April 2025

Sustainability-Linked Bonds

Progress Report 2024

Wind. It means the world to us.™

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Vestas®

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1. Introduction

Green and sustainable financing is a key enabler of our mission to integrate "Sustainability in everything we do" and helps ensure that we can meet financial and sustainability targets.

In 2022, we became the first Danish company to issue Sustainability-Linked Bonds, joining an exclusive group of companies that have utilised the new financial instrument. Announced in March 2022, the two EUR 500m Sustainability-Linked Bonds, with a duration of 7 and 12 years, enabled further investments into an industry leading sustainability performance, as the bonds' fixed rate is directly linked to key sustainability KPIs.

During 2023, we issued two additional EUR 500m Sustainability-Linked Bonds in March and November. Our Sustainability-Linked Bond Framework was developed in alignment with the Sustainability-Linked Bond Principles (SLBP) established by the International Capital Markets Association (ICMA) in June 2020.

This Sustainability-Linked Bonds Progress report is prepared in accordance with Condition 14 of the terms and conditions of the Sustainability-Linked Bonds. It aims to provide information about performance against three Sustainability Performance Targets (SPTs) attached to the bonds on an annual basis. These SPTs are supported by three KPIs focusing on reduction of scope 1 and 2 GHG emissions, scope 3 GHG emissions per MWh generated, and material efficiency.

Overall, the report aims to provide the basis for evaluating the impact on the bonds characteristics and contains all relevant information to assess if a Step up Event of financial characteristics that would impact the bonds has occurred.

Vestas technology is a key enabler of the energy transition, and we remain unwavering in our commitment to sustainability and the global energy transition.

While we are proud of the impact we have made so far, we remain aware of the challenges ahead. By linking our financing to our sustainability performance we reinforce our commitment to realising our ambitious sustainability targets.

1.1 Key Performance Indicators (KPIs)

The KPIs that have been included for the purpose of these Sustainability-Linked Bonds have been chosen because they reflect our key environmental challenges. By focusing our efforts on reducing our environmental footprint and developing a circular economy for all used materials, ambitious targets (the SPTs) can be set, and roadmaps for achieving the targets can be defined and executed in line with our sustainability strategy.

We have selected the following three KPIs for our Sustainability-Linked Bond Framework:

KPI 1 defines our scope 1 and 2 GHG absolute emissions

This includes CO_2 and other GHG emissions as defined in the GHG Protocol. Scope 1 are direct GHG emissions from Vestas's owned or controlled sources. Scope 2 are indirect GHG emissions from consumption of purchased electricity and heat used in our own operations. Vestas' definition is aligned with the Greenhouse Gas Protocol operational control approach, and a market-based approach is used to calculate scope 2 emissions.

KPI 2 defines our scope 3 GHG emissions per MWh generated

This includes CO_2 and other GHG emissions as defined in the GHG Protocol with specific guidance from the "Corporate Value Chain (scope 3) Accounting and Reporting Standard". All the relevant categories are calculated, and 70 percent of the impact is included in the KPI 2 calculation as the numerator[1]. The denominator is the amount of estimated lifetime MWh expected to be generated by the wind turbines produced and shipped in the financial year. This is based on the number and type of turbines, turbine capacity factor, and expected lifetime.

KPI 3 defines our material efficiency in own operations

This includes the total tonnes of non-recycled waste from Vestas' own operations per MW wind turbines produced and shipped in the year. Non-recycled waste includes waste that is incinerated or landfilled.

[1]Fulfilling criterion C 18 of the SBTi recommendations TWG-INF-002 (Version 4.2).

1.2 Sustainability Performance Targets (SPTs)

We are committed to achieving the Sustainability Performance Targets (SPTs) we have set in connection with our sustainability-linked bonds. Vestas has set three SPTs, which are supported by our KPIs.

SPT 1

Reduce CO_2e emissions in own operations 100 percent by 2030, without using carbon offsets from a 2019 baseline.

SPT 2

Reduce CO_2e emissions in the value chain by 45 percent per MWh generated by 2030 from a 2019 baseline.

SPT 3

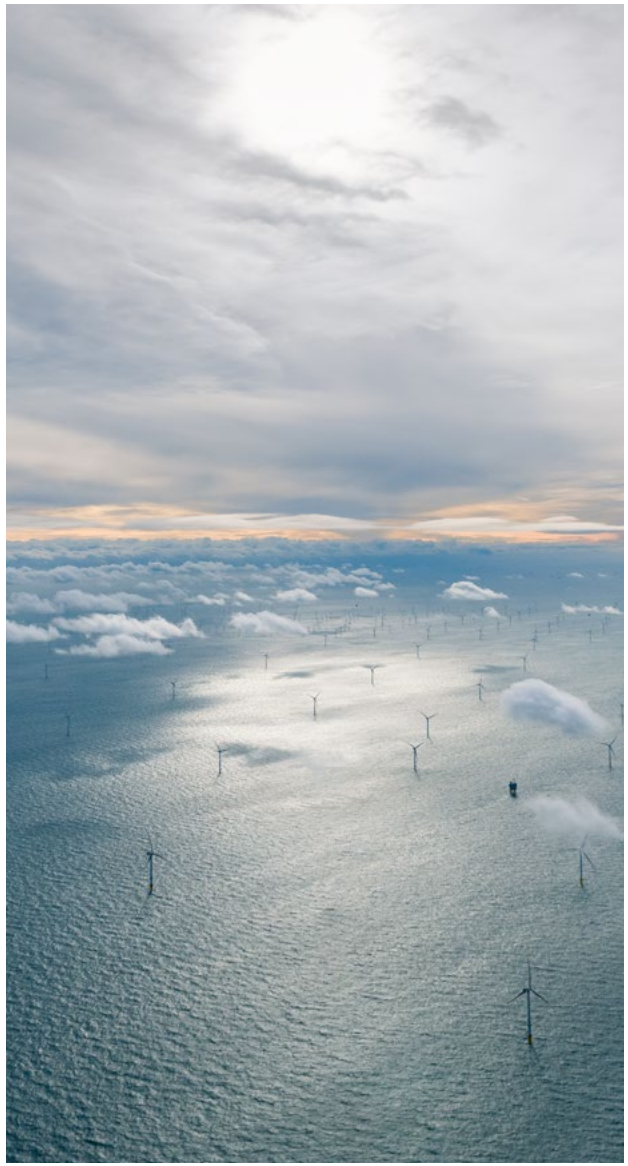
Reduce material efficiency ratio by 90 percent per MW by 2030 from a 2021 baseline.

1.3
Progress on SPTs

In our sustainability strategy, we have committed to reduce carbon emissions in our own operations and value chain, create zero-waste wind turbines, promote social responsibility, and lead the transition to a world powered by renewable energy. In 2024, we focused on actions that support driving progress within our own operations and building partnerships to reach the SPTs. Some of our initiatives have already delivered results over the year; others are designed to enable our long-term success. But regardless of the time horizon and short-term impact, all are essential to meet our long- term commitments and scale up sustainability.

KPI	SPTs	Base year	2019	2020	2021	2022	2023	2024	Performance against baseline (%)
KPI 1 Scope 1 & 2 GHG absolute emissions (1,000 tonnes)	Reduce CO_2e emissions in own operations 100 percent by 2030, without using carbon offsets from a 2019 baseline	**2019**	114*	97*	102	100	**109**	**105**	8
KPI 2 Scope 3 GHG emissions per MWh generated (kg per MWh generated)	Reduce CO_2e emissions from the value chain by 45 percent per MWh delivered to the market by 2030 from a 2019 baseline	**2019**	6.82*	6.63*	6.65	6.46	**6.30**	**5.66****	17
KPI 3 Material efficiency in own operations (tonnes of waste excl. recycled per MW produced and shipped)	Reduce material efficiency ratio by 90 percent per MW by 2030 from a 2021 baseline	**2021**	-	-	2.0	1.6	**1.2**	**1.0**	50

*2019 and 2020 data has been adjusted in the Annual Report 2021 as part of the 2019 baseline update and according to our policy for baseline adjustments for carbon emissions The figures include on- and off-shore.
** Scope 3 GHG absolute emissions were 7.99 (million tonnes CO_2e) in 2024.



1.4 Measures to improve performance

Our decarbonisation journey for our own operations and supply chain continues in line with our long-term ambitions, and we have continued to improve our material efficiency and recycling rates. More information about our sustainability performance can be found in the Annual Report 2024, under the Sustainability statement, on vestas.com.

KPI	Ambition level of KPI	Measures to achieve SPTs	Benchmarking of SPTs (%)
KPI 1	Reduce CO_2e emissions in own operations 100 percent by 2030, without using carbon offsets from a 2019 baseline	We continue our commitment to reduce our CO_2e emissions in own operations by driving progress of our already established actions, while continuing to pursue innovative solutions. Sourcing 100 percent renewable electricity across our own operations Since 2020, we have sourced 100 percent renewable electricity across our own operations globally. Piloting sustainable fuels for for offshore service vessels To transition to sustainable biofuels for our offshore service vessels, in July 2022 we pioneered the first hydrogen-powered crew transfer vessel (CTV) in the wind industry. 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 backup, will be powered entirely by methanol. With these pilot projects, we aim for a green transition of the fleet by 2030. Continued transitioning to renewably fuelled vehicles in our service fleet and our benefit cars In 2024, Vestas had 6,676 service vehicles in its fleet of which 1,734 were renewably fuelled vehicles by the end of 2024, including electric vehicles (EVs) and biofuel vehicles that meet sustainability criteria. Finally, by the end of 2024, 92 percent of benefit cars in-use or on order were (PH)EVs. We further enabled the scale-up of EVs, by installing charging infrastructure across major locations. Increased our use of renewable energy for heating in 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 installment of and 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.	8 percent Reduction in GHG emissions in Scope 1 and 2 in 2024 from the 2019 baseline.
KPI 2	Reduce CO_2e emissions in the value chain by 45 percent per MWh generated by 2030 from a 2019 baseline	With 98.7 percent of our total emissions in 2024 occuring in the value chain, focus on reduction efforts particularly by collaboration with suppliers who can provide innovative solutions is key. Maturing our data management system for future tracking of suppliers CO2e emissions We continue to mature and further develop our Sustainability Data Management System to enable us to collect, validate, and track our suppliers CO2e emissions. We are currently focused on developing supplier questionnaires to collect information, which in future years will enable us to report on actual data collected. Low-emission steel Since 2022, we have been a part of the World Economic Forum's First Movers Coalition, committing to procure at least 10 percent near-zero emission steel by 2030. In 2023, we signed our first multi-year off-take agreement for low-emission heavy plates used in wind turbine towers. This low-emission steel enables a CO_2e reduction of 66% compared to conventional steel. In 2024, we introduced low-emission steel in our 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. Product performance positively impacting scope 3 Continuous improvement of our products' performance is an important measure, which particularly serves to increase electricity generation in MWh. With a longer average lifetime in years, of the turbines produced and shipped in 2024, we are driving an overall reduction in CO_2 emissions intensity from our value chain (scope 3), which also leads to a better business case for our customers.	17 percent Reduction in value chain CO_2e intensity in 2024 from the 2019 baseline.
KPI 3	Reduce material efficiency ratio by 90% per MW by 2030 from a 2021 baseline	The material efficiency rate is supporting our overarching ambition to produce zero waste turbines by 2040 and is a critical parameter in our Circularity Roadmap. Optimising our production processes In 2024, we had 1.0 tonnes of non-recycled waste per MW produced and shipped compared to 1.2 tonnes in 2023, thus delivering an improvement of our material efficiency by 17 percent compared to the previous year. To continue making progress on the target, reducing waste and scaling up recycling streams from our blade manufacturing is critical. Our performance related to recycling of materials remained steady at 68 percent of waste from factories recycled, which is similar to 2023.	50 percent Reduction in waste generation in our own operations (to avoid landfill and incineration) in 2024 from the 2021 baseline.

2. Bond characteristics

The financial characteristics of any bond issued under this Framework will be specified in its related bond documentation. For any bond issued, there will only be one possible Step Up Date which would impact the financial characteristics of the bond.
The KPIs are assigned the following relative weight of the aggregate coupon Step Up Event, as specified in the security documentation of each respective Sustainability-Linked Bond issued under our Sustainability-Linked Bond Framework.

Depending on the KPI performance in relation to the SPTs, a Step Up Event may occur which will result in an increase in coupon, applying to the relevant bond from the first day of the next interest period following immediately after the Step Up Event until maturity. An increase in coupon shall be triggered if:

- a KPI has not achieved the SPT on the Reference Year, or
- the reporting does not meet the requirements as set out in the terms and conditions of the relevant bond documentation, or
- the verification of the KPI performance has not been provided and made public as per the terms and conditions of the relevant bond documentation

No Step Up Event has occurred on any outstanding bonds based on 2024 results.

3. Accounting policies

3.1

KPI base year rationale and policy for baseline adjustment

The rationale for a 2019 base year of scope 1 & 2 and 3 CO_2e emissions is connected to the validation by the Science Based Targets initiative (SBTi) in August 2020. The rationale behind the material efficiency KPI was the launch of Vestas' Circularity Roadmap in 2021.

Recalculations of the base year shall be made in accordance with our policy for baseline adjustments for CO_2e emissions, which complies with SBTi criteria. The levels of CO_2e emissions [base year 2019] and material efficiency [base year 2021] during the base years for the KPIs will be re-calculated to reflect any significant changes in Vestas' structure (e.g., acquisition, divestiture, mergers), or technical changes (for example updated IT system, changes required for obtaining a higher level of assurance). Base year emissions must be recalculated when changes occur that alter base year emissions by at least five percent. For example, in 2021, the CO_2e emissions baseline was updated due to mergers and divestments.

Any recalculations of levels of CO_2e emissions or material efficiency during the base years for the KPIs must be reported in this SLB Progress Report and verified by an independent, qualified external reviewer, as outlined in the verification section of this Framework.

3.2 GHG Emissions

GHG emissions covered by the SPTs cover Vestas' scope 1 and 2 and more than two-thirds of our scope 3 GHG emissions. GHG emissions are measured using the carbon dioxide equivalent (CO_2e) to include relevant GHGs according to Greenhouse gas accounting standards issued by the Greenhouse Gas Protocol.

A distinction is made between scope 1, 2, and 3 emissions, as defined by the Greenhouse Gas Protocol. The improvement from the 2019 baseline is calculated as a percentage and rounded to the nearest whole number, with 0.5 rounded upwards. Vestas has reported on GHG emissions in the past 15 years in our verified Annual Report. Scope 3 CO_2e emissions have been reported from 2019 onwards in Vestas' Annual Report.

Direct emissions of CO_2e (scope 1) (1,000 t)

Scope 1: Direct emissions of CO_2e are calculated based on determined amounts of fuel for own transport and the direct consumption of fossil-based fuels (e.g., oil and gas), with the usage of standard factors published by the UK Department for Business, Energy & Industrial Strategy (BEIS) (2023).

Indirect emissions of CO_2e (scope 2) (1,000 t)

Scope 2: Covers emissions released in connection with the consumption of purchased electricity and heat. Indirect market-based emissions of CO_2e from consumption of electricity are calculated using national grid emission factors published by the International Energy Agency (2023). Indirect CO_2e emissions from district heating are calculated using BEIS (2023) emission factors.

Indirect emissions of CO_2e from the value chain (scope 3) (million t)

Scope 3: Indirect emissions of CO_2e from the value chain are reported based on the Greenhouse Gas Protocol. Scope 3 categories 8, 9, 10, 11, 13 and 15 are immaterial for Vestas, and category 14 is not applicable.

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 & 14044, publicly available at vestas.com. The CO_2e 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 CO_2e emissions are calculated using GaBi (2023) 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 CO_2e emissions for the raw material production of steel and for foundation materials. The CO_2e emissions from concrete and steel used in foundations is based on the same LCA reports as the remaining material groups.

Construction: The CO_2e emissions emitted during the construction of a wind farm is estimated based on the quantity of diesel-fuel consumed per wind turbine produced and shipped in markets in which Vestas is responsible for installing the wind turbine. LCA studies for the diesel combustion per turbine installation and respective BEIS emission factors (2023) are applied.

Service: CO_2e 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. GaBi (2023) emission factors for the raw materials are applied to estimate global CO_2e emissions

Capital goods: (category 1) Other purchased goods and services and capital goods (category 2) and waste generated in operations (category 5) are estimated based on spend data using BEIS factors (2023) for indirect emissions from the supply chain (2011).
Fuel- and energy-related activities are calculated using BEIS factors for emissions related to the production of fuel, NREL factors (2019) for renewable energy, and IEA factors (2023) 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 BEIS (2023) carbon emissions factors. Business travel (category 6) emissions for air flights 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 BEIS (2023).

End-of-life treatment: of sold products (category 12) is estimated based on material composition of all produced and shipped wind turbines in the reporting year. For materials that are not recyclable, an average GaBi (2023) emission factor for inert landfill is applied.

Indirect emissions of CO_2e from the supply chain (scope 3) (kg 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, 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 carbon emissions in the value chain, indirect emissions of CO_2e from the value chain per MWh generated include 70 percent of the scope 3 emissions[2].

[2] Fulfilling criterion C 6 of the SBTi criteria and recommendations for near-term targets (Version 5.1)

3.3
Material efficiency

As part of our Circularity Roadmap, we reported for the first time on material efficiency in the Annual Report 2021.

Material efficiency (tonnes of waste excl. recycled per MW produced and shipped)

Material efficiency is defined as the total tonnes of non-recycled waste materials from Vestas' own manufacturing per MW capacity produced and shipped during the reporting period. Non-recycled waste materials include those that are incinerated or landfilled.

3.4
Independent Limited Assurance scope

The scope of verification is the actual performance of the Vestas Group versus the baseline as a percentage.
The verification will form the basis for evaluating whether a Step Up Event has occurred referring back to Condition 4(c) of the terms and conditions of the Sustainability-Linked Bonds.

4. Independent Auditor's Limited Assurance Report

To the Stakeholders of Vestas Wind Systems A/S

Vestas Wind Systems A/S (the "Group") engaged us to provide limited assurance on the performance against baseline of KPI's in Vestas' Sustainability-Linked Bonds Progress Report 2024 (the "SLB Progress Report") for the financial year 1 January - 31 December 2024 ("the KPIs") as presented on page 6 of the SLB Progress Report.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability statement 2024, and accordingly, we do not express an opinion on this information.

Management's responsibility

Management of Vestas Wind Systems A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the KPIs and information in the SLB Progress Report ensuring it is free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting policies for the preparation of the selected KPIs, for the overall content of the SLB Progress Report, and for measuring and reporting of the KPIs included on page 6 in the SLB Progress Report in accordance with the accounting policies included on pages 9-11 in the SLB Progress Report.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and in respect of the greenhouse gas emissions, in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the SLB Progress Report is free from material misstatement, whether due to fraud or error, and prepared, in all material respects, in accordance with the accounting policies;
- Forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- Reporting our conclusion to the stakeholders of Vestas Wind Systems A/S.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 1, 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.

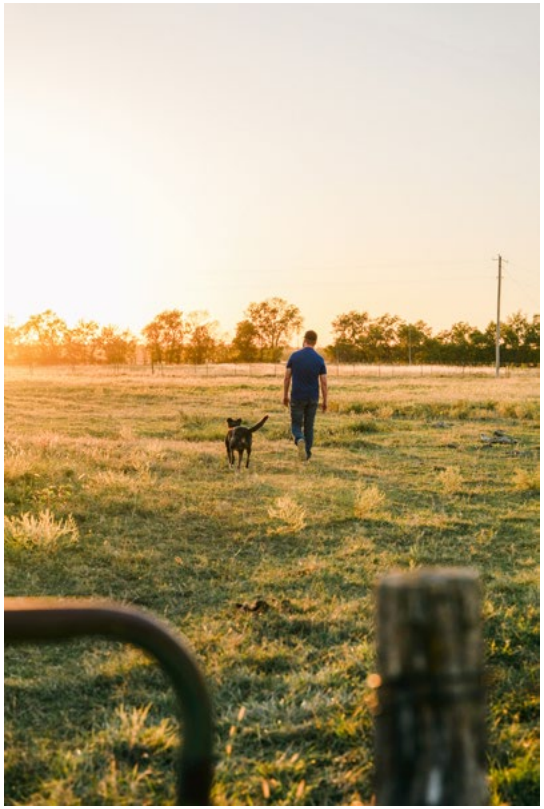
We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than 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 we performed a reasonable assurance engagement.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement in the SLB Progress Report.
To do so, we have:

- Conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the Sustainability Linked Bonds KPIs;
- Performed limited substantive testing on a selective basis to check that data has been appropriately measured, recorded, collated and reported;
- Performed analysis of data, selected based on risk and materiality;



- Made inquiries regarding significant developments in the reported data;
- Considered the presentation and disclosure of the SLB Progress Report;
- Assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency and accuracy outlined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015) and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and
- Evaluated the evidence obtained.

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us not to believe that the KPIs on page 6 in the SLB Progress Report for the year ended 31 December 2024, have been prepared, in all material respects, in accordance with the accounting policies on pages 9 to 11.

Copenhagen, 8 April 2025

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