

Biodiversity policy

Human activity is directly responsible for the unprecedented rate of global biodiversity loss we see today. The rich biodiversity of the Earth is both our shared heritage and our life-support system, and its loss feeds into several interlocking crises, including climate change.

At Ørsted, we want to create a world that runs entirely on green energy, meaning that we want to ensure that we are working in healthy and thriving ecosystems. This policy outlines how we approach our goal whilst working in balance with nature.

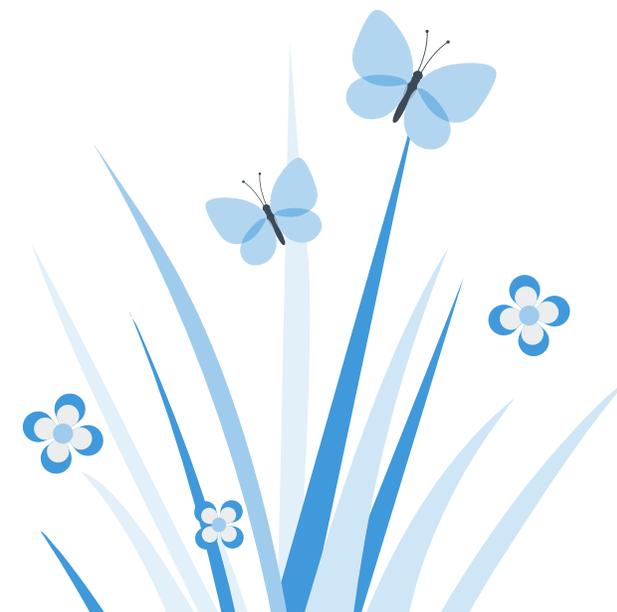
Biodiversity is defined as the variety of life on our planet in all its different forms – including individuals, species, and ecosystems – and is essential for a thriving natural world. The overall health of our planet and our societies is intrinsically linked to biodiversity, nature, and climate. Climate change is a large and growing driver of biodiversity loss and ecosystem degradation. This undermines nature's ability to mitigate climate change and support adaptation – something the world is depending on to help meet urgent climate goals. Our business is to develop, construct and operate renewable energy and a way that enables communities to achieve their full potential and without limiting the opportunities of future generations – but we know that building more also implies a greater pressure on natural ecosystems. Therefore, protecting and restoring these systems must be part of the solution and part of our responsibility to remain fully committed to effectively manage our impacts on biodiversity.

Biodiversity management is an integral part of Ørsted's business model and decision-making processes, through the full lifecycle of our projects. This ranges from early-stage site selection and planning, through project design, to construction and operations, and in due course, decommissioning.

To understand and manage our impact, Ørsted follows the mitigation hierarchy. This means we aim to avoid harmful action at the outset of an activity, minimise impacts and take restorative measures

where impacts can't be avoided, and as a last resort, compensate any residual adverse impacts that cannot be restored – while recognising that certain environmental features that cannot be replaced and, therefore, cannot be compensated.

Ørsted is committed to doing no significant harm, as defined by the EU Taxonomy¹, and to explore opportunities to protect and restore biodiversity at some of our existing assets, O&M sites, and offices. From 2030, our ambition is to achieve net positive biodiversity from all our new renewable energy projects that are commissioned from 2030 and beyond. Our actions stemming from these commitments contribute to the UN Sustainable Development Goals 14.2 and 15.5 on 'Life below water' and 'Life on land'.



Biodiversity as part of a sustainable lifecycle

To ensure we address our impacts on the natural environment in the most holistic and comprehensive way, we consider our management measures from a lifecycle perspective.

We have set the ambition that all new renewable energy projects we commission from 2030 onwards should deliver a net-positive biodiversity impact.

When all other management options within the mitigation hierarchy have been exhausted, reaching net-positive may in some cases require ecologically compensating for residual, unavoidable impacts, or undertaking conservation efforts. When this is the case, Ørsted engages with scientists, local authorities, and communities to understand which measures should be implemented to deliver the greatest overall benefit.

1 Planning and development

Biodiversity plays an important role in site selection for new renewable energy projects. We engage in early planning and risk screening at all new sites. When responsible for the siting of a new project, we select areas and cable routes that, wherever possible, avoid significant impacts to pristine habitats, vulnerable ecosystems, and ‘Key Biodiversity Areas’ – regardless of whether these lie inside or outside of formally protected areas.

We cooperate with community stakeholders and authorities to deepen our understanding of local ecosystems, which are inextricably connected with human ways of life. Ørsted carries out transparent stakeholder dialogue throughout our development processes to ensure that local priorities and interests are considered at the core of our biodiversity work.

By 2030 at the latest, we will quantitatively assess biodiversity at new renewable energy project sites before commencing construction. We have developed a science-based biodiversity measurement framework that examines both habitats and species, which we will use for establishing baselines and evaluating progress towards our net-positive impact ambition. This approach is in alignment with the guidance from the Science Based Targets Network (SBTN) and the Taskforce on Nature-related Financial Disclosures (TNFD).

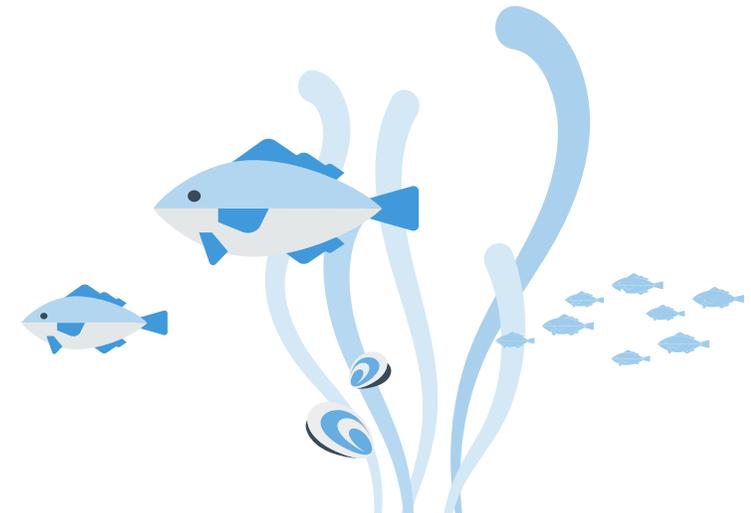
We ensure environmental impact assessments or equivalent are carried out for all our renewable developments, as required by local legislation. This means that we collaborate with local authorities and other groups to understand the potential impacts we may have on nature and that we are able to define measures to manage them (including alternative site selection when possible), in line with the mitigation hierarchy and best practice.

2 Construction

We aim to limit negative impacts on species behaviour and habitats through best-practice methods for carefully managing the duration, intensity, or extent of potential disturbing activities that cannot be completely avoided (e.g. construction during nesting seasons, underwater noise, etc.). This includes identifying how we can best implement practical and suitable mitigation measures in collaboration with and to the standards of our regulatory partners.

In addition to our work on protecting the environment, we maintain stakeholder communications throughout the construction phase. By keeping an open dialogue and working closely with local and Indigenous communities, we remain responsive to evolving community concerns, ensuring that we can act efficiently to meet commitments made in the development phase.

When we construct on previously developed (brownfield) sites, and when we upgrade operational sites, we aim to improve existing biodiversity impact mitigation measures whenever possible. Our responsibility as a developer extends beyond protection alone, and we are committed to restoring pre-existing ecosystems to the extent possible when developing new renewable energy assets.



3 Operation and maintenance

We develop monitoring plans for the natural environment at our renewable energy sites. These focus on sensitive species or habitats identified during our environmental impact assessments. We intend to implement monitoring into operational phases as needed, in parallel with our regular maintenance inspections. This data will allow us to validate our expectations from the development phase, assess long-term biodiversity impacts, and guide our monitoring scope to help de-risk future projects. Where relevant, monitoring data will feed into our biodiversity measurement framework to track our progress towards a net-positive impact by 2030.

In the rare case of unforeseen biodiversity impacts, we are prepared to take appropriate corrective or mitigating actions.

4 Decommissioning and redevelopment

We aim to reuse and recycle decommissioned materials as much as possible. By redirecting our decommissioned materials into a circular economy, we reduce the need for virgin materials, which in turn ensures that we make the best possible use of our resources and reduces the need for extraction processes that can have negative impacts on biodiversity.

Where feasible, we will explore the possibility of reusing areas that we or others have previously developed for new projects. Redeveloping brownfield sites, including repowering, minimises the need for virgin areas and therefore avoids potential biodiversity impacts.

We are committed to maintaining and implementing restoration for decommissioned sites. When reuse of a site is not relevant, we will work with local stakeholders to explore restoration opportunities in such a way as to benefit local ecosystems.



Building knowledge

Although there is an increasingly large body of knowledge on how the built environment impacts biodiversity, there are still gaps in our understanding. Many ecosystems today are changing rapidly, and it is our responsibility to support decision-making with evidence from both our own operations and the international scientific community.

With a focus on continuous improvement, we will continue financing research, development, and innovation activities, where we work with conservation and research experts on scalable projects. In addition, we are committed to continuing to collaborate with authorities, industry peers, and societal stakeholders, such as environmental NGOs, nature conservation groups, charities, and universities, to expand the available body of knowledge. Furthermore, within our supply chain sustainability programme, we are committed to engaging suppliers on biodiversity, where we work with suppliers to understand their baseline, as well as their initiatives to mitigate biodiversity impact in their own operations.



Governance

This policy applies to Ørsted A/S and its subsidiaries. All Ørsted locations have their own unique natural environments, and the principles outlined in this policy should be implemented in line with local environmental conditions and in compliance with local regulations. To ensure transparent progress on our biodiversity activities, we are committed to setting public targets and tracking development through communication on our website and in our annual report.

To support understanding of this policy and improve internal competencies, we have made environmental training courses available to all employees. If any employee should identify a practice that is not aligned with this policy, we encourage them to clarify the situation with their people leader and, if needed, report it through our incident reporting systems. Significant concerns can also be submitted via our anonymous whistleblower channel.³

³ orsted.whistleblownetwork.net/frontpage



A note on our use of biomass

All biomass for our bioenergy plants is certified through international schemes that are independently audited.

We are aware of the delicate balance between ecosystem protection and the use of natural resources, and we have committed to procuring biomass in the most sustainable way possible. To this end, we only source 100% third-party sustainably certified wooden biomass, mainly coming from logging and sawmill residues, and we are committed to developing ecosystem services certifications that incentivise forest owners to protect resources with high biodiversity value.



Glossary

We have provided a brief glossary for some of the phrases and words used in the policy below.

Biodiversity is the variability among living organisms from all sources, including terrestrial, marine, and other aquatic ecosystems, and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems.⁴

Biodiversity net gain is a term linked to legal requirements in England⁵ for projects having a non-temporary impact on habitats (impacts that will take more than two years to fully recover from naturally) to create a 10% increase in biodiversity value relative to the baseline condition. Other countries have unique policies to address ecological uplift that might be included in determining requirements for offsetting or compensation.⁶

Metrics are a set of measurements that are used to quantify progress towards the net gain ambitions.⁷

The mitigation hierarchy describes the sequence of actions to anticipate and avoid, and where avoidance is not possible, minimise, and when impacts occur, restore, and where significant residual impacts remain, offset for biodiversity-related risks and impacts on affected communities and the environment.

Net-positive impact occurs when the totality of the biodiversity impact exceeds the loss, including via measures taken to offset the residual impact of a development project, thereby creating an overall benefit.

No net loss is a target for a development project in which the impacts on biodiversity caused by the project are balanced or outweighed by measures taken to avoid or minimise the project's impacts, undertake on-site restoration, and finally offset the residual impacts so that no loss remains.

The mitigation hierarchy

