

The Orsted logo, featuring a stylized white 'O' with a power symbol inside, followed by the word 'rsted' in a bold, white, sans-serif font.

**Orsted**

# ESG performance report 2022



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## 2022 reports

Our annual reporting consists of a package of five additional reports, which can be accessed through the links shown to the right.



[Sustainability report 2022](#)



[Annual report 2022](#)



[Remuneration report 2022](#)



[Green bond impact report 2022](#)



[Statutory corporate governance report 2022](#)

# 1. Introduction

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## 1.1 CFO's review

### First EU taxonomy-aligned reporting

- Our total installed renewable capacity increased by 17% to 15.1 GW in 2022.
- Our green share of energy increased by 1 percentage point to 91% in 2022.
- Scope 1 and 2 greenhouse gas intensity increased by 3% to 60 g CO<sub>2</sub>e/kWh in 2022.
- Scope 3 greenhouse gas emissions decreased by 40%.
- EU taxonomy-aligned revenue was 73%, EBITDA 85%, and CAPEX 99%.

### Renewable energy capacity

Our total installed renewable capacity increased by 17% to 15.1 GW in 2022.

We commissioned the 1,320 MW offshore wind farm Hornsea 2 (Q3), the four onshore wind farms Haystack (298 MW in Q1), Helena Wind (268 MW in Q2), Kennoxhead 1 (62 MW in Q2), and Ford Ridge (121 MW in Q3). We acquired the French and German onshore wind and solar company Ostwind in Q3, adding another 75 MW to our installed capacity.

### Heat and power generation

The total heat and power generation increased by 14% in 2022.

Offshore wind power generation increased by 19% to 16.5 TWh in 2022, mainly due to higher wind speeds and more capacity.

Onshore wind power generation increased by 53% to 11.2 TWh in 2022 due to the new onshore wind capacity acquired and installed. Solar PV generation increased by 89% due to the full-year effect of our two new solar farms installed in 2021 and one new solar farm coming online in 2022.

Thermal heat generation decreased by 19% to 6.4 TWh in 2022 due to warmer weather in 2022.

Thermal power generation decreased by 13% to 6.0 TWh in 2022. The decrease was primarily driven by decreased generation of combined heat and power generation due to lower heat demand.

### Green key performance indicators

Our green share of heat and power generation increased by 1 percentage point to 91% in 2022. The share of generation from offshore and onshore wind increased by 9 percentage points due to more capacity and higher offshore wind speeds in 2022. In addition, our solar farms accounted for 5% of total generation, an increase of 2 percentage points from 2021.

The share of generation from sustainable biomass decreased by 10 percentage points due to the decreased heat demand, scarcity of sustainable biomass in the first half of the year, and a fire in a wood pellet silo at Studstrup Power Station in Q3.

The overall share of fossil-based energy generation was reduced by 1 percentage point.

Our greenhouse gas intensity (scope 1 and 2) increased by 3% to 60 g CO<sub>2</sub>e/kWh in 2022 due to increased coal-based thermal heat and power generation, partly offset by increased wind and solar energy generation.

Our scope 3 emissions decreased by 40% in 2022, mainly due to a 48% decrease in natural gas sales.

### Changed plans during 2022 for the planned phase-out of coal in 2023

In October 2022, the Danish authorities ordered Ørsted to continue and resume operations of three of our power station units which use oil and coal as fuel due to the energy crisis in Europe and the need to ensure security of the electricity supply in Denmark.

We regret that we cannot continue our preparations to stop using coal from Q2 2023 as planned, but have to postpone the phase out of coal to June 2024. However, we acknowledge the special circumstances, and we remain strongly committed to both our 2025 climate targets and our long-term 2040 science-based net-zero target.

### EU sustainability taxonomy

In 2022, we have assessed our taxonomy-eligible activities against the EU criteria for taxonomy alignment and concluded that they were all taxonomy-aligned.

The taxonomy-aligned share of our revenue, EBITDA, and CAPEX in 2022 was 73%, 85%, and 99%, respectively.

The taxonomy-non-eligible part of our revenue primarily concerned our long-term sourcing and sale of natural gas, our fossil fuel-based heat and power generation, and our non-eligible power sales.

We expect the share of taxonomy-aligned revenue to increase in the coming years.



Daniel Lerup  
CFO

## 1.2 ESG target overview

Note	Indicator	Unit	Target	2022	2021	Δ	2020
<b>Strategic targets</b>							
3.1	Installed renewable capacity	MW	~50 GW (2030)	15,121	12,977	17%	11,318
3.1	– Installed offshore capacity	MW	~30 GW (2030)	8,871	7,551	17%	7,572
3.1	– Installed onshore capacity	MW	~17.5 GW (2030)	4,175	3,351	25%	1,668
3.1	– Installed other (incl. P2X) capacity	MW	~2.5 GW (2030)	2,075	2,075	0%	2,078
3.5	Green share of energy generation	%	99 (2025)	91	90	1%p	90
4.2	Greenhouse gas emissions (scope 3)	Million tonnes CO <sub>2</sub> e	50% reduction from 2018 (2032)	11.0	18.2	(40%)	25.3
4.2	Greenhouse gas emissions (scope 3: use of sold products (natural gas sales))	Million tonnes CO <sub>2</sub> e	90% reduction from 2018 (2040)	7.3	14.2	(49%)	22.0
4.3	Greenhouse gas intensity (scope 1 and 2)	g CO <sub>2</sub> e/kWh	10 (2025), 1 (2040)	60	58	3%	58
4.3	Greenhouse gas intensity (scope 1, 2, and 3)	g CO <sub>2</sub> e/kWh	2.9 (2040) <sup>1</sup>	147	165	(11%)	162
5.1	Employee satisfaction	Index 0-100	Top 10% <sup>2</sup>	76	77	(1)	78
5.4	Total recordable injury rate (TRIR)	Per million hours worked	2.5 (2025)	3.1	3.0	3%	3.6
<b>Additional sustainability targets</b>							
4.5	Certified sustainable wooden biomass sourced	%	100 (ongoing)	100	100	0%p	100
4.5	Coal consumption	Thousand tonnes	0 (2025) <sup>3</sup>	996	803	24%	629
4.5	Own power consumption covered by renewable energy certificates	%	100 (ongoing)	100	100	0%p	100
4.5	Internal energy savings, accumulated from 2018	GWh	50 (2025)	46	22	109%	10
4.5	Electric vehicles in the company vehicle fleet	%	100 (2025)	51	41	10%p	38
4.6	Freshwater withdrawal intensity	m <sup>3</sup> /GWh	32 (2025)	47	54	(13%)	-
4.7	Wind turbine blades taken down and directed as waste to landfill	Number	0 (ongoing)	1	0	1	-
5.2	Gender with lowest representation (female), senior directors and above	%	40 (2030)	22	19	3%p	20
5.2	Gender with lowest representation (female), people leaders	%	40 (2030)	31	30	1%p	-
5.2	Gender with lowest representation (female), all employees	%	40 (2030)	33	31	2%p	30
6.5	Group effective tax rate on ordinary business (profit and tax adjusted for one-off items)	%	19 (ongoing)	19	19	0%p	22

1 Our GHG intensity (scope 1, 2, and 3) target excludes scope 3 emissions from use of sold products (natural gas sales).

2 Our target is to have an employee satisfaction survey result in the top ten percentile compared to an external benchmark group.

3 Our target is to phase-out using coal by 2025, replacing our former target to stop using coal by Q2 2023. We are postponing the phase-out of coal because the Danish authorities have ordered us to continue and resume the operation of three of our power station units which use coal and oil as fuel until 30 June 2024.

### SBTi-approved net-zero greenhouse gas emissions target for 2040

Our 2040 net-zero greenhouse gas emissions target is comprised of the above GHG reduction targets. We will neutralise the residual emissions through certified carbon removal projects.

### Net-positive biodiversity impact target

Our target is to deliver a net-positive biodiversity impact from all new renewable energy projects that we commission from 2030 at the latest.

## 1.3 Overview by business unit

Note	Indicator	Unit	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	2022	2021	Δ
AR 2.1	Revenue <sup>1</sup>	DKK million	87,121	3,014	46,243	(4,101)	132,277	77,673	70%
AR 2.1	EBITDA <sup>1</sup>	DKK million	19,569	3,644	8,619	225	32,057	24,296	32%
<b>3.1</b>	<b>Installed renewable capacity</b>	<b>MW</b>	<b>8,871</b>	<b>4,175</b>	<b>2,075</b>	<b>-</b>	<b>15,121</b>	<b>12,977</b>	<b>17%</b>
3.1	– Offshore wind power	MW	8,871	-	-	-	8,871	7,551	17%
3.1	– Onshore wind power	MW	-	3,464	-	-	3,464	2,654	31%
3.1	– Solar PV power	MW	-	671	-	-	671	657	2%
3.1	– Battery storage	MW	-	40	21	-	61	61	0%
3.1	– Thermal biomass-based heat	MW	-	-	2,054	-	2,054	2,054	0%
<b>3.1</b>	<b>Decided (FID'ed) renewable capacity</b>	<b>MW</b>	<b>2,268</b>	<b>2,072</b>	<b>-</b>	<b>-</b>	<b>4,340</b>	<b>4,725</b>	<b>(8%)</b>
<b>3.1</b>	<b>Awarded and contracted renewable capacity</b>	<b>MW</b>	<b>11,157</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>11,222</b>	<b>8,435</b>	<b>33%</b>
<b>3.1</b>	<b>Firm renewable capacity (installed, FID'ed, and awarded/contracted capacity)</b>	<b>MW</b>	<b>22,296</b>	<b>6,312</b>	<b>2,075</b>	<b>-</b>	<b>30,683</b>	<b>26,137</b>	<b>17%</b>
3.2	Power generation capacity	MW	4,672	4,115	2,540	-	11,327	9,806	16%
3.2	Heat generation capacity, thermal	MW	-	-	3,353	-	3,353	3,353	0%
3.4	Power generation	GWh	16,483	13,146	6,012	-	35,641	29,050	23%
3.4	Heat generation	GWh	-	-	6,368	-	6,368	7,907	(19%)
3.5	Green share of energy generation	%	100	100	68	-	91	90	1%p
4.1	Greenhouse gas emissions (scope 1 and 2)	Thousand tonnes CO <sub>2</sub> e	36	1	2,473	1	2,511	2,143	17%
4.2	Greenhouse gas emissions (scope 3)	Thousand tonnes CO <sub>2</sub> e	1,429	303	9,211	40	10,983	18,179	(40%)
4.2	Greenhouse gas emissions (scope 3: use of sold products <sup>2</sup> )	Thousand tonnes CO <sub>2</sub> e	-	-	7,309	-	7,309	14,206	(49%)
4.3	Greenhouse gas intensity (scope 1 and 2)	g CO <sub>2</sub> e/kWh	2	0	200	-	60	58	3%
4.3	Greenhouse gas intensity (scope 1, 2, and 3) <sup>3</sup>	g CO <sub>2</sub> e/kWh	89	23	353	-	147	165	(11%)
5.1	Number of employees (as of 31 December)	FTEs	4,038	419	988	2,582	8,027	6,836	17%

1 These financial line items are included in the audited financial statements for 2022.

2 Scope 3 emissions from wholesale buying and selling of natural gas.

3 Excludes scope 3 emissions from use of sold products (natural gas sales).

## 1.4 Overview by country

Note	Indicator	Unit	Denmark	The UK	Germany	The Netherlands	The US	Taiwan	Poland	Other countries	2022	2021	Δ
3.1	<b>Installed renewable capacity</b>	MW	<b>3,061</b>	<b>5,779</b>	<b>1,383</b>	<b>752</b>	<b>3,741</b>	<b>45</b>	-	<b>360</b>	<b>15,121</b>	<b>12,977</b>	<b>17%</b>
3.1	– Offshore wind power	MW	1,006	5,692	1,346	752	30	45	-	-	8,871	7,551	17%
3.1	– Onshore wind power	MW	-	67	27	-	3,014	-	-	356	3,464	2,654	31%
3.1	– Solar PV power	MW	-	-	10	-	657	-	-	4	671	657	2%
3.1	– Battery storage	MW	1	20	-	-	40	-	-	-	61	61	0%
3.1	– Thermal biomass-based heat	MW	2,054	-	-	-	-	-	-	-	2,054	2,054	0%
3.1	<b>Decided (FID'ed) renewable capacity</b>	MW	<b>2</b>	<b>16</b>	<b>1,216</b>	-	<b>2,082</b>	<b>900</b>	-	<b>124</b>	<b>4,340</b>	<b>4,725</b>	<b>(8%)</b>
3.1	– Offshore wind power	MW	-	-	1,166	-	130	900	-	-	2,196	3,386	(35%)
3.1	– Onshore wind power	MW	-	16	50	-	201	-	-	54	321	657	(51%)
3.1	– Solar PV power	MW	-	-	-	-	1,451	-	-	-	1,451	680	113%
3.1	– Battery storage	MW	-	-	-	-	300	-	-	-	300	-	-
3.1	– Power-to-X	MW	2	-	-	-	-	-	-	70	72	2	3,500%
3.1	<b>Awarded and contracted renewable capacity</b>	MW	-	<b>2,852</b>	-	-	<b>4,842</b>	<b>920</b>	<b>2,543</b>	<b>65</b>	<b>11,222</b>	<b>8,435</b>	<b>33%</b>
3.1	<b>Firm renewable capacity (installed, FID'ed, and awarded/contracted capacity)</b>	MW	<b>3,063</b>	<b>8,647</b>	<b>2,599</b>	<b>752</b>	<b>10,665</b>	<b>1,865</b>	<b>2,543</b>	<b>549</b>	<b>30,683</b>	<b>26,137</b>	<b>17%</b>
3.2	<b>Power generation capacity</b>	MW	<b>3,101</b>	<b>3,050</b>	<b>705</b>	<b>376</b>	<b>3,691</b>	<b>44</b>	-	<b>360</b>	<b>11,327</b>	<b>9,806</b>	<b>16%</b>
3.2	– Offshore wind	MW	561	2,988	673	376	30	44	-	-	4,672	3,970	18%
3.2	– Onshore wind	MW	-	62	22	-	3,014	-	-	356	3,454	2,649	30%
3.2	– Solar PV	MW	-	-	10	-	647	-	-	4	661	647	2%
3.2	– Thermal	MW	2,540	-	-	-	-	-	-	-	2,540	2,540	0%
3.2	<b>Heat generation capacity, thermal</b>	MW	<b>3,353</b>	-	-	-	-	-	-	-	<b>3,353</b>	<b>3,353</b>	<b>0%</b>
3.4	Power generation	GWh	8,094	11,035	1,961	1,259	12,419	93	-	780	35,641	29,050	23%
3.4	Heat generation	GWh	6,368	-	-	-	-	-	-	-	6,368	7,907	(19%)
3.5	Green share of energy generation	%	73	100	100	100	100	100	-	100	91	90	1%p
4.1	Greenhouse gas emissions (scope 1 and 2)	Thousand tonnes CO <sub>2</sub> e	2,477	20	6	2	1	5	-	0	2,511	2,142	17%
4.3	Greenhouse gas intensity (scope 1 and 2)	g CO <sub>2</sub> e/kWh	171	2	3	2	0	58	-	0	60	58	3%
5.1	Number of employees (as of 31 December)	FTEs	4,220	1,253	331	88	643	185	519	788	8,027	6,836	17%

## 1.5 Basis of reporting

### About this report

In this report, you will find the complete set of Ørsted's environmental, social, and governance (ESG) performance indicators, including business drivers and taxonomy-aligned KPIs. These are the data that we use in our reporting to various investor schemes and as the foundation for our answers to questions from investors and other stakeholders.

A selection of the data in this report is also presented in our:

- [annual report 2022, consolidated ESG statements](#)
- [sustainability report 2022](#)

This report contains Ørsted's statement on the underrepresented gender in accordance with section 99 b of the Danish Financial Statements Act (Årsregnskabsloven). See note 5.2 'Gender diversity', p. 35.

### ESG data quality and consolidation

All our ESG data are 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.

Joint operations are also included with Ørsted's proportionate share. Data from associates and joint ventures is not included in the consolidated ESG performance data.

The scoping and consolidation of health, safety, and environment (HSE) incidents deviate from the above-described principles. HSE incident data is collected using an operational scope. This means that irrespective of our ownership share, we include 100% of 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 individual notes. The calculation factors used in this report are listed at the end of the report together with references.

### ESG data selection and frameworks

We aim to develop our ESG data set in order to support our business and to disclose relevant and transparent information to our stakeholders. Several international ESG reporting frameworks are used as guidance in the data selection process (see note 7.2 'ESG data selection and framework approach', p. 46, for more details).

### Business changes impacting ESG data

There were no material business changes impacting the ESG data in 2022.

### New ESG indicators in 2022

- Taxonomy-aligned revenue, OPEX, EBITDA, and CAPEX.
- Direct biogenic carbon emissions.
- Biodiversity – protected areas: overlaps with protected areas and key biodiversity areas.
- Freshwater withdrawal intensity.
- Water consumption.
- Third-party water sent for use in other organisations (sold water).
- Effective group tax rate on remaining business (adjusted for one-off items).

### Discontinued ESG indicators

- Biodiversity – protected areas: affected length or area from wind farms and substations or cable routes.

### Revised ESG indicators

- Total CAPEX 2021.

### External review

All data in this report is covered by either the ESG review or the financial audit. The specific financial line items covered by the financial audit are indicated with footnotes underneath the relevant data tables.

See the auditor's limited assurance report on page 45 for information about the external ESG review.



## 2. EU taxonomy KPIs

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## 2.1 Taxonomy-aligned KPIs (incl. voluntary disclosures)

Indicator	Unit	2022	2021	Δ
<b>Revenue<sup>1</sup></b>	<b>DKKm</b>	<b>132,277</b>	<b>77,673</b>	<b>70%</b>
<b>Taxonomy-aligned revenue (turnover)</b>	%	<b>73</b>	<b>66<sup>4</sup></b>	<b>7%p</b>
Taxonomy-aligned revenue (turnover) adjusted for green bond financing	%	71	-	-
<b>Taxonomy-non-eligible revenue (turnover)</b>	%	<b>27</b>	<b>34</b>	<b>(7%p)</b>
– Gas sales	%	16	21	(5%p)
– Coal-based generation	%	4	2	2%p
– Other activities <sup>2</sup>	%	7	11	(4%p)
<b>CAPEX<sup>1</sup></b>	<b>DKKm</b>	<b>35,595</b>	<b>49,618<sup>5</sup></b>	<b>(28%)</b>
<b>Taxonomy-aligned CAPEX</b>	%	<b>99<sup>3</sup></b>	<b>99<sup>4</sup></b>	<b>0%p</b>
Taxonomy-aligned CAPEX adjusted for green bond financing	%	99	-	-
<b>Taxonomy-non-eligible CAPEX</b>	%	<b>1</b>	<b>1</b>	<b>0%p</b>
<b>OPEX<sup>1</sup></b>	<b>DKKm</b>	<b>7,049</b>	<b>5,760</b>	<b>22%</b>
<b>Taxonomy-aligned OPEX</b>	%	<b>80</b>	<b>80<sup>4</sup></b>	<b>0%p</b>
<b>Taxonomy-non-eligible OPEX</b>	%	<b>20</b>	<b>20</b>	<b>0%p</b>
<b>EBITDA<sup>1</sup></b>	<b>DKKm</b>	<b>32,057</b>	<b>24,296</b>	<b>32%</b>
<b>Taxonomy-aligned EBITDA (voluntary)</b>	%	<b>85</b>	<b>90<sup>4</sup></b>	<b>(5%p)</b>
– Electricity generation using solar PV technology (4.1) and storage of electricity (4.10)	%	2	1 <sup>4</sup>	1%p
– Electricity generation from wind power (4.3)	%	71	79 <sup>4</sup>	(8%p)
– Cogeneration of heat and power from bioenergy (4.20)	%	12	10 <sup>4</sup>	2%p
<b>Taxonomy-non-eligible EBITDA (voluntary)</b>	%	<b>15</b>	<b>10</b>	<b>5%p</b>

1 Revenue, CAPEX (including carbon emission allowances and goodwill), OPEX, and EBITDA have been included in the audited financial statements for 2022.

2 'Other activities' primarily consist of non-eligible power sales (incl. end customer sales), gas- and oil-based generation at the CHP plants, oil distribution, and gas trading.

3 This ratio is applied to gross investments (DKK 37,447 million – see the annual report 2022, p. 93) to calculate taxonomy-aligned gross investments.

4 These 2021 numbers are taxonomy-eligible proportions.

5 The total CAPEX amount for 2021 has been restated with an adjustment for carbon emission allowances.

### Taxonomy-aligned revenue (turnover)

Our taxonomy-aligned share of revenue (turnover) in 2022 was 73%, an increase of 7 percentage points compared to 2021. This was primarily due to higher wholesale power volumes sold, higher generation from our offshore and onshore wind farms, and higher power prices compared to 2021.

### Fossil-based generation revenue

Our revenue from heat and power generation based on fossil fuels (coal, natural gas, and oil) was 4% of total revenue in 2022.

### Taxonomy-aligned CAPEX

Our taxonomy-aligned share of CAPEX in 2022 remains at 99%, as in 2021, and is primarily related to our wind and solar farms.

### Taxonomy-aligned OPEX

Our taxonomy-aligned OPEX was 80%.

### Taxonomy-aligned EBITDA (voluntary)

Our taxonomy-aligned share of EBITDA in 2022 was 85%, a decrease of 5 percentage points compared to 2021. This was due to increased EBITDA, primarily from our fossil-based generation and gas sales activities, driven by the extraordinary high power and gas prices in 2022.

## Accounting policies

### Taxonomy alignment

Regulation (EU) 2020/852, article 3, sets out criteria which an economic activity shall meet to qualify as environmentally sustainable:

- substantially contribute to one or more of the six environmental objectives
- do no significant harm (DNSH) to the other five objectives
- comply with minimum safeguards covering social and governance standards
- comply with the technical screening criteria (TSC) for the environmental objectives.

### Taxonomy-eligible and -aligned activities

We have identified our material taxonomy-eligible activities using both a financial materiality threshold per KPI and our business model, identifying key strategic activities.

Four primary activities in annexes I and II of the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) have subsequently been identified as material and thereby reported on:

- electricity generation using solar PV technology (4.1)
- electricity generation from wind power (4.3)
- storage of electricity (4.10)
- cogeneration of heat/cool and power from bioenergy (4.20).

Our materiality assessment has deemed our natural gas-based heat and power generation activities listed in the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214) immaterial, and thereby these activities are excluded from our reporting.

Taxonomy-alignment of our material activities has subsequently been assessed using annexes I and II of the Climate Delegated Act. The TSC for substantial contribution and DNSH to the environmental objectives have been assessed per activity. Minimum safeguards have been assessed on Group level.

### Substantial contribution

#### Climate change mitigation

We have assessed and documented whether our taxonomy-eligible activities fulfil the substantial contribution criteria to climate change mitigation.

For activities 4.1, 4.3, and 4.10, our solar and wind farms and storage facilities automatically fulfil the substantial contribution criteria to climate change mitigation as we generate electricity using solar PV technology and wind power, and we construct and operate electricity storage facilities.

For activity 4.20, the sustainable biomass used at our combined heat and power (CHP) plants complies with the criteria in article 29, paragraphs 2-7, of Directive (EU) 2018/2001 and with the greenhouse gas (GHG) emission savings criteria, thereby ensuring we substantially contribute to climate change mitigation.

#### *Climate change adaptation*

We have not assessed our taxonomy-eligible activities against the substantial contribution criteria to climate change adaptation.

#### **Do no significant harm (DNSH)**

##### *Climate change mitigation*

We have assessed and documented compliance with the climate change mitigation DNSH requirements for activity 4.20.

##### *Climate change adaptation*

We have assessed and documented how asset resilience towards different chronic and extreme climate hazards and their future development, as projected by IPCC, is an integrated part of our project development and have confirmed that our assets are resilient and able to withstand projected climate changes during the assets' lifetime. Read more in our [annual report 2022](#), p. 41.

##### *Sustainable use and protection of water and marine resources*

We are legally required to conduct environmental impact assessments (EIAs) as part of all our projects to ensure that potential impacts on water and marine resources are avoided, mitigated, and addressed appropriately. Therefore, we have internal processes on legal compliance and water to ensure all assets live up to the requirements. In addition, we have a water policy, establishing our approach to responsible water management. Read more in our [sustainability report 2022](#), pp. 19-21 and p. 24.

##### *Transition to a circular economy*

Renewable assets are built of highly durable materials. To ensure reuse and recycling of materials where feasible, we have a 'resource management' policy and internal waste management processes in place. To ensure Ørsted further transitions to a circular

economy, we have implemented a strategic approach focused on: (i) using fewer virgin resources, (ii) using resources better and longer, and (iii) recirculating resources upon end of life. For each taxonomy activity, we also have circular economy initiatives in place. Read more in our [sustainability report 2022](#), pp. 22-23.

##### *Pollution prevention and control*

We are legally required to conduct EIAs to ensure that potential pollution impacts are avoided, mitigated, and addressed appropriately, and that pollution requirements are integrated into our environmental permit conditions. Ørsted has internal processes in place to fulfil these legal requirements.

##### *Protection and restoration of biodiversity and ecosystems*

We are legally required to conduct EIAs as part of all our projects to ensure potential impacts on biodiversity and ecosystems are avoided, mitigated, and addressed appropriately. Our 'Offshore wind biodiversity policy' and internal processes ensure all our assets live up to the requirements. We have also committed to deliver a net-positive impact from all new renewable energy projects that we commission from 2030 at the latest, which we aim to achieve through our biodiversity programme. Read more in our [sustainability report 2022](#), pp. 19-21.

#### **Minimum safeguards**

Our 'Human rights policy' sets out our commitment to respect human rights and lives up to the UN Guiding Principles on Business and Human Rights and OECD's guidelines for multinational enterprises, both in our own operations and supply chain. Together with our good governance practices and policies, our systematic due diligence approach ensures we have robust minimum safeguards in place on human rights, corruption, taxation, and fair competition. Read more in our [sustainability report 2022](#), pp. 26-28, 31-34, and 39-41.

#### **Taxonomy-aligned KPIs**

Our accounting policies for the taxonomy KPIs are based on our interpretation of the Disclosures Delegated Act Annex I (Commission Delegated Regulation (EU) 2021/4987) and available guidelines from the European Commission.

##### *Linkage principle*

The revenue, CAPEX, OPEX, and EBITDA associated with our taxonomy-aligned activities have been determined. In allocating the financial numbers to the numerator, a 'linkage principle' has been applied, stipulating that any revenue, CAPEX, OPEX, or EBITDA

that can be justifiably linked to an identified taxonomy-aligned activity can be classified as taxonomy-aligned and thereby included in the numerator of the respective KPI.

##### *Double counting*

We have avoided double counting across economic activities in the allocation of the numerator for revenue, CAPEX, OPEX, and EBITDA by using activity-specific ratios to allocate the financials across the four material taxonomy activities.

The applied ratios have been determined according to the origination of the financial amounts (i.e. which activity they can be justified as associated with). They are either 100%, 0%, or a value in between, where we have used proxies to split the financial numbers into the correct taxonomy activities. For example, where a financial value is fully associated with a specific taxonomy activity, a 100% ratio is applied, whereas if only half is associated with a specific taxonomy activity, a 50% ratio is applied. Applied ratios cannot sum to more than 100%, which eliminates the possibility of double counting the resulting financial numbers.

#### **Taxonomy-aligned revenue (turnover)**

The share of our taxonomy-aligned revenue (turnover) is calculated as the revenue derived from products or services associated with taxonomy-aligned economic activities as a proportion of our total revenue (see our annual report 2022, p. 85).

##### *Taxonomy-aligned revenue (turnover) adjusted for green bond financing*

The taxonomy-aligned revenue (turnover) is adjusted for green bond financing by excluding the share of the revenue from the taxonomy-aligned assets which are financed with green bonds from the total taxonomy-aligned revenue (numerator) and the total revenue (denominator).

#### **Taxonomy-aligned CAPEX**

The share of our taxonomy-aligned CAPEX is calculated as the CAPEX related to assets or processes associated with taxonomy-aligned economic activities as a proportion of our CAPEX that is accounted for based on IAS 16 (73: (e)(i) and (iii)), IAS 38 (1.18: (e)(i)), and IFRS 16 (53: (h)) and thereby included in 'Additions' and 'Addition on acquisition of enterprises' (see our annual report 2022, p. 97).

Carbon emission allowances have been excluded from the total CAPEX (DKKm) as these are of an operational nature. Goodwill has also been excluded.

##### *Taxonomy-aligned CAPEX adjusted for green bond financing*

The taxonomy-aligned CAPEX is adjusted for green bond financing by excluding the CAPEX financed with green bond proceeds from the total taxonomy-aligned CAPEX (numerator) and the total CAPEX (denominator).

#### **Taxonomy-aligned OPEX**

The share of our taxonomy-aligned OPEX is calculated as the OPEX related to assets or processes associated with taxonomy-aligned economic activities as a proportion of our OPEX that is included in 'Other external expenses' (see our annual report 2022, p. 71).

We have chosen to use 'Other external expenses' as this is currently the best-available OPEX number in our Group financial accounts that is related to the OPEX KPI definition in the regulation.

#### **Taxonomy-aligned EBITDA (voluntary)**

This is a voluntary disclosure. The share of our taxonomy-aligned EBITDA is calculated as the EBITDA derived from products or services associated with taxonomy-aligned economic activities as a proportion of our total EBITDA (see our annual report 2022, p. 71).

We have included taxonomy-aligned EBITDA as a voluntary disclosure as EBITDA better reflects our business than revenue. This is because we have an uneven margin on our revenue, where our gas business and sale of power to end customers have a large revenue but a small earnings margin, whilst other areas have a higher margin.

#### **Taxonomy-eligible but not -aligned KPIs**

The proportion of revenue, CAPEX, and OPEX that is associated with taxonomy-eligible but not -aligned activities, i.e. those eligible activities where we do not fulfil the technical screening criteria for taxonomy-alignment, has been determined. We have no taxonomy-eligible activities that are not also taxonomy-aligned.

#### **Taxonomy-non-eligible KPIs**

The proportion of revenue, CAPEX, OPEX, and EBITDA that is associated with taxonomy-non-eligible activities, i.e. our activities that are not included in the delegated acts, has been determined. Taxonomy-non-eligible revenue has been further classified into three non-eligible activities: gas sales, coal-based generation, and other activities (see p. 10 for more details).

## 2.2 Taxonomy-aligned turnover

Economic activities	Code(s)	Absolute turnover 2022 (DKK m)	Proportion of turnover (%)	Substantial contribution		Does not significantly harm (DNSH)							Taxonomy-aligned proportion of turnover, 2022 (%)	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water & marine resources (Y/N)	Circular economy (Y/N)	Pollution prevention (Y/N)	Biodiversity & eco-systems (Y/N)	Minimum social safeguards (Y/N)			
<b>A. Taxonomy-eligible activities</b>															
A.1 Environmentally sustainable activities (taxonomy-aligned)															
– 4.1 Electricity generation using solar PV technology & 4.10 Storage of electricity	D35.11 & F42.22	612	0%	100%	0%	n.a.	Y	n.a.	Y	n.a.	Y	Y	0%	E (4.10)	-
– 4.3 Electricity generation from wind power	D35.11 & F42.22	85,361	65%	100%	0%	n.a.	Y	Y	Y	n.a.	Y	Y	65%	-	-
– 4.20 Cogeneration of heat and power from bioenergy	D35.11 & D35.30	10,559	8%	100%	0%	Y	Y	Y	n.a.	Y	Y	Y	8%	-	-
<b>Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>96,532</b>	<b>73%</b>										<b>73%</b>		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)															
<b>Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)</b>		<b>0</b>	<b>0%</b>	-	-	-	-	-	-	-	-	-	<b>0%</b>		
<b>Total (A.1 + A.2)</b>		<b>96,532</b>	<b>73%</b>	-	-	-	-	-	-	-	-	-	<b>73%</b>		
<b>B. Taxonomy-non-eligible activities</b>															
<b>Turnover of taxonomy-non-eligible activities (B)</b>		<b>35,745</b>	<b>27%</b>												
<b>Total (A + B)</b>		<b>132,277</b>	<b>100%</b>												

### Quantitative breakdown of taxonomy-aligned turnover

The primary sources of turnover contributing to the numerator of the turnover KPI in 2022 are taxonomy-aligned turnover from the generation and sale of power (DKK 70,513 million), turnover from the construction of offshore wind farms (DKK 11,640 million), and turnover from government grants (DKK 6,186 million).

For more information on our turnover, see note 2.2 'Revenue' in the annual report 2022, p. 85.

## 2.3 Taxonomy-aligned CAPEX

Economic activities	Code(s)	Absolute CAPEX 2022 (DKK m)	Proportion of CAPEX (%)	Substantial contribution		Does not significantly harm (DNSH)							Taxonomy-aligned proportion of CAPEX, 2022 (%)	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water & marine resources (Y/N)	Circular economy (Y/N)	Pollution prevention (Y/N)	Biodiversity & ecosystems (Y/N)	Minimum social safeguards (Y/N)			
<b>A. Taxonomy-eligible activities</b>															
A.1 Environmentally sustainable activities (taxonomy-aligned)															
– 4.1 Electricity generation using solar PV technology & 4.10 Storage of electricity	D35.11 & F42.22	1,764	5%	100%	0%	n.a.	Y	n.a.	Y	n.a.	Y	Y	5%	E (4.10)	-
– 4.3 Electricity generation from wind power	D35.11 & F42.22	33,273	93%	100%	0%	n.a.	Y	Y	Y	n.a.	Y	Y	93%	-	-
– 4.20 Cogeneration of heat and power from bioenergy	D35.11 & D35.30	194	1%	100%	0%	Y	Y	Y	n.a.	Y	Y	Y	1%	-	-
<b>CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>35,231</b>	<b>99%</b>										<b>99%</b>		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)															
<b>CAPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)</b>		<b>0</b>	<b>0%</b>	-	-	-	-	-	-	-	-	-	<b>0%</b>		
<b>Total (A.1 + A.2)</b>		<b>35,231</b>	<b>99%</b>	-	-	-	-	-	-	-	-	-	<b>99%</b>		
<b>B. Taxonomy-non-eligible activities</b>															
<b>CAPEX of taxonomy-non-eligible activities (B)</b>		<b>364</b>	<b>1%</b>												
<b>Total (A + B)</b>		<b>35,595</b>	<b>100%</b>												

### Quantitative breakdown of taxonomy-aligned CAPEX

The primary sources of CAPEX contributing to the numerator of the CAPEX KPI in 2022 are additions from property, plant, and equipment (PPE) in Offshore, Onshore, and partly in Bioenergy (DKK 32,721 million), as well as property, plant, and equipment from acquisitions of enterprises in Onshore (DKK 2,342 million).

For more information on our additions and additions from acquisitions of enterprises, see the annual report 2022, p. 97.

## 2.4 Taxonomy-aligned OPEX

Economic activities	Code(s)	Absolute OPEX 2022 (DKKm)	Proportion of OPEX (%)	Substantial contribution		Does not significantly harm (DNSH)							Taxonomy-aligned proportion of OPEX, 2022 (%)	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water & marine resources (Y/N)	Circular economy (Y/N)	Pollution prevention (Y/N)	Biodiversity & eco-systems (Y/N)	Minimum social safeguards (Y/N)			
<b>A. Taxonomy-eligible activities</b>															
A.1 Environmentally sustainable activities (taxonomy-aligned)															
– 4.1 Electricity generation using solar PV technology & 4.10 Storage of electricity	D35.11 & F42.22	147	2%	100%	0%	n.a.	Y	n.a.	Y	n.a.	Y	Y	2%	E (4.10)	-
– 4.3 Electricity generation from wind power	D35.11 & F42.22	4,968	70%	100%	0%	n.a.	Y	Y	Y	n.a.	Y	Y	70%	-	-
– 4.20 Cogeneration of heat and power from bioenergy	D35.11 & D35.30	547	8%	100%	0%	Y	Y	Y	n.a.	Y	Y	Y	8%	-	-
<b>OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>5,662</b>	<b>80%</b>										<b>80%</b>		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)															
<b>OPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)</b>		<b>0</b>	<b>0%</b>	-	-	-	-	-	-	-	-	-	<b>0%</b>		
<b>Total (A.1 + A.2)</b>		<b>5,662</b>	<b>80%</b>	-	-	-	-	-	-	-	-	-	<b>80%</b>		
<b>B. Taxonomy-non-eligible activities</b>															
<b>OPEX of taxonomy-non-eligible activities (B)</b>		<b>1,387</b>	<b>20%</b>												
<b>Total (A + B)</b>		<b>7,049</b>	<b>100%</b>												

### Quantitative breakdown of taxonomy-aligned OPEX

The sources of OPEX contributing to the numerator of the OPEX KPI in 2022 are from other external expenses in Offshore (DKK 3,825 million), in Onshore (DKK 1,290 million), and partly in Bioenergy (DKK 547 million).

# 3. Business drivers

- 16 Renewable capacity
- 17 Generation capacity
- 18 Energy business drivers
- 19 Energy generation
- 20 Green share of energy generation
- 21 Energy sales





















## 3.1 Renewable capacity

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Installed renewable capacity</b>	<b>MW</b>	<b>~50 GW (2030)</b>	<b>15,121</b>	<b>12,977</b>	<b>2,144</b>	<b>11,315</b>
Offshore, wind power	MW	~30 GW (2030)	8,871	7,551	1,320	7,572
Onshore	MW	~17.5 GW (2030)	4,175	3,351	824	1,668
– Wind power	MW		3,464	2,654	810	1,658
– Solar PV power <sup>1</sup>	MW		671	657	14	10
– Battery storage <sup>1</sup>	MW		40	40	-	-
Other (incl. P2X)	MW	~2.5 GW (2030)	2,075	2,075	-	2,075
– Biomass, thermal heat	MW		2,054	2,054	-	2,054
– Battery storage <sup>1</sup>	MW		21	21	-	21
<b>Decided (FID'ed) renewable capacity</b>	<b>MW</b>		<b>4,340</b>	<b>4,725</b>	<b>(385)</b>	<b>4,068</b>
Offshore, wind power	MW		2,196	3,386	(1,190)	2,286
Onshore	MW		2,072	1,337	735	1,782
– Wind power	MW		321	657	(336)	665
– Solar PV power <sup>1</sup>	MW		1,451	680	771	1,077
– Battery storage <sup>1</sup>	MW		300	-	300	40
Other (incl. P2X)	MW		72	2	70	-
<b>Awarded and contracted renewable capacity</b>	<b>MW</b>		<b>11,222</b>	<b>8,435</b>	<b>2,787</b>	<b>4,996</b>
Offshore, wind power	MW		11,157	8,435	2,722	4,996
Onshore, solar PV power <sup>1</sup>	MW		65	-	65	-
<b>Sum of installed and FID'ed renewable capacity</b>	<b>MW</b>		<b>19,461</b>	<b>17,702</b>	<b>1,759</b>	<b>15,383</b>
<b>Firm renewable capacity (installed, FID'ed, and awarded/contracted)</b>	<b>MW</b>		<b>30,683</b>	<b>26,137</b>	<b>4,546</b>	<b>20,379</b>

1 Both the solar PV and battery storage capacities are measured in megawatts of alternating current (MW<sub>ac</sub>).

### Additions for the last 12 months

Installed capacity   Decided (FID'ed) capacity   Awarded (offshore) and contracted (onshore) capacity

Q1 2022	Q2 2022	Q3 2022	Q4 2022
 Haystack, onshore wind (298 MW)  South Fork, offshore wind (130 MW)	 Helena Wind, onshore wind (268 MW)  Sunflower Wind, onshore wind (201 MW)	 Hornsea 2, offshore wind (1,320 MW)  Hornsea 3, offshore wind (2,852 MW)	 Eleven Mile Solar Center, solar PV (300 MW)  Eleven Mile Solar Center, storage (300 MW)  Mockingbird Solar Center, solar PV (471 MW)
 Ballykeel, onshore wind (16 MW)	 Kennoxhead 1, onshore wind (62 MW)	 Ford Ridge, onshore wind (121 MW)  Ballinrea, solar PV (65 MW)	 FlagshipONE, Power-to-X (70 MW)  Ostwind, onshore wind and solar PV (15 MW)  Ostwind, onshore wind (50 MW)
		 Ostwind, onshore wind and solar PV (38 MW)  Ostwind, onshore wind (7 MW)	 Ostwind, onshore wind (25 MW)
		 Ostwind, onshore wind (22 MW)	

### Accounting policies

#### Installed renewable capacity

The installed renewable capacity is calculated as renewable gross capacity installed by Ørsted accumulated over time. We include all capacities after commercial operation date (COD) has been reached, and where we had an ownership share and an EPC (engineering, procurement, and construction) role in the project. Capacities from acquisitions are added to the installed capacity. 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'ed) renewable capacity

Decided (FID'ed) capacity is renewable capacity where 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 renewable capacity is the capacity for which Ørsted has signed a contract or power purchase agreement (PPA) concerning a new renewable energy plant. We include the full capacity if more than 50% of PPAs or offtake are secured. Acquired projects with pre-FID capacity are also included in the awarded and contracted renewable capacity.



## 3.2 Generation capacity

Indicator	Unit	2022	2021	Δ	2020
<b>Power generation capacity</b>	<b>MW</b>	<b>11,327</b>	<b>9,806</b>	<b>1,521</b>	<b>8,881</b>
Offshore wind	MW	4,672	3,970	702	4,379
– Denmark	MW	561	563	(2)	563
– The UK	MW	2,988	2,328	660	2,342
– Germany	MW	673	673	-	692
– The Netherlands	MW	376	376	-	752
– Taiwan	MW	44	-	44	-
– The US	MW	30	30	-	30
Onshore wind	MW	3,454	2,649	805	1,658
– The US	MW	3,014	2,327	687	1,658
– Ireland	MW	322	322	-	-
– The UK	MW	62	-	62	-
– France	MW	34	-	34	-
– Germany	MW	22	-	22	-
Solar PV	MW	661	647	14	-
– The US	MW	647	647	-	-
– France	MW	4	-	4	-
– Germany	MW	10	-	10	-
Thermal, Denmark (CHP plants)	MW	2,540	2,540	-	2,844
<b>Heat generation capacity, thermal</b>	<b>MW</b>	<b>3,353</b>	<b>3,353</b>	<b>-</b>	<b>3,487</b>
Based on biomass	MW	2,032	2,032	-	2,022
Based on coal	MW	1,300	1,300	-	1,300
Based on natural gas	MW	1,617	1,617	-	1,761
<b>Heat generation capacity, electric</b>	<b>MW</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>25</b>
<b>Power generation capacity, thermal</b>	<b>MW</b>	<b>2,540</b>	<b>2,540</b>	<b>-</b>	<b>2,844</b>
Based on biomass	MW	1,228	1,228	-	1,228
Based on coal	MW	991	991	-	991
Based on natural gas	MW	951	951	-	995

Our power generation capacity increased by 16% to 11,327 MW in 2022.

Offshore wind power generation capacity increased by 702 MW, primarily due to the 1,320 MW offshore wind farm Hornsea 2 being fully commissioned in Q3 and subsequently 50% divested.

Onshore wind power generation capacity increased by 805 MW due to the commissioning of Haystack (298 MW), Helena Wind (268 MW), Kennoxhead (62 MW), Ford Ridge (121 MW), and the acquisition of Ostwind (56 MW).

Solar PV power generation capacity increased by 14 MW<sub>AC</sub> due to the acquisition of Ostwind.

There were no changes to the thermal heat or power generation capacity in 2022 compared to 2021.

### Accounting policies

#### Power generation capacity

Power generation capacity for an offshore wind farm is calculated and included from the time when the individual wind turbine has passed a 240-hour test. Power generation capacities for onshore wind and solar farms are included after commercial operation date (COD) has been reached. 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 have been financially consolidated.

#### Heat and power generation capacity, thermal

Thermal heat and power generation capacity is a measure of the maximum capability to generate heat and power. The capacity may 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. CHP plants which have been taken out of primary operation and put on standby are not included. Plants designated as back-up capacity are only included if they had operating hours over 50% of the time (4,380 hours per year).

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

### 3.3 Energy business drivers

Indicator	Unit	2022	2021	Δ	2020
<b>Offshore wind</b>					
Wind speed	m/s	9.5	9.1	4%	10.0
Wind speed, normal wind year	m/s	9.7	9.7	0%	9.7
Availability	%	94	94	0%p	94
Load factor	%	42	39	3%p	45
<b>Onshore wind<sup>1</sup></b>					
Wind speed	m/s	7.4	7.4	0%	7.6
Wind speed, normal wind year	m/s	7.3	7.6	(4%)	7.5
Availability	%	93	96	(3%p)	96
Load factor	%	40	42	(2%p)	45
<b>Solar PV</b>					
Availability	%	98	96	2%p	-
Load factor	%	25	24	1%p	20
<b>Other</b>					
Degree days, Denmark	Number	2,548	2,820	(10%)	2,432

1 2021 onshore data is for the US only. We did not have any onshore wind farms outside the US in 2020.

#### Offshore wind

Offshore wind speeds in 2022 were 4% higher than in 2021, but 2% below a normal wind year. Availability in 2022 was at the same level as in 2021. The higher wind speeds resulted in a 3 percentage point increase of the load factor in 2022 compared to 2021.

#### Onshore wind

Onshore wind speeds in 2022 were the same as in 2021, but 1% above a normal wind year. Availability and load factor were 3 percentage points and 2 percentage points lower in 2022 than in 2021, respectively.

#### Other

The number of degree days in 2022 was 10% lower than in 2021, indicating that the weather in 2022 was warmer than in 2021.

#### Accounting policies

##### Wind speeds

Wind speeds for the areas where Ørsted's offshore and onshore wind farms are located are provided to Ørsted by an external supplier. 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 (over a minimum 20-year period).

##### 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 these are due to external factors.

##### 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. This means that the offshore wind farm has been financially compensated by the transmission system operators when it is available for generation, but the output cannot be supplied to the grid due to maintenance or grid interruptions. New offshore wind turbines are included in the calculations of availability and load factor once they have passed a 240-hour test. Onshore wind turbines are included once they have passed commercial operation date (COD).

##### Degree days

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. It helps compare the heat demand for a given year with a normal year.

## 3.4 Energy generation

Indicator	Unit	2022	2021	Δ	2020
<b>Power generation</b>	<b>GWh</b>	<b>35,641</b>	<b>29,050</b>	<b>23%</b>	25,424
Offshore wind	GWh	16,483	13,808	19%	15,248
– Denmark	GWh	2,084	1,918	9%	2,165
– The UK	GWh	10,989	7,880	39%	9,456
– Germany	GWh	1,949	2,022	(4%)	2,300
– The Netherlands	GWh	1,259	1,904	(34%)	1,207
– The US	GWh	110	84	31%	120
– Taiwan	GWh	92	-	-	-
Onshore wind	GWh	11,225	7,334	53%	5,731
– The US	GWh	10,389	6,997	48%	5,731
– Ireland	GWh	761	337	126%	-
– France	GWh	18	-	-	-
– Germany	GWh	13	-	-	-
– The UK	GWh	44	-	-	-
Solar PV	GWh	1,921	1,018	89%	7
– The US	GWh	1,920	1,018	89%	7
– France	GWh	1	-	-	-
Thermal	GWh	6,012	6,890	(13%)	4,438
<b>Heat generation</b>	<b>GWh</b>	<b>6,368</b>	<b>7,907</b>	<b>(19%)</b>	6,671
<b>Total heat and power generation</b>	<b>GWh</b>	<b>42,009</b>	<b>36,957</b>	<b>14%</b>	32,095
– Of which, wind and solar PV power generation	GWh	29,629	22,160	34%	20,986
– Of which, thermal heat and power generation	GWh	12,380	14,797	(16%)	11,109
– Of which, thermal heat and power generation	%	29	40	(11%p)	35

Offshore wind power generation increased by 19% to 16.5 TWh in 2022 due to higher generation capacity and higher wind speeds in 2022 compared to 2021.

Onshore wind power generation increased by 53% to 11.2 TWh in 2022. The increase was primarily due to additional generation from the new onshore wind farms installed in 2022 and full-year effects from wind farms installed in 2021.

Solar PV generation increased by 89% to 1.9 TWh due to the full-year effect of the two US solar farms commissioned in Q2 and Q3 2021 and a new solar farm coming online in 2022.

Heat generation was 19% lower in 2022 relative to 2021 due to warmer weather in 2022.

Thermal power generation decreased by 13% in 2022 due to lower combined heat and

power generation as a consequence of the warmer weather. This was partly offset by increased condensing power production due to higher power spot prices.

### Accounting policies

#### Power generation

Power generation from wind and solar 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 have been 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 is provided by the operators.

#### Heat generation

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

## 3.5 Green share of energy generation

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Total heat and power generation</b>	%		<b>100</b>	<b>100</b>	<b>0%p</b>	100
– From offshore wind	%		39	37	2%p	47
– From onshore wind	%		27	20	7%p	18
– From solar PV	%		5	3	2%p	0
– From sustainable biomass	%		20	30	(10%p)	24
– From other renewable energy sources	%		0	0	0%p	1
– From coal	%		8	8	0%p	7
– From natural gas	%		1	2	(1%p)	3
– From other fossil energy sources	%		0	0	0%p	0
<b>Green share of energy generation</b>	%	<b>99 (2025)</b>	<b>91</b>	<b>90</b>	<b>1%p</b>	90
– Offshore	%		100	100	0%p	100
– Onshore	%		100	100	0%p	100
– Bioenergy & Other	%		68	76	(8%p)	71

The green (renewable energy) share of our heat and power generation increased by 1 percentage point to 91% in 2022.

The 1 percentage point increase was due to the 9 percentage point increase in offshore and onshore wind-based generation and the 2 percentage point increase in solar-based generation, partly offset by a 10 percentage point decrease in the share of sustainable biomass-based generation.

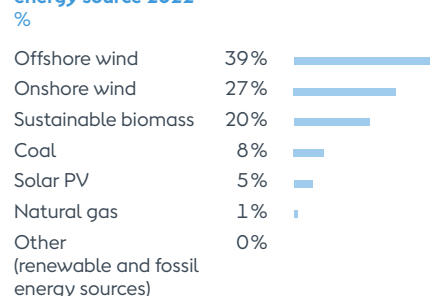
The increase in wind- and solar-based generation was primarily due to new generation capacity in the US and the UK.

The 10 percentage point decrease in the share of generation based on sustainable biomass was due to lower heat generation because of the warmer weather in 2022, scarcity of supply of biomass in the first part

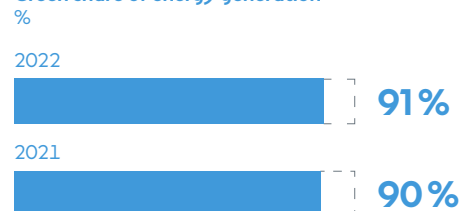
of the year, and the switch from biomass to coal at Studstrup Power Station after a fire in a wood pellet silo.

The share of coal-based generation was at the same level in 2022 as in 2021, while the share of natural gas-based generation was down 1 percentage point.

### Total heat and power generation by energy source 2022



### Green share of energy generation



### Accounting policies

#### Green share of energy generation

The green (renewable energy) share of our heat and power generation is calculated on the basis of the energy sources used and the energy generated at the different assets.

For combined heat and power (CHP) plants, the share of the specific fuel (e.g. sustainable 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 sustainable biomass-based generation of heat and power from the CHP plant unit within a given time period.

The percentage shares of the individual energy sources are calculated by dividing the generation from the individual energy source by the total generation.

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

## 3.6 Energy sales

Indicator	Unit	2022	2021	Δ	2020
<b>Gas sales</b>	<b>GWh</b>	<b>31,637</b>	<b>61,349</b>	<b>(48%)</b>	<b>90,347</b>
<b>Power sales</b>	<b>GWh</b>	<b>33,745</b>	<b>25,020</b>	<b>35%</b>	<b>29,152</b>
– Green power to end customers <sup>1</sup>	GWh	2,294	4,062	(44%)	7,452
– Regular power to end customers <sup>2</sup>	GWh	2,500	3,044	(18%)	2,935
– Power wholesale	GWh	28,951	17,914	62%	18,765

1 Power sold with renewable certificates.

2 Power sold without renewable certificates.

Gas sales decreased by 48% to 31.6 TWh in 2022. This was primarily due to lower UK sourcing volumes, mainly due to the phasing out of our UK B2B activities as well as expired contracts and lower offtake by counterparts. The decrease was also due to lower offtake on our Gazprom Export supply contract following Gazprom Export's suspension of its gas supplies to Ørsted on 1 June 2022. However, this was partly offset by the purchase of volumes on the European gas exchanges for our own customer base.

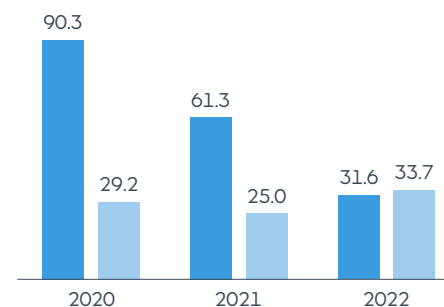
Power sales increased by 35% to 33.7 TWh in 2022 due to a 62% increase in wholesale power to 29.0 TWh. This was primarily driven by increased power volumes sold from third-party wind farms where we are responsible for balancing. Higher off-shore wind speeds, the 50% farm-down of

Borssele 1 & 2 in Q2 2021, and the 50% farm-down of Hornsea 2 in Q3 2022 also resulted in increased power volumes sold on behalf of our partners.

The increase was partly offset by a 44% decrease in green power sales and an 18% decrease in regular power sales to end customers in 2022, primarily due to the phasing out of our UK B2B business.

### Gas and power sales TWh

- Gas sales
- Power sales



### Accounting policies

#### 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 our CHP plants are not included in the statement.

# 4. Environment

## Climate

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## 4.1 Greenhouse gas (GHG) emissions, scope 1 and 2

Indicator	Unit	2022	2021	Δ	2020
<b>Direct GHG emissions (scope 1)</b>					
Total scope 1 GHG emissions	Thousand tonnes CO <sub>2</sub> e	2,510	2,142	17%	1,851
– covered by the EU Emissions Trading System	%	97	97	0%p	97
<b>Indirect GHG emissions (scope 2)</b>					
Location-based	Thousand tonnes CO <sub>2</sub> e	45	53	(15%)	111
Market-based	Thousand tonnes CO <sub>2</sub> e	1	1	0%	2
<b>GHG emissions outside of scope 1-3</b>					
Direct biogenic carbon emissions <sup>1</sup>	Thousand tonnes CO <sub>2</sub> e	3,961	5,264	(25%)	3,318

1. According to the GHG Protocol, the CO<sub>2</sub> emissions from burning biomass are determined to be net zero for scope 1 direct emissions, since the biomass itself absorbs an equivalent amount of CO<sub>2</sub> during the growth phase as the amount of CO<sub>2</sub> released through combustion.

Scope 1 greenhouse gas (GHG) emissions increased by 17% from 2021 to 2022. The main driver was the 22% increase in the use of coal, partly offset by the 69% decrease in the use of natural gas.

The use of coal in the thermal heat and power generation increased because sustainable biomass was in scarce supply in the first part of the year, and because we had to switch from sustainable biomass to coal at Studstrup Power Station due to a fire in a wood pellet silo.

In 2022, fossil fuel-based heat and power generation was accountable for 98% of the total scope 1 emissions. The remaining 2% of scope 1 emissions originated from other fuel consumption, including gas combustion, vehicles, and vessels.

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 to cover our own consumption was certified green power. Therefore, our market-based scope 2 GHG emissions from power consumption amounted to 0 tonnes carbon dioxide equivalents, and the remaining one thousand tonnes carbon dioxide equivalents came from our heat consumption.

Direct biogenic carbon emissions were 25% lower in 2022 than in 2021 as the result of the 25% reduction in the use of sustainable biomass as fuel. You can read more about our sustainable use of biomass in our [sustainability report 2022](#) on page 25.

### Accounting policies

#### 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 combined 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 renewable power purchased into account and assume that the regular power is delivered as residual power where the renewable part has been taken out.

#### GHG emissions outside of scope 1-3

According to the GHG Protocol, the CO<sub>2</sub> emissions from burning biomass are determined to be a net zero for scope 1 direct emissions, since the biomass itself absorbs an equivalent amount of CO<sub>2</sub> during the growth phase as the amount of CO<sub>2</sub> released through combustion. To ensure full transparency of all our activities, the net-zero emissions from the combustion of biomass and biogas are documented separately from the scopes, as recommended by the GHG Protocol. The direct biogenic carbon emissions are calculated by multiplying the volume of used biomass with the according carbon emission factors.

## 4.2 Greenhouse gas (GHG) emissions, scope 3

Indicator	Primary source of emission	Unit	Target	2022	2021	Δ	2020
<b>Indirect GHG emissions (scope 3)</b>		<b>Thousand tonnes CO<sub>2</sub>e</b>	<b>50% (2032)<sup>1</sup></b>	<b>10,983</b>	<b>18,179</b>	<b>(40%)</b>	<b>25,333</b>
C1: purchased goods and services		Thousand tonnes CO <sub>2</sub> e		350	324	8%	242
C2: capital goods	Installed assets	Thousand tonnes CO <sub>2</sub> e		1,456	1,621	(10%)	657
C3: fuel- and energy-related activities	Regular power sales	Thousand tonnes CO <sub>2</sub> e		1,836	2,011	(9%)	2,437
C4: upstream transportation and distribution		Thousand tonnes CO <sub>2</sub> e		1	1	0%	1
C5: waste generated in operations		Thousand tonnes CO <sub>2</sub> e		2	1	100%	1
C6: business travel		Thousand tonnes CO <sub>2</sub> e		15	3	400%	3
C7: employee commuting		Thousand tonnes CO <sub>2</sub> e		11	9	22%	9
C9: downstream transport and distribution		Thousand tonnes CO <sub>2</sub> e		3	3	0%	3
C11: use of sold products	Natural gas sales	Thousand tonnes CO <sub>2</sub> e	90% (2040) <sup>2</sup>	7,309	14,206	(49%)	21,980

- 1 Our target is a 50% reduction in total scope 3 emissions from the base year 2018.
- 2 Our target is a 90% reduction in scope 3 emissions from wholesale buying and selling of natural gas from the base year 2018.

Scope 3 greenhouse gas emissions decreased by 40% from 2021 to 2022, primarily driven by the 48% reduction in gas sales (use of sold products).

Scope 3 emissions from capital goods decreased by 10% in 2022. The emissions from capital goods in 2022 was due to the commissioning of the offshore wind farm Hornsea 2 and four onshore wind farms in 2022.

As part of our 'Supply chain decarbonisation' programme, we have developed our own life cycle assessment (LCA) model to calculate the total carbon footprint from our new offshore wind farms (see note 7.6 'Calculation factors', for details about the LCA model). The model will be developed further in the coming years, enabling it to also be used for onshore wind and solar.

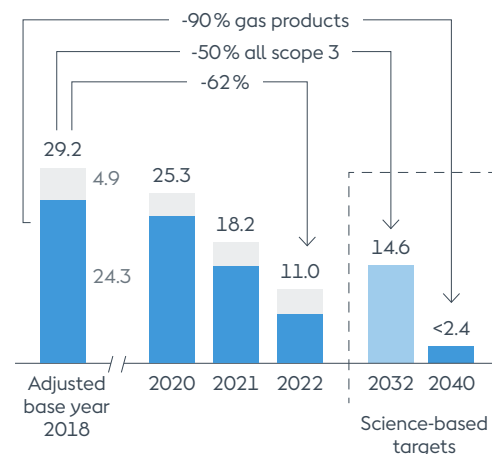
Scope 3 emissions from fuel- and energy-related activities decreased by 9%, primarily due to the 18% reduction of regular (non-green) power sales to end-customers and the 13% reduction in fuel consumption at the CHP plants in 2022.

The 400% increase in business travel was due to a higher level of business travel in 2022 following the end of COVID-19 travel restrictions.

Our scope 3 emissions has been reduced by 62% from the adjusted base year 2018 to 2022. This means that in 2022, we exceeded our 50% reduction target for 2032. However, we maintain the target as our scope 3 emissions are expected to increase again in 2024 once the Tyra gas field in the North Sea opens up after being shut down for maintenance.

### Scope 3 GHG emissions Million tonnes CO<sub>2</sub>e

- Natural gas sales
- Other scope 3 emissions
- Total scope 3



### Accounting policies

#### 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 sub-categories (C1-C15).

GHG emissions from:

- C1 is categorised spend data multiplied by relevant spend-category-specific emission factors
- C2 includes upstream GHG emissions from acquired and installed wind and solar farms in the month when the wind or solar farm has reached commercial operation date (COD). Carbon emissions are included from cradle to operations
- 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 or 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 wholesalers as reported in our ESG consolidation system. The different types of gas sold have specific upstream 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.



### 4.3 Greenhouse gas (GHG) intensity

Indicator	Unit	Target	2022	2021	Δ	2020
<b>GHG intensity (scope 1 and 2)</b>						
GHG intensity, energy generation	g CO <sub>2</sub> e/kWh	10 (2025), 1 (2040)	60	58	3%	58
– Offshore	g CO <sub>2</sub> e/kWh		2	2	0%	2
– Onshore	g CO <sub>2</sub> e/kWh		0	0	0%	0
– Bioenergy & Other	g CO <sub>2</sub> e/kWh		200	143	40%	164
GHG intensity, revenue	g CO <sub>2</sub> e/DKK		19	28	(32%)	37
GHG intensity, EBITDA	g CO <sub>2</sub> e/DKK		78	88	(11%)	112
<b>GHG intensity (scope 1, 2, and 3)</b>	<b>g CO<sub>2</sub>e/kWh</b>	<b>2.9 (2040)<sup>1</sup></b>	<b>147</b>	<b>165</b>	<b>(11%)</b>	<b>162</b>

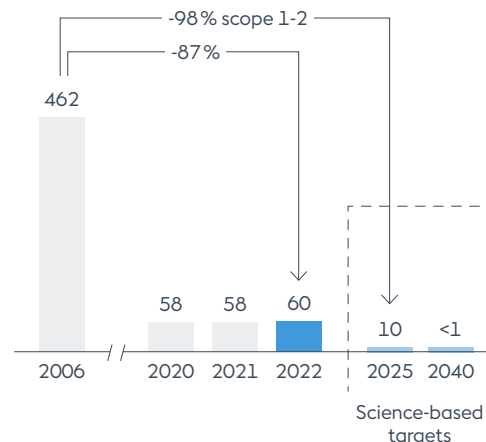
1. Excludes scope 3 emissions from use of sold products (natural gas sales).

Our scope 1 and 2 greenhouse gas (GHG) emission intensity increased by 3% to 60 g CO<sub>2</sub>e/kWh from 2021 to 2022. The increase was driven by the increased use of coal in our thermal heat and power generation, partly offset by increased wind and solar generation.

The GHG emission intensity at the power stations in Bioenergy & Other increased by 40% due to the increased coal-based generation.

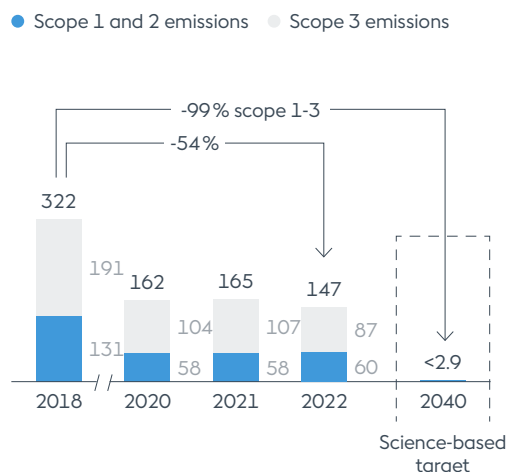
The GHG emission intensity of revenue and EBITDA was reduced by 32% and 11%, respectively, from 2021 to 2022.

**Greenhouse gas intensity, scope 1 and 2**  
g CO<sub>2</sub>e/kWh



Our GHG intensity (scope 1 and 2) increased to 60 g CO<sub>2</sub>e/kWh in 2022. However, we are well on track to meeting our GHG intensity target of no more than 10 g CO<sub>2</sub>e/kWh in 2025.

**Greenhouse gas intensity, scope 1, 2, and 3**  
g CO<sub>2</sub>e/kWh



Our GHG intensity (scope 1, 2, and 3) was reduced by 54% from the base year 2018. We have a GHG intensity (scope 1-3) target of no more than 2.9 g CO<sub>2</sub>e/kWh in 2040, excluding natural gas sales.

#### Accounting policies

##### GHG intensity (scope 1 and 2)

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

##### GHG intensity (scope 1, 2, and 3)

GHG intensity (scope 1, 2, and 3) is calculated as total scope 1, scope 2 (market-based), and scope 3 (excluding natural gas sales) emissions divided by total heat and power generation.

## 4.4 Avoided emissions

Indicator	Unit	2022	2021	Δ	2020
<b>Avoided emissions</b>	<b>Million tonnes CO<sub>2</sub>e</b>	<b>18.2</b>	<b>15.1</b>	<b>21%</b>	<b>13.1</b>
– From offshore wind generation	Million tonnes CO <sub>2</sub> e	7.9	7.3	8%	8.1
– From onshore wind and solar PV generation	Million tonnes CO <sub>2</sub> e	8.6	5.4	59%	3.5
– From biomass-converted generation	Million tonnes CO <sub>2</sub> e	1.7	2.4	(29%)	1.5
<b>Total avoided emissions from green bond proceeds</b>	<b>Million tonnes CO<sub>2</sub>e</b>	<b>4.2</b>	<b>3.2</b>	<b>31%</b>	<b>2.7</b>
– Avoided emissions from offshore wind projects in operation	Million tonnes CO <sub>2</sub> e	1.4	1.4	0%	1.6
– Potential avoided emissions from offshore wind, onshore wind, and solar projects under construction	Million tonnes CO <sub>2</sub> e	2.8	1.8	56%	1.1

Avoided emissions increased by 21% in 2022 compared to 2021. This was driven by increased onshore wind- and solar-based power generation, resulting in a 59% increase in avoided emissions, and an increase in offshore wind generation, resulting in an 8% increase in avoided emissions. This was partially offset by a 29% decrease in the avoided emissions from our biomass-based generation.

The total avoided emissions from green bond proceeds increased by 31% in 2022. This was due to a 56% increase in calculated potential avoided emissions from our offshore wind, onshore wind, and solar projects under construction, primarily driven by the 18% increase in green bond proceeds allocated to our offshore wind, onshore wind, and solar projects in construction in 2022 compared to 2021 (see note 6.5 'Whistle-blower cases, good business conduct, green bonds, and tax', p. 43).

This increase was primarily due to new proceeds allocated to three new offshore wind projects, one onshore wind project, and one solar project in construction in 2022 as well as increased proceeds allocated to Greater Changhua 1 & 2a, already under construction in 2021.

For more details on green bonds, see our [green bond impact report 2022](#).

### Accounting policies

#### Avoided emissions

The avoided emissions due to generation from wind and solar farms are calculated on the basis of the assumption that the generation from wind and solar farms replaces an equal quantity of power generated using fossil fuels. Power generation at a wind farm does not have direct carbon emissions, and indirect emissions from a wind farm are not included. The avoided emissions are calculated as the wind farm's generation multiplied by an emissions factor. The emissions factor from fossil fuels is based on an average fossil-fuel mix in the specific country or US state. Data is extracted from the International Energy Agency (IEA) and the US Environmental Protection Agency (EPA).

The avoided emissions due to the conversions of the CHP plants and the subsequent switch from fossil fuels to sustainable 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 sustainable biomass fuel avoids the use of 1 GJ of fossil fuels. The upstream carbon emissions from production, manufacture, and transport of sustainable biomass are included in the calculation.

These accounting policies follow the principles of the GHG Project Protocol and the United Nation's Framework Convention on Climate Change (UNFCCC) methodology.

#### Avoided emissions from green bond proceeds

Avoided emissions from allocated green bond proceeds are calculated using the same assumptions and calculations as for avoided emissions from our total energy generation, except that the green bond calculations are made using the full capacity of the wind farm before divestments. Wind farms are included as 'in operation' after one full year of operation. Note that avoided emissions potential from wind farms under construction are calculated as if they were in operation in the current reporting year.

## 4.5 Energy consumption

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Direct energy consumption (GHG, scope 1)</b>	<b>GWh</b>		<b>18,859</b>	<b>21,729</b>	<b>(13%)</b>	15,452
Fuels used in thermal heat and power generation	GWh		18,649	21,559	(13%)	15,306
– Sustainable biomass	GWh		11,258	14,976	(25%)	9,440
– Coal	GWh		6,677	5,471	22%	4,444
– Natural gas	GWh		289	920	(69%)	1,229
– Oil	GWh		425	192	121%	193
Other energy usage (oil, gas, and diesel for vessels and vehicles)	GWh		210	170	24%	146
Coal used in thermal heat and power generation	Thousand tonnes	0 (2025) <sup>1</sup>	996	803	24%	629
Certified sustainable wooden biomass sourced	%	100 (ongoing) <sup>2</sup>	100	100	0%p	100
<b>Indirect energy consumption (GHG, scope 2)</b>	<b>GWh</b>		<b>308</b>	<b>314</b>	<b>(2%)</b>	554
Power sourced for own consumption	GWh		293	303	(3%)	534
Own power consumption covered by renewable energy certificates	%	100 (ongoing) <sup>3</sup>	100	100	0%p	100
Heat sourced for own consumption	GWh		15	11	36%	20
<b>Total direct and indirect energy consumption</b>	<b>GWh</b>		<b>19,167</b>	<b>22,043</b>	<b>(13%)</b>	16,006
<b>Green share of total direct and indirect energy consumption</b>	<b>%</b>		<b>60</b>	<b>69</b>	<b>(9%p)</b>	62
<b>Internal energy savings, accumulated from 2018</b>	<b>GWh</b>	<b>50 (2025)</b>	<b>46</b>	<b>22</b>	<b>109%</b>	10
<b>Electric vehicles in the company vehicle fleet</b>	<b>%</b>	<b>100 (2025)</b>	<b>51</b>	<b>41</b>	<b>10%p</b>	38

1 Our target is to phase out coal by 2025, replacing our former target to stop using coal by Q2 2023. We are postponing the phase-out of coal because the Danish authorities have ordered us to continue and resume the operation of three of our power station units which use coal and oil as fuel until 30 June 2024.

2 Our target is to source 100% certified sustainable wooden biomass every year.

3 Our target is to have our own power consumption 100% covered by renewable energy certificates.

Total fuel consumption used for heat and power generation decreased by 13% in 2022 compared to 2021, driven by the 16% decrease in thermal heat and power generation (see note 3.4 'Energy generation', p. 19).

The consumption of sustainable biomass decreased by 25%, driven by decreased heat generation, supply constraints on certified sustainable biomass since Q2 2022, and a fire in a wood pellet silo at Studstrup Power Station.

Coal consumption increased by 22% in 2022 due to the energy crisis in Europe and the wood pellet silo fire that resulted in increased coal consumption instead of sustainable biomass.

In 2022, Ørsted was ordered by the Danish authorities to extend our use of coal to Q2 2024, otherwise planned to stop by Q2 2023. Until our coal-based generation capacity is fully phased out, we may see fluctuations in coal consumption driven by supplier obligations, market conditions, and weather

conditions, as we are regulatorily obliged to make all of our energy capacity available to the market in the most cost-efficient way.

As we already reached our original target for energy savings (15 GWh from 2018 to 2022) in 2021, we have decided to set a new target of 50 GWh energy savings from 2018 to 2025. The new target has a wider scope as it also includes energy savings from process optimisation, primarily related to our CHP plants. In 2022, we have achieved 46 GWh in internal energy savings.

### Accounting policies

#### Direct energy consumption (GHG, scope 1)

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

#### Certified sustainable wooden biomass sourced

Certified sustainable wooden biomass sourced is calculated as the amount of certified sustainable wooden biomass sourced divided by the total amount of sourced wooden biomass, i.e. wood pellets and wood chips, delivered to individual CHP plants within the reporting period.

Certified sustainable wooden biomass 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.

#### Indirect energy consumption (GHG scope 2)

Heat and power purchased and consumed by Ørsted are reported for CHP plants, other facilities, and administrative buildings. Heat and power consumption excludes consumption of own generated heat and power at our CHP plants. For consumption related to administration and other processes, we calculate direct consumption on the basis of invoices.

#### Green share of total direct and indirect 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.

#### Internal energy savings

The scope of the energy savings covers both heat and power consumption and process optimisation savings at our CHP plants (i.e. fuel savings, GHG scope 1). Projects are included when they are fully implemented and operational.

#### Electric vehicles in the company vehicle fleet

Ørsted has joined the global EV100 initiative. The statement is prepared on the basis of the EV100 guidelines.

## 4.6 Water

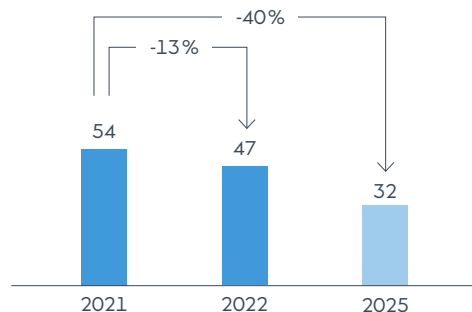
Indicator	Unit	Target	2022	2021	Δ	2020
<b>Water withdrawal</b>						
Total volume of water withdrawn	Thousand m <sup>3</sup>		1,021,206	1,033,303	(1%)	822,474
– Surface water	Thousand m <sup>3</sup>		708	649	9%	844
– Ground water	Thousand m <sup>3</sup>		205	977	(79%p)	867
– Seawater	Thousand m <sup>3</sup>		1,018,828	1,031,087	(1%)	820,351
– Produced water	Thousand m <sup>3</sup>		422	209	102%	-
– Third-party water	Thousand m <sup>3</sup>		1,043	381	174%	412
<b>Freshwater withdrawal intensity</b>	<b>m<sup>3</sup>/GWh</b>	<b>32 (2025)</b>	<b>47</b>	<b>54</b>	<b>(13%)</b>	<b>-</b>
<b>Water withdrawal from water-stressed areas</b>						
– From areas with low stress levels	%		0	1	(1%p)	1
– From areas with low to medium stress levels	%		55	47	8%p	47
– From areas with medium to high stress levels	%		45	52	(7%p)	52
– From areas with high stress levels	%		0	0	0%p	0
– From areas with extremely high stress levels	%		0	0	0%p	0
<b>Wastewater discharge by destination</b>						
Total volume of water discharge	Thousand m <sup>3</sup>		1,019,827	1,032,163	(1%)	821,646
– Surface water	Thousand m <sup>3</sup>		91	105	(13%)	171
– Ground water	Thousand m <sup>3</sup>		0	0	0%	-
– Seawater	Thousand m <sup>3</sup>		1,018,690	1,031,235	(1%)	820,575
– Third-party water	Thousand m <sup>3</sup>		1,046	823	27%	900
– Third-party water sent for use in other organisations (sold water)	Thousand m <sup>3</sup>		452	268	69%	300
<b>Water consumption</b>	<b>Thousand m<sup>3</sup></b>		<b>1,379</b>	<b>1,140</b>	<b>21%</b>	<b>828</b>

The water withdrawal decreased by 1%, primarily driven by the decrease in seawater withdrawal at the combined heat and power (CHP) plants. Seawater is used for cooling water in the CHP plants. It is circulated in a closed system and returned to the sea with no other impact than a slight increase in temperature. We also use seawater as process water at one CHP plant to reduce our consumption of groundwater from the municipality.

The 79% reduction in ground water withdrawal was primarily because a ground water well at one of the CHP plants was outsourced and thereby became third-party water withdrawal.

Our new water target is to reduce our freshwater withdrawal intensity by 40% from the base year 2021 to 2025. The target spans across all of Ørsted's activities.

**Freshwater withdrawal intensity**  
m<sup>3</sup>/GWh



### Accounting policies

The water category definitions are based on GRI 303: Water and effluents (2018).

#### Water withdrawal

Water withdrawal includes all water resources that Ørsted either withdraw directly from groundwater or consume from waterworks. This includes:

- withdrawal for process use (boilers, flue gas cleaning, fly ash management, etc.)
- withdrawal for conversion to steam or hot water and resale to business partners
- withdrawal for use in offices and other buildings.

The total volume of water withdrawal is measured based on meter readings or invoices from suppliers. Surface water and seawater is used for cooling at the combined heat and power (CHP) plants. Produced water is water extracted as part of the processing of wood chips and used instead of third-party water.

#### Freshwater withdrawal intensity

Fresh water withdrawal intensity is calculated as freshwater withdrawal (surface water, ground water, and third-party water) per unit heat and power generation.

#### Water stress

Water stress is measured at site level. The methodology used to assess water stress is WRI's Aqueduct Water Risk Atlas. The calculated output of this accounting practice is Ørsted's total withdrawal of water from water-stressed areas. Only ground water and third-party water are included.

#### Wastewater discharge

Wastewater includes all planned and unplanned discharges of water from Ørsted. For facilities, wastewater discharges are recorded based on meter readings. Where wastewater is removed by road tanker, discharges are based on invoices. For offices and warehouses, wastewater discharges are presumed to be equivalent to water consumption.

#### Water consumption

Water consumption is calculated as water withdrawal minus waste water discharges.

## 4.7 Waste

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Hazardous waste</b>	<b>Thousand tonnes</b>		<b>2</b>	<b>3</b>	<b>(33%)</b>	<b>20</b>
– Diverted from disposal <sup>1</sup>	Thousand tonnes		1	2	(50%)	19
– Directed to disposal <sup>2</sup>	Thousand tonnes		1	1	0%	1
<b>Non-hazardous waste</b>	<b>Thousand tonnes</b>		<b>87</b>	<b>77</b>	<b>13%</b>	<b>51</b>
– Diverted from disposal <sup>1</sup>	Thousand tonnes		64	52	23%	40
– Directed to disposal <sup>2</sup>	Thousand tonnes		23	25	(8%)	11
<b>Total waste</b>	<b>Thousand tonnes</b>		<b>89</b>	<b>80</b>	<b>11%</b>	<b>71</b>
– Diverted from disposal <sup>1</sup>	%		72	67	5%p	82
– Directed to disposal <sup>2</sup>	%		28	33	(5%p)	18
<b>Wind turbine blades taken down</b>	<b>Number</b>		<b>12</b>	<b>3</b>	<b>9</b>	<b>-</b>
– Of which, put in temporary storage	Number		11	3	8	-
– Of which, directed to landfill	Number	0 (ongoing) <sup>3</sup>	1	0	1	-

1 Reuse, recycling, composting, and recovery.

2 Energy recovery, incineration, and landfill.

3 Effective from 2021, our target is to not landfill any wind turbine blades from our wind farms in operation and upon decommissioning.

The total volume of hazardous waste was reduced by 33% from 2021 to 2022. The primary driver was the continued reduction in the amount of oil-containing wastewater from the oil terminal in Fredericia, as we have installed a cleaning reactor to treat the oil-containing wastewater. After cleaning, the previously oil-contaminated wastewater does not have to be treated as waste, and the water can be discharged to the municipal wastewater treatment plant in Fredericia.

The 13% increase in non-hazardous waste was primarily due to increased ashes from the CHP plants.

In 2022, one wind turbine blade was taken down due to failure (after being struck by lightning) and unintentionally landfilled by a third-party contractor. This resulted in Ørsted not meeting its corporate commitment to avoid landfilling end-of-life wind turbine blades.

Ørsted is taking corrective action in the form of clarifying contracts on the responsibility of blade waste and training both our site personnel and our contractors on how to comply with our ban against landfilling blades.

We stand by our commitment to avoid landfilling all future blades from our wind farms and to continue driving the initiative within our industry. Since we made a commitment to ban landfilling of blade waste in 2021, we have replaced 15 blades. Of these, 14 are being temporarily stored for future recovery.

### Accounting policies

#### Waste by type and disposal method

The Global Reporting Initiative (GRI) standard 306, disclosures 306-3, 306-4, and 306-5, have been used as guidance in developing the reported indicators.

Waste is generally reported on the basis of invoices received from waste recipients, supplemented with plant-specific measuring methods for commercial facilities, including construction activities.

Part of the oil-contaminated wastewater from the North Sea oil pipeline has been treated as waste and therefore reported as waste and not wastewater.

Waste treated at the Renaissance plant, which converts household waste into biogas, recyclables, and waste fuel, is included as well as ashes from the CHP plants.

Residual products, e.g. gypsym from the CHP plants, which are not handled as waste, but sold as products, are not included.

Soil from excavation projects is not included.

Wind turbine blades taken down include all blades taken down due to decommissioning, repowering, and malfunctioning during their operational lifetime.

## 4.8 Environmental incidents, NO<sub>x</sub>, and SO<sub>2</sub>

Indicator	Unit	2022	2021	Δ	2020
<b>Environmental incidents</b>					
Massive environmental incidents	Number	0	0	0	0
Major environmental incidents	Number	2	2	0	2
<b>Other air emissions: nitrogen oxides (NO<sub>x</sub>) and sulphur dioxide (SO<sub>2</sub>)</b>					
Nitrogen oxides emissions	Tonnes	1,892	2,045	(7%)	1,584
Sulphur dioxide emissions	Tonnes	780	625	25%	491
Nitrogen oxides emission intensity	g NO <sub>x</sub> /kWh	0.15	0.14	7%	0.14
Sulphur dioxide emission intensity	g SO <sub>2</sub> /kWh	0.06	0.04	50%	0.04

The number of environmental incidents was at the same level in 2022 as in 2021.

In 2022, we registered two major environmental incidents. One incident was the release to the atmosphere of SF<sub>6</sub> greenhouse gases during maintenance and repair of a contact manometer at the Asnæs Power Station. The second incident was a fire in a wood pellet silo at Studstrup Power Station.

The decrease in the absolute nitrogen oxides emissions in 2022 was due to the decrease in thermal heat and power generation compared to 2021, whilst the increased use of coal and oil in 2022 has led to an increase in the absolute sulphur dioxide emissions.

### Accounting policies

#### Environmental incidents

An environmental incident is an unintended incident which has a negative impact on the environment.

We report environmental incidents using operational scopes, such as safety incidents.

We register all environmental incidents at facilities where we are responsible for operations in terms of environmental management.

The materiality of an incident is determined on the basis of an assessment of the extent of, the dispersion to, and the impact on the environment. On this basis, all environmental incidents are categorised on a scale from 1 (slight impact) to 5 (massive impact). Actual incidents in categories 4 (major impact) and 5 (massive impact) are reported.

#### Other air emissions: nitrogen oxides (NO<sub>x</sub>) and sulphur dioxide (SO<sub>2</sub>)

Nitrogen oxides and sulphur dioxide emissions are only reported for combined heat and power plants. Nitrogen oxides and sulphur dioxide emissions from other combustions are not included. Nitrogen oxides and sulphur dioxide are primarily measured by continuous measurement, but may also be based on plant-specific emission factors.

## 4.9 Biodiversity – protected areas

Indicator	Unit	2022	Type of protection
<b>The United Kingdom</b>			
Overlaps with protected areas	Number	29	Local Nature Reserve, Marine Protected Area (OSPAR), Site of Special Scientific Interest (SSSI), Ramsar Site, Marine Conservation Zone
Overlaps with key biodiversity areas	Number	1	
<b>Central Europe</b>			
Overlaps with protected areas	Number	7	Ramsar Site, Special Areas of Conservation (Habitats Directive), Special Protection Area (Birds Directive), Baltic Sea Protected Area (HELCOM), Sites of Community Importance (Habitats Directive), Marine Protected Area (OSPAR), Nature Reserve
Overlaps with key biodiversity areas	Number	4	
<b>The US</b>			
Overlaps with protected areas	Number	10	Private Conservation Land, Easement
Overlaps with key biodiversity areas	Number	0	

In 2022, we changed our data source for our reporting on biodiversity protected areas to the Integrated Biodiversity Assessment Tool (IBAT).

Hence, we now report the number of overlaps with protected areas instead of the area of overlap in square kilometres. We have also included the number of overlaps that our assets have with key biodiversity areas, which is aligned with the Global Reporting Initiative's (GRI) reporting standards and our stakeholders' expectations.

In 2022, Hornsea 2 in the UK went into operation. This wind farm overlaps with a Marine Protected Area (OSPAR), just as Hornsea 1.

Furthermore, the change of data source resulted in our Central European wind farms being added to our reporting. This is due to the inclusion of key biodiversity areas and an overlap with several protected areas due to the 1 km buffer surrounding the assets, as identified in the IBAT.

Our wind farms in the APAC region do not currently overlap with any protected areas for nature conservation or key biodiversity areas.

### Accounting policies

Biodiversity data only covers offshore wind farms.

Offshore wind farm lease or agreement areas cover large footprints. The wind farm is comprised of a range of infrastructure, including offshore wind turbines and cables. The physical footprint of this infrastructure, however, makes up a relatively small proportion of a total wind farm area. Nonetheless, the reporting here considers total wind farm areas, including cable routes with a 1 km buffer zone for completeness and to recognise relevant interactions with protected areas for nature conservation or key biodiversity areas.

In some markets, we install transmission assets for the offshore wind farm, which include onshore and offshore export cables and substations. However, these are usually required to be divested near to or at commissioning of the wind farm, as required by national legislation. Therefore, the data for export cables represents transmission assets not yet divested on some wind farms and does not include onshore parts of offshore wind farms.

### Protected areas

Protected areas and areas of high biodiversity value (key biodiversity areas) follow the Global Reporting Initiative (GRI) standards, disclosure 304-1. This includes the list of protected areas described, such as IUCN Protected Area Management Categories, the Ramsar Convention, and national legislation. The indicators are the cumulative number of protected areas for nature conservation or key biodiversity areas, respectively, with which our operational sites interact. Offshore wind farms that are partially or fully owned by Ørsted are reported no matter the actual ownership share. Data is initially recognised from commercial operation date (COD).

## 4.10 Biodiversity – endangered species

Indicator	Unit	Critically endangered	Endangered	Vulnerable	Near threatened	Least concern
<b>Total, all countries, all species in 2022</b>	<b>Number</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>9</b>	<b>79</b>
<b>The United Kingdom, red-list species, total</b>	<b>Number</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>7</b>	<b>54</b>
– Birds	Number	0	0	6	6	39
– Fish	Number	0	0	0	0	7
– Mammals	Number	0	0	0	1	7
– Amphibians	Number	0	0	0	0	1
<b>The US, red-list species, total</b>	<b>Number</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
– Mammals	Number	1	0	1	0	1
<b>The Netherlands, red-list species, total</b>	<b>Number</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>24</b>
– Birds	Number	0	0	4	2	20
– Mammals	Number	0	0	0	0	4

As outlined in our ‘Offshore wind biodiversity policy’, we carry out detailed environmental consenting processes and ongoing environmental monitoring in compliance with local regulations on protection of nature conservation to ensure species are considered carefully. Our wind farms in the APAC region do not currently overlap with any protected or known areas of critical importance for vulnerable species.

### The United Kingdom

In 2022, Hornsea 2 went into operation, which is located in close proximity to Hornsea 1. Since the wind farms have gone into operation, the overall number of potentially impacted vulnerable and near-threatened bird species has increased. The kittiwake, a designated feature of the Flamborough and Filey Coast SPA, is one such additional vulnerable species, and the offshore wind farms Hornsea 1 and 2 are

located within the mean-maximum foraging range for the SPA. At both wind farms, we have completed a comprehensive habitat regulations assessment, which fully assessed the potential impact on kittiwakes, and the Secretary of State concluded that there was no adverse effect on the species. The Atlantic puffin is another designated species of this area. However, the Secretary of State also concluded that Hornsea 1 would have no adverse effect on this vulnerable species.

### The US

In the US, our offshore wind farm Block Island is located within an area through which the critically endangered North Atlantic right whale and the vulnerable fin whale are known to migrate and aggregate. We sail and operate in compliance with the US Marine Mammal Protection Act for the protection of marine mammals and their habitats. Additionally, we work closely

with relevant local interest organisations, authorities, and other stakeholders as well as the academic community, for instance the ecosystem and passive acoustic monitoring (ECO-PAM) project, to better understand the presence, distribution, and seasonality of North Atlantic right whales.

### The Netherlands

Since Borssele 1 & 2 went into operation, we found that there are four bird species (black-legged kittiwake, Leach’s storm-petrel, velvet scoter, and Atlantic puffin) that are classified as vulnerable, and one species is classified as near threatened (sooty shearwater). The birds have been sighted within the wind farm during preliminary environmental impact assessments (EIAs), but as the wind farm is not located within any protected areas, no further action has been taken regarding these species.

### Accounting policies

Biodiversity data only covers offshore wind farms and only the protected areas described in note 4.9 ‘Biodiversity – protected areas’.

Offshore wind farm lease or agreement areas cover large footprints. The wind farm is comprised of a range of infrastructure, including offshore wind turbines and cables. The physical footprint of this infrastructure, however, makes up a relatively small proportion of a total wind farm area. Nonetheless, the reporting here considers total wind farm areas for completeness and to recognise relevant interactions with protected habitats and species.

### Endangered red-list species

This indicator follows the Global Reporting Initiative (GRI) standard, disclosure 304-4, and lists the number of threatened species in areas where Ørsted has offshore wind operations.

For Ørsted’s offshore wind operations located in a protected area, the total number of species for which the area is designated is reported.

We report by level of extinction risk according to the International Union for Conservation of Nature’s (IUCN) ‘Red List of Threatened Species’ – an inventory of the global conservation status of plant and animal species. Data is recognised from the wind farm’s commercial operation date (COD).



# 5. Social

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## 5.1 People

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Number of employees</b>						
Total number of employees (as of 31 December)	FTEs		8,027	6,836	17%	6,179
– Denmark	FTEs		4,220	4,002	5%	3,854
– The UK	FTEs		1,253	1,154	9%	1,057
– The US	FTEs		643	453	42%	314
– Malaysia	FTEs		574	343	67%	274
– Poland	FTEs		519	282	84%	233
– Germany	FTEs		331	251	32%	219
– Taiwan	FTEs		185	170	9%	126
– Other	FTEs		302 <sup>1</sup>	181	67%	102
Average number of employees during the year	FTEs		7,428	6,508	14%	6,429
<b>Sickness absence</b>	%		<b>2.2</b>	<b>1.8</b>	<b>0.4%p</b>	<b>1.9</b>
<b>Turnover</b>						
Total employee turnover rate	%		11.7	10.6	1.1%p	8.4
Voluntary employee turnover rate	%		8.8	7.7	1.1%p	5.0
<b>Employee satisfaction survey results</b>						
Employee satisfaction	Index 0-100	Top 10% <sup>2</sup>	76	77	(1)	78
Employee loyalty	Index 0-100		85	85	0	86
Employees experiencing stress	%		13.5	12.4	1.1%p	11.0
Employees experiencing bullying, harassment, threats, or violence	%		2.5	2.1	0.4%p	2.0

1 FTE distribution in other countries in 2022: Ireland (102), the Netherlands (88), France (51), Japan (25), Korea (17), Singapore (13), and Sweden (6).

2 Our target is to have an employee satisfaction survey result in the top ten percentile compared to an external benchmark group.

The number of employees was 17% higher at the end of 2022 compared to 2021. The main contributors to the absolute increase in number of FTEs were Poland, Malaysia, Denmark, and the US.

Ørsted's total turnover rate increased by 1.1 percentage points to 11.7% in 2022 similar to pre-COVID-19 levels, while voluntary turnover rate increased by 1.1 percentage points to 8.8% in 2022, which is slightly

above pre-COVID-19 levels. This development is similar to what is observed in other companies that have been affected by the so-called 'great resignation' following the pandemic.

The scores for employee satisfaction in the yearly employee survey decreased from 77 in 2021 to 76 in 2022. The score is above Ennova's benchmark of 74, but below our top 10% target.

Employees experiencing stress increased by 1.1 percentage points to 13.5% in 2022. We take a holistic and preventive approach to employee well-being and try to prevent stress before it occurs. We work with teams to determine the root cause of stress and offer targeted stress mitigation initiatives. If an employee is experiencing stress, we have both internal and external processes and tools to provide support.

### Accounting policies

#### Number of employees

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.

#### Sickness absence

Sickness absence is calculated as the ratio between the number of sick days and the planned number of annual working days.

#### 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.

#### Employee satisfaction survey results

Ørsted conducts a comprehensive employee satisfaction survey once a year. With a few exceptions, all Ørsted employees are invited to participate in the survey. The following employees are omitted from the survey results: employees who joined the company shortly before the employee satisfaction survey, employees who resigned shortly after the employee satisfaction survey, interns, consultants, advisers, and external temporary workers who do not have an employment contract with Ørsted.

## 5.2 Gender diversity

Statement on the underrepresented gender in accordance with section 99 b of the Danish Financial Statements Act (Årsregnskabsloven)

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Board of Directors, Ørsted A/S</b>	<b>Number</b>		<b>8</b>	<b>8</b>	<b>0</b>	<b>6</b>
Female	Number		3	3	0	2
Male	Number		5	5	0	4
Gender with lowest representation (female)	%		38	38	0%p	33
<b>Group Executive Team</b>	<b>Number</b>		<b>11</b>	<b>6</b>	<b>5</b>	<b>7</b>
Gender with lowest representation (female)	%		27	33	(6%p)	29
<b>Senior directors and above</b>	<b>Number</b>		<b>170</b>	<b>150</b>	<b>13%</b>	<b>132</b>
Gender with lowest representation (female)	%	40 (2030)	22	19	3%p	20
<b>People leaders</b>	<b>Number</b>		<b>938</b>	<b>843</b>	<b>11%</b>	<b>-</b>
Gender with lowest representation (female)	%	40 (2030)	31	30	1%p	-
<b>All employees</b>	<b>Number</b>		<b>8,027</b>	<b>6,836</b>	<b>17%</b>	<b>6,179</b>
Gender with lowest representation (female)	%	40 (2030)	33	31	2%p	30

We seek to ensure that globally, everyone at Ørsted, regardless of their demography or location, has an equal opportunity to help deliver on our vision.

Since we started our global work on inclusion of diversity at the end of 2019, we have made clear progress. We have made some progress in gender balance among nominees for our high-potential development programmes, in our graduate contingent, among new hires, and across all employees.

Our gender diversity ambition of at least 40% women across Ørsted by 2030 is tracked at three levels: senior directors and above, people leaders, and all employees.

Meeting this ambition requires attracting, recruiting, developing, sponsoring, engaging, and including female and all talent at every

level, every step of the way. It also requires us to revisit our culture and leadership values to ensure they include behaviours that help women thrive. To support our gender diversity goals, we reached a 66/34 gender balance among participants in our high-potential development programmes.

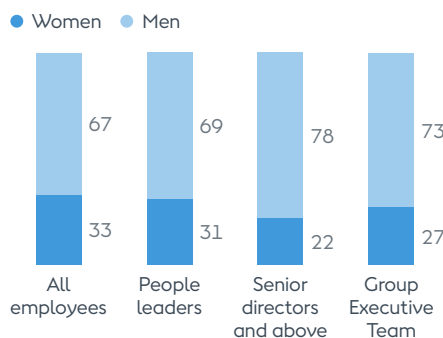
To bring in more diverse talent, we encourage all candidates to apply, regardless of gender, race, age, and cultural background. We have introduced a new format for our job ads, with the specific aim of making them more appealing to diverse candidates. Recruitment processes include an expectation of diverse shortlists, reduction of bias in interviews, and a diverse interview panel.

High-potential diverse talent are identified in the annual people review process and have a structured dialogue about development

wishes and possibilities in the following people development dialogue.

Ørsted has joined 'the UN Convention on the Elimination of All Forms of Discrimination against Women'.

**Gender distribution, leadership levels, 2022**  
%



### Accounting policies

#### Board of Directors

Consists of members elected at the annual general meeting. Employee representatives on the Board of Directors are not included in the data.

#### Group Executive Team (GET)

Consists of the CEO, CFO, Chief HR Officer, COO, CEOs of Region Europe, Region Americas, and Region APAC, Head of Strategy, Portfolio & Partnerships, Head of P2X, Head of Legal, and Head of Global Stakeholder Relations.

#### Senior directors and above

Consists of the GET, our senior vice presidents, our vice presidents, and our senior directors.

#### People leaders

People leaders are defined as people with direct reports.

#### All employees

All employees by gender represent the gender distribution of the total workforce in Ørsted. The reporting covers contractually employed employees in all Ørsted companies. The number of employees is determined as the number of employees at the end of the financial year converted to full-time equivalents.

## 5.3 Gender pay gap

Indicator	Unit	2022	2021	Δ	2020
<b>Gender pay gap</b>					
Gender pay gap, median	%	10	12	(2%p)	14
Gender bonus pay gap, median	%	31	39	(8%p)	37
<b>Gender bonus distribution</b>					
Proportion of women receiving bonus	%	25	28	(3%p)	20
Proportion of men receiving bonus	%	28	29	(1%p)	23

We are committed to equal pay and have a constant focus on ensuring equal pay for equal positions and competences in relation to all aspects of the salary-relevant processes from hiring to promotion.

The presented 2022 gender pay data are based on data from Denmark (60%), Germany (4%), Malaysia (6%), Poland (5%), the UK (18%), and the US (7%), as there were more than 250 employees in each of these countries by 31 May 2022 when the annual salary review was completed. Poland and Germany were not included in the 2021 results, and Malaysia was not included in the 2020 results as there were less than 250 FTEs in these countries at the time of reporting.

The differences in pay between men and women are highly impacted by differences in gender mix across levels in the organisation, where there is a trend towards women comprising a smaller part of the population in higher-level leadership positions.

That said, the positive development shown in both the gender pay gap and gender bonus pay gap ratios in 2022 indicates that our focus on increasing the share of females at all levels of our organisation in 2022 has had a positive impact on these ratios (for more information see note 5.2 'Gender diversity', p. 35).

### Accounting policies

Our gender pay reporting is inspired by the mandatory gender pay reporting requirements in the UK.

Countries with more than 250 FTEs per country are included in the statement.

The salaries are reviewed annually and come into effect from 1 June. Countries with more than 250 FTEs on that day are included in the year's reporting.

Gender pay gap shows the pay gap between men and women without adjusting for other factors impacting pay levels (e.g. career level and work experience).

#### Definitions

**Gender pay gap:** The percentage men earn more in salary than women.

**Gender bonus pay gap:** The percentage men earn more in bonus payments than women.

**Gender bonus distribution:** The percentage of men and women in the workforce who receive bonuses.

## 5.4 Safety

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Total recordable injuries (TRIs)</b>	<b>Number</b>		<b>78</b>	<b>74</b>	<b>5%</b>	<b>77</b>
– Own employees	Number		26	28	(7%)	19
– Contractor employees	Number		52	46	13%	58
<b>Lost-time injuries (LTIs)</b>	<b>Number</b>		<b>40</b>	<b>32</b>	<b>25%</b>	<b>36</b>
– Own employees	Number		16	16	0%	10
– Contractor employees	Number		24	16	50%	26
<b>Hours worked</b>	<b>Million hours worked</b>		<b>24.8</b>	<b>24.8</b>	<b>0%</b>	<b>21.5</b>
– Own employees	Million hours worked		12.3	10.8	14%	10.8
– Contractor employees	Million hours worked		12.5	14.0	(11%)	10.7
<b>Total recordable injury rate (TRIR)</b>	<b>Injuries per million hours worked</b>	<b>2.5 (2025)</b>	<b>3.1</b>	<b>3.0</b>	<b>3%</b>	<b>3.6</b>
– Own employees	Injuries per million hours worked		2.1	2.6	(19%)	1.8
– Contractor employees	Injuries per million hours worked		4.2	3.3	27%	5.4
<b>Lost-time injury frequency (LTIF)</b>	<b>Injuries per million hours worked</b>		<b>1.6</b>	<b>1.3</b>	<b>23%</b>	<b>1.7</b>
– Own employees	Injuries per million hours worked		1.3	1.5	(13%)	0.9
– Contractor employees	Injuries per million hours worked		1.9	1.1	73%	2.4
<b>Fatalities</b>	<b>Number</b>		<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>
<b>Permanent disability cases</b>	<b>Number</b>		<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>

The safety performance for our own employees improved in 2022, whereas the performance of our contractors unfortunately decreased.

Total recordable injuries in 2022 increased by 5% (six more recordable contractor injuries, partly offset by two injuries less among our own employees). The number of lost-time injuries increased by 25% (eight more lost-time injuries among our contractors) in 2022.

The total number of hours worked in 2022 was at the same level as in 2021.

The total recordable injury rate (TRIR) was 3% higher in 2022 and the lost-time injury frequency (LTIF) was 23% higher in 2022. Both were driven by higher injury rates among contractor employees, partly offset by lower injury rates among our own employees.

We are certainly not satisfied with this adverse development for contractor safety performance.

As part of our efforts to improve safety, dedicated TRIR reduction plans have been implemented in 2022, including increased

leadership involvement and leadership interventions, safety stand-downs, and targeted safety campaigns on specific issues.

We will continue our efforts towards reducing the number of all work-related injuries and ensure the safety of all our employees and partners.

### Accounting policies

#### 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 contractors. 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 suppliers, 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.

Total recordable injury rate (TRIR) is calculated in the same way as LTIF, but 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 injuries where the injured person has received medical treatment.

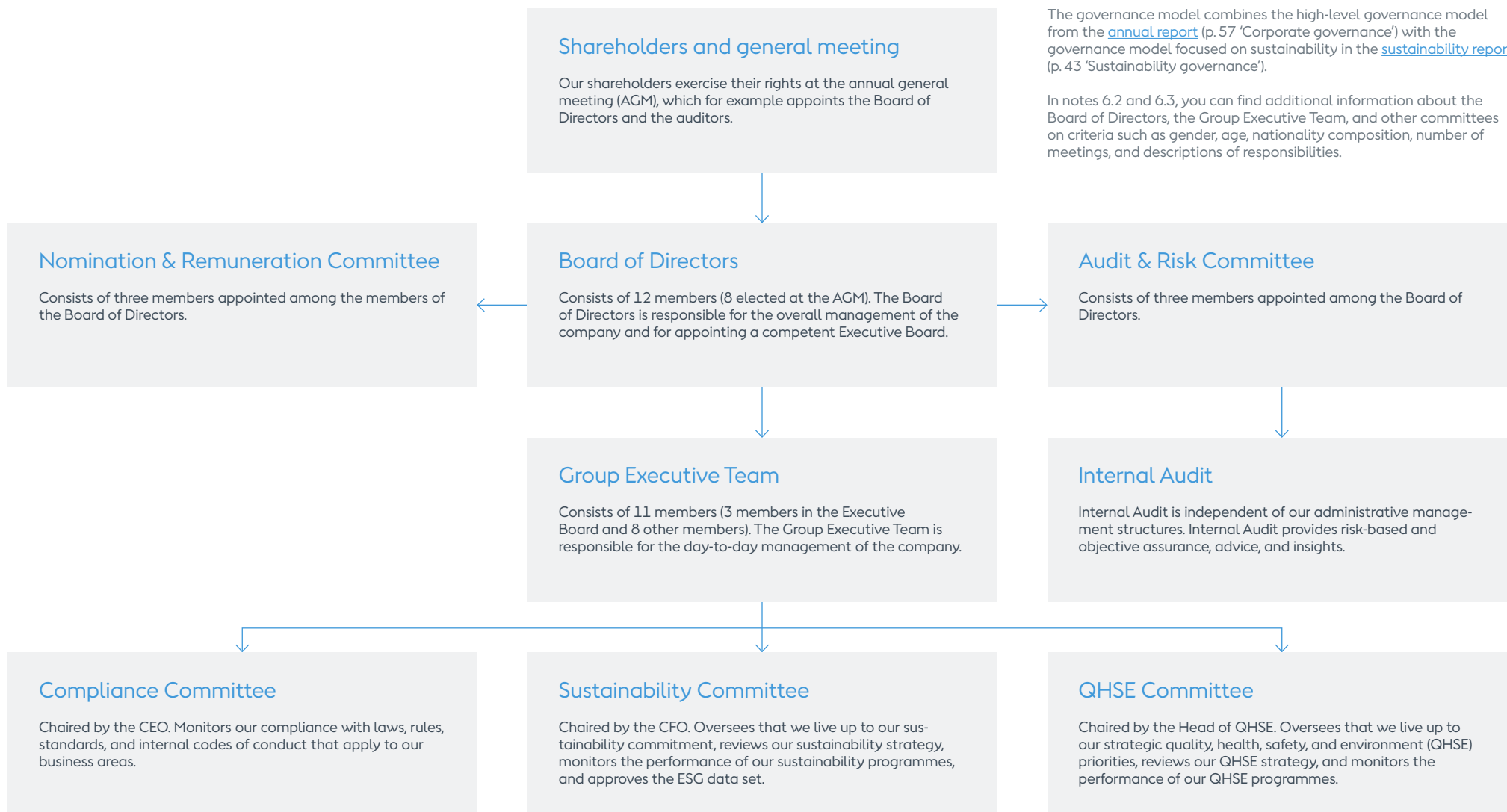
Permanent disability cases are injuries resulting in irreversible damage with permanent impairment which is not expected to improve.

Fatalities are the number of employees who lost their lives as a result of a work-related incident. Fatalities are included in both LTIs and TRIs.

# 6. Governance

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## 6.1 Our governance model



## 6.2 Board of Directors

Indicator	Unit	2022	2021	Δ	2020
<b>Board of Directors, Ørsted A/S</b>					
Members	Number	8	8	0	6
– Danish	Number	4	4	0	3
– Non-Danish	Number	4	4	0	3
– Female	Number	3	3	0	2
– Male	Number	5	5	0	4
Gender with lowest representation (female)	%	38	38	0%p	33
Average age	Years	63	62	1	61
Average seniority	Years	5	4	1	4
Independent board members	%	88	88	0%p	100
Board meetings	Number	13	17	(4)	17
– Attendance	%	96	97	(1%p)	99
Remuneration of the Board of Directors <sup>1</sup>	DKK thousand	6,807	6,306	8%	4,593
<b>Nomination &amp; Remuneration Committee</b>					
Members	Number	3	3	0	3
Meetings	Number	6	3	3	5
Attendance	%	89	89	0%p	100
<b>Audit &amp; Risk Committee</b>					
Members	Number	3	3	0	3
Meetings	Number	8	6	2	8
Attendance	%	96	100	(4%p)	100

1. For more information on the remuneration of the Board of Directors, see our remuneration report 2022, p.16.

The Board of Directors chaired by Thomas Thune Andersen is responsible for the overall and strategic management of the company and for appointing the Executive Board.

The Board of Directors lays down the company's strategy and makes decisions concerning major investments and divestments, the capital base, key policies, control and audit matters, risk management, and significant operational issues.

The Board monitors and oversees progress related to our sustainability and climate change strategy, including our ambitious net-zero carbon reduction targets for scope 1-3 emissions.

The Nomination & Remuneration Committee assists the Board of Directors in matters regarding the composition, remuneration, and performance of the Board of Directors and the Group Executive Team.

The Audit & Risk Committee assists the Board of Directors in overseeing the financial and ESG reporting process (including key accounting estimates and judgements), liquidity and capital structure development, financial and business-related risks, compliance with statutory and other requirements from public authorities, internal controls, IT security in operational and administrative areas and cybersecurity.

Moreover, the committee approves the framework governing the work of the company's external and internal auditors (including limits for non-audit services), evaluates the external auditors' independence and qualifications, and monitors the company's whistle-blower scheme.

### Accounting policies

#### Board of Directors

In this section, the Board of Directors only covers the members elected at the annual general meeting (AGM), with the exception of remuneration for the Board of Directors, which also includes members elected by the employees.

For independents, we follow the Recommendations on Corporate Governance.

Gender with lowest representation is reported under 5.2 'Gender diversity'.



## 6.3 Group Executive Team

Indicator	Unit	2022	2021	Δ	2020
<b>Group Executive Team</b>					
Members	Number	11	6	5	7
– Danish	Number	7	2	5	3
– Non-Danish	Number	4	4	0	4
– Female	Number	3	2	1	2
– Male	Number	8	4	4	5
Gender with lowest representation (female)	%	27	33	(6%p)	29
Average age	Years	48	52	(4)	52
Average seniority	Years	1	4	(3)	4
<b>Remuneration<sup>1</sup></b>					
CEO pay ratio	Ratio	27	27	0%	21
Remuneration of the Group Executive Team	DKK million	103	73	41%	74
Incentivised pay directly ascribed to ESG targets <sup>2</sup>	%	30	10	20%p	10

- For more information on the remuneration of the Executive Board, see our remuneration report 2022, p. 9, and on the remuneration of the Group Executive Team (GET), see our annual report 2022, p. 90.
- Our Executive Board has ESG targets related to our CDP climate score, GHG emission intensity (scope 1 and 2), employee satisfaction, gender diversity targets, and safety (TRIR). You can find more details in our remuneration report 2022 on p. 8.

The Board of Directors has laid down guidelines for the work of the Executive Board, including the division of work between the Board of Directors and the Executive Board, and the Executive Board's powers to enter into agreements on behalf of the company.

The Board of Directors regularly discusses the Group President and CEO's performance, for example by following up on developments seen in relation to our strategy and objectives. The Chair of the Board of Directors and the Group President and CEO also regularly discuss the cooperation between the Board of Directors and the Executive Board.

The Executive Board, consisting of the Group President and CEO, the CFO, and the Chief HR Officer (CHRO), undertakes the day-to-day management of Ørsted through the Group Executive Team (GET), which consists of an additional eight members. The Group Executive Team was formed in 2022 as part of our new organisational structure with three regions: the Americas, Europe, and APAC. It replaced the former Executive Committee, which explains the developments in the GET data (number of members, average age, average seniority, etc.) in the table above.

You can find information about the members of the GET and Executive Board, including their previous employment and other executive functions, in our [annual report](#) on pages 65-66 and in our [remuneration report](#).

### Accounting policies

#### Average seniority

Average seniority is calculated as the average number of years the Group Executive Team (GET) members have been part of the GET.

#### Remuneration

The CEO pay ratio is calculated as the ratio between the CEO's total expensed remuneration (fixed salary, including personal benefits, such as a company car, free telephone, etc., a variable salary, and share-based payment) and the average FTE salary.

The remuneration of the Group Executive Team is the total remuneration of the Executive Board and the other members of the Group Executive Team.

## 6.4 Supplier due diligence

Indicator	Unit	2022	2021	Δ	2020
<b>Risk screenings</b>					
Risk screenings (all contracts above DKK 3 million)	Number	331	326	2%	303
Extended risk screenings	Number	79	75	5%	81
Procurement spend that is risk-screened	%	85	80	5%p	86
Know-your-counterparty (KYC) screenings	Number	1,421	1,099	29%	843
Procurement spend that is KYC-screened	%	88	88	0%p	92
<b>Due diligence activities conducted</b>					
Code of conduct (CoC) desktop assessments	Number	47	31	52%	45
Code of conduct (CoC) site assessments	Number	3	1	200%	6
Health, safety, and environment (HSE) desktop assessments	Number	166	265	(37%)	290
Health, safety, and environment (HSE) site assessments	Number	29	16	81%	21
Desktop vessel inspections	Number	91	53	72%	58
Physical vessel inspections	Number	353	336	5%	339

The number of risk screenings increased by 2% compared to 2021. The risk screenings covered 85% of the total procurement spend in 2022, which was a 5 percentage point increase compared to 2021, driven by an increased coverage of our Onshore suppliers.

In 2022, 79 extended risk screenings were conducted using additional risk parameters, including e.g. questions regarding use of foreign labour.

The number of know-your-counterparty (KYC) screenings, focusing on suppliers' integrity and legal compliance, increased by 29%. The increase reflects a continued effort to strengthen the KYC screening programme that in 2022 included an upgrade of the screening tool to include a wider and more enhanced database. The high number of screenings amounted to 88% of the total

procurement spend being KYC-screened, the same as in 2021. The total spend reflects both new business relationships entered into in 2022 and historical business relationships from prior years. The 88% therefore reflects our commitment to ensure screening on contracts entered into prior to 2022 as well as new ones, in an effort to KYC-screen all significant business partners going forward.

In 2022, there was a 52% increase in the number of code of conduct (CoC) desktop assessments compared to 2021, reflecting an increase in the number of new suppliers operating in medium and high-risk countries from a CoC perspective. The number of CoC site assessments increased from 1 in 2021 to 3 in 2022 due to the lifted COVID-19 travel restrictions in some markets. The number of health, safety, and environment (HSE) site assessments similarly increased by 81% in 2022 due to a heightened business demand.

In contrast, the number of HSE desktop assessment decreased by 37% in 2022, reflecting the current sourcing strategy in place.

In 2022, the number of desktop vessel inspections increased significantly by 72%. The number of physical inspections increased slightly by 5% in 2022. The increase in both desktop and physical inspections can be explained by Ørsted's global expansion and an increase in project activities in new markets, i.e. the APAC region and the US.

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

### Accounting policies

ESG supplier and business partner due diligence is carried out by different departments in 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 the RPP team on all new sourcing contracts above DKK 3 million based on country and category risk. 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 suppliers of coal and sustainable biomass as well as top-spend suppliers.

The Business Ethics Compliance (BEC) team conducts 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 & Environment (HSE), and Marine Inspection teams, based on the results of individual screenings 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 the 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.

## 6.5 Whistle-blower cases, good business conduct, green bonds, and tax

Indicator	Unit	Target	2022	2021	Δ	2020
<b>Whistle-blower cases</b>						
Substantiated whistle-blower cases	Number		8	5	3	4
– Cases transferred to the police	Number		1	0	1	1
<b>Good business conduct</b>						
Employees who have completed a course in good business conduct	%		84	90	(6%p)	70
<b>Green bonds<sup>1</sup></b>						
Total proceeds allocated to offshore and onshore wind projects and solar projects	DKK million		38,751	30,794	26%	24,067
Annual proceeds allocated to offshore and onshore wind projects and solar projects	DKK million		7,957	6,727	18%	6,212
<b>Tax<sup>2</sup></b>						
Global income tax paid, total	DKK million		1,263	1,380	(8%)	1,118
Group effective tax rate on ordinary business (profit and tax adjusted for one-off items) <sup>3</sup>	%	19 (ongoing)	19	19	0%p	22

1 For more information on our green bond proceeds, see our green bond impact report 2022.

2 For more information on tax, we refer to the annual report 2022, section 4 'Tax'. The financial line items are included in the audited financial statements for 2022.

3 The effective tax rate at which taxable ordinary profits related to the year are subject to tax. This demonstrates that we pay tax at a rate that is sustainable and do not engage in aggressive tax planning.

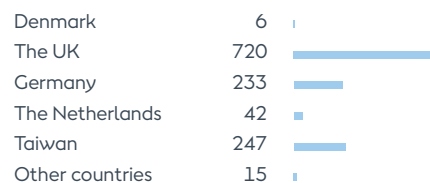
In 2022, eight substantiated cases of inappropriate or unlawful behaviour were reported through our whistle-blower scheme. Six cases related to violations of our 'Good business conduct policy', while one case concerned IT security, and one case concerned workplace environment. None of the reported cases were critical to our business, nor caused adjustments to our financial results. One case required a police report.

We have made significant investments in offshore wind farms in the UK, Germany, the Netherlands, the US, and Taiwan, resulting in the accumulation of large tax assets in recent years. Historically, we have not paid significant taxes in these countries besides the UK. This is changing as our offshore wind farms are being commissioned and generating positive taxable income, currently resulting in paid taxes in more countries.

In 2022, green bond proceeds were allocated to five offshore wind projects (Hornsea 2 in the UK, Greater Changhua 1 & 2a in Taiwan, Gode Wind 3 and Borkum Riffgrund 3 in Germany, and South Fork in the US), one onshore wind project (Sunflower Wind in the US), and one solar project (Old 300 Solar Center in the US).

We are also continuously investing in the US; however, we do expect to pay material tax in the US going forward due to the change in tax incentives from 2025 and due to the commercial structural set-up in the US.

### Local taxes paid in 2022 DKKm



### Accounting policies

#### Whistle-blower cases

Ørsted's whistle-blower hotline is available for internal and external reporting of suspected cases of inappropriate or illegal behaviour. Whistle-blower cases are received and handled by the Internal Audit function, which also receives similar reports through the management system and from compliance officers. All reports are managed in accordance with the guidelines for the handling of whistle-blower reports approved by the Audit & Risk Committee, which is ultimately responsible for the whistle-blower scheme. Only cases which are closed during the financial year, and which have been reported to the Audit & Risk Committee as fully or partially substantiated, are reported.

#### Course in good business conduct

The number of employees who have completed a course in good business conduct is calculated as the proportion of employees at 31 December who have completed an e-learning course in good business conduct relative to the number of employees invited to take the course.

#### Green bonds

The net proceeds raised from green financing in accordance with our green finance framework can be allocated for the financing of a pool of eligible projects, specifically the development, construction, or installation of offshore wind, onshore wind, or solar PV facilities, including any integrated power storage units. When allocating new green financing, proceeds may be allocated to projects under construction or projects taken into operation up to 12 months prior to approval of allocation for green financing by Ørsted's Sustainability Committee.

#### Tax

Our accounting policy can be found in section 4 'Tax' in our annual report 2022.

# 7. Appendix

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## 7.1 Independent limited assurance report on the ESG data

### To the stakeholders of Ørsted A/S

Ørsted A/S engaged us to provide limited assurance on the environmental, social and governance (ESG) data stated on in the 2022 performance report of Ørsted A/S for the period 1 January – 31 December 2022.

### Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the ESG data in the 2022 performance report of Ørsted A/S are prepared, in all material respects, in accordance with the applied accounting policies developed by Ørsted A/S as stated on pages 8-43.

This conclusion is to be read in the context of what we state in the remainder of our report.

### What we are assuring

The scope of our work was limited to assurance over ESG data in the 2022 performance report. Regarding reporting on Art. 8 of the Taxonomy Regulation on page 10-14 in the performance report, we are assuring that data have been stated in accordance with the applied accounting policies, not compliance with the EU regulation, since reporting requirements are still open to interpretations. Financial data with origin in the 2022 audited financial accounts have not been in scope of our review.

We express limited assurance in our conclusion.

### Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information'

and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. The quantification of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emissions factors and the values needed to combine emissions of different gasses.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Our independence and quality control

We have complied with the independence requirements and other ethical requirements in 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 behavior, and ethical requirements applicable in Denmark.

PricewaterhouseCoopers 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. Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

### Understanding reporting and measurement methodologies

The ESG data need to be read and understood together with the accounting policies. The accounting policies used for the preparation of the ESG data are the applied accounting policies developed by Ørsted A/S, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw to evaluate and measure ESG data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

### Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the ESG data. In doing so and based on our professional judgement, we:

- made inquiries and conducted interviews with Group functions to assess consolidation processes, use of company-wide systems, and controls performed at Group level
- checked ESG data on a sample basis to underlying documentation and evaluated the appropriateness of quantification methods and compliance with the accounting policies for preparing the ESG data
- conducted an analytical review of the data and trend explanations submitted by all business units for consolidation at Group level
- considered the disclosure and presentation of the ESG data
- evaluated the obtained evidence.

### Management's responsibilities

Management of Ørsted A/S is responsible for:

- designing, implementing, and maintaining internal control over information relevant to the preparation of the ESG data that are free

from material misstatement, whether due to fraud or error

- establishing objective accounting policies for preparing the ESG data
- measuring and reporting the information in the ESG data based on the accounting policies
- the content of the ESG data.

### Our responsibility

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the ESG data for the 1 January – 31 December 2022 are prepared, in all material respects, in accordance with the accounting policies
- forming an independent conclusion, based on the procedures performed and the evidence obtained
- reporting our conclusion to the stakeholders of Ørsted A/S.

Hellerup, 1 February 2023

### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR no. 3377 1231

### Rasmus Friis Jørgensen

State Authorised Public Accountant  
mne28705

### Anders Stig Lauritsen

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## 7.2 ESG data selection and framework approach

### ESG dataset selection

We continuously seek to develop our ESG data set in order to support our business and provide our stakeholders with a relevant and transparent reporting of our ESG performance.

The process behind our ESG indicator selection is guided by Ørsted's annual materiality assessment, investor requests, ESG ratings, and sustainability reporting standards and guidelines. The interrelationship between Ørsted's business-driver ESG data and financial performance is also central to this process. The resulting data set aims to show Ørsted's impact on society and the environment, but also the increasing impact that society and the environment have on Ørsted's business performance and value creation.

### Approach to using sustainability frameworks

Part of the process for data selection involves using international sustainability frameworks and reporting standards as a guidance.

There are several frameworks with which we align partially (i.e. we use the framework as a starting point from which to develop accounting practices) or fully (i.e. we fully comply with the framework requirements).

### EU taxonomy

We disclose our taxonomy-aligned revenue, OPEX, and CAPEX, in line with requirements in Regulation (EU) 2020/852.

### Task Force on Climate-related Financial Disclosures (TCFD)

We are aware of the transitional and physical impacts of climate change on the resilience of our business as recommended by the TCFD. By endorsing and aligning our practices and reporting with the TCFD recommendations over the past four years, we have crystallised our understanding and disclosure of climate-related risks and opportunities. Our TCFD implementation is integrated in our strategy, risk management, governance practices, and reporting. For more details, see our one-page overview with references to our TCFD alignment (p. 47).

### Sustainability Accounting Standards Board (SASB)

Currently, we do not report in accordance with SASB, but we have conducted a cross-referencing exercise to identify where our current reporting aligns with topics and metrics from the 'Electric Utilities and Power Generators' Standard relevant for Ørsted (see p. 48 for details).

### Greenhouse Gas (GHG) Protocol

We are in full compliance with the corporate accounting and reporting standards of the GHG Protocol for scope 1, 2, and 3.

### CDP

We use the data requests from the CDP questionnaire process to help inform which data to measure and disclose in our report. Our latest CDP report can be found on CDP's website.

### Sustainable Development Goals (SDGs)

Ørsted's 18 sustainability programmes address the most important sustainability challenges affecting our business and stakeholders and contribute to several of the SDGs. Our SDG cross-reference overview on page 49 focuses on the SDGs where we aspire to have a transformative impact, namely SDGs 7 and 13. For more information regarding our work with the SDGs, see Ørsted's sustainability report 2022.

### Global Reporting Initiative (GRI)

We use the GRI Standards as foundation for some of our ESG data. We do not strive for full GRI-based disclosure (see p. 49 for details).

### Other ESG frameworks

We are currently working with the new European Sustainability Reporting Standards (ESRS) as part of our preparations for reporting on the Corporate Sustainability Reporting Directive (CSRD) from 2024. We also follow the developments of the IFRS Foundation's International Sustainability Standards Board (ISSB) in their aim of establishing global sustainability disclosure standards.

We aim to grow our use of ESG frameworks as they further harmonise their work into a comprehensive, global platform for corporate sustainability reporting.

### Ørsted's annual ESG reporting



#### [Annual report](#)

Our annual report provides full details on strategic ESG targets and business drivers, complete with a consolidated ESG statement.



#### [Sustainability report](#)

Our sustainability report focuses on the company's sustainability strategy and includes ESG data related to the sustainability programmes.



#### [ESG performance report](#)

Our ESG performance report includes the full ESG statement, disclosing all of Ørsted's ESG data.

## 7.3 Alignment with TCFD recommendations

Theme	Recommended disclosures	Ørsted report	Section	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities	Annual report 2022 Sustainability report 2022	Corporate governance Sustainability governance	pp. 57-59 p. 43
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Sustainability report 2022 Remuneration report 2022	Sustainability governance Summary of NRC activities and remuneration policy Remuneration of the Executive Board	p. 43 pp. 4-6 pp. 7-8
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Annual report 2022	Strategy and business	pp. 17-41
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Annual report 2022 Sustainability report 2022	Strategy and business Science-aligned climate action	pp. 17-41 pp. 14-18
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario	Annual report 2022 Sustainability report 2022 ESG performance report 2022	Risks and risk management Green energy to power lasting positive impact Taxonomy-aligned KPIs (incl. voluntary disclosures); accounting policies	p. 41 pp. 4-6 p. 11
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks	Annual report 2022 Sustainability report 2022	Risks and risk management Integrating sustainability across our business	pp. 38-41 pp. 9-12
	b) Describe the organisation's processes for managing climate-related risks	Annual report 2022 Sustainability report 2022	Risks and risk management Integrating sustainability across our business	pp. 38-41 pp. 9-12
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Annual report 2022 Sustainability report 2022	Risks and risk management Integrating sustainability across our business	pp. 38-41 pp. 9-12
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Annual report 2022	The markets where we operate Strategic targets Risks and risk management	pp. 27-29 pp. 19-20 pp. 38-41
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks	Annual report 2022 ESG performance report 2022 Sustainability report 2022	Performance highlights Greenhouse gas emissions, scope 1 and 2; Greenhouse gas emissions, scope 3 Decarbonising our full value chain	p. 6 pp. 23-24 p. 2
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Annual report 2022 ESG performance report 2022 Sustainability report 2022	Strategic targets ESG target overview Science-aligned climate action	pp. 19-20 p. 5 pp. 14-18

## 7.4 Alignment with SASB Standards

### Electric utilities and power generators: sustainability disclosure topics & accounting metrics

Topic	Code	Metric	Unit	2022	Comments	Ørsted report and page
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.1	– Gross global scope 1 emissions	Thousand tonnes CO <sub>2</sub> e	2,510	Our scope 1 emissions are covered by the EU Emissions Trading System (EU ETS)	ESG performance report, p. 23
		– Covered by emission-limiting regulations	%	97		
		– Covered by emission-reporting regulations	%	97		
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n.a.	n.a.	See 'Strategic targets' and 'Environment: Science-aligned climate action' See 'Science-aligned climate action' and 'Programme 2: Decarbonisation of energy generation and operations' See '1.2 ESG target overview'	Annual report, p. 20 and p. 23 Sustainability report, p. 14 and p. 17 ESG performance report, p. 5
Air Quality	IF-EU-120a.1	– NO <sub>x</sub> (excluding N <sub>2</sub> O) emissions	Tonnes	1,892	We only disclose SO <sub>2</sub> . We do not disclose particulate matter, lead, and mercury, nor the percentage of each in or near areas of dense population	ESG performance report, p. 30
		– SO <sub>x</sub> emissions	Tonnes	780		
Water Management	IF-EU-140a.1	– Total water withdrawn	Thousand m <sup>3</sup>	1,021,206	We do not disclose water consumed in regions with high or extremely high baseline water stress as we do not have activities in these regions	ESG performance report, p. 28
		– Water withdrawal from regions with high or extremely high baseline water stress	%	0		
		– Total water consumed	Thousand m <sup>3</sup>	1,379		
Workforce Health & Safety	IF-EU-320a.1	– Total recordable incident rate (TRIR) – Fatality rate	Per million hours worked Number	3.1 0	We use per million hours worked as the rate for TRIR, and we disclose the number of fatalities. We do not disclose the near-miss frequency rate	Annual report, p. 20 ESG performance report, p. 37

### Electric utilities and power generators: activity metrics

	IF-EU-000.B	– Total electricity delivered to residential customers, commercial customers, industrial customers, and all other retail customers	GWh	4,794	We disclose sales to end customers, but not split into the specific categories listed	ESG performance report, p. 21
		– Total electricity delivered to wholesale customers	GWh	28,951		
	IF-EU-000.D	– Total electricity generated	GWh	35,641	We include heat generation when we calculate the breakdown by energy source. Other major energy sources listed in the standard (nuclear, petroleum, hydropower, and other gases) are not applicable to Ørsted. We do not disclose percentage of total electricity generated in regulated electricity markets	ESG performance report, p. 19 and p. 20
		– Percentage by major energy source:	%	100		
		– Wind (offshore and onshore)	%	66		
		– Solar PV	%	5		
		– Other renewables	%	20		
		– Coal	%	8		
– Natural gas	%	1				



The SASB's industry standard 'Electric utilities and power generators' is the primary SASB standard relevant for Ørsted. The tables on this page contain the data points in Ørsted's current ESG reporting

that align with this standard. In addition, we have identified five codes in the standard for which it could also be relevant for Ørsted to disclose data, but they are not included in our current reporting (IF-EU-110a.2,

IF-EU-140a.2, IF-EU-140a.3, IF-EU-150a.1, and IF-EU-000.E). All other codes are omitted due to lack of applicability.



## 7.5 Alignment with the SDGs and GRI Standards

Framework	Details	Approach	Ørsted report	Section	Page
Sustainable Development Goals (SDGs)	 Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	Significant contribution	ESG performance report 2022	3.5 Green share of energy generation 6.5 Whistle-blower cases, good business conduct, green bonds, and tax	p. 20 p. 43
			Sustainability report 2022	Programme 3: Reliable and secure energy infrastructure Programme 14: Mobilisation of sustainable finance	p. 18 p. 36
	 Goal 13: Take urgent action to combat climate change and its impacts	Significant contribution	ESG performance report 2022	4.1 Greenhouse gas (GHG) emissions, scope 1 and 2 4.2 Greenhouse gas (GHG) emissions, scope 3	p. 23 p. 24
			Sustainability report 2022	Programme 1: Decarbonisation of supply chain and natural gas wholesales Programme 2: Decarbonisation of energy generation and operations Programme 3: Reliable and secure energy infrastructure Programme 14: Mobilisation of sustainable finance	p. 15 p. 17 p. 18 p. 36
Global Reporting Initiative (GRI)	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Full alignment	ESG performance report 2022	4.9 Biodiversity – protected areas	p. 31
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	Full alignment	ESG performance report 2022	4.10 Biodiversity – endangered species	p. 32
	306-3: Waste generated	Partial alignment	ESG performance report 2022	4.7 Waste	p. 29
	306-4: Waste diverted from disposal	Partial alignment	ESG performance report 2022	4.7 Waste	p. 29
	306-5: Waste directed to disposal	Partial alignment	ESG performance report 2022	4.7 Waste	p. 29

## 7.6 Calculation factors

Table reference	Indicator	Factor	Comment	Reference	Publication name
Table 4.1	Scope 1 emissions	Global warming potential of greenhouse gases	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, SF <sub>6</sub>	Intergovernmental Panel on Climate Change (IPCC)	Fifth Assessment Report, The Physical Science Basis, 2013
Table 4.1	Scope 1 emissions	Carbon emissions from fossil fuels at CHP plants	Coal, oil, natural gas	Danish Energy Agency	Standardfaktorer for brændværdier og CO <sub>2</sub> -emissioner (Standard factors for calorific value and carbon emissions), 2021
Table 4.1	Scope 1 emissions	Carbon emissions from fossil fuels outside CHP plants	Diesel, petrol, fuel oil, jet fuel	American Petroleum Institute (API)	Compendium of greenhouse gas emission methodologies for the oil and natural gas industry, 2009
Table 4.1	Scope 2 emissions	Carbon emissions from power purchased	In Denmark	EnerginetDK, 2021	Generel deklARATION og MiljødeklARATION, 2020 (General declaration and environmental declaration, 2020)
Table 4.1	Scope 2 emissions	Carbon emissions from power purchased	In other European countries	Association of Issuing Bodies (AIB)	European Residual Mixes, 2021 (2020 data)
Table 4.1	Scope 2 emissions	Carbon emissions from power purchased	In countries outside Europe	Institute for Global Environmental Strategies (IGES)	List of grid emission factors, 2021
Table 4.1	Biogenic emissions	Biogenic emissions from combustion of biomass	GHG emissions outside of scope 1-3, biomass and biogas	UK Department for Environment, Food & Rural Affairs (DEFRA)	UK government GHG conversion factors for company reporting, 2021
Table 4.2	Scope 3 emissions	Use of sold products Fuel- and energy-related activities	Emissions from end use of gas Upstream supply chain of fuels	UK Department for Environment, Food & Rural Affairs (DEFRA)	UK government GHG conversion factors for company reporting, 2021
Table 4.2	Scope 3 emissions	Capital goods	Wind farms, offshore	Own LCA calculation	The model is based on the ISO 14040 Life Cycle Assessment standard (1) and applied in the openLCA software. The modelling is conducted using the Environmental Footprint 3.0 LCIA (life cycle impact assessment) method, and the impacts of each activity/material come from the ecoinvent environmental database, version 3.8.
Table 4.2	Scope 3 emissions	Capital goods	Wind farms, onshore	Siemens	Environmental Product Declaration: a clean energy solution – from cradle to grave. Onshore wind power plant employing SWT-2.3-108
Table 4.2	Scope 3 emissions	Capital goods	Solar farms	Aalborg University, Department of Development & Planning	Comparative Life Cycle Assessment of selected renewable electricity generation technologies, 2015
Table 4.2	Scope 3 emissions	Purchased goods and services	Supply chain emission factors depend on product categories	UK Department for Environment, Food & Rural Affairs (DEFRA)	Indirect emissions from the supply chain, 2014
Table 4.2	Scope 3 emissions	Business travel in private car	Assumption: 'average car', 'unknown fuel type'	UK Department for Environment, Food & Rural Affairs (DEFRA)	UK government GHG conversion factors for company reporting, 2021
Table 4.4	Avoided emissions	Carbon emissions from average fossil-fuel mix	Average of coal, gas, and oil (countries and US states)	International Energy Agency (IEA) US Environmental Protection Agency (EPA)	IEA Emissions Factors, 2021 (2019 data) US EPA 2021, eGRID2019 Data File
Table 4.6	Water stress	Baseline water stress	Measured at site level, baseline water stress is the ratio of total water withdrawals to available renewable supply	World Resources Institute (WRI)	Aqueduct Water Risk Atlas v3.0, 2019

Note: The table shows references for calculation factors used in the 2022 data set.

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