

TAX & CUSTOMS STRATEGY 2024

VERSION 2024 · VALID FOR ALL ENTITIES GROUPWIDE
AUTHOR: CORPORATE TAX & CUSTOMS



MESSAGE FROM DR. ILYA HARTMANN, CFO NORDEX

As an international company, Nordex is subject to tax obligations in many different countries. Our self-image as a law-abiding, transparent, and responsible taxpayer obliges us to adhere to the wording and intention of the respective tax regulations in all countries in which Nordex does business.

Since these tax laws and other tax norms show a high degree of complexity and their concrete application is not always easy to understand – even for proven experts –, it is important to pay great attention to the correct application of the law in the field of taxation and to provide the necessary resources therefore in the company, for which

I am responsible in my function as CFO. Nordex is aware of its social responsibility and its role as a fair taxpayer that adds value to society through its tax payments. It is important to bear in mind that misconduct in the field of tax law, even if it happens unintentionally, rightly meets with broad public rejection, and can cause immense reputational damage.

We have decided to enact the following Tax and Customs Strategy not only to fulfill our legal and social responsibilities in this regard but also to emphasize the importance of full tax compliance. This is intended to make the principles and standards that guide us at Nordex in the

application of tax law clear to all employees and shareholders, customers, other external stakeholders, and the public.

The Tax and Customs Strategy shall show that tax and customs compliance is a top priority for Nordex. Today, I am sure that it will provide every reader with an insight into the goal of comprehensive tax and customs compliance and the resulting guiding principles for the application of tax and customs law at Nordex.

Dr. Ilya Hartmann
CFO Nordex





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INTRODUCTION

Nordex SE and its entities groupwide (hereinafter, Nordex) are aware of their key role as a reliable partner towards their customers, suppliers, business partners, employees, authorities, and society at large in an increasingly complex, digitalized, and fast-paced world. Nordex commits to ethical and accountable corporate governance to build trust with stakeholders and society. Nordex interprets this role as a fair taxpayer that adds value to society and is tax and customs compliant with all relevant obligations.

To ensure sustainable business success, Nordex has established a group-wide [Code of Conduct](#) promoting integrity, transparency, and zero-tolerance towards corruption. It is binding and forms the basis for the work and conduct of all employees. In addition, Nordex has established a Code of Conduct for [Contractors and Suppliers](#) according to which they commit to the principles of integrity and ethical,

lawful conduct throughout the entire business relationship. Within Nordex' Global Corporate Tax & Customs, we are committed to following a cooperative approach, engage with our internal and external stakeholders and find tax and customs compliant yet tax and customs efficient solutions.

This tax and customs strategy applies to all sources of tax and customs risk and covers all significant types of taxation, including international tax, indirect tax, transfer pricing and customs and export control. In line with the overall business strategy, the Nordex Tax & Customs Strategy comprises the general principles and goals in tax and customs matters and applies to all companies belonging to the group.





BEING COMPLIANT WITH ALL RELEVANT TAX & CUSTOMS LAWS, REGULATIONS & DISCLOSURE REQUIREMENTS.

Nordex has set up an organizational structure that supports adherence to all relevant contractual obligations, statutory requirements, tax and customs laws and regulations globally.

In view of the dynamic and international business environment and operating model, compliance with respective tax and customs laws, regulations, and disclosure obligations in all territories in which Nordex operates and internal tax and customs instructions and regulations is a binding requirement for all employees.

The Corporate Tax & Customs team supports strategic decision-making and sets binding standards for the agreed operating model. Employees operationalizing such standards and dealing with routine transactions are suitably qualified and trained to fully comply with these directives. Appropriate documentation is maintained to ensure good corporate governance.

Technological advances are used to increase group-wide digitalization, especially for routine activities and to mitigate risks occurring from manual tasks. To support this principle, Nordex has implemented dynamic processes to react to a fast-changing and developing business landscape. The Corporate Tax & Customs function initiates and supports the revision of processes when necessary.

Further, significant or unusual transactions are advised on by external experts where appropriate. External advice is also routinely sought where the internal finance teams are unfamiliar with the nature of the tax and customs implications of a transaction or with new legislation.



MINIMIZING TAX & CUSTOM RISKS



Nordex has a low threshold regarding acceptable tax and customs risk. Nevertheless, based on Nordex business model, tax and customs risks and litigation of such risks can never be excluded. The group's aim is to minimize and mitigate tax and customs risk to the extent that is reasonably possible.

To support this principle, Nordex has implemented tax and customs risk management processes that are integrated in the overall risk management system. Within the risk management system Nordex Corporate Tax & Customs, together with the local and divisional finance organizations, proactively seeks to identify, evaluate, monitor, and manage these risks to ensure they remain in line with our objectives. Accordingly, the Corporate Tax & Customs team globally oversees tax and customs risk management procedures and sets binding standards whereas the local and divisional finance organizations are responsible for

local monitoring and implementation. Identified tax and customs risks are reported and mitigated through appropriate measures. The processes are monitored and adjustments are initiated where required. Efforts are being undertaken by the Tax & Customs function to standardize and improve tax and customs processes at a global level. Like in most international organizations, a risk for non-compliance is for example a potential lack of coordination between business units. To mitigate this, responsibilities are clearly defined and regulated. Escalation processes are in place.

Due to the long-term nature of Nordex projects, risks can arise through a change to the tax and customs regimes Nordex is subject to or a change to the interpretation of tax and customs laws. These risks could have a material adverse impact on the Group's business and profitability. The Tax & Customs function acts not only as global policy maker, but also as an internal advisor for the international entities including implementation support. Through adequate documentation and compliance with all relevant legislation, Nordex aims to reduce liability risks and eliminate double taxation.





The roles and responsibilities are assigned within the organizational structure to support the goal of tax and customs compliance with all laws and regulations efficiently. In addition, external advisors are consulted whenever it is deemed reasonable to support the goal of tax and customs compliance and to mitigate tax and customs risks.

Corporate Tax & Customs

The Corporate Tax & Customs team initiates strategic decisions and provides guidance to support the business model, the global tax and customs risk management process, global tax, and customs compliance as well as the communication with external advisors and tax and customs authorities.

Local and Divisional Finance

It is within the responsibility of the local management to ensure fulfillment of local tax and customs compliance requirements, monitoring and addressing relevant regulatory changes and the communication with the local tax and customs authorities on routine matters as well as to support the Corporate Tax & Customs team to achieve its group-wide goals.

IV. APPROACH TOWARDS TAX & CUSTOMS PLANNING

The primary consideration for Nordex is commercial profitability. However, every business decision (in the day-to-day business) also must consider tax and customs implications, making tax and customs efficiency an additional requirement for the general business activities, not the primary one. Business transactions should be tax and customs efficient whilst complying with all relevant laws and legislation. Compliance in this context also means paying the right amount of tax and customs in the right place at the right time. It involves claiming reliefs and subsidies when available to mitigate tax and customs burden.

Nordex seeks external advice in relation to all new projects and material or unusual transactions primarily to ensure full compliance with legislation. It takes a responsible approach to tax and customs planning within the given regulatory constraints.

STRUCTURING BUSINESS TRANSACTIONS IN A TAX & CUSTOMS EFFICIENT AND COMPLIANT MANNER





Nordex does not engage in business activities and transactions which are regarded as tax and customs evasion or avoidance. The group structure matches the individual business cases and economic reality. It focuses on the substance of its business and refrains from using artificial structures with the main purpose to avoid or artificially defer taxation. Transactions are not performed with the sole purpose of artificially affecting the group's tax and customs burden.

Specific approaches which Nordex follows to adhere to a good tax and customs practice and prevent evasion or avoidance are:

- Refraining from using a structural set up unrelated to the achievement of the long-term business strategy with the main purpose of reducing the group's tax and customs burden.
- Refraining from performing transactions with the sole purpose of shifting profits to low tax jurisdictions.
- Encouraging behavior that supports good tax and customs practices through internal information and control systems.

V. COOPERATION WITH TAX & CUSTOMS AUTHORITIES

Nordex aims to maintain the highest level of trust, respect, transparency, professionalism, open communication, and good faith in its dealings with tax and customs authorities on all levels and seeks to cooperate fully to find solutions for conflicts on the interpretation of applicable tax and customs laws. The group commits to disclosing all tax-relevant information, facts and documents that may be requested by the tax and customs authorities as fast as possible and to proactively contributing to an open and transparent communication with the tax and customs authorities.

However, should any measure by the authorities be considered to conflict with the applicable laws or regulations, Corporate Tax & Customs advocates for Nordex own interests to secure the legal position of the organization or investors.



COLLABORATE
TRANSPARENTLY &
COOPERATIVELY WITH
TAX & CUSTOMS
AUTHORITIES



COMBINE GLOBAL AND LOCAL EXPERTISE THROUGH INCLUSIVE TAX & CUSTOMS REPORTING PROCESSES

The tax and customs roles and duties within the organizational structure are assigned to support the goal of efficient compliance with all laws and regulations. The employed personnel have the required tax and customs expert knowledge.

The Corporate Tax & Customs team covers all relevant matters related to corporate direct and indirect taxes. From an export control perspective Nordex takes all measures necessary to ensure that sanctioned parties are screened and will not become a business partner.

Within this scope, it initiates strategic decisions and provides guidance on the tax and customs risk management process, tax and customs compliance, and communication with external advisors and tax and customs authorities. It is also responsible for the tax and customs strategy and policies as well as the control of their implementation through the local Nordex entities.

The Corporate Tax & Customs team serves as an internal advisor to ensure the recognition of the global perspective. It assists on all cross-country tax and customs topics, has a veto-right on controversial topics and provides export control governance. Local teams receive guidance and control on routines and processes such as VAT, local filing of transfer pricing documents, tax and customs perspective of subsidies and relevant global customs details. It is within the responsibility of the local Nordex entities teams to ensure fulfillment of compliance requirements and the communication with the local tax and customs authorities on routine matters as well as to support the Corporate Tax & Customs team to achieve its group-wide goals.

The Corporate Tax & Customs team's expert knowledge is also available to other departments to ensure an interdisciplinary approach for projects, e.g., through providing tax and customs scenarios and arguments for consideration.





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THE NORDEX GROUP –
POWERED BY NATURE

