employee Code of Conduct is mandatory when joining Vestas, after which the employee is expected to act in accordance with the Code. Managers are responsible for ensuring that the Code is followed and are expected to lead by example. The Code is available to all employees via the intranet, and training sessions and awareness campaigns are carried out regularly on specific topics.

The effectiveness of the implementation of the Code is monitored through the whistleblower platform EthicsLine, which is our employees' main channel to report violations to the Code. This ensures that breaches of the Code are mitigated and acted upon once detected. Vestas is committed to providing and enabling remedy for any potentially adverse human rights impacts we may have caused or contributed to. For our general approach and measures to provide and enable remedy for human rights impacts, see 'Grievance mechanisms' under S1-3. The Code endorses the UN Guiding Principles on Business and Human Rights. It follows the Universal Declaration of Human Rights, the ILO Declaration of Fundamental Principles and Rights

at Work, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The international standards embedded in the Code commits us to respecting the human and labour rights of our own workers, for example the rights to privacy, freedom of expression, and peaceful assembly and protest.

To this end, our Code expresses zero tolerance of modern slavery, child and forced labour or human trafficking. The Code also outlines how Vestas employees are expected to behave to prevent discrimination in the workplace, including harassment, as well as promoting equal opportunities and treatment.

During 2024, Vestas did not identify any areas with operations at significant risk of forced or child labor.

S1-2

Workforce engagement

Vestas' employees are encouraged to complete an online Employee Engagement Survey (EES) on an annual basis. This is Vestas' standard channel globally for receiving feedback on a range of metrics allowing us to externally benchmark and track our progress over time. The survey is available to all employees and to certain non-employees (working in specific areas). Participation is anonymous, and the survey is offered in 20 languages to ensure accessibility and that all voices are heard equally across our workforce.

The survey is led by our People and Culture (P&C) function and owned by the Executive Vice President of People & Culture (CPCO). Effectiveness of the engagement is primarily assessed by monitoring survey results, paying particular attention to low scores, and by collecting feedback on the process and monitoring the participation rate.

In 2024, the participation rate was 90 percent (2023: 89 percent), and the Employee Net Promoter Score was 31 (2023: 19). We see a clear connection between decreasing turnover and increasing engagement and this is also reflected in all our data points. Furthermore, Vestas has focused on inclusive leadership and psychological safety in our learning series, which as a result has showed positive trending in a number of metrics across the EES.

The EES provides a range of questions spanning different topics, including health and safety, working conditions, and equal treatment and opportunities for all. P&C Business Partners in collaboration with the local line leader analyse the results of the

survey, which are then discussed with teams. Local line leaders are responsible for implementing and executing on action plans within their area of responsibility to secure continuous improvement.

S1-3

Grievance mechanisms

Processes and channels for own employees

Open communication, transparency, and visible commitment from leadership are key to creating an environment where employees feel comfortable raising concerns about negative impacts, such as discrimination. Vestas provides clear reporting mechanisms and appropriate channels for all members of the workforce to raise concerns and have them addressed. Our commitment and reference to grievance mechanisms, such as EthicsLine, are outlined in our policies, see S1-1 'Human Rights Policy' and 'Employee Code of Conduct'.

These channels include a service desk platform where employees can send questions and requests related to their employment; our whistleblower platform, EthicsLine; and work councils in certain regions. Employees are also encouraged to speak to their managers on a continuous basis, or to contact their P&C Business Partner.

All stakeholders, including all members of Vestas' workforce, are encouraged to raise allegations relating to misconduct or impropriety through EthicsLine. Requests raised through the P&C service desk span minor requests to concerns that can require personnel intervention and are answered by a dedicated team. In applicable countries, employees can also raise concerns and grievances through works councils which meet on a regular basis to discuss employee issues and suggestions. The councils collaborate with management to find solutions and play a crucial role in resolving workplace problems.

¹ As established in the Freedom of Association and Protection of the Right to Organise Convention (C.87) and the Right to Organise and Collective Bargaining Convention (C. 98) in line with Principle 3 of the United Nations Global Compact and international labour standards.

Improving engagement across the employee life cycle



S1-17

Incidents, complaints and human rights impacts

2024

Complaints filed through channels for people in own workforce to raise concerns (number)	353
- of which substantiated cases (number)*	78
Complaints filed to National Contact Points for OECD Multinational Enterprises (number)	0
Severe human rights issues and incidents connected to own workforce (number)	0
- of which violating UN Guiding Principles and OECD Guidelines for Multinational enterprises (number)	0
Fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce (mEUR)	0

* Entity-specific ESRs metric

The whistleblower platform is managed through an independent third party and all other channels are established and run by Vestas. All employees can access reporting mechanisms via our intranet, and Vestas ensures employees are aware of these reporting mechanisms as part of onboarding processes and through communication with their managers. Workers' representatives are made aware of these channels via email.

Remediating negative impacts

It is vital that employees and other stakeholders are confident that any concerns they raise will be addressed. In accordance with our Human Rights commitments (see S1-1 above), Vestas investigates all concerns raised and seeks resolution. Processes for assessing and responding to cases raised through EthicsLine are described in G1-1 page 125.

Vestas remediates negative impacts raised through EthicsLine in a manner appropriate to the nature of the case. This could involve disciplinary action, or the provision of individual support for the affected.

Vestas monitors the efficiency of the P&C service desk through targeted satisfaction surveys, and of EthicsLine by monitoring the number of cases raised. We ensure our workforce is aware of and trust these structures using dedicated questions in the EES and by running targeted awareness raising campaigns for EthicsLine. The Employee Code of Conduct and the EthicsLine Policy (see G1-1 page 125) affirm that Vestas protects all individuals, including workers' representatives, against any form of retaliation for raising concerns in good faith.

S1-17

Social and human rights related complaints

In 2024, Vestas received 78 substantiated complaints related to social and human rights from our own workforce, of which 147 were received through our whistleblower platform EthicsLine, and 0 via the National Contact Points for OECD Multinational Enterprises. EUR 0m in fines, penalties and compensation were paid in 2024 as a result of these incidents and complaints.

Requests, concerns, and complaints raised through any of the other channels that Vestas offers its employees are handled on an ad hoc basis by the People & Culture organisation or other stakeholders, when relevant.

The number of severe human rights incidents reported in 2024 was 0. Severe human rights incidents are defined as confirmed cases of modern slavery, human trafficking or child labour. Based on information from EthicsLine, legal disputes, and media

allegations in the Business & Human Rights Resource Centre, we have found no cases of the aforementioned issues in our own workforce in 2024. Therefore, no fines, penalties or compensation were paid.

As a result, no cases of non-respect to the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises were reported in 2024.

MDR-A; S1-4

Actions and resources

Workforce planning

To ensure a solid overview of the Vestas workforce, we implemented a workforce planning process during 2024. The process currently covers all blue-collar employees in the functions Service and Manufacturing, with the aim of extending it to white-collar employees during 2025 to cover the entire workforce and thereby completing the action. With this new process in place, Vestas will have transparency into resourcing, cost and planning. Furthermore, it will allow Vestas to strategically monitor our workforce forecasts and plan according to business needs – subsequently supporting a secure workforce.

Reward structures

Vestas provides salary structures and guidance on compensation offers to ensure a consistent and objective approach to setting salaries both at hire and change of positions. The action covers all recruitment and retention activities within our own operations and all our employees. The decision on an individual's pay is guided by the external market benchmark, the candidate's qualifications and experience, internal pay equity, and any local specific legal requirements.

Vestas constantly monitors updates to legislation and labour market requirements to ensure we are compliant through company policies applied globally and locally. Additional ongoing initiatives to support fair wages include training and education for relevant P&C employees and fair pay guidelines included into relevant P&C processes and guidelines.

One distinctive component of our compensation structure is our global bonus programme. This programme encompasses all Vestas employees, as well as some non-employees in certain locations in accordance with the relevant legal and contractual obligations. The programme rewards individuals based on annual company performance, and we use bonus scorecards to determine the exact bonus amounts to be allocated each year.



MDR-T; S1-5

Targets and metrics

To ensure Vestas is a responsible employer, we offer various components including healthcare benefits, retirement and pension plans, paid leave, income protection, workplace safety, physical well-being, as well as training and development aligned to local market standards and practices. We ensure all members of the workforce are covered in compliance with local legislation and by benchmarking for the specific markets that we operate in. In the event of contract terminations, we offer fair severance packages in line with industry standards.

Reducing turnover and managing employee exits

Ongoing actions

We support employees to build long and successful careers within Vestas and offer ongoing opportunities for continued growth and development at all levels. Thereby, this action covers all internal recruitment activities. To support the employee growth journey, we offer a resourcing tool which enables all our employees to apply for new roles within Vestas.

In the instances where an employee no longer is with Vestas, whether it is due to retirement, resignation, or other reasons, we aim for each employee to have a smooth offboarding. We learn from every departure and improve our work environment by collecting feedback from departing employees through our exit survey.

Assessing the effectiveness of actions

Effectiveness of actions and initiatives to support positive impacts relating to secure employment are tracked and assessed using a range of qualitative and quantitative indicators. This includes monitoring employee turnover rates (see S1-6, page 106) and by using feedback from the annual Employee Engagement Survey, and exit interviews. By these actions, Vestas ensures that it does not cause any material negative impacts on its own workforce.

The DMA did not identify any material negative impacts relating to working conditions, so no remedial action has been required or taken.

Vestas has not identified measurable targets relating to secure employment, and we have not set a base year from which progress is measured. Nevertheless, we track the effectiveness of policies and actions to support secure employment by monitoring employee turnover, engagement, and satisfaction (see S1-4 page 104).

These indicators are reported to key internal stakeholders as part of quarterly functional dashboards. Whilst we have not defined a particular level of ambition to be achieved, we do provide key contextual information to support this reporting, including key market trends to support stakeholders' understanding of Vestas' performance.

Vestas' workforce is engaged in identifying lessons for improvement as part of the Employee Engagement Survey process (see S1-2 above).

SBM-1 40a iii); S1-6

Characteristics of employees, end of year**Contract type and gender 2024**

Number (FTEs)	Female	Male	Total
Standard employees	5,860	28,313	34,173
Temporary employees	295	632	927
Non-guaranteed employees	0	0	0
Total	6,155	28,945	35,100
Full-time employees	6,087	28,879	34,966
Part-time employees	68	66	134
Total	6,155	28,945	35,100

Contract type and Regions 2024

Number (FTEs)	EMEA	Americas	Asia Pacific	Total
Standard employees	20,028	7,587	6,558	34,173
Temporary employees	661	59	207	927
Non-guaranteed employees	0	0	0	0
Total	20,689	7,646	6,765	35,100
Full-time employees	20,565	7,646	6,755	34,966
Part-time employees	124	0	10	134
Total	20,689	7,646	6,765	35,100
Total number of employees (headcounts)	20,791	7,647	6,768	35,206

Employees who have left Vestas and turnover rates 2024

	Number	%
Female	756	13.9
Male	3,434	12.9
Total	4,190	13.1

Employee country representation 2024

Top five countries (headcounts)	Female	Male	Total
Denmark	1,384	5,193	6,577
USA	603	3,748	4,351
India	474	2,522	2,996
Germany	348	2,035	2,383
Spain	374	1,611	1,985
Total	3,183	15,109	18,292

**Accounting policies for S1 – Own workforce****Characteristics of employees**

'Own workforce'

Own workforce is defined as employees with a standard or temporary employment contract directly with Vestas, including employees working part time, full time, and with non-guaranteed working hours.

'Headcounts'

Headcounts are defined as number of employees complying with the above characteristics. For the most representative number in financial statements see page 150 and 193.

'Full-Time Equivalents (FTEs)'

Full-time equivalents are defined as employees at the end of the period calculated based on a total hours equivalent.

'Average number of employees'

Average number of employees is calculated as twelve-month average at the end of the reporting period.

'Employee turnover'

The percentage of employee turnover is calculated as the number of employees who have left Vestas (due to voluntary leaving, dismissal, retirement, or death) during the reporting period, divided by the average number of employees with a standard contract for the reporting period.

Incidents, complaints and severe human rights

'Number of complaints filed through channels for people in own workforce to raise concerns'

These are defined as total and substantiated number of EthicsLine cases in the categories of Labour Rights & Working Conditions, Discrimination, Harassment, Sexual Harassment, and Health & Safety.

'Number of complaints filed to National Contact Points for OECD Multinational Enterprises'

These are defined as Number of complaints registered at local OECD National contact point.

'Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors'

Vestas includes all monetary amounts proceeding from of severe human rights issues and incidents connected to own workforce.

'Number of severe human rights issues and incidents connected to own workforce'

- Verified serious cases connected to own workforce such as non-disputed lawsuits, non-disputed public allegations in the Business and Human Rights Center database and substantiated EthicsLine cases.
- Categories of Severe human rights are forced labour, child labour and human trafficking caused by Vestas employees.

'Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises'

A subset of severe human rights issues as defined above that violate the UN Guiding Principles or the OECD Guidelines for Multinational Enterprises

'Fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce (mEUR)'

Aggregated monetary amounts of fines, penalties and any other compensation in mEUR for severe human rights issues and incidents connected to own workforce as recorded in books of accounts during the reporting period.

S1 Own workforce

Equal treatment and opportunities for all

At Vestas, we are committed to fostering an inclusive and equitable culture that enables our employees to come to work as their truest selves. We also work actively with ensuring opportunities are accessible and approachable for everyone through regular training and skills development.

SBM-3; S1-SBM-3

Impacts, risks, and opportunities

At Vestas, we are committed to fostering an inclusive culture globally, where every employee can thrive and unleash their full potential. Acknowledging our global workforce, Vestas focuses on "equity" rather than "equality". This is a meaningful change that acknowledges the diverse backgrounds and needs of employees, ensuring fair access to resources and opportunities. This approach aligns with the evolving understanding of diversity, equity, inclusion, and belonging (DEIB) in the corporate sector.

Vestas' commitment to Diversity, Equity, Inclusion and Belonging (DEIB) is essential to our strategic vision. We recognise that fostering an inclusive and equitable work environment is not only essential for attracting and retaining top talent but also critical to drive sustainable value for our stakeholders and addressing broader societal expectations.

Vestas has identified equal treatment and opportunities for all to be material in relation to Vestas' workforce. We identified material positive impacts relating to diversity and training and skills development. All members of our workforce who could be materially impacted by Vestas are included in the scope of this disclosure.

Diversity of a global workforce

Vestas values the diversity of its workforce, which spans our global operations. We strive to strengthen representation and equity within our workforce while fostering an inclusive culture through initiatives such as recruiting from diverse talent pools, conducting unconscious bias training, and implementing our DEIB policy. Vestas supports growing female participation in corporate leadership positions through a range of practical initiatives including setting internally and externally shared goals.

A diverse and inclusive working environment positively impacts all members of the workforce through improved well-being, greater psychological safety, and enhanced opportunities for collaboration and innovation. These benefits are evidenced by recent Employee Engagement Survey (EES) results, highlighting that respondents feel accepted at Vestas. This actual positive impact occurs in our own operations in the short term. Beyond its internal benefits, Vestas' focus on diversity and inclusion supports our long-term growth and enhances our competitive

Impacts, risks, and opportunities

IRO type

Impact materiality

- + Positive
- Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream



position by fostering innovation, attracting top talent, and driving sustainable business practices.

In addition, Vestas has established DEIB networks across all regions to localise and implement the global DEIB strategy while providing valuable feedback to shape it further. These networks act as a sounding board for diverse perspectives and serve as action-oriented platforms to address regional priorities and the needs of individuals who may be particularly vulnerable to impacts.

Furthermore, the diverse perspectives within our workforce enable us to develop innovative solutions that address global sustainability challenges, aligning our DEIB efforts with our mission to drive a just energy transition. Through these interconnected impacts, DEIB is not only integral to Vestas' success but also a key lever for creating positive societal change.

Training and skills development

Vestas prioritises the continuous development and growth of our people to support the achievement of our strategic goals. We have established talent development programmes alongside other blended learning and development opportunities to enhance the skills and competencies of all employees.

The latest results of our Employee Engagement Survey (EES) highlighted that respondents feel they have strong opportunities to learn and grow at Vestas. This benefits all employees through enhanced skills, greater job satisfaction, and career progression. Collectively, this supports greater employee engagement to ensure Vestas maintains a forward-looking and adaptive organisation.

This actual positive impact occurs in our own operations across the short and medium term.

Management of impacts, risks and opportunities

MDR-P; S1-1

Policies

Diversity, Equity, Inclusion and Belonging Policy

Our Diversity, Equity, Inclusion & Belonging Policy (DEIB Policy) sets out Vestas' approach and strategy to diversity and inclusion. The policy includes our DEIB mission statement and commitment to ensuring all potential, future and current employees are guaranteed equal opportunities and fair treatment, regardless of their background.

The policy prioritises commitments to diversity, equitable opportunities, an inclusive culture, inclusive leadership, and a respectful, discrimination-free workplace that adapts to regional needs. The policy focuses on people from groups at particular risk of vulnerability related to gender, ethnicity, age and seniority. By focusing on equitable opportunities, Vestas ensures that all employees, regardless of their background or individual circumstances, have access to resources and support needed to succeed and thrive. In case of discrimination Vestas encourages employees to utilise our whistleblower platform EthicsLine, which is further documented in section S1-3.

The policy also details DEIB initiatives (detailed in S1-4 page 109) as well as key principles to ensure all initiatives are implemented successfully. In accordance with the policy, all DEIB initiatives should be contextualised, evidenced-based, preceded by awareness-raising campaigns, and embedded in core people processes.

Our DEIB Policy includes multiple mechanisms for monitoring and reporting its effectiveness, such as monitoring and improving female representation in leadership. For more information, see the S1-9 table on 'Diversity, end of year'.

The Executive Management team receives periodic diversity reporting to ensure strategic alignment and the Global DEIB Team meets monthly to address regional DEIB priorities and coordinate initiatives.

Additionally, the Nomination and Compensation Committee reviews the DEIB status and strategy annually and the Board discusses overarching diversity principles. Our DEIB policy is shaped by ongoing input from key stakeholders – including our regional DEIB networks, employees, customers, and community partners – ensuring it aligns with their priorities and promotes inclusivity across all regions.

This policy applies to all employees globally, including groups of particular risk of vulnerability related to gender, ethnicity, age, and seniority. The Global Head of Talent Management, who oversees the Global Talent Management Function and is part of the top management team, is accountable for its implementation and effectiveness, with support from the Head of DEIB. The DEIB Policy is available at our corporate website and communicated to employees through various channels, such as company intranet, internal communication, training sessions, and the People & Culture function. Vestas did not have any significant changes to the policy in 2024.

Employee Code of Conduct

Vestas' commitment to providing a safe and respectful workplace, free from discrimination, is set out in the Employee Code of Conduct ('the Code'). We are committed to providing and maintaining a safe and secure workplace for all employees by providing the training and information they need to manage all tasks and activities safely. Vestas will protect equal treatment and opportunities and prohibits all forms of discrimination, including in relation to individual characteristics such as race, sex, gender identity, sexual orientation, age, language, religion or disability.

Vestas takes a zero-tolerance approach to workplace harassment, violence, bullying, and any other behaviour that is perceived to be disrespectful or offensive. In accordance with the Code, employees should report any allegations concerning discrimination or harassment to a manager, a P&C Business Partner or to EthicsLine. Mechanisms for reporting incidents, including relating to discrimination or harassment, are described in detail in S1-3, Secure employment (see page 103).

S1-9 Diversity, end of year	2024		2023	
	Number	Percent	Number	Percent
Gender distribution				
Women in leadership positions	1,558	25	1,357	24
Women in Top Management	15	26	NA	NA
Age group diversity				
< 30 years	7,985	22.7	NA	NA
30-50 years	22,088	62.7	NA	NA
> 50 years	5,133	14.6	NA	NA
Total	35,206	100	NA	NA

The Code is aligned with international human rights instruments and is described in more detail and in accordance with the MDR-P requirements in S1-1 Working conditions: Secure employment, page 103.

Learning and Development Policy

In line with our Code of Conduct we are committed to providing and maintaining a safe and secure workplace for all employees by providing the training and information needed to manage tasks and activities. Employees in turn have a responsibility to follow mitigation measures and adhere to instructions and training, including use of tools correctly.

The intent for Global Learning & Development (L&D) is to empower business performance by driving an inclusive working culture and operating model that allows all employees to grow and develop their skills.

Vestas has a Learning and Development Policy that clarifies roles and responsibilities related to L&D across the organisation. This policy outlines expectations for people managers, employees, and all L&D functions and activities throughout Vestas.

The policy applies to all employees, all functions, and all units at Vestas. The Global Head of Talent Management, who oversees the Global Talent Management Function is accountable for its implementation and effectiveness, with support from the Head of Global Learning & Development.

The policy is available on the Vestas intranet and content of the policy is communicated to employees through various channels, such as company intranet, internal communication, training sessions, and the P&C function.

The policies and procedures across our employee function in Vestas ensures qualifications, skills and are considered as the basis for recruitment, training and development at all levels in the organisation. Furthermore, Vestas maintains its talent records for recruitment, training, and promotion, within its integrated Human Resource Information System (HRIS).

MDR-A; S1-4

Actions and resources

Training and skills development initiatives are led by the People & Culture function and various functional Learning & Development teams across Vestas. See S1-4 Working Conditions for details on how these actions are identified and resourced. The Global Head of DEIB identifies and leads actions relating to equitable opportunities, working closely with regional teams and Employee Resource Groups (ERGs). DEIB actions are supported by a dedicated budget for diversity and inclusion-related training, awareness raising sessions, and region-specific initiatives.

The DMA did not identify any material negative impacts relating to equal treatment and opportunities for all, so no remedial action has been required or taken during the year. The scope of the actions below apply to recruitment, training and skills development undertaken across all Vestas' operations.

Actions related to diversity and equal opportunities

Inclusive recruitment

Vestas integrates diversity-focused measures into its talent acquisition activities to support our DEIB objectives. Firstly, we use specific tools to ensure job applications use gender and identity-neutral language, secondly, we have made psychometric assessments mandatory for all leadership roles, and third, we include our DEIB statement in our job advertisements.

Our Employer Branding and Acquisition teams also have diversity-focused KPIs to motivate them to explore innovative ways of attracting diverse talent. These ongoing measures ensure we reach a broad pool of talent.

Championing diverse and inclusive leadership

At Vestas, we are committed to improving female representation in corporate leadership positions. To achieve this, we focus on fostering an inclusive pipeline of female talent through tailored programs and initiatives.

Building a strong pipeline of female talent requires sustained efforts to ensure equity in representation and opportunity. Pay equity is a continuous focus at Vestas, as we strive to achieve gender parity in both representation and compensation. To support these goals, we track the gender ratio of selected candidates quarterly, allowing us to refine our recruitment processes and implement new tools to promote equity in hiring practices.

Vestas' Inclusive Leadership Programme is a key initiative in shaping an inclusive and accepting culture at Vestas and avoiding discrimination. The ongoing programme comprises

trainings focused on embedding inclusivity into daily interactions and decision-making and promoting a speak-up culture that safeguards physical and psychological safety. In 2024, we partnered with an external vendor and made the training available to all employees to embed inclusive practices amongst all our people — from those in frontline jobs to those in corporate roles. By the end of 2024, 66 percent of employees in corporate leadership positions completed the Foundations of our Inclusive Leadership programme (2023: 50 percent), while 18 percent completed Inclusive Interactions, the second module introduced this year. Our Inclusive Leadership programme has been mandatory since its launch and is available to leadership positions, i.e. managers, specialists and project managers, and above. To reinforce its critical importance, we will rely on direct leaders to ensure team members understand that participation aligns with the expectations of their role.

Performance monitoring

To ensure that our DEIB initiatives are effective, Vestas leverages a network of Employee Resource Groups (ERGs) and Regional DEIB Networks to support employee engagement across regions. We track our DEIB progress by monitoring quantitative metrics, including the percentage of women in leadership positions, and qualitative feedback from employee engagement surveys. Regular reporting to the Executive Management Team ensures alignment with our DEIB objectives and ensures accountability at the highest levels of leadership.

Actions related to training and skills development

Continuous Performance and Development (CPD) framework

Our global Continuous Performance and Development (CPD) process empowers employees to take control of their career growth with Vestas' support. The performance and development framework applies to all employees except temporary staff and provides ongoing individualised development plans featuring clear, annual performance objectives that can be individual, team-shared, or manager-cascaded.

All employees covered by the CPD framework develop their performance objectives, together with their leader, within the first three months of tenure and undertake a year-end performance & potential assessment which should capture ongoing and development-oriented inputs from key stakeholders. In 2024, 100 percent of employees completed their year-end performance assessment (2023: 98 percent), with exceptions being extended leave or long-term illness.

Talent development programmes

Vestas aims to fill 65 percent of positions with internal employees (see S1-5 page 110) and therefore we have implemented talent development programmes to support the development of our internal talent. The CPD process forms an integral part of building our succession pipeline by helping identify employees with potential for advancement within the organisation. High potential employees may participate in Vestas' talent development programmes, which emphasise leadership and prepare participants for the next corporate level.

These programmes include:

- The Vestas Graduate Programme, a two-year international programme aimed at attracting and developing talented young professionals who aspire to hold future key positions.
- The Regional Talent Programme, a 10-month programme that serves the mid-and short-term business needs of regional business units
- The Rising Executives Programme, a 10-month programme that focuses on developing global leaders with executive potential.

We target all programmes to reflect our diversity and inclusion ambitions. In 2024, the Vestas Graduate Programme had 56 percent women and 44 percent men in its new cohort. The Regional Talent Programme had 48 percent women, and the Rising Executives Programme had 24 percent women.

Training for existing employees

All employees can access a range of Learning & Development (L&D) opportunities allowing them to develop core skills and competences at their own pace. These L&D opportunities are either targeted to specific roles, leadership levels, or functions or are generic to all employees across Vestas. The opportunities take various formats, including classrooms and virtual courses, webinars, gamified and non-gamified e-learnings, e-books and podcasts and can be accessed by the employees through The Vestas Academy.

Performance monitoring

Training and skills development initiatives are tracked and assessed by the P&C leadership team and relevant functional teams. The Leadership Team receives a quarterly dashboard with development-related KPIs, including Vestas' internal fill rate, succession pipeline metrics, and insights from the Employee Engagement Survey. All members of our workforce who could be materially impacted by Vestas are included in the scope of this action on different levels. By these actions, Vestas ensures that it does not cause any material negative impacts on its own workforce.

Targets and metrics

MDR-T; S1-5

Targets and progress

Diversity targets

In line with our diversity policy commitments, we aim to improve female representation in our workforce to reflect the market and customers we serve. Therefore, Vestas has established a target to achieve 25 percent female leadership by 2025 and 30 percent by 2030.¹ The target applies to roles with job titles of managers, specialists, project managers and above. In 2024, women comprised 25 percent of our corporate leadership (2023: 24 percent). This means we have reached our 2025 target, and are on track with our strategic commitments. To maintain accountability, Vestas has integrated the targets into its broader strategic KPI reviews, with regular progress reviewed by the Executive Management team on a quarterly basis.

Training and skills development targets

In line with our commitment to provide training and information needed to manage tasks, Vestas aims to fill 65 percent of positions with internal talent. This KPI measures the success of our employee training and development efforts by indicating whether actions have equipped employees with the right skill level to relocate into a new position.

In 2024, 69 percent of corporate leadership positions were filled with internal talent.

This relative target applies to all corporate leadership positions across Vestas and as it is an ongoing target, there is no base year or base value. Key stakeholders, including the P&C leadership team, were consulted when setting the target. The P&C leadership team monitors progress via the quarterly P&C dashboard (see S1-4 above).

Workforce engagement

Members of Vestas' workforce are involved in identifying areas for improvement relating to equal treatment and opportunities for all as part of the Employee Engagement Survey process (see S1-2, Working Conditions). For more information related to the scope and methodologies of these targets, see Accounting policies for S1 – Own workforce.

S1-13

Training and skills development metrics

	2024
Employees that participated in regular performance and career development reviews (%)	100
Average number of training hours per employee	111

S1-16

Remuneration metrics

	2024
Gender pay gap (%)	2.2
Annual total remuneration ratio	96.4



Accounting policies for S1 – Own workforce

Diversity metrics

Gender distribution

Vestas publishes gender data divided into male and female.

'Women in leadership positions at the end of the period (%)'

This is calculated based on headcounts at the end of the reporting period. The parameter is calculated based on the number of women in leadership positions divided by the total number of leadership positions. Employee information is from the company's HRIS with specification of gender and leadership level. Leadership positions comprise managers, specialists, project managers, and above.

'Women in the Board at the end of the period (%)'

The share of women among the members of the Board elected by the Annual General Meeting.

'Women in top management at the end of the period(%)'

The share of women in top management includes women in Executive Management team and women people leaders who report directly to Executive Management team.

S1-9-06

'Gender pay gap (%)'

The gender pay gap is the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. The number includes the salary, cash allowances (variable payments), benefits, insurances, bonus, and long-term incentives. The calculated figure depends on factors such as health insurance costs, employee benefits, the nature of work, and regional differences. As a global company, these variables vary significantly across countries, influencing the final value.

'Annual total remuneration ratio'

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees, excluding the highest paid individual.

Pay data is collected quarterly from local payrolls in Vestas and compiled into one validated report. The pay data includes base salary, cash allowances (variable payments), pension, benefits, and other fixed recurring payments.

Training and skills development metrics

Employees that have participated in regular performance and career development reviews in the reporting period and standard employees are in scope for this metric.

'Average number of training hours per employee'

Vestas maintains records of mandatory and recommended training courses completed by employees, enabling the disclosure of training hours and participation rates, which will be reported in accordance with the specified metrics to support continuous professional growth.

¹ Vestas-American Wind Technology, Inc. ("VAWT"), Vestas-Canadian Wind Technology, Inc. ("VCWT"), and all other Vestas subsidiaries in North America (collectively, "VAME") are committed to abiding by all state, federal, and provincial laws, including Title VII of the Civil Rights Act of 1964, and are dedicated to providing equal employment opportunities to all individuals, regardless of gender. In all circumstances, VAME will endeavor to hire the most qualified person for the job based on their skills, experience, and qualifications. The aspirational goal of increasing the number of women in our leadership positions will not be a factor considered in hiring decisions.

Statutory diversity reporting under Danish law

The following constitutes the reporting of our parent company, Vestas Wind Systems A/S, in accordance with section 107d of the Danish Financial Statements Act.

Summary of our parent company's DEIB Policy

Acknowledging that the majority of positions within our parent company is still taken up by male employees (a trend consistent with the broader science, technology, engineering, and mathematics (STEM) industries), we are focused on enhancing gender representation. We are committed to achieving gender balance within the company's top management. This applies to both non-executive directors at board level, and in the two management levels below the Board of Directors¹ (the Board).

In the Vestas Group, and hence also in our parent company, we are committed to ensuring that all potential, future, and current employees are guaranteed equitable opportunities and fair treatment, regardless of their gender identity. Our Policy for Diversity, Equity, Inclusion, & Belonging is available at our corporate website.

Our parent company diversity target

We have reached equal gender distribution² among the board members elected by the shareholders since 2022. If this should change in the future, we will define a new target according to applicable law.

In 2023, we defined a target³ of 25 percent for the underrepresented gender, to be achieved by 2025 for Top Management in our parent company, i.e. the two management levels below the Board. By the end of 2024, we have increased the number of women in Top Management to 28 percent. The development

was mainly due to new employments and promotions, but also changes in the Vestas organisation during 2024. In 2025, the Board will set a new and ambitious target regarding gender diversity in the parent company and we will report on the progress in accordance with the new Danish Gender Balance Act which entered into force as per 1 January 2025.

We recognise the unique challenges in achieving gender diversity, especially in senior management. These challenges stem from the operational demands of many positions in the field and the historical underrepresentation of women in STEM educations. We are dedicated to overcoming these challenges and attracting more women to senior roles, despite the limited pool of female talent in the industry.

Our progress and activities in 2024

Diversity among board members elected by the shareholders

On 9 April 2024, our shareholders elected three male and four female board members. In August 2024, one male board member stepped down. Hence, at the end year, the Board consisted

of two male and four female members elected by the shareholders. In accordance with the guidelines from the Danish Business Authority, this represents gender equity. Therefore, no target is required for the Board. Furthermore, all three board committees have equal gender distribution.

Diversity in the two management levels below the Board

Championing gender diversity in leadership

In 2024, our efforts were concentrated on advancing female representation within senior roles and ensuring a steady influx of female talent. We remain committed to retaining women in senior positions by maintaining a focus on salary equity and personalised development plans.

Additionally, we launched a series of regionally targeted initiatives aimed at cultivating and securing female leaders, ensuring a strong succession pipeline. These initiatives include early career path programmes, specialised mentorship opportunities for women and regional female networks – one network dedicated to our female colleagues in senior leadership positions.

Innovating talent acquisition for gender balance

In 2024, we are furthering our commitment to creating a bias-aware talent acquisition process. Building on our insights, we crafted a comprehensive plan to incorporate bias-mitigation strategies at crucial stages of recruitment, particularly for strategic roles.

Our plan extends beyond our talent acquisition partners to include all hiring managers, ensuring that everyone plays a part in fostering a culture of inclusion and achieving our gender representation goals.

Embedding an inclusive leadership mindset

Since its launch in 2022, our Inclusive Leadership Programme has been instrumental in equipping our colleagues with the tools necessary to cultivate a culture where everyone can thrive. In 2024, we took this a step further by partnering with an external vendor to make the training available to all employees. This new approach ensures the continuation and deepening of our inclusive culture, reaching employees across all levels, from those on the front lines to those in corporate roles.

Salary review

Our commitment to pay equity also remains firm. In 2024, we have continued the comprehensive training and education for our People & Culture teams. We work extendedly with our Business Partners and Talent Acquisition to ensure responsible pay setting aligned to our policy and objective criteria for pay decisions.

In 2024, Vestas has focused specifically on improvements to meet the increasing transparency requirement. This work has included engagement of the members of the Executive Management team on the key principles and leadership behaviours.

On a continuous basis, we undertake salary reviews to measure pay equity across the organisation, as well as in selected focus areas to address any pay disparities and continue attention and correction where needed.

Diversity and targets in parent company, end of year	Target 2025	2024	2023	2022	2021	2020
Board of Directors						
Members elected by the shareholders (number)	NA	6	7	8	8	8
Underrepresented gender – female (%)	NA	-	43	38	25	25
Underrepresented gender – male (%)	NA	40	-	-	-	-
Top Management¹						
Members (number)	NA	36	44	42	41	39
Underrepresented gender – female (%)	25	28	18	19	17	15

¹ Comprises two management levels below the Board: the Executive Management team and employees of Vestas Wind Systems A/S who report directly to a member of the Executive Management team and who have managerial responsibilities. The numbers from 2020 to 2023 have been restated as a result of improvement in methodology.

² According to the definition by the Danish Business Authority.

³ Vestas-American Wind Technology, Inc. ("VAWT"), Vestas-Canadian Wind Technology, Inc. ("VCWT"), and all other Vestas subsidiaries in North America (collectively, "VAME") are committed to abiding by all state, federal, and provincial laws, including Title VII of the Civil Rights Act of 1964, and are dedicated to providing equal employment opportunities to all individuals, regardless of gender. In all circumstances, VAME will endeavor to hire the most qualified person for the job based on their skills, experience, and qualifications. The aspirational goal of increasing the number of women in our leadership positions will not be a factor considered in hiring decisions.

S2 Workers in the value chain

Health and safety of workers in our value chain is a top priority for Vestas. In 2024, we implemented new HSE terms and conditions for contractors to further strengthen safety measures in our value chain, and effectively monitor our suppliers' performance. To further mitigate human rights risks in our supply chain we also launched an initiative to map EU Critical Raw Materials in our components. By mid-2025, we will have a comprehensive overview of components containing these minerals and use this data to create more transparency in our value chain.

SBM-3

Impacts, risks, and opportunities

Vestas operates within a global supplier network including direct, upstream suppliers who manufacture components and materials for wind turbines, and indirect, downstream suppliers, providing products and services at wind farms. These collaborations are critical to our business strategy, but can also contribute to potential negative impacts within our value chain.

In order to identify, manage and mitigate the potential negative impacts, which Vestas can contribute or be linked to, we request our suppliers to take diligent and reasonable steps to prevent human and labour rights violations within their own supply chains as outlined in Vestas' Supplier Code of Conduct.

Our value chain encompasses a diverse workforce, including, but not limited to, employees in the upstream supply chain working at suppliers' manufacturing facilities, individuals involved in extraction of raw materials, and downstream

covering contractors for constructing the wind turbines at project site or for servicing already installed wind turbines. We are dedicated to ensuring fair treatment and opportunities for all workers, including vulnerable groups such as migrants, young workers, and women in certain high-risk regions. All materially affected workers in the supply chain are covered in this disclosure.

Our Corporate Wide Human Rights Assessment (CW-HRA) is the core foundation on which we identify adverse impacts and risks, and thereby integral in the identification of appropriate actions and responses needed. For more information see section S3 – Affected communities on page 120.

Our CW-HRA from 2022 identified salient risks including various working conditions and high-risk and conflict-affected areas.¹ Using data from the CW-HRA and other sources, the DMA identified five impacts and risks related to workers in our value chain, which can be seen in the illustration to the right and are described below.

Health and safety incidents of supply chain workers

Health and safety incidents of supply chain workers was identified as an actual negative impact located in Vestas' upstream value chain and likely to occur in the short- to long-term time horizon. In Vestas' context, this impact covers different tiers of

Impacts, risks, and opportunities

IRO type

Impact materiality

- ⊕ Positive
- ⊖ Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream

- Health and safety incidents of supply chain workers
- Forced and child labour in the supply chain
- Fines related to forced or child labour
- Financial repercussions from health and safety incidents of value chain workers



¹ The overview of the identified salient risks in the 2022 CW-HRA can be found at our corporate website under Sustainability > Human rights.

suppliers from mining to manufacturing sites, who hold different contractual agreements with us (contractors or subcontractors). Mining of raw materials in our supply chain is a relatively dangerous occupation, particularly during the extraction phase. Furthermore, the artisanal and small-scale mining (ASM) sector is considered hazardous for miners at heightened risk, for example due to lack of personal protective equipment, falling rocks or mines collapsing. Similarly, workers at manufacturing sites for components and equipment for turbines, e.g. electrical components, cables or heavy industrial manufacturing, are often working at heights, working with hazardous chemicals or electricity, or involved in operations requiring lifting and driving. Thereby, this impact is connected to our business model and the nature of our business partners' activities.

Health and safety incidents of contractors and sub-contractors

Occupational health and safety hazards (OHS) of contractors and sub-contractors was identified as a negative material sustainability matter occurring across our own operations. The contractors and sub-contractors are considered value chain workers at our sites, but they are employed as a second or third party i.e. not a part of our own workforce.

The impacted workers are present in three areas of our operations, namely in the construction, manufacturing and service areas, and as such this impact description has bundled three similar impacts as one. The typical hazards which occur include working at heights, working with hazardous energies, and operations such as lifting and driving. These impacts are considered to happen in the short- to long-term time horizon, and are a direct result of our business model activities as a heavy machinery manufacturer.

Financial repercussions from health and safety incidents of value chain workers

Lost Time Injuries of value chain workers result in operational disruption and pose a financial risk to Vestas due to regulation. In addition, it causes reputational damage to our brand. This risk was identified to occur in both our own operations (contractors and sub-contractors) as well as in our supply chain (value chain workers). This includes administrative fines related to human and labour rights violations by our suppliers related to the lack of minimum health and safety measures and procedures.

Financial repercussions related to poor health and safety standards was deemed to have a monetary impact on Vestas. This risk is associated with our business relationships and our dependency on value chain labour.

Child or forced labour

For commodities, the extraction of raw materials such as conflict minerals, which is crucial to the green transition, may possess potential human and geopolitical risk which must be mitigated. Generally, Vestas will either be contributing to or linked to potential adverse human rights impacts associated with forced and child labour due to the complexity of our supply chain. Thereby, these potential negative impacts are concentrated in our upstream value chain across the short and medium term. These impacts could affect all types of workers, particularly vulnerable groups, such as children, involved in the extraction processes.

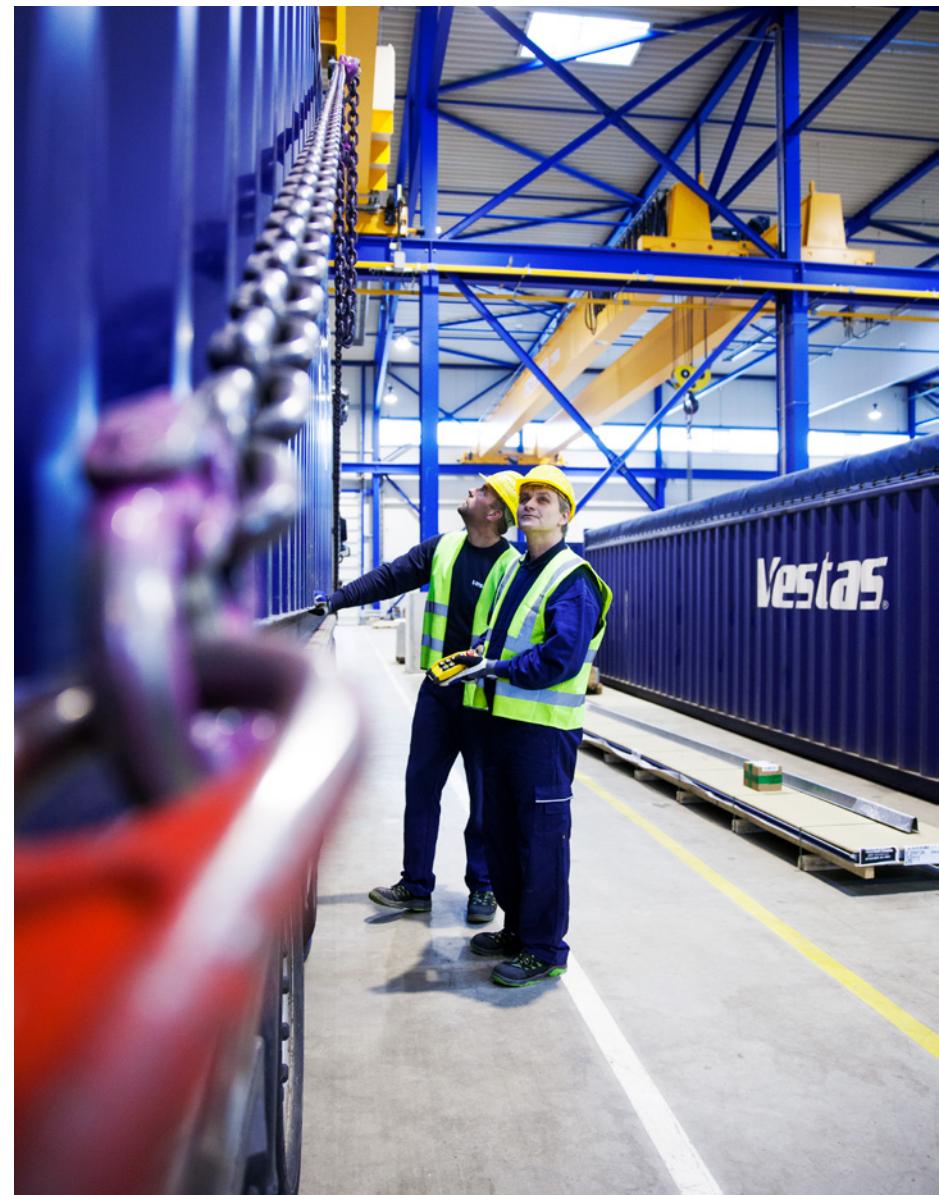
The reason why children might be involved in extraction of minerals is due to their low weight and small build. Such involvement might potentially negatively affect their health and safety while also depriving them from education. Mining might happen in economically weak regions, distant and difficult locations with weaker presence of governmental institutions which add to the risk of adverse human rights impacts such as forced labour. Hence, Vestas has a specific focus on the extraction of minerals.

This inherent risk in raw material extraction might occur at any time. We use our leverage to prevent and mitigate it by setting sustainability standards for our suppliers and requesting them to cascade these requirements through the full value chain, along with separate initiatives to enhance transparency and engagement with specific suppliers.

Fines related to forced or child labour

With the recent changes in the global legal environment, incorporating various supply chain due diligence obligations pose a financial risk for Vestas. Thereby, the risk of fines arises from our potential negative impact through our dependency on value chain workers, which may link to violations such as forced and child labour in the supply chain. The risk of fines stems from the upstream supply chain when extracting raw materials. This risk spans the short to long-term time horizon.

Vestas recognises the critical nature of regulatory compliance and the need for safeguarding our operations and reputation. Furthermore, Vestas has committed to respecting human rights, and we aim to avoid causing, contributing, or being linked to adverse human rights impacts through own operations as well as via business relations. To prevent and mitigate the risk in our supply chain, we have implemented a due diligence framework and certain initiatives, see page 115 and 116. This approach aims to mitigate risks while positioning Vestas to adapt long-term to shifts in regulatory compliance and market expectations regarding labour practices.



Impacts, risks, and opportunities management

MDR-P:S2-1;G1-2

Policies

To effectively manage impacts, risks, and opportunities associated with workers in our value chain, we integrate requirements from our Human Rights Policy into our supplier onboarding and assessment processes. Complementing our Human Rights Policy, we supplement the management of potential risks concerning value chain workers through the Vestas Conflict Minerals Policy and the Vestas Supplier Code of Conduct.

Human Rights Policy

Our Human Rights Policy states our general commitment to respect human rights and endorses several human rights instruments relevant to the labour rights of workers in our value chain. The policy outlines our commitment to engage with affected rightsholders including value chain workers, make our grievance mechanisms available to them, and to remedy any adverse impacts we may cause or contribute to. For the MDR-P disclosures related to this policy, please see S1 page 103.

Conflict Minerals Policy

Vestas maintains a separate policy on conflict minerals. This policy reflects our commitment to responsible sourcing practices and is aligned with the OECD Due Diligence Guidance. We engage with our suppliers through our Conflict Minerals Programme (page 116) to ensure that minerals and metals, particularly tin, tantalum, tungsten, and gold (3TGs), sourced for our products do not originate from conflict-affected or high-risk areas. Conflict-affected and high-risk areas are characterised by the presence of armed conflict, widespread violence, or other risks of harm to people.

This policy applies to all eligible direct suppliers, and we mitigate risks associated with value chain workers by leveraging our influence and requiring suppliers to conduct additional due diligence in their supply chains upon identifying any risks. The policy, signed by the Head of Global Procurement, is available at our corporate website.

Supplier Code of Conduct

The Vestas Supplier Code of Conduct outlines the requirements to suppliers, sub-contractors, agents, consultants, and their respective affiliates who provide goods and/or services to Vestas. It covers four main areas: Human Rights, Working with Integrity, Respecting the Environment, and Fair Business Practices. The Supplier Code of conduct is a starting point for our supplier due diligence framework and is an integrated part of our purchase agreements and applicable to all suppliers. It takes into account all stakeholders impacted e.g. women, migrants, indigenous people and vulnerable groups. Specific labour rights are part of the Human Rights chapter. The chapter also addresses modern slavery and child and juvenile labour.

In addition to suppliers' own workers, we also request our suppliers to take diligent and reasonable steps to prevent human and labour rights violations within their own supply chains, so the Code covers all value chain workers.

The Code aligns with our commitments to the UN Global Compact principles, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Supplier Code of Conduct also covers health and safety of supply chain workers. This entails the expectations we set for our suppliers in upholding high standards of health and safety within their operations.

The most senior level in Vestas accountable for the implementation of the Supplier Code of Conduct is the Head of Global Procurement. We communicate the requirements through purchasing agreements and at our corporate website.

Global Minimum Requirements for contractors

The Global Minimum Requirements (GMR) document is an all-encompassing framework for managing all areas of health and safety related to contractors and sub-contractors in our value chain.

The objective of the document is to manage and coordinate jobsite safety with our contractors and sub-contractors. The document establishes the principles and procedures in order to follow the same health and safety standards as Vestas at a global level. The scope of the document includes all workers performing work on behalf of Vestas. Key content of the document includes responsibilities, as well as minimum requirements for practices and procedures, which must be adhered to by contractors.

An integrated part of the document is a 'Disciplinary Policy' with a three-step warning process for infractions. This includes actions taken if a contractor is found to not comply with the requirements in the document. The most senior level responsible for the document is functional heads. The policy is aligned with international standards such as the International Labour Organisation (ILO) and European Bank for Reconstruction and Development (EBRD).

Contractors' HSE terms and conditions

On 1 September 2024, Vestas implemented new terms and conditions for HSE with the objective of raising the bar on expectations for contractor health and safety standards. It is currently at a phase-in stage for contractors, and will effectively replace the Global Minimum Requirements document on 1 September 2025.

The terms and conditions cover the advancement of health and safety maturity of our contractors, including sub-contractors. It outlines a step-wise approach to facilitating collaboration with our business partners in driving their performance on reducing the frequency and severity of injuries. The scope of this policy covers contractor health and safety incidents occurring in our own operations within transport, construction and service for both offshore and onshore. The integrated part of this process involves a new consequence management approach that is designed to be just and fair. This approach aims to handle infractions in a way that ensures all requirements are met effectively.

S2-2

Processes for engaging with value chain workers

Vestas currently does not have an approach related to engaging with supply chain workers, contractors or sub-contractors, or their legitimate representatives directly. We are evaluating how to effectively engage with supply chain workers on impacts while assessing the possibility of engagement in setting targets and tracking performance. We are revisiting our supplier due diligence framework, with the aim of including it into a new supplier life cycle management approach. This initiative involves several Vestas departments, including Sustainable Procurement, Supplier Quality & Development, HSE, and Compliance & CSR, working together for successful implementation in the coming years.

S2-3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Grievance mechanism for value chain workers

In addition to requesting that our suppliers implement their own grievance mechanisms, the Supplier Code of Conduct stipulates that EthicsLine, our in-house channel, is available for our suppliers and supply chain workers to raise concerns anonymously.

Vestas aims for providing or enabling remedy in relation to any actual material impact by having implemented below process. We maintain a robust process to manage, track, and monitor cases reported by supply chain workers. Cases reported by supply chain workers are tracked under a designated case category in EthicsLine. If a case implicates Vestas' employees, the case will be managed by the EthicsLine function, Sustainable Procurement and the supplier, if needed.

If the case does not implicate any Vestas employees, it will be handed over to the supplier. In 2024, 11 concerns by supply chain workers were reported to EthicsLine. The cases were handled in close collaboration with the suppliers and two cases were found to be substantiated. One case was reported in 2023, which was found to be unsubstantiated, based on the supplier's investigation, and thereafter closed. Vestas did not receive any further response from the reporter through the EthicsLine system. Although Vestas does not systematically assess workers' awareness and trust in these mechanisms, some reports indicate varying levels of awareness among workers in the value chain.

Following the EU Whistleblowing Directive, EthicsLine's effectiveness is ensured by making the system accessible to value chain workers, protecting reporters from retaliation, safeguarding confidentiality, guaranteeing that reporters receive timely feedback, having an investigation process to secure objectivity, and building transparency into the process.

EthicsLine is anchored in our EthicsLine Policy, which ensures the protection against retaliation. In instances where Vestas may be linked or have contributed to adverse impacts on supply chain workers through an EthicsLine case, we seek to use leverage to promote that negative impacts are effectively remedied, and we monitor the case closely.

MDR-A; S2-4

Actions and resources

Management of material social impacts in a global supply chain is a complex matter. Vestas' Sustainable Procurement team and Global HSE team possess their own expertise in human rights and health and safety, but also work cross-functionally across the organisation to ensure that human rights and health and safety are embedded into and aligned within the business.

In order to address impacts and risks of health and safety incidents of our value chain workers, our key actions in 2024 included management of contractor performance and defining low-to-high risk contractors.

Managing contractor performance

The implementation of the Contractors' HSE terms and conditions will enable Vestas to take a more proactive approach to the way it manages contractor performance. Contractors who

develop and implement their HSE approach to align with industry standards will be identified as having done so through the completion of a post service evaluation conducted by Vestas project management, the results of which form the basis for future engagement. Where post service scores are considered lower than expected, specific action plans are then developed.

The outcome of the Contractors HSE Terms and Conditions will show an improvement in the post service evaluation scores.

This action covers contractors in our own operations within transportation, construction, operations and maintenance. This activity is considered continuous improvement and will thereby be ongoing for as long as we work with contractors.

Defining low-to-high risk contractors

To enhance business decision-making, Vestas has established a process for assigning risk profiles to our contractors, which undergoes continuous review. The criteria used for contractor assessments ensure sufficient oversight, facilitating effective

decision-making. Data is collected at the operational level through various metrics, such as hazardous observations, near-miss cases and incidents, and now also includes consequence management information.

Supplier due diligence framework

To address potential adverse impacts and risks within our value chain, Vestas focuses on both direct and indirect suppliers with whom we have a contractual relationship through a supplier due diligence framework. Central to this framework is our Supplier Code of Conduct, which outlines clear requirements for suppliers and their subcontractors regarding labour practices and human rights. Additionally, the Supplier Quality Manual (SQM) provides separate quality guidelines.

When onboarding new suppliers, the due diligence process begins with screening for sanctions and ethical risks, followed by a Supplier Registration Questionnaire where suppliers acknowledge SQM and our Supplier Code of Conduct. This

step is a prerequisite to proceed with the next step consisting of the Supplier Business Assessment (SBA) tailored to the specific scope of supply. Verification of results of the SBA occurs through onsite or desktop assessments. Having passed the onboarding requirements, it is a prerequisite that suppliers commit to the Supplier Code of Conduct and SQM before starting business relationships.

For indirect suppliers, we use a matrix that considers onboarding questionnaire results and high-risk criteria to determine which suppliers undergo onsite assessments. All direct suppliers, on the other hand, undergo onsite assessments as a standard procedure. Assessments of suppliers are generally conducted by Vestas' own team. These assessments include verification of policies and management systems related to human and labour rights aiming to uncover potential risks in addition to technical and quality aspects. Any identified improvement areas prompt the development of corrective action plans.

Supplier due diligence

Onboarding

Screening

Screening for sanctions and business ethics risks

Approval

Supplier Business Assessment

Supplier self-assessment via questionnaire

Verification

Direct suppliers:
Onsite audit

Indirect suppliers:
Onsite or desktop audit

Approval

Signing of purchase agreement

Commitment to the Vestas Supplier Code of Conduct and Quality Manual

Conditional approval

Rejection

Monitoring

Monitoring of
sanctions and
ethics

Existing
suppliers

Quarterly
safety and
sustainability
survey

Ad hoc tailored
assessments
based on substantiated knowledge

**Vestas Supplier Code of Conduct
& Quality Manual**

Ongoing monitoring ensures that existing suppliers uphold our standards. This includes ad hoc assessments based on substantiated knowledge, media coverage, etc. We collaborate with suppliers to enhance their performance but are prepared to terminate relationships if material concerns persist. Our commitment to secure supplier adherence to the Supplier Code of Conduct and SQM helps safeguard our supply chain workers from risks.

For information about severe human rights issues in our value chain, see the table on "Incidents, complaints and human rights impacts" on page 104.

Addressing potential adverse impacts and risks

In addition to our supplier due diligence framework, we have implemented several initiatives to address potential adverse impacts and risks to our supply chain workers:

Vestas' Conflict Minerals Programme

To address the potential material adverse impacts associated with forced and child labour related to raw material extraction, Vestas has established a Conflict Minerals Programme (CMP). Through this programme, we survey our first-tier suppliers on an annual basis in component categories where it is expected that conflict minerals are present. The survey is done through a third-party supply chain data management solution.

In 2024, we completed the fourth iteration of suppliers engaged in Vestas' CMP, which involved engaging 181 suppliers (2023: 197 suppliers). The decrease in engaged suppliers is due to our ongoing efforts to exclude those who have confirmed the absence of 3TGs (tin, tungsten, tantalum, and gold) in their products during the previous years of reporting.

The approach ensures the effectiveness of actions related to our due diligence efforts, ensuring that our focus is targeted towards suppliers where due diligence efforts are most needed to address potential risks and impacts. Supplier responses were submitted using the Conflict Minerals Reporting Template (CMRT), which includes data on country of origin. The majority of the suppliers report on a company level (all their components not necessarily Vestas specific), and irrespective of minor data uncertainty for Vestas specific products, this approach enables us to increase supply chain resilience by having deeper insight into potential risks. The supplier response rate showed a slight improvement, increasing from 98 percent in 2023 to 99 percent in 2024.

Additionally, we participate in an annual smelter outreach organised by our third-party vendor. In this outreach, our third-party vendor sends letters on behalf of Vestas and encourages non-conformant smelters to engage with the Responsible Minerals Assurance Process (RMAP) through an independent audit. We remain committed to upholding the responsible sourcing principles outlined in our Conflict Minerals Policy and the Supplier Code of Conduct.

Mapping of EU Critical Raw Materials, including conflict minerals and rare earth elements

In 2024, we initiated a cross-functional mapping of the minerals covered in the EU Critical Raw Materials Act including conflict minerals and rare earth elements. By mid-2025, we aim to complete this mapping. This effort will enable us to identify which components contain these minerals and establish a program like the CMP, allowing us to trace the origin of raw materials used in our turbines, while also ensuring compliance of smelters, and thereby mitigating risks of adverse human rights impacts in our supply chain.

Upstream human rights risk heatmap

In 2024, we launched a human rights risk heatmap initiative aimed at leveraging our influence to mitigate potential adverse impacts on workers throughout our value chain. We have obtained certain data from our Tier-1 suppliers covering their supply chain. And partnering with a third-party risk intelligence provider, this increased transparency of the value chain has enabled us to generate a heatmap highlighting potential human rights risks. The results will be shared with suppliers who will be requested to ensure proper due diligence and mitigation where those risks were identified.

Wind Energy Initiative and EcoVadis implementation

In 2024, Vestas has joined the Wind Energy Initiative, a multi-stakeholder collaborative effort between EcoVadis, WindEurope, other OEMs and customers. Recognising the importance of supply chain sustainability, the initiative aims to enhance transparency and elevate performance standards across ESG topics. As part of this commitment, Vestas will implement EcoVadis. Through this third-party assessment process, suppliers will receive scorecards and improvement plans validated by professionals, empowering them to enhance their ESG performance and contribute to a more responsible and resilient supply chain. Based on these scorecards, Vestas will work with suppliers to implement suggested corrective action and improvement plans to address any identified sustainability gaps.

Targets and metrics

MDR-T; MDR-M

Targets

Targets related to working conditions in the value chain

In line with our SQHE Policy we expect the same performance level in terms of health & safety from our contractors as we expect from ourselves. Vestas' Global HSE Framework and related metrics and targets covers externally employed workers under Vestas supervision. See page 100 and 101 for health & safety metrics, targets and accounting principles.

Based on the learnings from the first year of implementation of the new policy framework, Contractors' HSE terms and conditions, we will evaluate further if we should set a measurable target for contractors not working under Vestas supervision during 2025.

Targets related to other work-related rights in the value chain

Vestas has not yet set targets for workers in our value chain due to an ongoing revision of our supply chain due diligence framework. The revision also includes an evaluation of initiatives to further track and assess actions and their outcomes for value chain workers. However, we will explore options for setting specific targets and tracking effectiveness of policies and actions through collected data during 2025, and as part of current management, we continue assessing our suppliers and tracking their performance.

In 2024, we assessed our suppliers in the following ways:

- We conducted 2,110 due diligence screenings of potential suppliers, prior to the supplier onboarding process.
- Our teams conducted 141 onsite supplier assessments for both direct and indirect suppliers.
- 114 of these suppliers scored above 70 percent, meeting our acceptable risk threshold based on our methodology.
- For the 27 suppliers scoring below 70 percent, corrective action plans were developed and agreed upon by Vestas and the supplier. Of these, six suppliers were rejected.

Improvement areas from supplier assessments

Every supplier found to have improvement areas in their operations will have a corrective action plan prepared and discussed with them. This plan is collaboratively agreed upon with Vestas' Supplier Quality & Development teams and the supplier.



Accounting policies for S2 - Workers in the value chain

Workers in the value chain are defined as workers in Vestas' upstream and downstream supply chain and workers performing work on Vestas' sites, who are not part of Vestas' own workforce.

'Social Due Diligence on projects in scope (%)'

This measures the share of wind power projects, materialised as firm orders, that have been subject to social due diligence (SDD) processes in the reporting period. Wind farm projects in scope for SDD are: 1) Engineering, Procurement and Construction (EPC) projects in emerging markets; 2) all Supply-and-installation projects of 100 MW or above in emerging markets; and 3) projects in OECD countries with a risk rating of 'Extreme' or 'High' according to the Verisk Maplecroft's "Indigenous People" risk index on risks related to indigenous people's lands, territories or livelihoods under threat. In this context, 'Emerging markets' are defined as non-OECD, high-income countries, as defined by the World Bank classifications. SDD procedures include: 1) a high-level country assessment; 2) 'Know Your Customer' assessment; and 3) an in-depth project assessment on social matters.

S3 Affected communities

Vestas continuously works to strengthen our efforts in building and maintaining sound relationships with communities either directly affected by our operations or by wind power projects being supplied by Vestas. Through early and continuous engagement with communities our processes seek to ensure that all involved parties have given their free, prior and informed consent.

SBM-3

Impacts, risks and opportunities

Building and maintaining a sound relationship with affected communities is important to Vestas. We strive to reduce our material impacts on communities with which we may be involved and seek to enhance positive opportunities.

We acknowledge that a sound relationship is acknowledged as a critical success factor to complete large infrastructure projects, including wind farms, particularly in emerging markets.

We identify and manage any material actual or potential impacts on affected communities through our human rights based approach. On a corporate level, we conduct our Corporate-Wide Human Rights Assessment, while Vestas conducts project-level social due diligence on certain projects in scope.

The findings inform our double materiality assessment (DMA). Our 2024 double materiality assessment identified two key impacts related to affected communities: negative land-related

impacts and negative impacts on the right to Free, Prior, and Informed Consent of indigenous and tribal peoples.

The affected communities in scope of this disclosure are limited to i) communities living or working around the wind farms which are impacted directly or indirectly through our construction and development operations and ii) communities of indigenous peoples.

These impacts affect communities near our wind power project development and construction activities and are all systemic in nature due to our business model.

The right to free, prior and informed consent

Impacts on the right to Free, Prior, and Informed Consent refer to potential adverse impacts on Indigenous and Tribal Peoples' specific rights to, for example, self-determination, lands and culture. These impacts may arise when wind farms are built on or near territories linked to Indigenous and Tribal Peoples without meaningful consultation or consent, or due to inadequate legal frameworks.

This impact is concentrated in our development and construction activities, and hence originates from our business relationships, with customers engaging with us either early on, at the stage of project development or at the stage of construction.

Impacts, risks, and opportunities

IRO type

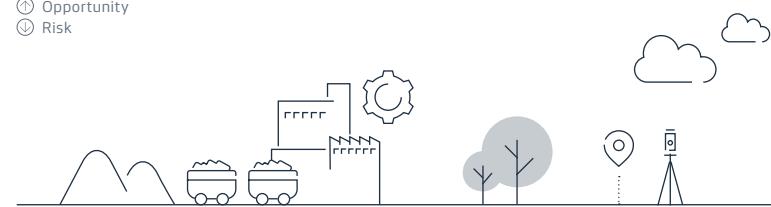
Impact materiality

- + Positive
- Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

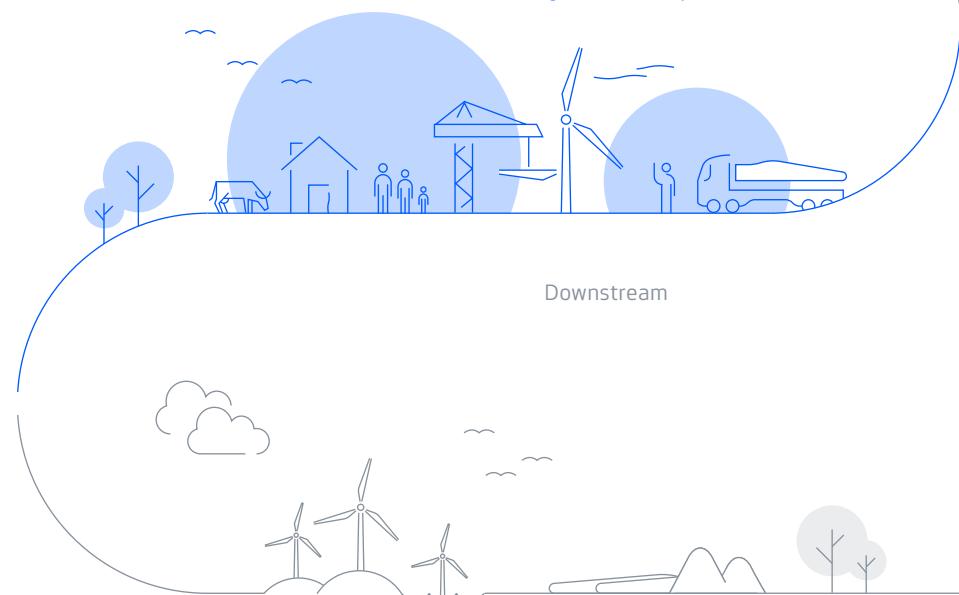
Upstream



Own operations

- Impacts on the right to free, prior, and informed consent
- Land-related impacts

Downstream



For projects where we are involved in the supply and installation of wind turbines, the choice of wind farm site will have been made prior to our involvement. Occasionally, the land will be inhabited by Indigenous and Tribal Peoples, which in certain cases can result in an impact on the right to Free, Prior and Informed Consent.

For projects, in which Vestas has the role of developer, we identify at an early stage whether a group or communities consider themselves as indigenous. Where this is the case, Vestas is committed to conducting Free, Prior and Informed consultations to discuss consent in projects we intend to develop to further minimise any adverse impacts to the rights of the affected communities. This impact is therefore not a widespread nor systematic impact, but may rather occur in the near-, medium- or long-term future only in a limited number of cases in our downstream value chain.

Land-related impacts

Land-related impacts refer to the potential physical and economic displacement that can occur due to the build out of wind farm projects, leading to land use restrictions in affected communities. This impact originates from our business model and is concentrated in our downstream value chain during construction. Wind farm construction can lead to land-use changes, temporarily disrupting farming or, in rare cases, displacing settlements. This can cause economic displacement and affect communities' way of life and social networks. This impact may be expected to materialise in the short, medium and long term.

More information about how Vestas manages the above material adverse impacts can be found under "Processes for engaging with affected communities" on page 119.

Management of impacts, risks, and opportunities

MDR-P; S3-1

Policies

On a general basis, Vestas is committed to engaging communities in a meaningful and timely manner to understand how our activities might affect individuals and/or various groups, mitigate any potential negative impacts, and increase community acceptance of wind farms. Through engagement, dialogue, research studies, and other means we aim to understand, and measure the impact of our projects at a local level and apply mitigation measures.

Our Human Rights Policy and Employee and Supplier Codes of Conduct (see pages 103 and 114) form the basis of our commitment to respecting the human rights of affected communities, including indigenous and tribal peoples, while our Social Management System (SMS) describes how we operationalise our commitments. All these policies and the SMS are aligned with expectations towards businesses on human rights as set out in international responsible business principles; the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Human Rights Policy

Our Human Rights Policy embeds our commitment to respecting human rights, including the particular rights of indigenous and tribal peoples. The policy applies globally to all individuals, workers, communities, and suppliers in a contractual relation with Vestas. At the most senior level, the policy is signed by the Chair of the Board. The policy is available at our corporate website.

Our policy endorses the International Bill of Rights, the UN Declaration on the Rights of Indigenous and Tribal Peoples (UNDRIP) and the International Labour Organisation's Convention concerning Indigenous and Tribal Peoples' (ILO No. 169). Furthermore, the policy identifies community engagement, indigenous and tribal peoples, land acquisition and resettlement as specific salient human rights issues for our industry. Therefore, this policy addresses the management of our material impact on

indigenous and tribal peoples' right to Free, Prior, and Informed Consent and on land-related impacts on communities. For information on our general approach and measures to provide and enable remedy for human rights impacts, see page 104.

In 2024, we updated our Human Rights Policy to reflect the increased expectations to businesses from investors, clients, and civil society organisations. The policy elaborates on how Vestas meets its obligation to respect human rights by conducting due diligence and remediating negative impacts on affected communities. Further, the policy states how Vestas does not tolerate threats, intimidation, physical or legal attacks against individuals or groups lawfully exercising their rights to freedom of expression, association, peaceful protest or assembly in relation to our business or operations.

Employee Code of Conduct

Our Employee Code of Conduct outlines our behavioural expectations towards employees. The Code includes a section titled 'Our Responsibilities Towards Communities' which states our expectations towards employees in terms of community engagement. Our employees are required to engage with and listen to local communities in an inclusive, equitable, culturally appropriate, gender-sensitive way, particularly indigenous communities (where relevant) and to treat communities' views with respect and consider them without discrimination.

As per our commitment in the Code, Vestas employees must always strive to respect the principles of Free, Prior, and Informed Consent within the scope of our responsibility in cases where indigenous and tribal peoples may be impacted by a project. Detailed information on the policy's objectives, scope, and senior accountability can be found on page 103.

G1-2

Supplier Code of Conduct

The Vestas Supplier Code of Conduct outlines our expectations to suppliers in four main areas: Human Rights, Working with Integrity, Respecting the Environment, and Fair Business Practices. The Code is an integrated part of our purchase agreements and applicable to all suppliers. As part of the supplier selection process, Vestas conducts due diligence on its suppliers to identify and manage potential risks.

As key partners, we expect our suppliers to avoid causing, or contributing to, adverse human rights impacts across their own operations and supply chains, and within the local communities where they operate. We encourage suppliers to uphold inclusive and respectful workplaces, proactively manage risks in their supply chain, and consider the human rights of all stakeholders

Social Due Diligence tool

Our tool to identify and manage social risks during construction



Our Social Due Diligence tool facilitates the review of our customers' Environmental and Social Impact Assessments (ESIAs) and Stakeholder Engagement Plans



It also establishes social roles and responsibilities across project stakeholders



Our Social Due Diligence tool evaluates projects based on the IFC Performance Standards, ILO standards, and UNGPs.

Social Management Plan

Our action plan to mitigate social risks together with the project stakeholders and maximise local opportunities



Establish relationship with and maximise affected communities' opportunities



Establish operational grievance mechanism between Vestas and the community

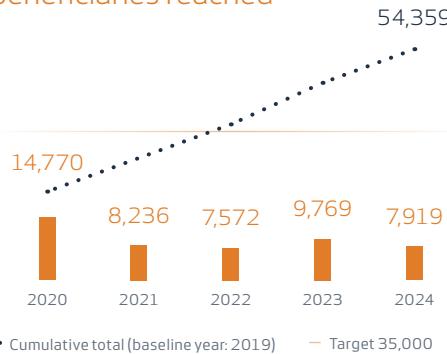


Identify project-related community initiatives with community project stakeholders

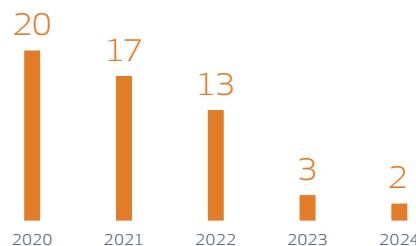
The percentage of qualifying projects having undergone the SDD process in 2024



The number of community beneficiaries reached



The number of community grievances received



impacted, paying specific attention to women, migrants, indigenous people, and vulnerable groups. We expect our suppliers to have adequate management systems in place to ensure compliance with this Supplier Code. Our suppliers are responsible for conducting due diligence to identify and manage potential risks related to human rights.

Social Management System

Vestas' Social Management system (SMS) outlines how Vestas has operationalised our human rights methodology in our market approach supporting customers in creating bankable projects. The system addresses how Vestas manages adverse social risks including land-related impacts, and adverse impacts on Indigenous and Tribal Peoples' rights to Free, Prior, and Informed Consent. It includes information on our Social Due Diligence Process, Grievance Mechanism, main social risks addressed, key mitigation measures, and stakeholder engagement.

The system is applicable to communities around the following types of projects: i) Engineering, Procurement and Construction (EPC) projects outside high income OECD countries, ii) Supply-and-Installation projects of 100 MW or above outside high-income OECD countries, and iii) projects in OECD countries where there is a risk for impacting Indigenous and Tribal Peoples' lands, territories or livelihoods.

The SMS helps us operationalise our commitment to the UN Guiding Principles on Businesses and Human Rights and the OECD Guidelines for Multinational Enterprises as it outlines key human rights due diligence steps applicable for affected communities. The most senior level in the organisation accountable for the Social Management System is the Head of Global Compliance & CSR. The policy is publicly available on our corporate website.

Monitoring of policies

To monitor compliance with these commitments, Vestas internally tracks and monitors progress against several salient human rights issues, including community-related impacts identified in our latest Corporate-Wide Human Rights Assessment.

We monitor access to grievance and remedy mechanisms available for affected communities to raise any concerns or misconducts and communicate this information internally and externally.

We also monitor the Human Rights Resource Centre for Business and Human Rights on a regular basis, and several external human rights benchmarks that assess our commitments to the UN Guiding Principles on Business and Human Rights, and the

International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. In our downstream value chain, we have addressed adverse impacts through customer engagement as outlined in our Social Management System.

S3-1 16b; S3-2

Processes for engaging with affected communities

Vestas is committed to engaging with affected communities as early as possible depending on our role in the wind farm and on the specific characteristics of the community.

As a developer, we initiate community engagement as early as possible in the screening of feasible wind farm areas. Depending on the local context, engagement may occur through means such as public consultations (according to the local Environmental Impact Assessment (EIA) permitting process), meetings with local community leaders, local public events, one-to-one meetings with concerned stakeholders, and other interactions.

The frequency of other interactions are determined on a needs-basis and in accordance with the project timeline. Moreover, as a developer, we ensure that all relevant information about our projects is public and easily accessible to interested stakeholders; this includes, as an example, the publishing of our EIA studies on public portals for public consultation, the printing of hard copies of EIA studies to be located at Municipality offices, and the creation of dedicated project websites.

In our development function, the Development Execution teams in each region, under the Regional Development Directors, ensure community engagement. They record stakeholder activities on various platforms to track events, meetings, and actions, helping us assess engagement effectiveness. The results of our engagement efforts inform our project development and serve as a tool for continuous improvement.

In some cases, we develop written agreements with communities post-consultation. For vulnerable communities, like Indigenous and Tribal Peoples, we use consultants with specific expertise to help diagnose, assess the impact, and recommend measures that align with the community's needs, ensuring that their perspectives are considered.

Similarly, when affected communities are Indigenous and Tribal Peoples, Vestas is committed to respecting their right to Free, Prior, and Informed Consent (FPIC) and preventing adverse

impacts on their rights. In collaboration, we e.g. identify ownerships or traditional user rights of land prospected for a new wind farm, sites of cultural heritage, physical or economic displacement. FPIC considerations guide our project viability and feasibility decisions.

We actively identify and involve indigenous communities or their representatives early, provide information in relevant languages, and use culturally appropriate procedures. We respect their right to give or withhold consent, which is evidenced by an explicit agreement. We consult Indigenous and Tribal Peoples on the mode and parameters of engagement to ensure cultural appropriateness.

As a supplier, our engagement with affected communities begins at the construction phase, even though our customers are responsible for initial consultations. The results of the customer's engagement efforts help define the project's ongoing community engagement approach. Frequency of engagement may vary depending on the project timeline.

We may also engage with credible proxies such as local or national institutions and non-governmental organisations (NGOs) before project commencement. Some projects have a Community Liaison Officer who collaborates with our client's Community Liaison Officer.

Alternatively, the Project or Construction Manager can act as the primary representative of Vestas towards communities and oversee community engagement. In these roles, they hold the highest operational authority at our company to ensure that appropriate community engagement takes place within our scope.

The effectiveness of our engagement during construction is assessed through the use of our grievance mechanism. In projects where Indigenous and Tribal Peoples' lands are involved, we take additional measures when applying our Social Due Diligence process to assess the effectiveness of our customers' engagement and establish whether the project has been developed in accordance with national law and international standards, including right to FPIC.

Additionally, we take into consideration other vulnerable groups in our due Social Due Diligence process such as women and children, see page 118.

S3-3

Grievance mechanism for affected communities

Vestas is committed to remedying adverse impacts on individuals, workers, and communities caused or contributed to by our operations. We also use our influence to ensure third parties linked to Vestas address any adverse impacts. Our main grievance mechanisms include the Operational-Level Grievance Mechanisms (OGM), EthicsLine (page 103), and project-level channels like dedicated wind farm websites.

The OGM allows communities to raise concerns directly with Vestas during wind farm construction or service. Grievances can be submitted anonymously by individuals or groups and are applicable globally. The OGM is accessible through various channels, including face-to-face communication, suggestion boxes, email, and regular community meetings.

Vestas handles grievances neutrally and without discrimination, ensuring anonymity if requested by the person raising the issue. Affected communities are not directly involved in the design of our OGM. Instead, Vestas where relevant seeks to integrate findings from the Environmental Impact Assessment on elements like cultural appropriate channels, traditions and language when implementing the OGM. Grievances are managed, tracked, and monitored through our Vestas Incident Management System (IMS) following our OGM Guideline.

To ensure that the effectiveness of remedy is evaluated, any remedy must be discussed equally with the affected stakeholder, allowing them to accept or reject the solution, and any remedy agreement shall be documented. For example, at the Lotus Creek Wind Farm in Australia, Vestas worked with Traditional Owners to protect cultural heritage sites. The work was documented in a Cultural Heritage Management Plan and Indigenous Land Use Agreements. It is still too early to track and assess the effectiveness of these actions as the project is in its early stage of construction.

We raise awareness about the OGM on our intranet, through onboarding training of site level staff, site meetings and other applicable practices. Currently, we don't have a structured approach to monitor whether affected communities trust our operational grievance mechanism, nor whether they are aware of its existence. We use the number of grievances received annually to indicate community trust and awareness, and we disclose these numbers in on page 119.

When Vestas is not primarily responsible for establishing the operational-level grievance mechanism, we actively support the customer's OGM. Roles and responsibilities for handling grievances are clearly defined between us and the project developer before the project begins.

In our Development projects, Vestas provides multiple communication channels for capturing concerns and grievances, such as project websites, email, phone, and interactions during community engagement activities. Concerns raised during public consultations, as regulated by the Environmental Impact Assessment (EIA) permitting process, are addressed in the EIA study and considered in project development.

When remedy is necessary, Vestas documents actions to mitigate risks and impacts, coordinating with relevant authorities as needed. Although we do not systematically assess the awareness of these structures, we raise awareness about our development activities in local communities and invite people to voice their concerns. Communication channels for enquiries and grievances are recorded and tracked in our stakeholder engagement platforms.

Affected communities are also welcome to use our EthicsLine channel.

MDR-A; S3-4

Actions and resources

At Vestas, we are committed to building resilient relationships with communities impacted by our operations, and we prioritise working with relevant stakeholders to achieve this. We aim to ensure that the views, interests, and rights of potentially affected communities are discussed and considered in wind farm projects, particularly those that hold potential high social risks.

Our Corporate-Wide Human Rights Assessment identifies communities as one of our key rightsholder groups and provides us with an overview of where in our operations we are at most risk of impacting this group, which has been identified as in our construction and development activities. Consequently, we have received recommendations from our assessment that we continuously work on improving our processes in e.g. due diligence and general practices.

Our key actions in the reporting year include applying our Social Due Diligence process, conducting feasibility studies, community profile mapping to prevent negative impacts, and promoting

employability and capacity building to deliver positive impacts. These actions form part of how Vestas seeks to build and maintain a sound relationship with affected communities. How we track the effectiveness of these actions is described in more details on page 122 under 'S3-5 - Targets and metrics'.

Vestas continuously works to strengthen our efforts in building and maintaining sound relationships with communities either directly affected by our operations or affected by wind power projects in which Vestas has been engaged as supplier where we act as a supplier of wind turbines. We furthermore work to document how we progress.

Construction – our Social Due Diligence process

To avoid causing or contributing to significant negative impacts on affected communities in our wind farm projects, we apply our Social Due Diligence (SDD) process to certain EPC and Supply-and-Installation projects above a specific MW threshold in emerging markets. The SDD process also applies to projects in OECD countries where there may be risks to Indigenous and Tribal Peoples' lands, territories, and livelihoods (see page 118 and 119 for more information)



→
Vestas turbines in Kansas, USA.
 Wind turbine projects benefit local communities e.g., by enabling access to renewable energy and creating jobs.



Through the SDD, we identify and assess social risks to understand potential negative impacts. We use our customers' Environmental Impact Assessments and associated studies such as Stakeholder Engagement Plans as the base for our due diligence. Based on our findings, and in collaboration with the customer, we determine necessary actions to address these impacts and seek to promote positive outcomes.

We assign roles and responsibilities among project stakeholders. Resources, such as budgets for community initiatives and Community Liaison Officers, are then allocated to engage with community members, implement appropriate operational grievance mechanism and ensure access to remedy, and to implement initiatives effectively.

Community initiatives are based on due diligence findings, local community needs, and Vestas' community engagement impact areas. The reach of our community initiatives are documented on page 119.

Wind farm development – feasibility studies and community profile mapping

Best practice wind farm development integrates social acceptance and risk analyses with technical and socio-economic assessments. Vestas conducts feasibility studies, including Environmental & Social Impact Assessments (ESIAs), to identify actions needed to prevent or mitigate adverse impacts on communities. If adverse impacts related to land acquisition are identified, we take steps to prevent them.

Our environmental and social specialists work with expert consultants to address community-related impacts and engage communities early through consultations to discuss concerns and enable remedies.



[Participatory theatre is used to inform communities living near the Taiba N'diaye Wind Farm in Senegal how they can raise a concern or a grievance.](#)

Actions implemented during development

As a developer, we map community profiles to better understand the local context in which a wind farm is planned. The findings can support Vestas during preparation of a site layout taking into consideration measures that prevent potential risks to affected communities, and where not possible identify mitigation measures to address negative impacts.

These actions build good relationships and demonstrate our social commitment, bringing structural, cultural, and intellectual gains. For example, at the Lotus Creek Wind Farm in Australia, Vestas worked with Traditional Owners to protect cultural heritage sites, developing a Cultural Heritage Management Plan and Indigenous Land Use Agreements.

Promoting employability through training and capacity building

Vestas seeks to improve social economic impacts and foster project ownership amongst affected communities. This is done for example by promoting employability and preventing economic displacement in communities near our wind farm projects. In Latin America, as an example, we have offered technical training in wind turbine maintenance in Brazil and Mexico. In 2024, our project in Tamaulipas in Mexico benefitted 22 people, while in Brazil, our Keep it Local initiative with our client EDPR benefitted 121 participants. A similar course provided in partnership with our client Engie will run from 2024 into 2025 benefiting 53 students.

For more information about complaints and human rights impacts during 2024, see page 104. Besides our initiatives within technical training, we have also provided different capacity-building and entrepreneurship courses targeted at farmers to promote more sustainable farming practices and prevent economic displacement.

In Senegal, in 2024, we trained 200 community members in topics such as organic fertilising, market-oriented agriculture, poultry farming, and processing of vegetables. See the graph on page 119 for the cumulative number of community beneficiaries since 2020.

Targets and metrics

MDR-T; MDR-M; S3-5

Targets and progress

In line with our strategic commitment to be the most socially responsible company in the industry, we have several metrics and associated targets to monitor our performances to prevent or mitigate our two material risks; land related impacts on communities and adverse impacts on the specific rights of Indigenous and Tribal Peoples to FPIC. Vestas started disclosing on the progress of the below three metrics in 2019.

The metrics and targets were designed internally, and we track the performance against them in our internal tools. On project level, affected communities are on a case-by-case basis invited to take part in sessions where lessons learned and suggestions for improvements can be discussed. However, no structured process for this exists today.

The share of in-scope projects having undergone the Social Due Diligence Process

In line with our Human Rights Policy and our obligation to respect human rights by conducting due diligence and remediating negative impacts on affected communities, we have set a target related to conducting social due diligence. To ensure that we take appropriate measures to prevent and mitigate risks, and to implement the objectives of our Social Management System, we strive to conduct our Social Due Diligence (SDD) process in 100 percent of the projects in scope for this assessment on a yearly basis. Projects in scope are the following types of projects: i) Engineering, Procurement and Construction (EPC) projects outside high income OECD countries, ii) Supply & Installation projects of 100 MW or above outside high-income OECD countries, and iii) projects in OECD countries where there is a risk for impacting Indigenous and Tribal Peoples' lands, territories or livelihoods.

This indicator is therefore a risk-based indicator, limited to certain types of construction projects and is based on the assumption that the aforementioned types of projects may lead to higher risks towards communities based on Vestas' internal experience.

While we started disclosing this indicator in 2019, our time-bound target is to conduct 100 percent of the assessments in scope on a yearly basis by 2025. Internal stakeholders have been involved in target setting, and after 2025 when revising this target, we will seek to consider the perspectives of affected communities in target setting.

In 2024, 83 percent of qualifying projects underwent the Social Due Diligence Process across 3 regions. While we are encouraged by this high rate, we acknowledge that we still have work to do to meet our target of 100 percent.

The number of community beneficiaries reached

In line with our Employee Code of Conduct and responsibility towards communities and community engagement, we have set a target related to community beneficiaries. Every year, Vestas implements a set of initiatives to advance positive impacts aiming to uplift communities socially and economically and contribute to the improvement of their overall quality of life in aspects such as education, skills training for local employment, social infrastructure development support (i.e. support for healthcare, drinking water), local cultural activities for community bonding, among others.

These activities help us implement the objective in our Social Management System of building our social license to operate. To track these the effectiveness and scale of these activities, we track the number of community beneficiaries reached through our community initiatives on a yearly basis.

The community beneficiary target is linked to our commitment to seek ways to advance opportunities for e.g. affected communities as expressed in Vestas' Human Rights Policy and further elaborated under Employee Code of Conduct page 118, and in the section on community engagement, page 119.

The target is limited to initiatives implemented in relation to construction or service projects where we have been a supplier. Only internal stakeholders were involved in setting this target. Sources to track this target include participant lists, gratitude letters from partners, and other sources in line with our accounting principle for this target.

When we started tracking this target in 2019, our goal was to reach 35,000 beneficiaries by 2025. In 2022, we reached a milestone by achieving our strategic target ahead of schedule. We will continue to implement and track the number of community beneficiaries reached until we revise our targets post-2025 and will seek to engage directly with communities in doing so.

In 2024, we continued several of our community engagement initiatives, and started some new ones as well as reaching 7,919 direct beneficiaries across Latin American, Asia Pacific, Africa and Mediterranean regions. With our most recent projects, we have reached 54,359 cumulative beneficiaries since 2019.

The number of community grievances received

We maintain an Operational-level Grievance Mechanism (OGM) to allow individuals potentially affected by a project to voice their concerns.

To keep track of how we have acted on grievances and remediation, we report on the number of community grievances received on a yearly basis. This allows us to assess the effectiveness of our grievance mechanism through the number of cases received. While we do not have a target for the number of grievances received each year as this indicator is dependent on our levels of activities and types of construction projects, having this indicator helps ensure that we maintain our commitment to the UN Guiding Principles and OECD Guidelines, a key objective of our policies mentioned above. This indicator is limited to grievances managed by Vestas in our Incident Management System on construction and service operations.

Since we started disclosing this number in 2019, we have received a varying number of grievances each year indicating our varying levels of construction and service activities.

In 2024, we received 2 community grievances. These grievances related to community health & safety concerns and called for corrective actions such as repeating site HSE induction trainings for service technicians and repair a cable that was reported exposed. When community members report their observations, they support us in acting in a preventive manner and thus reduce the risk for an actual incidents.

We are pleased to see that our grievance mechanism is used and will continue to revise and improve it to ensure local communities can alert us to issues as soon as they arise as outlined in our Human Rights Policy.

For more information related to the scope and methodologies related to our targets and metrics please see Accounting policies for S3 - Affected communities.



Accounting policies for S3 – Affected communities

'Community grievances (number)'

The number of community grievances is calculated based on incidents registered in the reporting system. The measure 'Community grievances' covers the total number of community complaints registered in the reporting system in the reporting period. Vestas registers and handles community incidents caused by Vestas or its contractors on communities that turn into a grievance, where a 'community' is a person or group that is either directly or indirectly affected by Vestas or Vestas' activities. The cases may occur in connection with a wind farm project and its associated facilities (e.g. accommodation facilities), a Vestas factory or a Vestas Research and Development Centre.

'Community beneficiaries (number)'

Community beneficiaries are defined as individuals that have benefitted by participating in Vestas' community development initiatives intended to upgrade skills or by receiving financial or equivalent aid. These initiatives are implemented during the reporting period in connection to a wind farm project and associated facilities, a Vestas factory, or Vestas Research and Development Centre. Community development initiatives are identified in collaboration with local stakeholders, such as local authorities and members of the local community to ensure that the initiatives meet local needs.

This indicator only includes defined community members that benefit directly. It does not include Vestas employees or community members in cases where the number of beneficiaries is undefined e.g. installation of solar cells on a village health clinic. Where the beneficiary is a household, Vestas calculates the total beneficiaries based on the average number of individuals per household defined by the UN Department of Economic and Social Affairs (UN 2017).



Governance information

- **G1** Business conduct
- Entity-specific disclosures: Transparent tax
- Entity-specific disclosures: Cyber security risks

G1 Business conduct

Responsible and ethical business conduct is an integral part of Vestas' corporate culture and we work with partners throughout our value chain to mitigate the risks of e.g. corruption and bribery. Through our political engagement, we strive to strengthen the position of renewable energy companies by taking an active role in shaping policies that accelerate the global energy transition.

SBM-3

Impacts, risks, and opportunities

The impacts, risks, and opportunities identified as material under the ESRS business conduct standard include 'Promotion of ethical behaviour amongst suppliers and employees', 'Prevention and detection of corruption and bribery', 'Corporate culture' and 'Political engagement contributing to the green transition'. As such these all follow the ESRS disclosures. Aside from these, Vestas has also identified two entity-specific matters in the 2024 DMA, namely 'Transparent tax' and 'Cyber security risks', which do not fit naturally under any of the ESRS sub-topics. We have placed these in connection with the G1 standard, and have reported on them in accordance with the ESRS disclosure requirements.

Promotion of ethical behaviour amongst suppliers and own employees

Protection of whistleblowers was identified as having a positive impact on employees in our operations and on workers in our supply chain that were involved in EthicsLine investigations.

Protection of whistleblowers impacts our employees positively by increasing accountability for employees' actions, and it impacts some employees in our supply chain positively by promoting ethical behavior of suppliers. These impacts do not affect our business model, strategy, value chain, or decision-making, as Vestas will continue protecting whistleblowers regardless of any changes to these. The impacts have already materialised and arise from our policies and practices, not our strategy or business model. For more information about risks related to supply chain, see page 112 and 113.

Regarding our approach to relationships with suppliers, and the way in which social and environmental criteria are taken into account when selecting supply chain contractual partners, see 'Supplier Code of Conduct', page 114.

The volume of cases each year and results from our Annual Compliance Survey indicate high levels of awareness and trust in the system, as well as a healthy speak-up culture within our workforce.

Corporate culture

Our corporate culture has been identified to have a positive impact on our employees within our operations by influencing employees to behave with integrity. Our corporate culture has an impact on our internal way of working with strategic priorities,

Impacts, risks, and opportunities

IRO type

Impact materiality

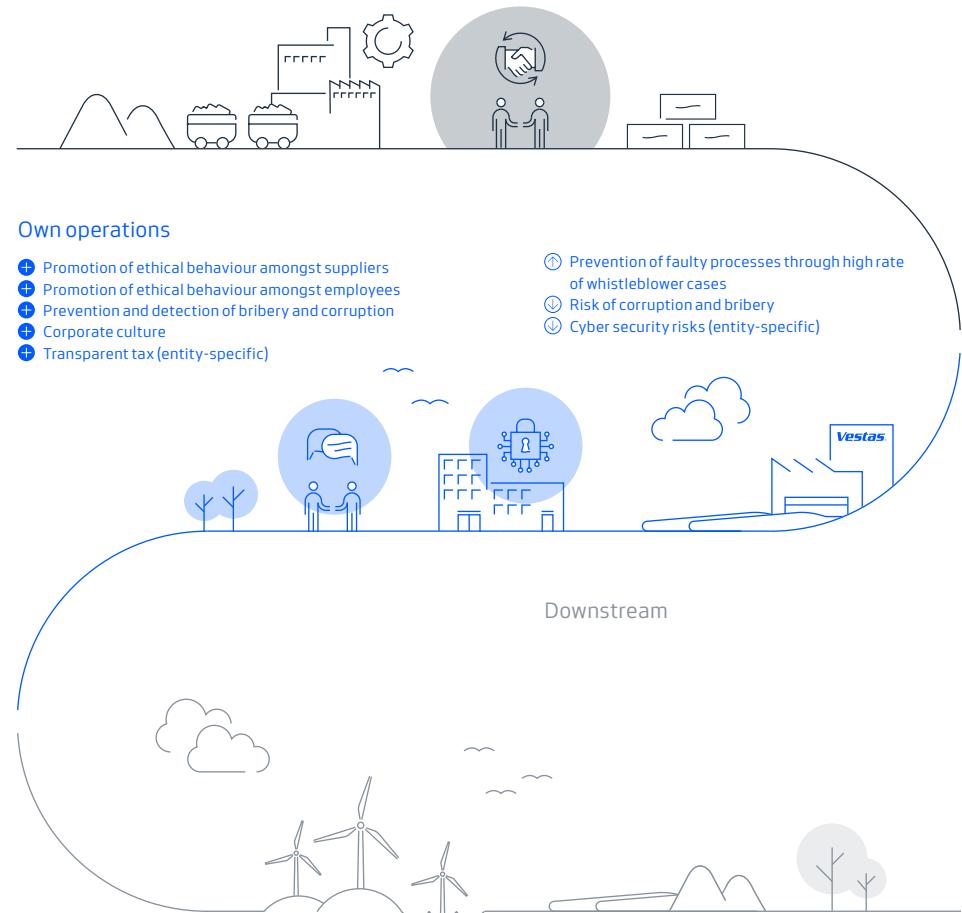
- + Positive
- Negative

Financial materiality

- ↑ Opportunity
- ↓ Risk

Upstream

- + Political engagement contributing to the green transition
- ⌚ Risk of insufficient grid capacity and infrastructure



and these were updated in 2023 to reflect the importance of corporate culture in Vestas strategic foundation – Safety, Quality, Values, Compliance, and Sustainability. Therefore, this impact on employees originates from our strategy by embedding compliance into our corporate culture. This is an actual impact that has already materialised.

Prevention and detection of corruption and bribery

Vestas' approach to prevention and detection of corruption, including training activities, was assessed to have a positive impact on Vestas employees, by upskilling our workforce and preventing potential bribery cases. To prevent corruption and bribery risks, Vestas has implemented a comprehensive governance structure outlined in Vestas' Annual Global and Regional Compliance Programmes, which include anti-corruption trainings to educate our own workforce. This impact was identified to be concentrated in our own activities. Currently, this impact does not have an effect in our overall corporate strategy, business model, or value chain. However, our employees' decision-making may be impacted positively by promoting ethical decision making in these trainings. We anticipate that this will continue to be the case in the short, medium, and long term. There have been no material changes to this impact in the reporting year.

Political engagement contributing to the energy transition
Vestas' contribution to the green transition by supporting policies and regulations aligned with the Paris Agreement's goal of limiting global warming to 1.5 °C, has been identified as a positive material impact of our political engagement. Through our political engagement, Vestas contributes to policies that accelerate wind energy buildout, which enables a clean energy system that mitigates climate change, protects ecosystems, and improves air quality, thus impacting the natural environment positively in the short, medium and long term.

This impact occurs across the entire value chain and originates from our business model, which is improved by expanding the role of wind energy in the global energy mix. For example, by launching global information campaigns and participating in international forums like COP29 and the World Economic Forum, we actively shape the discourse around renewable energy policies. We also engage with policy makers both directly and through our industry associations, most notably WindEurope, the American Clean Power Association (ACP), and the Global Wind Energy Council (GWEC).

Prevention of faulty processes via whistleblower cases

Protection of whistleblowers was also identified to be an opportunity occurring in our own operations to address root causes of unethical behavior and prevent faulty processes. By having robust mechanisms in place to protect whistleblowers, we can expect more cases are reported and that patterns of misconduct can be more easily anticipated in the early stages and prevented.

The protection of whistleblowers in the context of preventing faulty processes has not affected our overall business model, or strategy, but may affect our decision making on how we set up certain processes or procedures, as well as where we source from, affecting our value chain. We have not taken any actions to change our strategy or business model to address this opportunity in the reporting year.

Risk of corruption and bribery

The risk of corruption and bribery in our own activities was identified as financially material as we are a global company operating in different geographies as part of our business model. This risk had no financial effects on our financial position, performance, or cash flows in 2024 as we have not been subject to any significant costs, e.g. fines, in relation to this risk in the reporting year.

Vestas anticipates that regardless of our anti-corruption programmes and policies, this risk will continue to potentially have very high financial effects in the medium, short and long term. This risk has already formed part of our decision-making on several business decisions, value chain (e.g. our due diligence systems), and in our internal strategic priorities, where we have included 'Compliance' as a foundational element. There have been no identifiable effects on our large-scale business model based on this risk.

Risk of insufficient grid capacity and infrastructure

The development of new wind power projects is dependent on sufficient infrastructure and grid capacity. Lack of the necessary infrastructure to accommodate wind power generation can cause project delays and reduce project volume, which may negatively impact our business outlook. Active political engagement and cross industry collaboration is necessary to accelerate the development of infrastructure and strong grid connectivity. This risk occurs in our upstream value chain in the short, medium and long term.

Impacts, risks, and opportunities management

[G1-GOV-1](#)

Governance bodies

The role of Vestas' governance bodies related to business conduct is supported by the structure of the Enterprise Risk Management programme, see page 49. This represents the process to report outcomes of business conduct evaluation to Vestas' governance bodies. For more information on the expertise of Vestas' governance bodies related to business conduct, see the overview 'Composition of the Board' page 40.

[MDR-P;G1-1](#)

Policies

Business conduct policies

Vestas has several policies to address the identification, assessment, management, and remediation of material impacts, risks, and opportunities related to business conduct matters. Our policy framework aligns with the United Nations Convention against Corruption, and our Employee and Supplier Codes of Conduct outline expectations for employees and suppliers. The EthicsLine Policy details how we manage whistleblowing cases and anti-retaliation measures.

The Business Ethics Policy covers business conduct matters related to anti-corruption in more detail. Our global and regional compliance programmes outline training policies for office employees and service technicians, focusing on those most at risk with regards to corruption and bribery (see pages 103 and 114 for more information on the Employee and Supplier Codes of Conduct in accordance with the MDR-P disclosure requirement and the G1-2 disclosure).

Our corporate culture

Building and promoting a strong ethical culture is essential for long-lasting relationships with stakeholders and being a trusted partner in the energy transition. Vestas' corporate culture in relation to business conduct is not established through policies,

but through annual communication campaigns, trainings, and awareness initiatives as part of our global and regional compliance programmes (see page 126). Values like 'Accountability' are reinforced in annual townhalls, employee development dialogues, and other communication initiatives. Our corporate culture is evaluated through the Global Compliance Survey and Employee Engagement Survey.

We identify unlawful or non-compliant behaviour through various means, including our Travel & Expense System, Gifts & Hospitality Registry, business partner due diligence screenings, audits, and internal control framework to ensure accurate financial statements. In September 2024, we conducted an annual Compliance Campaign focused on promoting global policies. The multi-channel campaign included articles on our intranet, posts on our internal corporate social media channel, in-person, online, and hybrid trainings, e-mails, videos from senior management, and more. Each region carried out regional initiatives which led to the engagement of employees. Regional leadership as well as our CFO actively promoted the campaign and are involved in establishing the 'Tone at the Top'.

[G1-3 18, 20](#)

EthicsLine Policy

The EthicsLine Policy sets the framework for our whistleblower system, designed to investigate suspected violations of laws and Vestas' policies and procedures. Available to all employees and third parties, the policy applies globally across our value chain. It emphasises a safe reporting environment and details protections for individuals reporting misconduct or cooperating with investigations. The policy underscores the importance of a safe reporting environment and details the protections available to individuals who report misconduct or cooperate in good faith with an EthicsLine investigation, relating to our material impact on protection of whistleblowers.

The policy is implemented by the EthicsLine function, with assistance from Regional and Group Level Ethics Committees. At the highest level of the organisation, accountability for policy implementation lies with the Executive Vice President & CFO. The Ethics Committees support and monitor the EthicsLine function at both global and regional levels, determining appropriate outcomes of investigations on a case-by-case basis, including disciplinary steps and other remediation actions. Furthermore, the Audit Committee oversees the EthicsLine function as part of its mandate, which includes being informed of high-level metrics in the EthicsLine system. However, the investigators assigned to work on EthicsLine cases operate independently from management, ensuring unbiased investigations while preventing direct involvement from managers.

of implicated employees. The EthicsLine Policy is accessible through internal channels, the EthicsLine platform, and our app.

EthicsLine

EthicsLine is our whistleblower system and main mechanism for identifying, reporting, and investigating concerns, promptly, independently and objectively as defined in the EthicsLine Policy. It accommodates both internal and external stakeholders. It allows employees and business partners to report suspected violations of Vestas Codes of Conduct, applicable laws, and Vestas policies. Hosted on a secure external platform, it ensures anonymity and protection from repercussion. The platform is accessible publicly at our corporate website, the Vestas Compliance app, our intranet, and by phone.

To raise awareness, we conduct training sessions and communication initiatives across Vestas. Training materials, translated into several languages, are available on the intranet and include anonymised EthicsLine cases. Furthermore, employees managing cases have received training on case management in 2024.

Vestas complies with the EU Whistleblower Directive (EU) 2019/1937, ensuring whistleblower protection in every investigation. Employees facing retaliation are encouraged to inform EthicsLine, which, with the relevant Ethics Committee, may implement non-retaliation measures and appoint a dedicated focal point for support.

In 2024, 757 EthicsLine cases were raised, with 147 substantiated, and 500 unsubstantiated. The remainder were still under investigation at the end of the year. 78 of the substantiated cases were related to social or human rights areas, including termination of employment. We perceive the number of reports as an indication of high awareness and trust in the whistleblower system.

Business Ethics Policy

Our Business Ethics Policy outlines the standards and expectations Vestas has regarding bribery, facilitation payments, gifts and hospitality, donations, and conflicts of interest. These standards are further clarified through supplementary guidelines for each topic.

This policy thus relates to the management of corruption and bribery risks and helps us establish an ethical corporate culture. The Policy applies to all Vestas employees globally and covers all Vestas activities, including the activities that involve Vestas' engagement with business partners.

The Group Compliance function owns the Business Ethics Policy and is responsible for maintaining it. The policy is anchored under our CFO who is ultimately accountable for the implementation of the policy. Vestas is subject to legal requirements under national law transposing Directive (EU) 2019/1937, or to equivalent requirements with regard to the protection of whistleblowers.

The Business Ethics Policy sets the framework for responsible political engagement at Vestas. It establishes key principles, such as the prohibition of corporate donations to politicians, and provides clear guidance on appropriate gifts, including precautions to take when giving or receiving gifts to political stakeholders.

Training policy

Our Global and Regional Compliance programmes serve as our training policy for business conduct and relates to our impact on corruption and bribery (incl. training). Our Global and Regional Compliance Programmes are updated annually. The scope of the programmes is global and regional in nature covering all of Vestas' own workforce. The target audience is defined through a risk-based approach linked to the global compliance survey and EthicsLine cases. The current functions determined to be most at risk for bribery and corruption are office employees and service technicians due to the nature of their functions. The fundamental training is conducted as part of the onboarding process and based on the survey and EthicsLine cases. Additional training is performed on a yearly basis, covering areas relevant for Vestas.

The most senior level accountable for the implementation of the Global Compliance Programme is our Head of Legal, and our Regional Compliance programme is signed by Regional Presidents. The Compliance Programmes are made available to our employees on internal platforms.

Approach to political engagement

Our Employee Code of Conduct outlines the direction of our political engagement. It states that we seek to engage with politicians to promote Vestas' interests in renewable energy in a legal, ethical, and transparent manner. It also confirms that we do not use corporate funds for donations that support political parties or individual politicians. For the MDR-P disclosures related to the Employee Code of Conduct, see page 103.

G1-3 21

Anti-corruption and bribery

Prevention, and detection of corruption and bribery

Vestas' Global and Regional Compliance Programmes

To mitigate corruption and bribery risks, Vestas has established Global and Regional Compliance Programmes which outline how Vestas works with Anti-Bribery & Corruption (ABC) inspired by the six principles in the UK Bribery Act 2010.

The programmes are comprised of five pillars. 'Programme Governance', 'Learning & Awareness' and 'Culture & Behaviour' which aim at preventing misconduct while 'Monitoring & Auditing' and 'EthicsLine' are used to prevent, detect and manage misconduct. The programmes delineate the role of Executive & Regional Management in promoting a culture of compliance, establishing the 'Tone at the Top' and providing oversight. They also outline the Audit Committee's role in evaluating the effectiveness of our Compliance Programmes.

The programmes are governed by our Codes of Conduct and global policies and are executed by Group Compliance and Regional Legal & Compliance functions. Compliance is also addressed in quarterly meetings between the Regional teams and Executive Management to monitor progress made by each region with respect to compliance initiatives. It is also addressed as a quarterly item in Audit Committee meetings.

Approach to training and communication

Our business conduct policies are communicated through various training and awareness initiatives and are accessible on our Vestas Process Portal, and on the intranet. Vestas' approach to business conduct training is included in our annual Compliance Programmes covering our training strategy, channels to deliver training, and training content. The Compliance Programmes describe how the Group Compliance function must support the Regions in matters such as who should receive training, which material should be used, and in what way (e.g., online or offline).

Group Compliance and Regional Legal & Compliance functions provide training on various ABC compliance topics either face-to-face or online. Managers are also encouraged to use material developed by Group Compliance to discuss different ABC dilemmas during their management or team meetings. In 2024, quarterly in-person and online training sessions were provided to various employee groups, including service technicians, office employees, and factory workers. Training sessions, typically lasting 30 minutes per topic, cover basic requirements in our Code of Conduct and policies on business ethics topics like Gifts & Hospitality. For example, the Latin American Region focused on on-site training for service technicians in key locations such as Argentina, Brazil, and Mexico.

Office employees and service technicians are considered most at risk to corruption and bribery due to their exposure to travel and interactions with external business partners. All Vestas office employees and service technicians are required to complete mandatory e-learnings on business conduct topics, each lasting 6-25 minutes. The percentage of at-risk employees assigned to business conduct training was 100 percent in 2024.

G1-3 21b; G1-4

Prevention and detection of corruption or bribery

2024

Functions-at-risk assigned to training programmes (%)	100
Convictions for violation of anti-corruption and anti-bribery laws (number)	0
Fines for violation of anti-corruption and anti-bribery laws (mEUR)	0

Whistle-blower system

2024

2023

EthicsLine cases (number)*	757	667
- of which substantiated (number)	147	148
- of which unsubstantiated (number)	500	517

* 'EthicsLine cases' here represents the total number of unsubstantiated cases, plus the number of substantiated cases and cases still under investigation at the time of reporting. For the years 2023 and 2024, at the end of 2024, 110 cases from 2024 and two cases from 2023 were still under investigation, and hence the substantiation rate for the two years may change.

Actions and resources

MDR-A; G1-4

Incidents of corruption and bribery

In 2024, Vestas had no convictions or fines for violating anti-corruption or anti-bribery laws. If any breaches were to be identified, Vestas is committed to taking appropriate action, including amending standards or processes and implementing disciplinary measures such as warnings or dismissals. In 2024, Vestas had 0 public legal cases regarding corruption and bribery brought against the enterprise or own workers.

MDR-A; G1-5

Political influence and lobbying activities

At Vestas, our political advocacy is aimed at accelerating the clean energy transition in alignment with the Paris Agreement's goal of limiting global warming to 1.5°C. Our lobbying and advocacy activities focus on supporting policies, driving for example:

1. The acceleration of wind energy build-out.
2. The removal of permitting bottlenecks that delay renewable energy deployment.
3. The scaling up of grid capacity to accommodate renewable energy.
4. The establishment of auction frameworks that ensure sustainable supply chains while delivering affordable, clean electricity.
5. The upholding of established trade rules supporting a level playing field in the wind industry.

G1-5

Political contributions 2024

mEUR	Financial	In-kind
Direct	0	0
Indirect	4.6	0

Our Public Affairs department is responsible for the oversight of political influence and lobbying activities, and the Head of Public Affairs controls the activities and ensures Executive Management and Board oversight through quarterly reporting on these activities. This management system and monitoring process ensures that our policy engagement is aligned with the Paris Agreement, both for our direct lobbying activities and our trade associations. It covers all jurisdictions where we have operations.

The Head of Public Affairs is directly accountable to the Group Senior Vice President of Marketing, Communication, Sustainability, and Public Affairs, who in turn reports to the Chief Sales Officer and ultimately to the Chief Executive Officer. No one in our administrative, management, or supervisory bodies held comparable positions within public administration within the last two years of the reporting period. Vestas is registered in the EU Transparency Register under REG number 769186224869-06.

Vestas made no direct financial or in-kind political contributions in 2024, as prohibited by our Employee Code of Conduct. The Public Affairs department estimates in-kind political contributions by recording all spending aligned with the principle of "non-financial support provided directly or indirectly to political parties or individual politicians".

While Vestas made no direct political contributions in 2024, we did make indirect contributions to intermediary organisations, such as lobbyists, think tanks, and trade associations, that advocate the acceleration of wind energy deployment. This also included payments for external assistance from embassies and political consultancies.

MDR-T; MDR-M

Targets and metrics

In line with our policies we are committed to conduct business with integrity and we seek to engage with governments and politicians to promote Vestas' interests in renewables in a legal, ethical and transparent manner.

No overarching targets are set related to incidents of corruption and bribery or political engagement as it is context dependent. In this regard, we have not set a baseline year from which we measure our progress. However, metrics are continuously evaluated to assess how we can improve our positive impact year on year.

For further information about scope and methods related to our incidents of corruption and bribery and political contribution metrics, please see Accounting policies for G1 - Business conduct.



Accounting policies for G1 – Business conduct

'Functions at risk assigned to training programs'

It is the percentage of Vestas office employees and service technicians that are assigned to the Code of Conduct micro-learning on Conflicts of Interest and Gifts & Hospitality as a proportion of total Vestas employees.

'Fines for violation of anti-corruption and anti-bribery laws'

For the total number of fines received and paid for because of violating anti-corruption and bribery rules, the regional legal heads are responsible for reporting their numbers based on violation of local laws. We include also total amount of fines paid because of violating anti-corruption and anti-bribery rules as mentioned.

Political contributions

Vestas maintains records for political contributions made in both cash and kind.

'Financial contributions'

Cash or financial contributions are those made to political associations as members. This excludes payments for consultancy services provided by embassies.

'In-kind contributions'

Non financial contributions are in-kind contributions made by Vestas directly to political parties, their elected representatives or persons seeking political office.

Whistle-blower system

All whistleblower cases reported to the EthicsLine whistleblower hotline are investigated by the EthicsLine function supported by the relevant Ethics Committee, with the purpose of identifying whether a violation of the Code of Conduct has taken place. Of which substantiated (number) or unsubstantiated (number); upon the completion of the investigation, cases are classified as either substantiated or unsubstantiated. At the end of the reporting year, the variance between the total number of reported cases and the combined total of substantiated and unsubstantiated cases are calculated to identify the number of open cases still under investigation. These are expected to be assessed during the following reporting year, and included in the number of substantiated or unsubstantiated cases in the reporting year when the case is closed.

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.

Overview of global tax contribution

Total

Tax borne	mEUR
Corporate income taxes	246
Indirect taxes	142
Employee taxes	284
Total	672

Americas

Tax borne	mEUR
Corporate income taxes	65
Indirect taxes	78
Employee taxes	47
Total	190

Tax collected	mEUR
Corporate income taxes	67
Indirect taxes	1,279
Employee taxes	630
Total	1,976

Tax collected	mEUR
Corporate income taxes	12
Indirect taxes	44
Employee taxes	124
Total	180

Europe, Middle East & Africa

Tax borne	mEUR
Corporate income taxes	158
Indirect taxes	53
Employee taxes	225
Total	436

Asia Pacific

Tax borne	mEUR
Corporate income taxes	23
Indirect taxes	11
Employee taxes	12
Total	46

Tax collected	mEUR
Corporate income taxes	46
Indirect taxes	1,117
Employee taxes	452
Total	1,615

Tax collected	mEUR
Corporate income taxes	9
Indirect taxes	118
Employee taxes	54
Total	181

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 long-term 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 responsible 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 statutory ETR.
- 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 transparent tax. Based on external stakeholder feedback and consultation, we will assess during 2025 whether we should define a concrete target in connection with measuring the impact of the report.

At present, Vestas employs technology to streamline processes and obtain real-time 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 objectives 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 employee 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.



Accounting policies – Transparent tax

'Taxes borne' comprises taxes paid to governments at any level (federal, state, or local) that will or has been recognised as a cost in the financial statements.

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

Taxes borne and taxes collected during the reporting period are split on a regional level aligned with the Financial statements.

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

'Employee taxes' comprise 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.

Entity-specific disclosures: Cyber security risks

IRO-1

Cyber security 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. Vestas identified cyber security risks as an entity-specific sub-sub topic.

Since the 2021 cyber security attack on Vestas, we have considered cyber security a strategic priority. Our learnings from this event has qualified this matter as being entity material.



SBM-3

Entity-specific risks

Cyber security has been identified as a financially material risk for Vestas. Electricity producers operating wind turbines around the globe rely on our technology for reliable and secure sustainable energy production. Our technologically advanced, geographically dispersed wind turbines require digital connectivity and control, making them targets for cyber attacks. Such attacks could disrupt energy production, cause power outages, increase electricity prices, and raise GHG emissions.

For Vestas, a cyber attack could disrupt operations, damage trust with business partners, and result in significant economic losses exceeding EUR 500m. This risk spans a short to long-term horizon.

Vestas recognises that addressing cyber risks is an ongoing challenge throughout a power plant's lifetime. While we maintain the knowledge and capabilities to address cyber risks, the responsibility lies with our customers. To manage this, Vestas offers a cyber risk management service based on risk quantification technology and specific mitigating services that evolve with the threat landscape. Our technology is built to high security standards, referencing internationally recognised standards like IEC 62443.

Vestas is committed to prevent being a commercial differentiator as the potential impact to society is deemed too great. Vestas is contributing to the community development of open-source measures to make cyber risk quantification consistent and repeatable. This collaboration will allow Vestas to provide cyber risk mitigations applicable to the risk of each specific customer.

Vestas has increased the investment into developing cyber security capabilities over the past three years across the research and development organisation, the service organisation, and the digital infrastructure organisation in a cohesive cyber security programme. This programme is being revisited to be further enhanced to cater for the need to empower customers to control their specific cyber risk.

Impacts, risks, and opportunities management

MDR-P

Policies

Cyber risks are addressed throughout the Vestas organisation governed by our Chief Information Security Officer (CISO) who defines the strategic direction, supports the various parts of the organisation, and issues guidance. The CISO maintains a comprehensive set of strategies, charters, policies, and procedures to guide cyber risk management. All guidance is designed on the premises of three factors: target audience, technology, and threats. The individual departments develop policies and procedures that manage cyber risks to fit to their specific needs.

The Cyber risk management strategy is a central guiding document that defines four separate cyber risk management bodies:

- Strategic cyber risk management – management of the risk toward Vestas' strategy.
- Customer cyber risk management - management of the cyber risk towards energy solutions under service of Vestas.
- Manufacturing cyber risk management – management of cyber risks to each manufacturing facility.
- Operational cyber risk management – management of cyber risks to each specific digital system or service across the organisation.

These four bodies define responsibilities and tasks for each stakeholder to enable continuous risk control, by producing a actionable and updated overview of cyber risks for each power production site, manufacturing facility, digital system, and the overall business strategy of Vestas.

MDR-A

Actions and resources

Vestas' actions are guided by our cyber risk management strategy to provide effective and efficient cyber risk mitigation controlled within the appropriate level of the organisation. The Cyber risk management strategy is designed to enable prioritisation of mitigations so that customers can control the cyber risk towards their assets as this drives efficiency and prevents overinvestment or neglect of relevant cyber risk aspects.

Vestas continues to invest in developing cyber risk management capabilities. Specific actions include:

- A cyber risk management strategy that empowers and enables the relevant stakeholders to identify, assess, communicate and mitigate cyber risks. The Cyber Risk management strategy was launched in 2024, applies to all activities across Vestas' operations, and will be implemented in 2025.
- A cyber security Service Framework, which enables customers to protect their assets against the specific cyber risks towards their energy production sites. The Cyber Security Service Framework was under pilot testing in 2024 and is expected to be launched for Vestas' customers in 2025.

Vestas continues to invest in ongoing efforts to promote cyber security including:

- To ensure secure and reliable energy solutions, Vestas' Technology is developed in accordance with IEC 62443: 4-1. The scope of this action covers Vestas' energy solutions portfolio.
- Security Operations Center allows Vestas to maintain a comprehensive overview of the digital infrastructure, within own operations, allowing us to detect and react to cyber incidents across the organisation.
- Security Operations Center dedicated to Operational Technology allows Vestas to maintain a comprehensive overview of serviced power plants allowing for swift detection and reaction to cyber incidents.
- Cyber academy to enhance employee capabilities to minimize the attack surface, detect attempts to breach out infrastructure and react according to procedures. The cyber

academy covers all employees working at Vestas. However, content is tailored to job specific functions.

Vestas' Cyber Security Service Framework

The Cyber Security Service Framework aims at providing a quantified cyber risk management overview to Vestas' customers. This allows our customers to prioritise risk mitigating actions, by balancing the loss associated with cessation of energy production of their asset in three parameters:

- The economic loss – expressed as lost revenue from production.
- The societal loss – expressed as the cost to society from energy not served based on Value of Lost Load metrics.
- The loss – expressed as emissions caused from energy demand being served by the mix of energy assets in the specific grid they serve as their production from a renewable energy asset is being replaced.

This action covers customers downstream in our value chain. Each customer can implement mitigations that balance these three parameters to their needs.

Targets and metrics

MDR-T

Targets

Vestas cyber security target for 2025 is split into two inter-linked sub-targets: 1) Reduce the total cyber risk exposure by 50 percent compared to a 2023 baseline; and 2) make a cyber risk overview available to 100 percent of Vestas' customers. This new service will enable deliberate and transparent decisions to balancing of efforts to address cyber threat scenarios. These targets are achieved by the means of risk quantification that allows optimisation by selecting efforts that reflect the edge of an efficient frontier. Internal stakeholders were involved in setting the target.

Vestas understands cyber security risks as a potential event where a threat actor exploits a weakness to cause an impact involving digital means. Cyber threats may cover individuals, criminals and malicious nations. Vestas' strategies and policies on cyber security are designed to address the dynamic nature of the challenge by the means of consistent analysis, and communication that allows for alignment across internal and external stakeholders.

All methods are documented, and reference the relevant scientific bodies at play, which includes threat intelligence, economics, and cyber kill-chain analysis methods. These scientific bodies support the assessment of valid factors that are applicable to the model for cyber risk quantification. Vestas runs a Monte Carlo based cyber risk quantification model that is in a high degree of alignment to the FAIR™-methodology, but extends the factorisation analysis by applying an attacker-defend model for calculation of Vestas digital solutions susceptibility to threats referencing the MITRE corporation's ATT&CK framework.

Metrics

Vestas Audit Committee oversees the conduct of cyber security efforts. The Audit Committee has concluded that no disagreements exist with the Enterprise Cyber Security department's statement and that no significant cyber incidents occurred that are related to Vestas' business or Vestas customers' energy production throughout 2024.

Vestas has chosen to engage with an external advisor that has reviewed the security management systems and the coinciding efficiency and effectiveness of the measures. This includes review of the methodologies for cyber risk management. No significant findings have been identified by the external advisory body.

Given the nature of cyber security, a threat actor may exploit knowledge on our defensive methods and specific vulnerabilities. As a result, neither the metrics or baseline value are disclosed in further detail in this disclosure, nor publicly available documents.

For more information, see Accounting policies for cyber security risks.



Accounting policies for G1 – Cyber security risks

Significant cyber incident

A significant cyber incident is an incident originating externally and measured as a combination of:

- i) impact – defined as any actual effect on the security (confidentiality, availability, or integrity) of Vestas' business systems, Vestas' Intellectual Property, or power production of Vestas' delivered technology and connected systems within control of Vestas,
- ii) urgency – standardized response time based on attack techniques and activities.

Vestas uses an incident prioritisation matrix with a scoring methodology based on impact and urgency to categorise and prioritise security incidents.

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Our journey is far from over, but our vision remains clear. By scaling existing initiatives and continuing to embrace innovation, we are creating a future where thriving, energy-secure societies coexist in harmony with the planet's natural systems. Every step we take brings us closer to a future powered by renewable energy. Together with our partners, we are not just imagining this better world; we are building it.

Henrik Andersen, Group President & CEO

Policies available at our corporate website

The following sustainability-related policies can be found at
→ vestas.com/en/investor/reporting/2024:

- Conflict Minerals Policy
- Employee Code of Conduct
- EthicsLine Policy
- Freedom of Association Policy
- HSE Framework
- Human Rights Policy
- Policy for Diversity, Equity, Inclusion and Belonging
- Modern Slavery Act Statement
- Remuneration Policy
- Safety, Quality, Health, and Environment Policy
- Supplier Code of Conduct
- Tax Policy



Financial statements

- Consolidated financial statements, financial performance, and notes
- Parent company financial statements and notes



EUR
17.3bn

Revenue generated in 2024.

Consolidated financial statements, financial performance, and notes



Financial performance	135
Income statement	137
Statement of comprehensive income	137
Balance sheet	138
Shareholder return	139
Statement of changes in equity	140
Cash flows	141
Statement of cash flows	142
1. Result for the year	143
1.1 Segment information	144
1.2 Revenue	146
1.3 Sale of technology	149
1.4 Government grants	149
1.5 Costs	150
1.6 Employee costs	150
1.7 Share based payment	151
1.8 Special items	152
1.9 Financial items	152
2. Working capital	153
2.1 Change in net working capital	154
2.2 Inventories	154
2.3 Contract balances	155
2.4 Contract costs	156
2.5 Other receivables	156
2.6 Other liabilities	156
3. Other operating assets and liabilities	157
3.1 Intangible assets	158
3.2 Property, plant and equipment	161
3.3 Leases	163
3.4 Investments in joint ventures and associates	164
3.5 Provisions	166
4. Risk management and capital structure	167
4.1 Financial risk management	168
4.2 Hedge accounting	172
4.3 Financial assets and liabilities	174
4.4 Share capital	176
4.5 Earnings per share	176
5. Tax	177
5.1 Income tax	178
5.2 Deferred tax	180
6. Other disclosures	181
6.1 Audit fees	182
6.2 Related parties	182
6.3 Contingent assets, liabilities, and contractual obligations	183
6.4 Non-cash transactions	183
6.5 Subsequent events	183
6.6 Legal entities	184
7. Basis for preparation	186
7.1 Accounting policy information	187
7.2 Change in accounting policies	187
7.3 Key accounting estimates and judgements	188

Financial performance

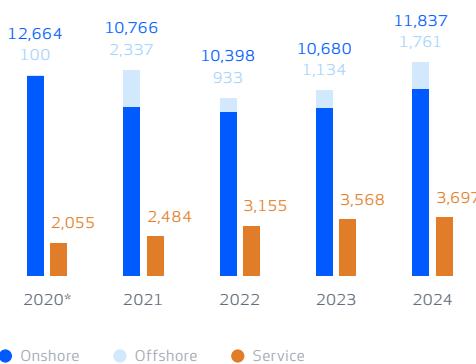
Result for the year

Revenue

Revenue in 2024 amounted to EUR 17,295m, an increase of 12.4 percent compared to 2023 (2023: EUR 15,382m). The increase was primarily driven by growth in Power Solutions from higher average prices per MW and a slight increase in MW delivered. Service revenue also increased slightly despite adjustments to planned costs of a larger portfolio of service contracts in the second quarter of 2024. Revenue in 2024 reflected a negative impact of EUR 81m from foreign exchange rates compared to 2023. The revenue for 2024 ended in the upper end of the guided range between EUR 16.5bn and 17.5bn.

Revenue

mEUR



* In 2020, Offshore was included from 14 December 2020.

Geographical distribution of revenue

mEUR	2024	2023
EMEA	8,053	7,617
Americas	6,704	5,728
Asia Pacific	2,538	2,037
Total	17,295	15,382

All regions contributed to the growth in revenue. Revenue in EMEA delivered 46 percent of the total revenue (2023: 50 percent). The share of revenue from Americas increased to 39 percent (2023: 37 percent) and revenue in Asia Pacific accounted for 15 percent of the total revenue in 2024 (2023: 13 percent).

Gross profit

Gross profit in 2024 amounted to EUR 2,057m, corresponding to a gross margin of 11.9 percent (2023: EUR 1,283m), a 3.6 percentage point increase compared to 2023. Gross profit reflected improved profitability in the Power Solutions segment from both growth and improved project execution, partially offset by low profitability in the Service segment driven by the above-mentioned adjustments to planned costs.

Warranty costs

The warranty costs in 2024 amounted to EUR 737m, equivalent to a net warranty ratio of 4.3 percent of revenue in the year (2023: EUR 814m), 1.0 percentage points below the ratio in 2023.

Research and development costs, Distribution costs and Administration costs

Total research and development, distribution and administration costs amounted to EUR 1,318m in 2024 (2023: EUR 1,247m), equivalent to 7.6 percent of revenue (2023: 8.1 percent).

Research and development costs

Research and development costs recognised in the income statement amounted to EUR 380m (2023: EUR 371m). The total research and development costs prior to capitalisation and amortisation increased to EUR 531m in 2024 (2023: EUR 500m).

Distribution costs

Distribution costs amounted to EUR 535m in 2024 (2023: EUR 452m). The increase was due to increase in IT costs, mainly related to classification of IT costs previously allocated to administration and production cost as well as higher losses on customer receivables.

↑17%

In the past four years, we have increased revenue by 17 percent – from EUR 14,819m in 2020 to EUR 17,295m in 2024.

Administration costs

Administration costs amounted to EUR 403m (2023: EUR 424m). The lower costs in 2024 compared to 2023 were mainly due to classification of IT related costs.

Depreciation, amortisation, and impairment

Depreciation, amortisation, and impairment amounted to EUR 864m before special items in 2024 (2023: EUR 797m). The increase was primarily attributable to high investment levels in the V236-15.0MW™ platform and production launch in 2024.

Depreciations can be specified in the following categories: Transport equipment and tools EUR 279m (2023: EUR 246m), production equipment EUR 60m (2023: EUR 80m) and other tangible assets EUR 219m (2023: EUR 192m). Amortisations are primarily driven by amortisation of technology EUR 218m (2023: EUR 191m) in addition to other intangible assets EUR 80m (2023: EUR 81m).

Income from investments in joint ventures and associates from core activity

Income from investments in joint ventures and associates related to Development activity amounted to a gain of EUR 2m in 2024 (2023: gain of EUR 48m). The lower gain from partnership investments reflects Vestas' strategy towards higher involvement and ownership of development projects.

Financial performance – continued

Operating profit (EBIT)

EBIT before special items amounted to EUR 741m in 2024 (2023: EUR 231m), equivalent to an EBIT margin before special items of 4.3 percent. The operating profit is in accordance with the guidance in the lower end of the range between 4 and 5 percent. The EBIT margin before special items increased by 2.8 percentage points compared to 2023, driven by improved gross profit margin. The increasing operating profit is primarily driven by improved profitability in Power Solutions while profitability in Service declined due to the above-mentioned adjustments to planned costs in Service. Operating profit in 2023 was positively impacted by the sale of the converters and controls business.

Operating profit (EBIT) after special items

Total income in special items amounted to EUR 53m in 2024 (2023: EUR 61m). The income was primarily related to a reversal of net provisions. EBIT after special items amounted to EUR 794m (2023: EUR 292m).

Net financial items

Net financial items amounted to a net costs of EUR 86m in 2024 (2023: Net costs of EUR 164m). The lower costs were primarily driven by lower losses from developments in foreign exchange rates, while net interests and other expenses related to financing activity were on the same level as last year.

Income tax

Income tax amounted to EUR 211m in 2024 (2023: EUR 24m), equivalent to an effective tax rate of 29.9 percent (2023: 23.8 percent). The effective tax rate in 2024 of 29.9 percent is as expected based on the level of income realised in 2024. Adjusted for one-time effects the effective tax rate was around 29 percent.

Net profit for the year

Net profit for the year amounted to EUR 494m in 2024 (2023: Profit of EUR 78m), corresponding to 2.9 percentage of revenue in 2024, a 2.4 percent point increase compared to

2023. Net profit reflected improved operating profit and lower financial costs.

Financial ratios

Earnings per share (EPS) amounted to positive EUR 0.5 in 2024 (2023: positive EUR 0.1). The increase of EUR 0.4 was driven by improved earnings in 2024.

Return on capital employed (ROCE) was 8.0 percent in 2024 (2023: 2.9 percent), an improvement compared to 2023 driven by improved earnings.

Operating profit/(loss) (EBIT) before special items

mEUR – percent

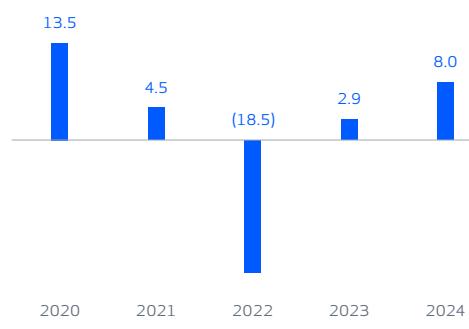


Profitability

Operating profit continued to improve after challenging years with supply chain instability and cost inflation following the COVID-19 pandemic and the war in Ukraine, resulting in an EBIT margin in 2024 before special items of 4.3 percent.

Return on capital employed (ROCE), before special items

Percent



Income statement

1 January – 31 December

mEUR	Note	2024	2023
Revenue	1.1, 1.2	17,295	15,382
Production costs	1.4, 1.5, 1.6, 2.2	(15,238)	(14,099)
Gross profit		2,057	1,283
Research and development costs	1.4, 1.5, 1.6	(380)	(371)
Distribution costs	1.5, 1.6	(535)	(452)
Administration costs	1.5, 1.6	(403)	(424)
Sale of technology	1.3	-	147
Income/(loss) from investments in joint ventures and associates	3.4	2	48
Operating profit/(loss) (EBIT) before special items		741	231
Special items	1.8	53	61
Operating profit/(loss) (EBIT)		794	292
Income/(loss) from investments in joint ventures and associates	3.4	(3)	(26)
Net financial items	1.9	(86)	(164)
Profit/(loss) before tax		705	102
Income tax	5.1	(211)	(24)
Profit/(loss) for the year		494	78
Profit/(loss) is attributable to:			
Shareholders of Vestas Wind Systems A/S		499	77
Non-controlling interests		(5)	1
Earnings per share (EPS)	4.5		
Earnings per share (EUR), basic		0.50	0.08
Earnings per share (EUR), diluted		0.49	0.08

Statement of comprehensive income

1 January – 31 December

mEUR	Note	2024	2023
Profit/(loss) for the year		494	78
Other comprehensive income			
Items that may be subsequently reclassified to the income statement:			
Exchange rate adjustments relating to foreign entities		35	(92)
Fair value adjustments of derivative financial instruments	4.2	153	70
Gain/(loss) on derivative financial instruments transferred to the income statement	4.2	(116)	(133)
Share of fair value adjustments of derivative financial instruments of joint ventures and associates	3.4	(1)	(4)
Tax on fair value adjustments that may be subsequently reclassified to the income statement		(27)	24
Other comprehensive income after tax		44	(135)
Total comprehensive income/(loss)		538	(57)
Total comprehensive income/(loss) is attributable to:			
Shareholders of Vestas Wind Systems A/S		540	(56)
Non-controlling interests		(2)	(1)

Balance sheet

31 December

Assets				Equity and liabilities				
mEUR		Note	2024	2023	mEUR	Note	2024	2023
Intangible assets		3.1	3,385	3,203	Share capital	4.4	27	27
Property, plant and equipment		3.2, 3.3	2,353	1,911	Other reserves		(78)	(102)
Investments in joint ventures and associates		3.4	577	593	Retained earnings		3,580	3,102
Other investments		4.3	161	99	Equity attributable to Vestas Wind System A/S shareholders		3,529	3,027
Tax receivables		5.1	832	522	Non-controlling interests		13	15
Deferred tax		5.2	722	795	Total equity		3,542	3,042
Other receivables		2.5, 4.3	422	372	Provisions	3.5	1,263	1,225
Financial investments		4.3	103	98	Deferred tax	5.2	179	164
Total non-current assets			8,555	7,593	Financial debts	4.1, 4.3	3,071	3,224
Inventories		2.2	6,008	6,530	Tax payables	5.1	830	635
Trade receivables		4.1, 4.3	1,719	1,305	Other liabilities	2.6, 4.1, 4.3	279	204
Contract assets		2.3, 4.1, 4.3	2,127	1,777	Total non-current liabilities		5,622	5,452
Contract costs		2.4	526	505	Provisions	3.5	944	783
Tax receivables		5.1	214	209	Contract liabilities	2.3	8,997	7,995
Other receivables		2.5, 4.3	1,518	1,274	Financial debts	3.3, 4.1, 4.3	200	163
Financial investments		4.3	160	3	Trade payables	4.1, 4.3	4,129	3,738
Cash and cash equivalents		4.1, 4.3	3,817	3,318	Tax payables	5.1	141	176
Total current assets			16,089	14,921	Other liabilities	2.6, 4.1, 4.3	1,069	1,165
Total assets			24,644	22,514	Total current liabilities		15,480	14,020
							21,102	19,472
							24,644	22,514

Shareholder return

Capital structure and financing items

Equity and solvency ratio

As at 31 December 2024, total equity amounted to EUR 3,542m (31 December 2023: EUR 3,042m). The equity was positively impacted by profit after tax.

As at 31 December 2024, the solvency ratio was at 14.4 percent, an increase of 0.9 percentage-points compared to 31 December 2023. The increase was primarily driven by net profit for the year. The solvency was diluted by increasing level of contract liabilities related to high order intake and milestone achievements in the fourth quarter of 2024.

In the period 2022-24, the solvency ratio has ranged between 14-16 percent compared to 24-26 percent in 2020-21. The negative development was primarily driven by a net loss of EUR 1.6bn in 2022 as well as increasing financial debt during 2022 and 2023 to finance increasing investment levels and to strengthen the liquidity position. Despite these impacts, our solvency level has remained stable in 2023 and slightly increased in 2024, and during 2023-24 we have maintained an Investment Grade Baa2 rating from Moody's Ratings.

The future development in net profit is expected to further strengthen our solvency.

Net interest-bearing position and cash position

The ratio of net interest-bearing debt/EBITDA before special items was negative 0.5 reflecting EBITDA before special items of EUR 1,605m and a net interest-bearing position of EUR 809m as at 31 December 2024 compared to 0.0 as at 31 December 2023. The favorable development year over year was driven by both improved operating profit and positive free cash flow during the year.

As at 31 December 2024, cash and cash equivalents amounted to EUR 3,817m (2023: EUR 3,318m).

Distribution to shareholders

The general intention of the Board of Directors (Board) is to return value to our shareholders through a dividend, or share buyback, of 25-30 percent of the company's annual net result after tax.

The results achieved in 2024, has led the Board of Directors to recommend a dividend of EUR 75m equivalent to EUR 0.07 (DKK 0.55) per share, equivalent to 15 percent of the consolidated net profit for the year attributable to the

shareholders of Vestas Wind Systems A/S. In addition, a share buy-back of EUR 100m will be initiated in accordance with the authorisation granted at the Annual General Meeting in 2024.

Treasury shares

Pursuant to authorisation granted to the Board by the Annual General Meeting on 9 April 2024, Vestas has been authorised to acquire treasury shares at a nominal value not exceeding 10 percent of the share capital at the time of the authorisation on an ongoing basis until 31 December 2025. Vestas has acquired 1,641,500 treasury shares in 2024 for an average share price of EUR 24.6 per share, amounting to EUR 40m.

	2024	2023	2024	2023
	Number of shares	Number of shares	% of share capital	% of share capital
Treasury shares*				
Treasury shares as at 1 January	3,393,605	3,689,702	0.3	0.4
Purchases	1,641,500	398,924	0.2	0.0
Vested treasury shares	(930,462)	(695,021)	(0.1)	(0.1)
Treasury shares as at 31 December	4,104,643	3,393,605	0.4	0.3

* Each share has a nominal value of DKK 0.20.

Statement of changes in equity

1 January – 31 December

mEUR	2024							2023								
	Reserves							Reserves								
	Share capital	Translation reserve	Cash flow hedging reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interest	Total	Share capital	Translation reserve	Cash flow hedging reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interest	Total
Equity as at 1 January	27	(80)	(24)	2	(102)	3,102	15	3,042	27	10	(1)	6	15	3,002	16	3,060
Profit/(loss) for the year	-	-	-	-	-	499	(5)	494	-	-	-	-	-	77	1	78
Other comprehensive income for the year	-	32	10	(1)	41	-	3	44	-	(90)	(39)	(4)	(133)	-	(2)	(135)
Total comprehensive income for the year	-	32	10	(1)	41	499	(2)	538	-	(90)	(39)	(4)	(133)	77	(1)	(57)
Transfer of cash flow hedge reserve to the initial carrying amount of hedged items, net	-	-	(17)	-	(17)	-	-	(17)	-	-	16	-	16	-	-	16
Transactions with owners:																
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	(0)
Acquisition of treasury shares	-	-	-	-	-	(40)	-	(40)	-	-	-	-	-	(11)	-	(11)
Share-based payment	-	-	-	-	-	28	-	28	-	-	-	-	-	34	-	34
Tax on equity transactions	-	-	-	-	-	(9)	-	(9)	-	-	-	-	-	0	-	0
Total transactions with owners	-	-	-	-	-	(21)	-	(21)	-	-	-	-	-	23	-	23
Equity as at 31 December	27	(48)	(31)	1	(78)	3,580	13	3,542	27	(80)	(24)	2	(102)	3,102	15	3,042

Cash flows

Working capital and cash flow

Net working capital

Net working capital amounted to a net liability of EUR 2,297m as at 31 December 2024, an improvement of EUR 790m compared to a net liability at the end of 2023 of EUR 1,507m. The development was primarily driven by increasing prepayments in the Power Solutions segment from order intake and milestone achievements. Increasing receivables reflected an increasing activity level in the year and Q4 compared to last year, while inventory levels decreased and closed at a normalised level.

Cash flow from operating activities

Cash flow from operating activities was EUR 2,332m in 2024, an increase of EUR 1,305m compared to 2023. The cash flow was driven by increased operating profit and positive development in net working capital.

Cash flow from investing activities

Cash flow from investing activities amounted to a net outflow of EUR 1,341m compared to a net outflow of EUR 782m in 2023. The higher net investments were primarily driven by ramp-up activity related to manufacturing of the V236-15.0 MW™ offshore platform.

In addition to cash investments, Vestas has invested EUR 122m in properties, EUR 188m in vehicles and vessels and EUR 23m in other lease assets (2023: EUR 108m in properties, EUR 134m in vehicles and vessels and EUR 10m in other lease assets).

Adjusted free cash flow

Adjusted free cash flow amounted to EUR 1,095m (2023: EUR negative 51m), an increase from 2023 driven by the positive cash flow from operating activities, partially offset by the higher investment level.

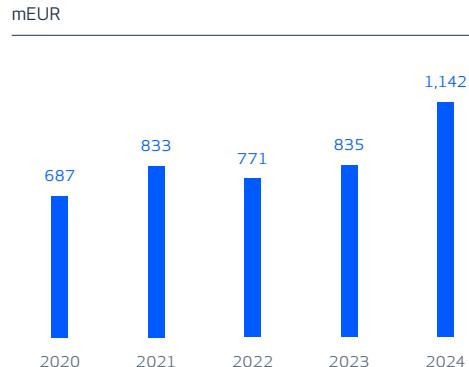
Adjusted free cash flow

mEUR	2024	2023
Cash flow from operating activities	2,332	1,027
Cash flow from investing activities	(1,341)	(782)
Free cash flow	991	245
Net acquisitions in businesses/activities*	(2)	(143)
Payment of lease liabilities	(177)	(162)
Special items	73	6
Net investments in financial assets	210	3
Adjusted free cash flow	1,095	(51)

* Includes net investments in joint ventures and associates, outside core business.

Value-adding investments
Over the last five years, we have invested in a new modular platform, taken full ownership of the offshore business and invested in V236-15.0 MW™ technology and ramp-up activity.

Total investments*



Adjusted free cash flow



* Total cash flows from the purchase of intangible assets and property, plant and equipment, net of proceeds from the sale of intangible assets and property, plant and equipment.

Statement of cash flows

1 January – 31 December

mEUR	Note	2024	2023
Profit/(loss) for the year		494	78
Adjustments for non-cash transactions	6.4	1,382	1,177
Interest received		70	205
Interest paid		(124)	(205)
Income tax paid	5.1	(245)	(261)
Cash flow from operating activities before change in net working capital		1,577	994
Change in net working capital	2.1	755	33
Cash flow from operating activities		2,332	1,027
Purchase of intangible assets	3.1	(485)	(436)
Purchase of property, plant and equipment	3.2	(670)	(456)
Proceeds from sale of intangible assets		-	2
Proceeds from sale of property, plant and equipment		13	55
Dividends from investments in joint ventures and associates	3.4	5	12
Purchase of shares in joint ventures and associates	3.4	(3)	(21)
Purchase of other financial assets		(108)	(16)
Proceeds from sale of other financial assets		53	3
Net cash flow from deconsolidation of subsidiary		-	(8)
Proceeds from sale of investments in joint ventures and associates	3.4	10	86
Purchase/disposal of financial investments		(156)	(3)
Cash flow from investing activities		(1,341)	(782)
Free cash flow		991	245

mEUR	Note	2024	2023
Acquisition of treasury shares		(40)	(11)
Payment of lease liabilities	4.1	(177)	(162)
Proceeds from borrowings	4.1	84	1,137
Payment of financial debt	4.1	(345)	(221)
Cash flow from financing activities		(478)	743
Net increase in cash and cash equivalents		513	988
Cash and cash equivalents as at 1 January		3,318	2,378
Exchange rate adjustments on cash and cash equivalents		(14)	(48)
Cash and cash equivalents as at 31 December	4.1	3,817	3,318

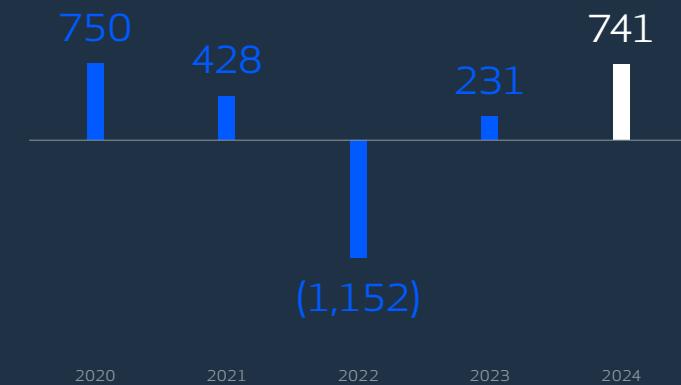
1 Result for the year

- 1.1 Segment information
- 1.2 Revenue
- 1.3 Sale of technology
- 1.4 Government grants
- 1.5 Costs
- 1.6 Employee costs
- 1.7 Share based payment
- 1.8 Special items
- 1.9 Financial items

EBIT before special items

In 2024, EBIT before special items amounted to EUR 741m.

m(EUR)



1.1 Segment information



Power Solutions

– Result for the period

The segment contains our activities within the three business areas Onshore, Offshore and Development, i.e., sale of onshore and offshore wind power plants, wind turbines and development projects, etc.

Revenue

In 2024, revenue from the Power Solutions segment amounted to EUR 13,598m (2023: EUR 11,814m), an increase of 15.1 percent compared to 2023. The growth was driven by a 1.7 percent growth in MW delivered while MW delivered at a higher average sales price contributed with 14.2 percent of the growth. Revenue reflected a negative impact of EUR 92m from foreign exchange rates compared to 2023.¹

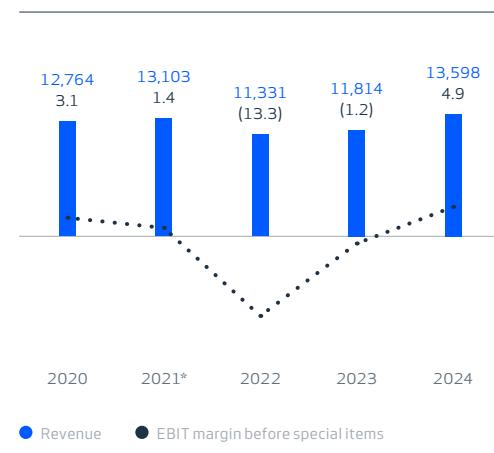
Operating profit (EBIT) before special items

EBIT before special items from the Power Solutions segment amounted to EUR 666m (2023: negative EUR 141m), equal to an EBIT margin before special items of 4.9 percent (2023: negative 1.2 percent). The EBIT margin in 2023 included the sale of the converters and controls business. Excluding this transaction, the underlying EBIT margin increased by 7.4 percentage points compared to 2023, benefitting from higher average selling prices, improved project profitability and lower warranty costs. The year-end performance with 12.9 percent EBIT margin in the fourth quarter, cements the turnaround achieved in the Power Solutions segment in the past few years.

The development business contributed with an EBIT of EUR 50m in 2024 (2023: EUR 80m). The operating profit reflected a lower level of development projects sold in primarily Americas.

A net income of EUR 53m was recognised in special items. The income was primarily related to a reversal of net provisions. For additional information, refer to note 1.8.

Revenue and EBIT margin before special items
mEUR – percent



* Comparative figures for 2021 have been adjusted following the accounting policy change for configuration and customisation cost in cloud computing arrangements.



Service

– Result for the period

The segment primarily contains sale of service contracts, spare parts and repairs (transactional sales), and related activities.

Revenue

In 2024, the Service business generated revenue of EUR 3,697m, an increase of 3.6 percent compared to 2023 (2023: EUR 3,568m). The increase was driven by higher transactional sales, while revenue from contract activity was negatively impacted by adjustments to planned costs of a larger portfolio of service contracts in the second quarter of 2024. Revenue reflected a positive impact of EUR 11m from foreign exchange rates compared to 2023.¹

At the end of 2024, Vestas had approx. 56,500 wind turbines under service equivalent to 155 GW, a 4.0 percent increase compared to 149 GW end of 2023.

Operating profit (EBIT) before special items

In 2024, the EBIT margin was 12.1 percent (2023: 21.0 percent). The lower EBIT margin was primarily attributable to the above-mentioned adjustments to planned costs in the second quarter of 2024. The adjustments reflected increasing unit costs, operational inefficiencies and quality-related effects, partially offset by expected future efficiency achievements and cost-out initiatives from the Service recovery plan.

Revenue and EBIT margin before special items
mEUR – percent



* Comparative figures for 2021 have been adjusted following the accounting policy change for configuration and customisation cost in cloud computing arrangements.

7%

Revenue from Power Solutions increased by 7 percent from 2020 to 2024.

12%

The Service EBIT margin in 2024 of 12.1 percent constitutes a decrease of 15.5 percentage points compared to the level in 2020.

1.1 Segment information – continued

Revenue mEUR	2024		2023		mEUR	2024				2023			
	Power Solutions	Service	Not allocated	Total		Power Solutions	Service	Not allocated	Total	Power Solutions	Service	Not allocated	Total
USA	3,456	3,072			Revenue	13,598	3,697	-	17,295	11,814	3,568	-	15,382
Germany	2,320	1,975			Sale of technology	-	-	-	-	147	-	-	147
Brazil	1,739	1,488			Income/(loss) from investments in joint ventures and associates	2	-	-	2	48	-	-	48
Denmark	347	473			Total income	13,600	3,697	-	17,297	12,009	3,568	-	15,577
Other countries	9,433	8,374			Total costs	(12,934)	(3,249)	(373)	(16,556)	(12,150)	(2,818)	(378)	(15,346)
Total	17,295	15,382			Operating profit/(loss) (EBIT) before special items	666	448	(373)	741	(141)	750	(378)	231
The revenue split is based on geographical supply point. Revenue specified by country shows all countries with revenue of more than 10 percent of Vestas' total revenue, as well as revenue in Denmark.					Special items	53	-	-	53	61	-	-	61
					Operating profit/(loss) (EBIT)	719	448	(373)	794	(80)	750	(378)	292
					Income/(loss) from investments in joint ventures and associates	-	-	(3)	(3)	-	-	(26)	(26)
					Financial items	-	-	(86)	(86)	-	-	(164)	(164)
					Profit/(loss) before tax				705				102
					Amortisation, depreciation, and impairment included in total costs	(639)	(176)	(49)	(864)	(603)	(152)	(42)	(797)

Intangible assets and property, plant and equipment are based on the physical location of the assets.

With the exception of Denmark, no country has intangible assets and property, plant and equipment exceeding 10 percent of the Group's total intangible assets and property, plant and equipment as at 31 December 2024.



Accounting policies

The operational segments are determined based on Vestas' management structure and the consequent reporting to the Chief Operating Decision Maker (CODM), which is defined as the Executive Management team.

The total external revenue is derived from the two reportable segments and comprises sale of wind turbines and associated service activities, Power Solutions and Service, respectively. Certain income and costs relating to Vestas functions, investing activities, tax, etc. are managed on Vestas level. These items are not included in the reportable segments, and therefore, presented as 'Not allocated'.

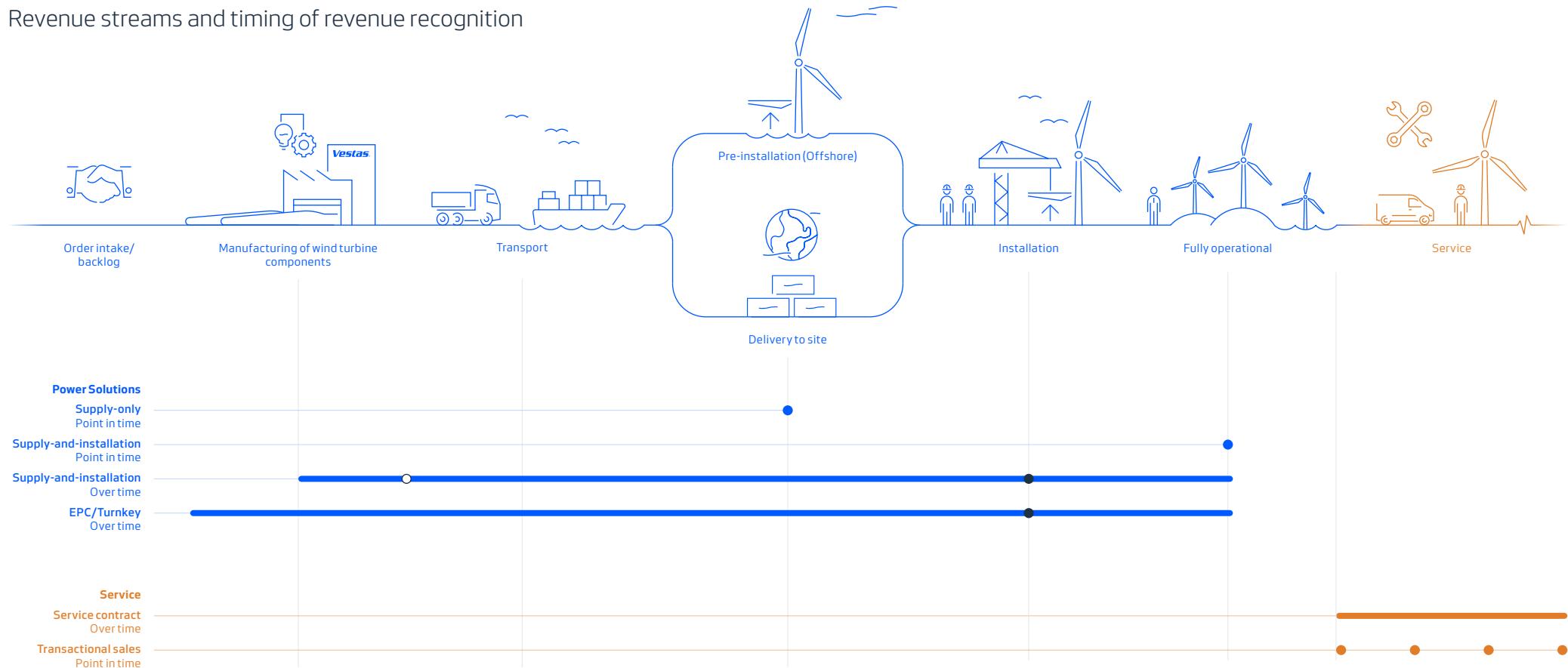
The measure of revenue, costs, and EBIT included in the segment reporting are the same as those used in the Consolidated financial statements. No segment information is provided to CODM on a regular basis for assets and liabilities and profit/(loss) measures below EBIT.

Income and costs included in profit for the year are allocated to the extent that they can be directly or indirectly attributed to the segments on a reliable basis. Costs allocated as either directly or indirectly attributable comprise production costs, R&D costs, distribution costs, and administration costs.

The income and costs allocated, including depreciation and amortisation, as indirectly attributable to the segments, are allocated by means of allocation keys determined on the basis of the utilisation of key resources in the segment.

1.2 Revenue

Revenue streams and timing of revenue recognition



Timing of revenue recognition

Vestas generates revenue from the sale of wind turbine components (Supply-only), fully installed wind turbines (Supply-and-installation) and wind power plants (EPC/Turnkey) as well as from service contracts and transactional sales (spare parts, repairs, etc.). Revenue is recognised differently across revenue streams based on Vestas' accounting policies, as described

on the following page. The graphic above illustrates the timing of revenue recognition for each revenue stream. Supply-only and standard solution supply-and-installation projects are recognised at a point in time. Non-standard supply-and-installation and EPC/Turnkey projects are recognised over time. Service contract revenue is recognised over time. Transactional sales are recognised at a point in time.

- Revenue recognised at a point in time.
- Revenue recognised over time, based on percentage of completion.

- Cost of wind turbine components included in the percentage of completion at installation (onshore).
- Cost of wind turbine components included in the percentage of completion at the end of production (offshore).

1.2 Revenue – continued

Key accounting estimates and judgements

Estimate regarding cost to complete for service contracts

Management makes significant accounting estimates when determining the expected cost to complete in ongoing service contracts accounted for using the percentage-of-completion method. The estimates are based on key assumptions including the development in future cost levels, impact from future cost-out initiatives and operational efficiencies. The assumptions are by nature subject to significant uncertainty. Changes to these assumptions may lead to adjustments of previous estimates. If future cost levels were to increase 1 percent while holding all else equal, the impact to revenue in 2024 would be a decrease of approximately EUR 130m.

Judgement regarding timing of components being part of a project

Management applies judgement to determine when a component becomes part of the project (i.e. when the component can be taken from inventory and included as a cost in the project) as a basis of applying the percentage of completion method. This is assessed to be either at the time of installation (onshore) or at the end of production (offshore).

Judgement regarding whether to recognise revenue from supply-and-installation contracts at a point in time or over time

Management applies judgement to determine whether to recognise revenue from Supply-and-installation contracts at a point in time or over time. The judgement takes into consideration technology used, the degree of customization and remoteness of the wind power plant.

Judgement regarding service contract modifications

Management applies judgement when determining whether a service contract modification should be accounted for as a separate contract or as part of the original contract. The judgements made take into consideration whether the scope is changed, if price changes reflect stand-alone prices, whether a contract is won in a tender, if the modification is due to execution of a renewal option and other relevant facts and circumstances.

Accounting policies

Order intake/backlog

An order is included in the order backlog when the order is firm and unconditional. The order backlog reflects the revenue expected to be recognised in the future on secured orders related to performance obligations that are unfulfilled or partially unfulfilled at the end of the year.

Power Solutions

The transaction price for sale of wind turbines and wind power plants (EPC/Turnkey) includes fixed consideration and may include variable consideration such as bonuses, penalties and liquidated damages. Variable consideration is included in the transaction price when a significant reversal in revenue recognised is highly unlikely to occur.

All contracts for the sale of wind turbines and wind power plants include a product warranty usually covering 2 years for onshore and 4 years for offshore (refer to note 3.5).

Supply-only

Revenue is recognised at a point in time upon delivery of each main component (e.g. nacelles, blades, hubs, towers and gearboxes). Each component is considered to be a performance obligation. Revenue is allocated to each component based on cost plus a flat margin.

Supply-and-installation (point in time)

For standard solutions with an alternative use of the turbine, revenue is recognised at a point in time when the turbine is fully operational. Each turbine is considered the performance obligation.

In certain cases where Vestas is not able to prove the turbine being fully operational due to factors outside of Vestas control, revenue is recognised based on customer acceptance notifications.

Supply-and-installation (over time)

For non-standard solutions with no alternative use of the turbine, revenue is recognised over time based on the percentage of completion method. Each turbine is considered a performance obligation.

The measure of progress is based on costs incurred for work performed to date in proportion to the estimated total contract costs (cost-to-cost input method).

Based on an assessment of each contract, Management determines when a component should become part of the project, i.e. when the component is taken from inventory and included as a cost in the project, impacting revenue recognition. This is assessed to be either at the end of production (primarily offshore) or at installation (primarily onshore).

Wind power plants (EPC/Turnkey)

Revenue is recognised over time as the wind power plant does not have an alternative use. The wind power plant is considered the performance obligation.

The measure of progress is based on costs incurred for work performed to date in proportion to the estimated total contract costs (cost-to-cost input method).

Based on an assessment of each individual contract, Management determines when a component should become part of the project, i.e. when the component is taken from inventory and included as a cost in the project, impacting revenue recognition. This is assessed to be at the time of installation.

Service

Revenue comprises mainly sale of services through long-term contracts (including extended warranties) and transactional sales (spare parts, etc.). The performance obligations identified are the series of goods and services and individual transactional sales.

Service contracts

The transaction price for sale of service includes a fixed consideration and often a variable consideration such as production/time based availability guarantees. Variable consideration is linked to performance periods, usually 12 months, and is recognised in the period in which it relates

Service revenue is recognised over time based on the percentage of completion method. The measure of progress is based on costs incurred for work performed to date in proportion to the estimated total contract costs (cost-to-cost input method). As such, a change in the estimated total contract costs will impact revenue (positive or negative) in the year the estimate is updated.

Management assesses whether a service contract modification should be considered as a new separate contract or treated as part of the original contract.

Separate new contracts are typically related to changes in scope or extensions of contracts close to term expiry. Modifications to be treated as part of the original contracts are typically related to extensions far from term expiry or agreed price changes.

Contract modifications treated as separate contracts are accounted for on a prospective basis. Contract modifications treated as part of the original contract are accounted for on a cumulative catch-up basis.

Transactional sales

Revenue from transactional sales (spare parts, repairs, etc.) is recognised at a point in time when control has been transferred to the customer.

1.2 Revenue – continued

Disaggregation of revenue

In the following section, revenue is disaggregated by sale of projects and sale of service, by primary geographical market, major contract types and timing of revenue recognition.

For the financial year 2024, revenue recognised over time was 42 percent of the total revenue (2023: 43 percent), and revenue recognised at a point in time was 58 percent of total revenue (2023: 57 percent).

Disaggregation of revenue mEUR	Power Solutions		Service		Total	
	2024	2023	2024	2023	2024	2023
Timing of revenue recognition						
Products and services transferred at a point in time	9,250	8,324	725	491	9,975	8,815
Products and services transferred over time	4,348	3,490	2,972	3,077	7,320	6,567
Total	13,598	11,814	3,697	3,568	17,295	15,382
Revenue from contract types						
Supply-only (at a point in time)	3,374	2,210	-	-	3,374	2,210
Supply-and-installation (at a point in time)	5,876	6,114	-	-	5,876	6,114
Supply-and-installation (over time)	3,109	2,718	-	-	3,109	2,718
EPC/Turnkey (over time)	1,239	772	-	-	1,239	772
Transactional sales (at a point in time)	-	-	725	491	725	491
Service contracts (over time)	-	-	2,972	3,077	2,972	3,077
Total	13,598	11,814	3,697	3,568	17,295	15,382
Primary geographical markets						
EMEA	6,195	5,711	1,858	1,906	8,053	7,617
Americas	5,208	4,356	1,496	1,372	6,704	5,728
Asia Pacific	2,195	1,747	343	290	2,538	2,037
Total	13,598	11,814	3,697	3,568	17,295	15,382

Transaction price allocated to unfulfilled sales contracts

The following table shows revenue expected to be recognised in the future related to performance obligations that are unfulfilled (or partially unfulfilled) at the end of the financial year.

All considerations from contracts with customers are included in the amounts presented.

Order backlog bnEUR	2024		2023	
	Power Solutions	Service	Power Solutions	Service
Power Solutions, onshore	22.3	20.7		
Power Solutions, offshore	9.3	5.3		
Power Solutions total	31.6	26.0		
Service, onshore	31.1	29.3		
Service, offshore	5.7	4.8		
Service total	36.8	34.1		

Power Solutions – order backlog

As at the end of the year, the total order backlog was 29,241 MW corresponding to EUR 31.6bn. Of this, 21,694 MW corresponding to EUR 22.3bn relates to onshore. Compared to last year, the onshore order backlog increased by 8 percent. The offshore backlog was 7,547 MW corresponding to EUR 9.3bn as at 31 December 2024, an increase of 75 percent compared to 2023.

For the Power Solutions segment, projects are normally to be delivered within 1 to 3 years (2023: 1 to 3 years).

Service – order backlog

As at the end of 2024, Vestas had service contracts in the order backlog with expected contractual revenue of EUR 36.8bn, which is an increase of EUR 2.7bn compared to 2023.

As at the end of 2024, the average remaining duration in the service order backlog is approx. 11 years (2023: 11 years), with a range up to 35 years (2023: 35 years).

1.3 Sale of technology

There was no sale of technology during 2024. During 2023, sale of technology included consideration received of EUR 147m relating to a perpetual manufacturing license granted to KK Wind Solutions under the agreement for the sale of the converters and controls business.

Accounting policies

Income relating to the perpetual manufacturing license granted to KK Wind Solutions is measured based on an allocation of the total consideration specified in the contract. The total consideration is allocated to the individual performance obligations in the contract based on stand-alone selling prices and is presented in the income statement according to the nature of the performance obligations. The consideration is recognised at closing as Vestas has no future performance obligations in respect of the manufacturing license.

1.4 Government grants

Government grants	2024	2023
mEUR		
Government grants recognised in income statement	130	56
Government grants recognised in the balance sheet (receivable)	(129)	(54)
Government grants received in the year	1	2

Vestas receives Advanced Manufacturing Production Credits (AMPC) under the Inflation Reduction Act (IRA) as compensation for costs when manufacturing nacelles and blades in the US. Vestas treats the subsidy as a government grant, as it is paid by the US Federal Government.

Vestas has recognised AMPC grants of EUR 129m in the income statement for 2024 (2023: EUR 54m) where it is offset against production costs.

In addition to AMPC, Vestas has recognised grants of EUR 1m in the income statement for 2024 (2023: EUR 2m) as a reduction of R&D costs.

Accounting policies

Government grants are recognised when there is reasonable assurance that Vestas complies with the conditions attaching to them, and the grants will be received. Grants received as compensation for costs are offset against the cost for which they compensate. Grants for investments and capitalised development projects are offset against the cost of the asset to which the grants relate.

The Advanced Manufacturing Production Credits (AMPC) grant is conditional on sale of manufactured nacelles and blades. Therefore, the grants are recognised at transfer of control of individual nacelles or blades, installed wind turbines or wind power plants that comprise parts eligible for AMPC, corresponding to the point in time of revenue recognition. The grants are recognised in the income statement where it is offset against production costs.

1.5 Costs

Research and development costs recognised in the income statement

mEUR	2024	2023
R&D costs	531	500
Capitalised development projects	(428)	(386)
Amortisation and depreciation	277	257
Total	380	371

Accounting policies

Production costs

Production costs, including warranty costs, comprise the costs incurred to achieve revenue for the year. Costs consist of raw materials, consumables, direct labour costs, transportation costs and indirect costs such as salaries, as well as depreciation of production facilities. Furthermore, provisions for loss-making construction contracts are included in production costs.

Research and development costs

Research and development costs primarily comprise employee costs, costs related to innovation and new technologies, as well as amortisation, depreciation and impairment losses on capitalised development costs.

Distribution costs

Distribution costs comprise costs incurred for the sale and distribution of products, etc. sold during the year. This includes employee costs and depreciation related to such activities.

Administration costs

Administration costs comprise costs incurred during the year for management and administration of Vestas and includes costs for administrative staff, IT, management, office premises, office costs, and depreciation.

1.6 Employee costs

Staff costs

mEUR	2024	2023
Staff costs are specified as follows:		
Wages and salaries, etc.	2,056	1,904
Share-based payment, refer to note 1.7	28	34
Pension schemes, defined contribution schemes	133	108
Other social security costs	253	219
Total	2,470	2,265
Average number of employees	32,729	29,463
Number of employees as at 31 December	35,100	30,586

The Board of Directors and Executive Management team are not covered by any pension schemes. In the event of change in control, members of the Executive Management do not receive any additional compensation.

In 2024, share-based payment and wages to the registered members of the Executive Management amounted to EUR 7m (2023: EUR 9m).

Key management personnel is defined as Executive Management team. Refer to Remuneration report 2024 for the overview of the remuneration of our Board and Executive Management.

Board of Directors and Executive Management team

mEUR	2024	2023
Staff costs attributable to:		
Board of Directors		
Board remuneration	1	1
Total	1	1
Executive Management team		
Wages and bonus	10	11
Share-based payment	10	14
Total	20	25

1.7 Share based payment

Restricted performance share programme

The purpose of the restricted performance shares is to ensure common goals for management, certain key employees, and shareholders. The number of shares available for grant may be adjusted in the event of changes in Vestas' capital structure. Further, in the event of a change of control, merger, winding-up or demerger of Vestas, an accelerated grant may extraordinarily take place. In the event of certain transfers of activities or changes in ownership interests within Vestas, adjustment, replacement of the programme and/or settlement in cash of the programme entirely may also take place.

In April 2024, the Board of Directors of Vestas Wind Systems A/S (Board) launched a new restricted performance share programme. The performance share programme has been revised for the sake of simplification. The 2024 performance share programme will fully vest after a three-year performance period with all shares vesting at once, instead of the previous split vesting in two portions. The performance measurements are based on financial key performance indicators as well as Vestas' market share as defined by the Board.

The terms and conditions governing the restricted performance share programmes are as follows:

- Only participants employed by Vestas at the time of announcement of the programme or later in the financial year are eligible for participation in the restricted performance share programme.
- The number of restricted performance shares available for distribution depends on Vestas' performance as per table to the right.
- Depending on the performance, the total number of shares available for allocation and vesting will range between 0 percent and 150 percent of the target level and is determined by Vestas' performance in the financial year.
- A cap for value at vesting for CEO and CFO is a maximum of 300 percent of the annual base salary.

In 2024, the total number of shares granted amounted to 1,269,862 shares with a fair value of EUR 31m (out of which 406,000 shares with a fair value of EUR 10m were granted to the Executive Management team). The fair value calculated is based on share price at grant date, close of Nasdaq Copenhagen on 08 April 2024, EUR 25.

Employee elected members of the Board, had 0 restricted shares outstanding as at 31 December 2024 (2023: 0).

Refer to note 1.6 for the total expense recognised in the income statement for restricted performance shares (share-based payment) granted to Executive Management team and other executives and to Remuneration report 2024 for the overview of the remuneration of our Board and Executive Management.

Accounting policies

Vestas operates a number of share-based compensation schemes (restricted share programmes) under which it awards Vestas shares to members of the Executive Management and certain key employees in Vestas Wind Systems A/S or its subsidiaries.

The value of the services received in exchange for the awarding/granting of shares is measured at the fair value of the shares.

Restricted shares granted to employees are measured at fair value at the time of granting and are recognised in staff expenses in the income statement over the vesting period. The opposite entry is recognised directly in equity.

On initial recognition of the restricted shares, the number of shares expected to vest is estimated. Subsequently, the estimate is revised so that the total expense recognised is based on the actual number of shares vested.

The fair value of restricted shares is determined based on Vestas quoted share price at grant date.

Management's incentive programmes	2024	2023	2022	2021	2020
Year awarded:	April 2024	April 2023	April 2022	April 2021	May 2020
Performance year ¹	2024-2026	2023-2025	2022-2024	2021-2023	2020-2022
Vesting conditions (KPIs):	EPS, ROCE, Market share				
Vesting years:	2027	2026	2025	2024	2023/25

1 Performance years defined as Vestas' financial year.

Number of restricted performance shares	Executive Management team	Other executives	Total
Outstanding as at 1 January 2024	1,293,751	2,520,551	3,814,302
Adjusted	(111,448)	11,433	(100,015)
Granted	406,000	863,862	1,269,862
Vested	(195,959)	(736,062)	(932,021)
Cancelled	(95,333)	(10,348)	(105,681)
Outstanding as at 31 December 2024	1,297,011	2,649,436	3,946,447
Outstanding as at 1 January 2023	689,289	1,921,808	2,611,097
Adjusted	386,645	964,829	1,351,474
Granted	653,000	1,063,826	1,716,826
Vested	(100,351)	(594,670)	(695,021)
Cancelled	(334,832)	(835,242)	(1,170,074)
Outstanding as at 31 December 2023	1,293,751	2,520,551	3,814,302

↑

Adjusted includes adjustments due to final calculation of entitlement based on performance in prior year and transfers between categories due to changes in management.

Allocation of performance shares for the 2022, 2023 and 2024 performance programmes will be adjusted based on the level of target achievement in the measurement period.

1.8 Special items

Russian invasion of Ukraine

In 2024, a net income of EUR 56m was recognised in special items, primarily related to a net reversal of provisions of EUR 61m following the settlement of arbitration claims regarding contracts in Russia, which were entered into before the Russian invasion of Ukraine. The reversal of provision was partly offset by other expenses of EUR 5m.

In 2023, a net expense of EUR 4m was recognised in special items, including a gain of EUR 2m from the deconsolidation.

Adjusting manufacturing footprint

In 2024, a net expense of EUR 3m was recognised in special items relating to adjustments to the manufacturing footprint.

The Isle of Wight factory is being repurposed to manufacture onshore blades, resulting in a net expense of EUR 5m relating to redundancy expenses of EUR 6m, write-down of inventories of EUR 3m and a reversal of previously recognised impairment losses of tangible assets of EUR 4m.

Further, a net income of EUR 2m relating to adjustments of previously recognised impairment losses and other costs.

In 2023, a net income of EUR 65m was recognised in special items relating to the adjustment of the manufacturing footprint in China and India. The net income mainly comprise a reversal of a previously recognised write-down of inventories of EUR 48m and a previously recognised impairment loss on tangible assets of EUR 12m, and further a reversal of accruals for other costs of net EUR 5m.

Key accounting judgements

Judgement regarding classification in the income statement

The use of special items entails management judgement in the separation from other items in the income statement. In connection with the use of special items, it is crucial that these are of a significant unusual and/or infrequently occurring nature that are not attributable to Vestas' normal operations, as such classification highlights to users of financial statements the items to which the least attention should be given when understanding current and future performance.

Accounting policies

Special items comprise significant unusual and/or infrequently occurring items that are not attributable to Vestas' normal operations. Special items comprise income and costs related to significant organisational restructuring and significant adjustments to production capacity and the product programme.

Special items

mEUR	2024	2023
Write-down of inventory	(1)	45
Provisions	61	-
Impairment loss on intangible and tangible assets	(2)	12
Staff costs	(6)	(1)
Other costs	1	5
Special items	53	61

1.9 Financial items

Financial income

mEUR	2024	2023
Interest income	157	205
Hedging instruments	4	1
Other financial income	2	4
Total	163	210

Accounting policies

Financial items comprise interest income and costs, realised and unrealised foreign exchange gains and losses, gains and losses related to derivatives used to hedge assets and liabilities and ineffective part of derivatives used to hedge future cash flows.

Financial costs

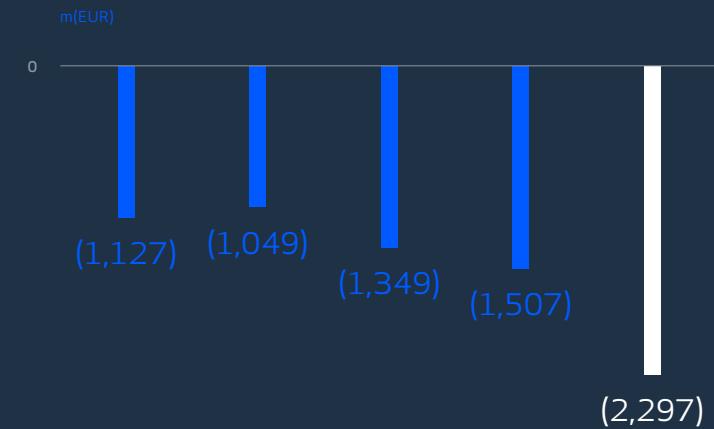
mEUR	2024	2023
Interest costs	168	219
Interest on lease liabilities	26	16
Foreign exchange losses, net	20	99
Other financial costs	35	40
Total	249	374

2 Working capital

- 2.1 Change in net working capital
- 2.2 Inventories
- 2.3 Contract balances
- 2.4 Contract costs
- 2.5 Other receivables
- 2.6 Other liabilities

Net working capital

Net working capital amounted to a net liability of EUR 2.3bn as at 31 December 2024.



2.1 Change in net working capital

mEUR	2024	2023
NWC as at 1 January	(1,507)	(1,349)
Change in inventories and contract costs	(501)	(91)
Change in trade receivables	414	25
Change in other receivables	244	53
Change in contract assets/liabilities	(652)	(680)
Change in trade payables	(391)	351
Change in other liabilities	96	184
NWC as at 31 December	(2,297)	(1,507)

The change in net working capital (NWC) includes non-cash adjustments and exchange rate adjustments with a total amount of EUR negative 35m (2023: EUR negative 125m). Consequently, the cash flow impact of change in NWC is EUR 755m (2023: EUR 33m).

Supplier finance arrangements

mEUR	2024	2023
Supplier finance liabilities	600	545
- Included in trade payables	600	545
- Of which suppliers have received the payment	582	497

Supplier finance arrangements provide selected suppliers with optional early payment terms, compared to the invoice payment date. Vestas has 7 local or regional supplier financing programs with 3 different banks.

The following information has been disaggregated by our three largest supplier finance programs covering North America, EMEA and APAC regions and Other local programs.

	North America	EMEA	APAC	Other local programs	Non-supplier finance suppliers
Range of payment due dates	50 to 140 days	80 to 140 days	80 to 140 days	80 to 140 days	7 to 140 days

Each category consists of arrangements with similar terms and conditions. This only covers suppliers with annual spend in excess of EUR 1m.

Key accounting estimates and judgement

Judgement regarding classification of supplier finance arrangements

Management applies judgement when determining whether the supplier finance arrangements should be classified as trade payables or as financial debt. The judgement made takes into consideration, among others, the purpose of the arrangement, whether any security or guarantee is provided to the suppliers and changes in payment terms.

2.2 Inventories

mEUR	2024	2023
Inventories consumed		
Inventories consumed for the year, which are included in production costs	8,857	7,647
Write-downs of inventories		
Write-downs of inventories in the year	32	5
Realised write-downs in the year	(0)	(3)
Reversal of write-downs in the year ¹	(5)	(59)

1 The reversal of write-downs in the year are due to goods previously written down being used or sold above written down amount.

In 2023, Vestas has reversed EUR 48m relating to adjustments of manufacturing footprint. For further details, refer to note 1.8.

Key accounting estimates

Estimate of net realisable value

Vestas estimates the net realisable value at the amount at which inventories are expected to be sold. Inventories are written down to net realisable value when the cost of inventories is estimated to be non-recoverable due to obsolescence, damage or declining selling prices. Estimates are used when accounting for or measuring inventory provisions, and these estimates depend upon subjective and complex judgements about certain circumstances, taking into account fluctuations in prices, excess quantities, condition of the inventory, nature of the inventory, and the estimated variable costs necessary to make the sale.

Accounting policies

Inventories are measured at the lower of cost, using the weighted average method, and net realisable value (NRV).

The cost of raw materials and service stock comprise purchase price of materials, consumables, duties, and transportation costs.

The cost of work in progress and finished goods comprises the cost of raw materials, consumables, direct labour, and indirect production costs. Indirect production costs comprise materials and labour costs as well as maintenance and depreciation of the machinery, factory buildings, and equipment used in the manufacturing process together with costs of factory administration and management.



2024

- Service stock EUR 1,061m (18%)
- Finished goods EUR 3,515m (59%)
- Raw materials and consumables EUR 903m (15%)
- Work in progress EUR 529m (9%), hereof development projects of EUR 104m.



2023

- Service stock EUR 1,052m (16%)
- Finished goods EUR 4,490m (69%)
- Raw materials and consumables EUR 646m (10%)
- Work in progress EUR 342m (5%), hereof development projects of EUR 104m.

2.3 Contract balances

mEUR	2024		2023	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Carrying amount 1 January	1,777	7,995	1,399	6,937
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	(4,529)	-	(3,848)
Impact from changes in the measure of progress	1,191	-	978	-
Payments received, excluding amounts recognised as revenue during the period (prepayments)	-	5,564	-	4,993
Transfers from contract assets recognised at the beginning of the period to receivables	(820)	-	(558)	-
Exchange rate adjustments	(21)	(33)	(42)	(87)
Carrying amount 31 December	2,127	8,997	1,777	7,995
Contract assets and liabilities comprise the following:				
Construction contracts in progress (turnkey)	36	573	13	166
Service contracts	1,960	1,058	1,698	891
Supply-only contracts	-	1,796	-	1,328
Supply-and-installation contracts point in time	2	3,073	-	2,882
Supply-and-installation contracts over time	129	2,497	66	2,728
Carrying amount total	2,127	8,997	1,777	7,995

Impact from changes in the measure of progress includes a decrease in contract assets of EUR 312m from adjustments to planned costs to complete ongoing service contracts, recognised in the second quarter of 2024. The adjustments relate to increases in the expected cost to complete the service contracts, primarily driven by updated cost forecasts as well as the expected impact from cost-out initiatives.

As at 31 December 2024, net contract assets relating to service contracts was EUR 902m, an increase of EUR 95m compared to 31 December 2023.

5 Accounting policies

Contract assets/liabilities comprise agreements to deliver wind power plants based on non-standard solutions (supply-and-installation projects over time) and wind power plants

with a high degree of customisation (turnkey projects), as well as service and maintenance agreements. Contract liabilities also comprise prepayments from customers for supply-only and supply-and-installation projects ordered but not yet delivered.

Vestas receives payments from customers based on billing schedules established in the contracts. The scheduled payments from customers typically precede the satisfaction of performance obligations under the contracts.

Contract assets relate to Vestas' conditional right to consideration for Vestas' completed performance under the contract. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) Vestas performs under the contract.

Contract assets/liabilities are measured at the selling price of the work performed based on the stage of completion less progress billing and expected losses.

The stage of completion is measured as the proportion of the costs related to the contract incurred relative to the estimated total costs related to the contract. Where it is probable that total costs will exceed total revenues from a contract, the expected loss is recognised immediately as a cost and a provision. The value of self-constructed components is recognised as contract assets/liabilities upon installation of the components to the specific wind power plant's construction site.

If the selling price of the work performed exceeds progress billings and expected losses it is recognised as an asset. If interim billings and expected losses exceed the selling price it is recognised as a liability.

Costs relating to sales work and the pursuing of contracts are recognised in the income statement as incurred.

2.4 Contract costs

Contract costs, primarily installation and transportation costs incurred for supply-only and supply-and-installation projects, are recognised as an asset (contract costs).

As at 31 December 2024, assets recognised from costs to fulfill a contract was EUR 526m (2023: EUR 505m). In 2024, EUR 701m (2023: EUR 891m) was recognised in production costs.

Accounting policies

Capitalised costs as a result of fulfilling sales contracts are recognised as part of production costs in the income statement when related revenues are recognised.

2.6 Other liabilities

mEUR	2024	2023
Staff costs	348	417
Taxes and duties	184	198
Derivative financial instruments	538	459
Other	278	295
Total	1,348	1,369
Specified as follows:		
Current	1,069	1,165
Non-current	279	204
Total	1,348	1,369

Accounting policies

Other liabilities are measured at amortised cost.

Derivative financial instruments are measured at fair value.

Obligations relating to defined contribution plans, where Vestas continuously makes fixed pension contributions to independent pension funds, are recognised in the income statement in the period to which they relate. Any contributions outstanding are recognised in the balance sheet under other liabilities.

2.5 Other receivables

mEUR	2024	2023
Prepayments	207	190
Supplier claims	169	84
Government grants	183	54
VAT ¹	385	366
Derivative financial instruments	537	461
Other	459	491
Total	1,940	1,646
Specified as follows:		
Current	1,518	1,274
Non-current	422	372
Total	1,940	1,646

Key accounting estimates

Estimate of allowance for doubtful VAT receivables

Management makes allowance for doubtful VAT receivables in anticipation of estimated future receipt of payments. If certain circumstances result in lack of receipt of payments, an additional allowance could be required. When evaluating the adequacy of the allowance for doubtful VAT receivables, Management analyses the nature of the individual VAT receivables and takes into account any relevant historical information that is applicable to the specific circumstance.

Accounting policies

Other receivables are measured at amortised cost or net realisable value equivalent to nominal value less allowances for doubtful receivables, whichever is lower. Prepayments recognised as assets comprise prepaid expenses and are measured at cost. Derivative financial instruments are measured at fair value.

¹ Includes allowance for doubtful VAT receivables of EUR 51m as at 31 December 2024 (2023: EUR 44m).

3 Other operating assets and liabilities

- 3.1 Intangible assets
- 3.2 Property, plant and equipment
- 3.3 Leases
- 3.4 Investments in joint ventures
and associates
- 3.5 Provisions

Total investments

In 2024, Vestas made investments of EUR 1,142m.

m(EUR)



3.1 Intangible assets

mEUR	2024					2023						
	Goodwill	Completed development projects	Software	Other intangible assets	Development projects in progress	Total	Goodwill	Completed development projects	Software	Other intangible assets	Development projects in progress	Total
Cost as at 1 January	1,610	2,802	447	558	895	6,312	1,617	2,725	409	562	612	5,925
Exchange rate adjustments	6	(2)	7	(3)	(3)	5	(7)	(6)	(2)	(2)	(1)	(18)
Additions	-	-	1	-	484	485	-	-	28	-	408	436
Disposals	-	-	(10)	-	-	(10)	-	-	(29)	(2)	-	(31)
Transfers	-	539	105	-	(644)	-	-	83	41	-	(124)	-
Cost as at 31 December	1,616	3,339	550	555	732	6,792	1,610	2,802	447	558	895	6,312
Amortisation and impairment losses as at 1 January	103	2,478	310	218	-	3,109	103	2,277	294	186	-	2,860
Exchange rate adjustments	-	(3)	6	(3)	-	-	-	(5)	(1)	(1)	-	(7)
Amortisation	-	218	54	26	-	298	-	191	46	35	-	272
Impairment losses	-	10	-	-	-	10	-	-	-	-	-	-
Disposals	-	-	(10)	-	-	(10)	-	-	(29)	(2)	-	(31)
Transfers	-	-	-	-	-	-	-	15	-	-	-	15
Amortisation and impairment losses as at 31 December	103	2,703	360	241	-	3,407	103	2,478	310	218	-	3,109
Carrying amount as at 31 December	1,513	636	190	314	732	3,385	1,507	324	137	340	895	3,203
Internally generated assets included above	-	636	100	-	732	1,468	-	324	49	-	895	1,268
Amortisation period		2-8 years	3-5 years	3-7 years				2-5 years	3-5 years	3-7 years		

Amortisation, intangible assets

2024

- Production costs EUR 29m (10%)
- Research and development costs EUR 232m (78%)
- Distribution costs EUR 1m (0%)
- Administration costs EUR 36m (12%)
- Special items EUR 0m (0%)

2023

- Production costs EUR 23m (8%)
- Research and development costs EUR 218m (80%)
- Distribution costs EUR 2m (1%)
- Administration costs EUR 29m (11%)
- Special items EUR 0m (0%)

Impairment loss, intangible assets

2024

- Production costs EUR 0m (0%)
- Research and development costs EUR 10m (100%)
- Distribution costs EUR 0m (0%)
- Administration costs EUR 0m (0%)
- Special items EUR 0m (0%)

2023

No impairment

3.1 Intangible assets – continued

Goodwill impairment test

Vestas has performed the annual impairment tests of goodwill and it did not result in any impairment loss (2023: No impairment loss).

In the impairment tests, the carrying amount of the assets are compared to the discounted value of future expected cash flows, i.e., the recoverable amount is based on value in use. The annual tests of goodwill were performed for the three CGUs: Power Solutions Onshore, Power Solutions Offshore, and Service, these being the lowest level of cash-generating units as defined by Management.

Assumptions underpinning impairment test of goodwill

Budgets and business plans for the next three years are based on Vestas' order backlog, production and project execution plans. Risks relating to the key parameters have been assessed and incorporated in the expected future cash flows underpinning the impairment test of goodwill. In addition, the budgets and business plans are based on management's expectations of the current market conditions and future growth expectations.

The acquisition of MHI Vestas Offshore Wind A/S (MVOW) in 2020 was primarily based on a business case for introduction of the new offshore turbine V236-15.0MW™. The impairment test of Power Solutions Offshore include the updated business case based on firm orders, preferred supplier agreements and identified opportunities. An extended budget and forecast period including the years 2025 to 2030 is applied as the business case includes detailed modelling for this period.

The terminal value in the projection period is determined taking into account general growth expectations for the CGUs in question. Long-term growth rate has been assumed at 2 percent in all CGUs.

Key accounting estimates

Estimates related to impairment test of goodwill

In performing the impairment test, the carrying amount of the CGU is compared to the recoverable value, which is the discounted value of expected future cash flows from the CGU (value-in-use). The expected future cash flows are management's best estimate based on budgets and business plans as well as management's market and growth expectations. These estimates are by nature subject to uncertainty and changes to the assumptions may lead to adjustments of previous estimates.

 Power Solutions Onshore	 Power Solutions Offshore	 Service
Order backlog of EUR 22.3bn as at 31 December 2024	Order backlog of EUR 9.3bn as at 31 December 2024	Service order backlog of EUR 36.8bn as at 31 December 2024
Expectations on changing market environment, including future market prices and high cost pressure	Expectations on changing market environment, including future market prices and high cost pressure	Expectations on changing market environment, including future market prices and future development in cost reductions
Expectations on future orders received, among other things based on expected market share of the global market outlook	Expectations on future orders received, among other things based on expected market share of the global market outlook including expectation of high growth in offshore market	Expectations on continued servicing of the existing installed base of wind turbines as well as future service contracts received, among other things based on expected market share
Expectations on continuing developments in mature and emerging markets	Expectations on continuing developments in mature and emerging markets	Capture full potential and accelerate profitable growth strategy from historically technology acquisitions and developments
Expectations on support schemes in both mature and emerging markets	Expectations on support schemes in both mature and emerging markets	Growth supported by market developments and organic growth



The above main information is used in determining revenue, EBIT, and capital expenditure.

	2024			2023		
	Discount rate before tax (%)	Growth rate in terminal period (%)	Carrying amount of goodwill (mEUR)	Discount rate before tax (%)	Growth rate in terminal period (%)	Carrying amount of goodwill (mEUR)
Power Solutions Onshore	11.0	2	178	12.1	2	178
Power Solutions Offshore	10.5	2	884	11.5	2	885
Service	11.0	2	451	12.3	2	444

3.1 Intangible assets – continued

Development projects and other intangible assets

Vestas continually invests in the development of new technologies and, for this reason, development projects constitute a significant part of the total intangible assets. The investments include a wide portfolio of development projects.

The amount of borrowing costs capitalised during the year ended 31 December 2024 was EUR 8.5m (2023: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.5 percent, which is the average interest rate of the European Investment Bank loan.



Accounting policies

Goodwill

Goodwill is initially recognised in the balance sheet as the difference between the fair value of net assets acquired and consideration transferred. Subsequently, goodwill is measured at this value less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill has been allocated to Vestas' operating segments. Identification of operating segments is based on management structure and internal financial reporting.

The carrying amount of goodwill is tested at least annually for impairment, together with the other non-current assets of the operating segment to which goodwill has been allocated. If the recoverable amount is lower than the carrying amount of the operating segment, goodwill is written down to its lower recoverable amount in the income statement.

The recoverable amount is usually calculated as the net present value of expected future net cash flows from the operating segments to which the goodwill has been allocated. Alternatively, the recoverable amount is calculated as fair value less costs to sell. Impairment losses on goodwill are recognised in the income statement, either in production costs, research and development costs, distribution costs or administration costs.

Impairment losses on goodwill are not reversed.

Development projects

Projects for the development and testing of new wind turbines are recognised as intangible assets when they are clearly defined, identifiable, and for which technical feasibility, sufficient resources and a potential future market or application in the enterprise can be demonstrated. In addition, it is the intention with these projects to manufacture, market or use the project for future commercial purposes. This applies if cost can be measured reliably and sufficient certainty exists that future earnings or the net selling price can cover production costs, distribution costs, and administration costs as well as research and development costs. At Vestas, this is underpinned by a gate process, where these judgements are made at specific gates. Other development costs not qualifying for capitalization are recognised in the income statement as research and development costs.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses. Development costs comprise salaries, amortisation and other costs attributable to Vestas' development activities.

Following completion of the development work, development projects are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of development projects related to offshore turbines is eight years. The basis of amortisation is calculated net of any impairment losses.

The carrying amount of development projects in progress is tested for impairment at least annually, and where the carrying amount exceeds the net present value of the future net cash flows expected to be generated by the development project, the project is written down to its recoverable amount in the income statement. Finished development projects are tested for impairment if there is indication of impairment from the annual review.

Patents and licences included in development projects are measured at cost less accumulated amortisation and impairment losses. Patents and licences are amortised over the patent period or term of agreement, the life of the development project or the estimated useful life, whichever is shorter. The basis of amortisation is calculated net of any impairment losses.

Software

Acquired software licences and internally developed software is measured at cost less accumulated amortisation and impairment losses. Cost includes both direct internal and external costs. Software is amortised on a straight-line basis. The basis of amortisation is calculated net of any impairment losses.

Other intangible assets

Customer relationship, order backlog, and trademarks with a finite useful life acquired from third parties, either separately or as part of the business combination, are capitalised at cost and amortised over their remaining useful lives. Other intangible assets that are not Customer relationship, order backlog, or trademarks are measured at cost less amortisation and impairment losses.

3.2 Property, plant and equipment

mEUR	2024						2023					
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Right-of-use assets	Total	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Right-of-use assets	Total
Cost as at 1 January	1,059	992	2,065	247	1,078	5,441	1,023	989	1,905	150	884	4,951
Exchange rate adjustments	33	(1)	23	(2)	9	62	(26)	(11)	(34)	1	(8)	(78)
Additions	1	11	200	458	333	1,003	4	9	123	320	252	708
Disposals	(8)	(58)	(82)	(4)	(78)	(230)	4	(41)	(53)	-	(50)	(140)
Transfers	9	89	156	(254)	-	-	54	46	124	(224)	-	-
Cost as at 31 December	1,094	1,033	2,362	445	1,342	6,276	1,059	992	2,065	247	1,078	5,441
Depreciation and impairment losses as at 1 January	632	799	1,545	-	554	3,530	618	783	1,352	-	446	3,199
Exchange rate adjustments	17	-	20	-	5	42	(10)	(8)	(20)	-	(4)	(42)
Depreciation	32	60	279	-	187	558	31	80	246	-	161	518
Impairment losses	6	-	1	-	-	7	-	-	-	-	-	-
Reversal of impairment	(4)	(3)	-	-	-	(7)	(7)	(3)	(2)	-	-	(12)
Disposals	(7)	(58)	(78)	-	(64)	(207)	-	(41)	(48)	-	(29)	(118)
Transfers	-	-	-	-	-	-	-	(12)	17	-	(20)	(15)
Depreciation and impairment losses as at 31 December	676	798	1,767	-	682	3,923	632	799	1,545	-	554	3,530
Carrying amount as at 31 December	418	235	595	445	660	2,353	427	193	520	247	524	1,911
Depreciation period	10–40 years	3–10 years	3–5 years		2–20 years		10–40 years	3–10 years	3–5 years		2–20 years	

Depreciation, property, plant and equipment

2024

- Production costs EUR 342m (61%)
- Research and development costs EUR 36m (6%)
- Distribution costs EUR 159m (28%)
- Administration costs EUR 21m (4%)
- Special items EUR 0m (0%)

2023

- Production costs EUR 315m (61%)
- Research and development costs EUR 39m (8%)
- Distribution costs EUR 150m (29%)
- Administration costs EUR 14m (3%)
- Special items EUR 0m (0%)

Impairment loss, property, plant and equipment

2024

- Production costs EUR 0m (0%)
- Research and development costs EUR 0m (0%)
- Distribution costs EUR 0m (0%)
- Administration costs EUR 0m (0%)
- Special items EUR 0m (0%)

2023

No impairment

3.2 Property, plant and equipment – continued

Accounting policies

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and costs directly related to the acquisition up until the time when the asset is ready for use. In the case of construction of own assets, cost comprises direct and indirect costs for materials, components, sub-suppliers, and labour. Estimated costs for dismantling and disposing of the asset and for re-establishment are added to cost to the extent that they are recognised as a provision. Where individual components of an item of property, plant and equipment have different useful lives, the cost of the item is decomposed into separate components which are depreciated separately.

Subsequent costs, e.g. in connection with the replacement of components of an item of property, plant and equipment, are recognised in the carrying amount of the asset in question when it is probable that the costs incurred will result in future economic benefits to Vestas. The carrying amount of the replaced components is derecognised in the balance sheet and recognised as costs in the income statement. All other costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Installations capitalised as land and buildings which are related to leased assets are depreciated over the term of the related lease contract. Such lease contracts range with a lease term from 10 to 20 years.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets. Land is not depreciated.

The basis of depreciation is calculated taking into account the residual value of the asset less any impairment losses. The residual value is determined at the time of acquisition and is reassessed annually. Where the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

The depreciation periods are determined based on estimates of the expected useful lives and future residual value of the assets. The estimates are based on historical experience. A reassessment is made once a year to ascertain that the depreciation basis reflects the expected life and future residual values of the assets.

Depreciation is recognised in the income statement as either production costs, research and development costs, distribution costs or administration costs to the extent that depreciation is not included in the cost of assets of own construction.

The carrying amounts of non-current assets are reviewed on an annual basis to determine whether there is any indication of impairment. If so, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less estimated costs to sell and value in use.

An impairment loss is recognised where the carrying amount of an asset exceeds its recoverable amount.

3.3 Leases

Right-of-use assets mEUR	2024					2023				
	Property	Vehicles	Equipment	Vessels	Total	Property	Vehicles	Equipment	Vessels	Total
Carrying amount as at 1 January	295	78	31	120	524	242	51	40	105	438
Exchange rate adjustments	4	-	-	-	4	(4)	-	-	-	(4)
Depreciation	(79)	(56)	(15)	(37)	(187)	(65)	(41)	(16)	(39)	(161)
Addition of right-of-use assets	122	98	23	90	333	108	80	10	54	252
Disposal of right-of-use assets	(14)	-	-	-	(14)	(6)	(12)	(3)	-	(21)
Transfers	-	-	-	-	-	20	-	-	-	20
Carrying amount as at 31 December	328	120	39	173	660	295	78	31	120	524

Vestas leases several assets including properties, vehicles, vessels, and equipment. Rental contracts are typically made for fixed periods of 2 to 20 years but may have extension options. Lease terms are negotiated on an individual basis and contain different terms and conditions including payment terms, terminations rights, index-regulations, maintenance, deposits, and guarantees etc.

Some property leases contain variable payment terms that are linked to an index e.g. a consumer price index. Overall, the variable payments constitute less than 1 percent of Vestas' entire lease payments.

Total lease expenses recognised in the income statement

mEUR	2024	2023
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Variable lease payments not included in the measurement of lease liabilities	-	-
Expenses relating to short-term leases and leases of low-value	66	69

Total leases recognised in the statement of cash flows

mEUR	2024	2023
------	------	------

Short-term leases and leases of low value	66	69
Payment of lease liability including interest	202	178
Total cash outflow for leases	268	247

Lease liabilities

Lease liabilities are included in financial debts and amount to EUR 703m as at 31 December 2024 (2023: EUR 556m). Refer to note 4.1 for disclosure on contractual cash flows.

Accounting policies

Lessee accounting

At inception, a contract is assessed to determine if it is or contains a lease. Right-of-use assets and corresponding lease liabilities are recognised at the lease commencement

date, except for short-term leases and leases of low value. For these leases, lease payments are normally recognised as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated from the commencement date over the shorter period of lease term or useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted in accordance with lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the incremental borrowing rate takes into account the specific countries.

Lease payments included in the measurement of the lease liabilities are:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- the exercise price of a purchase option if it is reasonably certain the option will be exercised; and
- amounts expected to be payable under residual value guarantees.

The lease liabilities are subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimated amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of exercising a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

3.4 Investments in joint ventures and associates

Income/(loss) from investments in joint ventures and associates mEUR		2024	2023
Joint ventures		2	48
Associates		-	-
Income/(loss) from investments in joint ventures and associates above EBIT		2	48
Joint ventures		-	-
Associates		(3)	(26)
Income/(loss) from investments in joint ventures and associates below EBIT		(3)	(26)
Investments in joint ventures and associates mEUR		Joint ventures	Associates
		2024	2023
Cost as at 1 January		74	122
Additions		-	15
Disposals		(10)	(60)
Exchange rate adjustment		1	(3)
Cost as at 31 December		65	74
Value adjustments as at 1 January		(58)	(80)
Dividends received		-	(12)
Impairment losses		-	-
Share of profit/(loss)		-	25
Share of other comprehensive income		-	-
Disposals		-	7
Exchange rate adjustment		-	2
Value adjustments as at 31 December		(58)	(58)
Carrying amount as at 31 December		7	16
		570	577

Name of entity	Place of business	% of ownership	Measurement method	Investment type
Copenhagen Infrastructure Partners Holding P/S	Copenhagen, Denmark	25	Equity	Associate
Blakilden Fäbodberget Holding AB	Solna, Sweden	40	Equity	Associate

Material investments

In 2024, Vestas made no material investments in associates or joint ventures.

The associated companies listed above are material to Vestas and have share capital consisting solely of ordinary shares, which are held directly by Vestas.

Accounting policies

Associates are entities over which Vestas has significant influence, but not control. A joint venture is an arrangement in which Vestas has joint control. Joint ventures and associates are accounted for using the equity method. Under the equity method, interests in joint ventures and associates are initially recognised at cost and adjusted thereafter to recognise Vestas' share of the post-acquisition profits or losses and movements in other comprehensive income. When Vestas' share of losses in a joint venture and associate equals or exceeds its interests in the joint ventures and associates (which includes any long-term interests that, in substance, form part of Vestas' net investment in the joint ventures and associates), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures and associates.

Timing in revenue recognition may be different between Vestas and joint ventures and associates where Vestas recognises revenue when control of the wind turbines have been transferred to joint ventures and associates but joint ventures and associates do not recognise revenue until they have transferred the risk of the same wind turbines to the end

customer. Such timing difference results in part of Vestas' profit from wind turbines delivered being eliminated in the net result from joint ventures and associates, until joint ventures and associates have recognised their revenue. This timing difference may vary between quarters and year end but will even out over time.

Unrealised gains on transactions between Vestas and its joint ventures and associates are eliminated to the extent of Vestas' interest in the joint ventures and associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by Vestas.

Income/(loss) from investments in joint ventures and associates which are deemed to pertain to our core business activities is included in EBIT before special items.

The profit/(loss) from investments in joint ventures and associates will be presented below EBIT before special items when deemed outside Vestas' core business activities.

3.4 Investments in joint ventures and associates – continued

Summarised financial information for joint ventures and associates

Set out below is the summarised financial information for Copenhagen Infrastructure Partners P/S and Blakliden Fäbodberget Holding AB as at 31 December 2024, which are accounted for using the equity method. The profit/(loss) from the investments is presented below EBIT before special item as they are deemed outside Vestas' core business activity. The information below reflects the amounts presented in the financial statements of the entities (and not Vestas' share of those amounts) material to Vestas in 2024.

The investment in Copenhagen Infrastructure Partners P/S includes investment in companies related to and managed by Copenhagen Infrastructure Partners P/S and for this reason the financial amounts presented below include financial information from several consolidated and non-consolidated entities related to Copenhagen Infrastructure Partners P/S.

Summarised statement of comprehensive income mEUR	Associate, 25 percent Copenhagen Infrastructure Partners P/S		Associate, 40 percent Blakliden Fäbodberget Holding AB	
	2024	2023	2024	2023
Revenue	277	200	-	-
Depreciation and amortisation	(10)	(3)	-	-
Interest income/(cost)	(1)	1	(9)	(13)
Profit before tax	85	(117)	(24)	(28)
Post-tax profit from continuing operations	85	(117)	(24)	(28)
Other comprehensive income	-	-	(4)	(6)
Total comprehensive income	85	(117)	(28)	(34)

Summarised balance sheet mEUR	Associate, 25 percent Copenhagen Infrastructure Partners P/S		Associate, 40 percent Blakliden Fäbodberget Holding AB	
	2024	2023	2024	2023
Current				
Cash and cash equivalents	87	52	2	4
Other current assets (excluding cash)	48	30	2	6
Total current assets	135	82	4	10
Total current liabilities	(33)	(34)	(9)	(4)
Non-current				
Total non-current assets	576	406	307	326
Total non-current liabilities	(106)	(15)	(282)	(284)
Net assets	572	439	20	48

Reconciliation of summarised financial information mEUR	Associate, 25 percent Copenhagen Infrastructure Partners P/S		Associate, 40 percent Blakliden Fäbodberget Holding AB	
	2024	2023	2024	2023
Net assets as at 1 January	439	573	48	10
Distributions	-	(17)	-	-
Contributions	48	-	-	72
Profit/(loss) for the year	85	(117)	(24)	(28)
Other comprehensive income	-	-	(4)	(6)
Net assets as at 31 December	572	439	20	48
Interest in joint venture and associate (ownership of net assets)	84	55	8	19
Goodwill and other intangible assets, and other adjustments	467	479	5	21
Carrying value	551	534	13	40

3.5 Provisions

Provisions mEUR	2024			2023		
	Warranty provision	Other provisions	Total provisions	Warranty provision	Other provisions	Total provisions
Carrying amount as at 1 January	1,747	261	2,008	1,490	283	1,773
Exchange rate adjustments	-	2	2	-	(1)	(1)
Addition	837	43	880	845	83	928
Utilised	(524)	(95)	(619)	(588)	(93)	(681)
Reversed	-	(64)	(64)	-	(11)	(11)
Carrying amount as at 31 December	2,060	147	2,207	1,747	261	2,008
Non-current	1,215	48	1,263	1,031	194	1,225
Current	845	99	944	716	67	783
Carrying amount as at 31 December	2,060	147	2,207	1,747	261	2,008



The table shows movements in warranty provision and other provisions. Other provisions mainly relate to provisions for legal claims and loss making contracts. Non-current provisions are expected to be utilised within 2 to 5 years.

During 2024, net warranty provisions charged to the income statement was EUR 737m (2023: EUR 814m), equivalent to 4.3 percent of revenue (2023: 5.3 percent).

Key accounting estimates

The product warranties are usually granted for a two-year period from legal transfer of the wind turbine. In certain cases, a warranty of up to five years is provided. Most warranty cases include component defects and functional errors. The warranty provision covers known cases as well as expected future cases in the population of turbines covered by warranty.

The warranty provision is management's best estimate of the costs required to settle the warranty obligation and is continually assessed. The estimate is based on key assumptions including failure rates and the cost of repairs, which are by nature subject to uncertainty. Changes to these assumptions may lead to significant changes to the warranty provision.

Accounting policies

Provisions are recognised when Vestas has a legal or constructive obligation from a past event, it is probable that there will be an outflow of resources to settle the obligation, and a reliable estimate of the obligation can be made. Provisions are measured at management's best estimate of the costs required to settle the obligation.

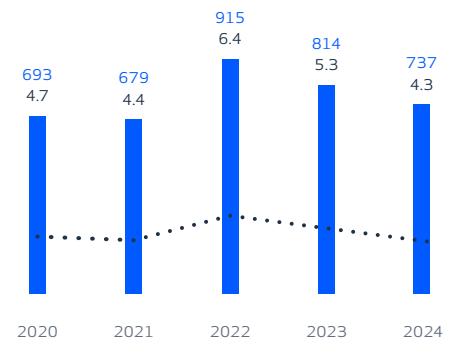
Warranty provisions are recognised for the estimated cost of the warranty upon recognition of the sale of the product. The provision is measured based on actual historical information and future expectations related to the population of turbines covered by warranty. Actual warranty costs are charged against the provision for warranty. Warranty provisions include only standard warranty, whereas services purchased in addition to the standard warranty are included in the service contracts. Compensation from sub-suppliers is recognised only when it is virtually certain that we will receive compensation from the sub-suppliers.

A provision for loss-making contracts is made when the expected benefits to Vestas from the contract are lower than the unavoidable costs of meeting obligations under the contract.

Provisions for legal disputes are estimated based on an evaluation of the most likely outcome. Disputes for which no reliable estimate can be made are disclosed as contingent liabilities, refer to note 6.3.

Warranty provision development

mEUR – percent



● Warranty charged to income statement

● Percent of revenue

4 Risk management and capital structure

- 4.1 Financial risk management
- 4.2 Hedge accounting
- 4.3 Financial assets and liabilities
- 4.4 Share capital
- 4.5 Earnings per share

EUR
809m

The interest bearing position
(net), at the end of 2024.

4.1 Financial risk management

Vestas' policy for managing financial risks

Financial risk management is an integrated part of Vestas' operating activities. Vestas is exposed to a number of financial risks through its international operations. Financial risks are monitored and managed centrally. The Treasury Policy outlines the overall objectives and policies for Vestas' financial risk management. The Treasury Policy is approved by the Board and revised on a continuous basis to adapt to the changing financial risks and market situation. The Treasury Policy sets the limits for the various financial risks as well as Vestas' hedging policy. It is Vestas' policy only to use derivatives to hedge commercial exposures and not to enter into any speculative transactions.

Capital structure

The Board and Executive Management regularly assess whether Vestas' capital structure is in the shareholders' best interest. The objective is to create the necessary flexibility and stability to implement strategic development work, while in the long-term achieving Vestas' financial ambitions and maintain our capital structure target of a net interest-bearing debt to EBITDA ratio below 1x. Furthermore, Vestas has an Investment Grade Baa2 rating with Stable Outlook from Moody's Ratings.

Liquidity risks

Vestas manages its liquidity risk in line with the Treasury Policy to ensure having sufficient and diversified financial resources to service its financial obligations. Financial resources are managed through a combination of cash, money market deposits, money market funds and highly rated marketable securities as well as committed and uncommitted credit facilities with a diversified group of long-standing banking partners and access to the public bond markets through the Euro Medium Term Notes programme (EMTN).

Vestas' main credit facility, a EUR 2,000m committed revolving multi-currency credit facility with a group of leading banks is available for general corporate purposes, including guarantees issuance, with a final maturity in 2028. As at 31 December 2024, EUR 771m of this revolving credit facility was converted into ancillary bank guarantees issuance facilities leaving EUR 1,229m available for cash drawings. The revolving credit facility is subject to customary undertakings, a change of control clause resulting in repayment of the credit facility in the event of change in control and a financial covenant that is not subject to testing as long as Vestas has an investment grade rating. In 2024, the financial covenant has not been subject to testing and is not expected to be subject to testing in 2025.

Vestas maintains its access to liquidity and long-term funding through the existing EUR 3,000m EMTN programme. The programme is a versatile platform available for quick access to the corporate bond market from short maturities (1-year) to very long maturities (15+ years). Vestas has four EUR 500m bonds maturing in 2026, 2029, 2031 and 2034, respectively. All four bonds are issued with a fixed interest rate. The EMTN programme's remaining capacity is EUR 1,000m.

Liquidity is managed and optimised centrally by using cash pools, in-house bank solutions, and ongoing diligent cash- and working capital management practices. As part of managing short term liquidity, Vestas also has access to a number of uncommitted money market facilities (EUR 475m in total) granted by core relationship banks. The committed revolving credit facilities combined with the uncommitted money market lines provide additional financial headroom for the Group. Further funding can be provided by the EMTN programme.

Accounting policies

Cash and cash equivalents included in Vestas' cash management comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash and cash equivalents with disposal restrictions are included in day-to-day cash management and fulfils the criteria as cash and cash equivalents. Cash with disposal restrictions includes cash pledged to guarantee providers as security for guarantee obligations to obtain lower commission rates.

↓
The table shows Vestas' liquidity position and available credit facilities.

Financial risk	How Vestas manages the risk
Liquidity risk	Cash and cash equivalents, supplemented by availability of committed credit lines and borrowing facilities
Credit risk	Diversification of bank exposure, credit limits and guarantees
Market risk, foreign exchange	FX forward contracts and FX swaps
Market risk, interest risk	Fixed interest rate loans and interest rate derivatives
Market risk, commodity price risk	Fixed price agreements with suppliers and commodity contracts

mEUR	2024	2023
Liquidity position		
Financial investments	263	101
Cash and cash equivalents without disposal restrictions	3,785	3,288
Cash and cash equivalents with disposal restrictions	32	30
Cash and cash equivalents as at 31 December	3,817	3,318
Undrawn credit facilities		
Main credit facility	1,229	1,229
Other credit facilities	73	80
Total available financial resources	5,382	4,728

4.1 Financial risk management – continued

Maturity of financial assets and liabilities mEUR	2024					2023				
	Contractual cash flows				Carrying amount financial instruments	Contractual cash flows				Carrying amount financial instruments
	0-1 year	1-2 years	>2 years	Total		0-1 year	1-2 years	>2 years	Total	
Total financial assets, non-current and current	8,724	133	6	8,863	8,819	7,586	281	13	7,880	7,853
Financial liabilities, non-current and current										
Leasing liabilities	196	181	685	1,062	703	154	133	442	729	556
Other financial debts	112	637	2,173	2,922	2,498	138	80	2,795	3,013	2,513
Total financial debts	308	818	2,858	3,984	3,201	292	213	3,237	3,742	3,069
Foreign currency derivatives	408	97	25	530	530	353	76	22	451	451
Commodity derivatives	8	-	-	8	8	8	-	-	8	8
Other liabilities	134	141	-	275	275	200	102	-	302	302
Other liabilities and derivative financial instruments	550	238	25	813	813	561	178	22	761	761
Trade payables	4,129	-	-	4,129	4,129	3,738	-	-	3,738	3,738
Contingent consideration	9	74	-	83	70	139	146	43	328	318
Financial guarantee contracts	4	-	-	4	-	33	-	-	33	-
Total financial liabilities, non-current and current	5,000	1,130	2,883	9,013	8,213	4,763	537	3,302	8,602	7,886

Changes to financial liabilities mEUR	2024					2023				
	Lease liabilities	Issued bonds	Credit facilities	Contingent consideration	Total	Lease liabilities	Issued bonds	Credit facilities	Contingent consideration	Total
Balances as at 1 January	556	1,982	531	318	3,387	493	991	622	321	2,427
Proceeds from borrowings	-	-	84	-	84	-	991	146	-	1,137
Additional lease liabilities	333	-	-	-	333	237	-	-	-	237
Payment of lease liabilities	(177)	-	-	-	(177)	(162)	-	-	-	(162)
Disposal of right-of-use asset	(14)	-	-	-	(14)	(6)	-	-	-	(6)
Payments of financial debt	-	-	(101)	(244)	(345)	-	-	(221)	(5)	(226)
Unwinding of financial liabilities	-	3	-	(5)	(2)	-	-	-	2	2
Exchange rate adjustments	5	(2)	1	1	5	(6)	-	(16)	-	(22)
Balances as at 31 December	703	1,983	515	70	3,271	556	1,982	531	318	3,387

4.1 Financial risk management – continued

Credit risks

Credit risks are managed according to the Treasury Policy. Vestas is exposed to credit risks arising from cash and cash equivalents, including money market deposits, money market funds, investments in marketable securities, derivative financial instruments, and trade and other receivables. The Treasury Policy sets limits for the credit risk exposure. For financial institution counterparties, this is based on the counterparty's credit rating, for other counterparties, this is based on mitigating actions, such as third-party guarantees.

As at 31 December 2024, Vestas considers the maximum credit risk related to financial institution counterparties to be EUR 3,978m (2023: EUR 3,419m), and the total credit risk is considered to be EUR 8,037m (2023: EUR 7,293m).

Trade receivables and contract assets

Trade receivables are mainly with counterparties within the energy sector. The credit risk depends, among other things, on the development within this sector and the country in which the individual customer operates.

Upon signing a contract for the delivery of wind turbines or wind power plants with a customer, a prepayment is received. The remaining consideration is usually invoiced and paid in instalments at different stages of the project. For service contracts, customers are usually invoiced in equal instalments over the duration of the service contract. Payment terms are typically one month from the invoice date.

Contract assets are by nature not overdue. Vestas does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, Vestas does not adjust any of the transaction prices for the time value of money.

Trade receivables from customers are grouped based on loss patterns in assessing the expected credit losses. Contract assets are grouped with trade receivables as these relate to unbilled work in progress with same credit risk as trade receivables.

The allowance for expected lifetime credit losses is determined using a provisional matrix based on past due dates, historical loss rates and current and forward-looking information, including geographical risk, the level of security obtained as well as individual assessment.

The past due date analysis and expected credit loss allowance for trade receivables and contracts assets is set out in the following tables.

As at 31 December 2024, Vestas' trade receivables and contract assets per geographical areas can be specified as follows: 51 percent in EMEA, 39 percent in Americas, and 10 percent in Asia Pacific (2023: 57 percent in EMEA, 33 percent in Americas, and 10 percent in Asia Pacific).

As at 31 December 2024, no single customer accounted for more than 10 percent of Vestas' total trade receivables (2023: 0).

The commercial credit risk relating to the outstanding trade receivables balance as at 31 December 2024 was mitigated by EUR 354m (2023: EUR 595m) received as security, such as third-party guarantees. Historically, Vestas has not incurred significant losses on trade receivables.

Financial instruments and cash deposits

Group Treasury manages balances with financial institutions and the associated credit risk in accordance with Vestas' Treasury Policy assessing the individual counterparty's credit rating.

93 percent of Vestas' exposure towards financial institutions are with counterparties with a credit rating in the range of A to AAA.

Vestas has entered into ISDA agreements with all financial institution counterparties used for trading derivative financial instruments under which Vestas has a right to set-off should certain credit events occur, which means that Vestas' actual credit risk is limited to the net assets per counterparty.

Expected credit losses on trade receivables and contract assets mEUR	2024				2023			
	Gross carrying amount	Expected loss rate	Loss allowance	Net carrying amount	Gross carrying amount	Expected loss rate	Loss allowance	Net carrying amount
Not overdue	3,439	0.2%	(8)	3,431	2,684	0.2%	(5)	2,679
Overdue 0-60 days	200	0.5%	(1)	199	207	0.3%	(1)	207
Overdue 61-120 days	42	2.9%	(1)	41	39	2.3%	(1)	38
Overdue 121-180 days	32	5.5%	(2)	30	29	3.0%	(1)	28
Overdue 181-365 days	48	8.0%	(4)	44	46	9.3%	(4)	42
Overdue more than 365 days	129	21.7%	(28)	101	103	14.0%	(14)	88
Total	3,890		(44)	3,846	3,109		(26)	3,082
Loss allowance as at 1 January								(32)
Reversals							9	10
Loss allowance for the year							(27)	(4)
Loss allowance as at 31 December							(44)	(26)

Netting of financial assets and liabilities mEUR	2024			2023		
	Carrying amount balance sheet	Netting agreements not offset in the balance sheet	Net amount	Carrying amount balance sheet	Netting agreements not offset in the balance sheet	Net amount
Derivatives	537	(342)	195	461	(236)	225
Financial assets	537	(342)	195	461	(236)	225
Derivatives	538	(342)	196	459	(236)	223
Financial liabilities	538	(342)	196	459	(236)	223

↑

The table details financial assets and liabilities which are subject to netting in case of certain credit events.

4.1 Financial risk management – continued

Market risks

Vestas is exposed to various market risks with the main risks being foreign currency risks, commodity price risks and interest rate risk. All market risks are managed in accordance with the Treasury Policy.

Foreign currency risks

Vestas' international business activities involves local Vestas entities making transactions in currencies other than the entity's functional currency. Consequently, Vestas' income statement, balance sheet and cash flows are exposed to fluctuations in foreign currencies. The foreign currency exposures arise primarily from purchases of materials and the sales of wind turbines and service agreements.

Vestas objective is to reduce the impact from short-term fluctuations in foreign currencies on the income statement and to increase the predictability of the financial results. Foreign currency risks are reduced by purchasing and producing in local markets and by hedging the foreign currency exposures in according to the Treasury Policy.

Vestas hedges foreign currency exposures related to its firm wind turbine order backlog. For committed exposures with durations of 18 months or more, hedging is performed with shorter maturity (up to 18 months). Furthermore, Vestas hedges foreign currency exposure relating to monetary balances on the balance sheet, i.e. accounts receivables, accounts payables, cash at bank, cash in in-house bank accounts and loan/overdraft items.

Foreign currency risks related to long-term investments and its service business are not hedged based on an overall risk, liquidity and cost perspective.

Foreign currency exposures are primarily hedged through FX forward contracts and FX swaps. Vestas hedge strategy is to centralise foreign currency exposure in Vestas Wind Systems A/S through internal contracts and trade the net currency exposures in the market.

The majority of Vestas' sales are in USD and EUR. The EUR exchange rate risk is regarded as low in Danish entities due to Denmark's fixed exchange rate policy towards EUR. Despite the significant sales in USD, Vestas' currency exposure in USD has decreased as a result of increased sourcing of materials and components in USD. Due to Vestas being by nature a project business, the risk exposures towards specific foreign currencies changes from one year to another, depending on the geographical areas in which Vestas has its activities.

Commodity price risks

Commodity price risks in Vestas mainly relate to fluctuations in raw materials which are used directly or indirectly in the production and delivery of wind turbines. The commodity price risk can be divided into a direct exposure and an indirect exposure. The direct exposure is related to purchase of the raw material. The indirect exposure is related to the purchase of components as well as transportation costs, primarily by sea, where the price is linked to the prices of commodities such as metals and bunker fuel. The risk is managed by a combination of customer indexation, fixed price agreements with suppliers and by entering into commodity derivatives.

Interest rate risks

Interest rate risk mainly relates to interest-bearing debt with floating interest rates, interest rate derivatives and cash and cash equivalents. As at 31 December 2024, 80 percent (2023: 81 percent) of Vestas' long-term debt financing in the form of bonds and loans was entered into with fixed interest rates.

As at 31 December 2024, cash and cash equivalents amounted to EUR 3,817m (2023: EUR 3,318m) and interest-bearing debt with floating interest rates amounted to EUR 513m (2023: EUR 531m). An increase in relevant interest rates of 1 percentage point would have increased profit before tax in 2024 by EUR 33m (2023: increased by EUR 28m).

Sensitivity analysis mEUR	Change	2024		2023	
		Effect on profit/(loss) before tax	Effect on equity before tax	Effect on profit/(loss) before tax	Effect on equity before tax
Foreign currency risk					
USD	10%	84	121	36	182
AUD	10%	(8)	(88)	(5)	(92)
CAD	10%	4	(27)	4	(30)
GBP	10%	4	(185)	(16)	(91)
INR	10%	(6)	23	-	22
Commodity price risks					
Metals	10%	-	13	-	14
Fuels	10%	-	2	-	1

↑

The sensitivity analysis shows the impact on net profit/(loss) before tax and other comprehensive income of a 10 percent increase in our most significant currencies towards the Euro as well as our most significant commodities. The analysis includes the impact from cash flow hedging instruments on equity before tax and excludes the impact from the hedged exposures such as future purchases or sales since these are not recognised in the balance sheet. If the hedged exposures were included the impact from hedge instruments would be offset in their entirety. The analysis is based on the assumption that all other variables remain constant.

4.2 Hedge accounting

In 2024, Vestas used derivative financial instruments to hedge foreign currency risk and commodity price risk.

Foreign currency risks

The risks relating to purchases and sales in foreign currencies as well as monetary balances denominated in foreign currencies are hedged using foreign currency forward contracts and foreign currency swaps. Currency forward contracts and currency swaps relating to highly probable forecasted sales and purchases and firm commitments are designated as cash flow hedges. Currency forward contracts and currency swaps relating to recognised monetary balances are designated as fair value hedges.

Some sales agreements contain foreign currency elements. In sales agreements where the sales currency is not closely related to the functional currency nor a commonly used currency in the country in which the sales takes place, the foreign currency element is treated as an embedded financial derivative. The embedded financial derivative is designated as a cash flow hedge of forecasted purchases.

As at 31 December 2024, the average exchange rates for cash flow hedges in EUR contracts were AUD 0.6 (2023: AUD 0.6), JPY 0.01 (2023: JPY 0.01), CNY 0.1 (2023: CNY 0.1), GBP 1.2 (2023: GBP 1.1) and PLN 0.2 (2023: 0.2). The

average exchange rates for fair value hedges in EUR contracts were USD 1.0 (2023: USD 0.9), CNY 0.1 (2023: CNY 0.1) and GBP 1.2 (2023: GBP 1.2).

Commodity price risk

The commodity price risks relating to fluctuations in the prices of raw materials used directly or indirectly in the production is hedged using commodity forward contracts. Commodity forward contracts related to highly probable forecasted purchases are designated as cash flow hedges.

As at 31 December 2024, the average forward price in EUR per metric tonne for cash flow hedges were for copper: 9,600 (2023: 9,536), coking coal: Nil (2023: 304), iron ore: Nil (2023: 107), aluminium: 2,633 (2023: 2,547), bunker fuel: 528 (2023: 571).

In general, the primary sources of ineffectiveness are changes to planned purchases in foreign currencies, resulting from changes in timing and volume of purchases, which lead to overhedging. Vestas uses a roll-over hedging strategy which could result in ineffectiveness due to timing differences between hedging instruments and the hedged items. In 2024, the hedge ineffectiveness was EUR 4.2m (2023: No ineffectiveness).

Maturity of hedging instruments mEUR	Contract notional amount	2024			2023		
		2025	2026	After 2026	Contract notional amount	2024	2025
Cash flow hedges							
Foreign currency risk	(5,113)	(2,272)	(1,463)	(1,378)	(2,398)	(745)	(1,186)
AUD	(801)	(545)	(256)	-	(636)	(517)	(119)
JPY	(722)	(112)	(452)	(158)	(552)	(184)	(318)
CNY	1,612	1,234	378	-	1,105	897	179
SEK	(638)	(350)	(277)	(11)	(483)	(168)	(233)
GBP	(1,889)	(484)	(118)	(1,287)	(761)	(208)	(130)
PLN	(1,744)	(1,502)	(239)	(3)	(52)	20	(72)
Other	(931)	(513)	(499)	81	(1,018)	(585)	(493)
Commodity	195	159	36	-	210	195	15
Metals	172	140	32	-	191	176	15
Fuels	23	19	4	-	19	19	-
Fair value hedges	1,446	1,448	(2)	-	1,883	1,635	248
CNY	567	567	-	-	498	498	-
GBP	299	299	-	-	394	146	248
USD	342	342	-	-	940	940	-
Other	238	240	(2)	-	50	50	-
Total	(3,472)	(665)	(1,429)	(1,378)	(305)	1,085	(923)
							(467)

Accounting policies

Derivative financial instruments are initially measured at fair value at the trade date and subsequently remeasured at fair value at the reporting date. The fair value of derivative financial instruments are presented in other receivables or other liabilities.

Changes in the effective portion of the fair value of cash flow hedges are recognised in the hedging reserve in equity through other comprehensive income. Upon realisation of the hedged item, gains or losses on the cash flow hedges are transferred from the equity hedging reserve into the initial carrying amount of the hedged item. Changes in any ineffective portion of the fair value of cash flow hedges are recognised in the income statement as financial items. Changes in the fair value of fair value hedges are recognised in the income statement as financial items.



The table shows the contract notional amount and expected timing of recognition of hedging instruments as at 31 December 2024. Positive amounts reflect that Vestas on a net basis have contracts to purchase the respective foreign currencies or commodities, and negative amounts reflect that Vestas on a net basis have contracts to sell the respective foreign currencies or commodities.

4.2 Hedge accounting – continued

Carrying amount of hedging instruments mEUR	2024			2023		
	Contract notional amount	Asset	Liabilities	Contract notional amount	Asset	Liabilities
Foreign currency risk						
Cash flow hedges	(5,113)	487	520	(2,398)	403	430
Fair value hedges	1,446	50	10	1,883	37	21
Commodity price risk						
Cash flow hedges	195	-	8	210	14	8
Interest rate risk						
Cash flow hedges	-	-	-	170	7	-
Total	(3,472)	537	538	(135)	461	459
Recognised in income statement	1,446	50	10	2,053	44	21
Recognised in other comprehensive income	(4,918)	487	528	(2,188)	417	438
Total	(3,472)	537	538	(135)	461	459

↑

In the table the effect from hedging instruments on the balance sheet, profit and loss and other comprehensive income is shown. All fair value hedges are recognised in income statement. All cash flow hedges are recognised in other comprehensive income.

Cash flow hedge reserve mEUR	2024		2023	
	Hedge reserve as at 1 January	(24)	(1)	(1)
Change in fair value				
Foreign currency hedges		162	59	59
Commodity price hedges		(9)	11	11
Amount reclassified to profit and loss				
Foreign currency hedges recognised in revenue		(147)	(57)	(57)
Foreign currency hedges recognised in production costs		31	(76)	(76)
Tax effect		(27)	24	24
Amount transferred to non-financial items				
Foreign currency hedges recognised as prepayment from customers		(3)	(45)	(45)
Foreign currency hedges recognised as inventory		(21)	59	59
Commodity hedges recognised as inventory		2	7	7
Tax effect		5	(5)	(5)
Hedge reserve as at 31 December		(31)	(24)	(24)

↑

The risk categories recognised in the cash flow hedge reserve is reconciled in the table below with items impacting other comprehensive income for the period.

Carrying amount of hedged items mEUR	2024		2023			
	Carrying amount of hedged items	Change in fair value used for measuring ineffectiveness	Carrying amount of hedged items	Change in fair value used for measuring ineffectiveness		
	Asset	Liabilities	Asset	Liabilities		
Currency risk						
Forecast sales and purchases	-	-	162	59		
Monetary balances	1,927	6,170	26	3,394	1,088	15
Commodity risk						
Forecast sales and purchases	-	-	(9)	-	11	
Total	1,927	6,170	179	3,394	1,088	85

←

The carrying amounts of hedged items on the balance sheet are shown in the table.

4.3 Financial assets and liabilities

mEUR	Note	2024						2023					
		Total carrying amount in the balance sheet	Carrying amount non-financial instruments	Carrying amount financial instruments	Financial instruments, fair value through OCI	Financial instruments, fair value through profit or loss	Financial instruments, amortised cost	Total carrying amount in the balance sheet	Carrying amount non-financial instruments	Carrying amount financial instruments	Financial instruments, fair value through OCI	Financial instruments, fair value through profit or loss	Financial instruments, amortised cost
Financial assets, non-current and current													
Other investments		161	-	161	-	143	18	99	-	99	-	64	35
Financial investments	4.1	263	-	263	-	103	160	101	-	101	-	101	-
Foreign currency derivatives	2.5	537	-	537	487	50	-	440	-	440	403	37	-
Commodity derivatives	2.5	-	-	-	-	-	-	14	-	14	14	-	-
Other derivatives	2.5	-	-	-	-	-	-	7	-	7	7	-	-
Other receivables	2.5	1,403	1,208	195	-	-	195	1,187	395	792	-	-	792
Trade receivables		1,719	-	1,719	-	-	1,719	1,305	-	1,305	-	-	1,305
Contract assets	2.3	2,127	-	2,127	-	-	2,127	1,777	-	1,777	-	-	1,777
Cash and cash equivalents		3,817	-	3,817	-	-	3,817	3,318	-	3,318	-	-	3,318
Total financial assets, non-current and current		10,027	1,208	8,819	487	296	8,036	8,248	395	7,853	424	202	7,227
Financial liabilities, non-current and current													
Financial debts		3,201	-	3,201	-	-	3,201	3,069	-	3,069	-	-	3,069
Foreign currency derivatives	2.6	530	-	530	521	9	-	451	-	451	430	21	-
Commodity derivatives	2.6	8	-	8	8	-	-	8	-	8	8	-	-
Other liabilities	2.6	810	535	275	-	-	275	917	615	302	-	-	302
Trade payables		4,129	-	4,129	-	-	4,129	3,738	-	3,738	-	-	3,738
Contingent consideration		70	-	70	-	-	70	318	-	318	-	318	-
Total financial liabilities, non-current and current		8,748	535	8,213	529	79	7,605	8,501	615	7,886	438	339	7,109

As at 31 December 2024, financial debts comprise green loan facility EUR 475m (2023: EUR 475m), sustainability-linked bonds EUR 1,983m (2023: EUR 1,982m), other credit facilities EUR 40m (2023: EUR 56m) and lease liability EUR 703m (2023: EUR 556m). As at 31 December 2024, the fair value of sustainability-linked bonds amounted to EUR 1,914m (2023: EUR 1,931m). The fair value of the long-term interest-bearing bonds is based on their listed market price (Level 1).



Accounting policies

Other investments include investments in non-listed equity shares and rental deposits. Equity investments are irrevocably designated at fair value through profit and loss.

Financial investments comprise short-term deposits and marketable securities managed on a fair value basis with a continuous observation of their performance. Financial

investments do not meet the definition of cash and cash equivalents. On initial recognition financial investments are recognised in the balance sheet at fair value. Subsequently, assets held to maturity are measured at amortised cost and assets held to sell are measured at fair value through profit or loss. Any changes in the fair value of financial investments remeasured at fair value is recognised in the income statement as financial items.

Bond debt and bank debt (financial debts) are recognised at inception at fair value (typically proceeds received) net of transaction costs incurred. In subsequent periods, the liabilities are measured at amortised cost, so that the difference between the cost (proceeds) and the nominal value is recognised in profit (loss) for the year as interest expenses over the term of the loan, using the effective interest rate method.

Contingent consideration relating to Vestas' acquisition of a 25 percent stake in Copenhagen Infrastructure Partners P/S (CIP) is classified as financial debt and measured at fair value.

4.3 Financial assets and liabilities – continued

Fair value hierarchy

Financial instruments measured at fair value are categorised into the following levels of the fair value hierarchy:

- Level 1: Observable market prices for identical instruments.
- Level 2: Valuation techniques primarily based on observable prices or traded prices for comparable instruments.
- Level 3: Valuation techniques primarily based on unobservable prices.

Other investments

Other investments comprise investment in funds managed by Copenhagen Infrastructure Partners P/S and non-listed equity shares. The investments are measured at fair value determined using adjusted net asset value methodology based on unobservable inputs or transaction price of the investment, where considered as best fair value estimate. In both cases, the investments are categorised as Level 3. As at 31 December 2024, the fair value amounted to EUR 1.43m (2023: EUR 64m). The effect of fair value measurement in profit or loss is loss of EUR 4m reported in Distribution costs; out of which EUR 1m relates to the unrealized gains or losses on the investment. During 2024, new investment amounted to EUR 1.25m and disposals amounted to EUR 40m.

Financial Investments

Financial investments in marketable securities are measured at fair value based on market prices, and are categorised as Level 1.

Derivatives

Foreign currency forward contracts, embedded derivatives and commodity forward contracts are measured at fair value using generally accepted valuation techniques based on observable market prices and forward market rates, and are categorised as Level 2.

Contingent consideration

Contingent consideration relating to Vestas' acquisition of a 25 percent stake in CIP's parent companies in February 2021 is measured at fair value based on expected total payments of

Financial instruments measured at fair value mEUR		Valuation technique	Carrying amount	2024				2023				
				Total	Level 1	Level 2	Level 3	Carrying amount	Total	Level 1	Level 2	Level 3
Other investments	Adjusted Net Asset Valuation / Transaction Price	143	143	-	-	-	143	64	64	-	-	64
Financial investments	Market prices	103	103	103	-	-	-	101	101	101	-	-
Foreign currency derivatives	Forward pricing and swap models	537	537	-	537	-	-	440	440	-	440	-
Commodity derivatives	Forward pricing	-	-	-	-	-	-	14	14	-	14	-
Interest derivatives	Swap model	-	-	-	-	-	-	7	7	-	7	-
Financial assets		783	783	103	537	143		626	626	101	461	64
Foreign currency derivatives	Forward pricing and swap models	530	530	-	530	-	-	451	451	-	451	-
Commodity derivatives	Forward pricing	8	8	-	8	-	-	8	8	-	8	-
Contingent consideration	Discounted cash flow	70	70	-	-	-	70	318	318	-	-	318
Financial liabilities		608	608	-	538	70		777	777	-	459	318

EUR 77m in the period 2025 to 2027 discounted using a 3.7 percent (2023: 1 percent) normalised financing interest rate (Level 3 in fair value hierarchy).

Expected payments depend on expected management fees earned from funds managed by CIP. As at 31 December 2024, the fair value amounted to EUR 70m (2023: EUR 318m). During 2024, instalments paid amounted to EUR 244m (2023: EUR 5m).

The effect of fair value measurement in profit or loss is income of EUR 4m (2023: loss EUR 2m) reported in Net financial items in statement of profit or loss; all of which relates to the unrealised gains or losses.

Sensitivity of unobservable inputs

The significant unobservable input used in valuation of other investments and contingent consideration (instruments in Level 3 fair value hierarchy) is the discounting rate. For contingent consideration, a decrease in discount rate by 1 percentage point would result in reduced profit before tax in 2024 by EUR 1m (2023: increase in profit by EUR 2m).

4.4 Share capital

Number of shares	2024	2023
Number of shares as at 1 January	1,009,867,260	1,009,867,260
Number of shares as at 31 December	1,009,867,260	1,009,867,260
Shares outstanding	1,005,762,617	1,006,473,655
Treasury shares	4,104,643	3,393,605
Number of shares as at 31 December	1,009,867,260	1,009,867,260

Movements in share capital

During 2021, a share split of Vestas' shares with a ratio 1:5 was carried out with effect as of 28 April 2021. Consequently, each share of nominally DKK 1.00 was split into five new shares of nominally DKK 0.20. Except for above mentioned transactions, the share capital has not changed in the period 2021 to 2024. All shares rank equally.

Accounting policies

Treasury shares

Treasury shares are deducted from the share capital upon cancellation at their nominal value of DKK 0.20 per share. Differences between this amount and the amount paid to acquire treasury shares are deducted directly in equity.

Dividend

A proposed dividend is recognised as a liability at the time of adoption at the Annual General Meeting (declaration date). The proposed dividend for the year is included in retained earnings.

Vestas Wind Systems A/S has acquired treasury shares as follows:

	2024	2023
Average share price, purchases (DKK)	183	203
Purchase amount (mEUR)	25	27

Treasury shares are acquired to cover issues of shares under Vestas' incentive programmes or as part of its capital structure strategy. The share capital has been fully paid.

Net proposed cash distribution to shareholders

mEUR	2024	2023
Dividend	75	-

4.5 Earnings per share

	2024	2023
Profit for the year (mEUR) – owners of Vestas Wind Systems A/S	499	77
Weighted average number of ordinary shares	1,009,867,260	1,009,867,260
Weighted average number of treasury shares	(3,892,309)	(3,507,394)
Weighted average number of ordinary shares outstanding	1,005,974,951	1,006,359,866
Dilutive effect of restricted performance shares	4,150,611	3,439,847
Average number of shares outstanding including restricted performance shares	1,010,125,562	1,009,799,713
Earnings per share, basic, EPS (EUR)	0.50	0.08
Earnings per share, diluted, EPS-D (EUR)	0.49	0.08

5 Tax

- 5.1 Income tax
- 5.2 Deferred tax

30%

The effective tax rate 2024
Our Corporate Tax Policy
can be downloaded from our
corporate website.

5.1 Income tax

Income tax for the year

mEUR	2024	2023
Current tax on profit for the year	87	(54)
Deferred tax on profit for the year	106	97
Tax on profit for the year	193	43
Change in income tax rate	-	2
Adjustments relating to previous years (net)	18	(21)
Income tax for the year recognised in the income statement, expense/(income)	211	24
Deferred tax on other comprehensive income for the year	27	(24)
Tax recognised in other comprehensive income, expense/(income)	27	(24)
Deferred tax on equity transactions	9	0
Tax recognised in equity	9	0
Total income taxes for the year, expense/(income)	242	0

Key accounting estimates

Income taxes and uncertain tax position

The Group continuously wants to be a compliant corporate tax citizen in collaboration with our operations and stakeholders and to support shareholder interest and our reputation. To ensure compliance, national and international tax laws as well as the OECD Guidelines are acknowledged and followed throughout the world.

The Group is subject to income taxes around the world and therefore recognise that significant judgement is required in determining the worldwide accrual for income taxes, deferred income tax assets and liabilities and provision for uncertain tax positions.

The global business implies that the Group may be subject to disputes on allocation of profits between different jurisdictions. Management judgement is applied to assess the expected outcome of such tax disputes which is provided for in provision for uncertain tax positions. Management believes that provisions made for uncertain tax positions not yet settled with local tax authorities at year end is adequate. However, the actual obligation may deviate and is dependent on the result of litigations and settlements with the relevant tax authorities.

The provision for uncertain tax positions has been derived by applying probability weighted outcomes for all uncertainties with multiple potential outcomes and in scenarios where the outcome is determined by a single point it is determined by the most probable outcome.

Computation of effective tax rate

Percent	2024	2023
Income tax rate in Denmark	22	22
Adjustment relating to previous years (net)	3	(20)
Deviation in foreign subsidiaries' tax rates compared to the Danish tax rate (net)	7	50
Income and expenses non-taxable	1	(1)
Other taxes	6	5
Change in write-down of deferred tax assets and tax provisions	(10)	(32)
Global minimum tax	1	-
Effective tax rate	30	24

Accounting policies

Tax for the year consists of current tax and deferred tax including adjustments to previous years and changes in provision for uncertain tax positions. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax expense relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Following developments in ongoing tax disputes primarily related to transfer pricing cases, uncertain tax positions are assessed individually and are generally presented as part of non-current tax receivables or non-current tax payables. The uncertain tax positions that materialise and become certain or virtually certain are classified as current tax.

Current tax liabilities and receivables are recognised in the balance sheet at the amounts calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

5.1 Income tax – continued

Income tax assets and liabilities

mEUR

	2024	2023
Income tax as at 1 January, net assets/(liabilities)	(80)	(84)
Exchange rate adjustments	1	(4)
Income tax for the year	(87)	54
Adjustments relating to previous years	(69)	(352)
Settlements against VAT receivables	65	45
Income tax paid in the year	245	261
Income tax as at 31 December, net assets/(liabilities)	75	(80)
Receivables specified as follows:		
Current	214	209
Non-current	832	522
Income tax receivables	1,046	731
Liabilities specified as follows:		
Current	(141)	(176)
Non-current	(830)	(635)
Income tax liabilities	(971)	(811)

OECD Pillar Two model rules

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 as per 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 have been enacted.

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

Based on the Safe Harbour assessment Vestas has identified that 8 jurisdictions did not meet any of the safe harbour tests. For these jurisdictions Vestas has calculated a total top-up tax of EUR 3m which is recognized as a current tax expense for the year. This is included in the income tax in the income statement.

5.2 Deferred tax

mEUR	2024	2023
Deferred tax as at 1 January, net assets	631	339
Exchange rate adjustments	3	(9)
Deferred tax on profit for the year	(106)	(97)
Adjustment relating to previous years	51	373
Changes in income tax rate	-	1
Tax on other comprehensive income and equity	(36)	24
Deferred tax as at 31 December, net assets	543	631
Deferred tax assets specified as follows:		
Tax value of tax loss carry-forwards (net)	707	629
Intangible assets	(302)	(290)
Property, plant and equipment	(38)	(3)
Current assets	135	226
Provisions	133	211
Write-down of tax assets	(75)	(83)
Other ¹	162	105
Deferred tax assets	722	795
Deferred tax provisions specified as follows:		
Property, plant and equipment	15	26
Current assets	106	102
Provisions	4	44
Other	54	(8)
Deferred tax provisions	179	164

¹ Other mainly relates to deferred revenue and share-based payment and hedges.

No provision is made for deferred tax regarding undistributed earnings in subsidiaries, as Vestas controls the release of the obligation.

Deferred tax recognised on tax losses is mainly in jurisdictions where there are no expiry limits. As at 31 December 2024, the value of recognised deferred tax assets amounted to EUR 722m (2023: EUR 795m), of which EUR 672m (2023: EUR 582m) relates to tax loss carry-forwards. Out of recognised tax loss carry forwards of EUR 672m (2023: EUR 582m), EUR 16m (2023: EUR 20m) are subject to expiry if not used within 5-10 years whereas the remaining EUR 656m (2023: EUR 562m) are not subject to any limitations. Following Vestas' transfer pricing policy, these losses are expected to be utilised in three years.

Of the total deferred tax relating to tax loss carry-forwards write down, EUR 1.2m (2023: EUR 20m) relates to Denmark. The recognised loss carry-forward relating to Denmark amounts to EUR 2,852m (2023: EUR 2,408m).

As many other multinational businesses, Vestas recognises the increased focus on the transfer pricing and the consequent allocation of profits to the relevant countries. Even though the Vestas' subsidiaries pay corporate tax in the countries in which they operate, Vestas is still part of a number of tax audits on different locations. Some of these disputes concern significant amounts and uncertainties. Vestas believes that the provisions made for uncertain tax positions not yet settled with the local tax authorities are adequate. However, the actual obligation may differ and is subject to the result of the litigations and settlements with the relevant tax authorities.

Key accounting estimates

Valuation of deferred tax assets

The Group recognises deferred tax assets, including the tax value of tax loss carry-forwards, where Management assesses that the tax assets may be utilised in the foreseeable future for set-off against positive taxable income. The assessment is made on an annual basis and is based on the budgets and business plans for future years, including planned business initiatives. Key parameters are expected revenue and EBIT development considering expected allocation of future taxable income based on the transfer pricing policy in place. Due to the uncertainties relating to allocation of profits, Management has limited the forecast period used to determine the utilisation to three years.

Of the total tax loss carry-forwards, EUR 152m (2023: EUR 147m) is expected to be realised within 12 months, and EUR 555m (2023: EUR 482m) is expected to be realised later than 12 months after the balance sheet date.

The assessment in 2024 resulted in a reduction of the write-down of deferred tax assets of EUR 8m (2023: EUR 38m reduction of write-down) with the write down being primarily due to the fact that certain jurisdictions have more tax assets than what is expected to be utilised in the foreseeable future.

The value of non-recognised tax assets totals EUR 75m (2023: EUR 83m), of which EUR 75m (2023: EUR 83m) relates to write-down of tax assets that are not expected to be utilised in the foreseeable future.

Accounting policies

Deferred tax is measured using the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is, however, not recognised in respect of temporary differences on initial recognition of goodwill and other items, apart from business acquisitions, where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to different tax rules, deferred tax is measured on the basis of management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in other non-current assets at the value at which the asset is expected to be realised, either by elimination of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets are reviewed on an annual basis and are only recognised when it is probable that they will be utilised in future periods.

Adjustments are made to deferred tax to take account of the elimination of unrealised inter-company profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the respective countries that will be effective when the deferred tax is expected to crystallise as current tax based on the legislation at the balance sheet date. Changes to deferred tax due to changes to tax rates are recognised in the income statement except for items recognised directly in equity.

6 Other disclosures

- 6.1 Audit fees
- 6.2 Related parties
- 6.3 Contingent assets, liabilities,
and contractual obligations
- 6.4 Non-cash transactions
- 6.5 Subsequent events
- 6.6 Legal entities

6.1 Audit fees

mEUR	2024	2023
Audit	4	3
Assurance engagements	2	1
Tax assistance	0	1
Other services	2	0
Total	8	5

In 2024, Vestas appointed a new group auditor Deloitte Statsautoriseret Revisionspartnerselskab.

In 2024, non-audit services provided by Deloitte Stats-autoriseret Revisionspartnerselskab amounted to EUR 4m, relating to assurance engagements, advisory and tax compliance services. Assurance engagements include local statutory audit fees and CSRD limited assurance. The 70 percent cap on non-audit services from Deloitte Stats-autoriseret Revisionspartnerselskab as per Article 4 of Regulation (EU) No 537/2014 will apply from the financial year of 2027 as this comes into force after three consecutive years of a new auditor.

In 2023, non-audit services provided by Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab amounted to EUR 2m, relating to assurance engagements, advisory and tax compliance services.

mEUR	2024	2023
Joint ventures		
Revenue for the period	-	29
Proceeds from investments in joint ventures	-	10
Capital contribution	-	15
Receivables as at 31 December	2	2
Associates		
Revenue for the period	4	2
Expense for the period	3	-
Proceeds from investments in associates	5	2
Capital contributions	3	5
Other assets as at 31 December	3	3
Other liabilities as at 31 December	51	85

←
Vestas had the following material balances and transactions with joint ventures and associates.

In addition to joint ventures and associates, related parties are the Board of Directors (Board) and the Executive Management team of Vestas Wind Systems A/S together with their immediate families. Related parties also include entities which are controlled or jointly controlled by the aforementioned individuals.

Transactions with the Board and Executive Management team

Transactions with the Executive Management team only consist of normal management remuneration, refer to note 1.6.

With the exception of the Board members elected by the employees, no members of the Board have been employed by Vestas in 2024 and 2023.

6.3 Contingent assets, liabilities, and contractual obligations

Guarantees and indemnities

Vestas provides indemnities and guarantees to third parties on behalf of non-Vestas entities and joint ventures with a notional amount of EUR 4m (2023: EUR 33m). EUR 2m has been utilised in 2024. No guarantees and none of the indemnities are expected to be utilised at the balance sheet date.

Contractual obligations

Vestas has entered into binding contracts concerning purchase of property, plant and equipment to be delivered in 2025 and future periods at a value of EUR 147m (2023: EUR 64m).

Vestas has made commitments to invest in funds managed by Copenhagen Infrastructure Partners P/S. As at 31 December 2024, undrawn commitments amounted to EUR 94m (2023: EUR 272m).

Contingent assets

Vestas has made supplier claims for faulty deliveries. Further, Vestas is pursuing certain claims against suppliers for faulty deliveries, as well as claims for supplier implementation and application of faulty manufacturing processes, in litigation proceedings. However, it is Management's opinion that settlement of these and any settlement amounts are not virtually certain, and therefore not recognised in the financial position of Vestas, except for supplier claims accounted for as other receivables, refer note 2.5.

Contingent liabilities

In March 2022, a number of lawsuits were filed against Vestas in relation to a framework agreement which Vestas contends has expired. Vestas believes the claims to be without merit and hence has made no provision in relation to the complaints. In the event that Vestas is not successful in its defence of these cases, there potentially could be a financial impact on Vestas.

Vestas is also involved in a number of litigation proceedings and disputes. It is Management's assessment that these proceedings and disputes will not have a material effect on the financial position of the Group beyond what is already recognised in assets and liabilities as at 31 December 2024.

Refer to note 5.2 concerning contingent liabilities on transfer pricing.

6.4 Non-cash transactions

mEUR	2024	2023
Amortisation, impairment and depreciation for the year of intangible assets and property, plant and equipment	864	789
Profit/(loss) from investments in joint ventures and associates, incl. other relating transactions	2	(22)
Write-down of fixed assets	2	(3)
Write-down of inventory	1	(52)
Warranty provisions in the year (net)	313	257
Other provisions in the year	(252)	(21)
Interest income	(70)	(205)
Interest expenses	124	205
Income tax for the year	211	24
Cost of share-based payments	28	34
Gains/(losses) from property, plant and equipment	(13)	-
Other adjustments for non-cash transactions incl. foreign currency adjustments	172	171
Total	1,382	1,177

6.5 Subsequent events

No events have occurred subsequent to 31 December 2024 which could have a significant impact on the Consolidated financial statements.

6.6 Legal entities^{1, 4}

Name and country	Ownership (%)	Name and country	Ownership (%)	Name and country	Ownership (%)	Name and country	Ownership (%)
Parent company		Sales and service units		Avalon Inc., USA	100	Vestas New Zealand Wind Technology Ltd., New Zealand	100
Vestas Wind Systems A/S, Denmark	100	Vestas Argentina S.A., Argentina	100	Vestas – Portland HQ LLC, USA	100	Vestas Wind Technology Pakistan (Private) Limited, Pakistan	100
		Vestas Mediterranean A/S Sucursal, Bolivia	100	Vestas Upwind Solutions Inc., USA	100	Vestas Asia Pacific Wind Technology Pte. Ltd., Singapore	100
		Vestas do Brasil Energia Eólica Ltda., Brazil	100	Vestas – Canadian Wind Technology Inc., USA	100	Vestas Korea Wind Technology Ltd., South Korea	100
Production units		UpWind Solutions Canada Ltd., Canada	100	UpWind Holdings LLC, USA	100	Vestas Wind Lanka (PVT) Ltd., Sri Lanka	100
Vestas Americas A/S, USA	100	Vestas Chile Turbinas Eólica Limitada Santiago, Chile	100	Vestas America Holding Inc., USA	100	Vestas Taiwan Ltd., Taiwan	100
Vestas Blades America Inc., USA	100	Vestas Colombia S.A.S., Colombia	100	Steelhead Americas LLC, USA	100	Vestas Offshore Wind Taiwan Ltd., Taiwan	100
Vestas Nacelles America Inc., USA	100	Vestas Costa Rica S.A., Costa Rica	100	Steelhead Wind 1 LLC, USA	100	Vestas Wind Technology (Thailand) Ltd., Thailand	100
Vestas Wind Technology (China) Co. Ltd., China	100	Vestas Wind Systems Dominican Republic S.R.L., Dominican Republic	100	Steelhead Wind 2 LLC, USA	100	Vestas Wind Technology Vietnam LLC, Vietnam	100
Vestas Manufacturing A/S, Denmark	100	Vestas El Salvador S.A. De C.V., El Salvador	100	Steelhead Wind 2a LLC, USA	100	Vestas Österreich GmbH, Austria	100
Vestas Blades Deutschland GmbH, Germany	100	Vestas Guatemala, Guatemala	100	Steelhead Wind 9 LLC, USA	100	Vestas Belgium NV, Belgium	100
WPT Nord GmbH, Germany	100	Vestas Honduras S.A. De C.V., Honduras	100	Utopus Insights Inc., USA	100	Vestas Offshore Wind Belgium NV, Belgium	100
Vestas Nacelles Deutschland GmbH, Germany ²	100	Vestas Jamaica Wind Technology Ltd., Jamaica	100	Roaring Fork Wind LLC, USA	100	Vestas Bulgaria EOOD, Bulgaria	100
Vestas Blades Italia S.r.l., Italy	100	Vestas WTG Mexico S.A. de C.V., Mexico	100	Vestas – Australian Wind Technology Pty. Ltd., Australia	100	Vestas Central Europe – Zagreb d.o.o., Croatia	100
Vestas Control Systems Spain S.L.U., Spain	100	Vestas Mexicana del Viento S.A. de C.V., Mexico	100	NEG Micon Australia Pty. Ltd., Australia	100	Vestas MED (Cyprus) Ltd., Cyprus	100
Vestas Manufacturing Spain S.L.U., Spain	100	Vestas Nicaragua SA, Nicaragua	100	Vestas Wind Technology (Beijing) Co. Ltd., China	100	Vestas Czech Republic s.r.o., Czech Republic	100
Vestas Manufacturing Poland 2 Sp. z o.o., Poland	100	Vestas Overseas Panamá S.A., Panama	100	Vestas Wind Technology India Pvt Limited, India	100	Vestas Asia Pacific A/S, Denmark	100
Vestas Assembly Poland Sp. z o.o., Poland	100	Vestas Peru S.A.C., Peru	100	Vestas Japan Co. Ltd., Japan	100	Vestas Central Europe A/S, Denmark	100
Vestas Skolwin Real Estate Sp. z o.o., Poland	100	Vestas Turbinas Eólicas de Uruguay S.A., Uruguay	100	Vestas Mongolia LLC, Mongolia	100	Vestas Mediterranean A/S, Denmark	100
Vestas Wind Technology (China) Co Ltd., China	100	Vestas – American Wind Technology Inc., USA	100				
Vestas (Tianjin) Trading Co., Ltd., China	100						

¹ Companies of immaterial significance have been left out of the overview.

² Vestas Deutschland GmbH, Vestas Nacelles Deutschland GmbH, Vestas Services GmbH and Avalon GmbH, wholly owned subsidiaries of Vestas Wind Systems A/S, claiming not to prepare notes and management report to its financial statements pursuant to the relief provision of section 264 Abs. 3 HGB.

³ Vestas Benelux B.V., wholly owned subsidiary of Vestas Wind Systems A/S, claiming neither to prepare notes and management report to its financial statements nor conduct a statutory audit on its financial statements pursuant to the relief provision of section 2:403 DCC.

⁴ Vestas' European subsidiaries included in this list are exempt from individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU and rely on Vestas' group Sustainability Statement included in this Annual Report.

6.6 Legal entities^{1,4} – continued

Name and country	Ownership (%)	Name and country	Ownership (%)	Name and country	Ownership (%)	Name and country	Ownership (%)
Vestas Northern Europe A/S, Denmark	100	Vestas CEU Romania S.R.L, Romania	100	NEG Micon UK Ltd, United Kingdom	100	Vestas Switzerland AG, Switzerland	100
Vestas Estonia OÜ, Estonia	100	Vestas Saudi Arabia Limited Co, Saudi Arabia	100	Vestas Italia Egypt Branch, Egypt	100	Vestas Technology (UK) Limited, United Kingdom	100
Vestas Finland Oy, Finland	100	Vestas Senegal S.A.R.L.U, Senegal	100	Vestas-Poland Sp.z.o.o.filialas "Vestas Lithuania", Lithuania	100	Vestas Ventures A/S, Denmark	100
Vestas France SAS, France	100	Vestas Central Europe d.o.o. Beograd, Serbia	100	Vestas Jordan, Branch of Vestas Middle East, S.L., Jordan	100		
Vestas Georgia LLC, Georgia	100	Vestas Slovakia spol S.r.o., Slovakia	100	Steelhead Wind 3 LLC, USA	100		
Vestas Deutschland GmbH, Germany ²	100	Vestas Southern Africa Pty. Ltd., South Africa	74.8				
Vestas Services GmbH, Germany ²	100	Vestas Eólica S.A., Spain	100				
Avalon Holding GmbH, Germany	100	Avalon Iberia S.L, Spain	100				
Avalon GmbH, Germany ²	100	Vestas Middle East S.L.U., Spain	100				
Vestas Hellas Wind Technology S.A., Greece	100	Vestas Northern Europe AB, Sweden	100				
Vestas Hungary Kft, Hungary	100	Vestas Offshore Wind Sweden AB, Sweden	100				
Vestas Ireland Ltd, Ireland	100	Vestas Benelux B.V, The Netherlands ³	100				
Vestas Italia S.r.l, Italy	100	Vestas CV Limitada, The Republic of Cape Verde	100				
Vestas Kazakhstan LLP, Kazakhstan	100	Vestas Rüzgar Enerjisi Sistemleri Sanayi Ve Ticaret Ltd. Şirketi, Turkey	100				
Vestas Eastern Africa Ltd, Kenya	100	Vestas Kompozit Kanat Sanayi Ve Ticaret Anonim Şirketi, Turkey	100				
Vestas Moroc SARLAV, Morocco	100	Vestas Service Delivery Center – Szczecin sp Z.o.o., Poland	100				
Vestas Norway AS, Norway	100	Vestas Ukraine LLC, Ukraine	100				
Vestas Poland Sp.z.o.o., Poland	100	Vestas – Celtic Wind Technology Ltd., United Kingdom	100				
Vestas Portugal LDA, Portugal	100	Vestas Offshore Wind UK Ltd., United Kingdom	100				
Portugal Unipessoal Lda., Portugal	100	Vestas Offshore WInd Blades UK Ltd., United Kingdom	100				
Avalon LDA Portugal, Portugal	100	Vestas Shared Service (Spain) S.L.U, Spain	100				
		Vestas Cantabria Prototype SL, Spain	100				

¹ Companies of immaterial significance have been left out of the overview.

² Vestas Deutschland GmbH, Vestas Nacelles Deutschland GmbH, Vestas Services GmbH and Avalon GmbH, wholly owned subsidiaries of Vestas Wind Systems A/S, claiming not to prepare notes and management report to its financial statements pursuant to the relief provision of section 264 Abs. 3 HGB.

³ Vestas Benelux B.V, wholly owned subsidiary of Vestas Wind Systems A/S, claiming neither to prepare notes and management report to its financial statements nor conduct a statutory audit on its financial statements pursuant to the relief provision of section 2:403 DCC.

⁴ Vestas' European subsidiaries included in this list are exempt from individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU and rely on Vestas' group Sustainability Statement included in this Annual Report.

7 Basis for preparation

- 7.1 Accounting policy information
- 7.2 Change in accounting policies
- 7.3 Key accounting estimates and judgements

7.1 Accounting policy information

This note provides an overall description of the accounting policies applied in the Consolidated financial Statements as well as the European Single Electronic Format (ESEF) reporting requirements.

The Consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. A more detailed description of the accounting policies applied is provided in the separate notes.

The Consolidated financial statements have been prepared under the historical cost method, except for certain financial instruments and marketable securities, which are measured at fair value.

Consolidation

The Consolidated financial statements comprise the financial statements of Vestas Wind Systems A/S (the parent company) and subsidiaries controlled by Vestas Wind Systems A/S. Vestas Wind Systems A/S and its subsidiaries together are referred to as the Group.

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Vestas has assessed the nature of its joint arrangements and determined them to be joint ventures.

An overview of Vestas legal entities is provided on pages 184-185.

Foreign currency translation

Functional currency and presentation currency

Assets, liabilities and transactions of each of the reporting entities of Vestas are measured in the currency of the primary economic environment in which the entity operates (the functional currency). Transactions in currencies other than the functional currency are transactions in foreign currencies.

The functional currency of the parent company is Danish kroner (DKK). However, due to Vestas' international relations, the Consolidated financial statements are presented in Euro (EUR).

Translation of transactions and amounts

Foreign currency transactions are translated into the functional currency at the exchange rates at the dates of transaction. Exchange adjustments arising due to differences between the transaction date rates and the rates at the dates of payment are recognised as financial income or financial costs in the income statement. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Exchange adjustments arising due to differences between the rates at the balance sheet date and the transaction date rates are recognised as financial income or financial costs in the income statement.

Translation of Vestas entities

Income statements of foreign subsidiaries with a functional currency that is different from the presentation currency of Vestas are translated into EUR at monthly average rates to the extent that this does not materially distort the presentation of the underlying transaction. Balance sheet items are translated at the exchange rates on the balance sheet date. Exchange adjustments arising on the translation of the opening equity of foreign subsidiaries at exchange rates at the balance sheet date and on the translation of income statements and balance sheet items are recognised in other comprehensive income.

Exchange adjustments of balances accounted for as part of the total net investment in the entity in question are recognised in other comprehensive income in the Consolidated financial statements.

For investments accounted for using the equity method with functional currencies that differ from the presentation currency of Vestas, the shares of results for the year are translated at average exchange rates. The shares of equity including goodwill are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the share of the opening equity of foreign

investments accounted for using the equity method and on the translation of the share of results for the year are recognised in other comprehensive income.

On full or partial disposal of foreign entities, resulting in a loss of control or on repayment of balances treated as part of the net investment, the share of the accumulated exchange adjustments recognised in other comprehensive income, is recognised in the income statement at the same time as any profit or loss on the disposal.

iXBRL reporting

Vestas is required to file the annual report in the European Single Electronic Format (ESEF) using the XHTML format and tag the Consolidated financial statements including notes using inline eXtensible Business Reporting Language (iXBRL). The iXBRL tags comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

As part of the tagging process, financial statement line items and notes are mapped up to elements in the ESEF taxonomy. Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy is created.

The Annual Report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a ZIP file named VWS-2024-12-31-0-en.zip.

7.2 Change in accounting policies

The following new and amended accounting standards have been implemented as of 1 January 2024:

- Lease liability in a sale and leaseback – amended IFRS 16 Leases.
- Non-current liabilities with covenants – amended IAS 1 Presentation of Financial Statements.
- Supplier Financing Arrangements – amended IFRS 7 Financial Instruments: Disclosures.

The adoption of the new and amended accounting standards has not had any material impact on the Consolidated financial statements.

New standards and interpretations

The IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the Consolidated financial statements for 2024. Vestas intends to adopt these new and amended accounting standards and interpretations, if applicable, when they become mandatory.

The new or amended standards and interpretations are not expected to have a significant impact on recognition and measurement in the Consolidated financial statements.

Vestas is currently working to identify all the impacts of IFRS 18 and related amendments to other IFRS on the Consolidated financial statements.

7.3 Key accounting estimates and judgements

When preparing the Consolidated financial statements of Vestas, Management makes several accounting estimates and assumptions which impact the recognition and measurement of Vestas' financial statements.

The key accounting estimates and judgements which may have a significant impact on the financial statements are listed below. The nature of accounting impact of key accounting estimates and judgements is described in the relevant notes.

The impact of key accounting estimates and judgements is divided into three categories from low to high. The rating is based on a combined assessment of materiality, complexity, subjectivity and estimation uncertainty and indicates the impact on amounts recognised and carrying values of assets or liabilities.

Sustainability-related risks

Vestas continuously monitors sustainability related risks, including climate risks, and considers if it may affect reported amounts materially while preparing the Consolidated financial statements. During 2024, the Group performed a double materiality assessment (including financial impact assessments of material sustainability risks and opportunities) to identify any impacts related to these on Vestas' reported financial position.

No impact on Vestas' financial position including carrying amount of its assets and liabilities were identified.

Further reference is made to 'The double materiality assessment process' in Sustainability Statement on pages 64-68 for more details on this process.



Key accounting estimates

The key accounting estimates made are based on assumptions, that are supported by experience, historical trends and other factors that Management assesses to be reasonable, but that by nature are associated with inherent uncertainty and unpredictability.

The estimates and underlying assumptions are reviewed on an ongoing basis. If necessary, changes are recognised in the period in which the estimate is revised. Management considers the key accounting estimates to be reasonable and appropriate based on currently available information.

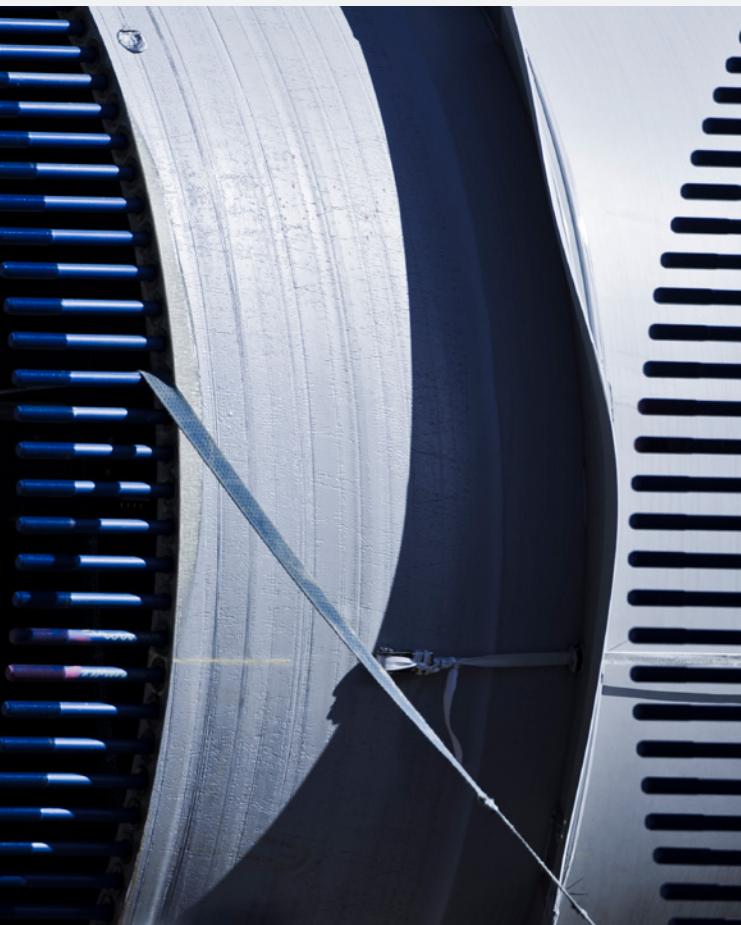


Key accounting judgements

Key accounting judgements are made when applying certain accounting policies. Management considers the accounting judgements made are consistent and reflect the most fair and true view of Vestas' financial position and results of the Group's operations.

Note	Key accounting estimates and judgements	Estimate/judgement	Impact of accounting estimates and judgements
1.2 Revenue	Estimate regarding cost to complete for service contracts Judgement regarding timing of components being part of a project Judgement regarding whether to recognise revenue from supply-and-installation contracts at point in time or over time Judgement regarding service contract modifications	Estimate Judgement Judgement Judgement	High Medium Medium Low
1.8 Special items	Judgement regarding classification in the income statement	Judgement	Low
2.1 Change in net working capital	Judgement regarding classification of supplier finance arrangements	Judgement	Low
2.2 Inventories	Estimate of net realisable value	Estimate	Low
2.5 Other receivables	Estimate of allowance for doubtful VAT receivables	Estimate	Medium
3.1 Intangible assets	Estimates related to impairment test of goodwill	Estimate	Medium
3.5 Provisions	Estimates for warranty provisions	Estimate	High
5.1 Income tax	Estimates of income taxes and uncertain tax position	Estimate	High
5.2 Deferred tax	Estimate of deferred tax assets valuation	Estimate	Medium

Parent company financial statements and notes



Income statement	190
Balance sheet	191
Statement of changes in equity	192
1. Result for the year	193
1.1 Revenue	193
1.2 Costs	193
1.3 Other operating income/(loss)	193
2. Working capital	193
2.1 Inventories	193
3. Other operating assets and liabilities	193
3.1 Intangible assets	193
3.2 Property, plant and equipment	194
3.3 Leases	194
3.4 Investments in subsidiaries and associates	195
3.5 Prepayments	196
3.6 Provisions	196
3.7 Contingent assets, liabilities, and contractual obligations...	196
4. Capital structure and financing items	197
4.1 Financial risks	197
4.2 Financial instruments	197
4.3 Financial liabilities	197
4.4 Financial items	197
5. Tax	197
5.1 Income tax	197
5.2 Deferred tax	197
6. Other disclosures	198
6.1 Audit fees	198
6.2 Related party transactions	198
6.3 Ownership	198
7. Basis for preparation	198
7.1 Material accounting policy information	198

Income statement

1 January – 31 December

mEUR	Note	2024	2023
Revenue	1.1	2,436	1,816
Production costs	1.2	(1,931)	(1,902)
Gross profit/(loss)		505	(86)
Administration costs	1.2	(642)	(570)
Other operating income/(loss)	1.3	(14)	174
Operating profit/(loss) (EBIT)		(151)	(482)
Income/(loss) from investments in subsidiaries	3.4	630	1
Income/(loss) from investments in associates	3.4	4	(0)
Net financial items	4.4	(63)	39
Profit/(loss) before tax		420	(442)
Income tax	5.1	(16)	430
Profit/(loss) for the year		404	(12)
Proposed distribution of profit:			
Reserve for net revaluation under the equity method		634	1
Retained earnings		(305)	(13)
Proposed dividends		75	-
Profit/(loss) for the year		404	(12)

Balance sheet

31 December

Assets				Equity and liabilities				
mEUR		Note	2024	2023	mEUR	Note	2024	2023
Intangible assets		3.1	2,759	2,639	Share capital		27	27
Property, plant and equipment		3.2, 3.3	404	360	Reserve for net revaluation under the equity method		1,322	660
Investments in subsidiaries		3.4	3,299	2,657	Reserve for capitalised development costs		1,128	951
Investments in associates		3.4	7	3	Translation reserve		9	9
Marketable securities			103	98	Dividends		75	-
Other investments			118	23	Retained earnings		387	889
Other receivables			294	223	Total equity		2,948	2,536
Tax receivables			437	507	Provisions	3.6	1,215	1,165
Deferred tax		5.2	380	309	Total non-current provisions		1,215	1,165
Total financial fixed assets			4,638	3,820	Other liabilities		48	28
Total non-current assets			7,801	6,819	Tax payables		114	-
Inventories		2.1	252	270	Financial debts	4.3	1,631	1,616
Receivables from subsidiaries			4,412	4,424	Total non-current debt		1,793	1,644
Other receivables			757	348	Total non-current liabilities		3,008	2,809
Prepayments		3.5	25	24	Financial debts	4.3	37	25
Tax receivables			114	-	Provisions	3.6	844	715
Total receivables			5,308	4,796	Trade payables		394	391
Cash and cash equivalents			3,074	2,521	Payables to subsidiaries		8,834	7,691
Total current assets			8,634	7,587	Other liabilities		370	239
Total assets			16,435	14,406	Total current liabilities		10,479	9,061
					Total liabilities		13,487	11,870
					Total equity and liabilities		16,435	14,406

Statement of changes in equity

1 January – 31 December 2024

mEUR	Share capital	Reserves					Total
		Reserve under the equity method	Reserve for capitalised development costs	Translation reserve	Dividends	Retained earnings	
Equity as at 1 January	27	660	951	9	-	889	2,536
Exchange rate adjustments relating to foreign entities	-	32	-	-	-	-	32
Fair value adjustments of derivative financial instruments	-	(11)	-	-	-	-	(11)
Tax on fair value adjustments of derivative financial instruments	-	8	-	-	-	-	8
Capitalised development costs	-	-	227	-	-	(227)	-
Tax on capitalised development costs	-	-	(50)	-	-	50	-
Share-based payments	-	(1)	-	-	-	29	28
Tax on share-based payments	-	-	-	-	-	(9)	(9)
Acquisition of treasury shares	-	-	-	-	-	(40)	(40)
Profit for the year	-	634	-	-	75	(305)	404
Equity as at 31 December	27	1,322	1,128	9	75	387	2,948

1 Result for the year

1.1 Revenue

Revenue in the parent company consists of royalty income from other Group companies amounting to EUR 1,917m (2023: EUR 1,380m) and sale of spare parts amounting to EUR 519m (2023: EUR 436m).

The revenue split in the primary geographical markets is EUR 2,125m (2023: EUR 1,636m) in EMEA, EUR 253m (2023: EUR 132m) in Americas and EUR 58m (2023: EUR 48m) in Asia Pacific.

1.2 Costs

For information regarding remuneration to the Board of Directors and to the Executive Management for the parent company, refer to note 1.6 to the Consolidated financial statements. Pension schemes in the parent company consist solely of defined contribution plans and the company does therefore not carry the actuarial risk or the investment risk. For management incentive programmes, refer to note 1.7 to the Consolidated financial statements.

Staff costs

	2024	2023
Staff costs are specified as follow:		
Wages and salaries, etc.	388	392
Pension schemes	25	21
Other social security costs	6	3
Total	419	416
Average number of employees in Vestas Wind Systems A/S	3,195	3,025

1.3 Other operating income/(loss)

In 2024, other operating loss is related to the settlement agreement of the sale of intellectual property rights between the parent company and Covento A/S amounting to EUR 16m. Other operating income is related to the service support to KK Wind Solutions amounting to EUR 2m. In 2023, other operating income is primarily related to the sale of converters and controls business to KK Wind Solutions amounting to EUR 147m.

2 Working capital

2.1 Inventories

Inventories relate to spare part activities.

	2024	2023
Raw materials and consumables	244	264
Work in progress	8	6
Total	252	270

3 Other operating assets and liabilities

3.1 Intangible assets

Included in software are internally completed IT projects amounting to EUR 95m as at 31 December 2024 (2023: EUR 49m).

For development projects in progress, refer to note 3.1 to the Consolidated financial statements.

Goodwill

Goodwill is included in the item "Goodwill" or in the item "Investments accounted for using the equity method" and is amortised over the estimated useful life determined on the basis of Management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 20 years. The amortisation period is determined based on to what extent the acquisitions concern strategically acquired companies with a strong market position and a long-term profitability.

mEUR	Goodwill	Completed development projects	Software	Other intangible assets	Development projects in progress	Total
Cost as at 1 January	1,142	2,778	577	508	895	5,900
Exchange rate adjustments	(1)	(3)	(1)	-	-	(5)
Additions	-	-	1	-	484	485
Disposals	-	-	(10)	-	-	(10)
Transfers	-	540	106	-	(646)	-
Cost as at 31 December	1,141	3,315	673	508	733	6,370
Amortisation and impairment losses as at 1 January	188	2,466	452	155	-	3,261
Exchange rate adjustments	-	(2)	-	-	-	(2)
Amortisation	61	217	48	26	-	352
Impairment losses	-	10	-	-	-	10
Disposals	-	-	(10)	-	-	(10)
Amortisation and impairment losses as at 31 December	249	2,691	490	181	-	3,611
Carrying amount as at 31 December	892	624	183	327	733	2,759
Amortisation period	20 years	2-8 years	3-5 years	3-7 years		

3 Other operating assets and liabilities – continued

3.2 Property, plant and equipment

mEUR	Land and buildings	Plant and machinery	Other fixtures and fittings, tools, and equipment	Right-of-use assets	Total
Cost as at 1 January	206	161	332	304	1,003
Exchange rate adjustments	(1)	(1)	-	-	(2)
Additions	-	4	77	63	144
Disposals	(5)	(1)	(7)	(13)	(26)
Cost as at 31 December	200	163	402	354	1,119
Depreciation as at 1 January	164	103	238	138	643
Exchange rate adjustments	-	(1)	(2)	1	(2)
Depreciation	6	12	42	38	98
Reversal of depreciation of disposals	(5)	-	(6)	(13)	(24)
Depreciation as at 31 December	165	114	272	164	715
Carrying amount as at 31 December	35	49	130	190	404
Depreciation period	10-40 years	3-10 years	3-5 years	2-20 years	

3.3 Leases

Vestas leases several assets including properties, vehicles, and equipment. Rental contracts are typically made for fixed periods of one to 20 years but may have extension options. Lease terms are negotiated on an individual basis and contain different terms and conditions including payment terms, termination rights, index-regulations, maintenance, deposits, and guarantees, etc.

Some property leases contain variable payment terms that are linked to an index e.g. a consumer price index. Overall, the variable payments constitute less than 1 percent of Vestas' entire lease payments. Extension and termination options may be included in leases. These terms are used to maximise operational flexibility in terms of managing contracts.

Right-of-use assets mEUR	2024				2023			
	Property	Vehicles	Equipment	Total	Property	Vehicles	Equipment	Total
Carrying amount as at 1 January	141	7	18	166	114	5	26	145
Exchange rate adjustments	1	-	(1)	-	-	-	-	-
Depreciation	(28)	(4)	(6)	(38)	(25)	(4)	(8)	(37)
Addition of right-of-use assets	52	4	6	62	52	8	1	61
Disposal of right-of-use assets	-	-	-	-	-	(2)	(1)	(3)
Carrying amount as at 31 December	166	7	17	190	141	7	18	166
Maturity analysis – contractual undiscounted cash flow					Total lease expenses recognised in the income statement			
mEUR					2024		2023	
Less than one year	41				33			
One to five years	131				122			
More than five years	49				59			
Total undiscounted lease liabilities as at 31 December	221				214			
Lease liabilities included in the statement of financial position as at 31 December								
mEUR					2024		2023	
Current	37				25			
Non-current	163				149			

Lease liabilities

Lease liabilities are included in financial debts which amount to EUR 200m as at 31 December 2024 (2023: EUR 174m). The lease liabilities included in financial debts can be specified as described above.

3 Other operating assets and liabilities – continued

3.4 Investments in subsidiaries and associates

Refer to note 6.6 to the Consolidated financial statements for an overview of the legal entities within the Group.

Investments in subsidiaries and associates

mEUR	2024	2023
Subsidiaries	3,299	2,657
Associates	7	3
Carrying amount as at 31 December	3,306	2,660

Income/(loss) from investments in subsidiaries and associates

mEUR	2024	2023
Subsidiaries	630	1
Associates	4	(0)
Total	634	1

Income from subsidiaries

mEUR	2024	2023
Share of profit in subsidiaries after tax	658	35
Amortisation of goodwill	(28)	(34)
Total	630	1

Investments in subsidiaries

mEUR	2024	2023
Cost at 1 January	1,965	1,972
Exchange rate adjustments	(2)	(7)
Additions	18	-
Disposals	(0)	(0)
Cost as at 31 December	1,981	1,965
Value adjustments as at 1 January	692	783
Exchange rate adjustments	32	(84)
Share of profit/(loss) for the year after tax	658	35
Changes in equity, share-based payment	(1)	(4)
Changes in equity, derivative financial instruments	(3)	(36)
Amortisation of goodwill	(28)	(34)
Negative net assets in subsidiaries set off against receivables from subsidiaries	(32)	32
Value adjustments as at 31 December	1,318	692
Carrying amount as at 31 December	3,299	2,657
Remaining positive difference included in the above carrying amount as at 31 December	411	439

Of the total carrying value, negative net assets in subsidiaries, EUR 0 (2023: EUR 32m) have been set off against receivables from subsidiaries.



Accounting policies

Investments in subsidiaries and associates are recognised and measured in the financial statements of the parent company under the equity method.

On acquisition of subsidiaries and associates, the difference between cost of acquisition and net asset value of the entity acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the acquisition method) and allowing for the recognition of any restructuring provisions relating to the entity acquired. Any remaining positive differences in connection with the acquisition of subsidiaries and associates are included in the items "Investments in subsidiaries" and "Investments in associates". The items "Income/(loss) from investments in subsidiaries" and "Income/(loss) from investments in associates" in the income statement include the proportionate share of the profit after tax less goodwill amortisation.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the entities calculated under the accounting policies of the parent company with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of the positive differences (goodwill).

Subsidiaries and associates with a negative net assets value are measured at EUR 0, and any receivables from these are written down by the parent company's share of the negative net asset value, if impaired. Any legal or constructive obligation of the parent company to cover the negative balance of the subsidiaries and associates including is recognised as provisions.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Gains and losses on disposals or winding up of subsidiaries and associates are calculated as the difference between the sales value or cost of winding up and the carrying amount of the net assets at the date of acquisition including goodwill and expected loss of disposal or winding up. The gains or losses are included in the income statement.

3 Other operating assets and liabilities – continued

3.5 Prepayments

Prepayments are comprised of prepaid software license, insurance, and rent.

3.6 Provisions

In line with accounting policies, potential product warranties are recognised as warranty provisions when revenue from sale of wind turbines is recognised.

Product risks

Provisions primarily relate to warranty provisions. Vestas invests significant resources in improving products and increasing their reliability to mitigate major warranty provisions. This work comprises design, production, installation, and continuous maintenance. The goal of these initiatives is to reduce Vestas' warranty costs, to secure customer returns, to increase the competitiveness of the products, and to improve customer earnings.

Provisions

mEUR	2024	2023
Carrying amount as at 1 January	1,880	1,622
Additions	839	843
Utilised	(660)	(585)
Carrying amount as at 31 December	2,059	1,880
Non-current	1,215	1,165
Current	844	715
Carrying amount as at 31 December	2,059	1,880

3.7 Contingent assets and liabilities, and contractual obligations

Vestas provides indemnities and guarantees to third parties on behalf of non-Vestas entities and joint ventures with a notional amount of EUR 4m (2023: EUR 33m). EUR 2m have been utilised in 2024. No guarantees and none of the indemnities are expected at the balance sheet date to be utilised.

Vestas provides indemnities and guarantees for bank and bonding facilities to third parties on behalf of subsidiaries. In addition, the company provides indemnities and guarantees to third parties in connection with project supplies in subsidiaries, and their warranty obligations to customers. To secure guarantees issued by banks, the company has given securities in cash and cash equivalents with disposal restrictions, refer to note 4.1 to the Consolidated financial statements.

Vestas has entered into binding contracts concerning purchase of property, plant and equipment to be delivered in 2025 and future periods at a value of EUR 91m (2023: EUR 8m). Vestas has made commitments to invest in funds managed by Copenhagen Infrastructure Partners P/S. As at 31 December 2024, undrawn commitments amounted to EUR 94m (2023: EUR 272m).

Vestas is involved in a number of litigation proceedings. It is Management's assessment that these proceedings will not have a material effect on the financial position of the Group beyond what is already recognised in assets and liabilities as at 31 December 2024.

The company is jointly taxed with its Danish subsidiaries. As the administrative company for the subsidiaries included in the joint taxation, the company is liable for the tax obligations of the included subsidiaries.

Vestas has made supplier claims for faulty deliveries. However, it is Management's opinion that settlement of these are not virtually certain, and therefore not recognised in the financial position of Vestas, except for supplier claims accounted for as other receivables.

4 Capital structure and financing items

4.1 Financial risks

For the use of derivative financial instruments and risks and capital management refer to note 4.1 to the Consolidated financial statements.

4.2 Financial instruments

Vestas has entered into derivatives with external banks and subsidiaries in the form of foreign currency forward contracts, foreign currency swaps and commodity forward contracts.

Fair value of derivatives

mEUR	2024	2023
Assets	482	192
Liabilities	444	152
Net amount recognised	38	40

The net amount is recognised as other receivables, other liabilities, receivables from subsidiaries and payables to subsidiaries.

The foreign currency forward contracts, foreign currency swaps and commodity forward contracts are entered into hedge future purchases of goods and sales. Vestas' net positions are specified below. The derivatives mature in the period 2025 to 2029.

Positions in foreign currency and commodities measured mEUR: AUD (-101), CAD (104), CNY (569), GBP (301), JPY (195), MXN (-270), PLN (254), RON (183), USD (301), other currencies (-0), Metals (139), Fuels (23).

4.3 Financial liabilities

mEUR	2024	2023
Credit facilities	1,468	1,467
Lease liabilities	200	174
Total	1,668	1,641
Financial debts break down as follows:		
< 1 year	37	25
1–5 years	619	23
> 5 years	1,012	1,593
Total	1,668	1,641

4.4 Financial items

mEUR	2024	2023
Financial income		
Interest income	122	173
Interest income from subsidiaries	282	228
Foreign exchange income, net	-	48
Financial instruments	106	17
Other financial income	2	3
Total	512	469
Financial costs		
Interest costs	86	65
Interest costs to subsidiaries	374	245
Interest on lease liabilities	5	3
Foreign exchange losses, net	95	-
Financial instruments	-	103
Other financial costs	15	14
Total	575	430

5 Tax

5.1 Income tax

mEUR	2024	2023
Current tax on profit for the year	69	(224)
Deferred tax on profit for the year	(67)	(101)
Foreign taxes	30	6
Write down of deferred tax (assets)	(8)	(40)
Adjustment related to previous years	(8)	(71)
Income tax for the year recognised in the income statement, expense/(income)	16	(430)
Deferred tax on equity	9	(0)
Tax recognised in equity, expense/(income)	9	(0)
Total income taxes for the year, expense/(income)	25	(430)

5.2 Deferred tax

mEUR	2024	2023
Deferred tax as at 1 January, net assets/(liabilities)	309	157
Deferred tax on profit for the year	67	101
Tax on entries in equity	(9)	-
Revaluation of tax assets	20	60
Adjustment relating to previous years	5	11
Write down to assessed value	(12)	(20)
Deferred tax as at 31 December, net assets	380	309

6 Other disclosures

6.1 Audit fees

mEUR	2024	2023
Audit	3	2
Assurance engagements	0	0
Tax assistance	0	1
Other services	2	0
Total	5	3

6.2 Related party transactions

All transactions with related parties have been carried out at arm's length principle. Definition of related parties and concerning other transactions with related parties, refer to note 6.2 to the Consolidated financial statements.

6.3 Ownership

The Company has registered the following shareholder with 7.59 percent of the share capital or nominal value:
BlackRock Inc, Wilmington, Delaware, United States.

7 Basis for preparation

7.1 Material accounting policy information

The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act (DK GAAP) applying to entities of reporting class D.

With the exception of the items described below, the accounting policies of the parent company are identical to the accounting policies of the group, see the notes to the Consolidated financial statements. The denomination of the items in the parent company's financial statements complies with the requirements under DK GAAP.

Development costs

An amount equivalent to the capitalised development costs in the balance sheet incurred after 1 January 2016 is recognised in the category "Reserve for capitalised development costs" in the equity. The value of the reserve is reduced by the value of the depreciations.

Cash flow statement

Vestas Wind Systems A/S applies an exemption under DK GAAP whereby the parent company is not required to prepare a separate cash flow statement as it is included in the Consolidated cash flow statement, refer to page 142 in the consolidated financial statements.

Royalty income

Royalty income is recognised at a point in time when earned according to the terms of the relevant Group agreements.

Receivables from subsidiaries and other receivables

Receivables from subsidiaries and other receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Foreign currency and commodity hedging

Foreign currency and commodity derivatives are initially measured at fair value at the trade date and subsequently remeasured at fair value at the reporting date. Changes in the fair value are recognised over the income statement disclosed in note 4.4 of the parent company under Financial instruments line item.

Auditor and management statements

- Management's statement
- Independent Auditor's Reports
- Independent auditor's limited assurance report on Sustainability statement

Management's statement

The Board of Directors and the Executive Management have today considered and approved the annual report of Vestas Wind Systems A/S for the financial year 1 January – 31 December 2024.

The annual report is prepared in accordance with IFRS Accounting Standards as adopted by the EU and disclosure requirements for listed companies in Denmark. Except for the parent company which is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2024 as well as of the results of their operations and the Group's cash flows for the financial year 1 January – 31 December 2024.

In our opinion, the management's review is prepared in accordance with relevant laws and regulations and contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

The sustainability statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Danish Financial Statements Act as well as article 8 in the EU Taxonomy regulation.

Furthermore, in our opinion, the annual report of Vestas Wind Systems A/S for the financial year 1 January – 31 December 2024, with the file name VWS-2024-12-31-0-en.zip is prepared, in all material respects, in accordance with the ESEF Regulation.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 5 February 2025

Executive Management

Henrik Andersen
Group President & CEO

Rasmus Gram
Executive Vice President & CFO (Interim)

Board of Directors

Anders Runevad
Chair

Eva Merete Søfælde Berneke

Helle Thorning-Schmidt

Claus Christensen

Louise B. Schmidt Nielsen

Karl-Henrik Sundström
Deputy Chair

Lena Olving

Henriette H. Thygesen

Sussie Dvinge

Michael Abildgaard Lisbjerg

Independent Auditor's Reports

To the shareholders of Vestas Wind Systems A/S

Report on the consolidated financial statements and the parent financial statements

Opinion

We have audited the consolidated financial statements and the parent financial statements of Vestas Wind Systems A/S for the financial year 1 January – 31 December 2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group as well as the Parent, and the statement of comprehensive income and the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2024, and of the results of its operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2024, and of the results of its operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Vestas Wind Systems A/S for the first time on 9 April 2024 for the financial year 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 1 January – 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Revenue recognition, including accounting for construction and service contracts

Refer to notes 1.2, 2.3 and 3.5 in the consolidated financial statements.

The Group has multiple revenue streams which includes construction contract sales of wind turbines and power plants as supply-only, supply-and-installation, EPC/Turnkey (Power Solutions), service contracts and sales of spare parts and repairs (Service).

In the Power Solutions segment, Management judgment is applied to assess whether to recognise supply-and-installation contracts at a point in time or over time. For contracts recognised over time Management judgment is also applied to assess timing of when main components should become part of the cost in the individual project. In addition, Management estimates are involved in estimating cost to complete. Finally, Management estimates are involved to assess variable consideration which may include bonuses, penalties, and liquidated damages for performance and delay.

In the Service segment, Management judgment is applied to assess whether contract modifications should be accounted for as a separate contract or as part of the original contract. In addition, significant Management estimates are involved in estimating cost to complete for service contracts as these relate to expectations for scheduled and unscheduled repairs and maintenance. Finally, Management estimates are involved to assess variable consideration which may include production/time-based availability guarantees.

Consequently, we considered this to be a key audit matter.

How the matter was addressed in our audit

As part of our procedures, we obtained an understanding of IT systems, business processes, policies and internal controls from initiation until completion related to revenue recognition for construction and service contracts. Further, we evaluated the design and tested the operating effectiveness of selected controls in this area.

For Power Solutions, we tested the appropriateness of management's judgments in determining whether construction contracts should be recognized at a point in time or over time. For construction contracts recognised at a point in time we performed substantive analytical procedures based on signed customer contracts, delivery documents and documentation proving the turbines becoming fully operational. For construction contracts recognised over time, we evaluated the judgments made by management for timing of when main components should become part of the individual project by inspecting contract terms related to transfer of control of main components. As for estimated costs to complete we evaluated the estimated contract cost and risk contingencies, and discussed these with construction accounting, project management and group management including attending selected project steering committee meetings.

For Service, we tested the appropriateness of management's judgments in determining whether service contract modifications should be accounted for as a separate contract or as part of the original contract. In addition, we evaluated the assessments made by management regarding the estimated costs to complete and evaluated these by comparing to trends in cost levels, historical cost updates, operational performance etc. We also discussed these with service accounting, project management and group management.

Finally, we audited the disclosures included in the notes including compliance with IFRS 15.

Key audit matter**Warranty provisions**

Refer to note 3.5 in the consolidated financial statements.

The Group's product warranties cover the expected costs to repair or replace defective components or those with functional errors. Typically, warranties are granted for a two-year period from the legal transfer of the wind turbine or power plant. However, in certain cases, warranties can extend up to five years.

The Group's warranty provisions involve significant Management estimates including measurement uncertainty as provisions are based on expected failure rates of components and the estimated costs to repair or replace them. Subsequent changes to these assumptions may lead to significant changes to the recorded provision levels.

Consequently, we considered this to be a key audit matter.

Tax risk provisions

Refer to notes 5.1 and 5.2 in the consolidated financial statements.

The Group is subject to income tax in many countries globally. The global activities result in that the Group may be subject to disputes on allocation of profits between different tax jurisdictions. Management is assessing the expected outcome of such tax disputes which is accounted for in provision for uncertain tax positions. Further, the Group recognizes deferred tax assets, including the tax value of tax loss carry-forwards, based on management's assessment of the amount of tax assets that can be used in the foreseeable future. Therefore, significant Management judgments and estimates are required to determine the consolidated and parent company income tax, provisions for uncertain tax positions and recognition and measurement of deferred income tax.

Consequently, we considered this to be a key audit matter.

How the matter was addressed in our audit

As part of our procedures, we obtained an understanding of the business processes, policies, and internal controls relevant to warranty provisions. Further, we evaluated the design and tested the operating effectiveness of selected controls in this area.

On a sample basis, we interviewed project managers and management to understand and challenge the estimates for selected warranty cases. We corroborated the information presented to us with underlying support and evaluated the appropriateness of the calculations made by management. As part of this, we evaluated management's methodology, assumptions, data, and models used for calculating the warranty provisions.

Finally, we performed a retrospective review of historical provisions to assess management's estimation accuracy and to assess whether the total warranty provisions held at year-end were sufficient to cover expected costs in light of known and expected cases.

Finally, we audited the disclosures included in the notes including compliance with IAS 37.

As part of our procedures, we obtained an understanding of the business processes, policies, and internal controls relevant to corporate tax including uncertain tax positions and valuation of deferred tax assets. Further, we evaluated the design of selected controls in this area.

For a number of selected uncertain tax positions, we performed detailed testing, including understanding and testing of Management's judgment and estimates. We involved tax specialists to evaluate and test the adequacy of assumptions, including Management's use of specialists to determine tax risk provisions. For the underlying tax risk provision calculations, we tested mathematical accuracy and consistency of data and the models applied.

We evaluated the model for valuation of deferred tax assets, including data used to estimate expected future taxable income. We performed a retrospective review by considering historical outcome of accounting estimates made in prior year.

Finally, we audited the disclosures included in the notes including compliance with IAS 12.

Additional information**Statement on the management review**

Management is responsible for the management review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management review and, in doing so, consider whether the management review is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management review provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management review is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the management review.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of Vestas Wind Systems A/S we performed procedures to express an opinion on whether the annual report for the financial year 1 January – 31 December 2024, with the file name VWS-2024-12-31-0-en.zip, is prepared, in all material respects, in compliance with the

Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Vestas Wind Systems A/S for the financial year 1 January – 31 December 2024, with the file name VWS-2024-12-31-0-en.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 5 February 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33963556

Anders Vad Dons

State Authorised Public Accountant
mne25299

Lars Siggaard Hansen

State Authorised Public Accountant
mne32208

Independent auditor's limited assurance report on Sustainability statement

To the stakeholders of Vestas Wind Systems A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Vestas Wind Systems A/S (the "Group") included in the Management's Review (the "sustainability statement"), for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the sustainability statement (the "Process") is in accordance with the description set out in the subsection The double materiality assessment process; and
- compliance of the disclosures in the subsection EU Taxonomy within the environmental section of the sustainability statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised). Assurance engagements other than audits or reviews of historical financial information, and additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in

the "Auditor's responsibilities for the assurance engagement" section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the sustainability statement of the Group was not subject to an assurance engagement on sustainability information prepared in accordance with the Danish Financial Statements Act paragraph 99 a.

Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management's responsibilities for the sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process as included in the subsection The double materiality assessment process of the sustainability statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the sustainability statement, in accordance with the Danish Financial Statements Act paragraph 99a, including:

- compliance with the ESRS;
- preparing the disclosures as included in the subsection EU Taxonomy within the environmental section of the sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the subsection The double materiality assessment process.

Our other responsibilities in respect of the sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used

by management; and reviewing the Group's internal documentation of its Process; and

- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the subsection Double materiality assessment process.
- In conducting our limited assurance engagement, with respect to the sustainability statement, we:
- Obtained an understanding of the Group's reporting processes relevant to the preparation of its sustainability statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the sustainability statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether material information identified by the Process is included in the sustainability statement;
- Evaluated whether the structure and the presentation of the sustainability statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on selected information in the sustainability statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement; and
- Where applicable, compared selected disclosures in the sustainability statement with the corresponding disclosures in the Management's Review.

Copenhagen, 5 February 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33963556

Anders Vad Dons

State Authorised Public Accountant
mne25299

Lars Siggaard Hansen

State Authorised Public Accountant
mne32208



Additional information

Related to Our business

- Quarterly financial and operational key figures
- Overview of deliveries
- Definition of terms

Related to the Sustainability statement

- Statement on due diligence
- Content index of ESRS disclosure requirements
- List of data points that derive from other EU legislation
- Non-ESRS sustainability progress indicators
- Disclaimer and cautionary statement

Quarterly financial and operational key figures 2024

Financial highlights

mEUR	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Income statement				
Revenue	2,681	3,296	5,177	6,141
- of which onshore wind turbines	1,663	2,135	3,825	4,214
- of which offshore wind turbines	116	490	425	730
- of which Service	902	671	927	1,197
Gross profit	244	156	544	1,113
EBITDA before special items	131	40	444	990
Operating profit/(loss) (EBIT) before special items	(68)	(185)	235	759
Operating profit/(loss) (EBIT) after special items	(67)	(185)	231	815
Profit/(loss) before tax	(105)	(230)	184	856
Profit/(loss) for the period	(75)	(156)	127	598
Balance sheet				
Net working capital	(622)	(1,507)	(1,118)	(2,297)
Cash flow statement				
Cash flow from operating activities	(755)	831	89	2,167
Cash flow from investing activities	(215)	(332)	(373)	(421)
Free cash flow	(970)	499	(284)	1,746
Adjusted free cash flow	(997)	524	(224)	1,792

Financial ratios¹

mEUR	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Gross margin (%)	9.1	4.7	10.5	18.1
EBITDA margin (%) before special items	4.9	1.2	8.6	16.1
EBIT margin (%) before special items	(2.5)	(5.6)	4.5	12.4
EBIT margin (%)	(2.5)	(5.6)	4.5	13.3
Net interest-bearing debt / EBITDA before special items	1.1	0.7	0.9	(0.5)

Operational key figures

Order intake (bnEUR)	2.2	4.4	4.9	7.7
Order intake (MW)	2,300	3,596	4,432	6,516
- of which onshore	2,300	2,936	2,827	4,191
- of which offshore	-	660	1,605	2,325
Order backlog – wind turbines (bnEUR)	26.6	28.1	28.3	31.6
- of which onshore	21.4	22.6	21.3	22.3
- of which offshore	5.2	5.5	7.0	9.3
Order backlog – service (bnEUR)	34.4	34.9	35.1	36.8
- of which onshore	29.7	30.1	29.9	31.1
- of which offshore	4.7	4.8	5.2	5.7
Produced and shipped wind turbines (MW)	2,645	3,979	3,653	2,921
Deliveries (MW)	1,720	2,417	4,162	4,601
- of which onshore	1,639	2,023	3,784	4,102
- of which offshore	81	394	378	499

¹ The ratios have been calculated in accordance with the guidelines from "Finansforeningen" (The Danish Finance Society) (Recommendations and Financial ratios).

Quarterly financial and operational key figures 2023

Financial highlights

mEUR	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Income statement				
Revenue	2,829	3,429	4,353	4,771
- of which onshore wind turbines	1,785	2,107	3,116	3,672
- of which offshore wind turbines	238	418	299	179
- of which Service	806	904	938	920
Gross profit	188	221	351	523
EBITDA before special items	236	132	264	396
Operating profit/(loss) (EBIT) before special items	40	(70)	70	191
Operating profit/(loss) (EBIT) after special items	66	(68)	69	225
Profit/(loss) before tax	31	(130)	28	173
Profit/(loss) for the period	16	(115)	28	149
Balance sheet				
Net working capital	(167)	(171)	291	(1,507)
Cash flow statement				
Cash flow from operating activities	(974)	48	(31)	1,984
Cash flow from investing activities	(111)	(158)	(208)	(305)
Free cash flow	(1,085)	(110)	(239)	1,679
Adjusted free cash flow	(1,279)	(144)	(284)	1,656

Financial ratios¹

mEUR	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Gross margin (%)	6.6	6.4	8.1	11.0
EBITDA margin (%) before special items	8.3	3.8	6.1	8.3
EBIT margin (%) before special items	1.4	(2.0)	1.6	4.0
EBIT margin (%)	2.3	(2.0)	1.6	4.7
Net interest-bearing debt / EBITDA before special items	5.8	3.9	6.0	0.0

Operational key figures

Order intake (bnEUR)	2.9	2.5	4.9	8.2
Order intake (MW)	3,303	2,333	4,502	8,248
- of which onshore	3,303	2,095	2,402	7,468
- of which offshore	-	238	2,100	780
Order backlog – wind turbines (bnEUR)	19.7	20.0	21.6	26.0
- of which onshore	17.2	17.6	17.0	20.7
- of which offshore	2.5	2.4	4.6	5.3
Order backlog – service (bnEUR)	31.0	31.6	32.4	34.1
- of which onshore	27.5	27.7	28.1	29.3
- of which offshore	3.5	3.9	4.3	4.8
Produced and shipped wind turbines (MW)	2,983	3,656	2,719	2,308
Deliveries (MW)	2,317	2,831	3,641	3,896
- of which onshore	2,103	2,436	3,387	3,744
- of which offshore	214	395	254	152

¹ The ratios have been calculated in accordance with the guidelines from "Finansforeningen" (The Danish Finance Society) (Recommendations and Financial ratios).

Overview of deliveries

MW	2024	2023	MW	2024	2023
Germany	1,735	1,486	USA	2,296	2,079
France	738	735	Brazil	1,880	1,635
Finland	698	723	Argentina	525	420
Italy	573	265	Canada	480	275
South Africa	349	37	Chile	45	41
United Kingdom	334	896	Colombia	-	332
Spain	288	177	Dominican Rep.	-	18
Poland	245	292	Puerto Rico	-	11
Ireland	178	36	Mexico	-	1
Sweden	162	165			
Austria	123	197	Americas	5,226	4,812
Greece	117	161	– hereof offshore	13	-
Belgium	99	65			
Denmark	70	53	Australia	806	822
Turkey	56	32	Taiwan	523	458
Netherlands	30	287	Japan	287	95
Estonia	27	101	China	67	21
Curaçao	23	-	India	27	193
Lithuania	22	68	South Korea	19	21
Croatia	21	-	New Zealand	-	84
Romania	17	72	Philippines	-	13
Portugal	16	107	Sri Lanka	-	6
Czech Republic	15	9	Vietnam	-	9
Cyprus	9	-			
Egypt	-	145	Asia Pacific	1,729	1,722
United Arab Emirates	-	42	– hereof offshore	654	452
EMEA	5,945	6,151			
– hereof offshore	685	563	Total	12,900	12,685
			– hereof offshore	1,352	1,015



Definition of terms

Average Selling Price (ASP)

The value of the order intake (order intake in mEUR) divided by the capacity (order intake in MW).

Capital Employed

Capital Employed is the carrying value of the sum of total equity and interest-bearing debt.

Corporate income taxes

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

Deliveries

The capacity of wind turbines delivered during the reporting period. The capacity is considered delivered and is deducted from the wind turbine order backlog when the related revenue is recognised. Deliveries on EPC/turnkey and non-standard Supply-and-installation projects are included and deducted from the order backlog over time, based on the percentage of completion.

Dividend per share

Dividend multiplied by the nominal value of the share.

EBIT margin

Operating profit/(loss) as a percentage of revenue.

EBITDA margin

Operating profit/(loss) before amortisation, depreciation and impairment as a percentage of revenue.

Earnings per share (EPS)

Profit/loss for the year divided by the average number of shares outstanding.

Employee taxes

Taxes paid (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.

Engineering, Procurement and Construction (EPC) projects

Within Power Solutions, Vestas differentiates between three main types of projects: Supply-only, Supply-and-installation, and Engineering, Procurement and Construction (EPC). EPC, or turnkey, projects, are projects where Vestas supplies the wind turbines, takes care of the installation, civil and electrical works (Balance of Plant), and finally also handles commissioning.

Free cash flow

Cash flow from operating activities less cash flow from investing activities.

Adjusted free cash flow

Free cash flow adjusted for acquisitions and divestments of businesses and activities, lease liability repayment, special items, net investments in joint ventures and associates that are deemed outside Vestas' core business activities, net investments in marketable securities, and other financial assets.

Gross margin

Gross profit as a percentage of revenue.

IFRS

International Financial Reporting Standards.

IAS

International Accounting Standards.

IASB

International Accounting Standards Board.

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.

Total investments

Total cash flows from the purchase of intangible assets and property, plant and equipment, net of proceeds from the sale of intangible assets and property, plant and equipment.

iXBRL

iXBRL tags (or inline XBRL tags) are hidden meta-information embedded in the source code of an XHTML document in accordance with the inline XBRL 1.1 specification, which enables the conversion of XHTML-formatted information into a machine-readable XBRL data record by appropriate software.

Management's Review

Management's Review comprises:

- Our business
- Sustainability statement
- Additional information

Net interest-bearing debt

Net interest-bearing debt is the sum of cash and cash equivalents and financial investments less financial debts.

Net interest-bearing debt/EBITDA before special items

Net interest-bearing debt divided by operating profit/(loss) before amortization, depreciation, impairment and special items.

Net working capital (NWC)

Inventories, trade and other receivables, contract assets, contract cost, less trade and other payables and contract liabilities.

Order backlog (EUR)

The value of future deliveries and services under firm and unconditional orders. The value of the order backlog is measured as the expected revenue to be recognised in the future, related to performance obligations that are unfulfilled or partially unfulfilled at the end of the period.

Order backlog (MW)

The capacity of future turbine deliveries measured as the total capacity of turbines to be delivered under firm and unconditional orders less deliveries made at the end of the period.

Order intake

Orders that have become firm and unconditional during the period and adjustments to existing contracts measured as either value (EUR) or capacity (MW).

Pay-out ratio

Total dividend distribution divided by profit/(loss) for the year.

Reporting segments

In a reporting context, we distinguish between the Power Solutions and Service segments. In this context, Power Solutions covers revenue derived from the three business areas Onshore, Offshore, and Development.

Return on Capital Employed (ROCE) before special items

Operating profit/(loss) (EBIT) before special items adjusted for tax (effective tax rate) as a percentage of average capital employed calculated as a 12-month average.

Return on equity

Profit/(loss) for the year (after tax) divided by average equity.

Solvency ratio

Equity at year-end divided by total assets.

Supply-and-installation project

In Supply-and-installation projects, Vestas supplies the wind turbines and takes care of the installation of the turbines.

Supply-only project

When selling a Supply-only project, Vestas delivers the wind turbines at site.

Taxes borne

Taxes paid to governments at any level (federal, state, or local) that will or has 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.

GOV-4

Statement on due diligence

Page references – Sustainability statement

Due diligence element	Disclosure requirement	Page	Disclosure relating to	
			People	Environment
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	48, 63	●	●
	ESRS 2 GOV-3	46	●	●
	ESRS 2 SBM-3 48f	66	●	●
	ESRS 2 SBM-3-E1	73	●	
	ESRS 2 SBM-3-E3	81	●	
	ESRS 2 SBM-3-E4	84	●	
	ESRS 2 SBM-3-E5	86	●	
	ESRS 2 SBM-3-S1	75, 99, 102, 107	●	
	ESRS 2 SBM-3-S2	112	●	
	ESRS 2 SBM-3-S3	117	●	
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2	48, 63	●	●
	ESRS 2 SBM-2	67	●	●
	ESRS 2 IRO-1	64	●	●
	ESRS 2 MDR-P/E1-2	75	●	
	E3-1	82	●	
	E4-2	85	●	
	E5-1	87	●	
	ESRS 2 MDR-P/S1-1	100, 103, 108	●	
	S1-2	103, 110	●	
	S2-1	114	●	
c) Identifying and assessing adverse impacts	S2-2	114	●	
	S3-1	118	●	
	S3-2	119	●	
	ESRS 2 MDR-P/G1-1	125	●	●
	ESRS 2 MDR-P/Transparent tax	129	●	
	ESRS 2 MDR-P/Cyber security	130	●	

Page references – Sustainability statement

Due diligence element	Disclosure requirement	Page	Disclosure relating to	
			People	Environment
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1	64	●	●
	ESRS 2 SBM-3 48f	66	●	●
	ESRS 2 SBM-3-E1	73	●	
	ESRS 2 SBM-3-E3	81	●	
	ESRS 2 SBM-3-E4	84	●	
	ESRS 2 SBM-3-E5	86	●	
	ESRS 2 SBM-3-S1	75, 99, 102, 107	●	
	ESRS 2 SBM-3-S2	112	●	
	ESRS 2 SBM-3-S3	117	●	
	ESRS 2 SBM-3-G1	124	●	●
d) Taking actions to address those adverse impacts	E1-1	72	●	
	ESRS MDR-A/E1-3	75		
	ESRS MDR-A/E3-2	82	●	
	E4-1	83		
	E4-3	85		
	ESRS MDR-A/E5-2	88		
	ESRS MDR-A/S1-4	100, 104, 109	●	
	ESRS 2 MDR-A/S2-4	115		
	ESRS 2 MDR-A/S3-4	120		
	G1-1	125	●	●
e) Tracking effectiveness of these efforts and communicating	G1-2	118	●	●
	G1-3	126	●	●
	ESRS 2 MDR-A/Transparent tax	129	●	
	ESRS 2 MDR-A/Cyber security	130	●	
	ESRS MDR-M/E1-5	78, 80		
	G1-4	127	●	
MDR-T/E1-4	G1-5	127	●	
	MDR-T/E1-4	77		
	MDR-T/S1-5	100, 105, 110	●	

IRO-2

Content index of ESRS disclosure requirements

List of material disclosure requirements		Page	List of material disclosure requirements		Page
ESRS 2			E3		
General Disclosures			Water and marine resources		
BP-1	General basis for preparation of the sustainability statement	69	ESRS 2 SBM-3-E3	Material impacts, risks and opportunities and their interaction with strategy and business model	81
BP-2	Disclosures in relation to specific circumstances	69	ESRS 2 IRO-1-E3	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	65
GOV-1	The role of the administrative, management and supervisory bodies	40, 44, 47	E3-1	Policies related to water and marine resources	82
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	48, 63	E3-2	Actions and resources related to water and marine resources	82
GOV-3	Integration of sustainability-related performance in incentive schemes	46	E3-3	Targets related to water and marine resources	82
GOV-4	Statement on due diligence	213	E3-4	Water consumption	82
GOV-5	Risk management and internal controls over sustainability reporting	63	E4	Biodiversity and ecosystems	
SBM-1	Strategy, business model and value chain	16, 19, 62	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	83
SBM-2	Interests and views of stakeholders	67	ESRS 2 SBM-3-E4	Material impacts, risks and opportunities and their interaction with strategy and business model	84
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	66	ESRS 2 IRO-1-E4	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks dependencies and opportunities	66
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	64	E4-2	Policies related to biodiversity and ecosystems	85
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	64, 212	E4-3	Actions and resources related to biodiversity and ecosystems	85
E1	Climate change		E4-4	Targets related to biodiversity and ecosystems	85
ESRS 2 GOV-3-E1	Integration of sustainability-related performance in incentive schemes	46	E4-5	Impact metrics related to biodiversity and ecosystems change	85
E1-1	Transition plan for climate change mitigation	72	E5	Resource use and circular economy	
ESRS 2 SBM-3-E1	Material impacts, risks and opportunities and their interaction with strategy and business model	73	ESRS 2 SBM-3-E5	Material impacts, risks and opportunities and their interaction with strategy and business model	86
ESRS 2 IRO-1-E1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	64	ESRS 2 IRO-1-E5	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	66
E1-2	Policies related to climate change mitigation and adaptation	75	E5-1	Policies related to resource use and circular economy	87
E1-3	Actions and resources in relation to climate change policies	75	E5-2	Actions and resources related to resource use and circular economy	88
E1-4	Targets related to climate change mitigation and adaptation	77	E5-3	Targets related to resource use and circular economy	91
E1-5	Energy consumption and mix	78	E5-4	Resource inflows	90
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	78, 79	E5-5	Resource outflows	90
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	77			

IRO-2

Content index of ESRS disclosure requirements – continued

List of material disclosure requirements		Page	List of material disclosure requirements		Page
S1	Own workforce		S3	Affected communities	
ESRS 2 SBM-2-S1	Interests and views of stakeholders	68	ESRS 2 SBM-2-S3	Interests and views of stakeholders	68
ESRS 2 SBM-3-S1	Material impacts, risks and opportunities and their interaction with strategy and business model	99, 102, 107	ESRS 2 SBM-3-S3	Material impacts, risks and opportunities and their interaction with strategy and business model	117
S1-1	Policies related to own workforce	100, 103, 108	S3-1	Policies related to affected communities	118
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	103	S3-2	Processes for engaging with affected communities about impacts	119
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	104	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	120
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	100, 104, 109	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	120
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	100, 105, 110	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	122
S1-6	Characteristics of the undertaking's employees	106	G1	Business Conduct	
S1-9	Diversity metrics	108, 110	ESRS 2 SBM-3-G1	Material impacts, risks and opportunities and their interaction with strategy and business model	124
S1-13	Training and skills development metrics	110	ESRS 2 GOV-1-G1	The role of the administrative, management and supervisory bodies	125
S1-14	Health and safety metrics	101	ESRS 2 IRO-1-G1	Description of the processes to identify and assess material impacts, risks and opportunities	66
S1-16	Remuneration metrics (pay gap and total remuneration)	110	G1-1	Business conduct policies and corporate culture	125
S1-17	Incidents, complaints and severe human rights impacts	104	G1-2	Management of relationships with suppliers	114
S2	Workers in the value chain		G1-3	Prevention and detection of corruption and bribery	125, 126
ESRS 2 SBM-2-S2	Interests and views of stakeholders	68	G1-4	Incidents of corruption or bribery	126, 127
ESRS 2 SBM-3-S2	Material impacts, risks and opportunities and their interaction with strategy and business model	112	G1-5	Political influence and lobbying activities	127
S2-1	Policies related to value chain workers	114			
S2-2	Processes for engaging with value chain workers about impacts	114			
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	114			
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	115			

IRO-2

List of data points that derive from other EU legislation

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1	NA	Commission Delegated Regulation (EU) 2020/1816, Annex II	NA	Material	38
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)	NA	NA	Delegated Regulation (EU) 2020/1816, Annex II	NA	Material	38
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1	NA	NA	NA	Material	211
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material
Indicators number 4 Table #1 of Annex 1						
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1	NA	Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1	NA	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	NA	NA	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	NA	NA	NA	Regulation (EU) 2021/1119, Article 2(1)	Material	72
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	NA	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	NA	Not material	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	NA	Material	77
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1	NA	NA	NA	Material	78

IRO-2

List of data points that derive from other EU legislation – continued

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1	NA	NA	NA	Material	78
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1	NA	NA	NA	Material	78
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	NA	Material	78
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	NA	Material	78
ESRS E1-7 GHG removals and carbon credits paragraph 56	NA	NA	NA	Regulation (EU) 2021/1119, Article 2(1)	Not material, but disclosed	77
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	NA	NA	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c.)	NA	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.	NA	NA	Not material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67(c.)	NA	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral	NA	NA	Not material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	NA	NA	Delegated Regulation (EU) 2020/1818, Annex II	NA	Not material	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1	NA	NA	NA	Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1	NA	NA	NA	Material	82

IRO-2

List of data points that derive from other EU legislation – continued

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1	NA	NA	NA	Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1	NA	NA	NA	Material	82
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1	NA	NA	NA	Not material	
ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1	NA	NA	NA	Material	82
ESRS 2- SBM-3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1	NA	NA	NA	Material	84
ESRS 2- SBM-3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1		NA	NA	Not material	
ESRS 2- SBM-3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1	NA	NA	NA	Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1	NA	NA	NA	Material	85
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1	NA	NA	NA	Material	85
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1	NA	NA	NA	Material	85
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1	NA	NA	NA	Material	90
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1	NA	NA	NA	Material	91
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I	NA	NA	NA	Not material	
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I	NA	NA	NA	Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	NA	NA	NA	Not material, but disclosed due to Norwegian Transparency Act requirements	103
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	NA	NA	Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material, but disclosed due to Norwegian Transparency Act requirements	103

IRO-2

List of data points that derive from other EU legislation – continued

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I	NA	NA	NA	Material	103
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I	NA	NA	NA	Material	100
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32(c)	Indicator number 5 Table #3 of Annex I	NA	NA	NA	Material	103
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	Indicator number 2 Table #3 of Annex I	NA	Delegated Regulation (EU) 2020/1816, Annex II	NA	Material	101
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88(e)	Indicator number 3 Table #3 of Annex I	NA	NA	NA	Not material	
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Indicator number 12 Table #1 of Annex I	NA	Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material, but disclosed	110
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	Indicator number 8 Table #3 of Annex I	NA	NA	NA	Not material	
ESRS S1-17 Incidents of discrimination paragraph 103(a)	Indicator number 7 Table #3 of Annex I	NA	NA	NA	Not material, but disclosed	104
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104(a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	NA	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12(1)	NA	Not material, but disclosed due to Norwegian Transparency Act requirements	106
ESRS S2-BM-3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	Indicators number 12 and n. 13 Table #3 of Annex I	NA	NA	NA	Material	113
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and I ndicator n. 11 Table #1 of Annex I	NA	NA	NA	Material	114
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex I	NA	NA	NA	Material	114
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I	NA	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)	NA	Material	114
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	NA	NA	Delegated Regulation (EU) 2020/1816, Annex II	NA	Material	114

IRO-2

List of data points that derive from other EU legislation – continued

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1	NA	NA	NA	Material	115
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1	NA	NA	NA	Material	118
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1	NA	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)	NA	Material	118
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1	NA	NA	NA	Material	120
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	NA	NA	NA	Not material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	NA	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)	NA	Not material	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1	NA	NA	NA	Not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	Indicator number 15 Table #3 of Annex 1	NA	NA	NA	Material	125, 126
ESRS G1-1 Protection of whistle-blowers paragraph 10(d)	Indicator number 6 Table #3 of Annex 1	NA	NA	NA	Material	125, 126
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	Indicator number 17 Table #3 of Annex 1	NA	Delegated Regulation (EU) 2020/1816, Annex II	NA	Not material, but disclosed	127
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24(b)	Indicator number 16 Table #3 of Annex 1	NA	NA	NA	Material	127

Non-ESRS sustainability progress indicators

Vestas is using additional indicators within the narratives of the Sustainability statement to describe progress. These progress indicators are defined below.

Benefit cars

Cars given to employees at certain corporate levels as part of their overall compensation package. Renewably-fuelled benefit cars are fuelled by electricity, biofuels, advanced biofuels, green-hydrogen, or green-ammonia. A plug-in hybrid vehicle counts as 0.4 renewably-fuelled vehicle. Data is provided periodically and reported at the end of the reporting period. Estimations for the last two months of the year have been used. This definition represents all numbers presented under "Phase out benefit cars powered by fossil fuels", see page 76.

Blade recycling in the USA

The number of end-of-life legacy blades (both Vestas and non-Vestas) recycled by Vestas in the USA. Data is collected and reported at the end of the reporting period. See page 89.

Board of Directors by age group and gender

Vestas defines the gender of the Board of Directors as female and male. The age of Board of Directors is divided in the following categories: Below 40 years, 40-49 years, 50-59 years, 60-69 years, and above 69 years. See page 38.

Corporate leadership positions filled with internal talent

The share of corporate leadership positions filled with internal talent is calculated by dividing the number of open corporate leadership positions that were filled with internal employees (via lateral movement or a level change) by the total number of open corporate leadership positions filled in the year. See page 110.

Conflict Mineral Survey response rate

The rate of suppliers who responded to Vestas' annual Conflict Mineral Survey within the reporting year. See page 116.

Employee Engagement Survey response rate

The response rate represents the percentage of Vestas total employees (including active standard and temporary employment contract employees) that participated in the annual Employee Engagement Survey. See page 103.

Employee Net Promoter Score (eNPS)

Used to measure employee sentiment and loyalty within an organisation, the eNPS indicates how likely employees are to recommend their workplace to others. The score is retrieved from the annual Employee Engagement Survey. Employees who score 9-10 in the survey question are promoters, employees who score 7-8 are neutral, and employees who score 0-6 are detractors. eNPS is calculated as the percentage of promoters minus the percentage of detractors. See page 103

Employee year-end performance assessment rate (%)

The completion rate of employees that participated in regular performance and career development reviews includes all employees with standard employment contracts with Vestas. The rate is calculated as the share of employees with a standard employment contract who completed their year-end performance and career development assessments divided by the total number of employees with a standard employment contract, as defined on page 109.

Gender diversity of talent development programmes

The diversity of the talent development programmes is calculated based on the share of females opposed to males who finalized the programme out of the total number of employees who participated in the programme. This definition represents all programmes mentioned under "Talent development programmes" on page 109.

Heating systems

Any heating system in factories under Vestas' operational control. Renewable heating systems are running on or supported by renewable electricity, renewable fuel, renewable energy, renewable district heating (with a share of 80 percent renewable energy or above for the reporting period), renewable gas, or biomass. Data is collected and reported at the end of the reporting period. This definition represents all numbers presented under "Implement renewable heating at factories". See pages 75-76.

Inclusive leadership programme

The percentage share is calculated by dividing the number of employees in leadership positions including team leaders, who completed the internal leadership foundation course, by the

total number of employees in all leadership positions including team leaders. See page 109.

Onsite supplier assessments

The total number of onsite supplier assessments conducted within the reporting year. The scope includes all direct suppliers. Indirect suppliers are also included based on results of questionnaires and high-risk evaluation. Onsite assessments involve site visits and questions related to sustainability. See page 116.

Recycling rate

Used to quantify the share of recycled waste compared to the total amount of waste disposed in Vestas' operations. Recycling rate is calculated by dividing recycled waste with the total waste. See page 91.

Refurbished component utilisation rate

The percentage of new component mass versus repaired component mass installed in tonnes via Vestas' service orders, excluding liquids. Data is collected and reported at the end of the reporting period. See page 91.

Renewable electricity for own activities

The percentage of total electricity consumption for own activities that is renewable. All activities under Vestas' operational control are considered own activities. Data is collected periodically and reported at the end of the reporting period. To compensate for any electricity consumption for our own activities that is not renewable at the end of the year, Vestas purchases Renewable Energy Certificates (RECs). In Denmark and some service sites across NCE, electricity consumption has cancellation statements against energy produced by Vestas' test turbines. See page 75.

Screenings and due diligence assessments of potential suppliers

The total number of completed screenings and due diligence assessments of potential suppliers within the reporting year. It includes all potential suppliers as they shall undergo screening and due diligence ahead of becoming a supplier to Vestas. The assessment process identifies and manages risks related to sanctions and business ethics including, but not limited to, corruption risks and human rights violations. See page 116.

Service vehicles

Vehicles weighing less than 4.8 tonnes that are used in our service operations. Renewably fuelled service vehicles are fuelled by electricity, biofuels, advanced biofuels, green-hydrogen, or green-ammonia. A plug-in hybrid vehicle counts as 0.4 renewably-fuelled vehicle. Data is provided periodically and reported at the end of the reporting period. Estimations for the last two months of the year have been used. This definition represents all numbers presented under "Transition all new service vehicles to be renewably fuelled", see page 76.

Steel and Iron GHG contribution to scope 3

The percentage GHG contribution of steel and iron to Vestas' overall Scope 3 emissions. Data is collected and reported at the end of the reporting period as part of overall Scope 3 calculation. See page 73 for accounting policies for Scope 3.

Suppliers with a score above 70 percent in the supplier assessments

The total number of suppliers that scored above Vestas' acceptable risk threshold in the supplier assessments conducted during onboarding within the reporting year. See page 109.

Suppliers with a score below 70 percent in the supplier assessments

The total number of suppliers that scored below the acceptable risk threshold in the supplier assessments within the reporting year all received a corrective action plan. The suppliers failing to complete this plan defined during onboarding are the suppliers rejected. See page 116.

Suppliers engaged in Vestas' Conflict Mineral Survey

The total number of suppliers (delivering components/parts that potentially contain conflict minerals) engaged in the annual Vestas Conflict Mineral Survey within the reporting year. See page 116.

Disclaimer and cautionary statement

This document contains forward-looking statements concerning Vestas' financial condition, results of operations and business. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning Vestas' potential exposure to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. A number of factors that affect Vestas' future operations and could cause Vestas' results to differ materially from those expressed in the forward-looking statements included in this document, include (without limitation): (a) changes in demand for Vestas' products; (b) currency and interest rate fluctuations; (c) loss of market share and industry competition; (d) environmental and physical risks, including adverse weather conditions; (e) legislative, fiscal, and regulatory developments, including changes in tax or accounting policies; (f) economic and financial market conditions in various countries and regions; (g) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, and delays or advancements in the approval of projects; (h) ability to enforce patents; (i) product development risks; (j) cost of commodities; (k) customer credit risks; (l) supply of components; and (m) customer created delays affecting product installation, grid connections and other revenue-recognition factors.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements.

Additional factors that may affect future results are contained in Vestas' Annual Report for the year ended 31 December (available at www.vestas.com/en/investor) and these factors also should be considered. Each forward-looking statement speaks only as of the date of this document. Vestas does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events other than as required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.

→
The Dumat Al Jandal wind park in Saudi Arabia features 99 V150 4.2 MW turbines. With a total capacity of 415 MW, it is the country's first utility-scale wind park.



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Our Corporate Governance Report

Prepared in accordance with section 107b of the Danish Financial Statements Act. Describes our compliance with the Danish Committee on Corporate Governance recommendations.

Our Remuneration Report

Prepared in accordance with the EU Shareholder Rights Directive II and contains a transparent and comprehensive overview of the remuneration of our Board and Executive Management.

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