Ørsted

Interim ESG performance report

First half year 2021

Contents

The interim ESG performance report can be downloaded here:

https://orsted.com/esg-2021-h1

Further information

Group Communication
Martin Barlebo
+45 99 55 95 52

Investor Relations
Allan Bødskov Andersen
+45 99 55 79 96

1.1 CFO's review

EU taxonomy-eligible revenue above 65 % in H1 2021

- Acquisition of Brookfield Renewable Ireland, a European onshore platform
- Awarded Ocean Wind 2 offshore wind contract (1,148 MW) in New Jersey, US
- Green share of heat and power generation marginally up at 89 %
- Scope 1 and 2 greenhouse gas intensity decreased by 13 % to 56 g CO_2e/kWh
- Reporting on EU taxonomy-eligible revenue, EBITDA, and CAPEX for the first time.

Acquisition

In June, we completed the acquisition of the onshore renewable energy platform Brookfield Renewable Ireland (BRI). The acquisition marks our entry into the European onshore market with a portfolio of 327 MW in operation and 62 MW under construction.

Renewable energy capacity

On our Capital Markets Day, 2 June, we presented our updated strategic ambitions. We will accelerate our global build-out of renewable energy and have set an ambition to reach approx. 50 GW of installed renewable capacity by 2030.

In June, we were awarded the 1,148 MW Ocean Wind 2 offshore wind contract in New Jersey, US.

In May, we commissioned our first large-scale combined solar PV and storage facility, Permian Energy Center, in Texas. The renewable power facility consists of a 420 MW solar PV farm and a 40 MWac energy storage facility.

Heat and power generation

Offshore wind power generation decreased by 1 % to 7.1 TWh in H1 2021 compared to H1 2020, mainly due to significantly lower wind speeds partly offset by generation from Borssele 1 & 2 (commissioned in December 2020).

Onshore wind power generation increased by 23 % to 3.3 TWh in H1 2021 compared to H1 2020. The increase was mainly due to the new onshore wind farms Sage Draw, Plum Creek, and Willow Creek, which were commissioned in Q1 2020, Q2 2020, and Q3 2020, respectively.

Thermal heat generation increased by 22 % to 5.0 TWh, primarily due to the colder weather in H1 2021 compared to H1 2020.

Thermal power generation increased by 53 % to 3.8 TWh in H1 2021 compared to H1 2020. The increase was driven by higher power prices in the spot market together with increased generation of combined heat and power driven by the higher heat demand.

Green key performance indicators

Our green share of heat and power generation increased by 1 percentage point to 89 % in H1 2021 compared to H1 2020. The development was primarily due to more wind farms in operation, partly offset by the increase in heat and power generation from our CHP plants, including our coal-fuelled units where we are regulatorily obliged to offer our capacity to the market in the most cost-efficient way.

Our scope 1 and 2 greenhouse gas intensity decreased by 13 % to 56 g CO_2e/kWh in H1 2021. The reasons for this were the same as for the increase in the green share of generation.

Our scope 3 emissions decreased by 25 % in H1 2021 compared to H1 2020, mainly due to a 27 % decrease in natural gas sales following the divestment of our LNG activities in 2020.

New EU sustainability taxonomy

The European Commission has established the EU taxonomy as an important enabler to scale up sustainable investments and make the EU carbon-neutral by 2050. At Ørsted, we want to be a catalyst for change, and are committed to taking a leading role in the global green energy transformation. We therefore welcome the new reporting framework.

During the year, we assessed which of our activities are included in the taxonomy and thereby can be classified as taxonomy-eligible. The next step is to ensure that we live up to the criteria regarding 'substantial contribution' followed by 'do no significant harm' (DNSH) and minimum social safeguards, after which we can classify our activities as taxonomy-aligned.

Although the upcoming EU requirements for reporting on taxonomy-eligible activities do not come into force until January 2022, we have decided to disclose approximate levels for our taxonomy-eligible share of revenue, EBITDA, and CAPEX in our H1 2021 reports.

The taxonomy-eligible share of our EBITDA in H1 2021 was above 95 %, the share of CAPEX was above 99 %, and the share of revenue was above 65 %. The non-eligible part of our revenue primarily concerned our long-term legacy activities related to sourcing and sale of natural gas.

We plan to complete the criteria screening before year-end and thus to report on taxonomy-aligned shares in our annual reports for 2021, one year ahead of requirements.

Marianne Wilnholt
CFO

1.2 Taxonomy-eligible KPIs

EU taxonomy towards a sustainable economy

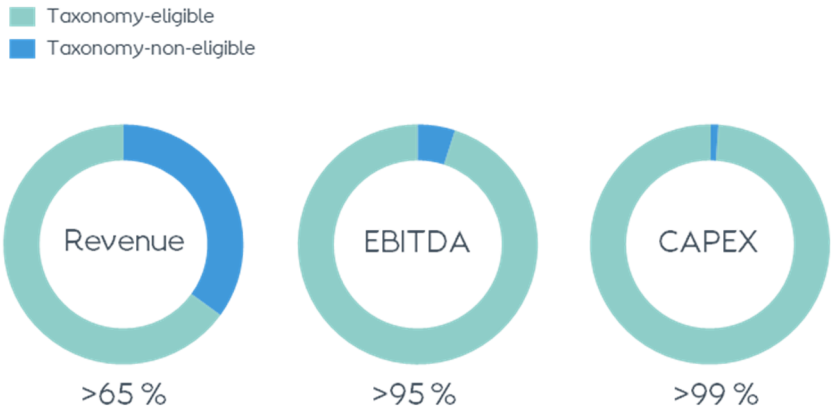
The objective of the European Green Deal – to become the first climate neutral continent by 2050 – requires mobilisation of sustainable investments at scale. To achieve this, the EU has set out an ambitious regulatory initiative to help redirect capital towards sustainable projects and activities.

To define what is 'sustainable', the European Commission has developed a catalogue of economic activities, each with criteria to determine if they substantially contribute towards a sustainable economy – known as the EU taxonomy. Companies across diverse sectors, supply chains, and asset classes must use this classification system to assess if their business activities are sustainable according to the taxonomy.

In June 2021, the Commission formally adopted the Climate Delegated Act, establishing the criteria that define which activities substantially contribute to the first two, out of six, environmental objectives of the taxonomy regulation, namely climate change mitigation and climate change adaptation. The remaining four will follow in 2022.

Ørsted's work with the taxonomy

During the year, we assessed which of our business activities are listed in the taxonomy and thereby can be classified as 'taxonomy-eligible', and have subsequently determined the revenue, EBITDA, and CAPEX (gross investments) associated with these activities.



Subject to fulfilling certain criteria on substantially contributing to at least one environmental objective, doing no significant harm (DNSH) on the other environmental objectives, and complying with minimum social safeguards, the activities will be classified as taxonomy-aligned.

We disclose approximate levels rather than exact numbers to reflect the uncertainty associated with the exact interpretation as to what extent revenue can be associated with taxonomy-eligible activities at this time before the reporting obligations have come into force.

Taxonomy-eligible revenue

Ørsted's share of revenue associated with taxonomy-eligible activities in H1 2021 was above 65 %. This proportion predominantly included revenue from generation of power and associated renewable certificates/grants from our offshore and onshore wind farms. It also included partner revenue from construction, operation and maintenance, and power sales agreements at our wind farms, as well as biomass-based heat and power generation from our Danish CHP plants.

Our share of taxonomy non-eligible activities revenue was primarily associated with our long-term legacy activities related to the sourcing and sale of natural gas. Furthermore, it covered the sale of power to end customers as the retailing of energy is not a taxonomy activity.

Finally, it was related to our fossil-based heat and power generation from the CHP plants, where coal, natural gas, and oil still account for 28 % of the fuels used for generation. Coal will as planned be phased out completely in 2023.

Taxonomy-eligible EBITDA

Ørsted's taxonomy-eligible share of EBITDA in H1 2021 was above 95 % and primarily concerned generation of power and related certificates/grants from our offshore wind farms, and construction agreements and divestment gains related to offshore wind farms. Heat and power generation from our CHP plants and our Onshore business also contributes to the share, although to a lesser extent. The non-eligible share primarily concerned the fossil-based part of our CHP activities and gas sales business.

The higher taxonomy-eligible share of EBITDA compared to revenue is primarily due to the nature of our gas business and sale of power to end customers, which have a significantly lower margin than our power generation and construction agreements.

Taxonomy-eligible CAPEX

Ørsted's taxonomy-eligible share of investments in H1 2021 was above 99 % and mainly related to the construction of offshore and onshore wind farms and solar PV assets.

1.3 ESG target overview

Note	Indicator	Unit	Target	H1 2021	H1 2020	Δ	2020
	Strategic targets						
2.1	Installed renewable capacity	MW	~50 GW (2030)	12,084	10,460	16 %	11,318
2.1	- Installed offshore wind capacity	MW	~15 GW (2025) ,~30 GW (2030)	7,551	6,820	11 %	7,572
2.1	- Installed onshore wind and solar PV capacity	MW	~17.5 GW (2030)	2,415	1,565	54 %	1,668
2.1	- Installed other (incl. PtX) capacity	MW	~2.5 GW (2030)	2,118	2,075	2 %	2,078
2.4	Green share of energy generation	%	95 (2023), 99 (2025)	89	88	1 %	90
2.7	Scope 1 and 2 greenhouse gas (GHG) intensity	g CO_2e/kWh	20 (2023), 10 (2025)[1]	56	64	(13 %)	58
2.7	Scope 3 greenhouse gas emissions	Million tonnes CO_2e	50 % (2032)[2]	9.9	13.1	(25 %)	25.3
n.a[5]	Employee satisfaction	Index 0-100	Top 10 % (2021)[3]	n.a.	n.a.	-	78
3.2	Total recordable injury rate (TRIR)	Per million hours worked	2.9 (2025)	3.1	3.7	(16 %)	3.6
	Additional sustainablity targets						
2.9	Certified sustainable wooden biomass sourced	%	100 (2021)	100	100	0 %p	100
2.9	Coal consumption	Thousand tonnes	0 (2023)	403	376	7 %	629
2.9	Own power consumption covered by renewable energy certificates	%	100 (2021)[4]	100	100	0 %p	100
n.a.[5]	Internal energy savings, accumulated from 2018	GWh	15 (2023)	n.a.	n.a.	-	10.3
n.a.[5]	Share of electric vehicles	%	100 (2025)	n.a.	n.a.	-	38
n.a.[5]	Women in leaderhip positions, Leadership Conference	% female	22 (2023)	n.a.	n.a.	-	20
n.a.[5]	Women in leadership positions, middle management	% female	30 (2023)	n.a.	n.a.	-	26

[1]In addition to the emission reduction targets, we have a target of being carbon-neutral in 2025. We will continue to investigate solutions for the remaining emissions, which could also include investing in certified carbon-removal projects.

[2]A 50 % reduction in total scope 3 emissions from the base year 2018. In addition, we want our scope 3 emissions to be carbon-neutral by 2040.

[3]Our target is to have an employee satisfaction survey result in the top ten percentile every year compared to an external benchmark group.

[4]Our target is that our own power consumption is 100 % covered by renewable energy certificates every year.

[5]The targets marked with 'n.a.' in the note column are not reported in the interim reports. They will be reported in the annual report for 2021.

1.4 Overview by business unit

Note	Indicator	Unit	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	H1 2021	H1 2020	Δ	2020
	Revenue[1]	DKK million	22,225	227	12,587	(2,542)	32,497	27,001	20 %	52,601
	EBITDA[1]	DKK million	11,473	406	1,125	55	13,059	9,761	34 %	18,124
2.1	Installed renewable capacity	MW	7,551	2,455	2,078	-	12,084	10,460	16 %	11,318
2.1	Decided (FID) renewable capacity (not installed yet)	MW	2,220	2,204	2	-	4,426	3,601	23 %	4,068
2.1	Awarded and contracted renewable capacity (no FID yet)	MW	8,687	-	-	-	8,687	4,996	74 %	4,996
2.1	Total renewable capacity (installed, FID, and awarded/contracted)	MW	18,458	4,659	2,080	-	25,197	19,057	32 %	20,382
2.2	Power generation capacity	MW	3,970	2,400	2,847	-	9,217	8,155	13 %	8,884
2.2	Heat generation capacity, thermal	MW	0	0	3,486	-	3,486	3,475	0 %	3,487
2.3	Power generation	GWh	7,070	3,630	3,766	-	14,466	12,286	18 %	25,424
2.3	Heat generation	GWh	-	-	5,038	-	5,038	4,120	22 %	6,671
2.4	Green share of energy generation	%	100	100	76	0	89	88	1 %p	90
2.7	Scope 1 and 2 greenhouse gas (GHG) emissions	Thousand tonnes CO_2e	13	0	1,078	1	1,092	1,052	4 %	1,853
2.7	Scope 3 GHG emissions	Thousand tonnes CO_2e	82	930	8,853	13	9,878	13,127	(25 %)	25,333
2.7	Scope 1 and 2 GHG emission intensity	g CO_2e/kWh	2	0	122	-	56	64	(13 %)	58
3.1	Number of employees (end of period)	FTEs	3,250	220	971	2,031	6,472	6,731	(4 %)	6,179
3.2	Total recordable injury rate (TRIR)	Injuries per million hours worked	3.1	6.3	2.5	1.1	3.1	3.7	(16 %)	3.6

[1] 2020 financial figures are based on the business perfomance principle.

1.5 Overview by country

Note	Indicator	Unit	Denmark	The UK	Germany	The Nether-lands	The US	Taiwan	Poland	Other countries	H1 2021	H1 2020	Δ	2020
2.1	**Installed renewable capacity**	**MW**	**3,061**	**4,400**	**1,346**	**752**	**2,158**	**45**	**-**	**322**	**12,084**	**10,460**	**16 %**	**11,318**
2.1	- Offshore wind power	MW	1,006	4,372	1,346	752	30	45	-	-	7,551	6,820	11 %	7,572
2.1	- Onshore wind power	MW	-	5	-	-	1,658	-	-	322	1,985	1,555	28 %	1,658
2.1	- Solar PV power	MW	-	-	-	-	430	-	-		430	10	4200 %	10
2.1	- Biogas power (Renescience)	MW	-	3	-	-	-	-	-	-	3	-	-	3
2.1	- Thermal biomass-based heat	MW	2,054	-	-	-	-	-	-	-	2,054	2,054	0 %	2,054
2.1	- Battery storage	MW	1	20	-	-	40	-	-	-	61	21	190 %	21
2.1	**Decided (FID) renewable capacity (not installed yet)**	**MW**	**2**	**1,382**	**-**	**-**	**2,142**	**900**	**-**	**-**	**4,426**	**3,601**	**23 %**	**4,068**
2.1	**Awarded and contracted renewable capacity (no FID yet)**	**MW**	**-**	**-**	**1,142**	**-**	**4,082**	**920**	**2,543**	**-**	**8,687**	**4,996**	**74 %**	**4,996**
2.1	**Total renewable capacity (installed, FID, and awarded/ contracted)**	**MW**	**3,063**	**5,782**	**2,488**	**752**	**8,382**	**1,865**	**2,543**	**322**	**25,197**	**19,057**	**32%**	**20,382**
2.2	**Power generation capacity**	**MW**	**3,407**	**2,331**	**673**	**376**	**2,108**	**-**	**-**	**322**	**9,217**	**8,155**	**13 %**	**8,884**
2.2	- Offshore wind	MW	563	2,328	673	376	30	-	-	-	3,970	3,763	6 %	4,379
2.2	- Onshore wind	MW	-	-	-	-	1,658	-	-	322	1,980	1,555	27 %	1,658
2.2	- Solar PV	MW	-	-	-	-	420	-	-	-	420	-	-	-
2.2	- Thermal	MW	2,844	3	-	-	-	-	-	-	2,847	2,837	0 %	2,847
2.2	**Heat generation capacity, thermal**	**MW**	**3,486**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,486**	**3,475**	**0 %**	**3,487**
2.3	Power generation	GWh	4,697	3,852	943	1,286	3,648	-	-	39	14,465	12,286	18 %	25,424
2.3	Heat generation	GWh	5,038	-	-	-	-	-	-	-	5,038	4,120	22 %	6,671
2.4	Green share of energy generation	%	79	100	100	100	100	-	-	100	89	88	1 %p	90
2.7	Scope 1 and 2 greenhouse gas (GHG) emissions	Thousand tonnes CO_2e	1,080	7	3	2	0	0	0	0	1,092	1,052	4 %	1,853
2.7	Scope 1 and 2 GHG emission intensity	g CO_2e/kWh	111	2	3	1	0	0	0	0	56	64	(13 %)	58
3.1	Number of employees (end of period)	FTEs	3,876	1,121	227	56	365	144	251	432	6,472	6,731	(4 %)	6,179

2.1 Renewable capacity

Indicator	Unit	Target	H1 2021	H1 2020	Δ	2020
Installed renewable capacity	**MW**	**~50 GW (2030)**	**12,084**	**10,460**	**1,624**	**11,318**
Offshore wind power	MW	~30 GW (2030)[1]	7,551	6,820	731	7,572
Onshore wind power	MW	~17.5 GW (2030)[2]	1,985	1,555	430	1,658
Solar PV power	MW	Note[2]	430	10	420	10
Other (incl. PtX)	MW	~2.5 GW (2030)	2,118	2,075	43	2,078
- Biomass, thermal heat	MW		2,054	2,054	-	2,054
- Biogas, power	MW		3	-	3	3
- Battery storage	MW		61	21	40	21
Decided (FID) renewable capacity (not installed yet)	**MW**		**4,426**	**3,601**	**825**	**4,068**
Offshore wind power	MW		2,220	3,038	(818)	2,286
Onshore wind power	MW		1,297	103	1,194	665
Solar PV power	MW		907	420	487	1,077
Battery storage	MW		-	40	(40)	40
Hydrogen	MW		2	-	2	-
Awarded and contracted (no FID yet) renewable capacity	**MW**		**8,687**	**4,996**	**3,691**	**4,996**
Offshore wind power	MW		8,687	4,996	3,691	4,996
Sum of installed and FID capacity	**MW**		**16,510**	**14,061**	**2,449**	**15,386**
Sum of installed, FID, and awarded/contracted capacity	**MW**		**25,197**	**19,057**	**6,140**	**20,382**

[1] Additional target is ~15 GW in 2025, [2]The 17.5 GW (2025) target is for onshore wind and solar power combined.

Installed offshore wind power

In Q2 2021, we aligned the definition of both onshore and offshore installed wind farm capacity. All assets (installed or FID'ed) are from now on reported using nameplate capacity. Previously a few wind farms were reported using 'power optimised capacity' or 'export cable limit capacity'.

For awarded or contracted capacity we report based on 'granted capacity'.

Furthermore, we have clarified the accounting policy for calculating the share of the asset's capacity to be included. The ownership share and the share of the EPC role determine the capacity included in installed capacity.

See accounting principles on page 20 for details.

Additions for the last 12 months

Q3 2020

- Willow Creek, onshore wind (103 MW)
- Muscle Shoals, solar (227 MW)
- Western Trail, onshore wind (367 MW)

Q4 2020

- Borssele 1 & 2, offshore wind (752 MW)
- Renescience, Northwich, biogas (3 MW)
- Haystack, onshore wind (298 MW)
- Old 300, onshore wind (430 MW)

Q1 2021

- Helena Wind, onshore wind (268 MW)
- Sparta Solar, onshore solar (250 MW)
- H2RES demo project, renewable hydrogen (2 MW)

Q2 2021

- Permian Energy Center, onshore solar (420 MW)
- Permian Energy Center, battery storage (40 MW)
- Ocean Wind 2, offshore wind (1,148 MW)
- Lincoln Land, onshore wind (302 MW)
- Brookfield Renewables, onshore wind (322 MW)
- Brookfield Renewables, onshore wind (5 MW)
- Brookfield Renewables, onshore wind (62 MW)
- Baltica 2 & 3, offshore wind (2,543 MW)

- Installed renewable capacity
- Decided (FID) renewable capacity
- Awarded and contraced (no FID yet) renewable capacity

2.2 Generation capacity

Indicator	Unit	H1 2021	H1 2020	Δ	2020
Power generation capacity	**MW**	**9,217**	**8,155**	**1,062**	**8,884**
Offshore wind	MW	3,970	3,763	207	4,379
- Denmark	MW	563	563	-	563
- The UK	MW	2,328	2,342	(14)	2,342
- Germany	MW	673	692	(19)	692
- The Netherlands	MW	376	136	240	752
- The US	MW	30	30	-	30
Onshore wind	MW	1,980	1,555	425	1,658
- The US	MW	1,658	1,555	103	1,658
- Ireland	MW	322	-	322	-
Solar PV, the US	MW	420	-	420	-
Thermal	MW	2,847	2,837	10	2,847
- Denmark (power plants)	MW	2,844	2,837	7	2,844
- The UK (Renescience)	MW	3	-	3	3
Heat generation capacity, thermal[1]	**MW**	**3,486**	**3,475**	**11**	**3,487**
Based on biomass	MW	2,022	2,054	(32)	2,022
Based on coal	MW	1,300	1,300	-	1,300
Based on natural gas	MW	1,761	1,774	(13)	1,761
Heat generation capacity, electric	**MW**	**25**	**25**	**-**	**25**
Power generation capacity, thermal[1]	**MW**	**2,847**	**2,837**	**10**	**2,847**
Based on biomass	MW	1,228	1,216	12	1,228
Based on coal	MW	991	991	-	991
Based on natural gas	MW	995	1,010	(15)	995
Based on biogas (Renescience)	MW	3	-	3	3

[1]Fuel-specific thermal power and heat generation capacities cannot be added to total thermal capacity, as they are defined individually for each fuel type for our multi-fuel plants. All fuels cannot be used at the same time.

2.3 Energy generation

Indicator	Unit	Q2 2021	Q2 2020	Δ	H1 2021	H1 2020	Δ	2020
Power generation	**GWh**	**6,010**	**4,907**	**22 %**	**14,465**	**12,286**	**18 %**	**25,424**
Offshore wind	GWh	2,521	2,580	(2 %)	7,070	7,171	(1 %)	15,248
- Denmark	GWh	386	399	(3 %)	932	1,130	(18 %)	2,165
- The UK	GWh	1,326	1,664	(20 %)	3,851	4,730	(19 %)	9,456
- Germany	GWh	332	420	(21 %)	943	1,182	(20 %)	2,300
- The Netherlands	GWh	451	63	616 %	1,286	63	1941 %	1,207
- The US	GWh	26	34	(24 %)	58	66	(12 %)	120
Onshore wind	GWh	1,660	1,512	10 %	3,259	2,653	23 %	5,731
- The US	GWh	1,621	1,512	7 %	3,220	2,653	21 %	5,731
- Ireland	GWh	39	-	-	39	-	-	-
Solar PV, the US	GWh	322	4	7950 %	370	7	5186 %	7
Thermal	GWh	1,507	811	86 %	3,766	2,455	53 %	4,438
Heat generation	**GWh**	**1,148**	**977**	**18 %**	**5,038**	**4,120**	**22 %**	**6,671**
Total heat and power generation	**GWh**	**7,158**	**5,884**	**22 %**	**19,503**	**16,406**	**19 %**	**32,095**
- Of which thermal heat and power generation	GWh	2,655	1,788	48 %	8,804	6,575	34 %	11,109
- Of which thermal heat and power generation	%	37	30	7 %p	45	40	5 %p	35

Offshore power generation decreased by 1 % in H1 2021 relative to H1 2020. The decrease was primarily due to lower wind speeds, offset by new generation from Borssele 1 & 2 (commissioned in Q4 2020) .

Onshore wind power generation increased by 23 % in H1 2021 relative to H1 2020. The increase was primarily due to additional generation from Sage Draw (commissioned in Q1 2020), Plum Creek (commissioned in Q2 2020), and Willow Creek (commissioned in Q3 2020).

Solar PV power generation increased by 363 GWh due to Permian Energy Center.

Thermal power generation was 53 % higher in H1 2021 compared to H1 2020, primarily due to higher power prices in the spot market and higher combined heat and power generation driven by higher heat demand.

Heat generation was 22 % higher in H1 2021 relative to H1 2020 due to colder weather in H1 2021.

2.4 Green share of energy generation

Indicator	Unit	Target	Q2 2021	Q2 2020	Δ	H1 2021	H1 2020	Δ	2020
Total heat and power generation	**%**		**100**	**100**	**0 %p**	**100**	**100**	**0 %p**	**100**
- From offshore wind	%		35	44	(9 %p)	36	43	(7 %p)	47
- From onshore wind	%		23	25	(2 %p)	17	16	1 %p	18
- From sustainable biomass	%		29	16	13 %p	34	28	6 %p	24
- From other green energy sources	%		6	1	5 %p	2	1	1 %p	1
- From coal	%		6	9	(3 %p)	8	8	0 %p	7
- From natural gas	%		1	4	(3 %p)	3	3	0 %p	3
- From other fossil energy sources	%		0	1	(1 %p)	0	1	(1 %p)	0
Green share of energy generation	**%**	**99 (2025)[1]**	**93**	**86**	**7 %p**	**89**	**88**	**1 %p**	**90**
- Offshore	%		100	100	0 %p	100	100	0 %p	100
- Onshore	%		100	100	0 %p	100	100	0 %p	100
- Bioenergy & Other	%		81	55	26 %p	76	71	5 %p	71

[1]Additional target is 95 % in 2023.

The green share of our heat and power generation was 89 % in H1 2021, up 1 percentage point relative to the same period last year.

The share of generation from offshore wind decreased by 7 percentage points in H1 2021 as offshore generation was reduced by 1 %, whereas onshore and thermal generation increased by 23 % and 34 %, respectively.

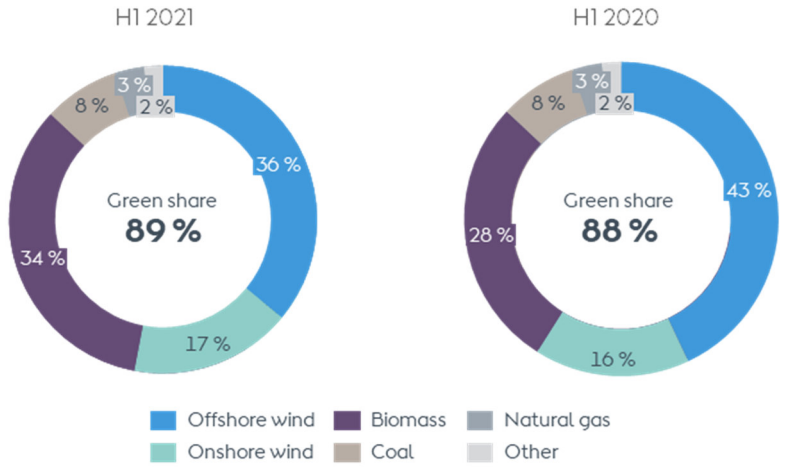
The share of onshore wind generation increased by 1 percentage point due to new onshore generation capacity in the US (Sage Draw, Plum Creek, and Willow Creek).

The share of generation based on sustainable biomass increased by 6 percentage points due to higher heat generation because of the cold weather in H1 2021.

The share of coal-based generation was at the same level in H1 2021 as in H1 2020.

We are regulatorily obliged to make all of our energy capacities available to the market in the most cost-efficient way, and until our coal -based generation capacity is fully phased out in 2023 we may see fluctuations in coal consumption driven by supplier obligations, market conditions, and weather conditions.

Total heat and power generation by energy source, %



2.5 Energy business drivers

Indicator	Unit	Q2 2021	Q2 2020	Δ	H1 2021	H1 2020	Δ	2020
Offshore wind								
Availability	%	93	95	(2 %p)	94	93	1 %p	94
Load factor	%	29	32	(3 %p)	39	46	(7 %p)	45
Wind speed	m/s	7.8	8.4	(7 %)	9.2	10.4	(12 %)	9.8
Wind speed, normal wind year	m/s	8.6	8.6	0 %	9.8	9.8	0 %	9.7
Onshore wind, the US								
Availability	%	97	96	1 %p	95	96	(1 %p)	96
Load factor	%	45	49	(4 %p)	45	47	(2 %p)	45
Wind speed	m/s	7.3	8.0	(9 %)	7.5	7.8	(4 %)	7.6
Wind speed, normal wind year	m/s	8.1	8.1	0 %	8.0	7.9	1 %	7.5
Onshore wind, Ireland								
Availability	%	96	-	-	96	-	-	-
Load factor	%	17	-	-	17	-	-	-
Wind speed	m/s	5.7	-	-	5.7	-	-	-
Other								
Degree days, Denmark	Number	487	436	12 %	1,812	1,501	21 %	2,432

Offshore wind

Offshore wind speeds in H1 2021 were below a normal wind year and 12 % lower than in H1 2020.

Availability in H1 2021 was 1 percentage point higher than in H1 2020.

The 12 % lower wind speed and 1 percentage point higher availability resulted in a 7 percentage point decrease of the load factor in H1 2021 compared to H1 2020.

Onshore wind, the US

Wind speeds in H1 2021 were below a normal wind year and 4 % below H1 2020.

Availability was 1 percentage point lower than in H1 2020, and combined with the 4 % lower wind speeds, this led to a 2 percentage points lower load factor in H1 2021 compared to H1 2020.

Onshore wind, Ireland

We acquired our Irish onshore assets in Q2 2021.

Other

The number of degree days in H1 2021 was 21 % higher than in H1 2020, indicating that the weather in H1 2021 was significantly colder than in H1 2020.

We have improved the accuracy of our offshore wind speed calculations in 2021 and restated 2020 wind speed data to support comparison

In 2021 we have used an improved input data set for calculating wind speeds for offshore wind farms.

Previously individual wind speed measuring points covered several wind farms and were reported for an average hub height. Now each offshore wind farm has its own specific wind speed measuring point for the actual wind farm height.

For comparison reasons we have also updated the actual and normal wind speed data reported for 2020 using the new more detailed wind speed datasets.

2.6 Energy sales

Indicator	Unit	Q2 2021	Q2 2020	Δ	H1 2021	H1 2020	Δ	2020
Gas sales	**TWh**	**15.1**	**20.1**	**(25 %)**	**34.0**	**46.7**	**(27 %)**	**90.3**
Power sales	**TWh**	**4.5**	**5.5**	**(18 %)**	**11.4**	**14.3**	**(20 %)**	**29.2**
- Green power to end-customers[1]	TWh	1.1	2.0	(45 %)	2.3	4.3	(47 %)	7.5
- Regular power to end-customers[2]	TWh	0.4	0.6	(33 %)	1.4	1.6	(13 %)	2.9
- Power wholesale	TWh	3.0	2.9	3 %	7.7	8.4	(8 %)	18.8

[1]Power sold with renewable certificates.

[2]Power sold without renewable certificates.

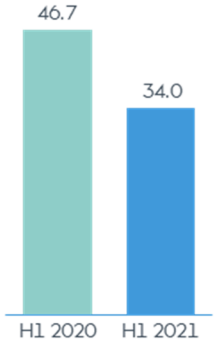
Gas sales decreased by 27 % to 34.0 TWh in H1 2021 compared to H1 2020. This was primarily due to the divestment of the LNG business in December 2020.

Power sales decreased by 20 % to 11.4 TWh in H1 2021 compared to H1 2020. This was due to a 47 % decrease in green power sales to end customers to 2.3 TWh in H1 2021, primarily due to the divestment of the Danish B2C customers in August 2020.

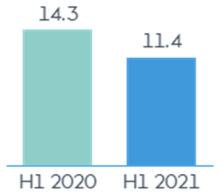
The decrease in power sales in H1 2021 was also due to a 13 % decrease in regular power sales to end customers and a 8 % decrease in power wholesale.

The decrease in power wholesale was primarily due to a decrease in the sale of our partners' share of generation from our wind farms due to lower wind speeds, offset by an increase in wholesale in the UK after the divestment of our B2B customers in April 2021. After the divestment, we will for a limited period continue to sell the same power volumes to the company that acquired our B2B customers (i.e. wholesale) instead of selling directly to end customers.

Gas sales, TWh



Power sales, TWh



2.7 Greenhouse gas (GHG) emissions

Indicator	Unit	Target	Q2 2021	Q2 2020	Δ	H1 2021	H1 2020	Δ	2020
Direct GHG emissions (scope 1)	Thousand tonnes CO_2e		364	496	(27 %)	1,091	1,051	4 %	1,851
Indirect GHG emissions (scope 2)									
Location-based	Thousand tonnes CO_2e		13	37	(65 %)	28	76	(63 %)	111
Market-based	Thousand tonnes CO_2e		0	0	-	0	1	(100 %)	2
Indirect GHG emissions (scope 3)	Thousand tonnes CO_2e	50 % (2032)[4]	4,615	5,535	(17 %)	9,878	13,127	(25 %)	25,333
- Category 2: Capital goods[1]	Thousand tonnes CO_2e		901	81	1012 %	901	198	355 %	657
- Category 3: Fuel- and energy-related activities[2]	Thousand tonnes CO_2e		145	520	(72 %)	953	1,352	(30 %)	2,437
- Category 11: Use of sold products[3]	Thousand tonnes CO_2e		3,493	4,886	(29 %)	7,880	11,451	(31 %)	21,980
- Other	Thousand tonnes CO_2e		76	48	58 %	144	126	14 %	259
Scope 1 and 2 GHG emission intensity									
GHG intensity, energy generation	g CO_2e/kWh	10 (2025)[5]	51	84	(39 %)	56	64	(13 %)	58
- Offshore	g CO_2e/kWh		3	2	50 %	2	2	0 %	2
- Onshore	g CO_2e/kWh		0	0	0 %	0	0	-	0
- Bioenergy & Other	g CO_2e/kWh		134	275	(51 %)	122	158	(23 %)	164
CO_2e per revenue, Ørsted [6]	g CO_2e/DKK		27	43	(37 %)	34	39	(13 %)	35
CO_2e per EBITDA, Ørsted [6]	g CO_2e/DKK		44	168	(74 %)	84	108	(22 %)	102

Primary source of emission: [1]wind farm suppliers, [2]fossil-based power sales, [3]natural gas sales.

[4]A 50 % reduction in total scope 3 emissions from the base year 2018. In addition, we want our scope 3 emissions to be carbon-neutral by 2040.

[5]Additional target 20 (2023).

[6]2020 financial figures are based on the business perfomance principle.

Scope 1

Scope 1 greenhouse gas (GHG) emissions increased by 4 % from H1 2020 to H1 2021. The main driver was the increase in the use of coal and natural gas at our power stations in Q1 2021.

Scope 2

The main source of location-based scope 2 emissions was power purchased for the generation of heat in boilers at our CHP plants. Other sources were power consumption during standstill and shutdown periods at our CHP plants and wind farms as well as heat and power for office buildings.

All power purchased and consumed by Ørsted is certified green power, and therefore our market-based scope 2 greenhouse gas emissions from power consumption amount to zero.

Scope 3

Scope 3 greenhouse gas emissions decreased by 25 % from H1 2020 to H1 2021, driven mainly by the 27 % reduction in gas sales. Scope 3 emissions from fuel- and energy-related activities were 30 % lower than in H1 2020 due to the 13 % reduction in the sale of regular power to end customers, partly offset by a 42 % increase in the use of fuels in our thermal heat and power generation.

Scope 3 emissions from capital goods increased by 355 % due to the commissioning of Permian Energy Center in Q2 2021. We have used a conservative generic international scope 3 factor for solar plants. In general, the carbon footprint of solar plants is higher than that of wind farms which explains the significant increase compared to previously reported results for capital goods. We will look into improving the scope 3 factors for solar towards being more asset-specific.

2.8 Avoided carbon emissions

Indicator	Unit	H1 2021	H1 2020	Δ	2020
Avoided carbon emissions	Million tonnes CO_2e	**7.5**	**6.1**	**23 %**	**13.1**
- From wind generation, offshore	Million tonnes CO_2e	3.7	3.8	(3 %)	8.1
- From wind and solar generation, onshore	Million tonnes CO_2e	2.3	1.6	44 %	3.5
- From biomass-converted generation	Million tonnes CO_2e	1.5	0.7	114 %	1.5
Accumulated avoided carbon emissions from 2006 to present year	Million tonnes CO_2e	**66.1**	**51.6**	**28 %**	**58.6**
- From wind generation, offshore	Million tonnes CO_2e	50.0	42.0	19 %	46.3
- From wind generation, onshore	Million tonnes CO_2e	8.5	4.3	98 %	6.2
- From biomass-converted generation	Million tonnes CO_2e	7.6	5.3	43 %	6.1
Carbon emissions from heat and power generation					
Carbon emissions from heat and power generation	Million tonnes CO_2e	1.1	1.0	10 %	1.8
Accumulated (2006 to present year) carbon emissions from heat and power generation	Million tonnes CO_2e	125.9	124.0	2 %	124.8

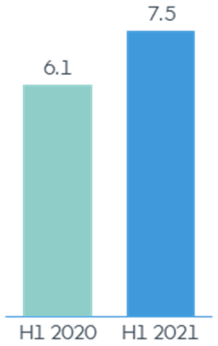
Compared to H1 2020, the avoided carbon emissions increased by 23 % due to an increase in onshore wind-based power generation and biomass-converted energy generation.

The avoided emissions from sustainable biomass-converted generation increased by 114 % in H1 2021 compared to H1 2020 due to the increased biomass-based heat generation in H1 2021.

By H1 2021, we have reached an accumulated total of 66 million tonnes of avoided carbon emissions since 2006.

This is the result of our wind-based and sustainable biomass-converted energy generation and corresponds to 53 % of the accumulated carbon emissions from thermal energy generation at Ørsted since 2006.

Avoided carbon emissions, million tonnes CO_2e



Carbon emissions, million tonnes CO_2e

2.9 Energy consumption

Indicator	Unit	Target	Q2 2021	Q2 2020	Δ	H1 2021	H1 2020	Δ	2020
Direct energy consumption (GHG scope 1)	**GWh**		**4,564**	**2,754**	**66 %**	**12,256**	**8,661**	**42 %**	**15,452**
Fuel used in thermal heat and power generation	GWh		4,520	2,724	66 %	12,177	8,594	42 %	15,306
- Sustainable biomass	GWh		3,437	1,117	208 %	8,767	5,250	67 %	9,440
- Coal	GWh	0 (2023)	943	1,177	(20 %)	2,712	2,571	5 %	4,444
- Natural gas	GWh		107	388	(72 %)	637	698	(9 %)	1,229
- Oil	GWh		33	42	(21 %)	61	75	(19 %)	193
Other energy usage (oil, gas, and diesel for vessels and cars)	GWh		44	30	47 %	79	67	12 %	146
Coal used in thermal heat and power generation	Thousand tonnes	0 (2023)	140	172	(19 %)	403	376	7 %	629
Certified sustainable wooden biomass sourced	%	100 (2020)	100	100	0 %p	100	100	0 %p	100
Indirect energy consumption (GHG scope 2)	**GWh**		**74**	**181**	**(59 %)**	**167**	**377**	**(56 %)**	**554**
Power sourced for own consumption	GWh		72	176	(59 %)	161	365	(56 %)	534
Own power consumption covered by renewable energy certificates	%	100	100	100	0 %p	100	100	0 %p	100
Heat sourced for own consumption	GWh		2	5	(60 %)	6	12	(50 %)	20
Total direct and indirect energy consumption	**GWh**		**4,638**	**2,935**	**58 %**	**12,423**	**9,038**	**37 %**	**16,006**
Green share of total direct and indirect energy consumption	**%**		**76**	**44**	**32 %p**	**72**	**62**	**10 %p**	**62**

Total fuel consumption used for heat and power generation increased by 42 % in H1 2021 compared to H1 2020, driven by the 53 % increase in thermal power generation and the 22 % increase in heat generation (see note 2.3).

The consumption of sustainable biomass increased by 67 % driven by increased heat generation in H1 2021.

Coal consumption increased by 5 % in H1 2021 compared to H1 2020 due to generation at our two remaining coal-based units at Esbjerg and Studstrup power plants. The increase in coal consumption was driven by higher power prices and higher combined heat and power generation due to the colder weather in H1 2021, partly offset by 20 % lower coal consumption in Q2 2021 compared to Q2 2020.

In H1 2021, 100 % of our wooden biomass was sourced as certified sustainable wooden biomass.

The power sourced for own consumption by Ørsted decreased by 56 % in H1 2021 due to the divestment of the power distribution business in Q3 2020, which consumed power to cover grid losses.

Power sourced for our own consumption was 100 % certified renewable, primarily from offshore wind.

3.1 Human capital

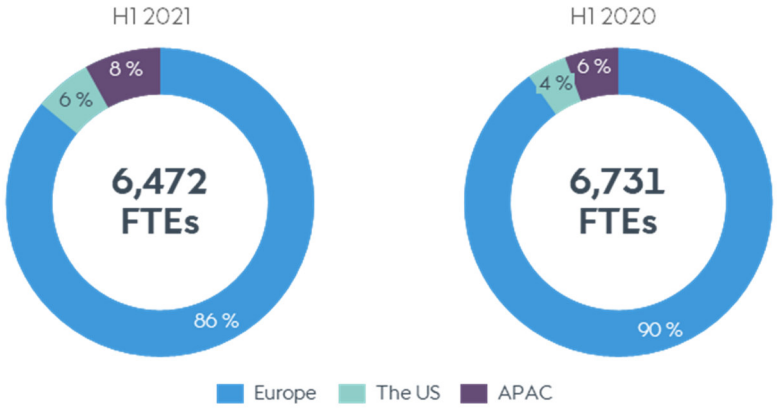
Indicator	Unit	H1 2021	H1 2020	Δ	2020
Number of employees					
Total number of employees (end of period)	FTEs	6,472	6,731	(4 %)	6,179
- Denmark	FTEs	3,876	4,585	(15 %)	3,854
- The UK	FTEs	1,121	1,011	11 %	1,057
- The US	FTEs	365	283	29 %	314
- Malaysia	FTEs	308	225	37 %	274
- Poland	FTEs	251	222	13 %	233
- Germany	FTEs	227	214	6 %	219
- Taiwan	FTEs	144	110	31 %	126
- Other[1]	FTEs	180	81	122 %	102
Sickness absence	%	1.6	2.2	(0.6 %p)	1.9
Turnover, 12 months rolling					
Total employee turnover rate	%	9.1	10.3	(1.2 %p)	8.4
Voluntary employee turnover rate	%	6.2	5.9	0.3 %p	5.0

[1]FTE distribution in other countries: Ireland (72) ,The Netherlands (56), Singapore (25), South Korea (12), Japan (10), and Sweden (5) in H1 2021.

The number of employees was 4 % lower at the end of H1 2021 compared to H1 2020. The development was primarily impacted by the divestment of the Danish power distribution (Radius), residential customer, and city light businesses to SEAS-NVE on 31 August 2020. Approx. 750 employees were transferred to SEAS-NVE as part of the transaction, which was partly offset by an increase in the number of FTEs in our markets outside Denmark.

At the end of H1 2021, the total employee turnover rate decreased by 1.2 percentage points to 9.1 %, and the voluntary employee turnover rate increased by 0.3 percentage points to 6.2 % compared to H1 2020.

Geographical distribution of FTEs, %



3.2 Safety

Indicator	Unit	Target	H1 2021	H1 2020	Δ	12M rolling H1 2021	12M rolling H1 2020	Δ	2020
Total recordable injuries (TRIs)	**Number**		**35**	**39**	**(10 %)**	**73**	**103**	**(29 %)**	**77**
- Own employees	Number		16	10	60 %	25	26	(4 %)	19
- Contractor employees	Number		19	29	(34 %)	48	77	(38 %)	58
Lost-time injuries (LTIs)	**Number**		**17**	**18**	**(6 %)**	**35**	**45**	**(22 %)**	**36**
- Own employees	Number		8	5	60 %	13	15	(13 %)	10
- Contractor employees	Number		9	13	(31 %)	22	30	(27 %)	26
Hours worked	**Million hours worked**		**11.4**	**10.5**	**9 %**	**22.4**	**21.7**	**3 %**	**21.5**
- Own employees	Million hours worked		5.2	5.5	(5 %)	10.5	10.9	(4 %)	10.8
- Contractor employees	Million hours worked		6.2	5.0	24 %	11.9	10.8	10 %	10.7
Total recordable injury rate (TRIR)	**Per million hours worked**	**2.9 (2025)**	**3.1**	**3.7**	**(16 %)**	**3.3**	**4.7**	**(30 %)**	**3.6**
TRIR, own employees	Per million hours worked		3.0	1.8	67 %	2.4	2.4	0 %	1.8
TRIR, contractor employees	Per million hours worked		3.1	5.8	(47 %)	4.0	7.1	(44 %)	5.4
Lost-time injury frequency (LTIF)	**Per million hours worked**		**1.5**	**1.7**	**(12 %)**	**1.6**	**2.1**	**(24 %)**	**1.7**
LTIF, own employees	Per million hours worked		1.5	0.9	67 %	1.2	1.4	(14 %)	0.9
LTIF, contractor employees	Per million hours worked		1.5	2.6	(42 %)	1.9	2.8	(32 %)	2.4
Fatalities	**Number**		**0**	**0**	**0 %**	**0**	**0**	**0 %**	**0**
Permanent disability cases	**Number**		**0**	**0**	**0 %**	**0**	**0**	**0 %**	**0**

The overall safety performance developed positively in H1 2021 compared to H1 2020.

Total recordable injuries in H1 2021 decreased by 10 % (four recordable injuries less) and lost-time injuries decreased by 6 % (one lost-time injury less) compared to H1 2020.

The total amount of hours worked in H1 2021 was 9 % higher than in H1 2020. The number of hours worked by Ørsted employees in H1 2021 was 5 % lower than in H1 2020, whereas the hours worked by contractor employees increased by 24 %.

Consequently, the total recordable injury rate (TRIR) was 3.1, which was 16 % lower than in H1 2020, and the lost-time injury frequency (LTIF) was 1.5, which was 12 % lower than in H1 2020.

4.1 Supplier due diligence

Indicator	Unit	H1 2021	H1 2020	Δ	2020
Risk screenings					
Risk screenings (all contracts above DKK 3 million)	Number	120	212	(43 %)	303
Extended risk screenings (contracts above DKK 3 million)	Number	27	56	(52 %)	81
Know-your-counterparty (KYC) screenings	Number	686	519	32 %	843
Due diligence activities conducted					
Code of conduct (CoC) desktop assessments	Number	13	20	(35 %)	45
Code of conduct (CoC) site assessments	Number	1	5	(80 %)	6
Health, safety, and environment (HSE) desktop assessments	Number	127	145	(12 %)	290
Health, safety, and environment (HSE) site assessments	Number	10	10	0 %	21
Desktop vessel inspections	Number	37	37	0 %	58
Physical vessel inspections	Number	207	171	21 %	339

The number of screenings and due diligence activities conducted is determined by the schedule of the individual construction projects and the procurement priorities from year to year.

In H1 2021, 120 risk screenings based on country and category risk were conducted, and a further 27 extended risk screenings were carried out based on additional risk parameters.

The number of know-your-counterparty (KYC) screenings, focusing on supplier's integrity and legal compliance, increased by 32 % in H1 2021 compared to H1 2020. This was due to an increase in screening activities conducted for US suppliers, partners, and European customers as well as a strengthened KYC screening process.

The impact of COVID-19 and the restrictions imposed in different countries continue to impact the number of code of conduct (CoC) site assessments. However, there were 10 health, safety, and environment (HSE) site assessments in H1 2021, unchanged from H1 2020. These mainly took place virtually.

Physical vessel inspections increased by 21 % mainly due to our two large projects Hornsea 2 and Greater Changhua 1 & 2a and many new development projects. Vessel inspections were not impacted by COVID-19 to the same degree as the code of conduct and HSE programmes as they were performed by local inspectors or took place virtually.

The results of the assessments are managed throughout the different programmes, and improvement plans are developed and implemented in collaboration with suppliers.

Accounting policies

ESG data quality and consolidation

All our ESG data is reported to the same consolidation system, and we apply the same processes and tools to our ESG reporting as to our financial reporting. The data is consolidated according to the same principles as the financial statements. Thus, the consolidated ESG performance data comprises the parent company Ørsted A/S and subsidiaries controlled by Ørsted A/S. Data from associates and joint ventures is not included in the consolidated ESG performance data. Data from acquisitions and divestments is included or excluded from the date of acquisition or divestment.

The scoping and consolidation of health, safety, and environment (HSE) incidents deviate from the principles described above. HSE incident data is collected using an operational scope. This means that irrespective of our ownership share, we include all injuries, environmental incidents, hours worked, etc. from all operations where Ørsted is responsible for HSE, including safety for our external suppliers.

All data presented follows the principles above, unless otherwise specified in the accounting policy for the individual indicator. Accounting policies for all our ESG data can be found next to each data table in the environmental (E), social (S), and governance (G) sections. The calculation factors used in this report are listed at the end of the report together with references.

2.1 Renewable capacity

Installed renewable capacity

The installed renewable capacity is calculated as renewable gross capacity installed by Ørsted. We include all capacities where we had an ownership share and an EPC-role (engineering, procurement, and construction) in the project. Capacities from acquired companies are added to the installed capacity. We do not remove installed capacities from divested assets or farm-downs because the focus is on if we installed the assets.

For installed renewable thermal capacity, we use the heat capacity as heat is the primary outcome of thermal energy generation, and as bioconversions of the combined heat and power plants are driven by heat contracts.

Decided (FID) renewable capacity

Decided (FID) capacity is renewable capacity for which a final investment decision (FID) has been made.

Awarded and contracted renewable capacity

The awarded renewable capacity is based on the capacities which have been awarded to Ørsted in auctions and tenders. The contracted capacity is the capacity for which Ørsted has signed a contract or power purchase agreement (PPA) concerning a new renewable energy plant. Typically, offshore wind farms are awarded, whereas onshore wind farms are contracted. We include the full capacity if more than 50 % of PPAs or offtake is secured.

Installed storage capacity

The battery storage capacity is included after the commercial operation date (COD) has been reached. The capacity is presented as megawatts of alternating current (MWac).

2.2 Generation capacity

Power generation capacity

Power generation capacity from offshore wind farms is calculated and included from the time when the individual wind turbine has passed a 240-hour test. Generation capacities for onshore wind and solar PV are included after COD.

The offshore wind farms Gunfleet Sands 1 & 2 and Walney 1 & 2 have been consolidated according to ownership interest. Other wind farms, solar farms, and CHP plants are financially consolidated.

Heat and power generation capacity, thermal

The thermal heat and power generation capacity is a measure of the maximum capability to generate heat and power.

The capacity can change over time with plant modifications. For each CHP plant, the capacity is given for generation with the primary fuel mix. Overload is not included.

Fuel-specific capacities measure the maximum capacity using the specified fuel as primary fuel at the multi-fuel plants. Therefore, the total sum amounts to more than 100 %.

CHP plants which have been taken out of primary operation and put on standby are not included.

2.3 Energy generation

Power generation

Power generation from wind farms is determined as generation sold. The offshore wind farms Gunfleet Sands 1 & 2 and Walney 1 & 2 have been consolidated according to ownership interest. Other wind farms, solar farms, and CHP plants are financially consolidated.

Thermal power generation is determined as net generation sold, based on settlements from the official Danish production database. Data for generation from foreign facilities are provided by the operators.

Heat generation

Heat (including steam) generation is measured as net output sold to heat customers.

2.4 Green energy share

Green energy share

The green (renewable energy) share of our heat and power generation and the distribution of the generation volume on the individual energy sources and fuels are calculated on the basis of the energy sources used and the energy generated at the different energy plants.

For combined heat and power (CHP) plants, the share of the specific fuel (e.g. biomass) is calculated relative to the total fuel consumption for a given plant or unit within a given time period. The specific fuel share is then multiplied by the total heat and power generation for the specific plant or unit in the specific period. The result is the fuel-based generation for the individual unit, for example, the biomass-based generation of heat and power from the CHP plant unit within a given time period.

The percentage share of the individual energy sources is calculated by dividing the generation from the individual energy source by the total generation.

The following energy sources and fuels are considered as renewable energy: wind, solar PV, biomass, biogas, and power sourced with renewable energy certificates. The following energy sources are considered as fossil energy sources: coal, natural gas, and oil.

2.5 Energy business drivers

Availability

Availability is calculated as the ratio of actual production to the possible production, which is the sum of lost production and actual production in a given period. The production-based availability (PBA) is impacted by grid and wind turbine outages which are technical production losses. PBA is not impacted by market-requested shutdowns and wind farm curtailments as this is deemed not to be reflective of site performance, but due to external factors.

Total availability is determined by weighting the individual wind farm's availability against the capacity of the wind farm.

Load factor
The load factor is calculated as the ratio between actual generation over a period relative to potential generation, which is possible by continuously exploiting the maximum capacity over the same period. The load factor is commercially adjusted. Commercially adjusted means that, for Danish and German offshore wind farms, the load factor is adjusted if the offshore wind farm has been financially compensated by the transmission system operators in situations where the offshore wind farm is available for generation, but the output cannot be supplied to the grid due to maintenance or grid interruptions. Wind farms in other countries are not compensated for non-access to the grid.

New wind turbines are included in the calculation of availability and load factor once they have passed a 240-hour test for offshore wind turbines and once the commercial operation date (COD) has passed for onshore wind turbines.

Wind speed
Wind speeds for the areas where Ørsted's offshore and onshore wind farms are located are provided to Ørsted by an external supplier (except for our new Irish onshore assets where wind speeds are measured on site). Wind speeds are weighted on the basis of the capacity of the individual wind farms and consolidated to an Ørsted total for offshore and onshore, respectively. 'Normal wind speed' is a historical wind speed average.

Degree days
Degree days are a measure of how cold it has been and thus indicate the amount of energy needed to heat a building. The number of degree days helps to compare the heat demand for a given year with a normal year.

The number of degree days expresses the difference between an average indoor temperature of 17 °C and the outside mean temperature for a given period. The need for heat increases with the number of degree days.

Energy efficiency, thermal generation
Energy efficiency is calculated as total thermal heat and power generation divided by the total energy content of fuels (lower caloric values) used in the generation of thermal heat and power.

2.6 Energy sales

Gas and power sales
Sales of gas and power are calculated as physical sales to retail customers, wholesale customers, and exchanges. Sales are based on readings from Ørsted's trading systems. Internal sales to Bioenergy are not included in the statement.

2.7 Greenhouse gas (GHG) emissions

Direct GHG emissions (scope 1)
The reporting of direct scope 1 emissions is based on the Greenhouse Gas Protocol and covers all direct emissions of greenhouse gases from Ørsted: carbon dioxide, methane, nitrous oxide, and sulphur hexafluoride. The direct carbon emissions from the thermal heat and power plants are determined on the basis of the fuel quantities used in accordance with the EU Emissions Trading System (ETS). Carbon dioxide and other greenhouse gas emissions outside the EU ETS scheme are, for the most part, calculated as energy consumption multiplied by emission factors.

Indirect GHG emissions (scope 2)
The reporting of indirect scope 2 emissions is based on the Greenhouse Gas Protocol and includes the indirect GHG emissions from the generation of power, heat, and steam purchased and consumed by Ørsted. Scope 2 emissions are primarily calculated as the power volumes purchased multiplied by country-specific emission factors. Location-based emissions are calculated based on average emission factors for each country, whereas market-based emissions take the green power purchased into account and assume that the regular power is delivered as residual power where the green part has been taken out.

Indirect GHG emissions (scope 3)
The reporting of indirect scope 3 emissions is based on the Greenhouse Gas Protocol which divides the scope 3 inventory into 15 subcategories (C1-C15).

GHG emissions from:
- C1 is categorised spend data multiplied by relevant spend category-specific emission factors
- C2 includes upstream GHG emissions from installed wind farms. Carbon emissions are included from cradle to operations and maintenance for single wind turbines. Wind farms are included from the month when the wind farm has reached the commercial operation date (COD)
- C3 is calculated based on actual fuel consumption and power sales multiplied by relevant emission factors. We include all power sales to end customers and use separate emission factors for green and regular power sales
- C4 only includes fuel for helicopter transport. Emissions from other transport types are included in the emission factors we use for purchased goods and services
- C5 is calculated based on actual waste data multiplied by relevant emission factors
- C6 is calculated based on mileage allowances for employee travel in own cars and GHG emissions from plane travel provided by our travel agent
- C7 is calculated based on estimates of the distance travelled and travel type (e.g. car and train)
- C9 is calculated based on volumes of residual products, estimated distances transported, and relevant GHG emission factors for transport
- C11 is calculated based on actual sales of gas to both end users and wholesale as reported in our ESG consolidation system. The total gas trade is divided into natural gas, LNG, and biogas which have specific up- and downstream emission factors.

The subcategories C8, C10, and C12-C15 are not relevant for Ørsted as we have no greenhouse gas emissions within these categories.

Greenhouse gas emission intensity
Greenhouse gas emission intensity is calculated as total scope 1 and scope 2 (market-based) emissions divided by total heat and power generation, revenue, and EBITDA, respectively.

2.8 Avoided carbon emissions

Avoided carbon emissions
The avoided carbon emissions due to generation from offshore and onshore wind farms are calculated on the basis of the assumption that the generation from wind farms replaces an equal quantity of power generated using fossil fuels.

The carbon emission factor from fossil fuels is calculated based on an average fossil-fuel mix in the specific country. Data is extracted from the International Energy Agency, IEA. Power generation at a wind farm does not have any direct carbon emissions, and no secondary effects are included, from neither CHP plants nor offshore wind farms. The avoided carbon emissions are calculated as the offshore wind farm's generation multiplied by the emission factor.

The avoided carbon emissions due to the conversions of the combined heat and power plants and subsequent switch from fossil fuels to biomass are calculated on the basis of the energy content of the fuel used at the CHP plants. It is assumed that the use of 1 GJ of biomass fuel avoids the use of 1 GJ of fossil fuels. The upstream carbon emissions (from production, manufacture, and transport of biomass) are included in the calculation.

The following secondary carbon emissions are included in the calculation:
- Fuel used for production of biomass and conversion into wood pellets and wood chips.
- Fuel used for transport and handling of biomass.
- Back-up fuel used together with biomass fuel at the power plants.

The accounting policies for avoided carbon emissions follow the principles of the GHG Project Proto-

col and the United Nation's Framework Convention on Climate Change (UNFCCC) methodology.

Carbon emissions
Carbon emissions include scope 1 greenhouse gas emissions from thermal heat and power generation. For more details, see '2.7 Greenhouse gas emissions'.

2.9 Energy consumption

Direct energy consumption (GHG scope 1)
Includes all energy consumption, including energy consumption that leads to scope 1 greenhouse gas emissions. Energy consumption includes all fuels used at CHP plants (lower caloric values) and other energy usage (oil, natural gas, and diesel).

Fuels used in thermal heat and power generation
Fuels used in thermal heat and power generation at the power stations are the total of each fuel type used for both heat and power generation.

Sustainable biomass covers all kinds of sustainable biomass-based fuels used in thermal generation, including wood pellets, wood chips, straw, bio oil, and sunflower husk pellets.

Other energy usage
Other energy usage covers usage of oil, natural gas, and diesel. This consumption covers, for example, oil for small power generators at building sites, gas consumption for heating, and diesel for vessels and cars. Emissions from flaring and venting carried out for safety or similar purposes are included. For gas treatment and gas storage facilities, the amounts are calculated on the basis of pressure and the dimensions of the process equipment that is emptied as well as by means of accredited measuring of the continuous safety flaring.

Certified sustainable wooden biomass sourced
Certified sustainable biomass is defined as wooden biomass, i.e. wood pellets and wood chips. Biomass is measured as sourced wooden biomass delivered to individual combined heat and power plants within the reporting period.

Certified sustainable wooden biomass sourced must be certified within at least one of the claim categories accepted by the Danish industry agreement on certified biomass. Accepted claim categories are: FSC 100 %, FSC Mix, PEFC 100 %, and SBP compliant.
Certified biomass is calculated as the amount of sourced wooden biomass compared to the total amount of sourced wooden biomass delivered to individual CHP plants within the reporting period.

Indirect energy consumption (GHG scope 2)
Heat and power purchased and consumed by Ørsted is reported for CHP plants, other facilities, and administrative buildings. Heat and power consumption excludes consumption of own generated heat and power at the CHP plants. For consumption related to administration and other processes, we calculate direct consumption on the basis of invoices.

Green share of total energy consumption
The green share is calculated as renewable energy sourced (biomass and certified green power) for own consumption divided by total energy sourced for own consumption.

3.1 Human capital

Employees
Our reporting covers contractually employed employees in all Ørsted companies where Ørsted holds an ownership interest of more than 50 %. Employees in associates are not included.

Employee data is recognised based on records from the Group's ordinary registration systems. The number of employees is determined as the number of employees at the end of each month converted to full-time equivalents (FTEs).

Employees who have been made redundant are recognised until the expiry of their notice period, regardless of whether they have been released from all or some of their duties during their notice period.

Turnover
The employee turnover rate is calculated as the number of permanent employees who have left the company relative to the average number of permanent employees in the financial year.

3.2 Safety

Safety
Occupational injuries are calculated according to operational scope. Data from companies wholly or partly owned by Ørsted, and where Ørsted is responsible for safety, is included. Occupational injuries and lost-time injuries are calculated for both our own employees and our suppliers. Data from all Ørsted locations are recognised.

The lost-time injury frequency (LTIF) is calculated as the number of lost-time injuries per one million hours worked. The number of hours worked is based on 1,667 working hours annually per full-time employee and monthly records of the number of employees converted into full-time employees. For suppliers, the actual number of hours worked is recognised on the basis of data provided by the supplier, access control systems at locations, or estimates.

LTIF includes lost-time injuries defined as injuries that result in an incapacity to work for one or more calendar days in addition to the day of the incident.
In addition to lost-time injuries, TRIR also includes injuries where the injured person is able to perform restricted work the day after the accident as well as accidents where the injured person has received medical treatment.

Fatalities are the number of employees who lost their lives as a result of a work-related incident. Permanent disability cases are injuries resulting in irreversible damage with permanent impairment which is not expected to improve.

4.1 Supplier due diligence

ESG supplier and business partner due diligence is carried out by different departments at Ørsted.

Risk screenings
The Responsible Business Partner Programme (RPP) team apply a risk-based due diligence framework to identify areas within our code of conduct (CoC) for business partners where relevant suppliers need to improve their adherence to the code.

Risk screenings are conducted by RPP based on country and category risk on all new sourcing contracts above DKK 3 million. Based on the risk screening evaluation, RPP conducts extended risk screenings of selected contracts with additional parameters. Screenings and extended screenings also take place for coal and biomass suppliers and top-spend suppliers.

The Business Ethics Compliance (BEC) team also conduct know-your-counterparty (KYC) screenings of all new suppliers and business partners to ensure legal compliance.

Risk-screened procurement spend and KYC-screened procurement spend are both calculated on an annual basis for the reporting year.

Due diligence activities conducted
Due diligence activities are carried out by our RPP, Health, Safety, and Environment (HSE), and Marine Inspection teams, based on the results of individual screening and risk assessments.

The activities are conducted either as desktop assessments or inspections or as on-site assessments or physical inspections which often include a visit to their production facilities by Ørsted or a third party.

Assessments also include potential suppliers (i.e. no signed contracts yet) as part of the tender process.

Ørsted A/S
CVR no. 36213728
Kraftværksvej 53
DK-7000 Fredericia
Tel.: +45 9955 1111

orsted.com

Group Communication
Martin Barlebo
Tel.: +45 9955 9552

Investor Relations
Allan Bødskov Andersen
Tel.: +45 9955 7996

Front page image
Offshore technicians debarking an SOV
Grimsby, UK

Publication
12 August 2021

Ørsted
Love your home