



Ørsted
Interim ESG performance report

First half year 2020

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The interim ESG performance report can be downloaded at:

orsted.com/en/Investors/IR-material/Financial-reports-and-presentations

FURTHER INFORMATION

Group Communication

Martin Barlebo
+45 99 55 95 52

Investor Relations

Allan Bødskov Andersen
+45 99 55 79 96

www.orsted.com

Ørsted A/S

CVR no. 36213728

Kraftværksvej 53

7000 Fredericia

Tel. +45 99 55 11 11



1.1 CFO's review – first half year 2020

42% higher wind power generation in the first half of 2020.

- Our 230MW US onshore wind farm Plum Creek was commissioned in June 2020.
- Our green share of heat and power generation increased by 6 percentage points to 88% in H1 2020.
- Our scope 1 and 2 greenhouse gas intensity decreased by 20% to 64g CO₂e/kWh.
- Our scope 3 greenhouse gas emissions decreased by 16%.

COVID-19

Our Corporate Crisis Management Organisation has met regularly throughout the second quarter, focusing on business continuity and the partial re-opening of our locations in Continental Europe and Taiwan.

During Q2 2020, our asset base continued to be fully operational, and we have maintained normal availability rates for our offshore and onshore wind farms.

Renewable energy capacity

The construction of our Dutch wind farm Borssele 1 & 2 is progressing according to plan with 78 turbines out of 94 already installed. We still expect the 752MW wind farm to be completed during Q4 2020.

In June, we commissioned the 230MW onshore wind farm Plum Creek in the US increasing our total installed onshore wind capacity to 1.6GW.

Our total installed renewable capacity increased by 6% to 10.4GW in H1 2020 compared with year-end 2019.

Heat and power generation and impact of ancillary services

Offshore power generation increased by 36% to 7.2TWh in H1 2020. The increase was mainly due to ramp-up of generation from Hornsea 1 and higher than normal wind speeds.

Our onshore wind farms generated 2.7TWh in H1 2020, an increase of 61% compared with H1 2019, mainly due to the new wind farms Sage Draw and Lockett, which were commissioned in Q1 2020 and Q3 2019, respectively.

Thermal heat generation decreased by 15% to 4.1TWh due to the warm weather in Q1 2020.

Thermal power generation decreased by 6% to 2.5TWh. The underlying decrease was higher, but was partly offset by generation associated with the delivery of a type of ancillary service 'automatic frequency restoration reserves' (aFFR), which has not been tendered in Western Denmark in the last five years.

We are legally obliged to make our generation capacity available and participate in these tenders based on the marginal cost. We are therefore not allowed to prioritise delivery of ancillary services from green energy sources in situations where they do not have the lowest marginal cost. Consequently, a large share of the tendered aFFR ancillary services in H1 2020 was delivered from our coal-based capacity at the Esbjerg and Studstrup power stations. This resulted in our coal consumption being at a level with H1 2019, despite Asnæs Power Station running entirely on sustainable biomass in 2020 following the completion of the bioconversion in late 2019.



Our green share of generation increased to 88%. This was an increase of 6 percentage points compared to H1 last year.

We are fully committed to our green strategy and targets, including the phase out of coal in 2023. However, until our coal-based generation capacity is fully phased out, we may see fluctuations in coal consumption driven by our supplier obligations, market conditions, and weather patterns. We are continuously working to develop our portfolio to increase the flexible capacity used for ancillary services from less carbon-intense sources, such as sustainable biomass and wind.

Green share of generation

Our green share of generation increased to 88%, driven by higher wind-based generation, lower underlying thermal heat and power generation, and the bioconversion of Asnæs Power Station in late 2019, partly offset by higher thermal generation associated with ancillary services. The green share of generation increased by 6 percentage points compared to H1 last year.




Marianne Winholt
CFO

Greenhouse gas emissions

Our scope 1 and 2 greenhouse gas intensity was reduced by 20% to 64g CO₂e/kWh in H1 2020 compared with H1 2019. The reasons for this were the same as for the increase in the green share of generation.

Our absolute scope 1 greenhouse gas emissions were reduced by 9% to 1.02 million tonnes CO₂e.

Our scope 3 emissions decreased by 16% in H1 2020 compared with H1 2019, mainly due to a 19% decrease in natural gas sales.

Safety

TRIR for H1 2020 was 3.6 injuries per million hours worked compared with 4.4 in H1 2019. The improvement was driven by a 50% reduction in TRIR from our own employees, partly offset by a 34% increase in TRIR for our contractors.

1.2 ESG target overview

Note	Indicator	Unit	Target	H1 2020	H1 2019	Δ	2019
Strategic targets							
2.1	Installed renewable capacity	MW	30GW (2030)	10,439	8,303	26%	9,870
2.1	Installed offshore wind capacity	MW	15GW (2025)	6,820	5,602	22%	6,820
2.1	Installed onshore wind and solar capacity	MW	5GW (2025)	1,565	813	92%	997
2.4	Green share of energy generation	%	95 (2023), 99 (2025)	88	82	6%p	86
2.7	Scope 1 and 2 greenhouse gas intensity	g CO ₂ e/kWh	20 (2023), 10 (2025) ¹	64	80	(20%)	65
2.7	Scope 3 greenhouse gas emissions	Million tonnes CO ₂ e	50% (2032) ²	13.1	15.7	(16%)	34.6
N/A ⁴	Employee satisfaction	Index 0-100	Top 10% (2020) ³	N/A	N/A	-	77
3.2	Total recordable injury rate (TRIR), 12M rolling	Per million hours worked	2.9 (2025)	4.7	4.1	15%	4.9
Additional sustainability targets							
2.9	Certified renewable wooden biomass sourced	%	100 (2020)	100	94	6%p	96
2.9	Coal consumption	Thousand tonnes	0 (2023)	376	385	(2%)	588
2.9	Green share of power for own consumption	%	100	100	100	0%p	100
N/A ⁴	Internal energy savings, accumulated from 2018	GWh	15 (2023)	N/A	N/A	-	8.8
N/A ⁴	Share of electric vehicles	%	100 (2025)	N/A	N/A	-	21
N/A ⁴	Learning and development indicator (annual employee survey)	Index 0-100	80 (2020)	N/A	N/A	-	77
N/A ⁴	Women in leadership positions, Leadership Conference	% female	22 (2023)	N/A	N/A	-	13
N/A ⁴	Women in leadership positions, middle management	% female	30 (2023)	N/A	N/A	-	25




¹ In addition to the emission reduction targets, we set a new target in January 2020 of being carbon neutral in 2025. We will continue to investigate solutions for the remaining emissions, which could also include investing in certified carbon removal projects.

² 50% reduction in total scope 3 emissions from the base year 2018.

³ Our target from 2020 and onwards is an employee satisfaction survey result in the top ten percentile compared with an external benchmark group.

⁴ The targets marked with N/A in the note column are not reported in the interim reports. They will be reported in the annual ESG performance report for 2020.

1.3 Overview by business unit

Note	Indicator	Unit	  			Other activities/ eliminations	H1 2020	H1 2019	Δ	2019
			Offshore	Onshore	Markets & Bioenergy					
	Revenue	DKK billion	17.3	0.3	11.4	(2.0)	27.0	33.7	(20%)	67.8
	EBITDA	DKK billion	8.0	0.5	1.1	0.2	9.8	8.8	11%	17.5
2.1	Installed renewable capacity	MW	6,820	1,565	2,054	-	10,439	8,303	26%	9,870
2.1	Decided (FID) renewable capacity (not installed yet)	MW	3,038	523	-	-	3,561	5,006	(29%)	4,129
2.1	Awarded and contracted renewable capacity (no FID yet)	MW	4,996	-	-	-	4,996	4,746	5%	4,996
2.1	Total renewable capacity (installed + FID + awarded and contracted)	MW	14,854	2,088	2,054	-	18,996	18,055	5%	18,995
2.2	Generation capacity, power	MW	3,763	1,724	2,837	-	8,324	6,981	19%	7,489
2.2	Generation capacity, heat	MW	-	-	3,475	-	3,475	3,425	1%	3,560
2.3	Power generation	GWh	7,171	2,660	2,455	-	12,286	9,516	29%	20,119
2.3	Heat generation	GWh	-	-	4,120	-	4,120	4,843	(15%)	8,312
2.7	Scope 1 and 2 greenhouse gas emissions	Thousand tonnes CO ₂ e	11	0	1040	1	1,052	1,121	(6%)	1,850
2.7	Scope 3 greenhouse gas emissions	Thousand tonnes CO ₂ e	83	198	12,831	15	13,127	15,652	(16%)	34,604
2.7	Greenhouse gas intensity	g CO ₂ e/kWh	2	-	158	-	64	80	(20%)	65
2.4	Green share of energy generation	%	100	100	71	-	88	82	6%p	86
3.1	Number of employees	Full-time equivalents (FTE)	2,928	122	1,787	1,894	6,731	6,312	7%	6,526
3.2	Total recordable injury rate (TRIR), 12M rolling	Number/million hours worked	3.2	4.5	10.2	3.1	4.7	4.1	15%	4.9

1.4 Overview by country

Note	Indicator	Unit	Denmark	United Kingdom	Germany	The Netherlands	The US	Taiwan	Other countries	H1 2020	H1 2019	Δ	2019
2.1	Installed green capacity	MW	3,060	4,400	1,384	-	1,595	-	-	10,439	8,303	26%	9,870
2.1	- of which, offshore wind	MW	1,006	4,400	1,384	-	30	-	-	6,820	5,602	22%	6,820
2.1	- of which, onshore wind	MW	-	-	-	-	1,555	-	-	1,555	803	94%	987
2.1	- of which, solar	MW	-	-	-	-	10	-	-	10	10	0%	10
2.1	- of which, thermal biomass-based heat capacity	MW	2,054	-	-	-	-	-	-	2,054	1,888	9%	2,053
2.1	Decided (FID) renewable capacity (not installed yet)	MW	-	1,386	-	752	523	900	-	3,561	5,006	(29%)	4,129
2.1	Awarded and contracted renewable capacity (no FID yet)	MW	-	-	1,142	-	2,934	920	-	4,996	4,746	5%	4,996
2.1	Total renewable capacity (installed + FID + awarded and contracted)	MW	3,060	5,786	2,526	752	5,052	1,820	-	18,996	18,055	5%	18,995
2.2	Generation capacity, power	MW	3,400	2,342	692	136	1,585	-	-	8,155	6,981	17%	7,489
2.2	- of which, offshore wind	MW	563	2,342	692	136	30	-	-	3,763	3,328	13%	3,627
2.2	- of which, onshore wind	MW	-	-	-	-	1,555	-	-	1,555	803	94%	987
2.2	- of which, thermal energy	MW	2,837	-	-	-	-	-	-	2,837	2,840	(0%)	2,865
2.2	- of which, solar energy	MW	-	-	-	-	-	-	-	-	10	(100%)	10
2.2	Generation capacity, heat	MW	3,475	-	-	-	-	-	-	3,475	3,425	1%	3,560
2.3	Power generation	TWh	3,585	4,730	1,181	64	2,726	-	-	12,286	9,516	29%	20,119
2.3	Heat generation	TWh	4,120	-	-	-	-	-	-	4,120	4,843	(15%)	8,312
2.4	Green share of energy generation	%	75	100	100	100	100	-	-	88	82	6%p	86
2.7	Greenhouse gas intensity	g CO ₂ e/kWh	135	1	2	1	0	-	-	64	80	(20%)	65
2.7	Scope 1 and 2 greenhouse gas emissions	Thousand tonnes CO ₂ e	1,043	6	3	0	0	0	-	1,052	1,121	(6%)	1,850
3.1	Number of employees (FTE)	Number	4,585	1,011	214	34	283	110	494	6,731	6,312	7%	6,526

2.1 Renewable capacity

Indicator	Unit	Target	H1 2020	H1 2019	Δ	2019	2018
Installed renewable capacity	MW	+30GW (2030)	10,439	8,303	2,136	9,870	8,303
- Offshore wind power	MW	15GW (2025)	6,820	5,602	1,218	6,820	5,602
- Denmark	MW		1,006	1,006	-	1,006	1,006
- The UK	MW		4,400	3,182	1,218	4,400	3,182
- Germany	MW		1,384	1,384	-	1,384	1,384
- The US	MW		30	30	-	30	30
- Onshore wind power	MW	5GW (2025) ¹	1,555	803	752	987	803
- Solar power	MW	Note ¹	10	10	-	10	10
- Thermal heat, biomass	MW		2,054	1,888	166	2,053	1,888
Decided (FID) renewable capacity (not yet installed)	MW		3,561	5,006	(1,445)	4,129	3,665
- Offshore wind power	MW		3,038	4,256	(1,218)	3,038	3,356
- The UK	MW		1,386	2,604	(1,218)	1,386	2,604
- The Netherlands	MW		752	752	-	752	752
- Taiwan	MW		900	900	-	900	-
- Onshore wind power	MW		103	625	(522)	671	184
- Solar power	MW		420	-	420	420	-
- Thermal heat, biomass	MW		-	125	(125)	-	125
Awarded and contracted capacity (not yet FID) renewable capacity	MW		4,996	4,746	250	4,996	4,796
- Offshore wind power	MW		4,996	4,116	880	4,996	3,916
- Germany	MW		1,142	1,142	-	1,142	1,142
- The US	MW		2,934	2,054	880	2,934	954
- Taiwan	MW		920	920	-	920	1,820
- Onshore wind power	MW		-	230	(230)	-	530
- Solar power	MW		-	400	(400)	-	350
Sum of installed and FID capacity	MW		14,000	13,309	691	13,999	11,968
Sum of Installed + FID + awarded and contracted capacity	MW		18,996	18,055	941	18,995	16,764
Installed storage capacity	MWac		21	1	20	21	1

¹ The 5GW (2025) target is for onshore wind and solar power combined.

In June 2020, we commissioned the US on-shore wind farm Plum Creek (230MW).

Additions to the capacities for the last 12 months:

Installed capacity

Q3-19: US: Lockett, onshore wind (184MW)

Q4-19: UK: Hornsea 1, offshore wind (1,218MW)

DK: Asnæs, biomass-based heat (125MW)

Q1-20: US: Sage Draw, onshore wind (338MW)

Q2-20: US: Plum Creek, onshore wind (230 MW)

Decided (FID) capacity

Q3-19: US: Plum Creek, onshore wind (230 MW)

Q4-19: US: Permian Energy Center, solar (420MW)

Awarded capacity

Q3-19: US Sunrise, offshore wind (880MW)

2.2 Generation capacity

Indicator	Unit	H1 2020	H1 2019	Δ	2019	2018
Power generation capacity	MW	8,155	6,981	1,174	7,489	6,673
- Offshore	MW	3,763	3,328	435	3,627	3,018
- Denmark	MW	563	563	-	563	563
- The UK	MW	2,342	2,043	299	2,342	1,733
- Germany	MW	692	692	-	692	692
- The Netherlands	MW	136	-	136	-	-
- The US	MW	30	30	-	30	30
- Onshore, the US	MW	1,555	803	752	987	803
- Solar, US	MW	-	10	(10)	10	10
- Thermal	MW	2,837	2,840	(3)	2,865	2,842
- Denmark	MW	2,837	2,840	(3)	2,865	2,842
Heat generation capacity, thermal¹	MW	3,475	3,425	50	3,560	3,425
Based on biomass	MW	2,054	1,888	166	2,053	1,888
Based on coal	MW	1,300	1,384	(84)	1,385	1,384
Based on natural gas	MW	1,774	1,774	-	1,774	1,774
Power generation capacity, thermal¹	MW	2,837	2,840	(3)	2,865	2,842
Based on biomass	MW	1,216	1,190	26	1,216	1,190
Based on coal	MW	991	1,016	(25)	1,019	1,016
Based on natural gas	MW	1,010	1,010	-	1,010	1,012

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

At the end of H1 2020, 17 turbines had passed the 240 hour test at our Dutch wind farm Borssele 1 & 2, equivalent to 136MW new ramp-up offshore generation capacity. We expect the 752MW wind farm to be commissioned during Q4 2020.

The onshore wind farm Plum Creek was commissioned in June 2020 and added 230MW to the onshore generation capacity.

2.3 Energy generation

Indicator	Unit	Q2 2020	Q2 2019	Δ	H1 2020	H1 2019	Δ	2019	2018
Power generation, Ørsted total	GWh	4,907	3,647	35%	12,286	9,516	29%	20,118	17,245
Power generation, offshore wind	GWh	2,580	2,155	20%	7,171	5,260	36%	11,965	10,042
- Denmark	GWh	399	453	(12%)	1,130	1,069	6%	2,209	2,197
- The United Kingdom	GWh	1,664	1,232	35%	4,730	3,090	53%	7,416	6,116
- Germany	GWh	420	438	(4%)	1,182	1,038	14%	2,220	1,706
- The Netherlands	GWh	63	-	-	63	-	-	-	-
- The US	GWh	34	32	6%	66	63	5%	120	23
Power generation, onshore wind, US	GWh	1,512	824	83%	2,653	1,647	61%	3,498	549
Power generation, onshore solar, US	GWh	4	4	0%	7	7	0%	15	3
Power generation, thermal	GWh	811	664	22%	2,455	2,602	(6%)	4,640	6,652
- Denmark	GWh	811	664	22%	2,455	2,602	(6%)	4,635	6,262
- The Netherlands	GWh	-	-	-	-	-	-	-	390
- The United Kingdom	GWh	-	-	-	-	-	-	5	-
Heat generation, Ørsted total, Denmark	GWh	977	1,120	(13%)	4,120	4,843	(15%)	8,312	8,768
Total heat and power generation, Ørsted total	GWh	5,884	4,767	23%	16,406	14,359	14%	28,430	26,013

Offshore power generation increased by 20% in Q2 2020 relative to Q2 2019. The increase was primarily due to generation from Hornsea 1 (commissioned in Q4 2019).

Generation in Onshore increased by 83% in Q2 2020 relative to Q2 2019. The increase was primarily due to additional generation from Lockett (commissioned in Q3 2019), Sage Draw (commissioned in Q1 2020) and ramp-up generation from Plum Creek (commissioned at the end of Q2 2020).

Thermal heat generation was 15% lower in the first half of 2020 despite the colder weather in Q2.

Thermal power generation was 6% lower in H1 2020 compared with H1 2019 due to lower

combined heat and power generation as well as more wet and windy weather, driving an increase in wind and hydro-based renewable power generation and subsequently less demand for thermal power generation in Q1. However, in Q2, this was more than offset by increased power generation associated with ancillary services.

Ancillary services

Ancillary services are different types of services where power market participants provide flexible capacity (generation or consumption) to balance the power system and support security of supply.

From early 2020, one of these services (automatic frequency restoration reserves, aFRR) has been offered through tenders in Western Denmark, after having been supplied via a contract with the transmission system operator (TSO) in Norway for the last five years. The services are offered for one month at a time and require the market participant to be able to increase or decrease generation or consumption with the awarded amount (up to 100MW) for up to 15 minutes.

As a large thermal producer in Denmark, Ørsted is obliged to offer its available power generation capacity to the market at marginal costs, including for delivery of ancillary services. This implies, that we are not allowed to prioritise delivery of ancillary services from green energy sources to support our green strategy and targets.

In H1 2020, we were awarded a large share of the aFRR being tendered by Energinet, and we have consequently supplied the capacity from the Esbjerg and Studstrup power stations. This led to an increase in the coal consumption and carbon emissions from these power stations.

2.4 Green share of generation

Indicator	Unit	Target	Q2 2020	Q2 2019	Δ	H1 2020	H1 2019	Δ	2019	2018
Ørsted's total power and heat generation	%		100	100	0%p	100	100	0%p	100	100
- From offshore wind	%		44	45	(1%p)	43	37	6%p	42	39
- From onshore wind	%		25	17	8%p	16	11	5%p	13	2
- From biomass	%		16	23	(7%p)	28	34	(6%p)	31	34
- From other green energy sources	%		1	0	1%p	1	0	1%p	0	0
- From coal	%		9	9	0%p	8	12	(4%p)	9	17
- From natural gas	%		4	6	(2%p)	3	6	(3%p)	5	8
- From other fossil energy sources	%		1	0	1%p	1	0	1%p	0	0
Green share of generation, Ørsted	%	99 (2025)¹	86	85	1%p	88	82	6%p	86	75
Green share of generation, thermal	%		55	61	(6%p)	71	65	6%p	68	58

¹ Additional target is 95% in 2023.

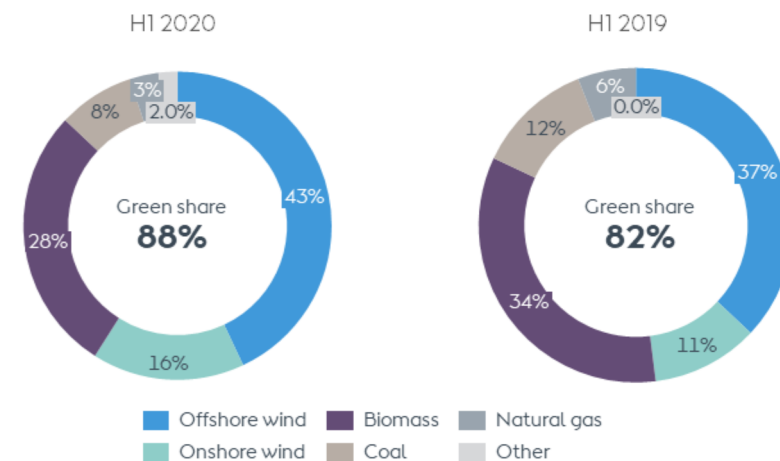
The green share of our heat and power generation was 88% in H1 2020, up 6 percentage points relative to the same period last year.

The share of generation from offshore and onshore wind increased by 11 percentage points as a result of new offshore generation capacity in the UK (Hornsea 1) and new onshore generation capacity in the US (Lockett, Sage Draw, and Plum Creek) as well as higher offshore wind speeds in Q1 2020.

The share of generation based on biomass decreased by 6 percentage points due to the warm weather in Q1 2020 and consequently lower heat generation, while the share of generation based on fossil fuels (coal and natural gas) decreased by 7 percentage points.

The reduction in the use of fossil fuels was driven by a lower underlying demand for thermal generation due to the warm and windy weather in Q1 2020, and a relatively higher biomass share in the generation due to the bio-conversion of Asnæs Power Station in late 2019, but was partly offset in H1 2020 by additional fossil-based generation from the aFFR ancillary services tendered in Western Denmark in 2020 (see page 9).

Total heat and power generation by energy source, %



2.5 Energy business drivers

Indicator	Unit	Q2 2020	Q2 2019	Δ	H1 2020	H1 2019	Δ	2019	2018
Offshore wind									
Availability	%	95	87	8%p	93	92	1%p	93	93
Load factor	%	32	31	1%p	46	41	5%p	42	42
Wind speed	m/s	8.0	8.0	0%	10.1	9.2	10%	9.2	9.1
Wind speed, normal wind year	m/s	8.3	8.2	1%	9.3	9.2	1%	9.2	9.2
Onshore wind									
Availability	%	96	97	(1%p)	96	97	(1%p)	98	98
Load factor	%	49	47	2%p	47	47	0%p	45	41
Wind speed	m/s	8.0	7.7	4%	7.8	7.7	1%	7.3	7.3
Wind speed, normal wind year	m/s	8.1	7.8	4%	7.9	7.8	1%	7.5	
Other									
Degree days, Denmark	Number	436	269	62%	1,501	1,409	7%	2,399	2,526
Energy efficiency, thermal generation	%	66	72	(6%p)	77	79	(2%p)	78	71

Offshore wind

Offshore wind speeds in Q2 2020 were at the same level as in Q2 2019, but below a normal wind year.

The availability in Q2 2020 was 8 percentage points higher than in Q2 2019, which was adversely impacted by a number of outages.

The wind speeds at the same level and higher availability resulted in a 1 percentage point increase of the load factor in Q2 2020 compared with Q2 2019.

Onshore wind

Wind speeds in Q2 2020 were 4% above Q2 2019.

Availability was 1 percentage point lower than in Q2 2019, but in combination with the higher wind speeds, this led to a 2 percentage points higher load factor in Q2 2020 compared with Q2 2019.

Other

The number of degree days in Q2 2020 were 62% higher than in Q2 2019 and 7% higher in H1 2020 compared to H1 2019, indicating that the weather was colder, and thereby creating a higher demand for heat.

2.6 Energy sales and distribution

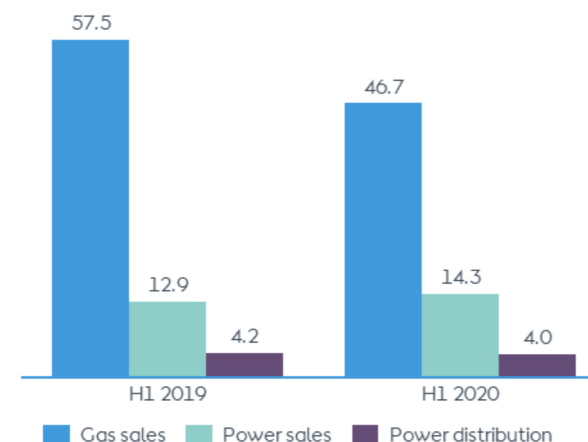
Indicator	Unit	Q2 2020	Q2 2019	Δ	H1 2020	H1 2019	Δ	2019	2018
Gas sales									
Gas sales	TWh	20.1	31.8	(37%)	46.7	57.5	(19%)	125.0	131.1
Power sales									
Power sales	TWh	5.5	5.7	(4%)	14.3	12.9	11%	27.6	27.3
- Green power to end-customers	TWh	2.0	2.1	(5%)	4.3	4.5	(4%)	8.9	7.6
- Regular power to end-customers	TWh	0.6	0.8	(25%)	1.6	1.9	(16%)	4.2	4.3
- Power wholesale	TWh	2.9	2.8	4%	8.4	6.5	29%	14.5	15.4
Power distribution									
Power distribution	TWh	1.8	1.9	(5%)	4.0	4.2	(5%)	8.4	8.4

Gas sales were down by 19% at 46.7TWh in H1 2020 compared to H1 2019, reflecting a 11.7TWh reduction in gas sales in Q2 2020 compared to Q2 2019. This was primarily driven by a shut-down of the Tyra oil and gas field in the North Sea from September 2019 and a decrease in LNG sourcing.

Power sales were up by 11% at 14.3TWh in H1 2020 compared to H1 2019. The overall increase in power sales was due to a 29% increase in power wholesale to 8.4TWh, primarily driven by an increase in sale of our partners' share of generation at our wind farms, including from Hornsea 1.

The increase on wholesale was partly offset by a 4% decrease to 4.3 TWh in H1 2020 in green power to end-customers and a 16% decrease to 1.6TWh in regular power to end-customers. These respective decreases were driven by a reduction in the number of large customers in Denmark and lower consumption due to COVID-19.

Sales and distribution, TWh



2.7 Greenhouse gas emissions

Indicator	Unit	Target	Q2 2020	Q2 2019	Δ	H1 2020	H1 2019	Δ	2019	2018
Direct GHG emissions (scope 1)										
Total scope 1 GHG emission	Thousand tonnes CO ₂ e		496	320	55%	1,051	1,119	(6%)	1,846	3,483
Indirect GHG emissions (scope 2)										
Location-based	Thousand tonnes CO ₂ e		37	31	19%	76	66	15%	123	151
Market-based	Thousand tonnes CO ₂ e		0	1	(100%)	1	2	(45%)	4	45
Indirect GHG emissions (scope 3)										
Total scope 3 GHG emission	Thousand tonnes CO ₂ e	50% (2032)	5,535	8,362	(34%)	13,127	15,652	(16%)	34,604	36,234
- Category 2: Capital goods ¹	Thousand tonnes CO ₂ e		81	-	-	198	-	-	740	1,032
- Category 3: Fuel- and energy-related activities ²	Thousand tonnes CO ₂ e		520	625	(17%)	1,352	1,531	(12%)	3,217	3,570
- Category 11: Use of sold products ³	Thousand tonnes CO ₂ e		4,886	7,677	(36%)	11,451	13,997	(18%)	30,377	31,383
- Other	Thousand tonnes CO ₂ e		48	60	(20%)	126	124	2%	270	249
Greenhouse gas emission intensity										
Greenhouse gas intensity, Ørsted total	g CO ₂ e/kWh	10 (2025) ⁴	84	71	18%	64	80	(20%)	65	131
Greenhouse gas intensity, thermal generation	g CO ₂ e/kWh		272	169	61%	157	146	8%	138	222
CO ₂ e per revenue, Ørsted	g CO ₂ e/DKK		43	20	115%	39	34	15%	27	46
CO ₂ e per EBITDA, Ørsted	g CO ₂ e/DKK		168	93	81%	108	132	(18%)	106	117

Primary sources of emissions: ¹ wind farm suppliers, ² fossil-based power sales, ³ natural gas sales

⁴ Additional target 20 (2023)

Scope 1

Scope 1 greenhouse gas emissions were reduced by 6% from H1 2019 to H1 2020. The main driver of the reduction was the reduced use of natural gas at the CHP plants.

In H1 2020, fossil fuel-based heat and power generation was accountable for 98% of the total scope 1 emissions. The remaining 2% of scope 1 emissions originate from other fuel consumption, including cars and vessels.

Scope 2

The main source of location-based scope 2 emissions was power purchased to cover grid

losses from distribution. In H1 2020, grid losses accounted for 42% of the total location-based scope 2 emissions. The rest of the location-based scope 2 emissions originated from power purchased for the generation of heat in boilers at the CHP plants, power consumption during standstill and shutdown periods at the CHP plants and wind farms, and heat and power for office buildings.

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

Heat consumption accounted for the 1,000 tonnes scope 2 market-based greenhouse gas emissions and was at the same level as in H1 2019.

Scope 3

Scope 3 greenhouse gas emissions decreased by 16% from H1 2019 to H1 2020. The main driver for this was the 19% reduction in gas sales.

Scope 3 emissions from fuel- and energy-related activities decreased by 12%, primarily driven by the 16% reduction in sales of regular power to end-customers.

Scope 3 emissions from capital goods amounted to 0.2 million tonnes in H1 2020 and related to the commissioning of the on-shore wind farms Sage Draw in Q1 2020 and Plum Creek in Q2 2020.

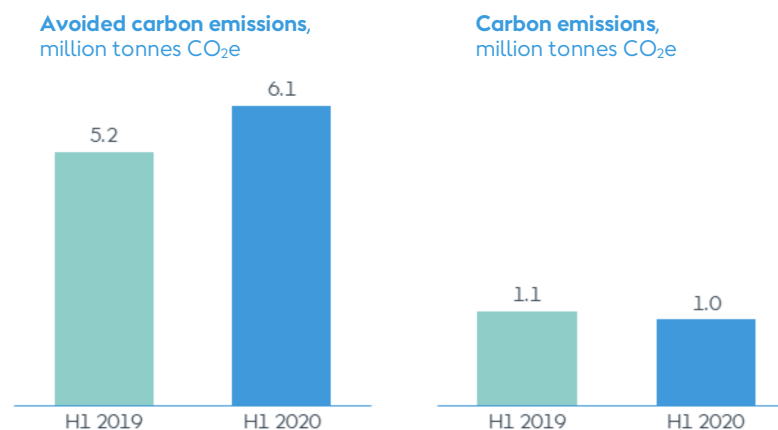
2.8 Avoided carbon emissions

Indicator	Unit	H1 2020	H1 2019	Δ	2019	2018
Avoided carbon emissions	Million tonnes CO ₂ e	6.1	5.2	17%	11.3	8.1
- Avoided carbon emissions from wind generation, offshore	Million tonnes CO ₂ e	3.8	3.4	12%	7.6	6.3
- Avoided carbon emissions from wind generation, onshore	Million tonnes CO ₂ e	1.6	1.1	45%	2.3	0.4
- Avoided carbon emissions from biomass-converted generation	Million tonnes CO ₂ e	0.7	0.7	0%	1.4	1.4
Accumulated avoided carbon emissions	Million tonnes CO ₂ e	51.6	39.4	31%	45.5	34.2
- Accumulated avoided carbon emissions, offshore wind generation	Million tonnes CO ₂ e	42.0	34.0	24%	38.2	30.6
- Accumulated avoided carbon emissions, onshore wind generation	Million tonnes CO ₂ e	4.3	1.5	187%	2.7	0.4
- Accumulated avoided carbon emissions, biomass-converted generation	Million tonnes CO ₂ e	5.3	3.9	36%	4.6	3.2
Carbon emissions from heat and power generation						
Carbon emissions from heat and power generation	Million tonnes CO ₂ e	1.0	1.1	(9%)	1.8	3.4
Accumulated (2006 to present year)						
Carbon emissions from heat and power generation	Million tonnes CO ₂ e	124	122	2%	123	121

Compared to H1 2019, the avoided carbon emissions increased by 17% due to the increase in wind-based power generation.

The avoided emissions from biomass-converted generation was at the same level as in H1 2019.

By H1 2020, we have reached an accumulated total of 51.6 million tonnes avoided emissions since 2006. This is the result of our wind-based and biomass-converted energy generation and corresponds to 42% of the accumulated carbon emissions from thermal energy generation at Ørsted since 2006.



2.9 Energy consumption

Indicator	Unit	Target	Q2 2020	Q2 2019	Δ	H1 2020	H1 2019	Δ	2019	2018
Direct energy consumption (GHG scope 1)	GWh		2,754	2,554	8%	8,661	9,550	(9%)	16,889	22,054
Fuel used in thermal heat and power generation	GWh		2,724	2,489	9%	8,594	9,434	(9%)	16,668	21,827
- Biomass	GWh		1,117	1,487	(25%)	5,250	5,855	(10%)	10,628	10,675
- Coal	GWh	0 (2023)	1,177	667	76%	2,571	2,555	1%	3,929	8,201
- Natural gas	GWh		388	302	28%	698	957	(27%)	1,960	2,770
- Oil	GWh		42	33	27%	75	67	12%	151	181
Other energy usage (oil, natural gas and diesel for vessels and cars)	GWh		30	65	(35%)	67	116	(49%)	221	227
Coal used in thermal heat and power generation	Thousand tonnes	0 (2023)	172	104	65%	376	385	(2%)	588	1,206
Certified renewable wooden biomass sourced	%	100 (2020)	100	94	6%p	100	94	6%p	96	83
Indirect energy consumption (GHG scope 2)	GWh		181	169	7%	377	356	6%	669	618
Power sourced for own consumption	GWh		176	162	9%	365	348	5%	648	597
- Green power	GWh		176	162	9%	365	348	5%	648	512
- Regular power	GWh		-	-	-	-	-	-	-	85
Green share of power for own consumption	%	100	100	100	0%	100	100	0%	100	86
Heat consumption	GWh		5	7	(29%)	12	8	50%	21	21
Total direct and indirect energy consumption	GWh		2,935	2,723	8%	9,038	9,906	(9%)	17,558	22,672
Green share of total direct and indirect energy consumption	%		44	61	(17%p)	62	63	(1%)	64	49

The total fuel consumption used for heat and power generation was 9% lower in H1 2020 compared to H1 2019, driven by the 6% lower thermal power generation and the 15% lower heat generation (see note 2.3).

However, the decrease in fuel consumption was significantly larger for natural gas (27%) than for biomass (10%). Coal was nearly at the same level as in H1 2019 due to generation at Esbjerg Power Station, associated with additional ancillary services as described on page 9.

We sourced 100% of our wooden biomass as certified sustainable wooden biomass in H1 2020.

The power purchased and consumed by Ørsted increased by 5% in H1 2019 and was sourced as certified green power, primarily from offshore wind.

3.1 Human capital

Indicator	Unit	H1 2020	H1 2019	Δ	2019	2018
Number of employees						
Total number of employees (end of period)	Number of FTEs	6,731	6,312	7%	6,526	6,080
Employees by countries						
Denmark	Number of FTEs	4,585	4,497	2%	4,547	4,454
The UK	Number of FTEs	1,011	1,015	(0%)	1,029	964
The US	Number of FTEs	283	165	72%	216	115
Germany	Number of FTEs	214	204	5%	205	202
Poland	Number of FTEs	222	180	23%	202	158
Malaysia	Number of FTEs	225	167	35%	190	135
Taiwan	Number of FTEs	110	51	116%	89	35
Other	Number of FTEs	81 ¹	33	145%	48	17
Sickness absence						
	%	2.2	2.4	(0.2%p)	2.4	2.4
Turnover, 12 months rolling						
Total employee turnover rate	%	10.3	11.4	(1.1%p)	11.6	11.2
Voluntary employee turnover rate	%	5.9	7.3	(1.4%p)	7.2	7.1

¹ The Netherlands 34, Singapore 31, South Korea 10, Sweden 3, and Japan 3.

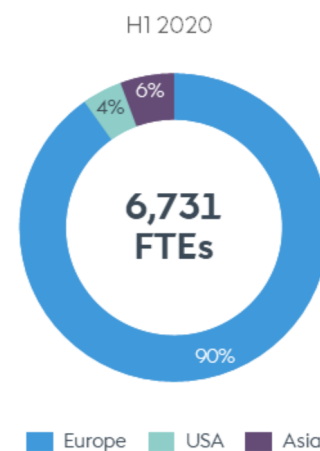
The number of employees was 3% higher at the end of H1 2020 compared to the year end of 2019.

The relative growth rate in the number of FTEs was highest in our new markets outside of Europe, in particular the US and Taiwan.

At the end of June 2020, the total turnover rate decreased by 1.1 percentage points to 10.3%, and the voluntary turnover rate de-

creased by 1.4 percentage points to 5.9% compared to the preceding 12 month period. The lower turnover rates were due to a large decrease in the number of employees resigning their positions during Q2 2020 when the COVID-19 crisis has likely disinclined people from changing jobs.

Geographical distribution of FTEs, %



3.2 Safety

Indicator	Unit	Target	H1 2020	H1 2019	Δ	12M rolling H1 2020	12M rolling H1 2019	Δ	2019	2018
Total recorded injuries (TRIs)	Number		39	42	(7%)	103	88	17%	106	98
- own employees	Number		10	19	(47%)	26	34	(24%)	35	37
- contractor employees	Number		29	23	26%	77	54	43%	71	61
Number of lost-time injuries (LTIs)	Number		18	18	0%	45	31	45%	45	31
- own employees	Number		5	7	(29%)	15	10	50%	17	12
- contractor employees	Number		13	11	18%	30	21	43%	28	19
Hours worked	Million hours worked		10.5	10.5	0%	21.7	21.6	0%	21.7	21.0
- own employees	Million hours worked		5.5	5.2	6%	10.9	10.1	8%	10.6	9.7
- contractor employees	Million hours worked		5.0	5.3	(6%)	10.8	11.5	(6%)	11.1	11.3
Total recorded injury rate (TRIR)	Per million hours worked	2.9 (2025)	3.7	4.0	(8%)	4.7	4.1	15%	4.9	4.7
TRIR, own employees	Per million hours worked		1.8	3.7	(51%)	2.4	3.4	(29%)	3.3	3.8
TRIR, contractor employees	Per million hours worked		5.8	4.3	35%	7.1	4.7	51%	6.4	5.4
Lost-time injury frequency (LTIF)	Per million hours worked		1.7	1.7	0%	2.1	1.4	50%	2.1	1.5
LTIF, own employees	Per million hours worked		0.9	1.4	(36%)	1.4	1.0	40%	1.6	1.2
LTIF, contractor employees	Per million hours worked		2.6	2.1	24%	2.8	1.8	56%	2.5	1.7
Fatalities	Number		0	1	-100%	0	1	-100%	1	0
Permanent disability cases	Number		0	0	0%	0	0	0%	0	0

The overall safety performance developed positively in H1 2020 compared with H1 2019.

Total recordable injuries decreased by 7% (three recordable injuries less), and lost time injuries were at the same level as in H1 2019.

The total number of hours worked in H1 2020 was at the same level as in H1 2019.

Subsequently, the total recordable injury rate (TRIR) was 8% lower than in H1 2019, and the lost-time injury frequency (LTIF) was at the same level as in H1 2019.

4.1 Responsible Business Partner Programme

Indicator	Unit	H1 2020	H1 2019	Δ	2019	2018
Screenings						
Pre-qualification screenings in high-risk countries	Number	10	7	43%	28	22
Risk screenings (all contracts above DKK 3 million)	Number	140	175	(20%)	346	160
Extended risk screenings	Number	42	42	0%	65	66
Assessments						
Self-assessments	Number	14	16	(13%)	20	13
Comprehensive assessments	Number	5	14	(64%)	18	11
Improvement areas						
Opened improvement areas	Number	17	73	(77%)	120	93
- Sustainability management	%	41	56	(15%p)	59	45
- Labour and human rights	%	53	38	15%p	33	37
- Environment	%	0	0	(0%p)	0	4
- Anti-corruption	%	6	6	0%p	8	14

The number of screenings and assessments of contractors is determined by the time schedule of the individual construction projects and the procurement priorities from year to year.

The total number of screenings in H1 2020 was slightly lower than in H1 2019. Procurement for our offshore and onshore projects continues at a stable pace despite the COVID-19 pandemic.

We have not been able to conduct comprehensive assessments on site in Q2 2020 due to COVID-19-related travel restrictions. Therefore, the number of comprehensive assessments was lower for H1 2020 compared to H1 2019. Instead, we have prioritised self-assessments and virtual meetings with suppliers as alternatives to comprehensive assessments.

The number of opened improvement areas in H1 2020 was significantly lower compared to H1 2019 primarily due to the COVID-19 situation and cancelled comprehensive assessments. The opened improvement plans refer primarily to the comprehensive assessments carried out in the first half of H1 2020 when final confirmations from suppliers were pending.

Accounting policies

2.1 Renewable capacity

Installed renewable capacity

The installed renewable capacity is calculated as the cumulative renewable gross capacity installed by Ørsted before divestments.

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

Decided (FID) renewable capacity

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

Awarded and contracted renewable capacity

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

Installed storage capacity

The battery storage capacity is included after commercial operational date (COD) has been achieved. The capacity is presented as megawatt of alternating current (MWac).

2.2 Generation capacity

Power generation capacity

Power generation capacity from wind farms is calculated and included from the time when the individual wind turbine has passed a 240-hour test.

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

Heat and power generation capacity, thermal

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

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

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

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

2.3 Energy generation

Power generation

Power generation from wind farms is determined as generation sold. The Gunfleet Sands and Walney 1 and 2 offshore wind farms have been consolidated according to ownership interest.

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

Heat generation

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

2.4 Green energy share

Green energy share

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

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

Energy generation based on renewable energy sources is added up to a total which tallies with total generation. The percentage share of the individual energy sources is calculated by dividing the generation from the individual energy source by the total generation.

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

2.5 Energy business drivers

Availability

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

Load factor

The load factor is calculated as the ratio between actual generation over a period relative to potential generation, which is possible by continuously ex-

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

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

Wind speed

Wind speeds for the areas where Ørsted's offshore and onshore wind farms are located are provided to Ørsted by an external supplier. 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 20-year historical wind speed average.

Degree days

Degree days are a measure of how cold it has been and thus indicate the amount of energy needed to heat a building. The number of degree days helps to compare the heat demand for a given year with a normal year. The number of degree days expresses the difference between an average indoor temperature of 17°C and the outside mean temperature for a given period. The need for heat increases with the number of degree days.

Energy efficiency, thermal generation

Energy efficiency is calculated as total thermal heat and power generation divided by total energy content of fuels used in the generation of thermal heat and power.

Accounting policies continued

2.6 Energy sales and distribution

Sales and distribution

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

Power distribution is determined on the basis of data from the official system in Denmark which measures and calculates total area consumption.

2.7 Greenhouse gas emissions

Scope 1 and 2 greenhouse gas emissions are reported based on the Greenhouse Gas Protocol.

Direct GHG emissions (scope 1)

The direct scope 1 emissions is based on the Greenhouse Gas Protocol and covers all direct emissions of greenhouse gases from Ørsted. The direct carbon emissions from the thermal heat and power stations are determined on the basis of the fuel quantities used in accordance with the EU ETS scheme. Carbon dioxide and other greenhouse gas emissions outside the EU ETS scheme are, for the most part, calculated as energy consumptions multiplied by emission factors.

Indirect GHG emissions (scope 2)

The scope 2 emission reporting 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. The scope 2 emissions are primarily calculated as the power volumes purchased multiplied by country-specific emission factors. Location-based is calculated based on average emission factors for each country, whereas market-based takes the green power purchased into account and assumes that the non-green power is delivered as residual power where the green part has been taken out.

Indirect GHG emissions (scope 3)

The scope 3 greenhouse gas emissions are reported based on the Greenhouse Gas Protocol which di-

vides the scope 3 inventory into 15 subcategories (C1-C15).

GHG emissions from:

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

The subcategories C10 and C12-C15 are not relevant

for Ørsted, as we have no greenhouse gas emissions within these categories.

Greenhouse gas emission intensity

Greenhouse gas emission intensities are calculated as total scope 1 and scope 2 (market-based) emissions divided by Ørsted's total heat and power generation, revenue, and EBITDA, respectively. The GHG intensity for CHP plants is calculated as scope 1 greenhouse gas emissions from CHP plants divided by total heat and power generation from CHP plants.

2.8 Avoided carbon emissions

Avoided carbon emissions

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

The carbon emission factor from fossil fuels is calculated based on an average fossil-fuel mix in a specific country. Data is extracted from the International Energy Agency, IEA. Power generation at a wind farm does not have any direct carbon emissions, and no secondary effects from either CHP plants or offshore wind farms are included. The avoided carbon emissions are calculated as the offshore wind farm's generation multiplied by the emission factor.

The avoided carbon emissions due to conversion of combined heat and power plants and subsequent switch of fuel from fossil to biomass are calculated on the basis of the energy content of the fuel used at the CHP plants. It is assumed that the use of 1GJ of biomass fuel avoids the use of 1GJ of fossil fuels.

The following secondary carbon emissions are included in the calculation:

- Fuel used for production of biomass and conversion into wood pellets and wood chips.
- Fuel used for transportation and handling of biomass.

- Back-up fuel used together with biomass fuel at the power station.

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

Carbon emissions

Accounting policies are described under 2.7 'Greenhouse gas emissions (GHG)'.

2.9 Energy consumption

Fuels used in thermal heat and power generation

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

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

Certified renewable woody biomass sourced

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

Sourced certified sustainable woody 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. Certified biomass is calculated as the amount of sourced woody biomass compared to the total amount of sourced woody biomass delivered to individual power stations within the reporting period.

Fuels used in thermal heat and power generation

Fuels used in thermal heat and power generation cover all fuels used at the power stations.

Accounting policies continued

Share of fuels in thermal heat and power generation

The share of the different fuels in thermal heat and power generation is calculated as the share of the individual fuel consumption in GJ relative to the total fuel volume in GJ.

Other energy usage

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

3.1 Human capital Employees

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

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

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

Turnover

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

3.2 Safety Safety

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

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

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

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

4.1 Responsible Business Partner Programme

The Responsible Business Partner Programme (RPP) has been integrated into our procurement department's supplier contract screenings from 2015. The programme applies a risk-based due diligence framework to identify areas within our Code of Conduct where relevant suppliers need to improve their adherence to the code.

Screenings

We do risk screenings of all sourcing contracts above DKK 3 million and of potential suppliers for high-risk markets. Based on the risk screening evaluation, we conduct extended risk screenings of selected suppliers where additional parameters are included. Furthermore, additional extended screening procedures take place for all fuel suppliers as well as for top-spend suppliers.

Assessments

Based on the results from the extended screenings, several suppliers are asked to complete a self-assessment questionnaire, and/or we decide to conduct a comprehensive assessment, which often includes a visit to their production facilities.

Improvement areas

Based on the results of the assessment, an improvement plan is developed, covering all findings from the assessment. The number of opened improvement areas reflects the number of new improvement areas opened within the year as a result of the screenings and assessments.

Other Responsible Business Partner Programme procedures

A pilot approach has been implemented where suppliers in new markets are screened as part of the pre-qualification phase.