Ørsted
Annual report 2024

Contents

Management's review*

Get an overview of all of our reporting material by downloading our reports and investor presentations.

Remuneration report, Green finance impact report.
See our reports at orsted.com.

* Our management report consists of two parts: the management's review and the sustainability statements.

Sustainability statements*

Financial statements

Management's review

"

I'm delighted to welcome our new CEO Rasmus Errboe. I'm convinced that Rasmus is the right person to lead the company.

Lene Skole
Chair

"

I'm honoured and humbled to step into the role of CEO of a company I've proudly served for the past 13 years.

Rasmus Errboe
Group President and CEO

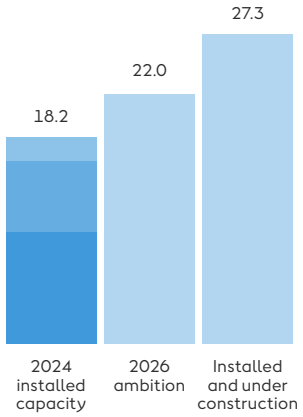
Read more in our letter to our stakeholders on page 9.

Overview

→

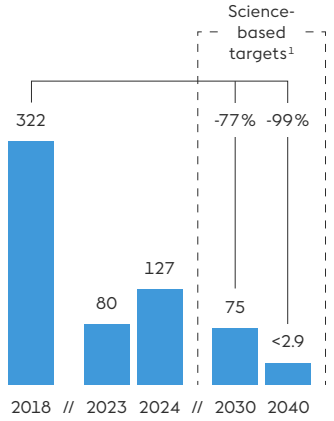
Wind turbine technicians aboard TSS Pioneer prepare to cross the motion-compensated gangway to work on Greater Changhua 1 in Taiwan. Inaugurated in April 2024 together with Greater Changhua 2a, these are the Asia-Pacific region's largest offshore wind farms, with a total installed capacity of 900 MW. They are the first two wind farms in the Greater Changhua offshore wind zone, with more farms in the pipeline.

Strategic ambitions



Installed renewable capacity
Gross capacity, GW

- Offshore
- Onshore
- Bioenergy

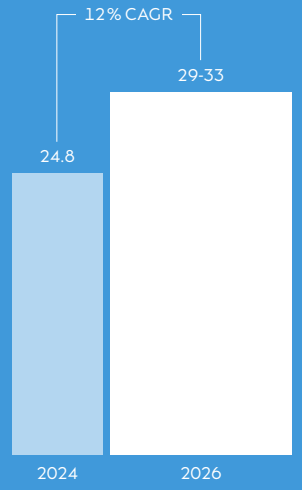


Science-based 2040 net-zero target, validated by SBTi
GHG emissions intensity, g CO_2e/kWh

- Scopes 1-3 (excl. gas sales)

SCIENCE BASED TARGETS

[1] See page 91 in section 'Climate change' for details on our SBTi-validated climate targets.
[2] The targeted range is not a hurdle rate; consequently, some projects might deviate from the targeted range.



Group EBITDA (excl. new partnerships and cancellation fees)
DKKbn

~13%

Average ROCE
2024-2030

150-300 bps

Targeted range for spread to WACC[2] at time of bid/FID (whichever comes first) for individual projects

Net-positive biodiversity impact from all new renewable energy projects commissioned from 2030, at the latest

We exclusively deploy green and sustainable long-term financing, and all projects are taxonomy-aligned.

40:60 women:men

Gender balance in our total workforce by 2030

↓ More on our strategy on pages 21-22.

Performance highlights

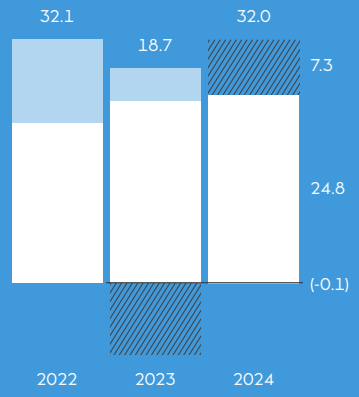
Profits and return

● Excl. new partnerships and cancellation fees ● New partnerships
/// Excl. impairments and cancellation fees /// Cancellation fees

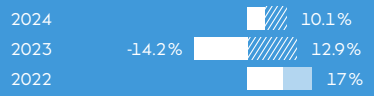
32.0

Operating profit (EBITDA)
DKKbn

EBITDA totalled DKK 32.0 billion. EBITDA excluding cancellation fees (DKK 7.3 billion) and new partnerships (DKK -0.1 billion) amounted to DKK 24.8 billion.

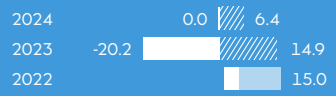


Return on capital employed (ROCE)
%



ROCE was 4.5% for the year. Adjusted for impairments and cancellation fees, ROCE amounted to 10.1% in 2024.

Profit for the year
DKKbn



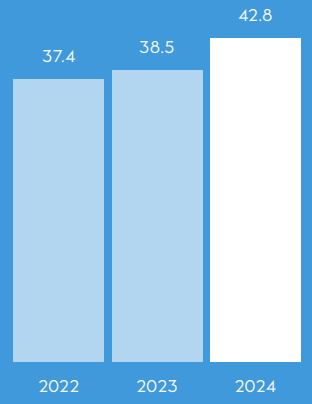
Profit for the year was DKK 0.0 billion. Profit for the year excluding cancellation fees (DKK 7.3 billion) and impairments after tax (DKK -13.7 billion) amounted to DKK 6.4 billion.

Cash flow and balance sheet

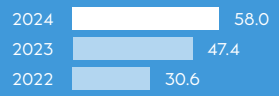
42.8

Gross investments
DKKbn

Our gross investments reached DKK 42.8 billion and was mainly driven by our construction of wind and solar assets.

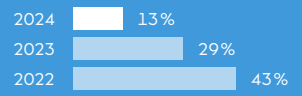


Interest-bearing net debt
DKKbn



Our net debt increased to DKK 58.0 billion.

Credit metric (FFO/adjusted net debt)
%



The credit metric funds from operations (FFO) relative to adjusted net debt amounted to 13% in 2024 (22% excluding cancellation fees).

Follow up on outlook announced for 2024

24.8

EBITDA realised
DKKbn

Guidance (DKKbn) (7 Feb.): 23-26, (5 Nov.): 24-26

With EBITDA excluding new partnerships and cancellation fees totalling DKK 24.8 billion, earnings ended within our original guidance of DKK 23-26 billion, although with higher earnings in Offshore and lower earnings in Bioenergy & Other than expected.

42.8

Investments realised
DKKbn

Guidance (DKKbn) (7 Feb.): 48-52, (15 Aug.): 44-48, (5 Nov.): 36-40

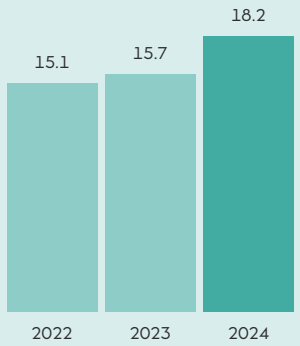
Investments totalled DKK 42.8 billion and thus ended below our original guidance but above our latest guidance range of DKK 36-40 billion. The increase was due to timing effects across our construction portfolio, with a larger amount of milestone payments being paid in 2024.

Environment

Installed renewable capacity
GW

18.2

Installed renewable capacity increased by 16% to 18.2 GW in 2024, mainly due to the commissioning of the offshore wind farms Greater Changhua 1 and 2a and the onshore assets Eleven Mile Solar Center, Mockingbird, and Sparta Solar.



Greenhouse gas emissions intensity
CO_2e/kWh

The greenhouse gas intensity from our heat and power generation and other operating activities (scopes 1 and 2) was 16 g CO_2e/kWh. Including scope 3 (excl. gas), the greenhouse gas intensity was 127 g CO_2e/kWh. The increase in GHG intensities was due to more projects reaching COD.

Greenhouse gas emissions
(scope 3), million tonnes, CO_2e

9.0

Our scope 3 greenhouse gas emissions were 9.0 million tonnes CO_2e. The increase in emissions was mainly a result of an additional 2.4 GW renewable asset capacity being commissioned in 2024.

↓ See more in our 'Corporate governance' section.

Social

2.7

2.8 in 2023/3.1 in 2022

Safety
Total recordable injury rate (TRIR)

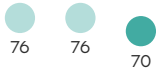
We saw a further improvement in our safety performance in 2024.

34:66

35:65 in 2023/33:67 in 2022

Gender balance
(women:men)

In 2024, 37% of all new hires were women.



Employee satisfaction
Index 0-100, 2022/2023/2024

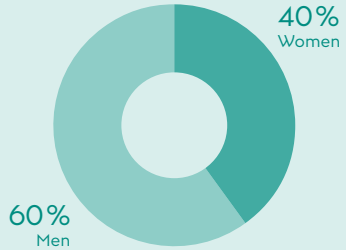
In 2024, we concluded our organisational efficiency programme, including redundancy rounds. Our employee satisfaction survey, People Matter, showed a decrease from last year, resulting in a satisfaction and motivation score of 70.

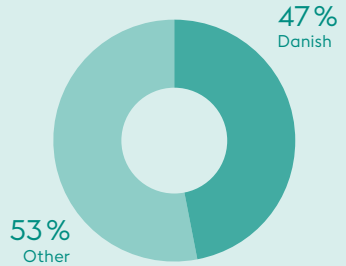
Governance

Nationality and gender

Diversity in the Board of Directors and the Group Executive Team (all members).

In 2024, we held our first international election for employee-elected board members.





Follow up on outlook announced for 2024

Lower

GHG emissions intensity (scopes 1 and 2), realised
g CO_2e/kWh

Guidance (7 Feb.): Lower

The green house gas emissions intensity for scopes 1 and 2 decreased in 2024 due to higher renewable generation and ceasing of coal-based power generation.

Higher

GHG emissions intensity (scopes 1-3, excl. gas sales), realised
g CO_2e/kWh

GHG emissions from gas sales (scope 3), realised
million tonnes CO_2e

Guidance (7 Feb.): Higher

Scope 3 emissions increased as we commissioned more renewable assets. Consequently, our scope 1-3 GHG intensity also increased.

In line

Gender balance – gender with lowest representation
Women

Guidance (7 Feb.): Higher

The gender balance was slightly below last year; however, 37% of new hires were women in 2024.

Navigating a challenging industry

Letter to our stakeholders

Global electricity demand is projected to double by 2050, driven by the electrification of transport, heating, cooling, industrial processes, and the expansion of AI and data centres. While the exact electricity demand depends on the much-needed electrification, electricity is expected to become the largest global energy carrier by 2050.

Future demand must be met by affordable, secure, and renewable energy sources. The renewables industry has seen substantial build-out in recent years, and renewable energy projects can expand local supply chains, generate jobs, boost manufacturing, improve infrastructure, and create local investments and long-term opportunities for growth in local communities. Diversified energy portfolios, including a higher share of renewables, can improve energy security and reliability by reducing dependency on imported fuels.

Furthermore, renewables are instrumental in decarbonising energy systems and industrial processes and in reaching global climate targets. Also, renewables can drive nature restoration, if done right.

Our vision is to create a world that runs entirely on green energy, and we are ready to do our part. However, to unlock the full potential of renewables in the future, governments, private sector, and local communities need to collaborate closely to facilitate the supply of renewable energy, set targets for a renewable build-out, and expand the grid infrastructure to handle it. This must be done in a way which ensures value creation for all parties, both in the short and long term.

We are adapting to the market development

In the past 12 months, the industry has been characterised by continued and more challenging headwinds relating to regulatory, supply chain, and macroeconomic developments. Together with project-specific challenges related to our US offshore wind projects under construction, this has had an adverse impact on our capital structure. Faced by this reality, we are updating our business plan to be more focused and to support our target of a solid investment grade rating. As part of this, we are stepping away from our 2030 GW ambition and EBITDA target, and we are reducing our investment programme.

We will continue to be active across our three regions, but we will focus our capital allocation. Thus, when we pursue new development opportunities, we will first and foremost prioritise the most financially attractive offshore wind opportunities in regions and countries where we see the most attractive framework conditions and investment environment.

With the reduced growth ambition towards 2030 and a disciplined approach to capital allocation, Ørsted will inevitable become a more lean and focused company. Therefore, we will take measures, beyond the 2024 initiatives, to continuously adapt and rightsize our cost base and organisation to fit our value and build-out ambition.

To deliver on the plan, we will reduce our investment programme by approx. 25% to DKK 210-230 billion in the period 2024-2030, ensure the delivery of our divestment programme, and focus our immediate efforts on the execution of our existing construction portfolio. Expectedly, this will roughly double our installed offshore wind capacity from 9.9 GW to 18.0 GW and increase our total installed renewable capacity to 27.3 GW by the end of 2027.

We expect to deliver an EBITDA of DKK 29-33 billion by 2026 and to achieve a return on capital employed (ROCE) of 13% on average for the period 2024-2030.

During 2024, we achieved significant strategic steps, and we have advanced five transformational and company-wide business priorities to significantly improve our ability to enhance value creation.

First, we have advanced our revised project and operating model, which will create clearer accountability and stronger risk management throughout the development and construction phases of our offshore projects. Second, we are fully on track to deliver permanent cost savings of DKK 1 billion per year as a part of our organisational efficiency initiative. Third, we have progressed our initiative to improve our revenue capabilities to maximise the value of our energy generation and improve our competitiveness by expanding and leveraging our asset-backed trading competences further. Fourth, we are enhancing the value of our operating fleet by optimising the operations and maintenance of our assets to achieve higher availability, at the right time. And finally, we have commenced an initiative to strengthen our supply chain and risk management capabilities to leverage our leading position and improve our competitiveness in future auctions. Altogether, we are confident that these company-wide and transformational business priorities will have a significant positive impact on our ability to deliver cost-savings, increase revenue, and help improve our overall competitiveness.

In 2024, we added 1.0 GW of installed capacity to our offshore portfolio by commissioning Greater Changhua 1 and 2a and South Fork and 1.4 GW to our onshore portfolio by commissioning four solar farms, including Mockingbird, our largest solar farm to date. By the end of 2024, our total installed capacity reached 18.2 GW.

During 2024, we also advanced eight projects with a total capacity of 1.8 GW to FID, spanning across our portfolio of offshore and onshore wind as well as solar and storage.

Following the award of an offshore wind renewable energy certificate (OREC) in New York's fourth offshore wind solicitation, we added Sunrise Wind to our construction portfolio in 2024. With this addition, we had 6.9 GW of offshore capacity under construction by the end of 2024. In early 2025, we took FID on the wind farm Baltica 2, further adding 1.5 GW to our construction portfolio.

In our onshore business, we took FID on several projects in 2024, the most significant being our onshore wind farm Badger Wind and a storage project adjacent to our solar farm Old 300. By the end of 2024, we had 0.8 GW of onshore capacity under construction.

In the UK, we reached a significant milestone in 2024, when the UK Department for Energy Security & Net Zero (DESNZ) awarded us 3.5 GW of capacity for our offshore wind farms Hornsea 3 and Hornsea 4. When operational, Hornsea 3 will be the world's single largest offshore wind farm with a capacity of 3 GW.

Most of our projects are progressing according to plan, and we work diligently to de-risk our portfolio. However, we continue to face and manage supply chain and construction challenges at our two US offshore construction projects Revolution Wind and Sunrise Wind.

Our partnership and divestment programme is on track, with several divestments initiated and concluded during the year. Total proceeds from the transactions make up DKK 22 billion of the target of DKK 70-80 billion through 2026. We have divested 12.45% of four operational UK offshore wind farms with a combined total capacity of 3.5 GW to Brookfield and 50% of our Taiwanese offshore wind farm Greater Changhua 4 (583 MW) to Cathay Life Insurance. In Onshore, we made a partial divestment of four US operational wind farms (957 MW) to Stonepeak and a partial divestment of the solar farm Mockingbird to Energy Capital Partners (ECP). Additionally in the partnership with ECP, we signed an agreement to partially divest our solar farm Sparta Solar and our battery storage project Eleven Mile Solar Center, with closings expected in 2025. Lastly, we divested our onshore platform in France to ENGIE.

Innovation is another lever to improve our competitiveness, and we have continued to be at the forefront of the industry. In 2024, we developed a new low-noise foundation installation method, which strengthens existing protections to marine life. Beyond the noise reduction, this new technology is a step change in offshore wind monopile installation that, once adopted at scale, can overcome pile refusal challenges and provide for cheaper and faster installation than any other monopile installation technology. In addition, we launched the world's first heavy-lift cargo drone operations at our offshore wind farm Borssele 1 & 2. The drones will improve operational efficiency and safety in the offshore wind industry.

The organisational efficiency programme included company-wide and coordinated redundancy rounds, which were concluded in November. This has had an impact on our employee satisfaction score. Motivation and well-being of our colleagues are of the highest importance to us, and increasing employee satisfaction will be a key priority.

"

In the UK, we reached a significant milestone in 2024, when the UK Department for Energy Security & Net Zero (DESNZ) awarded us 3.5 GW of capacity for our offshore wind farms Hornsea 3 and Hornsea 4.

Operational earnings delivering as expected

EBITDA totalled DKK 32.0 billion in 2024 compared to DKK 18.7 billion in 2023. EBITDA excluding new partnerships and cancellation fees amounted to DKK 24.8 billion, an increase of DKK 0.7 billion compared to 2023 and in line with our guidance of DKK 24-26 billion. Earnings in 2024 were positively impacted by Ocean Wind 1 cancellation fees, where we have continued to work through our supplier contracts and finalised negotiation of several contracts with a better outcome than assumed. Net of the provision for ceasing FlagshipONE, this has led to a positive EBITDA impact of DKK 7.3 billion. EBITDA from new partnerships in 2024 was limited and related to the 50% farm-down of Greater Changhua 4 and Mockingbird.

Earnings from sites in operation in Offshore increased with almost 20% and amounted to DKK 23.8 billion in 2024, mainly due to ramp-up of generation at Greater Changhua 1 and 2a, South Fork, and Gode Wind 3, higher wind speeds, and a higher pricing of the inflation-indexed CfDs and green certificates. Lower availability dampened the increase in 2024.

In 2024, we recognised net impairments of DKK 15.6 billion, with the majority (DKK 14.1 billion) relating to our US projects and from our decision to cease construction of FlagshipONE (DKK 1.5 billion). The US impairments were due to an increase in the US long-dated interest rate, a lower market-informed valuation of our US seabeds, construction delays, and higher expected costs for our US projects Revolution Wind and Sunrise Wind.

ROCE was 4.5% for the year. Adjusted for impairments and cancellation fees, ROCE amounted to 10.1% in 2024. Profit for the year amounted to DKK 0.0 billion. Excluding impairments (after tax) and cancellation fees, profit for the year was DKK 6.4 billion.

↑ Greater Changhua 1 and 2a, Taiwan Strait, Taiwan.

Sustainability is at the core of our business
Our commitment to a sustainable build-out is at the core of our business. Our three strategic sustainability priorities – decarbonisation, biodiversity, and community impact – play an enabling role in our strategy and project delivery. They support that we mitigate risks and deliver more resilient energy projects that also drive a positive change for society and nature.

In 2024, we saw strong progress on all three priorities. Among other things, we launched our 'Biodiversity measurement framework' to guide transparent measurement and reporting on our biodiversity impact. We also reached the last big milestone in transforming our energy production to renewable energy by shutting down our last coal-fired power station. With this, we are on track to reach our industry-leading science-based target to reduce our scope 1 and 2 emissions intensity by 93 % since 2018 and to reach our target of a 99 % renewable share of energy generation by 2025.

We have been reporting on sustainability for the last two decades, and in 2024, we have further developed our reporting to comply with the new European Sustainability Reporting Standards (ESRS) framework. For investors and other stakeholders, the standardisation and transparency of this new regulation will ensure greater comparability across companies' sustainability impacts, risks, and opportunities.

Long-term safety efforts pays off
In 2024, we reduced our total recordable injury rate (TRIR). It is the second year in a row that we experience a reduction, and we see it as a result of our long-term focused effort on safety. We welcome the reduction in TRIR, and we will continue our safety improvement initiatives to ensure the trend continues.

Concluding remarks
The year 2024 proved to be a challenging year for the industry and for Ørsted. We have experienced headwinds and have therefore taken necessary actions while leveraging our 30 years of experience to achieve several milestones across our renewables portfolio.

We have made substantial divestments and advanced our focused company-wide business priorities. We have done this to ensure the strongest possible platform to deliver consistent value in the years to come. We believe in the long-term fundamentals of the renewables industry and will continue to navigate existing and new market challenges as well as engage proactively to restore investor confidence in Ørsted and in offshore wind as an industry. In 2024, we have worked relentlessly to strengthen and improve the conditions for our industry in close dialogue with key stakeholders, and we will continue this effort in 2025. We will continue our journey to adapt to the new reality by constantly improving our competitiveness to remain one of the world's leading developers, constructors, and generators of renewable assets.

On behalf of the Board, we would like to thank Mads Nipper for his commitment to Ørsted's vision and his strong and constructive collaboration over the past four years.

As a concluding remark, we would like to express our sincere gratitude to our skilled colleagues, who, throughout a year of uncertainty and redundancies, yet again proved their unwavering commitment, and who continue to drive the energy transition forward.

Rasmus Errboe
Group President and CEO

Lene Skole
Chair

Selected events
Executing on our business plan

2.4 GW renewable energy reaching COD in 2024

900 MW
Greater Changhua 1 and 2a
Greater Changhua 1 and 2a are Taiwan's first large-scale offshore wind farms.

132 MW
South Fork
South Fork is New York's first offshore wind farm.

600 MW
Eleven Mile Solar Center
In Arizona , the Eleven Mile Solar Center, a solar and battery energy storage system (BESS), will provide power to businesses, homes, and Meta's planned data centre.

471 MW
Mockingbird
Mockingbird Solar Center, placed in Texas, the US, is our largest solar farm to date.

250 MW
Sparta Solar
With the completion of the solar part of Helena Energy Center, the combined wind and solar farm, placed in Texas, the US, is now fully operational (518 MW in total).

73 MW
Old 300
In Texas, the US, we completed the remaining part of the solar farm Old 300 (430 MW in total).

7.6 GW renewable energy under construction by the end of 2024[1]

253 MW
Gode Wind 3
Located in the German part of the North Sea, our offshore wind farm Gode Wind 3 is producing at full capacity and expected to reach COD in Q1 2025.

920 MW
Greater Changhua 2b and 4
In Taiwan, we expect completion of our two wind farms by the end of 2025.

924 MW
Sunrise Wind
We signed the final OREC agreement on our US offshore wind farm and received the final outstanding federal permit when our construction and operations plan (COP) was approved by BOEM. During the year, we experienced construction challenges and are progressing on a tight schedule according to a revised plan. We expect COD in H2 2027.

704 MW
Revolution Wind
During the year, we faced challenges with the construction of the onshore substation and the piling of one of the offshore substation monopiles. We have reassessed the risks related to the US project and increased our contingencies. We expect COD in 2026.

913 MW
Borkum Riffgrund 3
We expect construction of our German offshore wind farm to be completed in Q1 2026.

2,852 MW/300 MW
Hornsea 3
We have been awarded contracts for difference (CfD) for a 1,080 MW share of our offshore wind farm. COD is expected in 2027. Additionally, we took FID on a 300 MW battery storage system co-located with Hornsea 3, which is expected to be operational in H2 2027.

259 MW
Badger Wind
We took FID on our US onshore wind farm, with expected COD in 2025.

250 MW
Old 300 storage (BESS)
We took FID on our battery energy storage system (BESS) adjacent to the solar farm Old 300 situated in Texas, the US, and construction is expected to commence in Q1 2025.

262 MW
Onshore Europe
Construction of our European onshore projects is on track.

[1] With the FID of Baltica 2 (1,498 MW) in January 2025, our capacity under construction is 9.1 GW.

Business development and partnerships

Divestment programme
In the UK, we divested a minority share of four operational UK offshore wind farms to Brookfield, and in Taiwan, we divested 50% of our offshore wind farm Greater Changhua 4 to Cathay Life Insurance. In the US, we partially divested four operational onshore assets to Stonepeak and three onshore projects to Energy Capital Partners (ECP) with individual closings in both 2024 and 2025. Additionally, we divested our onshore platform in France to Engie.

Hornsea 4 award
We were awarded contracts for difference (CfD) for a 2,400 MW share of our offshore wind project.

Deprioritising liquid e-fuels short term
We have deprioritised our green fuels efforts for now. Consequently, we ceased our liquid e-fuels project FlagshipONE. We remain committed to renewable hydrogen as an important lever for offshore wind.

On track for SBTi-validated target for 2025
We shut down our last coal-fired combined heat and power plant in Esbjerg, Denmark. This marks a major step in reducing our scope 1 and 2 GHG emissions from operations, and we remain on track to achieve the SBTi-validated target for 2025.

New lower-noise installation technology
Building on existing marine life protections, we have developed a new lower-noise installation method, which strengthens existing protections to marine life, and we successfully tested it at our German offshore wind farm Gode Wind 3 in 2024. Once adopted at scale, it can provide more efficient and cost-effective installation of offshore wind foundations.

Feasibility licence
We were granted a feasibility license by the Australian government to develop a large-scale offshore wind project in Australia. Furthermore, the government intends to grant us a license for a second project. Combined, the two projects have a potential capacity of up to 4.8 GW of renewable energy.

For project progress, see page 25.

Our business
How we create value

We create value by developing, constructing, operating, and owning renewable assets and by providing sustainable energy products to our customers.

What we do

Our portfolio includes offshore and onshore wind farms, solar farms, energy storage, and heat and power plants.

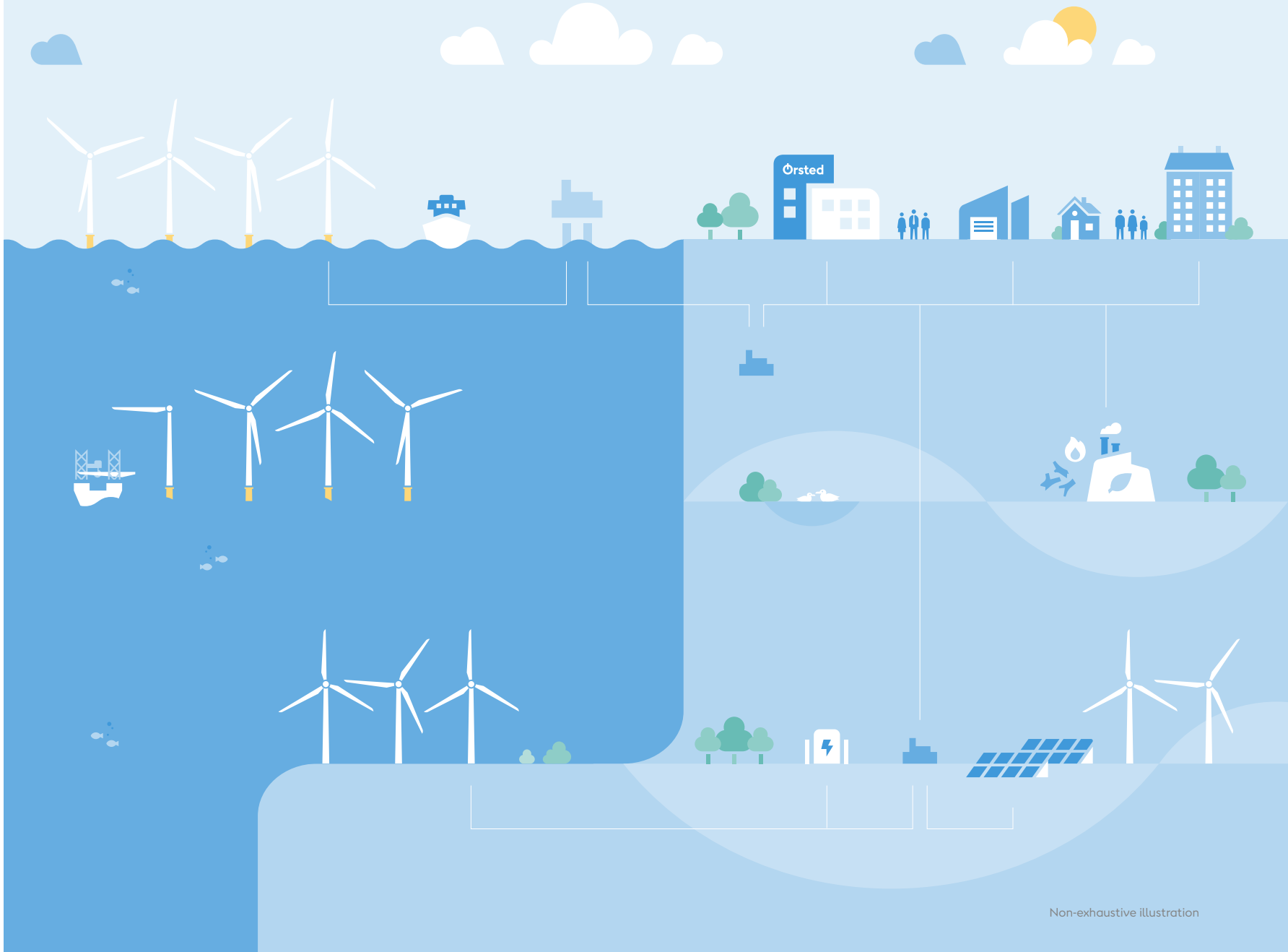
We develop our pipeline of renewable assets, we construct them based on thorough supplier selection and local content adherence, and we operate our large portfolio.

We enter into long-term power purchase agreements with strategic partners, and we manage and optimise our large portfolio of renewable assets and partnerships.

For more details on our business model, including key inputs, what we depend on, key outputs, and benefits created, please refer to pages 65-66.

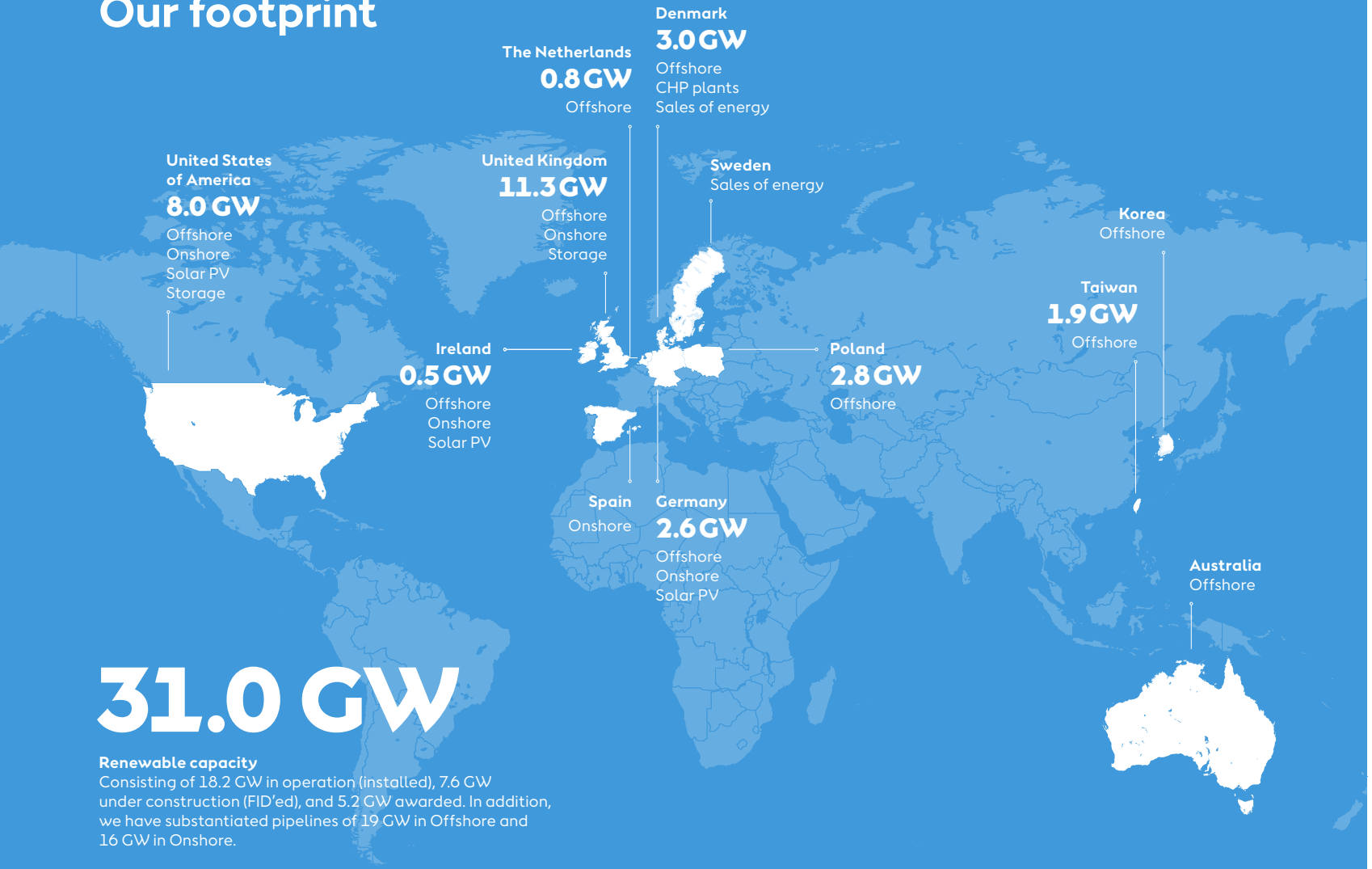
A sustainable approach

We have made it a core commitment to develop, construct, and operate our renewable assets in an environmentally and socially sustainable way, which helps de-risk projects, enhance our license to operate, and drive lasting, positive change for society – through employment opportunities, community support, and enhancing nature.



Non-exhaustive illustration

Our footprint



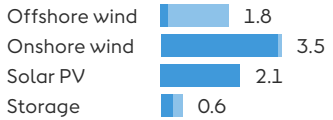
31.0 GW

Renewable capacity
Consisting of 18.2 GW in operation (installed), 7.6 GW under construction (FID'ed), and 5.2 GW awarded. In addition, we have substantiated pipelines of 19 GW in Offshore and 16 GW in Onshore.

See pages 97-98 in our 'Sustainability statements' for more information.

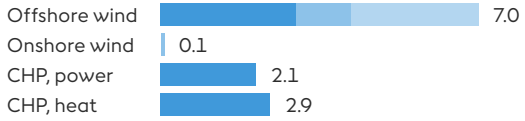
Capacity
GW

United States of America



United Kingdom and Ireland

Continental Europe



APAC

Capacity
- In operation
- Under construction
- Awarded

Outlook

→

The 83-metre-long service and operations vessel, Wind of Hope, is dwarfed by the offshore wind turbines at Hornsea 2. In September 2024, the UK government awarded us contracts for difference for a 1,080 MW share of Hornsea 3, currently under construction, and for a 2,400 MW share of Hornsea 4, currently under development. When complete, the Hornsea zone will be by far the largest in the world, with around 8 GW of installed capacity.

Financial and ESG outlook 2025

Group EBITDA guidance

Our EBITDA guidance does not include earnings from new partnership agreements and impact from potential changes in cancellation fees relating to ceasing the development or construction of projects.

Operating profit (EBITDA) excluding new partnership agreements and cancellation fees is expected to be DKK 25-28 billion in 2025.

As in previous years, we could see offsetting effects between the business units compared to our directional guidance.

Offshore – higher

Earnings from sites are expected to increase in 2025 compared to 2024, mainly due to:

- ramp-up of generation from Greater Changhua 1 and 2a, Greater Changhua 2b and 4, South Fork, and Gode Wind 3, and compensation for grid delay related to Borkum Riffgrund 3
- higher expected availability
- inflation adjustments on ROC and CfD farms, partly offset by lower prices on merchant assets, a step down in subsidy level for our older German assets, and Anholt (DK) stepping out of subsidy
- partly offset by ramp-up of costs related to Revolution Wind and Sunrise Wind and slightly higher than normal wind speeds in 2024.

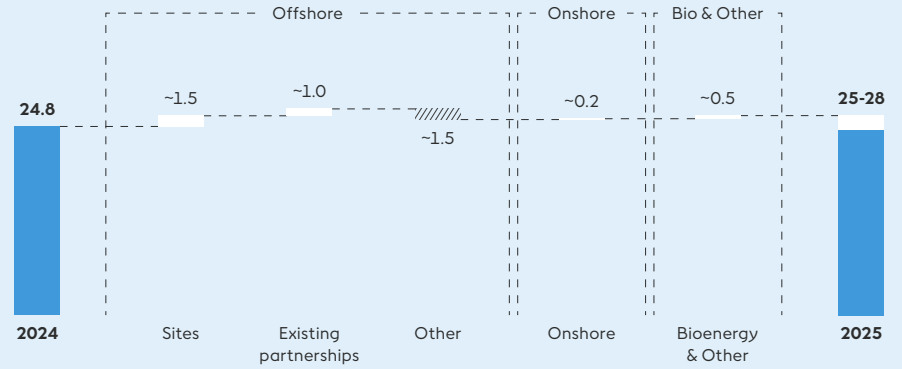
Earnings from existing partnerships are expected to increase compared to 2024, mainly driven by:

- negative effects from provisions and construction contracts in 2024 not expected to be repeated in 2025
- partly offset by higher costs related to M&A activities.

'Other' in Offshore is expected to be more negative than in 2024, mainly due to:

- higher expensed project development costs and fixed costs.

Guidance on 2025 EBITDA without new partnerships and cancellation fees
DKKbn



Outlook 2025 DKK billion	Realised 2024	Guidance 2025
EBITDA (without new partnerships, excl. cancellation fees)	24.8	25-28
Offshore	19.2	Higher
Onshore	4.0	Higher
Bioenergy & Other	1.1	Significantly higher
Gross investments	42.8	50-54
ESG outlook		
Greenhouse gas emissions intensity (scopes 1, 2), CO_2e/kWh	16	Lower
Greenhouse gas emissions intensity (scopes 1-3 excl. gas sales), g CO_2e/kWh	127	Lower
Greenhouse gas emissions from gas sales (scope 3), million tonnes CO_2e	4.1	Higher
Gender balance – gender with lowest representation (female)	34	Higher

Our EBITDA guidance for the Group is the prevailing guidance, whereas the directional earnings development per business segment (and component) serves as a means to support this. Higher and lower indicate the direction of the business unit's earnings relative to the results for 2024.

Onshore – higher

Earnings in Onshore (excluding new partnership agreements) are expected to increase compared to 2024.

The positive impact on EBITDA in 2025 is driven by:

- ramp-up of generation from Eleven Mile Solar Center, Old 300, Badger Wind, and Mockingbird
- higher expected availability in the US
- partly offset by the impact from the 50% farm-down of Mockingbird in December 2024 and Eleven Mile Solar Center and Sparta Solar in 2025
- 'Other' is expected to be more negative than in 2024, mainly due to higher project development costs and from sale of components in 2024 not expected to be repeated in 2025.

Bioenergy & Other – significantly higher

Earnings from CHP plants (including ancillary services) and 'Gas Markets & Infrastructure' are expected to increase compared to 2024.

The positive impact on EBITDA in 2025 is driven by higher earnings from 'Gas Markets & Infrastructure' due to higher volumes expected from the Tyra field (not owned by Ørsted), whereas earnings from our CHP plants are expected to be in line with 2024.

Gross investments

Gross investments for 2025 are expected to amount to DKK 50-54 billion, mainly driven by:

- Offshore (Sunrise Wind, Greater Changhua 2b and 4, Revolution Wind, Hornsea 3, Baltica 2, and Borkum Riffgrund 3)
- Onshore (Badger Wind, Old 300 BESS, and projects from our substantiated pipeline in both the US and Europe).

Our gross investments guidance for 2025 is particularly sensitive to and can be impacted by changes in our divestment programme and from changed timing in payment schedules, etc.

Uncertainties, prices, and hedges

The most significant uncertainty to the operating profit in 2025 is the power generation, which depends on wind conditions, ramp-up of new assets, asset availability, timing of possible farm-downs, and the attractiveness of spreads on our CHP plants.

High gas and power price volatility could impact earnings for the year through optimisation possibilities of our gas storage and sourcing contracts as well as higher balancing and intermittency costs.

Our wind and solar PV assets are largely subject to prices that are indexed to inflation or are fixed nominal, implying a high degree of revenue certainty, setting aside the above-mentioned volume risk. This means that we know the price (or minimum price) per generated MWh for most wind farms in the Netherlands, the US, and Germany and for the CfD wind farms in the UK. For our British ROC wind farms, we also know the subsidy per generated MWh, which we will receive in addition to the market price.

In 2025, 80% of our expected revenue from our wind and solar PV assets is inflation-indexed or fixed nominal. The remaining 20% is exposed to fluctations in power prices. Our hedging approach is to hedge up to 70% of this remaining merchant exposure. For 2025, we have hedged approx. 45% of this, leaving Ørsted with an unhedged price exposure of 11% from generation from our wind and solar PV assets. See note 6.2 'Energy price risks'.

Greenhouse gas emissions

The greenhouse gas emissions intensity for scope 1 and 2 is expected to decrease in 2025 and meet our science-based target of 10 g CO_2e/kWh. The decrease is due to higher expected renewable generation, and as we ceased coal-based heat and power generation in 2024. We also expect the scope 1-3 emissions intensity to decrease as we will have fewer renewable assets reaching COD in 2025 than in 2024 and higher renewable generation.

We expect more gas delivered under our contract with The Danish Underground Consortium (DUC), following the gradual reopening of the Tyra gas field in 2024. Therefore, we expect an increase in our scope 3 emissions from gas sales.

§ Forward-looking statements

The annual report contains forward-looking statements, which include projections of our short- and long-term financial performance and targets as well as our financial policies.

These statements are by nature uncertain and associated with risk. Many factors may cause the actual development to differ materially from our expectations.

These factors include, but are not limited to, changes in temperature, wind conditions, wake and blockage effects, precipitation levels, the development in power, coal, carbon, gas, oil, currency, inflation rates, and interest rate markets, the ability to uphold hedge accounting, changes in legislation, regulations, or standards, the renegotiation of contracts, changes in the competitive environment in our markets, reliability of supply, and market volatility and disruptions from geopolitical tensions.

Read more about the risks in the chapter on 'Enterprise risk management' and in note 6 'Risk management' in the financial statements.

Furthermore, the proceeds we can realise from our anticipated farm-downs and divestments as part of the measures we take to support a robust capital structure are subject to uncertainty.

Financial targets and policies

Financial targets

Spread to WACC on investments
Fully loaded unlevered life cycle spread to WACC at the time of bid/FID[1]

150-300 bps
Continuous

EBITDA
Group EBITDA excluding new partnerships and cancellation fees

DKK 29-33 billion
2026

ROCE
Average return on capital employed

~13%
2024-2030

Financial policies

Rating
Solid investment grade with Moody's/S&P/Fitch

Capital structure
FFO/adjusted interest-bearing net debt above 30%

Dividend policy
No dividend payments for the financial years 2023-2025. Target to reinstate dividend from the financial year 2026.

[1] Targeted range for spread to WACC at time of bid/FID (whichever comes first) for individual projects. The targeted range is not a hurdle rate, and consequently, there could be projects that deviate from the targeted range.

Forward-looking statements are described on page 17.

Updated business plan

In the past 12 months, the industry has been characterised by continued and more challenging headwinds. Together with project-specific challenges related to our US offshore wind projects under construction, this has had an adverse impact on our capital structure. Therefore, we are adapting our business plan to support our target of a solid investment grade rating. As part of this, we are stepping away from our 2030 GW ambition and EBITDA target, and we are reducing our investment programme.

Financial targets

We have three key financial targets to support our self-funded build-out. The financial targets cover (see details to the left):

- spread to WACC on investments
- EBITDA
- ROCE.

Financial policies and capital allocation

The Board of Directors has decided to pause dividend payments for the financial years 2023-2025. Hereafter, the target is to reinstate dividend payments.

To ensure we have financial robustness and the strength to operate in the international energy and financial markets, we target a solid investment grade rating with all three major rating agencies. This includes an FFO/adjusted interest-bearing net debt credit metric above 30%.

Strategy and business

→

The offshore installation vessel Aeolus played a crucial role in installing the 12 turbines that make up South Fork Wind, off the coast of New York State in the US – along with hundreds of US workers across the Northeast. Construction concluded in March 2024. The offshore wind farm is the first in the Empire State and America's first in commercial scale, generating enough renewable energy to power around 70,000 US homes.

The renewable energy market

The outlook for the renewable energy market is strong. Globally, we expect to reach 50% renewable electricity generation in 2030, with a vast majority coming from wind and solar PV. Europe reached the 50% threshold in 2024. Yet, to realise the full potential of renewable energy sources in decarbonising our energy systems, we need large-scale public and private investment in renewable energy projects, innovation, and infrastructure.

The renewable energy market

Global power demand is continuing to increase at a fast pace, and renewable energy sources are essential to meet it. Geopolitical conflicts, reliance on gas imports, and increasing global competitiveness have underscored the importance of energy security and independence. The build-out of AI data centres provides new sources of demand. The already visible impacts of climate change have made the need for a sustainable energy transition clear.

While addressing these pressing challenges, the renewable energy transition also fosters local job creation and can help protect nature. Renewable energy is a lever to increase energy independence, create lasting jobs, and support local communities.

Getting there will require public and private investment in the renewable transition, the creation of the right conditions to scale up innovations, and that we address the current barriers in the industry.

For the first time ever, half of the EU's electricity generation came from renewable energy sources in 2024. Further, wind overtook gas to become the EU's second largest source of electricity (behind nuclear energy). The UK procured an additional 9.6 GW of renewable energy in auction round 6, including 5 GW offshore wind. It showed that the UK is willing to incentivise renewable energy. The US renewable energy industry, including offshore and onshore technologies, continues to have bipartisan support, driven by job creation and domestic investments to help meet the country's increasing electricity demand. The recent executive order from the Administration is being reviewed to assess its impact on our US portfolio.

Towards 2030, we are thus anticipating a high growth in the global renewable energy market, with total combined capacity (offshore wind, onshore wind, solar PV, and energy storage) expected to reach >4,000 GW (excl. China).

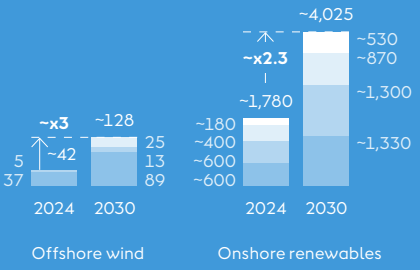
However, difficult macroeconomic conditions continued to cause headwinds and uncertainty for the renewables industry in 2024. LCoE levels remained high due to elevated materials costs, interest rates, and squeezed supply chains. The current high-cost environment, especially in offshore wind, is pressuring developers.

Offshore wind

Despite current headwinds, especially in the US, offshore wind is a crucial lever of the global energy transition and a necessary enabler of the ambitious build-out targets set globally. In the long-term, it remains an industry with a strong fundamental value proposition. Yet, it has become clear that several industry challenges must be addressed to realise the full potential of offshore wind. This includes complex and timely permitting processes, auction designs which are based solely on price, or which involve concession payments, and other structural barriers. We believe that governments and industry can work together to weather the current challenges and facilitate future offshore wind deployment, and we are pleased to see the continued commitment from both the EU and the member states to offshore wind.

Along with the rest of the industry, we have felt the impact of these challenges. We are therefore adapting our business to new market conditions. We have spent the past year working – both internally and with governments and industry – to strengthen conditions for offshore wind and support future offshore wind deployment.

Installed capacity (excl. China)*
GW



Political initiatives in 2024
Government policies to accelerate deployment and uptake of renewables

EU Clean Industrial Deal
Foster competitive and resilient industries, clean technology innovations, and high-quality jobs.

UK Beyond 2030 strategy
Modernising the electrical grid to ensure grid integration and distribution of renewables, particularly offshore wind.

DK / SE / DE / UK market designs
Addressing energy market designs and instruments as levers of energy system flexibility and resilience.

US federal and state-level investment policy
Implementing federal tax credit policies to foster long term investment.

Shaping state procurement policy to support a strong future for development opportunity.

TW auction design
Easing local content requirements in offshore wind to enable broader participation in future auctions and accelerate renewables deployment in Taiwan.

* Source: BNEF (2024)

Our strategy

Ørsted's vision is to create a world that runs entirely on green energy. We are contributing towards this vision in our daily work by developing, constructing, and operating renewable assets at scale and by leading the way for an energy build-out that drives positive change beyond green electrons.

// ESRS 2, SBM-1

Our strategic aspiration

Our strategic aspiration is to be the world's leading green energy major. This aspiration builds on three strategic pillars, illustrated to the right.

First, we aspire to be one of the world's leading developers, constructors, and generators of renewable assets. This includes our focus on optimising our projects in construction as well as our generation, revenue, and trading businesses.

Currently, we have 18.2 GW renewable energy installed across our three regions: Europe, Americas, and APAC. In offshore wind, our core business area, we are present in our three regions, with projects in the UK, Northern Europe, Northeastern USA, Taiwan, Korea, and Australia. Our onshore renewables platform consists of onshore wind, solar, and storage, with projects in the UK, Ireland, Germany, Spain, and the US. Finally, our bioenergy and carbon capture and storage (CCS) platform is focused in Denmark.

We will continue to be active across our three regions, but we will focus our capital allocation. Thus, when we pursue new development opportunities, we will first and foremost prioritise the most financially attractive offshore wind opportunities in regions and countries where we see the most attractive framework conditions and investment environment, and where we have the most distinct competitive differentiation and ability to leverage and unfold our business model. We remain committed to onshore wind, solar PV, battery energy storage solutions, and carbon capture. //

Our employees are the cornerstone to delivering on our ambitions. Our second pillar, to be the leading talent platform in renewables, means employees globally experience Ørsted as a great place to work. We help our employees to understand how their daily work impacts our vision. We support them in growing their talent by learning from expert colleagues and through global collaboration. In doing so, we create a supportive, empowered, and result-focused company culture.

The final pillar to delivering on our renewable energy ambitions is that we construct and operate in an environmentally and socially sustainable way. Our renewable energy projects require resources and space at land and at sea, all of which are constrained. They also require public support. As such, a sustainable approach that benefits nature and people is a prerequisite for building renewable energy at the pace and scale needed. It is also an extraordinary opportunity to deliver additional positive value to society.

Our three strategic sustainability priorities are tailored to drive this value and support our efforts to be a globally recognised sustainability leader. Decarbonisation: to limit our use of emission-intensive resources and support long-term business resilience and competitiveness. Biodiversity: to help protect nature and ensure access to land and sea. And community impact: to ensure people in the regions where we operate in benefit from and support the build-out and our license to operate. With these, we lead the way for a renewable energy build-out that drives a lasting, positive change for our society, industry, and company.

Our vision

A world that runs entirely on green energy

Our strategic aspiration

The world's leading green energy major

Our three strategic pillars

- **One of the world's leading developers, constructors, and generators of renewable assets**
- **The leading talent platform in renewable energy**
- **Globally recognised sustainability leader**

Our business platform
Technology and markets

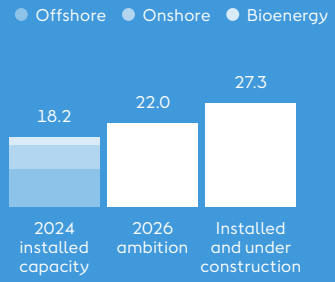
Offshore wind, fixed-bottom
Selective in support of offshore wind: renewable hydrogen.

Invest-to-grow core business area in → Europe, Americas, APAC

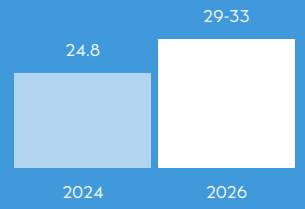
Onshore wind, solar, and storage
Invest-to-grow strategic area in → Europe, Americas

Bioenergy and carbon capture and storage (CCS)
Steady business with opportunistic plays in → Europe

Installed capacity ambition
GW



EBITDA targets
Group EBITDA excl. new partnerships and cancellation fees
DKKbn



Our three strategic sustainability priorities

- **Decarbonisation**
- **Biodiversity**
- **Community impact**

Business priorities

During the year, we have advanced five transformational and company-wide business priorities that will ensure we have the strongest possible platform to deliver consistent value in the years to come. These priorities will improve our competitiveness.

We have advanced our revised operating model across the three regions to future-proof our offshore business in a less predictable and more competitive market. This will create clearer accountability and stronger risk management in the development and construction of our offshore wind projects. We are also strengthening our supply chain management capabilities to improve our competitiveness through our supply chain partnerships and activities.

We are progressing towards a simpler, more efficient, more competitive organisation, which will allow us to realise savings of more than DKK 1 billion by 2026. We are improving our generation and revenue capabilities to reduce our downside risk, improve decision-making, and ensure we maximise the value of our green electrons.

To ensure effective tracking of progress on our business priorities, we are enhancing our focus on performance management and simplification. This will create clearer alignment between strategic targets, business priorities, and KPIs.

With the reduced growth ambition towards 2030, we will take measures, beyond the 2024 initiatives, to continuously adapt our cost base and organisation to fit our value and build-out ambition.

Executing our strategy

In 2024, we have executed on the business plan presented in February last year. We have also continued the integration of sustainability into our business and value chain to help address challenges to the build-out and further de-risk our project delivery.

Expanding our portfolio

In 2024, we added a total of 1.0 GW to our installed offshore capacity, which, by the end of 2024, totalled 9.9 GW. With a capacity of 900 MW, the commissioning of the Greater Changhua 1 and 2a wind farms in Taiwan was a significant part of this increase. The two wind farms are the largest of their kind in Taiwan and in the Asia-Pacific region. Additionally, we commissioned the wind farm South Fork in the US, adding 132 MW of installed offshore capacity to our portfolio. Gode Wind 3 in Germany is fully operational and will expectedly be commissioned in Q1 2025, adding a further 253 MW to our installed capacity.

In our Onshore business, we added a total of 1.4 GW in 2024. In Texas in the US, we commissioned Sparta Solar, Old 300 (remaining part), and Mockingbird Solar Center in 2024, with Mockingbird being the largest solar farm in our portfolio to date. Furthermore, Eleven Mile Solar Center, our combined solar and battery storage project of 300 MW solar PV and an additional 300 MW/1,200 MWh of storage, was commissioned in 2024. Lastly, we commissioned an onshore solar farm in Europe.

By the end of 2024, we had 7.6 GW of capacity under construction. During the year, we took FID on eight projects. In our offshore business, Sunrise Wind reached FID. In our onshore business, the solar farms Ballinrea, Rottenegg, and Hatzenhof were FID'ed, as were the wind farms Farranrory and Badger Wind. Lastly, we took FID on two storage projects adjacent to our wind farm Hornsea 3 and our solar farm Old 300. In January 2025, we took FID on Baltica 2, thereby adding an additional 1.5 GW to our construction portfolio.

We continue to manage the construction risks facing our US offshore portfolio. During the year, we have experienced challenges at Revolution Wind with the construction of the onshore substation and challenges related to the piling of one of the offshore substation monopiles. At Sunrise Wind, we have experienced challenges related to the monopile fabrication and installation. For both projects, this has led to higher costs. In addition, we have increased our cost estimate for Sunrise Wind for the first-ever HVDC system and export cables and for installation of turbines, based on learnings from Revolution Wind. Both projects are progressing according to the updated schedules. In Germany, construction of Borkum Riffgrund 3 is progressing according to schedule, but the installation of the project's power grid connection has been delayed by the German TSO, and the expected COD is moved to Q1 2026. We are being compensated for this delay.

In addition to our assets under construction, we had 5.2 GW of capacity awarded or contracted, resulting in a total capacity of 31.0 GW across our business.

We have decided to cease the construction of our liquid e-fuels project FlagshipONE. The decision was based on a slower-than-expected industrialisation of the technology and commercial development of the offtake market as well as a deteriorating business case.

Securing long-term capacity with strategic suppliers is key for us to build collaboration and collaboratively manage risks and construction of our offshore wind projects. Therefore, we have entered a partnership with Cadeler for a new-built wind farm installation vessel to secure capacity from Q1 2027 until the end of 2030.

An overview of our build-out plan, including project progress, can be seen on page 25.

Divestment programme on track

We have made several divestments since the farm-down programme was announced as part of the business plan update in February last year.

In the UK, we closed an agreement with Brookfield to divest a share of four operational offshore wind farms (Hornsea 1, Hornsea 2, Walney Extension, and Burbo Extension) with a combined total capacity of 3.5 GW. We will retain a 37.55% ownership interest in the four assets and continue to exercise a similar level of control and governance as before the divestment.

In Taiwan, we closed an agreement to divest 50% of our offshore wind farm Greater Changhua 4 to Cathay Life Insurance, the leading insurance company in Taiwan. As part of the agreement, we will construct the wind farm under a full-scope EPC contract, and we will also provide long-term operations and maintenance (O&M) services.

In the US, we made a partial divestment of four operational assets (957 MW) to Stonepeak. We have maintained full operational control and fully consolidate the portfolio in our financial accounts. Additionally in the US, we made a partial divestment of three onshore projects to Energy Capital Partners (ECP). The farm-downs include two solar farms in Texas, Mockingbird Solar (468 MW) and Sparta Solar (250 MW), and Eleven Mile Solar Center, a 300 MW solar and 300 MW/1,200 MWh battery storage project in Arizona. With operations commencing in 2024, all three projects have tax equity partnerships and power purchase agreements in place. Lastly, we divested our onshore platform in France to ENGIE.

Exploring new business opportunities

We continue to explore value-creating opportunities. We are pleased that the Australian Government has granted us feasibility licences for our first offshore wind projects in Australia. With these licenses, we aim to develop large-scale offshore wind farms in Australia, expected to become operational in the early 2030s.

As part of our carbon capture and storage project 'Ørsted Kalundborg Hub', we have entered a new major agreement on carbon removal with Microsoft to sell a further one million tonnes of carbon removal over a ten-year period from Avedøre Power Station. This agreement builds on an existing commitment by Microsoft to buy 2.67 million tonnes. Additionally, we signed an agreement with Equinor to sell credits for the removal of 330,000 tonnes of CO_2 over a ten-year period.

Innovating the industry

Innovation is core to our business, and we believe we can continue to harness existing and new technologies to make renewable energy more affordable, reliable, efficient, and sustainable.

Building on existing marine life protections, we have developed a new lower-noise installation method, which strengthens existing protections to marine life. We successfully tested the innovative installation method on three monopile foundations at our German offshore wind farm Gode Wind 3. Beyond the noise reduction, this new technology is a step change in offshore wind monopile installation that, once adopted at scale, can provide more efficient and cost-effective installation of offshore wind foundations.

Building on previous trials and expertise using drones at offshore wind farms, we have launched the world's first heavy-lift cargo drone operations at the Borssele 1 & 2 Offshore Wind Farm. The drones, which can transport cargo of up to 100 kg, will improve operational efficiency and safety in the offshore wind industry.

We continue to lead in leveraging innovative technologies to enhance biodiversity monitoring across our projects. In 2024, we have made significant advancements by using artificial intelligence (AI) to make biodiversity assessments more efficient and precise. This includes integrating machine learning models and improving the use of underwater video footage with computer vision techniques. These efforts align with our ambition to deliver a net-positive biodiversity impact on all new renewable energy projects commissioned from 2030, at the latest.

Delivering on sustainability

Through our three strategic sustainability priorities – decarbonisation, biodiversity, and community impact – we continued to deliver actions that drive value for our business as well as nature and people. In 2024, we had a key focus on efforts that support project development and business resilience. An overview of the selected progress can be seen on page 26.

We continued to push for the further integration of sustainability into our business – to support that sustainability impacts, risks, and opportunities are consistently considered in decisions, ranging from what we source to how we develop, construct, operate, and decommission our projects. As part of this, we began to further detail and develop roadmaps – to break down our ambitions into structured short- to medium-term actions and milestones. Going forward, this will support that all relevant business functions have a strong understanding of their roles in and responsibilities for executing on sustainability. We will continue this work in 2025.

To strengthen a successful integration of sustainability into the business, we updated our sustainability governance with a clear accountability and leadership focus at the Group Executive Team level.

Sustainability information in the annual report

Sustainability information can be found in both the 'Management's review' and the 'Sustainability statements'. The latter is structured according to the four mandated sections in the European Sustainability Reporting Standards (ESRS): 'General', 'Environment', 'Social', and 'Governance', where most of our ESRS disclosures can be found. However, we have chosen to incorporate some disclosures from the cross-cutting standard ESRS 2 and ESRS G1 by reference in the management's review. Primarily, this includes information about corporate governance, strategy, and enterprise risk management.

In 2024, we conducted a double materiality assessment (DMA) to identify and assess our material sustainability-related impacts, risks, and opportunities (IROs). We work continuously to integrate sustainability into our strategy and business model and to effectively manage these IROs.

Please see the 'Sustainability statements' to read more, including the full details of our sustainability-related IROs, actions, and performance.

The specific ESRS disclosures incorporated by reference in the 'Management's review' are marked with a tag, starting with '// ESRS' and ending with '///'.

Build-out

Gross renewable capacity

18.2 GW
Installed capacity

2024

9.9 GW
Offshore wind

6.2 GW
Onshore renewables

2.1 GW
CHP plants

7.6 GW
Decided (FID)

2024 → **2027**

920 MW
Greater Changhua 2b and 4

Commercial operation date:
H2 2025

Installation of the offshore substation jacket and topside completed. Continued progress on production of array cables and foundations. Vessel capacity secured and first power expected during summer 2025.

913 MW
Borkum Riffgrund 3

Commercial operation date:
Q1 2026

All foundations and turbines installed as planned.

253 MW
Gode Wind 3

Commercial operation date:
Q1 2025

The offshore wind farm is producing at full capacity and expected to reach COD in Q1 2025.

704 MW
Revolution Wind

Commercial operation date:
2026

Onshore substation construction and piling of monopile for offshore substation progressing according to updated schedule. 80% of the monopiles have been installed,and turbine installation is progressing.

924 MW
Sunrise Wind

Commercial operation date:
H2 2027

Onshore construction and preparation works are progressing. Offshore installation is commencing in Q1 2025.

2,852 / 300 MW
Hornsea 3 / storage (BESS)

Commercial operation date:
H2 2027

Onshore works on converter stations and cable routes progressing according to schedule. First offshore activities to commence in 2025. BESS construction to commence in Q2 2025.

259 MW
Badger Wind

Commercial operation date:
2025

FID taken in October. Construction has commenced.

250 MW
Old 300 storage (BESS)

Commercial operation date:
2026

FID taken in Q4. Construction is expected to commence in Q1 2025.

262 MW
Onshore Europe

Commercial operation date:
2025 – 2026

Construction of our onshore renewable assets is on track.

5.2 GW
Awarded

2024 →

1,498 MW
Baltica 2

Commercial operation date:
H2 2027

FID taken in January 2025. Large share of CAPEX contracted.

1,255 MW[1]
Baltica 3

Commercial operation date:
n.a.

Working collaboratively on the reconfiguration and revised schedule of Baltica 3, together with our partner PGE.

2,400 MW
Hornsea 4

Commercial operation date:
Before end of 2030

Project in development phase.

[1] Capacity includes both Baltica 3 (1,045 MW) and the awarded lease capacity for Baltica 2+ (210 MW). Baltica 2+ has not received a CfD on the terms stated for Baltica 3.

31.0 GW
Installed, decided (FID), and awarded

2024

27.3 GW

Capacity installed and under construction
With the FID of Baltica 2 (1,498 MW) in January 2025, we have line of sight on a significant expansion of capacity through projects currently under construction.

~35 GW

Substantiated pipeline
Projects that have reached a level of maturity, such as secured exclusivity through a lease or site, secured consent or environmental impact assessment (EIA), or established partnerships where no final investment decision has been taken yet.

↓
For progress on our strategic sustainability priorities, see next page.

Sustainable build-out

Selected 2024 actions across strategic sustainability priorities

Decarbonisation

In only 15 years, we have entirely transformed our business model from being a fossil utility to a global renewable energy company. We are taking action to tackle all emissions across our business and value chain; in 2024 moving a step closer to doing so while creating a more resilient business.

Shut-down of our last coal-fired combined heat and power plant
This was the last big milestone in transforming our energy generation to renewable energy. We have now taken all necessary actions to meet our industry-leading science-based target to reduce our scope 1-2 GHG emissions intensity by 98% compared to 2006 and achieved a 99% green share of energy generation by 2025.

Pioneering lower-emissions steel
We continued to push for the decarbonisation of materials essential to renewable energy, signing a long-term offtake agreement for lower-emissions heavy plate steel with our supplier Dillinger. The agreement secures Ørsted first offer and ensures a more diversified supply and secure capacity of steel, while supporting Dillinger's efforts to decarbonise steel production.

Reuse and recycling of blades and towers
Reuse and recycling of turbine components and materials is key to lower emissions and costs and to diversifying supply. In the decommissioning of our wind farm Owenreagh 1 in Northern Ireland, we sent turbine towers for reuse while the blades were sent to be recycled, reflecting our commitment to not send blades to landfill.

For more information, see 'Climate change' (ESRS E1), page 81, and 'Resource use and circular economy' (ESRS E5), page 116.

Biodiversity

The space required for the renewable energy transition is significant, and, with a nature in crisis, it is vital that we make sure our energy projects benefit nature. We continued taking action to deliver on our ambition that all new renewable energy projects commissioned from 2030, at the latest, will have a net-positive biodiversity impact.

Launching our 'Biodiversity measurement framework'
Transparently measuring and reporting on our biodiversity impact is key to demonstrating the potential of renewable energy in delivering benefits to nature. We are the first in the offshore industry to deliver a science-based framework, and we hope it will help accelerate collective industry consensus and action by establishing a clear approach.

Business for Nature (BfN) approval of our nature strategy
Recognising our holistic and ambitious approach to protecting nature, BfN approved our broader nature strategy that was launched in 2024. That makes Ørsted one out of the first 25 companies globally to get this approval as part of BfN's 'Now for Nature' campaign.

Piloting net-positive solutions
We have a global portfolio of innovative biodiversity projects, demonstrating the wide range of ideas we are testing to enhance nature. In Taiwan, for example, we are cultivating corals to grow on offshore wind turbines and have now finalised preparations to deploy the first ones in 2025.

For more information, see 'Biodiversity and ecosystems' (ESRS E4), page 108.

Community impact

A large-scale build-out of renewable energy can only be achieved if people are at the center of how it is delivered.In 2024, we continued to integrate local jobs, training, and community engagement into our project delivery.

Training a local offshore wind workforce
Local people and businesses have a vital role to play in the growth of the renewable energy industry. In the US, we developed a workforce development programme that has provided 335 union workers with the necessary credentials for working offshore. They can now safely and smoothly transition to offshore wind farm installation scopes.

Delivering additional value with renewable energy
In connection with the construction of Hornsea 3 in the UK, we have launched a community benefit fund that will distribute up to GBP 7 million over ten years to invest in the region's future. In 2024, 21 social and environmental groups were selected by an advisory panel formed of local representatives as the first to receive grants.

Assessing the impact of our community engagement
We consistently work to learn from and optimise the impact of our community engagements. We completed three different pilots to measure the effectiveness of the local social value we deliver. The results will help us target investments to the areas that drive the greatest local benefits.

For more information, see 'Affected communities' (ESRS S3), page 145.

Enterprise risk management

Risks are a natural and integral part of our business activities, and our risk profile changes continuously. We aim to mitigate our risks and reduce them to an acceptable level through risk management.

How we manage risk

The Board of Directors oversees our risk management in general and have delegated the oversight of our enterprise risk management risks to the Board's Audit & Risk Committee.

Our 'Enterprise risk framework' sets out the general principles, the roles and responsibilities, and the main processes by which all risks must be identified, assessed, managed, monitored, and communicated throughout the Group. This framework is being strengthened to support consistent processes for managing risks at Ørsted and to enable informed decisions on risk-taking to be made. Targeted initiatives are being run in the context of the 'Enterprise risk framework', including an enterprise-wide programme to implement the new regulatory requirements under the European Network and Information Security Directive (NIS2).

We have continued to strengthen risk management in relation to the development and construction of assets during 2024, where we have seen substantial adverse impacts on our business risks in recent years. This includes the roll-out of the new operating model for offshore asset projects, including a revised stage gate model with independent project reviews, and a dedicated offshore project risk management framework. The focus on contingency planning (including more proactive contracting for back-up supply chain capacity) and monitoring suppliers (including from site visits to tracking manufacturing progress) has continued during the year. Furthermore, the Board of Directors has established an Asset Project Committee, which has regular updates on project execution and monitoring of risks as its key focus. Risk reviews are being carried out for selected projects and reported to the Group Executive Team and the Board of Directors.

We will also continue our work to manage future breakaway profiles for asset projects by scrutinising financial commitments before taking final investment decision (FID) to avoid high capital commitments relative to project maturity and to ensure greater flexibility on project timelines and commissioning dates as well as phasing of CAPEX.

How we assess risk

Risk assessment is carried out on an ongoing basis in all business segments and regions as part of our daily business operations.

In addition, we have performed an annual risk assessment with the overall objective of identifying and reporting on our most significant risks. This is carried out through an assessment of the main risks across all business segments, regions, and selected staff functions. An assessment is made of the potential financial impact of the main risks, which are then consolidated and evaluated at Group level. Overall ownership for all mitigating actions for individual risks identified as part of the annual risk assessment rests with a member of the Group Executive Team.

The top six enterprise risks identified are shown to the right where they are illustrated based on their potential impact (post-risk mitigation) on our value and credit metrics over the next years. You can read more about these risks and how we mitigate them on the following pages.

In addition to these top risks, we are exposed to risks which have a very small probability of occurring, but which could potentially impact our finances or reputation substantially.

Development in enterprise risks in 2024

We have introduced 'Project execution' as a new sixth risk and 'US regulatory risks' as a new seventh risk in 2024, and we have seen changes in the relative importance of our top risks from last year.

'Supply chain and cost inflation' is still assessed to be our largest risk. Supply chains are suffering delays, and the financial position of our suppliers continues to be stretched. While considering alternative suppliers,

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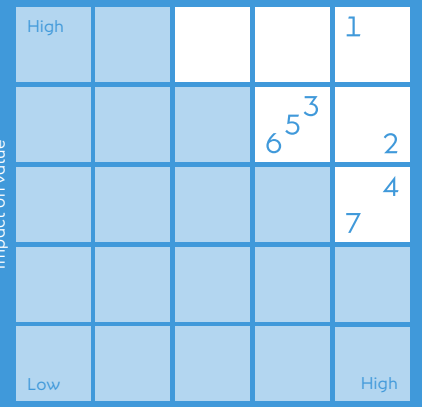
Quantification of risks is based on a scenario where the risk occurs with 10% probability (P90). Our Internal Audit function has examined the process for identifying and measuring the accompanying portfolio risks.

Top 7 business risks
Effect on our value and credit metric



Impact on FFO/adjusted interest-bearing net debt

1 **(#1 in 2023)**
Supply chain and cost inflation

2 **(#3 in 2023)**
Farm-downs and partnerships

3 **(New in 2024)**
Project execution

4 **(#5 in 2023)**
Cybersecurity

5 **(#2 in 2023)**
Inflation, interest rate, and currency risks

6 **(#4 in 2023)**
Power prices and energy markets

7 **(New in 2024)**
US regulatory risks

↑ Offshore wind technicians,
Anholt Offshore Wind Farm, Denmark.

we are is facing higher prices as the current strong demand for the development of renewable projects still exceeds the supply available. Throughout the year, we have seen bottlenecks in several parts of our supply chain, leading to increased costs and risk of delayed projects.

'Farm-downs and partnerships' is placed as our second-largest risk. Higher interest rates and increased global geopolitical uncertainty continue to negatively impact investor demand for renewable assets. There is an increasing number of renewable assets being put up for sale by companies who are looking to reduce their capital exposure or rebalance their investments to assets where they can access higher returns. This greater competition for capital has led investors to be more selective in their choices.

We assess 'Project execution' to be our third-largest risk. Wind projects are large and complex in nature and may encounter obstacles, from both internal and external factors, causing delays and cost overruns. All projects have completion deadlines, and failure to meet these may result in partial or full loss of subsidies, grid connections, and/or project rights. Ongoing initiatives to strengthen project risk management highlight the importance of managing this core risk to Ørsted's business and enabling future growth.

'Cybersecurity' has moved up to be our fourth-largest risk. The geopolitical development over the past years has shown that cyberattacks are an increased threat to our operations. It is of the utmost importance that we protect our infrastructure and systems from malicious attacks. Furthermore, we can see that the demand for cybersecurity professionals continue to rise and currently outpace availability.

'Inflation, interest rate, and currency risks' is now assessed to be our fifth-largest risk, and 'Power prices and energy markets' is assessed as our sixth risk in 2024. Both risks have moved down in ranking in 2024, mainly because other risks have increased in magnitude. Lastly, 'US regulatory risks' has been added as our seventh largest risk due to potential changes compared to the current treasury guidance on the qualification for bonus ITCs.

// ESRS 2, IRO-1

Sustainability-related risks

Managing and evaluating sustainability-related risks as part of ongoing risk management activities is essential for all companies, not least for those in the renewable energy sector. While we have worked with and reported on sustainability risks for many years, we support the added transparency and standardisation provided by the Corporate Sustainability Reporting Directive (CSRD) – and see it as a way of working in addition to being a reporting framework. For several years, we have used the Task Force on Climate-related Financial Disclosures (TCFD) recommendations as a foundation for building our climate risk assessments. These assessments, as well as our EU taxonomy reporting, are now integrated into the climate change section in our sustainability statements. //

The CSRD mandates reporting on environmental, social, and governance (ESG) practices and adherence to a double materiality assessment (DMA). These assessments are used to identify and disclose material sustainability impacts and financial risks and opportunities, inform areas for development, and track progress annually, ensuring sustainability-related financial risks are considered together with the broader risk portfolio.

// ESRS 2, IRO-1

Based on the DMA performed in 2024, the magnitude of the identified sustainability-related financial risks were below the magnitude of the enterprise risks presented on the previous page. During 2025, we will further align the sustainability risk assessment between the DMA and enterprise risk framework. //

We have identified seven of the ten ESRS topical standards under the CSRD to be material. These are 'Climate change' (ESRS E1), 'Biodiversity and ecosystems' (ESRS E4), 'Resource use and circular economy' (ESRS E5), 'Own workforce' (ESRS S1), 'Workers in the value chain' (ESRS S2), 'Affected communities' (ESRS S3), and 'Business conduct' (G1). A detailed description of the DMA methodology and results can be found in the 'Sustainability statements' on pages 67-74.

1. Supply chain and cost inflation

Description
As a global renewable energy developer, we are exposed to risks related to cost inflation due to highly volatile prices, driven by high global demand and opportunistic supplier pricing.

There is a continued risk of supply chain bottlenecks, due to the limited number of suppliers with required capabilities. We have onboarded new suppliers; however, this introduces a risk that some do not meet the performance expectations or standards initially contracted. Increased costs and supply chain shortages are worsened by further barriers from geopolitical and regulatory risks.

We also face credit and counterparty risks when procuring equipment and services, if one of our suppliers should default or deliver unsatisfactory products.

Potential impact
The inability of our suppliers to deliver on agreed schedules, lack of available production capacity or transportation and installations vessels, and sudden inflation in key materials could result in project delays and budget overruns as well as cancellation of projects.

Mitigating actions
We enter into volume agreements and source wind turbines from key suppliers in a timely manner to reduce uncertainty, and we have entered into long-term vessel supply contracts. As part of our strengthened operating model, we pro-actively secure additional capacity for restricted supply chain sources to have more flexibility and alternatives in our project plans and installation schedules, and we monitor suppliers, e.g. by tracking manufacturing progress.

To mitigate cost inflation risks, we carry out hedging for steel and other commodities on an asset project basis.

Our process for vetting new suppliers is thorough, and we have strict credit risk policies in place to manage credit and counterparty risks.

2. Farm-downs and partnerships

Description
Our partnership strategy continues to be a cornerstone in managing our financial planning and reaching our strategic ambition, with a sizeable number of farm-downs, full divestments, and joint venture partnerships expected in the coming years. This entails risks related to delays, lower proceeds, the lack of potential buyers, regulatory and contractual restrictions, and the macroeconomic environment.

There is an increased competition for capital, which is leading investors to be more selective in their choices, and in addition, buyers are increasingly seeking for Ørsted to insulate them from project risks, for example during the construction phase, which can increase the impact of any negative developments in the individual projects post-divestment on us.

Potential impact
Failure to complete future farm-downs of projects or delays could lead to an adverse impact on our credit rating and value. Furthermore, increasing interest rates could have a negative impact on the investment capacity and on the value extracted from partnerships.

Mitigating actions
We have years of experience in handling all aspects of divestment and partnership processes with a strong track record of creating value through our partnership model.

Our highly experienced team is capable of not only managing the equity transaction; it also takes the lead on structuring the financing package together with or on behalf of our partners.

We continuously engage with current and future investors and partners to help secure demand for our portfolio of assets.

3. Project execution

Description
Offshore wind projects are large and complex in nature and may encounter obstacles, both from internal and external factors, leading to installation challenges impacting project execution, delays to construction schedules, and cost overruns. The risk has increased in the US, due to the uncertainty around the newly issued executive orders.

Potential impact
All projects have completion deadlines, and failure to meet these may result in partial or full loss of subsidies, grid connections, and/or project rights, leading to adverse impacts on financial metrics. Delays and technical challenges can lead to cost-overruns during the project execution phase. In the worst case, this risk may lead to impairments or projects being cancelled and subsequently high breakaway costs incurred.

Mitigating actions
Throughout the year, we have strengthened the risk management activities during the construction phase for offshore asset projects. We have implemented a new operating model with a dedicated offshore project risk management framework, including independent project reviews, under a revised stage gate model. In addition, we are planning a roll-out of a stronger portfolio governance framework, targeting an early and consistent identification of risks and management of trade-offs. We carry out risk reviews for selected projects and report to the Group Executive Team and the Board of Directors, and we regularly report the status on project execution progress and project risks to the newly established Asset Project Committee.

4. Cybersecurity

Description
We face significant cybersecurity risks from individuals, groups, and nations, aiming to harm or profit from the company or the society it serves. Cyberthreats can range from compromising a single asset to disrupting entire operations and societies. Europe's diversified energy sources make us a potential target for cyberattacks, as our critical knowledge in innovation and technology attract threats or actors seeking confidential information and access to critical national infrastructure.

Potential impact
Minor digital risk events, such as viruses and attempted break-ins, are everyday risks without significant impact. However, a ransomware attack or direct sabotage of our digital systems and processes could severely impact trading activities, financial settlements, maintenance, construction, and contract negotiations. Dependence on the enterprise environment means energy production would be affected, with the impact increasing the longer the disruption continues.

Mitigating actions
We face different types of cyber risks. Some are related to our assets and some to our systems. Thus, we mitigate cyber risks with several different initiatives, which are continuously assessed and prioritised based on our strategic cybersecurity risk assessment with the aim of lowering our risk exposure.

At our operating assets, we have deployed production cyberdefences to enhance protection against onsite and offsite attacks. In addition, we have a top-level information and cybersecurity management system and framework, supported by our global governance model. We have regular trainings and roll-out of new security measures as they are approved. We also carry out selected crisis response and preparedness testing and training.

This way, our cyber capability is continuously improved to identify, protect, detect, respond, and recover across the enterprise and production sites.

5. Inflation, interest rate, and currency risks

Description
Our inflation, interest rate, and currency risks are related to volatility in the macroeconomic environment where we operate.

We are exposed to inflation, both directly through the real return but also indirectly through cost inflation and higher interest rates. Approx. 50% of our revenue in 2025-2030 is inflation-indexed and expected to follow the development in consumer prices, thereby protecting the real value of our assets and equity. However, for assets and in markets where we do not have inflation-indexed PPAs or subsidies, we are exposed to inflation risks, where an increase in inflation will adversely impact the expected real value of our revenue.

Potential impact
Fluctuations in interest rates, inflation, and foreign exchange rates may adversely impact our earnings and the value of our assets.

Mitigation initiatives
We prefer investing in assets and entering into contracts with inflation-indexed revenue streams to mitigate cost inflation, and we match our debt with our assets per currency and the same payment structures (modified duration). Hence, our European fixed nominal subsidies are being offset by EUR-denominated fixed-rate debt. In contrast, we have entered into inflation swaps for part of our inflation-indexed revenue in the UK to match our nominal GBP debt. In new markets, we may execute interest rate swaps to lock in interest rates before financing is secured.

Our currency exposure is managed by hedging more in the near years and less in the later years over a five-year horizon.

Read more about inflation and interest rate risks in note 6.3 'Inflation and interest rate risks' and about currency risks in note 6.4 'Currency risks'.

6. Power prices and energy markets

Description
Power price risks primarily originate from the sale of our renewable power generation in the UK, the US, and north-western Europe. Our CHP plants constitute a spread risk due to the difference between the prices of the power generated and the fuel consumed (i.e. biomass, gas, and carbon dioxide allowances).

We are also exposed to second-order risks, arising from power price hedges not fully matching our actual revenue exposure (i.e. position, intermittency, and regulatory risks). Furthermore, we are exposed to liquidity risks where we are required to post collateral at exchanges if our positions are 'out of the money' (which was the case when the energy prices soared throughout 2022).

Potential impact
Energy prices are volatile and can impact both earnings and liquidity.

Mitigating actions
Approx. 85% of our expected revenue from generation of power from renewable offshore and onshore assets in 2025-2030 have no exposure to power price risk as the price is either regulated through subsidies or contracted through CPPAs. This significantly reduces our exposure towards volatility in power prices.

We manage the remaining 15% of our exposure through a hedge framework, under which we hedge up to 70% of the power generation volume in the first two years. The 70% limit is set based on an assessment of the uncertainties related to power generation volumes. The hedge level is based on a holistic assessment of the risk profile of the combined offshore and onshore assets as well as the balance between market, credit, and liquidity risks.

Read more about our risk framework and energy price risks in notes 6.1 'Risk framework' and 6.2 'Energy price risks'.

7. US regulatory risks

Description
Ørsted is exposed to potential changes in energy policy, tax incentives, and regulatory frameworks in the US. This leads to risks relating to permitting and regulation, grid infrastructure, carbon standards, and trade policies as well as the ability to qualify for the additional 10% ITC bonus credits on our US offshore wind projects Revolution Wind and Sunrise Wind. In our business cases, we have included a 95% probability of qualifying for the additional 10% ITC bonus credits based on our assessment that the onshore substations are located on brownfield sites as defined by the current 'energy community' guidance.

Potential impact
If our US offshore projects Revolution Wind and Sunrise Wind fail to qualify for additional 10% ITC bonus credits, it will lead to adverse financial impacts, including further impairments of approx. DKK 5.1 billion. See more in note 3.2 'Impairments', where we have included sensitivity analyses of impairment effects if assumptions to ITC bonus credits change.

Mitigating actions
Actions to mitigate risks are ongoing, such as tracking and mitigating tariff risks on components. Our highly experienced market-facing team is continuously working on a good and constructive dialogue with relevant stakeholders in the US administration regarding any potential changes on tax incentives, and we rely on the solid existing guidance and current frameworks issued. We also include sensitivities on forward-looking tax equity assumptions in our business cases.

Legal compliance

Description
Risks associated with legal compliance are assessed based on financial and reputational significance and probability. Our most significant risks are 1) tax law, 2) financial regulation, and 3) tender law. (1) We operate in tax regimes with different tax rules and rates, and our tax affairs span over corporate tax compliance, transfer pricing, and indirect taxes. (2) We are subject to several financial regulations, such as REMIT, MAR, EMIR, Dodd Frank, MiFID, SFTR, and AML1. The financial regulations are relevant for a large part of our activities. (3) Many of our purchases of goods, services, and work in the EU are subject to EU and local tender rules.

Potential impact
Failure to comply with the above-mentioned rules and regulations may result in severe legal sanctions, such as imprisonment, fines, and damage claims, but will also impact sourcing processes and subsequently increase the risk of project delays.

Mitigating initiatives
(1) We have implemented a comprehensive tax control framework and a mandatory compliance framework, including transfer pricing documentation, in line with OECD recommendations and local requirements. This has been prepared on a contemporary basis to mitigate our tax risks. (2) We have implemented comprehensive policies, procedures, training, and controls for relevant parts of our business to ensure compliance with financial regulations. We also carry out regular training on relevant regulatory topics. (3) To ensure compliance with tender laws, our legal team carries out training courses for procurement teams and e-learning targeted for new employees and has developed comprehensive guidelines on how to apply the standard tender documents. The legal team also works closely together with the procurement team on major tenders.

Performance

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The jack-up vessel Seaway Ventus successfully installed the first of the 83 offshore wind turbines that will make up Borkum Riffgrund 3 in Germany in June 2024. When complete, the offshore wind farm will be Germany's largest, with an installed capacity of 913 MW. It is also the first in the world to have been awarded without any subsidies.

Full-year results

Financial results

Revenue

Power generation from offshore and onshore assets increased by 9% and totalled 33.9 TWh in 2024. The increase was due to ramp-up of generation from our offshore wind farms Greater Changhua 1 and 2a, South Fork, and Gode Wind 3, our onshore wind farm Sunflower, and our solar PV farms Sparta Solar (part of Helena Energy Center), Eleven Mile Solar Center, and Mockingbird. Furthermore, we had higher wind speeds across our portfolio. This was partly offset by lower availability at Hornsea 1 and 2 due to electrical infrastructure issues in the export transmission cables, resulting in periods with curtailment in H1 2024. Further, bad weather conditions in the US in Q1 2024 affected our onshore assets, and the divestment of London Array in Q3 2023 impacted the year-on-year comparison.

Heat generation increased by 5% in 2024, mainly due to colder weather in Q1. Thermal power generation increased by 2%, mainly due to more attractive spreads.

Our renewable share of generation amounted to 97%, an increase of 4 percentage points compared to last year.

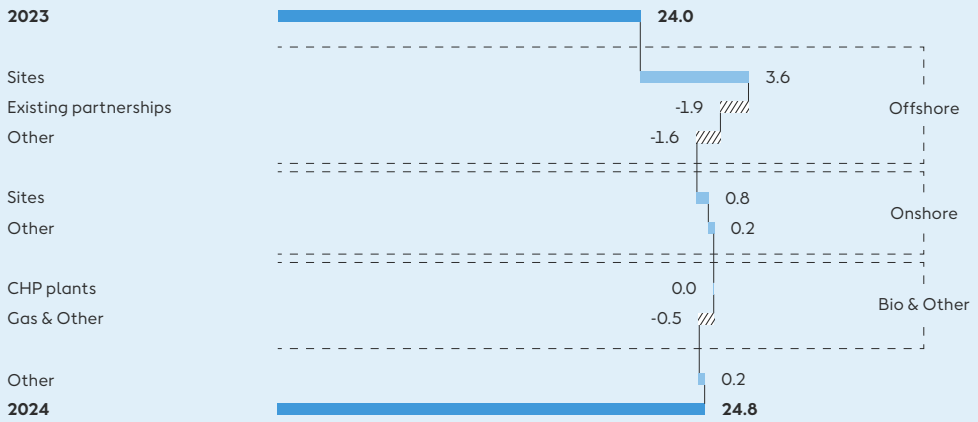
Revenue amounted to DKK 71.0 billion. The decrease of 10% relative to 2023 was mainly due to lower power sales, mainly due to lower volumes sold on third-party contracts with limited impact on EBITDA.

EBITDA

Operating profit (EBITDA) for the year amounted to DKK 32.0 billion, DKK 13.2 billion higher than in 2023. Adjusted for cancellation fees and new partnerships, EBITDA increased by DKK 0.7 billion (3%) to DKK 24.8 billion.

The impact on EBITDA from cancellation fees amounted to an income of DKK 7.3 billion in 2024 and related to Ocean Wind 1 as well as the decision to cease construction of FlagshipONE. As regards Ocean Wind 1, we have finalised the negotiations of several contracts with a better outcome than provided for in 2023, leading to a positive EBITDA impact. This was partly offset by costs related to fulfilling and cancelling contracts for FlagshipONE. In 2023, the cancellation fees related to ceasing development of the Ocean Wind 1 project. Earnings from new partnerships in 2023 primarily related to the divestment of London Array.

EBITDA excluding new partnerships and cancellation fees
DKKbn



Financial results

DKKm	2024	2023	%
Revenue	71,034	79,255	(10%)
EBITDA	31,959	18,717	71%
New partnerships	(127)	4,324	n.a.
Cancellation fees	7,335	(9,621)	n.a.
EBITDA excl. new partnerships and cancellation fees	24,751	24,014	3%
Depreciation and amortisation	(10,225)	(9,795)	4%
Impairment (loss)/reversal	(15,563)	(26,775)	(42%)
Operating profit (loss) (EBIT)	6,171	(17,853)	n.a.
Gain (loss) on divestment of enterprises	(11)	234	n.a.
Financial items, net	(3,591)	(1,443)	149%
Profit before tax	2,606	(19,026)	n.a.
Tax on profit (loss) for the year	(2,590)	(1,156)	124%
Tax rate	99%	(6%)	105%p
Profit (loss) for the year	16	(20,182)	n.a.

EBITDA

DKK 32.0 bn

Earnings from Offshore sites amounted to DKK 23.8 billion, an increase of DKK 3.6 billion compared to 2023. The increase was due to higher wind speeds (DKK 0.4 billion), ramp-up of generation at Greater Changhua 1 and 2a, South Fork, and Gode Wind 3, and higher prices on green certificates and on the inflation-indexed CfD and ROC wind farms. This was partly offset by the lower availability mentioned above and the divestment of London Array in Q3 2023.

In addition, earnings in 'Sites' were positively impacted by DKK 0.9 billion of indirect costs to 'Other' due to a change in allocation method. This had no impact on total EBITDA for Offshore.

EBITDA from existing partnerships decreased by DKK 1.9 billion and amounted to a loss of DKK 1.0 billion in 2024, which mainly related to updated assumptions and increased provision related to operation and maintenance of offshore transmission assets in the UK, higher costs for Borkum Riffgrund 3, which reduced earnings under the construction agreement, and minor adjustments related to farm-downs completed in prior years.

EBITDA from our Onshore business excl. new partnerships amounted to DKK 4.0 billion, DKK 1.0 billion higher than in 2023. The increase was due to ramp-up of generation at Sunflower, Sparta Solar, Mockingbird, and Eleven Mile Solar Center. This was partly offset by periods with bad weather conditions in the US in Q1 2024, resulting in lower availability and generation.

EBITDA from our CHP plants amounted to DKK 1.2 billion in 2024, in line with last year.

EBITDA from our gas business totalled DKK 0.2 billion in 2024, DKK 0.3 billion lower than last year. The decrease was the result of a positive revaluation of our gas at storage in 2023, which was not repeated to the same extent in 2024.

Impairment

Impairment losses had a negative effect in 2024 of DKK 15.6 billion. The main contributors to the net impairment were construction delay and increased costs for Sunrise Wind (DKK 4.3 billion) and Revolution Wind (DKK 3.8 billion), lower valuation of our seabed leases (DKK 4.1 billion), an increase in the US long-dated interest rate (DKK 2.7 billion across our US portfolio), and our decision to cease construction of FlagshipONE (DKK 1.5 billion). This was partly offset by a reversal on our Sunrise Wind project (DKK 1.8 billion) due to its award of a higher OREC by the State of New York. Impairments in 2023 amounted to DKK 26.8 billion, of which DKK 20 billion related to Ocean Wind 1. See note 3.2 'Impairments' for more information.

EBIT

EBIT increased by DKK 24.0 billion to DKK 6.2 billion in 2024. This was mainly due to the higher EBITDA, of which cancellation fees accounted for DKK 17.0 billion (positive impact in 2024 of DKK 7.3 billion and negative impact in 2023 of DKK 9.6 billion), partly countered by the DKK 11.2 billion higher impairments in 2023. Adjusted for cancellation fees and impairments, EBIT amounted to DKK 14.4 billion, down DKK 4.1 billion compared to 2023 due to lower earnings from new partnerships.

Financial income and expenses

Net financial income and expenses amounted to DKK -3.6 billion compared to DKK -1.4 billion in 2023. The higher net expenses were mainly due to gains on interest rate swaps in 2023 not being eligible for hedge accounting and from negative exchange rate adjustments.

Tax and tax rate

Tax on profit for the year amounted to DKK 2.6 billion, DKK 1.4 billion higher than last year. The tax rate in 2024 was 99% and was negatively affected by the recognition of deferred tax liabilities related to tax equity contributions for US projects and net unrecognised deferred tax assets, including effects related to impairment losses and cancellation fees. In 2023, the tax rate of -6% was affected by non-taxable gains on London Array and Gode Wind 3, unrecognised deferred tax assets related to impairment losses and cancellation fees, and a reversal of a recognised deferred tax liability in the US related to the tax equity partnership for Ocean Wind 1. See note 4.2 'Tax on profit (loss) for the year'.

Profit for the year

Profit for the year totalled DKK 0.0 billion, DKK 20.2 billion higher than in 2023. The increase was mainly due to higher EBITDA and lower impairments. Adjusted for cancellation fees and impairments (after tax), profit for the year amounted to DKK 6.4 billion, a decrease of DKK 8.5 billion compared to 2023, driven by lower earnings from new partnerships, higher net finance costs, and higher tax, which was only partly offset by higher underlying EBITDA.

Cash flows and net debt

Cash flows from operating activities

Cash flows from operating activities totalled DKK 18.4 billion in 2024 compared to DKK 28.5 billion in 2023 with negative year-over-year contributions from cancellation fee payments, construction contracts, paid taxes, and lower receipt of previous margin payments. This was partly offset by higher tax equity contributions and part of the proceeds from the partial divestment of four UK wind farms being booked as a prepayment.

During 2024, we had a net cash outflow of DKK 6.3 billion from payments of cancellation fees regarding Ocean Wind 1. These payments are part of 'Change in provisions', which furthermore reflects the DKK 7.3 billion non-cash change in provision we have reserved through EBITDA in 2024 as mentioned above. In 2023, we paid DKK 1.5 billion in cancellation fees and had an opposite impact on 'Change in provisions' related to the DKK 9.6 billion non-cash cancellation fee provision recognised in EBITDA. At the end of 2024, the remaining provision related to the Ocean Wind 1 cancellation fee amounted to DKK 1.6 billion.

During 2024, we released DKK 1.8 billion, net, in variation margin payments on unrealised hedges ('Change in variation margin') and initial margin payments at clearing houses (part of 'Change in other working capital'), whereas we released DKK 9.3 billion in 2023. The changes are specified as follows:

- The variation margin payments were a cash inflow of DKK 1.5 billion vs a cash inflow of DKK 7.1 billion in 2023.
- The initial margin payments were a cash inflow of DKK 0.3 billion vs a cash inflow of DKK 2.2 billion in 2023.

In 2024, we had a net cash outflow from work in progress of DKK 3.8 billion, mainly related to the construction of the Hornsea 3 and Hornsea 4 offshore transmission assets and the construction of Gode Wind 3 for partners, partly offset by milestone payments received for Borkum Riffgrund 3 and Greater Changhua 4. In 2023, we had a cash outflow of DKK 0.7 billion, mainly related to construction of the Hornsea 3 offshore transmission assets and work at Greater Changhua 1, partly offset by the sale of our remaining 50% of the Hornsea 2 offshore transmission assets.

In 2024, we received tax equity contributions for Eleven Mile Solar Center, Sparta Solar, and Mockingbird, while we received tax equity contributions for Sunflower in Onshore and South Fork in Offshore in 2023. In both years, 'Change in tax equity' includes a reversal of the non-cash recognition of tax credits and benefits through EBITDA.

'Change in other working capital' was positively affected by a DKK 6.2 billion prepayment of power related to the divestment of an equity ownership stake in a portfolio consisting of four UK offshore wind farms.

Cash flow and net debt

DKKm	2024	2023	%
Cash flows from operating activities	18,356	28,532	(36%)
EBITDA	31,959	18,717	71%
Reversal of gain (loss) on divestment of assets	(349)	(5,745)	(94%)
Change in derivatives, excl. variation margin	(892)	(2,812)	(68%)
Change in variation margin	1,540	7,086	(78%)
Change in provisions	(13,057)	8,454	n.a.
Other items	(129)	287	n.a.
Interest expense, net	(474)	1,384	n.a.
Paid tax	(6,327)	(2,717)	133%
Change in work in progress	(3,803)	(722)	427%
Change in tax equity liabilities	1,458	374	290%
Change in other working capital	8,430	4,226	100%
Gross investments	(42,808)	(38,509)	11%
Divestments	15,680	1,542	917%
Free cash flow	(8,772)	(8,435)	4%
Net interest-bearing debt at 1 January	47,379	30,571	55%
Free cash flow	8,772	8,435	4%
Dividends and hybrid coupons paid	1,028	6,613	(84%)
Addition of leasing obligations, net	1,076	978	10%
Repurchase of hybrid capital, net	(1,813)	699	n.a.
Exchange rate adjustments, etc.	1,585	83	1,810%
Net interest-bearing debt at 31 December	58,027	47,379	22%

Gain (loss) on sale of assets is part of EBITDA but is presented as part of the 'divestment' cash flow. The EBITDA effect is thus reversed in the specification of cash flows from operating activities.

Key ratios

DKKm, %	2024	2023	%
ROCE, %	4.5	(14.2)	19%p
Adjusted interest-bearing net debt, DKKm	71,392	59,056	21%
FFO/adjusted interest-bearing net debt, %	13.2	28.6	(15%p)

ROCE and FFO/adjusted interest-bearing net debt is specified in notes 2 'Return on capital employed' and 5.1 'Interest-bearing net debt and FFO'.

Investments and divestments

Gross investments amounted to DKK 42.8 billion in 2024. The main investments were:

- offshore wind farms (DKK 33.0 billion), including Greater Changhua 2b and 4 in Taiwan and our portfolio of US and German projects
- onshore wind and solar PV farms (DKK 7.4 billion), including the construction of Eleven Mile Solar Center, Mockingbird, Badger Wind, and our portfolio of European projects
- CHP plants (DKK 2.3 billion), including carbon capture and storage facilities in Denmark.

In 2024, 'Divestments' amounted to DKK 15.7 billion and were mainly related to the divestment of an equity ownership stake in a portfolio consisting of four UK offshore wind farms and a portfolio of four US onshore wind farms, the farm-downs of Greater Changhua 4 and Mockingbird, the sale of the French part of our European Onshore portfolio, and customary compensation to our partners in Hornsea 1 for wake-loss effects.

In 2023, 'Divestments' amounted to DKK 1.5 billion and were related to the divestment of London Array, a 50% farm-down of Gode Wind 3, and our acquisition of Eversource's 50% ownership share of Lease Area 500 and PSEG's 25% equity stake in Ocean Wind 1. As the two US acquisitions are with non-controlling shareholders, they are not included in 'Gross investments' but as part of 'Divestments'.

Interest-bearing net debt

Interest-bearing net debt totalled DKK 58.0 billion at the end of 2024 against DKK 47.4 billion at the end of 2023. The increase was mainly due to a negative free cash flow of DKK 8.8 billion, partly offset by net issuance of hybrid capital in 2024.

Equity and capital employed

Equity

Equity was DKK 93.5 billion at the end of 2024 against DKK 77.8 billion at the end of 2023. The partial divestment of the four UK offshore wind farms and four US onshore wind farms contributed DKK 10.4 billion to non-controlling interests.

Capital employed

Capital employed was DKK 151.5 billion at the end of 2024 against DKK 125.2 billion at the end of 2023, mainly due to new investments.

Financial ratios

Return on capital employed (ROCE)

Return on capital employed (ROCE) was 4.5% in 2024. The increase of 19 percentage points compared to last year was attributable to a higher EBIT due to higher EBITDA and lower impairment losses in 2024. ROCE adjusted for impairment losses and cancellation fees in 2024 was 10.1% vs 12.9% in 2023.

Credit metric (FFO/adjusted net debt)

The funds from operations (FFO)/adjusted net debt credit metric was 13.2% in 2024 against 28.6% in 2023. The decrease was due to lower FFO and higher interest-bearing net debt. Adjusted for cancellation fee payments, the credit metric was 21.6% in 2024.

ESG results

Renewable share of heat and power generation

The renewable share of heat and power generation amounted to 97% in 2024, a 4 percentage point increase compared to 2023. The increase was driven by lower coal-based generation at the CHP plants.

Greenhouse gas emissions

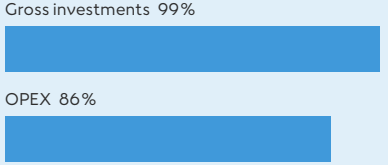
Our greenhouse gas emissions from heat and power generation (scopes 1 and 2) decreased by 54% in 2024 compared to 2023, mainly due to a decrease in the use of fossil fuels, primarily coal, at our CHP plants. Our scope 1 and 2 greenhouse gas intensity decreased to 16 g CO_2e/kWh in 2024 against 38 g CO_2e/kWh in 2023, mainly due to a decrease in scope 1 emissions (numerator) together with an increase in total heat and power generation (denominator).

Our scope 1-3 greenhouse gas intensity (excluding gas sales) increased to 127 g CO_2e/kWh in 2024 against 80 g CO_2e/kWh in 2023, mainly due to scope 3 emissions from commissioned assets (capital goods). In 2024, we commissioned four major solar farms in the US and three offshore wind farms in Taiwan and the US, whereas we only commissioned four onshore wind farms in 2023.

Safety

In 2024, we had 85 total recordable injuries (TRIs), of which 66 injuries were related to contractors' employees. This was an increase of 12 injuries or 16% compared to 2023. Total hours worked increased by 20%, resulting in a decrease in the total recordable injury rate (TRIR) from 2.8 in 2023 to 2.7 in 2024.

Taxonomy-aligned KPIs
Read more about our EU taxonomy-aligned KPIs in our 'Sustainability statements'.



Five-year summary

Financial statements DKKm	2024	2023	2022	2021	2020
Income statement					
Revenue [1]	71,034	79,255	114,417	77,673	50,151
EBITDA	31,959	18,717	32,057	24,296	16,598
Offshore	26,470	13,817	19,569	18,021	14,451
Sites, O&M, and PPAs	23,819	20,207	9,940	13,059	15,177
Construction agreements and divestment gains	(1,065)	5,218	12,277	7,535	1,593
Cancellation fees	7,335	(9,621)	-	-	-
Other	(3,619)	(1,987)	(2,648)	(2,573)	(2,319)
Onshore	3,863	2,970	3,644	1,349	1,112
Bioenergy & Other	1,082	1,523	8,619	4,747	824
Other activities	544	407	225	179	210
Depreciation and amortisation	(10,225)	(9,795)	(9,754)	(7,972)	(7,588)
Impairment	(15,563)	(26,775)	(2,529)	(129)	-
Operating profit (loss) (EBIT)	6,171	(17,853)	19,774	16,195	9,010
Gain (loss) on divestment of enterprises	(11)	234	331	(742)	10,831
Net financial income and expenses	(3,591)	(1,443)	(2,536)	(2,166)	(2,524)
Profit (loss) before tax	2,606	(19,026)	17,609	13,277	17,324
Tax	(2,590)	(1,156)	(2,613)	(2,390)	(1,776)
Profit (loss) for the year	16	(20,182)	14,996	10,887	15,537
Balance sheet					
Assets	298,786	281,136	314,142	270,385	196,719
Equity	93,484	77,791	95,532	85,137	97,329
Shareholders in Ørsted A/S	62,138	56,782	71,743	64,072	81,376
Hybrid capital	20,955	19,103	19,793	17,984	13,232
Non-controlling interests	10,391	1,906	3,996	3,081	2,721
Interest-bearing net debt	58,027	47,379	30,571	24,280	12,343
Capital employed	151,511	125,170	126,103	109,416	109,672
Additions to property, plant, and equipment	46,985	37,954	33,662	43,941	28,442
Cash flow					
Cash flows from operating activities	18,356	28,532	11,924	12,148	16,466
Gross investments	(42,808)	(38,509)	(37,447)	(39,307)	(26,967)
Divestments	15,680	1,542	25,636	21,519	19,039
Free cash flow	(8,772)	(8,435)	113	(5,640)	8,538
Financial ratios					
Return on capital employed (ROCE), %	4.5	(14.2)	16.8	14.8	8.3
FFO/adjusted net debt, %	13.2	28.6	42.7	26.3	65.0
Number of outstanding shares, 31 December, '000	420,381	420,381	420,209	420,175	420,068
Share price, 31 December, DKK	324	374	631	835	1,244
Market capitalisation, 31 December, DKKbn	136	157	265	351	522
Earnings per share (EPS), DKK	(2.2)	(50.1)	34.6	24.3	38.8
Dividend yield, %	-	-	2.1	1.5	0.9

Business drivers	2024	2023	2022	2021	2020
Offshore					
Decided (FID'ed) and installed capacity, GW	16.8	15.5	11.1	10.9	9.9
Installed capacity, GW	9.9	8.9	8.9	7.6	7.6
Generation capacity, GW	5.3	5.0	4.7	4.0	4.4
Wind speed, m/s	10.0	9.8	9.5	9.1	10.0
Load factor, %	42	43	42	39	45
Availability, %	88	93	94	94	94
Power generation, GWh	18,599	17,761	16,483	13,808	15,248
Power sales, GWh	19,967	21,448	23,194	25,020	29,152
Onshore					
Decided (FID'ed) and installed capacity, GW	7.0	6.4	6.2	4.7	3.4
Installed capacity, GW	6.2	4.8	4.2	3.4	1.7
Wind speed [2], m/s	7.2	7.2	7.4	7.4	7.6
Load factor [2], wind, %	37	36	40	42	45
Load factor [2], solar PV, %	25	24	25	24	-
Availability [2], wind, %	90	88	93	96	96
Availability [2], solar PV, %	98	98	98	96	-
Power generation, GWh	15,315	13,374	13,146	8,352	5,738
Bioenergy & Other					
Degree days, number	2,485	2,585	2,548	2,820	2,432
Heat generation, GWh	6,919	6,587	6,368	7,907	6,671
Power generation, GWh	4,522	4,437	6,012	6,890	4,438
Power sales, GWh	2,426	2,627	5,399	8,797	11,623
Gas sales, GWh	17,372	16,880	31,637	61,349	90,347
Sustainability statements					
Employees (FTE), end of year, number	8,278	8,905	8,027	6,836	6,179
Total recordable injury rate (TRIR)	2.7	2.8	3.1	3.0	3.6
Fatalities, number	0	0	0	0	0
Renewable share of energy generation, %	97	93	91	90	90
GHG emission (scopes 1 & 2), million tonnes	0.7	1.6	2.5	2.1	1.9
GHG intensity (scopes 1 & 2), g CO_2e/kWh	16	38	60	58	58
GHG intensity (scopes 1-3 excl. gas sales), g CO_2e/kWh	127	80	147	165	162
GHG emissions (scope 3), million tonnes	9.0	5.6	11.0	18.2	25.3

[1] In 2023, we changed our accounting policy on recognition of revenue from the settlement of failed own-use contracts related to power. The change only impacts revenue and cost of sales with no impact on EBITDA. The comparisons for 2022 have been adjusted, but 2020-2021 numbers have not been adjusted. The related power volumes in 2022 and 2023 have consequently been netted.

[2] For 2021-2020, these business drivers are for US only.

Fourth quarter

Group financial performance

EBITDA

Operating profit (EBITDA) for the fourth quarter amounted to DKK 8.4 billion, DKK 9.0 billion higher than in 2023. Adjusted for cancellation fees and new partnerships, EBITDA decreased by DKK 1.1 billion to DKK 7.6 billion. Of this, Offshore contributed with DKK 5.8 billion (down DKK 1.0 billion from Q4 2023), Onshore contributed with DKK 1.1 billion (up DKK 0.6 billion from Q4 2023), and Bioenergy & Other contributed with DKK 0.9 billion (down DKK 0.6 billion from Q4 2023).

The impact on EBITDA from cancellation fees was an income of DKK 0.9 billion in Q4 2024 and related to changes in the provision for onerous contracts for Ocean Wind 1. New partnerships in Q4 2024 related to the divestment of Mockingbird and Greater Changhua 4, whereas new partnerships in Q4 2023 related to the divestment of Gode Wind 3.

Impairment losses

We had net impairments of DKK 12.1 billion in Q4 2024 related to our US portfolio. The negative development was driven by an increase in long-dated interest rates in the US (DKK 4.3 billion across the portfolio), revaluation of our Ocean Wind and Skipjack seabed leases (DKK 3.5 billion), as well as construction delays and higher expected costs due to increased risk related to Sunrise Wind (DKK 4.3 billion excl. interest rate impact). See note 3.2 'Impairments' for more information.

Tax and tax rate

Tax on profit for the quarter amounted to a net income of DKK 0.7 billion compared to an expense of DKK 0.8 billion in Q4 2023. The tax rate was 10% and was impacted by net unrecognised deferred tax assets, including impairment losses and cancellation fees.

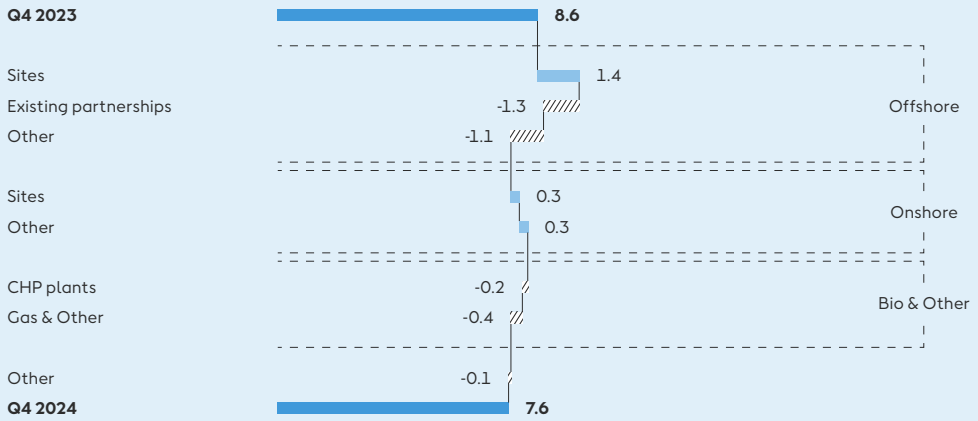
Cash flows from operating activities

Cash flows from operating activities totalled DKK 10.3 billion in Q4 2024 compared to DKK 6.2 billion in Q4 2023 with positive year-over-year contributions from a prepayment related to the partial divestment of four UK wind farms, tax equity contributions, and lower cash outflows related to financial instruments and construction contracts, partly offset by cancellation fee payments, higher paid taxes, and lower unwinding of previous margin payments.

During Q4 2024, we had a net cash outflow of DKK 0.4 billion from payments of cancellation fees regarding Ocean Wind 1 (part of 'Change in provisions').

During Q4 2024, cash flows from variation margin payments on unrealised hedges ('Change in variation margin') and initial margin payments at clearing houses (part of 'Change in other working capital') were net neutral, whereas we released DKK 3.0 billion in Q4 2023.

EBITDA excluding new partnerships and cancellation fees
DKKbn



Financial results

DKKm	Q4 2024	Q4 2023	%
Revenue	21,077	21,530	(2%)
EBITDA	8,353	(686)	n.a.
New partnerships	(127)	317	n.a.
Cancellation fees	926	(9,621)	n.a.
EBITDA excl. new partnerships and cancellation fees	7,554	8,618	(12%)
Depreciation and amortisation	(2,571)	(2,366)	9%
Impairment (loss)/reversal	(12,127)	1,647	n.a.
Operating profit (loss) (EBIT)	(6,345)	(1,405)	352%
Gain (loss) on divestment of enterprises	34	(44)	n.a.
Financial items, net	(457)	2,001	n.a.
Profit (loss) before tax	(6,761)	557	n.a.
Tax	677	(841)	n.a.
Tax rate	10%	151%	(141%p)
Profit (loss) for the period	(6,084)	(284)	n.a.

Cash flow and net debt

DKKm	Q4 2024	Q4 2023	%
Cash flows from operating activities	10,306	6,170	67%
EBITDA	8,353	(686)	n.a.
Reversal of gain (loss) on divestment of assets	(83)	(692)	(88%)
Change in derivatives, excl. variation margin	203	(4,202)	n.a.
Change in variation margin	74	2,690	(97%)
Change in provisions	(1,466)	8,330	n.a.
Other items	(56)	354	n.a.
Interest expenses, net	158	2,259	(93%)
Paid tax	(3,147)	(587)	436%
Change in work in progress	(399)	(1,761)	(77%)
Change in tax equity partner liabilities	155	(527)	n.a.
Change in other working capital	6,514	992	558%
Gross investments	(17,114)	(13,039)	31%
Divestments	13,317	1,861	616%
Free cash flow	6,509	(5,008)	n.a.
Net interest-bearing debt, beginning of period	62,817	42,892	46%
Free cash flow	(6,509)	5,008	n.a.
Dividends and hybrid coupon paid	535	440	22%
Addition to lease obligations, net	36	13	177%
Exchange rate adjustments, etc.	1,148	(974)	n.a.
Net interest-bearing debt, end of period	58,027	47,379	22%

In Q4 2024, we had a net cash outflow from work in progress of DKK 0.4 billion, mainly related to the construction of the Hornsea 3 offshore transmission assets and the construction of Borkum Riffgrund 3 and Greater Changhua 1. This was partly offset by milestone payments from partners in Greater Changhua 4. In Q4 2023, we had a net cash outflow of DKK 1.8 billion, mainly related to the construction of the Hornsea 2 and Hornsea 3 offshore transmission assets and the construction of Greater Changhua 1 and Borkum Riffgrund 3.

In Q4 2024, we received new tax equity contributions for Mockingbird, while we did not receive any new tax equity contributions in Q4 2023.

Change in 'Other working capital' was positively affected in Q4 2024 by a DKK 6.2 billion prepayment of power related to the divestment of an equity ownership stake in a portfolio consisting of four UK offshore wind farms.

Investments and divestments

Gross investments amounted to DKK 17.1 billion in Q4 2024. The main investments were:

- offshore wind farms (DKK 13.4 billion), including Greater Changhua 2b and 4 in Taiwan and our portfolio of US and German projects
- onshore wind and solar PV farms (DKK 2.7 billion), including the construction of Eleven Mile Solar Center, Mockingbird, and our portfolio of European projects.

In Q4 2024, 'Divestments' amounted to DKK 13.3 billion and were mainly related to the divestment of an equity ownership stake in a portfolio consisting of four UK offshore wind farms and the farm-downs of Greater Changhua 4 and Mockingbird. In Q4 2023, divestments amounted to DKK 1.9 billion and were mainly related to the 50% farm-down of Gode Wind 3.

Offshore

Financial results for Q4 2024

Power generation decreased by 5% to 5.7 TWh in Q4 2024 due to lower wind speeds. This was partly offset by ramp-up of generation at South Fork and Gode Wind 3.

Wind speeds amounted to a portfolio average of 11.1 m/s, which was lower than in Q4 2023 (11.5 m/s) and the normal wind speeds expected in the fourth quarter (11.5 m/s).

Availability was 94%, which was 2 percentage points higher than in the same period last year, due to scheduled outages and component replacements in Q4 2023 not being repeated to the same extent in Q4 2024.

Revenue was at the same level as 2024 and amounted to DKK 16.2 billion.

Revenue from offshore wind farms in operation increased by 2% to DKK 8.6 billion, mainly driven by increased revenue from CfD contracts, ROCs, and green certificates, only partly offset by lower generation. Revenue from power sales decreased by 8% to DKK 6.2 billion, due to lower volumes sold on third-party contracts. Revenue from construction agreements mainly related to the construction of Borkum Riffgrund 3 for partners.

EBITDA increased by DKK 9.3 billion and amounted to DKK 6.6 billion.

EBITDA from 'Sites, O&M, and PPAs' increased by DKK 1.4 billion and amounted to DKK 8.5 billion in Q4 2024. The increase was driven by ramp-up of generation from Gode Wind 3 and South Fork, higher revenue from CfDs, ROCs and green certificates as well as lower costs and higher O&M fees in Q4 2024. This was only partly offset by lower wind speeds (DKK 1.0 billion). In addition, we have reallocated DKK 0.9 billion of indirect costs from 'Sites' to 'Other' at year end.

EBITDA from 'Construction agreements and divestment gains' amounted to DKK -0.9 billion in Q4 2024 and mainly related to updated assumptions and an increased provision related to operation and maintenance of offshore transmission assets in the UK and higher costs for Borkum Riffgrund 3, which reduced earnings under the construction agreement. In Q4 2023, earnings mainly related to the divestment of Gode Wind 3.

EBITDA from cancellation fees amounted to a net income of DKK 0.9 billion in Q4 2024 and related to changes in the provision for onerous contracts for Ocean Wind 1. In Q4 2023, we had a negative effect from cancellation fees related to our decision to cease the development of Ocean Wind 1.

EBITDA from 'Other' was DKK 1.1 billion more negative than in Q4 2023, of which DKK 0.9 billion related to the cost reallocation, which had no impact on the total EBITDA for Offshore.

Results	Q4 2024	Q4 2023	%	2024	2023	%
Business drivers						
Decided (FID'ed) and installed capacity, GW	16.8	15.5	7%	16.8	15.5	7%
Installed capacity, GW	9.9	8.9	12%	9.9	8.9	12%
Generation capacity, GW	5.3	5.0	5%	5.3	5.0	5%
Wind speed, m/s	11.1	11.5	(3%)	10.0	9.8	2%
Load factor, %	51	56	(4%p)	42	43	(1%p)
Availability, %	94	92	2%p	88	93	(5%p)
Power generation, GWh	5,740	6,011	(5%)	18,599	17,761	5%
Denmark	596	623	(4%)	2,061	1,970	5%
The United Kingdom	3,064	3,434	(11%)	10,357	10,887	(5%)
Germany	701	733	(4%)	2,356	2,076	13%
The Netherlands	362	490	(26%)	1,333	1,449	(8%)
APAC	923	705	31%	2,220	1,291	72%
The US	94	26	253%	272	88	210%
Power sales, GWh	5,839	6,244	(6%)	19,967	21,448	(7%)
Power price, LEBA UK	117	117	21%	88	116	(21%)
British pound	9.0	8.6	4%	8.8	8.6	3%
Financial performance, DKKm						
Revenue	16,203	16,058	1%	53,808	58,427	(8%)
Sites, O&M, and PPAs	8,613	8,425	2%	26,627	23,304	14%
Power sales	6,190	6,729	(8%)	18,486	27,495	(33%)
Construction agreements	719	784	(8%)	6,991	6,589	6%
Other	681	120	468%	1,704	1,039	64%
EBITDA	6,639	(2,611)	n.a.	26,470	13,817	92%
Sites, O&M, and PPAs	8,533	7,164	19%	23,819	20,207	18%
Construction agreements and divestment gains	(894)	676	n.a.	(1,065)	5,218	n.a.
Cancellation fees	926	(9,621)	n.a.	7,335	(9,621)	n.a.
Other	(1,926)	(830)	132%	(3,619)	(1,987)	82%
Depreciation	(1,808)	(1,628)	11%	(7,091)	(6,815)	4%
Impairment losses	(11,355)	1,462	n.a.	(14,242)	(25,526)	(44%)
EBIT	(6,524)	(2,777)	135%	5,137	(18,524)	n.a.
Cash flow from operating activities	12,193	6,005	103%	12,931	21,209	(39%)
Gross investments	(13,404)	(9,690)	38%	(33,023)	(28,613)	15%
Divestments	12,147	1,790	579%	11,293	1,500	653%
Free cash flow	10,936	(1,895)	n.a.	(8,799)	(5,904)	49%
Capital employed	103,599	83,574	24%	103,599	83,574	24%

Onshore

Financial results for Q4 2024

Power generation increased by 21% compared to Q4 2023 and amounted to 4.1 TWh. The increase was due to ramp-up of generation at Sunflower, Sparta Solar (part of Helena Energy Center), Mockingbird, and Eleven Mile Solar Center. In Q4 2024, the wind speeds across the portfolio were 7.5 m/s, slightly below Q4 2023 and a normal wind year (7.7 m/s).

Revenue was slightly below Q4 2023 and amounted to DKK 0.6 billion.

EBITDA for Q4 2024 amounted to DKK 1.1 billion, which was DKK 0.5 billion higher than the same period last year. The increase was mainly due to the mentioned ramp-up of generation from new assets in operation, lower project development costs, and a gain on sale of components.

Divestment gain/(loss) for Q4 2024 amounted to DKK -0.1 billion and related to the 50% farm-down of Mockingbird. As part of the transaction, DKK 0.3 billion of previously expensed deferred tax liabilities related to tax equity contributions were reversed in the tax line item.

Results	Q4 2024	Q4 2023	%	2024	2023	%
Business drivers						
Decided (FID'ed) and installed capacity, GW	7.0	6.4	5%	7.0	6.4	9%
Installed capacity, GW	6.2	4.8	29%	6.2	4.8	29%
Wind speed, m/s	7.5	7.6	(1%)	7.2	7.2	0%
Load factor, wind, %	40	36	3%p	37	36	1%p
Load factor, solar PV, %	20	17	4%p	25	24	1%p
Availability, wind, %	90	85	6%p	90	88	2%p
Availability, solar PV, %	98	98	0%p	98	98	(0%p)
Power generation, GWh	4,086	3,376	21%	15,315	13,374	15%
The US, wind	2,925	2,640	11%	10,939	10,124	8%
The US, solar PV	883	391	126%	3,346	2,131	57%
Europe, wind and solar PV	278	344	(19%)	1,030	1,119	(8%)
US dollar	7.0	6.9	1%	6.9	6.9	0%
Financial performance, DKKm						
Revenue	554	598	(7%)	2,720	2,620	4%
EBITDA	1,061	525	102%	3,863	2,970	30%
Sites	374	394	(5%)	1,396	1,256	11%
Tax credits and tax attributes	904	590	53%	3,253	2,567	27%
Divestment gains/(loss)	(88)	-	n.a.	(88)	-	n.a.
Other	(129)	(460)	(72%)	(697)	(854)	(18%)
Depreciation	(523)	(498)	5%	(2,190)	(1,957)	12%
Impairment losses	(772)	507	n.a.	(1,321)	(927)	42%
EBIT	(234)	534	n.a.	352	86	309%
Cash flow from operating activities	1,420	(11)	n.a.	4,459	609	632%
Gross investments	(2,698)	(3,024)	(11%)	(7,391)	(9,069)	(19%)
Divestments	1,171	3	n.a.	4,430	5	n.a.
Free cash flow	(107)	(3,032)	(96%)	1,498	(8,455)	n.a.
Capital employed	39,443	35,634	11%	39,443	35,634	11%

Bioenergy & Other

Financial results for Q4 2024

Heat generation decreased by 1 % in Q4 2024, mainly due to warmer weather. Power generation increased by 37 % due to improved wood pellet spreads for power condensing generation.

Gas sales increased by 32 %, driven by our offtake contract with DUC as a consequence of the ramp-up of production from the Tyra field (not owned by Ørsted).

EBITDA amounted to DKK 0.9 billion compared to DKK 1.4 billion in Q4 2023.

EBITDA from 'CHP plants' was DKK 0.7 billion, DKK 0.2 billion lower than in Q4 2023. This was mainly due to a contractual compensation in Q4 2023 from Energinet, the Danish TSO, for keeping three of our power stations operational, which was not repeated in 2024. This was only partly offset by higher sales of ancillary services, higher generation, and better spreads.

EBITDA from 'Gas Markets & Infrastructure' decreased by DKK 0.3 billion to DKK 0.2 billion in Q4 2024. The decrease was driven by a positive effect from revaluation of our gas at storage during Q4 2023, which was not repeated to the same extent in Q4 2024.

Results	Q4 2024	Q4 2023	%	2024	2023	%
Business drivers						
Degree days	846	966	(12 %)	2,485	2,585	(4 %)
Heat generation, GWh	2,367	2,385	(1 %)	6,919	6,587	5 %
Power generation, GWh	1,428	1,042	37 %	4,522	4,437	2 %
Gas sales, GWh	4,016	3,041	32 %	17,372	16,880	3 %
Power sales, GWh	635	628	1 %	2,426	2,627	(8 %)
Gas price, TTF, EUR/MWh	42.8	43.3	5 %	34.3	41.4	(16 %)
Power price, DK, EUR/MWh	88.1	91.1	24 %	70.7	89.3	(16 %)
Green dark spread, DK, EUR/MWh	(10.9)	(5.4)	102 %	(25.9)	(25.8)	(30 %)
Wood pellet spread, DK, EUR/MWh	8.4	(0.5)	n.a.	6.4	4.3	49 %
Financial performance, DKKm						
Revenue	4,456	5,235	(15 %)	15,105	19,230	(21 %)
EBITDA	869	1,434	(39 %)	1,082	1,523	(29 %)
CHP plants	679	836	(19 %)	1,248	1,218	2 %
Gas Markets & Infrastructure	245	589	(58 %)	249	558	(55 %)
Other	(55)	9	n.a.	(415)	(253)	64 %
Depreciation	(171)	(180)	(4 %)	(667)	(759)	(12 %)
Impairment losses	-	(322)	n.a.	-	(322)	n.a.
EBIT	698	932	(25 %)	415	442	(6 %)
Cash flow from operating activities	(1,094)	358	n.a.	1,939	2,550	(24 %)
Gross investments	(950)	(374)	154 %	(2,250)	(727)	209 %
Divestments	-	64	n.a.	-	61	n.a.
Free cash flow	(2,044)	48	n.a.	(311)	1,884	n.a.
Capital employed	5,679	4,655	22 %	5,679	4,655	22 %

Quarterly summary, 2023–2024

Financial statements	2024				2023			
DKKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement								
Revenue	21,077	15,766	15,023	19,168	21,530	17,441	14,565	25,719
EBITDA	8,353	9,548	6,570	7,488	(686)	9,173	3,320	6,910
Offshore	6,639	8,530	5,218	6,083	(2,611)	8,037	2,979	5,412
Sites, O&M, and PPAs	8,533	3,958	4,400	6,928	7,164	4,050	3,135	5,859
Construction agreements and divestment gains	(894)	106	6	(283)	676	4,245	340	(42)
Cancellation fees	926	5,109	1,300	-	(9,621)	-	-	-
Other	(1,926)	(643)	(488)	(562)	(830)	(258)	(496)	(405)
Onshore	1,061	991	995	816	525	819	792	834
Bioenergy & Other	869	(185)	(36)	434	1,434	155	(583)	517
Other activities/eliminations	(216)	212	393	155	(34)	162	132	147
Depreciation and amortisation	(2,571)	(2,548)	(2,683)	(2,423)	(2,366)	(2,537)	(2,454)	(2,438)
Impairment	(12,127)	(284)	(3,913)	761	1,647	(28,422)	-	-
Operating profit (loss) (EBIT)	(6,345)	6,716	(26)	5,826	(1,405)	(21,786)	866	4,472
Gain (loss) on divestment of enterprises	34	14	(7)	(52)	(44)	(50)	159	169
Net financial income and expenses	(457)	(1,235)	(552)	(1,347)	2,001	(128)	(1,797)	(1,519)
Profit (loss) before tax	(6,761)	5,508	(575)	4,434	557	(21,955)	(763)	3,135
Tax	677	(339)	(1,103)	(1,825)	(841)	(607)	225	67
Profit (loss) for the period	(6,084)	5,169	(1,678)	2,609	(284)	(22,562)	(538)	3,202
Balance sheet								
Assets	298,786	290,341	286,002	290,383	281,136	286,782	296,466	306,644
Equity	93,484	91,127	83,368	83,325	77,791	78,361	103,548	102,826
Shareholders in Ørsted A/S	62,138	65,987	56,446	58,709	56,782	57,304	82,379	78,551
Hybrid capital	20,955	20,955	22,792	22,792	19,103	19,103	19,103	19,793
Non-controlling interests	10,391	4,185	4,130	1,824	1,906	1,954	2,066	4,482
Interest-bearing net debt	58,027	62,817	49,366	49,864	47,379	42,892	43,924	35,261
Capital employed	151,511	153,944	132,734	133,189	125,170	121,253	147,471	138,087
Additions to property, plant, and equipment	19,111	11,375	8,479	8,020	12,064	10,988	6,963	7,939
Cash flows								
Cash flows from operating activities	10,306	(1,639)	6,081	3,608	6,170	9,796	2,447	10,119
Gross investments	(17,114)	(9,780)	(8,292)	(7,622)	(13,039)	(9,204)	(7,498)	(8,768)
Divestments	13,317	108	2,993	(738)	1,861	1,735	(2,038)	(16)
Free cash flow	6,509	(11,311)	782	(4,752)	(5,008)	2,327	(7,089)	1,335
Financial ratios								
Return on capital employed (ROCE), % LTM	4.5	8.1	(12.4)	(12.2)	(14.2)	(13.7)	13.2	13.8
FFO/adjusted net debt, % LTM	13.2	12.6	22.7	18.7	28.6	20.9	17.7	37.4
Number of outstanding shares, end of period, '000	420,381	420,381	420,381	420,381	420,381	420,381	420,381	420,381
Share price, end of period, DKK	324	445	371	384	374	385	645	583
Market capitalisation, end of period, DKKbn	136	187	156	162	157	162	271	245
Earnings per share (EPS), DKK	(15.8)	12.0	(4.1)	5.7	(1.6)	(53.8)	(1.4)	6.7

	2024				2023			
Business drivers	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Offshore								
Decided (FID'ed) and installed capacity, GW	16.8	16.8	16.8	16.5	15.5	12.0	12.0	12.0
Installed capacity, GW	9.9	9.9	9.8	9.8	8.9	8.9	8.9	8.9
Generation capacity, GW	5.3	5.2	5.1	5.1	5.0	5.0	4.9	4.7
Wind speed, m/s	11.1	8.4	9.0	11.4	11.5	8.6	8.1	10.9
Load factor, %	51	31	33	52	56	33	29	53
Availability, %	94	89	83	85	92	93	91	95
Power generation, GWh	5,740	3,522	3,667	5,670	6,011	3,544	3,044	5,162
Power sales, GWh	5,839	4,010	3,854	6,264	6,244	3,948	4,158	7,098
Onshore								
Decided (FID'ed) and installed capacity, GW	7.0	6.4	6.4	6.4	6.4	6.2	6.2	6.2
Installed capacity, GW	6.2	5.7	5.6	4.8	4.8	4.8	4.6	4.5
Wind speed, m/s	7.5	6.2	7.4	7.9	7.6	6.2	6.7	8.1
Load factor, wind, %	40	26	41	42	36	27	35	45
Load factor, solar PV, %	20	31	29	18	17	32	30	16
Availability, wind, %	90	87	92	89	85	85	92	91
Availability, solar PV, %	98	97	97	98	98	98	98	99
Power generation, GWh	4,086	3,270	4,187	3,772	3,376	2,927	3,321	3,750
Bioenergy & Other								
Degree days, number	846	79	360	1,200	966	53	409	1,157
Heat generation, GWh	2,367	332	935	3,285	2,385	234	790	3,178
Power generation, GWh	1,428	805	805	1,484	1,042	781	917	1,697
Power sales, GWh	635	577	581	633	628	566	556	877
Gas sales, GWh	4,016	4,138	4,051	5,167	3,041	5,355	4,016	4,468
Sustainability statements								
Employees (FTE), end of period, number	8,278	8,377	8,411	8,706	8,905	8,906	8,661	8,422
Total recordable injury rate (TRIR)	2.7	2.3	2.1	2.9	2.8	2.9	2.6	2.7
Fatalities, number	0	0	0	0	0	0	0	0
Renewable share of energy generation, %	99	96	97	97	95	94	97	89
GHG emissions (scopes 1 & 2), million tonnes	0.1	0.3	0.2	0.2	0.4	0.3	0.2	0.7
GHG intensity (scopes 1 & 2), g CO_2e/kWh	5	40	16	14	25	46	24	52
GHG intensity (scopes 1-3, excl. gas sales), g CO_2e/kWh	65	194	262	57	62	94	77	90
GHG emissions (scope 3), million tonnes	1.7	2.2	3.3	1.8	1.2	1.6	1.3	1.5

Corporate governance

→

Solar panels are just one part of the Eleven Mile Solar Center in Pinal County near Phoenix, Arizona, the US. The 300 MW facility, which was commissioned in 2024, also features battery storage that can hold 1,200 MWh of power. The combination of solar and storage allows for a highly reliable supply of renewable energy to help power homes and businesses – and, in this case, Meta's planned data centre in Mesa, Arizona.

Governance framework

As a publicly listed company, Ørsted is subject to the recommendations on corporate governance issued by the Danish Committee on Corporate Governance.

Compliance with corporate governance recommendations

We comply with all the Danish corporate governance recommendations. A separate overview describing our compliance with each of the recommendations can be found here.

Shareholders and general meetings

The Danish State is our majority shareholder with a 50.1 % ownership share. The Danish State exercises its ownership interest in Ørsted in accordance with the ordinary governance set-up in Danish companies. The Danish State's ownership policy (only in Danish) is available on: fm.dk/udgivelser/2015/april/statens-ejerskabspolitik/.

The shareholders of Ørsted exercise their right to vote at the general meeting through a one-share-one-vote principle. The general meeting adopts decisions in accordance with the ordinary Danish rules. Due to our majority ownership by the Danish State, we have a bespoke quorum requirement, as proposals to amend our articles of association or dissolve the company require that the Danish State participates in the general meeting and supports the proposals.

The general meeting appoints a board of non-executive directors (the Board of Directors), who, together with the executive directors appointed by the board (the Executive Board), is responsible for the management of the company.

Board of Directors

The Board of the Directors is, together with the Executive Board, responsible for the management of the company.

Each year at the annual general meeting, the shareholders elect six to eight board members. In addition, our employees may elect members corresponding to half of the board members elected by the general meeting pursuant to Danish mandatory rules.

Our Board of Directors currently comprises ten members, six members elected by the general meeting and four members elected by the employees. In 2024, the election of employee-elected board members covered all employees globally for the first time.

The Board of Directors is responsible for the overall strategic management of the company. 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. You can see the most important tasks in 2024 on the next page.

The Board of Directors monitors and oversees performance on material sustainability impacts, risks, opportunities, progress related to our sustainability priorities, and achievement of our sustainability targets, including our net-zero carbon reduction targets for scope 1-3 emissions. ESG and sustainability priorities are an integral part of the decision-making governance of the Board of Directors, and an update on our sustainability targets and progress is presented to them annually. Read more about our sustainability governance on pages 63-64.

The Board of Directors reviews the required competences for its composition annually. The list of required competences can be found at orsted.com/competences-overview.

We have a diverse Board of Directors. As three out of the six board members elected by the general meeting and two out of four board members elected by the employees are women, we have a fully equal representation on the board.

The age of our board members spans from 49 to 70 years old among the board members elected by the general meeting and from 30 to 57 years old among board members elected by the employees.

Our governance model

Meeting attendance	Board of Directors		Nomination & Remuneration Committee		Audit & Risk Committee	Asset Project Committee	
Board members	Ordinary	Extraordinary	Ordinary	Extraordinary	Ordinary	Ordinary	Extraordinary
Lene Skole	7/0	8/0	3/0	1/0			
Annica Bresky	7/0	8/0			4/1	4/0	3/1
Andrew Brown	7/0	8/0	2/0	1/0		4/0	4/0
Julia King	7/0	7/1	3/0	1/0		4/0	4/0
Peter Korsholm	7/0	8/0			6/0		
Dieter Wemmer	7/0	5/3			6/0		
Benny Gøbel	7/0	8/0					
Leticia Francisca Torres Mandiola[1]	3/0	3/3					
Anne Cathrine Collet Yde	7/0	8/0					
Ian McCalder	6/0	6/0					

The numbers indicate how many meetings in 2024 the members have attended or not attended, respectively, during the year.
[1] Laticia joined the Board of Directors on 4 October 2024.

Our board members have different educational backgrounds within finance, economics, geophysics, and engineering and professional experience from diverse industries, private equity, private investments, and academia. A description of the individual board members, including any other managerial positions, independence, and the contribution of the individual board members to the required board competences, can be found on the following pages. Their meeting attendance during 2024 can be found above.

The Board of Directors evaluates its performance annually. In 2024, the board evaluation was conducted by distributing a customised online survey to all members of the Board of Directors and the Group Executive Team, and findings were subsequently discussed at a board meeting. The overall score, although slightly lower than in 2023, was satisfactory. The board evaluation identified relevant focus areas for the Board of Directors, which among other things included how to further strengthen the visibility of succession planning to the board.

The general meeting determines the remuneration for the members of the Board of Directors for the financial year in which the general meeting is held. In the separate remuneration report, you can read more about the remuneration of the Board of Directors. Below, you can find a link to the 'Remuneration report' and a link to our statutory report on data ethics, prepared in accordance with the Danish Financial Statements Act, section 99 d.

→ orsted.com/remuneration2024
orsted.com/data-ethics2024

Important tasks 2024
– managed by the Board of Directors

Investments, acquisitions, and divestments
Final investment decisions on the offshore wind project Sunrise Wind, the battery energy storage systems co-located with the Hornsea 3 Offshore Wind Farm and with the Old 300 Solar Center, respectively, and preparation for the FID on Baltica 2 early 2025.

Build-out of our offshore wind portfolio, including bids in tenders in the UK, the US, and Taiwan and the acquisition of the remaining 50% share of the Sunrise Wind offshore wind project from Eversource.

Divestment of 12.45% of four operational UK offshore wind farms to Brookfield and a partial divestment of four operational US onshore wind farms to Stonepeak, farm-down of the offshore wind farm Greater Changhua 4 in Taiwan to Cathay Life Insurance, a partial divestment of the solar farm Mockingbird to Energy Capital Partners, and an agreement to partially divest the solar farm Sparta Solar and the battery storage project Eleven Mile Solar Center to Energy Capital Partner, with closings expected in 2025.

Decision to enter into partnership with Nordsøfonden and Equinor to explore the possibility of storing CO_2 in the subsurface.

Decision to cease development of the Swedish e-fuels project FlagshipONE.

Other tasks
Decision to update our business plan, financial targets, and financial policies.

Decision to update the executive management structure, including the appointment of a Deputy CEO and Chief Commercial Officer (CCO), a new CFO, and a new Chief Operating Officer (COO).

Establishment of the Asset Project Committee, which assists the Board of Directors in overseeing the planning, execution, and delivery of asset projects.

Oversight of recurring portfolio reviews and actions to improve capital structure.

Issuance of green subordinated bonds to proactively manage the hybrid capital portfolio and finance renewable energy projects in accordance with our 'Green finance framework'.

Oversight of financial results and guidance, including impairments.

Oversight of sustainability performance and reporting, including double materiality results.

Oversight of the results from the 2024 employee satisfaction survey, including the focus areas identified by the Group Executive Team.

Board of Directors

Lene Skole

*1959, Denmark, she/her

Elected by the general meeting
Independent

2015 Joined as Deputy Chair
2024 Elected Chair
2025 Current election period expires

// ESRS 2, GOV-1
Experience
Highly experienced in managing listed companies from her former position as CFO of Coloplast and current position as CEO of Lundbeckfonden where she serves as a non-executive director of portfolio companies of Lundbeckfonden.

Managerial functions in other enterprises
CEO Lundbeckfonden and Lundbeckfond Invest A/S
Chair LFI Equity A/S[1] Deputy Chair ALK-Abelló A/S[1], H. Lundbeck A/S[1], Falck A/S[1], and Nordea Bank Abp.

Board committee memberships in other enterprises
Member of the Remuneration and Nomination Committee of Falck A/S, member of the Nomination & Remuneration Committee and the Scientific Committee of ALK-Abelló A/S, member of the Nomination & Remuneration Committee and the Scientific Committee of H. Lundbeck A/S, and member of the Audit Committee of Nordea Bank Abp. //

Management competences
General · Financial · Risk · Stakeholder

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Environment Decarbonisation · Biodiversity
Social People management and equity, diversity & inclusion · Health & safety Governance Business conduct //

Other competences
Investor and capital market relationships

[1] Board positions included in the position as CEO of the Lundbeck Foundation.

Andrew Brown

*1962, United Kingdom, he/him

Elected by the general meeting
Not independent (former position as interim COO of Ørsted)

2023 Joined as board member
2024 Elected Deputy Chair
2025 Current election period expires

// ESRS 2, GOV-1
Experience
Extensive international executive experience from leading positions in large global organisations, operations, and projects with both Shell (ExCom) and Galp (CEO) and from his former position as interim COO of Ørsted. Also, non-executive experience as Vice Chair of SBM Offshore.

Other positions
Advisor of ZeroAvia Inc. and President of the council of the Energy Institute (EI). //

Management competences
General · Project · Stakeholder

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Environment Decarbonisation Social People management and equity, diversity & inclusion · Health & safety · Human rights · Community impact Governance Business conduct //

Other competences
Investor and capital market relationships

Annica Bresky

*1975, Sweden, she/her

Elected by the general meeting
Independent

2023 Joined
2024 Most recently re-elected
2025 Current election period expires

// ESRS 2, GOV-1

Experience

Extensive industrial and leadership experience from global listed companies within the forestry, paper, and packaging industry, from her former positions as President and CEO of Stora Enso and as CEO of Holmen Iggesund Paperboard. A deep knowledge of sustainability transformation and policy development in the EU and globally.

Managerial functions in other enterprises

Chair Permascand Top Holding AB Member Vaisala Oyj, Fagerhult Group AB (publ), Nordstjernan AB, and Stegra AB.

Board committee memberships in other enterprises

Member of the Nomination Committee and the People and Sustainability Committee of Vaisala Oyj and member of the Risk, Audit, and Sustainability Committee of Stegra AB.

Other positions

Member of the Royal Swedish Academy of Engineering Sciences (IVA). //

Management competences

General · Financial · Risk · Project · Stakeholder

// ESRS 2, GOV-1; ESRS G1, GOV-1

ESG competences

Environment Decarbonisation · Biodiversity · Circularity Social People management and equity, diversity & inclusion · Health & safety · Human rights · Community impact Governance Business conduct //

Other competences

IT, digitalisation & cybersecurity · Investor and capital market relationships · Innovation

Julia King

The Baroness Brown of Cambridge
*1954, United Kingdom, she/her

Elected by the general meeting
Independent

2021 Joined
2024 Most recently re-elected
2025 Current election period expires

// ESRS 2, GOV-1

Experience

Strong international background within engineering in both industry and academia, including Rolls-Royce plc, Cambridge University, and Imperial College. A deep knowledge of renewable energy and government policy perspectives from positions, among others, as member of the Committee on Climate Change and non-executive director of the Green Investment Bank.

Managerial functions in other enterprises

Chair The Carbon Trust and Frontier IP Group Plc.
Non-executive director Ceres Power Holdings Plc (Senior Independent Director).

Board committee memberships in other enterprises

Chair of the ESG Committee and member of the Remuneration Committee and the Nomination Committee of Ceres Power Holdings Plc and member of the Remuneration Committee of Frontier IP Group Plc.

Other positions

Crossbench Peer in the UK House of Lords, and Chair of the Adaptation Committee of the Committee on Climate Change. //

Management competences

General · Financial · Project · Stakeholder

// ESRS 2, GOV-1; ESRS G1, GOV-1

ESG competences

Environment Decarbonisation · Biodiversity · Circularity Social People management and equity, diversity & inclusion · Health & safety · Human rights · Community impact Governance Business conduct //

Other competences

IT, digitalisation & cybersecurity · Innovation

Peter Korsholm

*1971, Denmark, he/him

Elected by the general meeting
Independent

2017 Joined
2024 Most recently re-elected
2025 Current election period expires

// ESRS 2, GOV-1

Experience

Extensive M&A experience from his time as Partner and Head of EQT Partners Denmark and from private investments. Also experience with financial reporting, risk management, and capital markets from his former position as CFO of AAK AB.

Managerial functions in other enterprises

CEO DSVM Invest A/S, DSV Miljø Group A/S, Togula ApS, and Totalleveranser Sverige AB.
Chair Flügger group A/S, Nymølle Stenindustrier A/S, Totalleveranser Sverige AB, United Fintech Group Limited, Lion Danmark I ApS, two wholly-owned subsidiaries of Lion Danmark I ApS (Lomax Group), and Too Good to Go Holding ApS.
Member DSVM Invest A/S and eight wholly-owned subsidiaries of DSVM Invest A/S, BCHG Holding A/S, Projektselskabet Teglbuen A/S, and two-wholly owned subsidiaries of BCHG Holding A/S.

Board committee memberships in other enterprises

Member of the Nomination & Remuneration Committee of Flügger group A/S and member of the Remuneration Committee and the Finance, Risk and Audit Committee of Too Good To Go Holding Aps. //

Management competences

General · Financial · Risk · Stakeholder

// ESRS 2, GOV-1; ESRS G1, GOV-1

ESG competences

Environment Circularity Social People management and equity, diversity & inclusion Governance Business conduct //

Other competences

Investor and capital market relationships

Dieter Wemmer

*1957, Switzerland, he/him

Elected by the general meeting
Independent

2018 Joined
2024 Most recently re-elected
2025 Current election period expires

// ESRS 2, GOV-1

Experience

Highly experienced in capital markets, investments, and risk management from leading positions within the finance sector, including as former CFO of Allianz and Zurich Insurance.

Managerial functions in other enterprises

Chair Marco Holding, plc and one wholly-owned subsidiary of Marco Holding, plc. //

Management competences

General · Financial · Risk · Stakeholder

// ESRS 2, GOV-1; ESRS G1, GOV-1

ESG competences

Environment Decarbonisation Social People management and equity, diversity & inclusion · Human rights · Community impact Governance Business conduct //

Other competences

IT, digitalisation & cybersecurity · Investor and capital market relationships

Benny Gøbel

*1967, Denmark, he/him

Elected by the employees
Not independent

2011 Joined
2024 Most recently re-elected
2026 Current election period expires

// ESRS 2, GOV-1
Experience
Benny Gøbel has worked in Ørsted since 2005.

Position
Senior Mechanical Specialist, Commercial. //

Leticia Francisca Torres Mandiola

*1994, Chile, she/her

Elected by the employees
Not independent

2022 On the board from April 2022 to March 2024. Re-elected as alternate in March 2024. Rejoined the board in October 2024
2026 Current election period expires

// ESRS 2, GOV-1
Experience
Leticia Francisca Torres Mandiola has worked in Ørsted since 2018.

Position
Lead Strategy Consultant, Commercial. //

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Environment Decarbonisation Social People management and equity, diversity & inclusion //

Other competences
IT, digitalisation & cybersecurity · Innovation

Ian McCalder

*1984, Canada, he/him

Elected by the employees
Not independent

2024 Joined
2026 Current election period expires

// ESRS 2, GOV-1
Experience
Ian McCalder has worked in Ørsted since 2014.

Position
Radio Communication Project Specialist, EPC //

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Social People management and equity, diversity & inclusion · Health & safety Governance Business conduct //

Other competences
IT, digitalisation & cybersecurity · Innovation

Anne Cathrine Collet Yde

*1983, Denmark, she/her

Elected by the employees
Not independent

2022 Joined
2024 Most recently re-elected
2026 Current election period expires

// ESRS 2, GOV-1
Experience
Anne Cathrine Collet Yde has worked in Ørsted since 2017.

Position
Head of HR Business Partners Europe, People & Culture. //

Management competences
Project · Stakeholder

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Social People management and equity, diversity & inclusion · Health & safety · Human rights · Community impact //

Board committees

The Board of Directors has established three committees, consisting of members appointed by and among the members of the Board of Directors: The Audit & Risk Committee, the Nomination & Remuneration Committee, and the Asset Project Committee.

Audit & Risk Committee

Dieter Wemmer (Chair), Peter Korsholm, and Annica Bresky are the members of this committee.

The tasks of the committee include overseeing the integrity of the financial and sustainability reporting (including key accounting estimates and judgements), funding, liquidity, and capital structure development, financial and business-related risks, compliance with statutory and other requirements from public authorities, internal controls, nomination of external auditors, and IT security in operational and administrative areas and in cybersecurity. Moreover, the committee approves the framework governing the work of Ørsted's external and internal auditors (including limits for non-audit services), evaluates the external auditors' independence and qualifications, and monitors the company's whistleblower scheme.

In 2024, the committee reviewed impairments on our property, plant, and equipment with a high attention to our US offshore wind projects, monitored the development in provisions for onerous contracts and cancellation fees, continued working on strengthening the 'Risk management framework', and continued the work on implementing CSRD.

Furthermore, the committee worked on strengthening the internal control framework, continued to assess the claim made by the Danish Tax Agency requiring double Danish taxation of certain of our British offshore wind farms, and lastly, reviewed the progress in IT security.

Our Internal Audit function reports to the committee and is independent of our administrative management structures. Internal Audit enhances and protects the organisational value by providing risk-based and objective assurance, advice, and insight. The focus for Internal Audit is to audit and advise on our core processes, governance, risk management, control processes, and IT security.

// ESRS G1, GOV-1

The Chair of the Audit & Risk Committee is responsible for managing our whistleblower scheme. Internal Audit receives and handles any reports submitted. //

Our employees and other associates may report serious offences, such as cases of bribery, fraud, and other inappropriate or illegal conduct, to our whistleblower scheme or through our management system. In 2024, 14 substantiated cases of inappropriate or unlawful behaviour were reported through our whistleblower scheme. A total of ten cases related to good business conduct policy violations, while three cases concerned the workplace environment, and one case was classified as 'other'. None of the reported cases were critical to our business, nor did they cause adjustments to our financial results. Additionally, no cases required reporting to the police.

Whistleblower cases are taken very seriously, and we continuously enhance the awareness of good business conduct through education and awareness campaigns to minimise future similar cases.

You can read more about the Audit & Risk Committee and the terms of reference for the committee at orsted.com/audit-risk-committee.

Nomination & Remuneration Committee

Lene Skole (Chair), Andrew Brown, and Julia King are the members of this committee.

The committee assists the Board of Directors in matters regarding the composition, remuneration, and performance of the Board of Directors and the Group Executive Team.

In 2024, the committee reviewed the executive management structure and discussed the appointments of Rasmus Errboe as Deputy CEO and Chief Commercial Officer (CCO), Trond Westlie as new Chief Financial Officer (CFO), and Patrick Harnett as new member of the Group Executive Team and Chief Operating Officer (COO). The committee also reviewed the structure and KPIs used in the variable pay for Executive Board members as well as an update of the peer group used in the long-term incentive scheme.

You can read more about the Nomination & Remuneration Committee and the terms of reference for the committee at orsted.com/nomination-remuneration-committee.

Asset Project Committee

In May 2024, the Board of Directors established the Asset Project Committee. Andrew Brown (Chair), Julia King, and Annica Bresky are the members of this committee.

The committee assists the Board of Directors with overseeing the planning, execution, and delivery of asset projects to ensure they meet the company's strategic objectives, budget, and timelines.

In 2024, the committee reviewed and discussed several updates on our asset projects. These updates included our project and operating model, project top risks, portfolio risks, risk management, supply chain status, bid submissions, project specific costs and schedule updates, and final investment decisions.

You can read more about the Asset Project Committee and the terms of reference for the committee at orsted.com/asset-project-committee.

Group Executive Team

The Executive Board is appointed by the Board of Directors and is in charge of the day-to-day management of Ørsted through the Group Executive Team in accordance with the guidelines and instructions given by the Board of Directors.

Rasmus Errboe (Group President and CEO), Trond Westlie (CFO), and Henriette Fenger Ellekrog (Chief HR Officer) are members of the Executive Board and registered as executives with the Danish Business Authority. All members of the Executive Board are also part of the Group Executive Team, which in addition consists of Patrick Harnett (Chief Operating Officer).

By February 2025, female representation constitutes 33.3 % of our Executive Board. We have not set a target to increase gender diversity among 'other managerial levels' as defined under Danish law. The Danish rules regarding gender diversity among 'other managerial levels' do not apply to us, as the average number of full-time employees in Ørsted A/S did not exceed 50 in 2024.

We describe the remuneration of the Executive Board in the separate remuneration report. You can also find information about the members of the Group Executive Team on page 52.

Management committees

The Group Executive Team is supported by committees whose members are appointed by the Group Executive Team. The committees are the QHSE Committee, the Compliance Committee, and the Cybersecurity Committee. More information about the management committees can be found on the next page.

Ørsted has also established three supportive decision forums to support the Group Executive Team on sustainability matters. See pages 63-64 for a detailed description of our sustainability governance

Sustainability commitment

The Group Executive Team sets the strategic direction on sustainability and is accountable for oversight and performance on sustainability impacts, risks, and opportunities. Moreover, they present proposals for sustainability targets to the Board of Directors for approval. The Group Executive Team is involved in all major decisions and is updated regularly on progress. Each Group Executive Team member is accountable for sustainability topics relevant for their line of business and is responsible for driving progress. Read more on pages 63-64.

Internal controls environment

We have established internal control systems to identify and mitigate risks in financial and sustainability reporting by setting up targets, policies, manuals, procedures, and controls.

We conduct an annual risk assessment to identify risks of material misstatements in financial reporting based on materiality, process complexity, and the probability of errors and omissions.

In preparation for the CSRD, a plan was established to perform walkthroughs to identify risks, reassess existing controls, and identify additional controls for sustainability reporting. This initiative started in 2024 and will continue until the end of 2025.

We have established a unified governance for financial and sustainability reporting. The Audit & Risk Committee monitors our financial and sustainability reporting processes, including a review of the risk assessment, the internal controls, and their operating effectiveness.

We are committed to ensuring the accuracy of our financial and sustainability reporting. Our financial reporting is audited by an independent audit firm elected at the annual general meeting. Our sustainability data is subject to limited assurance by the same independent auditor. All observations in the external auditor's long-form report and management letter are addressed by action plans with allocation of responsibilities and deadlines, and we regularly follow up on and review them.

Rasmus Errboe
Group President and CEO

Trond Westlie
CFO

Henriette Fenger Ellekrog
CHRO

Patrick Harnett
COO

Management committees appointed by the Group Executive Team

QHSE Committee

This committee oversees that we live up to our QHSE (quality, health, safety, and environment) priorities, and it reviews our QHSE strategy and policy. In addition, the committee reviews our integrated management system, 'way we work', conducts the management review as required by our ISO certifications, and monitors the performance of our QHSE programmes to ensure compliance with rules and regulations as well as agreed international standards.

The committee consists of the Chief Operating Officer, the Head of QHSE, the Head of Procurement, the Head of Engineering, the Head of Project Services, the Head of Region Europe Generation, and the Head of Global Stakeholder Relations. The QHSE Committee, chaired by the Chief Operating Officer, meets six times a year.

Compliance Committee

This committee oversees our group-wide legal compliance programmes. It provides instructions to our Chief Compliance Officer and compliance officers for each of the legal compliance programmes on management's risk tolerance, reviews recommendations regarding the legal compliance programmes, and appoints the compliance officers.

The committee's members are the CEO, the CFO, the Chief HR Officer, the Chief Compliance Officer, and the Head of Internal Audit. The Compliance Committee, chaired by the CEO, meets at least twice a year.

Cybersecurity Committee

This committee oversees and guides our strategy, our global risk tolerance, and our investment choices within cybersecurity and information security. It supports significant global initiatives and oversees the compliance with cybersecurity and information security laws and regulations, including the European Network & Information Security 2 Directive.

The committee is cross-functional and consists of the CFO, the Chief Operating Officer, the Chief Information Officer, the Chief Information Security Officer, and the Head of Legal. The Cybersecurity Committee, chaired by the CFO, meets four times a year.

Sustainability Governance

In 2024, our sustainability governance was redesigned to provide clearer executive accountability for sustainability matters across Ørsted. The revised governance comprises new supportive decision forums for our strategic priorities, decarbonisation, biodiversity, and community impact, and a Human Rights Task Force to support compliance with the upcoming EU directive CSDDD. The forums will assist the accountable persons in the Group Executive Team in progressing according to set roadmaps. For additional details, please refer to pages 63-64.

Rasmus Errboe

*1979, Denmark, he/him

Group President and Chief Executive Officer (CEO)

Member of the Executive Board and registered as an executive of Ørsted A/S with the Danish Business Authority

Education
MA (Law), University of Copenhagen (2006), MBA, University of San Diego (2011)

// ESRS 2, GOV-1
Professional experience

2025:
Ørsted, Group President and CEO

2024:
Ørsted, Deputy CEO and Chief Commercial Officer (CCO)

2023:
Ørsted, interim Chief Financial Officer (CFO) and member of the Executive Board

2022:
Ørsted, Executive Vice President and CEO of Region Europe (member of Ørsted's Group Executive Team)

2012 – 2022:
Ørsted, most recently Senior Vice President, Head of Continental Europe, Offshore

2006-2012:
Kromann Reumert, law firm, most recently as Attorney-at-Law

Board committee memberships in other enterprises
Member of the Main Board of the Confederation of Danish Industries (DI). //

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Environment Decarbonisation · Biodiversity Social People management and equity, diversity & inclusion · Health & safety · Community impact Governance Business conduct //

Trond Westlie

*1961, Norway, he/him

Executive Vice President and Group Chief Financial Officer (CFO)

Member of the Executive Board and registered as an executive of Ørsted A/S with the Danish Business Authority

Education
MSc in Auditing and is a Chartered Accountant, Norges Handelshøyskole (1987)

// ESRS 2, GOV-1
Professional experience

2024:
Ørsted, Executive Vice President and Group Chief Financial Officer (CFO)

2017-2019:
VEON, Group CFO

2010-2016:
A.P. Moller-Maersk, Group CFO and member of the Executive Board

2004-2009:
Telenor, Group CFO and Executive Vice President

1997-2004:
Aker Group, most recently as Group CFO and Executive Vice President in Aker Kvaerner

Managerial functions in other enterprises
Chair: Arendals Fossekompani //

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Environment Decarbonisation · Circularity Social People management and equity, diversity & inclusion · Health & safety · Human rights · Community impact Governance Business conduct //

Henriette Fenger Ellekrog

*1966, Denmark, she/her

Executive Vice President and Chief HR Officer (CHRO)

Member of the Executive Board and registered as an executive of Ørsted A/S with the Danish Business Authority

Education
MA in Business Languages (cand.ling.merc), Copenhagen Business School (1992)

// ESRS 2, GOV-1
Professional experience

2022:
Ørsted, member of the Executive Board

2019:
Ørsted, Executive Vice President and Chief HR Officer (CHRO)

2014 – 2019:
Danske Bank A/S, most recently as Chief HR Officer

2007 – 2014:
SAS AB, most recently as Deputy CEO, Executive Vice President, HR & Communication

1998 – 2007:
TDC A/S, most recently as Senior Executive Vice President, Chief of Staff, member of the Executive Management Team

1992 – 1998:
Peptech (Europe) A/S and Mercuri Urval A/S: Various positions

Managerial positions in other enterprises
Board member: NV Bekaert SA (member of the Nomination & Remuneration Committee) and SAS AB (Chair of the Remuneration Committee). //

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Environment Decarbonisation · Biodiversity Social People management and equity, diversity & inclusion · Health & safety · Human Rights Governance Business conduct //

Patrick Harnett

*1976, United Kingdom, he/him

Executive Vice President and Chief Operating Officer (COO), Head of EPC

Member of the Group Executive Team

Education
MSc in Electromechanical Engineering, Durham University (1999), and Master of Business Administration (MBA), University of Hull (2004)

// ESRS 2, GOV-1
Professional experience

2024:
Ørsted, Chief Operating Officer (COO) and member of the Group Executive Team, Head of EPC

2016-2024:
Ørsted, most recently as Head of European Execution Programmes

2012-2016:
Centrica, most recently as Head of Solar and Managing Director of the British gas solar business

2005-2011:
EDF Energy, most recently as Electrical Systems Project Manager //

// ESRS 2, GOV-1; ESRS G1, GOV-1
ESG competences
Environment Decarbonisation · Biodiversity · Circularity Social People management and equity, diversity & inclusion · Health & safety · Human rights · Community impact Governance Business conduct //

Summary of our remuneration report

The overall objective of the remuneration policy is to attract and retain qualified members of the Board of Directors and the Executive Board. The policy includes remuneration elements that support our strategy, long-term interests, and sustainability.

Remuneration policy (extract)

The overall objective of our remuneration policy is to support the Ørsted Group's strategy, long-term interests, and sustainability.

To attain this objective, the policy is designed to attract and retain qualified members of the Board of Directors and the Executive Board and to guide the priorities of the Executive Board.

The remuneration should be competitive but not market-leading compared to the remuneration in other major listed Danish companies with international activities. The full remuneration policy is available at orsted.com/remuneration2024.

Remuneration of the Board of Directors

The members of the Board of Directors receive a fixed fee each year. The Chair and the members of the committees also receive a multiple of the fixed fee for the extra work performed in these roles. The members' travel costs are covered by the company. The members are not entitled to severance payments. The fees did not increase in 2024.

Remuneration of the Executive Board

Besides a fixed salary, the Executive Board participates in a variable short-term incentive scheme (STI), which consists of 70% shared financial and ESG KPIs aligned with our strategic targets:

- Financial: EBITDA and capital planning
- ESG: CDP climate score, relative scope 1 and 2 GHG emissions, employee satisfaction, gender diversity, and safety

The remaining 30% of the STI consists of individual business and leadership targets. Furthermore, the Executive Board is eligible to participate in a long-term share-based incentive scheme (LTI), which consists of 100% total shareholder return (TSR) performance benchmarked against ten industry peers.

Remuneration in 2024

The remuneration awarded to our Executive Board in 2024 was in line with our remuneration policy. The Executive Board's shared STI score ended at 31%. In the LTI, which vested in April 2024, Ørsted was ranked as the last when benchmarked on TSR against ten comparable energy companies. As a result, no shares were settled at the end of the performance and vesting period.

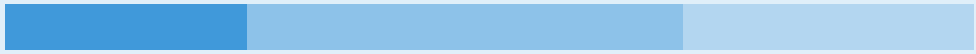
For more information, please see the full remuneration report.

Remuneration awarded (DKK '000)	**2024**	**2023**
Board of Directors		
Fixed annual fee[1]	6,430	6,907
Executive Board:[2]		
Fixed remuneration		
Fixed base salary	37,557	27,849
Benefits, incl. social security	1,116	858
Variable remuneration		
Cash-based inventive scheme (STI)	4,676	3,712
Share-based inventive scheme (LTI)[3]	5,066	2,719
Ordinary remuneration	**48,415**	**35,138**
Garden leave period	-	7,071
Severance pay	-	6,210
Total remuneration	**54,845**	**55,325**

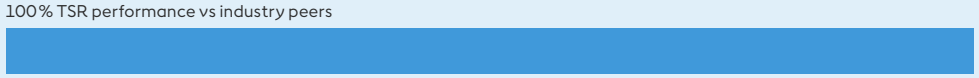
Remuneration awarded
The table shows the total remuneration awarded to members of the Board of Directors and the Executive Board in aggregate from 2023 to 2024. For remuneration expensed, see note 2.7 'Employee costs' of the consolidated financial statements.

[1] Based on an ordinary board fee of DKK 0.4 million, equal to last year's fee.
[2] In 2023, Executive Board members included former CFO Daniel Lerup.
[3] The remuneration from the share-based incentive programme (LTI) reflects the market value of the scheme in the year when it was granted.

STI
Short-term incentive scheme, components



LTI
Long-term incentive scheme, components



Shareholder information

The Ørsted share closed 2024 at DKK 324, corresponding to a market value of DKK 136 billion at the end of the year.

Price development for the Ørsted share in 2024

The Ørsted share decreased by 13 % in 2024. The share price of comparable European utility companies decreased by 2 % (2 % total return), and the OMX C25 cap decreased by 2 % (0 % total return) in 2024.

The highest traded share price of the year was DKK 455 on 9 October, while the year's lowest traded price of DKK 324 was on 30 December. The Ørsted share closed 2024 at DKK 324, corresponding to a market value of DKK 136 billion at the end of the year.

The average daily turnover on Nasdaq Copenhagen was 592,236 shares in 2024. The trading volume decreased by 12 % compared to 2023.

Share capital

Ørsted's share capital is divided into 420 million shares, enjoying the same voting and dividend rights.

The company's share capital remained unchanged in 2024. At the end of 2024, the company held a total of 146 thousand treasury shares, which will be used to cover incentive schemes.

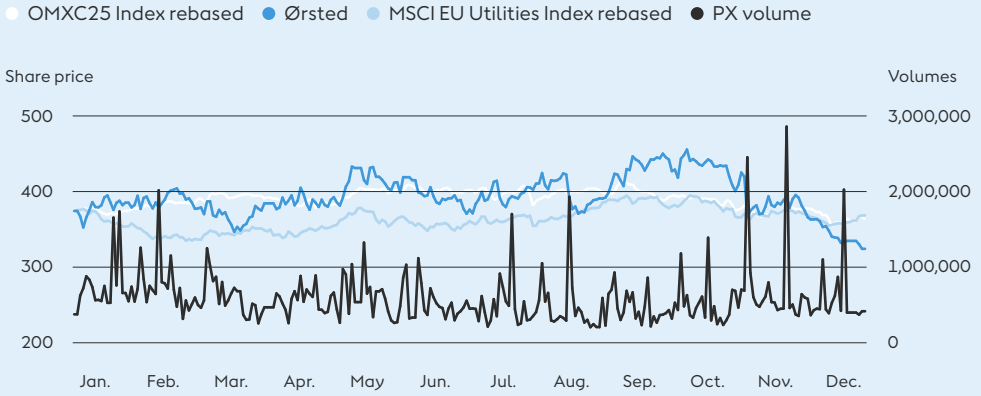
Composition of shareholders

At the end of the year, the number of shareholders had decreased by 8 % to 122,432, and the majority (63 %) is held by Danish owners. The figure on the next page shows the composition of our shareholders by country. Approx. 2.4 % of the share capital is owned by Danish retail investors.

Annual general meeting and dividends

The annual general meeting will be held on 3 April 2025. The Board of Directors has decided to pause dividend payments for the financial year years 2023-2025. Hereafter, the intention is to reinstate dividend payments.

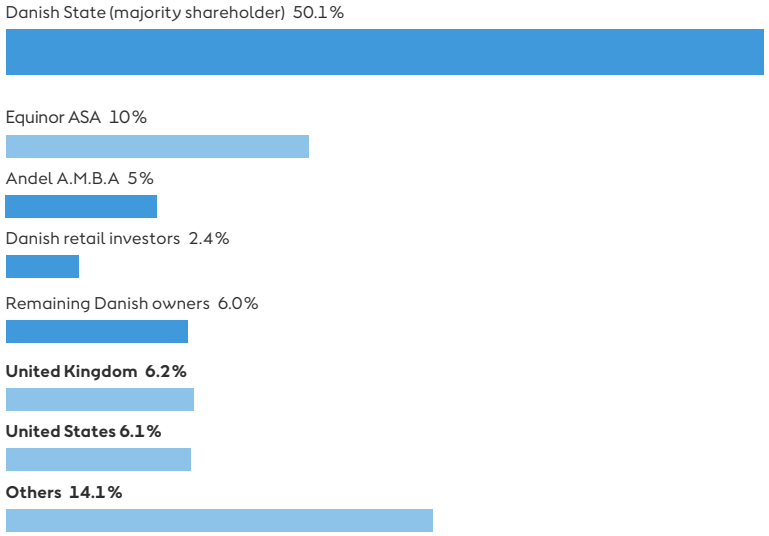
Share price development 2024
Ørsted share price compared to peers (indexed)



Share data	2024	2023	2022	2021	2020
Earnings per share, DKK	(2.2)	(50.1)	34.6	24.3	38.8
Proposed dividend per share, DKK	-	-	13.5	12.5	11.5
Dividend yield, %	-	-	2.1	1.5	0.9
Share price, year-end, DKK	324	374	631	835	1,244
Share price, high, DKK	455	704	898	1,400	1,273
Share price, low, DKK	324	253	575	790	574
Market capitalisation, year-end, DKKbn	136	157	265	351	522
Average trading per day, thousands of shares	592,236	671,952	496,899	549,778	516,919

Share information	
ISIN	DK 0060094928220
Share classes	1
Nominal value	DKK 10 per share
Exchange	Nasdaq OMX Copenhagen
Ticker	ORSTED
Registered share	99.2 %
Number of shares	420,381,080 shares
Number of treasury shares	146,317 shares

Shareholders as of 31 December 2024
Share capital and/or voting share %



Investor relations

To achieve a fair pricing of our shares and corporate bonds, we seek to ensure a high level of transparency and stability in our financial communication. In addition, our management and our Investor Relations function engage in regular dialogues with investors and analysts. The dialogues take the form of quarterly conference calls, roadshows, conferences, capital markets days, and regular meetings with individual or groups of investors and analysts. The dialogues are subject to certain restrictions prior to the publication of our financial reporting.

In 2024, we had more than 450 meetings with the financial market and participated in more than 30 investor events.

Ørsted is covered by 35 equity analysts and 10 bond analysts. Their recommendations and consensus estimates for Ørsted's future financial performance are available at orsted.com/en/investors. On this site, you can also download our annual and interim reports, our remuneration report, our investor presentations, and a wide range of other data.

Selected company announcements in 2024

19 February
New Chair and Deputy Chair of Ørsted's Board of Directors

27 February
Ørsted appoints new Group CFO and COO

13 March
Ørsted divests share of four US onshore wind farms to Stonepeak

21 March
Ørsted updates its executive management structure and appoints Rasmus Errboe as Deputy CEO

29 April
Ørsted to divest its French onshore business

29 August
Ørsted shuts down its last combined coal-fired heat and power plant

3 September
Ørsted's Hornsea 3 and Hornsea 4 awarded capacity in UK allocation round 6.

30 October
Ørsted divests share of four UK offshore wind farms to Brookfield

11 December
Ørsted brings in Cathay Life Insurance as investor in Greater Changhua 4 Offshore Wind Farm

18 December
Ørsted divests shares in three US solar and battery storage projects to Energy Capital Partners

Financial calendar 2025

6 February	Annual report 2024
3 April	Annual general meeting

Interim reports:

7 May	The first quarter of 2025
13 August	The first half-year of 2025
5 November	The first nine months of 2025

Sustainability statements

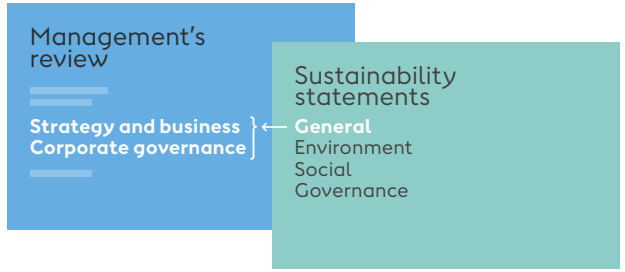
Contents
Sustainability statements

How to read the sustainability statements

Our management report consists of two parts: the management's review and the sustainability statements. Our sustainability statements are structured according to the four overall sections in the European Sustainability Reporting Standards (ESRS): 'General', 'Environment', 'Social', and 'Governance'. Most of our ESRS disclosures can be found in these four sections. However, some of the disclosures from the cross-cutting standard ESRS 2 are best suited to be read in the management's review and remuneration report and therefore have been 'incorporated by reference'.

The specific ESRS disclosure requirements are marked throughout the sustainability statements and management's review, starting and ending with '///'. In our data tables with metrics, we have also included the data point reference from the ESRS standards. We provide additional entity specific data points where necessary, marked with 'entity spec.'.

Information on where we have reported on ESRS disclosure requirements can be found on pages 60-62.



General

→

The offshore wind farms Greater Changhua 1 and 2a are Taiwan's first large-scale offshore wind farms. They have a tatal capacity of 900 MW and produce renewable energy for Taiwanese households.

Basis for preparation

// ESRS 2, BP-1

General basis for preparation of sustainability statements

Frameworks and data selection

The sustainability statements are prepared in accordance with the ESRS standards adopted by the EU Commission. All the disclosures included in the E, S, and G sections have either been assessed as material according to our double materiality assessment (DMA) or are mandatory according to the ESRS standards.

// ESRS 2, BP-2

All greenhouse gas emissions (GHG scopes 1-3) are reported based on the Greenhouse Gas Protocol. //

Consolidation

The sustainability statements have been prepared on a consolidated basis. The data is consolidated according to the same principles as the financial statements and thus comprises the parent company Ørsted A/S and subsidiaries controlled by Ørsted A/S. Joint operations are included with Ørsted's proportionate share. Associates and joint ventures are not included in the consolidated data. For the reporting of absolute scope 1 and 2 GHG emissions, we also report the difference between total scope 1 and 2 GHG emissions using operational control of the sites we operate as consolidation principle compared to scope 1 and 2 totals using our standard financial consolidation of the entities, as per ESRS disclosure requirement E1-6, data point 50. Consolidation of all data follows the principles above, unless otherwise specified in the accounting policies.

Value chain

The sustainability statements cover our upstream and downstream value chain as the related impacts, risks, and opportunities have been identified and assessed in our DMA. Selected policies, actions, and targets extend to our value chain, where relevant.

Measurement basis

The accounting policies have been applied consistently in the financial year and for comparative figures. Calculation factors used are listed on the pages with the relevant metrics, together with references.

External review

Our auditor PwC has performed limited assurance of our sustainability statements (please see the auditor's limited assurance report on page 255). //

// ESRS 2, BP-2

Disclosures related to specific circumstances

Sources of estimation and outcome uncertainty (including value chain estimation)

We make assessments and estimates for the reporting of some data points using indirect sources, including sector-average data and proxies. This includes our resource inflow metrics and EU taxonomy KPIs. For our scope 3 GHG emissions reporting, we use estimates in the way that we generally use activity data combined with emissions factors. It is not feasible to obtain accurate supplier-specific data and emissions factors for all of our scope 3 GHG emissions categories. Therefore, in some cases, we use broader, more generic activity data or emissions factors and extrapolate these to cover data gaps that we might have. We describe the basis for preparation of these estimates in our accounting policies.

We regularly reassess our use of estimates and judgements based on experience, the development of ESG reporting, and several other factors. Changes in estimates are recognised in the period in which the estimate in question is revised.

Changes in preparation or presentation of sustainability information

For adjustments to financial numbers presented in the sustainability statements, we follow the financial statements. We have a policy for adjustments to ESG metrics to support our assessment as to whether we should restate previously reported numbers in case we discover an error or change the accounting policy. If we assess that a restatement is necessary based on materiality, we clearly indicate what the restatement is in the relevant table with the metric.

Changes in 2024

We have updated parts of our EU taxonomy accounting policy in 2024, which has triggered a restatement of some of our 2023 data.

Firstly, in 2023, we reported our natural gas-based thermal energy generation activity as non-eligible, despite recognising that it was an activity in the Complementary Climate Delegated Act, as it accounted for less than 1.0% of revenue, EBITDA, CAPEX, and OPEX, and therefore was assessed as not material to report as taxonomy-eligible. However, we have decided to report the activity as taxonomy-eligible (but not taxonomy-aligned) in 2024, reflecting official EU taxonomy reporting guidance that states materiality levels may not be used. For transparency and comparability reasons, we have also applied this updated accounting policy to the 2023 numbers for revenue, EBITDA, CAPEX, and OPEX.

Secondly, we have updated our accounting policy regarding taxonomy-aligned revenue and CAPEX adjusted for green bonds financing. Previously, we have adjusted both the numerator and denominator in the KPIs, but we have updated our approach in 2024, so only the numerator is adjusted, reflecting official EU taxonomy reporting guidance. We have also applied this updated accounting policy to the 2023 numbers, which has triggered a restatement of these two KPIs. //

ESRS disclosure requirements

Content index

The tables to the right and on the following pages list all of the ESRS disclosure requirements in ESRS 2 and the seven topical ESRS standards which are material to Ørsted, and which have guided the preparation of our sustainability statements. They can be used to navigate to information relating to a specific ESRS disclosure requirement (e.g. BP-1) or to our 'entity specific data points'. They also show where to find information relating to specific disclosure requirements that lie outside of the sustainability statements and is 'incorporated by reference'. Our remuneration report is published as a separate report.

// E2, IRO-1; E3, IRO-1

Immaterial ESRS standards

We have omitted all the disclosure requirements in the topical standards ESRS 'E2 Pollution', ESRS 'E3 Water and marine resources', and ESRS 'S4 Consumers and end-users', as these topics were deemed immaterial in our DMA. For ESRS E2 and ESRS E3, we identified and assessed impacts, risks, and opportunities following the same methodology and process steps as for the topics deemed material. This was informed by environmental impact assessments, risk registers, reported data, and other documentation, such as asset-specific conditions for management of pollution and water imposed by local authorities, which is particularly relevant for our CHP plants. However, none of the identified IROs were assessed as material for these two topics due to the high minimum environmental requirements imposed by authorities in the countries where we operate our assets. //

// ESRS 2, IRO-2 and BP-2

Cross-cutting standards
ESRS 2 · General disclosures (incl. incorporation by reference)

BP-1
General basis for preparation of the sustainability statements
SUS · page 59

BP-2
Disclosures in relation to specific circumstances
SUS · pages 59-62

GOV-1
The role of the administrative, management, and supervisory bodies
MR · pages 46-48, 52
SUS · pages 63-64, 130, 134-135

GOV-2
Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
SUS · pages 63-64

GOV-3
Integration of sustainability-related performance in incentive schemes
REM · page 7 · *Performance of the Executive Board*

GOV-4
Statement on sustainability due diligence
SUS · page 77

GOV-5
Risk management and internal controls over sustainability reporting
SUS · page 64

SBM-1
Strategy, business model, and value chain
MR · page 21
SUS · pages 65-66, 68, 103, 133

SBM-2
Interests and views of stakeholders
SUS · pages 75-76

SBM-3
Material impacts, risks, and opportunities and their interaction with strategy and business model
SUS · pages 68-72, 82-83, 85-88, 109-110, 117, 125, 138, 146-147, 154

IRO-1
Description of the process to identify and assess material impacts, risks, and opportunities
MR · page 28
SUS · pages 73-74

IRO-2
Disclosure requirements in ESRS standards covered by the undertaking's sustainability statements
SUS · pages 60-62, 74, 78-79

BP Basis for preparation
GOV Governance
SBM Strategy and business model
IRO Impacts, risks, and opportunities

MR Management's review
SUS Sustainability statements
REM Remuneration report

● Disclosure requirements partly or fully incorporated by reference

Structure of the ESRS topics in our report

Each topical chapter in the 'Environment' and 'Social' sections follow the below structure:

Value chain illustration
Visualisation of our material impacts, risks, and opportunities (IROs) resulting from our DMA

↓

Further details of our IROs
Tables describing the IROs and how we manage them (incl. link to strategy and business model)

↓

Transition plan
Resilience of our strategy and business model to our IROs (for E1 and E4)

↓

Policies and approaches
Relevant policies per topic and approaches to e.g. stakeholder engagement (for S1, S2, and S3)

↓

Actions
Actions taken in the reporting year and planned for the future, where relevant, to address our IROs

↓

Targets
Targets adopted to track effectiveness of our policies and actions (if applicable)

↓

Metrics
Performance data, primarily disclosed in data tables, including accounting policies

Environmental standards
ESRS E1 · Climate change (incl. incorporation by reference)

E1, GOV-3 (ESRS 2)

Integration of sustainability-related performance in incentive schemes

REM · page 7 · *Performance of the Executive Board*

SUS · pages 88, 134

E1-1

Transition plan for climate change mitigation

SUS · pages 83-85

E1, SBM-3 (ESRS 2)

Material impacts, risks, and opportunities, and their interaction with strategy and business model

SUS · pages 82, 85-88

E1, IRO-1 (ESRS 2)

Description of the processes to identify and assess material climate-related impacts, risks, and opportunities

SUS · pages 85-88

E1-2

Policies related to climate change mitigation and adaptation

SUS · page 88

E1-3

Actions and resources in relation to climate change policies

SUS · pages 88-90

E1-4

Targets related to climate change mitigation and adaptation

SUS · pages 91-92

E1-5

Energy consumption and mix

SUS · pages 93, 102

E1-6

Gross scope 1, 2, 3, and total GHG emissions

SUS · pages 94-95

Entity-specific data points

- Energy consumption and mix
- Gross scope 1, 2, 3, and total GHG emissions
- Overview by country
- Renewable capacity
- Generation capacity
- Energy business drivers
- Energy generation and sales
- Total heat and power generation by source

SUS · pages 93-95, 97-102

Environmental standards
ESRS E4 · Biodiversity and ecosystems

E4-1

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

SUS · page 110

E4, SBM-3 (ESRS 2)

Material impacts, risks, and opportunities and their interaction with strategy and business model

SUS · pages 111-112, 114

E4, IRO-1 (ESRS 2)

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities

SUS · pages 110-111

E4-2

Policies related to biodiversity and ecosystems

SUS · pages 112-113

E4-3

Actions and resources related to biodiversity and ecosystems

SUS · page 113

E4-4

Targets related to biodiversity and ecosystems

SUS · page 113

E4-5

Impact metrics related to biodiversity and ecosystems change

SUS · page 114

Environmental standards
ESRS E5 · Resource use and circular economy

E5, IRO-1 (ESRS 2)

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities

SUS · page 118

E5-1

Policies related to resource use and circular economy

SUS · page 118

E5-2

Actions and resources related to resource use and circular economy

SUS · pages 118-120

E5-3

Targets related to resource use and circular economy

SUS · page 120

E5-4

Resource inflows

SUS · page 121

E5-5

Resource outflows

SUS · page 122

Social standards
ESRS S1 · Own workforce

S1, SBM-2 (ESRS 2)
Interests and views of stakeholders
SUS · page 75

S1, SBM-3 (ESRS 2)
Material impacts, risks, and opportunities and their interaction with strategy and business model
SUS · pages 125-126

S1-1
Policies related to own workforce
SUS · pages 126-129

S1-2
Processes for engaging with own workers and workers' representatives about impacts
SUS · pages 129-131

S1-3
Processes to remediate negative impacts and channels for own workers to raise concerns
SUS · page 131

S1-4
Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
SUS · pages 128-129

S1-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
SUS · pages 131-132

S1-6
Characteristics of the undertaking's employees
SUS · pages 133, 135

S1-9
Diversity metrics
SUS · page 135

S1-14
Health and safety metrics
SUS · page 136

S1-16
Compensation metrics (pay gap and total compensation)
SUS · pages 134-135

S1-17
Incidents, complaints, and severe human rights impacts
SUS · page 129

Entity-specific data points
- People
- Group Executive Team and Board of Directors
- Diversity and pay gap
- Safety

SUS · page 133-136

Social standards
ESRS S2 · Workers in the value chain

S2, SBM-2 (ESRS 2)
Interests and views of stakeholders
SUS · page 75

S2, SBM-3 (ESRS 2)
Material impacts, risks, and opportunities and their interaction with strategy and business model
SUS · pages 138-139

S2-1
Policies related to value chain workers
SUS · pages 139-140

S2-2
Processes for engaging with value chain workers about impacts
SUS · pages 140-141

S2-3
Processes to remediate negative impacts and channels for value chain workers to raise concerns
SUS · pages 141-142

S2-4
Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
SUS · pages 140-143

S2-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
SUS · page 143

Entity-specific data points
Supply chain due diligence
SUS · page 144

Social standards
ESRS S3 · Affected communities

S3, SBM-2 (ESRS 2)
Interests and views of stakeholders
SUS · page 75

S3, SBM-3 (ESRS 2)
Material impacts, risks, and opportunities and their interaction with strategy and business model
SUS · pages 146-148

S3-1
Policies related to affected communities
SUS · pages 148-149

S3-2
Processes for engaging with affected communities about impacts
SUS · pages 149-150

S3-3
Processes to remediate negative impacts and channels for affected communities to raise concerns
SUS · page 150

S3-4
Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
SUS · pages 149-151

S3-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
SUS · page 151

Governance standards
ESRS G1 · Business conduct (incl. incorporation by reference)

G1, GOV-1 (ESRS 2)
The role of the administrative, supervisory, and management bodies
MR · pages 46-49, 52

G1, IRO-1 (ESRS 2)
Description of the processes to identify and assess material impacts, risks, and opportunities
SUS · page 155

G1-5
Political influence and lobbying activites
SUS · pages 155-156

Entity-specific data points
Whistleblower cases
SUS · page 156

Sustainability governance

// ESRS 2, GOV-1
Our sustainability governance enables us to deliver on sustainability matters. In 2024, we redesigned our sustainability governance. The new set-up ensures clear executive accountability for our sustainability matters and stronger ownership of material sustainability impacts, risks, and opportunities throughout Ørsted. The new governance was approved by our Group Executive Team in 2024 and will be fully implemented in 2025.

Board of Directors

Ørsted's Board of Directors is the highest governing body for sustainability. The Board ultimately approves the strategic direction and targets, oversees our performance on material sustainability impacts, risk, opportunities (IROs), and approves the double materiality assesssment (DMA) results annually. //

// ESRS 2, GOV-1 and GOV-2
The Board is presented with a progress update annually across material IROs and strategic priorities and targets, and engages in deep dives on sustainability topics, when needed. //

// ESRS 2, GOV-1
As a whole, the Board possesses expertise across our material sustainability IROs. Based on the seven ESRS topics that have been assessed as material to Ørsted through our DMA, we have mapped the Board's sustainability competences to ensure that they have the relevant expertise to oversee material sustainability matters. For more details, see pages 46-48 in the management's review.

Audit & Risk Committee

The Audit & Risk Committee reports to the Board of Directors. The committee is responsible for the integrity and statutory compliance of Ørsted's CSRD reporting.

The Audit & Risk Committee meets six times a year and annually reviews our CSRD reporting, including the DMA results, before the Board of Directors approves it.

For description of the Nomination & Remuneration Committee, the Asset Project Committee, and Internal Audit, please see page 49.

Group Executive Team

The Group Executive Team steers and approves the strategic direction on sustainability and is accountable for oversight and performance on material sustainability IROs.

Ørsted's Chief Commercial Officer (CCO) has the overall responsibility for ensuring that the business delivers on our sustainability targets and actions, in line with our sustainability ambition. Our Chief Financial Officer (CFO) is responsible for our sustainable finance reporting, including our CSRD reporting. //

// ESRS 2, GOV-1
Our sustainability governance model

ESRS topic	Group Executive Team accountable person | Supportive decision forums
E1 Climate change	COO | Decarbonisation Core Group
E2 Pollution*	COO | QHSE Committee
E3 Water and marine resources*	COO | QHSE Committee
E4 Biodiversity and ecosystems	CCO | Biodiversity & Community Impact Core Group
E5 Resources and circular economy	COO | Decarbonisation Core Group
S1 Own workforce (excl. safety)	CHRO | People & Culture Leadership
S1 Own workforce (safety)	COO | QHSE Committee
S2 Workers in the value chain	COO | Human Rights Task Force
S3 Affected communities	CCO | Biodiversity & Community Impact Core Group
G1 Business conduct	Head of Legal** | Compliance Committee

* The ESRS topics E2 and E3 are immaterial according to our DMA results in 2024.
** Responsibility delegated to group management team level as 'Business conduct' overlaps with existing mandate in the department Group Legal.

// ESRS 2, GOV-1 and GOV-2

The Group Executive Team discusses material sustainability IROs twice a year. They approve our strategic direction and targets on sustainability, including links to our corporate strategy, and are accountable for our performance ambitions on sustainability topics. The Group Executive Team discusses and reviews the DMA ahead of the Board of Directors' approval as well as performance on material sustainability matters and progress towards targets.

The Group Executive Team has always considered material sustainability matters when overseeing our corporate strategy, and going forward, the IROs resulting from our DMA will further inform their decision-making and support that the IROs are consistently considered in decisions, ranging from what we source to how we develop, construct, operate, and decommission our projects. The material IROs addressed during the year are described in the topical ESRS chapters under the actions section. //

// ESRS 2, GOV-1

As a whole, the Group Executive Team possesses expertise across our material IROs. For more details, see page 52 in the management's review.

Group Executive Team accountable persons

In 2024, we strengthened the Group Executive Team's accountability for sustainability and delegated accountability of material sustainability areas to individual members of the Group Executive Team in alignment with the sustainability topics defined in the ESRS standards.

The new governance integrates responsibility into the line organisation in Ørsted to ensure a focused set-up with a strong mandate to execute on sustainability topics.

The new accountable persons in the Group Executive Team are individually accountable for driving progress on the assigned sustainability topic according to roadmaps, including defining key actions and allocating resources to secure progress on targets and ambitions. They will be supported by supportive decision forums as well as internal experts from the support functions on sustainability topics.

Supportive decision forums

The Decarbonisation Core Group and the Biodiversity & Community Impact Core Group will support the accountable persons in the Group Executive Team in delivering on our strategic sustainability priority areas. The two new groups will kick off in 2025 and consist of the Group Executive Team accountable person and senior leaders from functional areas with a clear role in delivering on the material sustainability matters. The groups have a tactical responsibility and decide on new sustainability initiatives needed to deliver on our ambitions and targets, guide implementation in the organisation, and act on IROs. The core groups will meet two-three times a year or pending need.

We are in the process of establishing a human rights task force, specifically focused on strengthening our due diligence systems to ensure compliance with the upcoming EU Corporate Sustainability Due Diligence Directive (CSDDD). The task force will enable the implementation of a human rights management system and oversee its integration into relevant business processes to reach compliance. The task force will kick off in 2025 and consist of the Group Executive Team accountable person as well as senior leaders representing Ørsted's value chain to ensure the value chain-wide approach of integrating human rights into management systems and processes. The task force will meet twice a year.

The Compliance Committee monitors compliance with laws, rules, standards, and internal codes of conduct for all business areas. The QHSE Committee oversees our quality, health, safety, and environment (QHSE) priorities and has a special focus on these aspects in relation to sustainability topics.

Business functions

The business functions are responsible for executing on material sustainability IROs. They deliver concrete actions on the ground to progress on our targets and ambitions while managing risks and capturing performance data.

Support functions

The key support functions are Corporate Strategy, Global Sustainability, and Group Finance. The support functions assist all the accountable persons in facilitating the sustainability work and oversight and guides and enables the accountable persons in the Group Executive Team and the business in setting ambition levels and delivering on sustainability matters. //

// ESRS 2, GOV-5

Risk management and internal controls

In preparation for the CSRD, a plan was established to perform walkthroughs to identify risks, reassess existing controls, and identify additional controls for sustainability reporting. This initiative started in 2024 and will continue until the end of 2025. These walkthroughs of sustainability reporting processes were prioritised based on the results of the DMA performed in 2023 with reference to the draft ESRS. Priority is given to the quantitative data points related to our material ESRS topics.

The walkthroughs are facilitated by the Internal Control Assurance team (second line of defence) in collaboration with functions involved in the sustainability reporting processes and data collection processes. The risks associated with the completeness, accuracy, and timeliness of the data as well as results of estimations and calculations are assessed based on materiality of the individual data points and process complexity.

The walkthrough of the ESRS 'E1 Climate change' topic was finalised in 2024. It was confirmed that main risks in data collection and reporting processes for material data points within this area have been mitigated by relevant controls. Some controls required formalisation, which has been completed in 2024. Since January 2025, formalised controls for this area have been included in our 'Internal control framework' for financial and sustainability reporting processes to further monitor their design and operating effectiveness.

The Audit & Risk Committee monitors our sustainability reporting processes, including the plans for improvements, risks, internal controls, and their operating effectiveness. //

Our business model and how we create value

// ESRS 2, SBM-1

We create value by developing, constructing, operating, and owning renewable assets and by providing sustainable energy products to our customers. Our portfolio includes offshore and onshore wind farms, solar farms, energy storage, and CHP plants.

Key inputs and what we depend on

Natural resources

Our business relies on natural resources, such as wind and sun, for our assets to generate the renewable energy we sell to our customers. To deliver on our renewable capacity target, we also depend on materials such as steel and copper and on critical raw materials. We secure those inputs through volume agreements and a thorough process for vetting new suppliers.

Human and financial capitals

We depend on human capital through our talented 8,000+ employees, working to create value every day while adhering to our core values. Our business model depends on financial capital where our partnership model plays a key role in recycling cash flow through farm-downs.

Stakeholder relationships

We depend on political support for the continued renewable energy build-out, and we rely on a constructive dialogue with authorities, suppliers, investors, and joint venture partners.

Key outputs and benefits created

Customers

We help countries and companies meet their climate targets. We enter into long-term agreements to give customers certainty about the costs and origin of their renewable power supply.

Communities

We ensure people in the regions where we operate benefit from and support the build-out of renewable energy, thereby driving a lasting, positive change for communities.

Shareholders

We will invest in value-creating growth opportunities and operate our portfolio in a cost-effective way to create value for our shareholders.

Employees

We ensure a safe and inclusive workplace focused on employees' skills development and their well-being.

Our business model in relation to sustainability

We have made it a core commitment to develop, construct, and operate our renewable assets in an environmentally and socially sustainable way, which helps de-risk projects, enhance our license to operate, and drive a lasting, positive change for society. //

Key inputs and what we depend on	**Activities** in our business model	**Key outputs** and benefits created
· Natural resources · Human capital · Financial capital · Stakeholder relationships	**Develop** Secure pipeline through land and project rights, grid access, and permits **Construct** Thorough supplier selection and local content adherence **Operate** Ensure high availability and balance power to the grid **Own** Manage and optimise our asset portfolio and partnerships	· Customers · Communities · Shareholders · Employees

Our strategy and impact on sustainability matters

// ESRS 2, SBM-1

We develop, construct, and operate our renewable energy assets in an environmentally and socially sustainable way. We work continuously to integrate sustainability into our strategy and business model and to respond to the main challenges and opportunities ahead of us and in our industry.

We have three strategic sustainability priorities – decarbonisation, biodiversity, and community impact – which play an enabling role in our commercial and project delivery. These priorities were confirmed by the result of our 2024 double materiality assessment (DMA) and reflect where strategic value is gained in our business model by creating positive impacts on nature and society.

At the same time, we acknowledge the aspects of our strategy and business model that bring vulnerabilities and risks. Renewable energy requires significant amounts of natural resources, such as steel, with negative impacts on climate and the environment. The build-out also affects people and local communities.

We therefore focus our efforts on making sure that we mitigate negative impacts while creating positive impacts by decarbonising societies, helping to protect nature, and making sure the build-out brings benefits to people, workers, and local communities. //

// ESRS 2, SBM-1

Key elements of our strategy that impact sustainability matters

We develop, construct, and operate renewable energy assets at scale

↓ Main challenges

Resources
- Use of virgin and scarce raw materials
- Energy- and emissions-intensive supply chain
- Vulnerable supply chain workers

Land and sea space
- Renewable energy capacity build-out should co-exist with nature
- Ecosystem and biodiversity impacts from our supply chain

Public and political support
- Local resistance to renewable energy assets
- Political opposition to and lack of support for renewable energy build-out

↓ How we respond to these challenges

Strategic sustainability priorities

Decarbonisation (ESRS E1 and E5)
Optimise the use of resources and energy and reduce GHG emissions
- Collaboration with suppliers to decarbonise materials and processes
- Roadmaps to decarbonise key resources and processes
- Partnerships to improve recyclability of our renewable energy assets

Biodiversity (ESRS E4)
Protect and preserve nature and reduce direct impact drivers of biodiversity loss
- Application of our measurement framework and the mitigation hierarchy
- Site monitoring and action plans, including positive impact efforts

Community impact (ESRS S3)
Ensure people in the regions where we operate benefit from and support the build-out
- Engagement and ongoing dialogue with affected communities
- Integration of affected communities' perspectives in project planning phase

Foundational sustainability areas

Human rights (ESRS S1, S2, S3)
- Human rights due diligence
- Risk-based audits and supplier assessments

Health and safety (ESRS S1, S2)
- High focus on safety measures
- Recurring safety training and awareness campaigns

People management, diversity and inclusion (ESRS S1)
- Employee engagement
- Inclusive workplace
- Flexible working conditions

Business conduct (ESRS G1)
- Good business conduct policy and training
- Grievance mechanisms
- Climate advocacy (political engagement)

Double materiality assessment

We have conducted a double materiality assessment (DMA) according to the double materiality criteria defined in ESRS 1 and implementation guidance from EFRAG.

In our DMA, we have identified and assessed our impacts on the environment and society as well as the sustainability-related financial risks that we are exposed to and the opportunities we leverage. In total, 40 impacts, risks, and opportunities (IROs) have been assessed as material, comprising of 7 positive impacts, 23 negative impacts, 8 risks, and 2 opportunities (see pages 69-72).

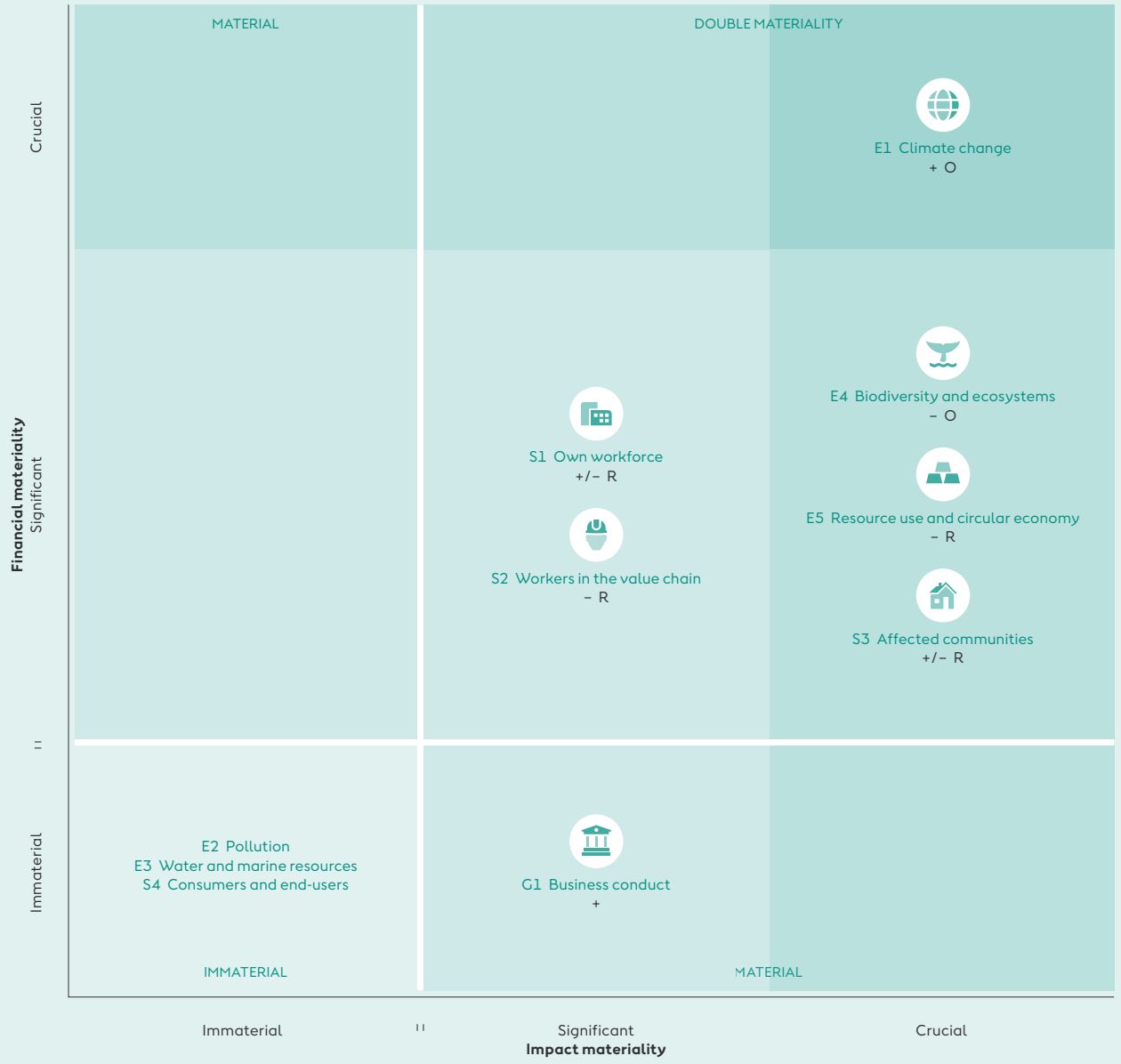
A high-level outcome of our DMA is shown in the matrix, aggregated per ESRS topic. Seven ESRS topics are material to Ørsted, with six of these topics having 'double materiality', i.e. they have both material impacts and financial risks or opportunities. Climate change (E1), biodiversity and ecosystems (E4), resource use and circular economy (E5), and affected communities (S3) are our most material sustainability matters, and the IROs within these topics are closely linked to our strategic aspiration to be the world's leading green energy major.

R Risk
O Opportunity

\+ Positive impact
– Negative impact

= Materiality threshold

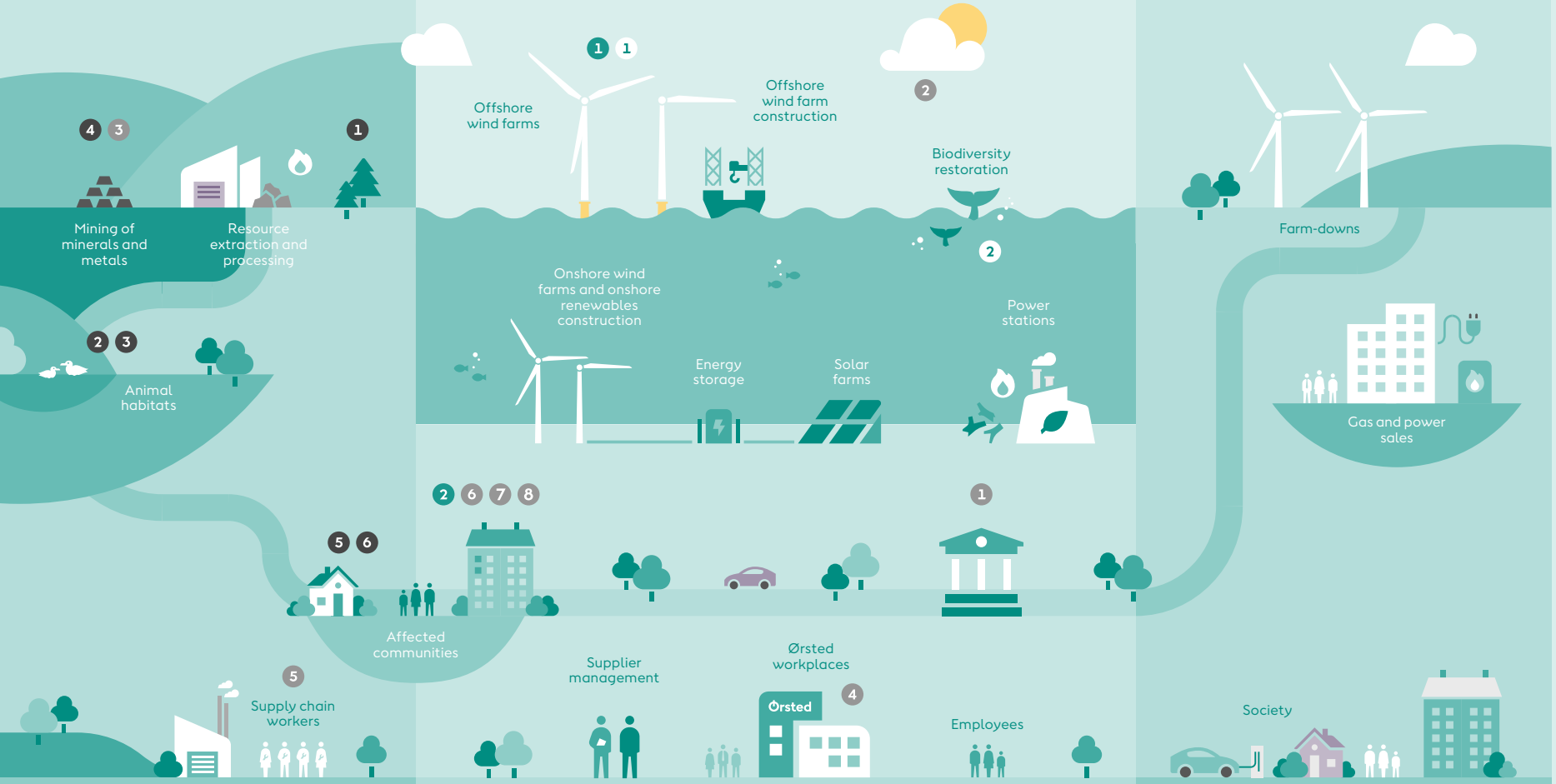
The highest-scoring IRO within a topic determines the placement of that topic in the matrix. 'E1 Climate change' is e.g. placed in the quadrant shown due to a positive impact and an opportunity scored as 'crucial'. However, this topic also has negative impacts and risks scored as 'significant', which are not shown in the matrix. If multiple topics are placed within the same quadrant, e.g. E4, E5, S3, they are listed in chronological order, and this does not indicate differing degrees of materiality.



// ESRS 2, SBM-1 and SBM-3

Value chain overview

Our material sustainability-related impacts, risks, and opportunities (IROs[1]) across our full value chain



Positive impacts

1. Renewable energy deployment (E1)
2. Local jobs and educational opportunities (S3)

Negative impacts

1. Natural resources exploitation and land-use and freshwater-use change (E4)
2. Habitat loss from land degradation (E4)
3. Species population size decrease, and extinction risk increase (E4)
4. Use and depletion of virgin materials (E5)
5. Pollution from mining may affect communities' health (S3)
6. Indigenous Peoples' rights and livelihoods possibly disrespected or disrupted by suppliers (S3)

Sustainability-related risks

1. Climate-related transition risks due to changes in political support (E1)
2. Climate-related physical risks (E1)
3. Dependence on scarce critical raw materials (E5)
4. Increased voluntary turnover (S1)
5. Possible supplier mis-conduct concerning forced labour (S2)
6. Local communities' resistance and concerns (S3)
7. Increasing local content and social impact requirements in tender processes (S3)
8. Consent of Indigenous communities (S3)

Sustainability-related opportunities

1. Renewable energy deployment (E1)
2. Biodiversity restoration, research, and innovation initiatives (E4)

[1] Impacts shown in this overview have a materiality level of 'crucial', and the risks and opportunities shown have a materiality level of 'crucial' or 'significant'.

Material impacts, risks, and opportunities (IROs)

Overview of our material IROs

In the following tables, we list our IROs that were identified and assessed as material in our DMA, i.e. they were scored with either a 'crucial' or 'significant' level of materiality. Within each ESRS topic, we specify which sub-topics the IROs relate to, e.g. in ESRS 'E1 Climate change', the sub-topics are 'climate change mitigation', 'climate change adaptation', and 'energy'.

Brief descriptions of the material IROs are also included in the tables, alongside an indication as to whether the IROs are in our own operations (OO) or value chain (VC). For impacts, we also show whether they are positive (+), negative (-), actual (A), or potential (P). More information on each IRO, including how we manage them, is included in the topical sections under 'Environment', 'Social', and 'Governance'.

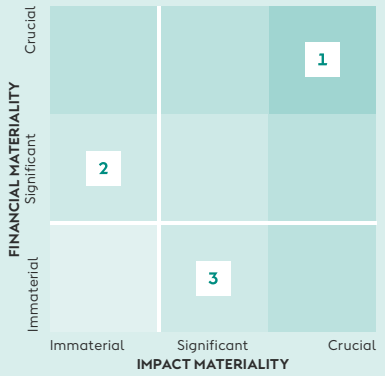
Inherent risks and impacts

Our DMA is based on inherent risks and impacts but also accounts for actions that have been fully integrated in our governance, management, and daily operations to reduce or mitigate their effects.

// ESRS 2, SBM-3

E1 Climate change

	Ørsted impact, risk, and opportunity (IRO)	IRO	+/-	A/P	OO/VC	Materiality level
1	Climate change mitigation					
	Renewable energy deployment	I	+	A	OO	Crucial
	Renewable energy deployment	O			OO	Crucial
	Carbon removal through nature-based projects	I	+	P	OO	Significant
	Scope 1 and 2 GHG emissions from our operations	I	-	A	OO	Significant
	Scope 3 GHG emissions from the renewable energy supply chain	I	-	A	VC	Significant
	Scope 3 GHG emissions from regular power sales and natural gas sales	I	-	A	VC	Significant
	Climate-related transition risks due to changes in political support for the renewable energy build-out	R			OO	Significant
2	Climate change adaptation					
	Climate-related physical risks (chronic and acute)	R			OO	Significant
3	Energy					
	Energy consumption, mainly at our CHP plants	I	-	A	OO	Significant



The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

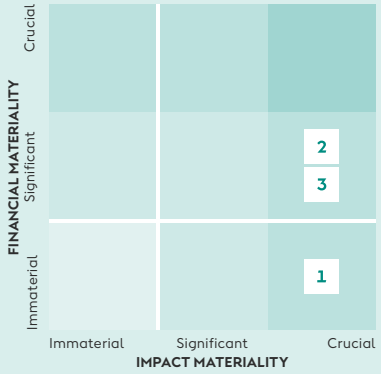
I	Impact
R	Risk
O	Opportunity
+	Positive
–	Negative
A	Actual
P	Potential
OO	Own operations
VC	Value chain

// ESRS 2, SBM-3

E4 Biodiversity and ecosystems

	Ørsted impact, risk, and opportunity (IRO)	IRO	+/-	A/P	OO/VC	Materiality level
1	Direct impact drivers of biodiversity loss					
	Natural resources exploitation and land-use and freshwater-use change from mining	I	-	A	VC	Crucial
	Ecotoxicity from mining	I	-	A	VC	Significant
	Land-use and sea-use change from coal and gas extraction	I	-	A	VC	Significant
2	Impacts on the extent and condition of ecosystems					
	Habitat loss from land degradation from mining	I	-	A	VC	Crucial
	Biodiversity restoration, research, and innovation initiatives	I[1]	+	A	OO	Significant
	Biodiversity restoration, research, and innovation initiatives	O[1]			OO	Significant
	Temporary disturbances to habitats during construction	I	-	A	OO	Significant
3	Impacts on the state of species[1]					
	Species population size decrease, and extinction risk increase due to mining	I	-	A	VC	Crucial
	Temporary displacement or loss of species during construction	I	-	A	OO	Significant

[1] The positive impact and opportunity also fall under the sub-topic 'Impacts on the state of species'.



The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

I Impact
R Risk
O Opportunity

\+ Positive
– Negative

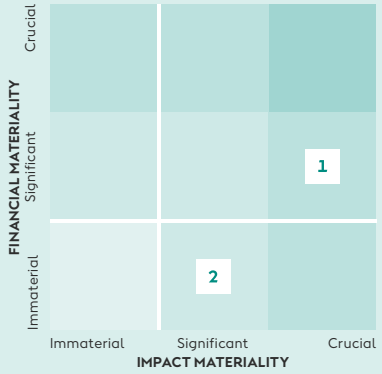
A Actual
P Potential

OO Own operations
VC Value chain

// ESRS 2, SBM-3

E5 Resource use and circular economy

	Ørsted impact, risk, and opportunity (IRO)	IRO	+/-	A/P	OO/VC	Materiality level
1	Resource inflows, including resource use					
	Use and depletion of virgin materials	I	-	A	VC	Crucial
	Increased demand for scarce critical raw materials and necessary maturation of supply chains for lower-emissions alternatives	R			VC	Significant
2	Waste					
	Materials wasted during construction, operation, and decommissioning	I	-	A	OO	Significant



The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

I Impact
R Risk
O Opportunity

\+ Positive
– Negative

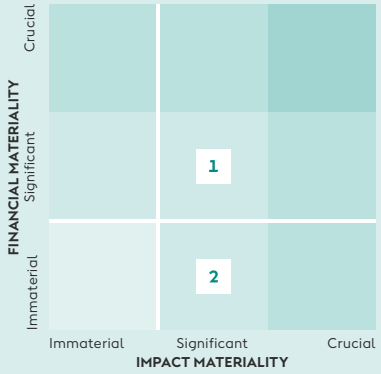
A Actual
P Potential

OO Own operations
VC Value chain

// ESRS 2, SBM-3

S1 Own workforce

	Ørsted impact, risk, and opportunity (IRO)	IRO	+/-	A/P	OO/VC	Materiality level
1	Working conditions					
	Flexible working conditions	I	+	A	OO	Significant
	Work-induced stress	I	-	A	OO	Significant
	Possible work-related injuries and fatalities	I	-	P	OO	Significant
	Increased voluntary turnover, potentially due to perceived internal risks or uncertainties	R			OO	Significant
2	Equal treatment and opportunities for all					
	Unequal gender distribution in management	I	-	A	OO	Significant



The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

I Impact
R Risk
O Opportunity

\+ Positive
– Negative

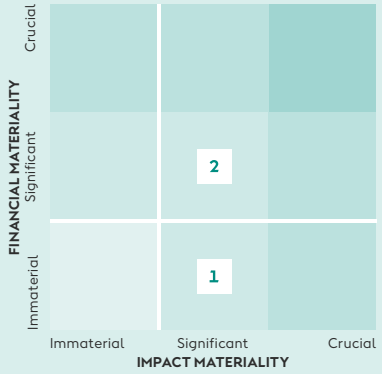
A Actual
P Potential

OO Own operations
VC Value chain

// ESRS 2, SBM-3

S2 Workers in the value chain

	Ørsted impact, risk, and opportunity (IRO)	IRO	+/-	A/P	OO/VC	Materiality level
1	Working conditions					
	Excessive working hours for supply chain workers	I	-	A	VC	Significant
	Possible work-related injuries and fatalities for supply chain workers	I	-	P	VC	Significant
2	Other work-related rights					
	Debt bondage and withholding of passports	I	-	A	VC	Significant
	State-imposed forced labour in the solar PV supply chain	I	-	P	VC	Significant
	Forced labour allegations or misconduct in major supply chains for renewable energy materials and components	R			VC	Significant



The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

I Impact
R Risk
O Opportunity

\+ Positive
– Negative

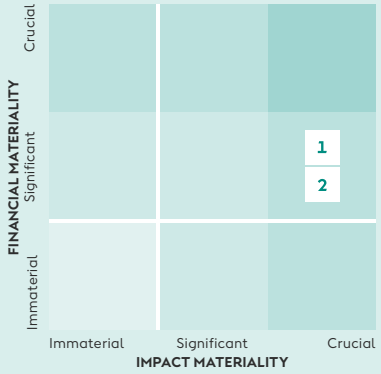
A Actual
P Potential

OO Own operations
VC Value chain

// ESRS 2, SBM-3

S3 Affected communities

	Ørsted impact, risk, and opportunity (IRO)	IRO	+/-	A/P	OO/VC	Materiality level
1	Communities' economic, social, and cultural rights					
	Pollution from mining may impact communities' health	I	-	P	VC	Crucial
	Local jobs and educational opportunities	I	+	A	OO	Crucial
	Improvement to public infrastructure improving living standards	I	+	A	OO	Significant
	Local communities' resistance and concerns with renewable energy projects	R			OO	Significant
	Increasing local content and social impact requirements in tender processes	R			OO	Significant
2	Rights of Indigenous Peoples					
	Indigenous Peoples' rights and livelihoods possibly disrespected or disrupted by suppliers	I	-	P	VC	Crucial
	Indigenous Peoples' rights and livelihoods disrespected or disrupted during development and construction	I	-	A	OO	Significant
	Consent of Indigenous communities	R			OO	Significant



The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

I Impact
R Risk
O Opportunity

\+ Positive
– Negative

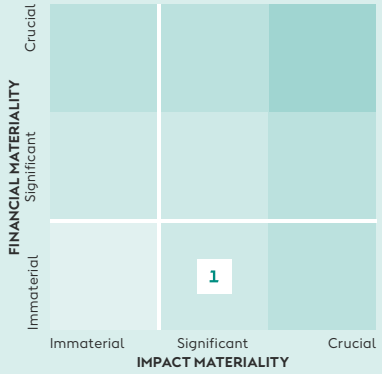
A Actual
P Potential

OO Own operations
VC Value chain

// ESRS 2, SBM-3

G1 Business conduct

	Ørsted impact, risk, and opportunity (IRO)	IRO	+/-	A/P	OO/VC	Materiality level
1	Political engagement and lobbying activities					
	Constructive political engagement through lobbying	I	+	A	OO	Significant



The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

I Impact
R Risk
O Opportunity

\+ Positive
– Negative

A Actual
P Potential

OO Own operations
VC Value chain

Methodology and process

// ESRS 2, IRO-1

We developed our double materiality assessment (DMA) methodology and process steps based on the 'IG1: Materiality Assessment Implementation Guidance' published by EFRAG in May 2024. In addition, we developed scoring tools to operationalise the parameters and criteria set out and to document the process steps, including rationales and supporting documentation for our scoring assessments.

Methodologies and assumptions

Scope

We have considered all the sub-sub-topics listed in ESRS 1 when identifying our impacts, risks, and opportunities (IROs). For impacts on people and the environment (inside-out), we considered both positive and negative impacts related to sustainability matters, which can be both actual and potential. In our financial assessment (outside-in), we assessed potential sustainability-related risks that could trigger a negative financial effect on our business and opportunities that could benefit our business positively.

We considered activities within our own operations as well as from our business relationships and value chain. Our value chain assessment mainly focused on our first-tier suppliers, and beyond that, we relied on industry-wide value chain assessments, industry knowledge, and internal knowledge based on our engagement in various forums. We had particular focus on the upstream value chain focusing on sourcing of materials and exposure to certain geographies that might give rise to a heightened risk of adverse human and labour rights and of environmental impacts due to the nature of our industry.

Stakeholder engagement

Understanding which stakeholders are affected by our business is fundamental. This is managed continuously through ongoing dialogues to understand stakeholders' positions, concerns, and expectations. The insight gained from these continuous dialogues also served to inform our DMA as we used our in-house subject-matter experts as a valid proxy for bringing the interests and views of our stakeholders into the DMA.

They used their professional judgement when applying the scoring criteria and were informed by publicly available evidence of circumstances, determining that a matter is material without further analysis. Our continuous engagement activities in the communities where we are present were also a solid basis for assessing our material impacts and risks.

Scoring

Impacts

As per ESRS 1 and the guidance from EFRAG, three parameters of 'scale', 'scope', and 'irremediable character' have been used in the scoring of the 'severity' of our actual and potential negative impacts:

1 When scoring 'scale', we assessed how great the impact is or could be on the environment or people. For actual negative impacts, the scale depends on successful mitigation that has taken place before or during the event. Therefore, when scoring 'scale', the current mitigation actions were considered, including the 'license to operate' conditions required by authorities.

2 When scoring 'scope', we assessed how widespread the impact is based on parameters, such as the percentage of sites, employees, or financial spend that the impact relates to.

3 When scoring 'irremediable character', we assessed how difficult it is to reverse the damage in terms of cost and time horizon.

For actual negative impacts, these three dimensions were scored and weighted equally for 'severity'. For potential negative impacts, an additional parameter of 'likelihood' was scored. This 'likelihood' score was weighted 1:1 with the 'severity' score. However, for a human rights potential negative impact, 'severity' took precedence over 'likelihood' (3:1 weighting, respectively). This weighting was applied on all potential negative impacts in S1, S2, and S3 across all sub-topics.

For actual positive impacts, 'scale' and 'scope' were scored and weighted equally for 'severity'. For potential positive impacts, 'likelihood' was also scored and weighted 1:1 with the 'severity' score, as it was for potential negative impacts.

Risks and opportunities

When scoring sustainability risks and opportunities, we assessed the potential 'magnitude' of possible financial effects on, for example, revenue, CAPEX or OPEX, which constitutes one part of the score, and the 'likelihood of occurrence', which constitutes the other part. The possible financial effects of the individual risks and opportunities were assessed through sustainability-matter-specific scenarios, operationalised through stress tests. Mitigation measures put in place are reflected in either the magnitude or likelihood of the assessed scenarios.

Some scenarios were assessed quantitatively. In cases where a quantitative assessment was not possible or insufficient, qualitative assessments were used to supplement or inform the magnitude of the risk or opportunity. This approach was necessary due to the complexity of defining exact values for potential sustainability scenarios.

Time horizons

Potential impacts, risks, and opportunities were assessed across three time horizons: short term (covering the current reporting year and the next year), medium term (from the end of the short term period to five years), and long term (more than five years).

For risks and opportunities, we consolidated the score by assigning weights over the short-, medium-, and long-term horizons. The weights were evenly distributed or adjusted to emphasise either the short term or medium and long term. //

// ESRS 2, IRO-2

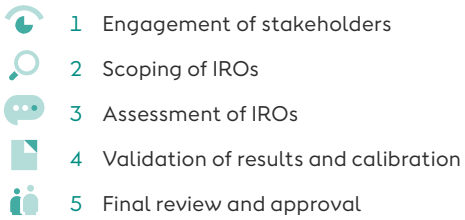
Thresholds

Our calibration group discussed where to set the thresholds for materiality, and their recommendation was submitted to the Group Executive Team when the final DMA results were presented to them for approval. There were five degrees of materiality for the IROs: the highest level was 'crucial', then 'significant', 'important', 'informative', and lastly 'minimal' as the lowest level. The materiality threshold was set at 'significant', meaning that IROs scored as 'significant' or 'crucial', and their associated ESRS standard, were material. //

// ESRS 2, IRO-1

Process

We defined five process steps for conducting the DMA. In addition, there was a fundamental initial step of 'understanding the context' as suggested in the ESRS IG1. Our work with mapping our sustainability-related impacts builds on the approach we have used for over a decade for assessing the materiality of sustainability-related matters. Furthermore, our daily work with sustainability is supported by benchmark reports, studies, and internal projects, including regulatory landscape understanding, media monitoring, peer analysis, etc.



1 Engagement of stakeholders
2 Scoping of IROs
3 Assessment of IROs
4 Validation of results and calibration
5 Final review and approval

1. Engagement of stakeholders

We identified subject-matter experts with extensive insight and knowledge into each ESRS standard and set-up DMA workshops with them. These experts included a variety of employees working with sustainability impacts and risks at corporate level and in the business as well as employees working with regulatory and public affairs. Onboarding sessions helped to get a common understanding of the new CSRD regulation and objectives of the DMA.

2. Scoping of IROs

As preparation for the workshops, we identified IROs relating to environmental, social, and governance matters. We consulted relevant internal information (e.g. previous materiality assessments, internal impact reports, internal risk memos, and stakeholder findings) to scope and pre-define relevant matters per ESRS sub-topic and sub-sub-topic. This gross list of IROs formed the starting point for verification and assessment at the workshops.

3. Assessment of IROs

At the workshops, the experts reviewed the predefined IROs and adjusted wording and classification of these, where relevant. Secondly, they assessed each IRO, and scoring rationales were documented, including relevant reference documents. Lastly, participants added additional IROs if they found that a relevant matter was not captured in the pre-defined list.

The experts were introduced to the assessment criteria at the workshops to ensure a consistent approach and understanding of the scoring methodology. Where relevant, additional experts were identified and consulted following the initial workshops to capture insights for a specific matter or regional perspectives.

4. Validation of results and calibration

Results from the workshops were systematically captured and aggregated using a scoring tool in order to calculate the degree of materiality of each IRO. The tool was organised to clearly link the ESRS topics, sub-topics, and sub-sub-topics to each IRO identified and assessed in the workshops. The tool provided an overview of the scores which constituted the preliminary results. Workshop participants were consulted again for validation of the preliminary results. If any adjustments were needed, the relevant expert provided the rationale for adjustment in order to document any changes.

As a next validation step, a calibration group calibrated the preliminary results before the final review and approval step. This group consisted of the head of Group Finance, the head of Global Sustainability, and leads from Investor Relations and Global Regulatory & Public Affairs. The group specifically focused on bringing their insights from external stakeholders, including investors, to bridge the results to our strategic sustainability priorities.

5. Final review and approval

In the final step, the results were reviewed and approved by relevant leaders. Any necessary adjustments were incorporated before their final sign-off. After their approval, the DMA process and results were presented to the Group Executive Team. Finally, the results were approved by the Board of Directors. //

Interests and views of stakeholders

// ESRS 2, SBM-2

Stakeholder engagement

Our 'Stakeholder engagement policy' underscores our commitment to actively listen to and engage with our stakeholders. Through ongoing dialogue, we gain insight into their positions, concerns, and expectations. The insights gained from these dialogues inform our due diligence processes and double materiality assessment. This allows us to align our sustainability priorities, projects, and processes with the interests and views of our stakeholders.

Guided by principles of openness, transparency, and integrity, our Stakeholder engagement policy adheres to international norms and codes, including the UN Guiding Principles on Business & Human Rights, the UN Declaration on the Rights of Indigenous Peoples, and the IFC Performance Standards on Social & Environmental Sustainability.

We ensure that the views and interests of affected stakeholders regarding our sustainability-related impacts, risks, and opportunities are regularly communicated to the relevant accountable person in the Group Executive Team through periodic meetings. For more information on our new sustainability governance, please see pages 63-64.

In the following table, we outline examples of how we engage with key stakeholders. //

	// S1, SBM-2 Employees	// S2, SBM-2 Suppliers	// S3, SBM-2 Local communities
How engagement is organised	• Employment relations and occupational health and safety representatives • Inclusion and enterprise social networks • Employee-elected board members • Personal development dialogues • Employee satisfaction surveys, workplace assessments, and town halls	• Interviews and assessments for supplier due diligence • Workshops and industry collaborations, e.g. DecomBlades	• Consultations, public forums, and informational events • Direct communication through project staff and liaison officers • Interviews during environmental and social impact assessments • Whistleblower Hotline and other grievance mechanisms
Purpose of engagements	• Understanding employees' perceptions, experiences, challenges, and suggestions for improvement • Raising awareness of internal policies and changes • Contributing to a sustainable workplace and working life, including physical and psychological health and safety • Increasing employee retention and attraction	• Ensuring compliance with our code of conduct • Promoting responsible sourcing, incl. of minerals and metals • Protecting human and labour rights of workers • Ensuring a respectful working environment • Decarbonising our value chain and promoting circular solutions for resource use • Understanding supplier needs and concerns	• Addressing community concerns, questions, and feedback • Building trust and relationships with local stakeholders affected by renewable energy projects • Ensuring community benefits and our social license to operate
Examples of outcomes from the engagements	• Internal policy updates, e.g. labour and employment rights policy • Global initiatives and campaigns for e.g. employee well-being	• Streamlined supplier expectations • Supplier improvement plans to comply with code of conduct • Informed procurement decisions • Investments in test pilots and early offtake agreements for low-carbon solutions	• Design of tailored community benefits and projects • Support of local projects for job creation, economic development, and environmental preservation

Corporate customers	Investors	Governments, policy-makers, and regulators	Civic and non-profit organisations	Industry and sustainability associations
How engagement is organised				
• Customer support inquiries • Periodic reviews and meetings with account managers • Assessments for business partner due diligence	• ESG ratings and assessments • One-on-one investor relations meetings, questionnaires, and inquiries • Quarterly earnings calls • Capital market days and annual general meetings	• Participation in public hearings and regulatory processes • Consultations and policy roundtables • White papers, studies, and thought leadership related to renewable energy deployment	• Collaboration and consultations on community projects and impact assessments • Contributions to research projects	• Workshops, knowledge sharing, and industry conferences • Joint initiatives and industry research on e.g. biodiversity impact or life cycle assessments • Consultations with trade unions on e.g. worker welfare and rights
Purpose of engagements				
• Understanding customer needs and expectations • Building trust and providing transparency • Enabling customers to achieve their renewable energy targets	• Understanding investor concerns and addressing questions • Building trust and demonstrating long-term value of renewable energy investments • Discussing performance, risk management, and strategic direction	• Ensuring compliance with regulatory frameworks and standards • Promoting a sustainable build-out of renewable energy • Addressing climate-related transition risks and opportunities	• Contributing to local initiatives • Ensuring transparency and responsiveness to public concerns • Understanding our local license to operate and public expectations • Pooling efforts to address supply chain challenges, e.g. decarbonisation and human rights	• Enabling the industry to engage policymakers and promoting the build-out of renewable energy • Developing industry standards for sustainability • Pooling efforts to decarbonise hard-to-abate sectors in our supply chain • Understanding the views of value chain workers' representatives
Examples of outcomes from the engagements				
• Product or service improvements for e.g. power purchase agreements (PPAs) • Adaptation of marketing strategies, e.g. by providing ESG rating scorecards for customers	• Action plans to improve ESG performance • Increased disclosure to ESG rating agencies • Alignment of investment strategy with sustainable finance frameworks, e.g. the EU taxonomy	• Operational adjustments to ensure compliance • Informed decisions for renewable energy deployment and financing	• Informed project planning and site-specific initiatives, e.g. for biodiversity conservation or community development • Alignment of projects with best practice for community engagement	• Industry-led life cycle assessment methodology for offshore wind farms • Launch of the Responsible Renewables Infrastructure Initiative • Design of tailored initiatives for value chain workers trough unions

Sustainability due diligence

Our due diligence approach

For over a decade, we have been following the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights to integrate due diligence into our procurement, operations, and local communities. This work has set a strong foundation for our future ambitions, as we prepare to meet the anticipated requirements of the EU Corporate Sustainability Due Diligence Directive (CSDDD).

Guided by these frameworks, we have implemented a risk-based due diligence approach centered around accountability, transparency, collaboration, and proactive engagement with stakeholders across our value chain.

At the core of our approach is the Sustainability Due Diligence & Compliance team, established to ensure that all business partners and suppliers adhere to Ørsted's ethical, social, and environmental standards, as defined in our 'Code of conduct for business partners'. This code sets out specific requirements and expectations related to human rights, labour conditions, anti-corruption, and environmental protection.

Our processes

We perform risk screenings and code of conduct assessments to ensure that our business partners meet the requirements in our code of conduct.

We are also developing corrective actions and tailored improvement plans together with our suppliers, where necessary. This is an ongoing effort that includes audits, supplier training, and regular follow-ups to address any gaps identified.

Partnerships and cross-industry collaboration are also fundamental if we want to succeed with our due diligence approach. We are therefore collaborating with key industry organisations, such as the International Responsible Business Conduct (IRBC) Agreement for the Renewable Energy Sector, the Initiative for Responsible Mining Assurance (IRMA), Ethical Trade Denmark, and WindEurope. These collaborations provide access to best practices, shared knowledge, and support the continuous improvement of our due diligence processes in the renewable energy value chain.

Governance

We are in the process of establishing a Human Rights Task Force specifically focused on strengthening our due diligence systems and governance. For more information about this task force, see pages 63-64.

Next steps

As we look forward, we are continuously refining our due diligence practices. This includes enhancing pre-contractual screenings to identify potential risks early, especially for complex and large-scale projects, such as offshore wind farms.

Additionally, we are investing in tools to improve traceability throughout our supply chain. For example, we have conducted a blockchain pilot project to trace origin for key metals in one of our projects, and we are evaluating the application of blockchain opportunities with other suppliers and on other metals as well as exploring steel origin reporting for wind turbines.

Through these efforts, we are dedicated to continuously enhancing our due diligence approach in line with the CSDDD and OECD Guidelines' principles of ongoing monitoring, learning, and improvement.

On the right is a mapping detailing where in our sustainability statements we provide further information about our due diligence process, including how we apply the main aspects and steps of our due diligence process.

// ESRS 2, GOV-4

Core elements of due diligence

a) Embedding due diligence in governance, strategy, and business model
Our Human Rights Task Force oversees the integration of due diligence across procurement, operations, and communities. Read more:

General · pages 63-66

b) Engaging with affected stakeholders in all key steps of due diligence
We maintain continuous dialogue and collaboration with employees, value chain workers, local communities, and at-risk groups. Read more:

General · pages 75-76
Social · pages 129-131, 140-141, 149-150

c) Identifying and assessing adverse impacts
Our double materiality assessment (DMA) identifies material adverse impacts in our business and value chain. We also conduct systematic impact assessments, risk screenings, and code of conduct assessments in our value chain. Read more:

General · pages 68-72
Social · pages 125-126, 138-139, 141, 144, 146-148

d) Taking actions to address adverse impacts
We take specific action to address material impacts identified in our DMA. We also collaborate with business partners to identify performance gaps, develop and implement corrective action plans, work on strengthening pre-contractual screenings, and engage in partnerships to enhance adherence to our code of conduct. Read more:

Social · pages 128-129, 142-143, 150-151

e) Tracking the effectiveness of these efforts and communicating
We annually report on key metrics and work to enhance supply chain traceability. Read more:

Social · pages 131-136, 142, 144

// ESRS 2, IRO-2

ESRS data points from other EU legislation

The following tables include all of the data points that derive from other EU legislation as listed in ESRS 2, appendix B, indicating where the data points can be found in the sustainability statements, and which data points are assessed as 'not material' (NM), 'not stated' (NS), or 'not relevant' (NR).

Disclosure requirement	Data point		Legislation	Page
ESRS 2, GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	page 135
	21 (e)	Percentage of board members who are independent	BRR	page 134
ESRS 2, GOV-4	30	Statement on due diligence	SFDR	page 77
ESRS 2, SBM-1	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	page 81
	40 (d) (ii)	Involvement in activities related to chemical production	SFDR/BRR	NR
	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR/BRR	NR
	40 (d) (iv)	Involvement in activities related to cultivation and production of tobacco	BRR	NR
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	EUCL	pages 83-85
	16 (g)	Undertakings excluded from Paris-aligned benchmarks	P3/BRR	page 84
ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	page 91
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	page 93
	37	Energy consumption and mix	SFDR	page 93
	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	page 93
ESRS E1-6	44	Gross scope 1, 2, 3, and total GHG emissions	SFDR/P3/BRR	page 94
	53-55	Gross GHG emissions intensity	SFDR/P3/BRR	page 95
ESRS E1-7	56	GHG removals and carbon credits	EUCL	NR
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	page 87
	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk	P3	NS (phase-in)
	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	NS (phase-in)
	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	page 88
ESRS E2-4	28	Amount of each pollutant listed in annex II of the E-PRTR regulation emitted to air, water, and soil	SFDR	NM

Legislation

SFDR	Sustainable Finance Disclosure Regulation
P3	EBA Pillar 3 disclosure requirements
BRR	Climate Benchmark Standards Regulation
EUCL	EU Climate Law

Other short forms

NR	Not relevant
NS	Not stated
NM	Not material

Disclosure requirement	Data point		Legislation	Page
ESRS E3-1	9	Water and marine resources	SFDR	NM
	13	Dedicated policy	SFDR	NM
	14	Sustainable oceans and seas	SFDR	NM
ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	NM
	29	Total water consumption in m^3 per net revenue on own operations	SFDR	NM
ESRS E4, SBM-3 (ESRS 2)	16 (a) (i)	Activities negatively affecting biodiversity-sensitive areas	SFDR	page 114
	16 (b)	Land degradation, desertification, or soil sealing	SFDR	page 112
	16 (c)	Threatened species	SFDR	page 111
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	SFDR	NR
	24 (c)	Sustainable oceans/seas practices or policies	SFDR	page 112
	24 (d)	Policies to address deforestation	SFDR	NR
ESRS E5-5	37 (d)	Non-recycled waste	SFDR	page 122
	39	Hazardous waste and radioactive waste	SFDR	page 122
ESRS S1, SBM-3 (ESRS 2)	14 (f)	Risk of incidents of forced labour	SFDR	page 126
	14 (g)	Risk of incidents of child labour	SFDR	page 126
ESRS S1-1	20	Human rights policy commitments	SFDR	pages 126-127
	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	page 126
	22	Processes and measures for preventing trafficking in human beings	SFDR	page 126
	23	Workplace accident prevention policy or management system	SFDR	page 128
ESRS S1-3	32 (c)	Grievance/complaints-handling mechanisms	SFDR	page 131
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	SFDR/BRR	page 136
	88 (e)	Number of days lost to injuries, accidents, fatalities, or illness	SFDR	NS (phase-in)
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR/BRR	page 135
	97 (b)	Excessive CEO pay ratio	SFDR	page 134
ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	page 129
	104 (a)	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	page 129

Disclosure requirement	Data point		Legislation	Page
ESRS S2, SBM-3 (ESRS 2)	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	page 139
ESRS S2-1	17	Human rights policy commitments	SFDR	page 139
	18	Policies related to value chain workers	SFDR	pages 139-140
	19	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	page 140
	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	page 140
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	page 140
ESRS S3-1	16	Human rights policy commitments	SFDR	page 148
	17	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	page 148
ESRS S3-4	36	Human rights issues and incidents	SFDR	page 149
ESRS S4-1	16	Policies related to consumers and end-users	SFDR	NM
	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	NM
ESRS S4-4	35	Human rights issues and incidents	SFDR	NM
ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR	NR
	10 (d)	Protection of whistleblowers	SFDR	NR
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	page 155
	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	page 155

Environment

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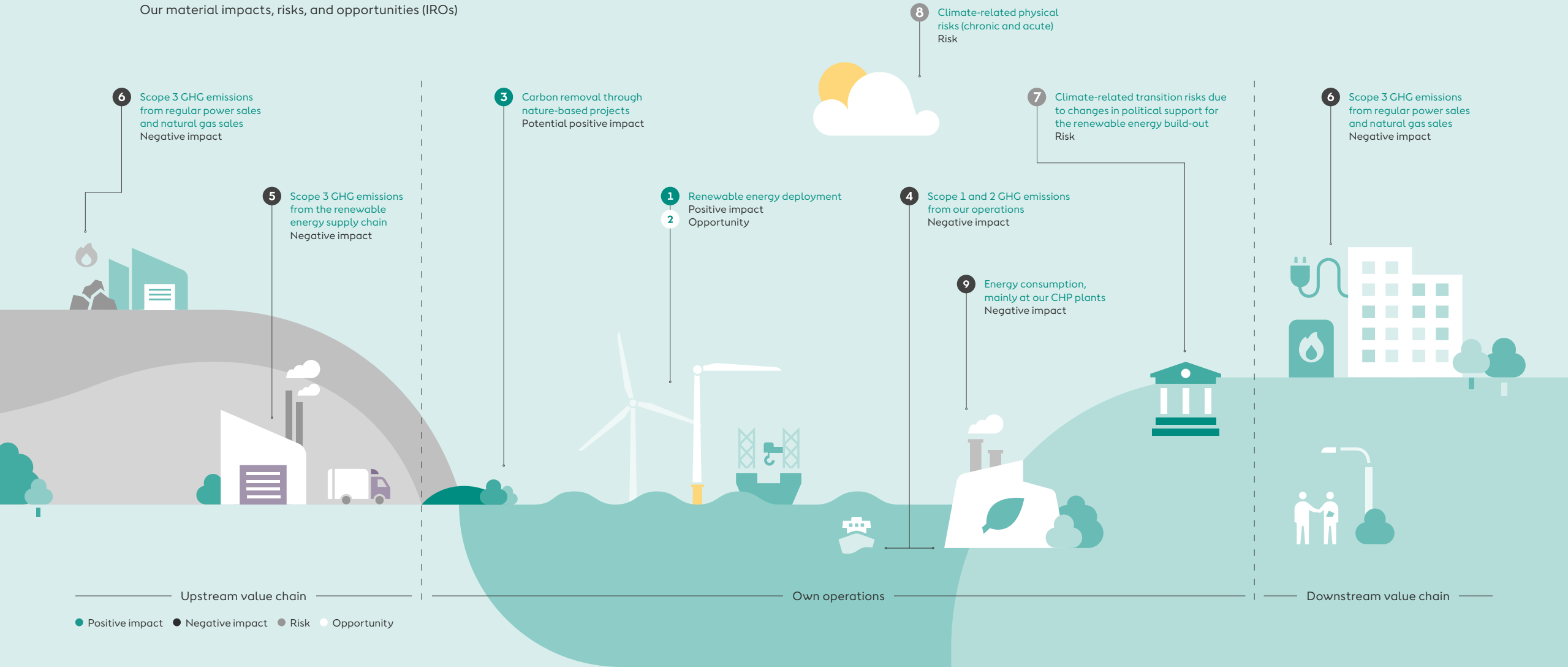
European flat oysters are cultivated along with horse mussels at DTU Aqua's hatchery in Denmark. These bivalves are the true stars of our BioReef partnership with DTU Aqua and WWF Denmark. Together, we are aiming to establish biogenic reefs in the Danish part of the North Sea to help support healthy marine ecosystems. Projects like this form part of our work to innovate and test solutions that can contribute to our target of having a net-positive biodiversity impact on renewable energy projects.

E1 Climate change

//ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)



// ESRS 2, SBM-3; E1, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right and on the next page are descriptions of our material IROs related to climate change, including how we manage them.

These IROs are closely tied to our strategic decision over 15 years ago to transform our business model from fossil-based to renewable energy and to expand our portfolio to include offshore and onshore wind, solar, and storage solutions.

While deploying renewable energy is essential for the transition to a sustainable energy system, we recognise that it has associated GHG emissions from resource extraction, manufacturing, and service operations. Therefore, we also focus our efforts on decarbonising our supply chain to mitigate these impacts.

The impacts are highly connected to our strategy and business model and occur through our contruction and operation activities as well as through business relationships with suppliers.

The resilience of our business to potential negative impacts and risks is shaped by the broader political framework for renewable energy deployment as well as effective collaboration across the value chain to achieve our commercial and sustainability ambition.

While we continue to monitor developments and adapt as needed, our strategy and business model have been assessed as capable of addressing these challenges and leveraging climate-related opportunities.

Climate change mitigation

Material IRO description	How do we manage the IRO?
1 2 Renewable energy deployment Positive impact (own operations) Opportunity (own operations)	
The positive impact and opportunity arise from our deployment of renewable energy. Generally, risks associated with the transition to a low-carbon economy present opportunities for Ørsted, as our vision and long term ambitions are closely aligned with this transition. We create environmental and societal benefits by developing and operating renewable energy assets, which are critical technologies for decarbonising society and limiting global warming to 1.5 °C.	Deploying renewable energy is at the core of our business, and we address this material opportunity and positive impact through our business model and strategy.
3 Carbon removal through nature-based projects Potential positive impact (own operations)	
This potential positive impact arises from carbon removal achieved through our nature-based projects, which complement our efforts to reduce emissions by supporting climate action beyond our value chain and are not a substitute for direct emission reductions. Initiatives such as mangrove reforestation in the Gambia remove carbon dioxide from the atmosphere, supporting efforts to limit global warming to 1.5 °C. The impact is expected to materialise over a medium timescale of three to five years as mangrove forests mature.	We have taken several actions to pursue this positive impact related to carbon removal through nature-based projects, which support broader climate action and sustainability objectives.
4 Scope 1 and 2 GHG emissions from our operations Negative impact (own operations)	
This negative impact arises from our scope 1 and 2 GHG emissions. Scope 1 emissions primarily result from fossil fuel-based heat and power generation at our CHP plants, with a smaller contribution from operation and maintenance activities. Scope 2 emissions stem from the purchase and consumption of electricity and heat. We fully cover our electricity consumption with renewable energy certificates, effectively reducing our net scope 2 emissions. While our scope 1 and 2 emissions are relatively low compared to other industries, they still negatively impact the environment by contributing to global warming.	We have strategic targets aimed at reducing our scope 1 and 2 GHG emissions intensity. These are supported by actions such as transitioning away from fossil fuel-based power generation, increasing the use of renewable energy, and improving energy efficiency across our operations.

Material IRO description	How do we manage the IRO?
5 6 Scope 3 GHG emissions from the renewable energy supply chain Negative impact (upstream value chain) Scope 3 GHG emissions from regular power and natural gas sales Negative impact (upstream and downstream value chain)	
These negative impacts relate to activities that result in scope 3 GHG emissions, contributing to global warming. They include: (a) upstream emissions in our renewable energy supply chain, including material extraction and manufacturing (category 2) (b) upstream and downsteam emissions from power sales stemming from extraction, processing, transportation, and energy generation within the residual energy mix (category 3) (c) upstream and downstream emissions from gas sales, covering both biogas and natural gas (category 11).	We have strategic targets to reduce our scope 1-3 GHG emissions intensity, our scope 3 GHG emissions from gas sales, and actions to decarbonise our value chain.
7 Climate-related transition risks due to changes in political support for the renewable energy build-out Risk (own operations)	
This climate-related transition risk arises due to possible changes in the political and regulatory landscape, which could result in insufficient support for renewable energy deployment or the removal of existing subsidies and incentives. This risk specifically concerns investment subsidies (e.g. capital grants) and production subsidies (e.g. feed-in tariffs or tax credits). It could impact our operations, potentially influencing project viability.	We are actively engaged in climate-related advocacy, calling our stakeholders to action for activities that will accelerate the renewable energy build-out and help manage this risk. We continuously monitor emerging or evolving geopolitical and macroeconomic risks.

Climate change adaption

Material IRO description	How do we manage the IRO?
8 Climate-related physical risks (chronic and acute) Risk (own operations)	
The chronic physical risks relate to the dependency of renewable energy generation on natural resources, such as wind patterns, and the acute physical risks relate to a potential increase in the severity and frequency of extreme weather events.	We assess the resilience of all new assets towards the occurrence of climate-related hazards.

Energy

9 Energy consumption, mainly at our CHP plants Negative impact (own operations)	
We have identified a negative impact associated with energy consumption at our combined heat and power (CHP) plants, which includes the use of fossil-based fuels. The use of fossil-based fuels contributes to greenhouse gas emissions, which negatively affect the environment by contributing to global warming.	We target reductions in our scope 1 and 2 GHG emissions. In 2024, we closed Esbjerg Power Station, our last coal-fired CHP plant, advancing our decarbonisation efforts.

This section outlines our approach to managing climate-related impacts, risks, and opportunities, ensuring resilience and alignment with global sustainability goals. While the transition to a green economy offers significant growth opportunities, it also presents challenges, particularly in decarbonising supply chains.

We have already made substantial progress, transitioning from a fossil fuel-based utility to a global leader in renewable energy. Our policies, strategic actions, and other initiatives highlight our continued efforts towards a low-carbon economy.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in *italics*.

// E1-1

Transition plan

Ørsted's transition plan outlines the company's overall pathway to achieving net-zero emissions by 2040, aligned with the 1.5 °C goal of the Paris Agreement. The plan is substantiated by science-based targets, includes key decarbonisation levers, and identifies strategic actions that have driven the transformation of our business model towards renewable energy and will continue to shape our ongoing transition. The plan supports broader policy priorities, including the European Union's 2050 climate neutrality goals formalised in the European Green Deal and associated regulations (e.g. the EU taxonomy and the EU Green Bonds Standard). These goals represent both an opportunity and a responsibility to align our business strategy with global decarbonisation efforts, contributing to the renewable energy transition and broader sustainability objectives.

First transition wave:
Shift from fossil fuels to renewable energy

Over the past 15 years, we have undergone a significant transformation, evolving from a fossil fuel-based utility to a global leader in renewable energy deployment. This transformation has been driven by substantial investments in offshore wind, onshore wind, solar PV, and storage assets, achieving material progress in decarbonising energy production. Additionally, our shift to biomass-fuelled combined heat and power (CHP) generation has played a pivotal role during this period.

This shift continues to be characterised by the following:

- Growth in renewable capacity: In 2024, we continued to expand our renewable energy portfolio, reaching a total of 18.2 GW of installed capacity, with a pipeline of 7.6 GW in decided (FID'ed) capacity, reinforcing our commitment to advancing the global shift to renewable energy in line with our long term ambition.

- An increase in renewable energy generation and the phase-out of coal: We are on track to meet our 2025 target of a 99 % share of energy generation coming from renewables. Our coal generation activities were ceased in 2024.

- Capital alignment with climate goals: Since the entry into force of the EU Climate Delegated Act, 99 % of Ørsted's capital expenditures (CAPEX) have been allocated to activities classified as sustainable. For 2024, these expenditures include DKK 37,867 million for the deployment of offshore and onshore wind capacity, DKK 6,097 million for the deployment of solar PV and energy storage

technologies, and DKK 2,836 million for hydrogen, carbon capture and storage, and bioenergy activities.

- A measurable performance: We track and disclose progress of our renewable energy portfolio by monitoring progress towards our installed capacity ambition. In addition, we track and disclose progress towards our decarbonisation efforts through a suite of SBTi-validated climate targets, including near-term targets for 2025 and 2030 as well as long term targets for 2040. As part of the SBTi validation process of our interim targets, we updated the baseline year for our scope 1-2 emissions intensity target to 2018, replacing the original targets of reducing the scope 1-2 emissions intensity by 98 % by 2025 and by 99 % by 2030 from a 2006 baseline. From the updated 2018 baseline, we now aim to achieve a 93 % reduction in scope 1 and 2 GHG emissions intensity by 2025 and progress towards a 96 % reduction by 2030. Our interim scope 1-3 GHG emissions intensity target outlines a reduction trajectory of ~77 % by 2030. These interim targets serve as critical waypoints that chart our overall pathway to achieving net-zero by 2040.

- Climate advocacy: As part of our efforts to advance policies and frameworks that accelerate the transition to renewable energy, we actively engage with policy-makers and industry peers.

Addressing transition risks from locked-in emissions

Locked-in emissions refer to future emissions resulting from existing or planned infrastructure and assets. In our case, such emissions are tied to our gas sales activities. This is primarily due to our binding contractual obligations for offtake volumes of natural gas from the gas fields operated by the Danish Underground Consortium (DUC).

We recognise the importance of tackling the impacts of our legacy business, as locked-in emissions pose a significant transition challenge if left unadressed. To guide progress toward our net-zero goals, we have set an absolute emissions reduction target for *scope 3 emissions from gas sales*, aiming to reduce emissions by ~67 % by 2030 (baseline 2018) and by ~90 % by 2040.

To mitigate potential risks associated with locked-in emissions, we focus on the following:

- Measurable performance: We track and disclose progress towards our absolute reduction targets for gas sales. The targets are aligned with the 1.5 °C pathway, and we aim to remain on track to deliver on our net-zero ambition.

- Avoiding additional locked-in emissions: We do not enter into new gas sourcing agreements that would contribute to additional locked-in emissions.

As a renewable energy company committed to driving the energy transition, we aim to address the challenges posed by our legacy business. These efforts reflect our commitment to achieving net-zero emissions by 2040 and making a meaningful contribution to the global renewable energy transition.

As of 31 December 2024, we are not excluded from the Paris-aligned Benchmark (PAB), providing further evidence for the successful transition away from fossil fuels.

Second transition wave:
Decarbonising our supply chains

Having shown substantial progress in transitioning away from fossil fuels to renewable energy generation, we are now entering the second wave of our transformation: addressing emissions from our value chains. Already today, power from offshore wind farms has 99 % lower GHG emissions than power from coal. However, the large scale of renewable energy projects creates both a need and an opportunity to further decarbonise, particularly by addressing emissions, such as steel production, maritime fuels, and manufacturing processes. Achieving our 2040 net-zero target will require close collaboration with suppliers and industry peers.

This wave is characterised by the following:

- Value chain decarbonisation road map: We continuously revise and improve our company-wide decarbonisation roadmap to stay aligned with the latest developments and support informed decision-making.

- Active supplier engagement: We work closely with key suppliers to drive the integration of decarbonisation into their strategies and operations.

- Partnerships: We work to establish strong partnerships and collaborate with key suppliers to support the decarbonisation of our value chain. Strategic partnerships, such as our collaboration with Dillinger, play a vital role in securing access to lower-emissions steel for critical components like offshore wind monopile foundations.

- Tracking and measuring: We continue to improve our in-house life cycle assessment capabilities to measure and monitor value chain emissions reductions effectively. We maintain detailed emissions reporting both internally and externally, with external reports being subject to limited assurance.

Governance and oversight of the transition plan

Matters related to the transition plan are addressed within our sustainability governance framework.

The elements of our transition plan are fully disclosed in our annual report, which is presented to shareholders for approval at the annual general meeting (AGM), providing them with an opportunity to offer feedback.

The way forward

Our vision supported by our strategic ambition remains clear: to create a world that runs entirely on green energy. Achieving this ambition requires us to remain attuned to a market environment increasingly shaped by national climate ambitions, regulatory developments, and the need to proactively identify and manage material sustainability impacts, risks, and opportunities that influence our long term resilience and competitiveness.

As the interlinkages between rising global temperatures, biodiversity loss, resource scarcity, and affected communities become more pronounced, they are driving shifts in demand, investment priorities, and expectations for corporate action. Managing these sustainability-related dynamics is essential to maintaining our leadership in the energy transition and securing our organisation's adaptability in a transforming market.

We continue to leverage advanced technologies and scalable solutions to optimise renewable energy integration and supply chain decarbonisation, as outlined in our innovation report. Additionally, as highlighted in our first climate advocacy report, we actively engage in shaping policies to align global energy needs with the 1.5 °C goal set by the Paris Agreement. The climate advocacy report includes an assessment of our most important industry associations in terms of their alignment with this goal.

Guided by our 'Just transition policy', we are committed to inclusivity by safeguarding workers, supporting communities, and protecting ecosystems as we advance the global energy transformation. By collaborating closely with local communities, we strive to create opportunities, foster socio-economic growth, and ensure that the renewable energy transition is fair and brings meaningful benefits to all involved. Through innovation, advocacy, and a focus on equity, we aim to lead this transition responsibly. //

// ESRS 2, SBM-3; E1, SBM-3 and IRO-1

Resilience analysis

Scope of the resilience analysis

As a global leader in renewable energy, we employ a comprehensive approach to assessing and managing climate-related transition and physical risks, ensuring not only alignment with evolving regulatory requirements but also the resilience of our business model and strategy. Thus, identifying and addressing climate-related impacts, risks, and opportunities are at the core of our vision to create a world that runs entirely on green energy.

Our approach to resilience analysis consists of two main components:

1. Assessing and managing transition risks and opportunities, which include macroeconomic, political, technological, and market developments associated with the global shift to a low-carbon economy.

2. Conducting physical climate risk assessments to evaluate how climate-related hazards (chronic and acute), including extreme weather events and long-term climate changes, may impact our operations.

Transition risks and opportunities

Transition risks stem from a shift to a low-carbon economy and encompass factors such as new regulations, technological innovation, changing market dynamics, and shifting consumer preferences. Over the past decades, we have effectively mitigated these risks by transforming our business model from fossil fuels to renewable energy, aligning our operations with a 1.5 °C climate trajectory. This proactive shift has positioned us well to capitalise on the increasing demand for *renewable energy deployment*. Nevertheless, we recognise that a key challenge to the overall industry is the *possibility of insufficient political support for a continued renewable energy build-out*, which is critical to the global energy transition.

Insufficient political or regulatory support for renewable energy deployment has also been assessed as part of the financial part of our double materiality assessment. Transition risks are particularly relevant to our operations in the US, where changes in investment conditions, reductions in subsidies, or shifting policy priorities could increase uncertainty for future projects. This is why

Transition plan highlights

Vision
- To create a world that runs entirely on green energy.

Strategy
- Renewable energy deployment aligned with global, regional, and national level decarbonisation goals and a 1.5 °C pathway.

Governance
- Board level oversight of transition efforts.
- Executive incentives linked to climate performance indicators.

Scenario analysis
- Addressing climate-related physical and transition risks, such as extreme weather events and climate variability, and regulatory and political shifts, respectively.

Policy engagement
- Active engagement with policymakers, industry stakeholders, and communities to support the renewable energy transition. Advocacy aligned with the goal of the Paris Agreement.

Value chain engagement
- Engaging key suppliers on climate, representing 50 % of procurement spend.

Targets
- Comprehensive suite of SBTi-validated near-term and long-term climate targets (intensity and absolute), supported by Ørsted-specific climate targets.

Financial planning
- Capital alignment with climate goals and a 1.5 °C world – 99 % of CAPEX allocated in 2024 is classified as sustainable.

Scope 1, 2, and 3 accounting with limited assurance
- Detailed greenhouse gas emissions reporting, which is subject to limited assurance.

Risks and opportunities
- We monitor climate-related risks, such as changes in the regulatory and political landscape, and assess design safeguards and business case impacts.
- Renewable energy deployment as a business model to mitigate climate change.

monitoring changes to political and regulatory stability is critical for our long-term planning and investment.

Our approach to managing risks ensures that global trends – such as inflation, interest rate fluctuations, supply chain disruptions, and geopolitical uncertainties – are monitored and factored into our strategic planning and day-to-day operations. Please see the section 'Enterprise risk management' in this report for more details on how the most material enterprise risks for 2024 are impacted by global trends.

Physical climate risks

These risks arise from physical impacts of climate change, including acute events, such as extreme weather (e.g. hailstorms, typhoons, flooding, and heat- and coldwaves), and chronic changes (e.g. changing temperatures and wind patterns).

Physical climate risks for us include *chronic risks*, such as the dependency of renewable energy generation on natural resources like wind patterns, and *acute risks*, such as the increasing severity and frequency of extreme weather events. Chronic risks may lead to greater uncertainty in production estimates over time, while acute risks could result in, for example, extended temporary shutdowns and increased maintenance and repair requirements.

Therefore, we assess the resilience of our assets towards the occurrence of climate-related hazards. Our climate risk assessment links directly to our efforts to ensure fulfilment of the 'do no significant harm' requirements of the EU taxonomy for climate change adaptation while also focusing on design safeguards and business case risks.

Methodology of the resilience analysis

Transition risks and opportunities

Transition risks, including macroeconomic, business, and geopolitical risks, are managed through our 'Enterprise risk management (ERM) framework', supported by dedicated teams. This framework provides a high-level, principle-based structure for addressing all risks to which Ørsted may be exposed. The ERM framework sets the standards for individual risk frameworks across the organisation, ensuring that risks are identified and managed in line with the appetite for risk.

Complementing the ERM framework is the double materiality assessment (DMA), which serves as both an assessment methodology and a focused lens for driving sustainability-related matters. Risks are assessed on an ongoing basis as part of our day-to-day business. The derived insights, including the DMA outcomes, are synthesised to provide a comprehensive view of sustainability-related risks and opportunities, ensuring alignment with our strategy and business model.

Emerging risks, such as shifts in the political landscape, are part of the ERM framework and are monitored by dedicated, regionally split teams, which oversee region-specific developments.

Physical climate risks

In 2024, we extended our comprehensive analysis, conducted in 2023, to a number of assets that started generating in 2024. This process included mapping climate projections for new assets against 2023 data to identify and assess any significant differences in projected trends. A full reassessment of the portfolio was deemed unnecessary, as the underlying projection data, sourced from CMIP (used in IPCC reports), is only updated every few years. Our latest assessment is based on CMIP6, which we will continue to use until CMIP7 is released. In addition, there have been no significant changes to either our business case assumptions for generating assets related to climate change risks or our internal methodology for assessing these risks, which would require a full reassessment.

We assess physical risks from two perspectives: design safeguards and business case impacts. The design safeguard evaluation ensures the structural integrity and resilience of assets against climate hazards using region-specific data. Our analysis focuses on offshore, onshore, and bioenergy assets that have reached final investment decision, representing critical components of our portfolio.

The business case impact assessment is conducted at a high-resolution, asset-by-asset level under the SSP5-8.5 worst-case scenario. This conservative approach ensures resilience measures address severe climate risks and protect long-term operational and financial stability. The scope includes offshore and onshore assets currently generating across our operating markets, representing the majority of our climate risk exposure.

Our physical climate risk assessment analyses data based on the remaining operational lifetimes of our assets, which extend up to 35 years. This period is considered medium term in climate projections, as significant climate changes are not typically observed in the short term. The long-term horizon, defined as 2060 onwards, is not applicable under our current methodology, as all existing assets are scheduled for decommissioning before that time.

For the purposes of meeting financial materiality assessment requirements, we have also considered the following time horizons: short term (covering the current reporting year and the next year), medium term (from the end of the short-term period to five years), and long term (more than five years). Applying these horizons did not lead to any changes in the results of the assessment. It is important to note that, in the context of climate change, these time horizons are relatively short term and may not fully reflect the scale of risks that develop over extended periods.

Results of the resilience analysis

Transition risks and opportunities

Transition risks and opportunities are integral to the business cases for our investments in new assets, technologies, and activities. We actively monitor market developments and regularly update our business cases to ensure alignment of mitigation actions with evolving conditions, maintaining a focus on delivering value to our investors.

In particular, we recognise the potential for political shifts in the US to impact the prioritisation of renewable energy policies. To address this risk, we maintain continuous monitoring of political developments and regulatory frameworks, adapting our strategies to align with changing circumstances. By closely engaging with stakeholders and leveraging our diversified portfolio and global operations, we aim to ensure resilience and flexibility in responding to such transitions. This proactive approach allows us to remain well-positioned in the face of evolving political landscapes.

Physical climate risks

The results of the physical climate risk assessment show that all our assets are structurally protected against physical risks from climate change. This is achieved through a combination of design safeguards and mitigation measures, including active collaboration with wind turbine manufacturers to tailor designs to local conditions, and conducting stress tests for extreme scenarios during the design process. These measures are particularly effective in addressing acute physical risks such as heatwaves, coldwaves, frost, cyclone, and typhoons.

From a business case perspective, the most significant climate risks for our portfolio are changes in wind patterns and, to a lesser extent, air temperature, as these factors directly affect energy production. While our analysis indicates only minor deviations in asset values compared to projections based on historical climate data, we recognise the materiality of climate change risks due to their unique nature. These risks develop gradually over time, with impacts that can compound, and are characterised by a fat tail distribution – meaning they involve a low probability of extreme events with potentially severe consequences. This underscores the importance of continuous improvement in assessment methodologies to better capture these dynamics and their potential implications. We therefore acknowledge the need for further investigation going forward as we strive to reduce uncertainties associated with our assessments.

In addition, to mitigating risks through design safeguards and business case considerations, our risk management strategy incorporates estimated maximum loss (EML) assessments to quantify potential financial exposures and ensure sufficient insurance protection and financial resilience against unforeseen extreme events.

The way forward

Balancing progress and challanges

We have demonstrated the ability to adapt our strategy and business model to address climate change by aligning projects and their associated financing with the EU taxonomy for sustainable activities. This approach ensures that financing is directed toward sustainable initiatives, supporting the transition to a low-carbon economy while maintaining access to affordable financing.

Additionally, we work closely with key stakeholders to support this alignment, reinforcing our capacity to redeploy resources and decommission assets effectively as part of our long-term strategy. We remain dedicated to a robust understanding of climate-related risks. To support this, we plan to re-run the full climate risk assessment for our asset portfolio in 2025, incorporating updated methodologies. This approach ensures our climate-related risk management practices remain thorough, efficient, and aligned with the observed level of risk.

While we are committed to driving a just transition towards renewables, we recognise that various factors, including macroeconomic conditions and technological advancements, influence the pace of progress. To mitigate these risks and capitalise on opportunities, we advocate for political support and initiatives that foster stable macroeconomic conditions, ensuring the continued deployment of renewable energy.

Classification of climate-related hazards, cf. the TCFD classification and the EU taxonomy's Climate Delegated Act

Relation	Chronic	Acute
Temperature	✓ Changing temperature (air, freshwater, marine water) ✓ Heat stress ✓ Temperature variability × Permafrost thawing	✓ Heatwave ✓ Coldwave/frost ✓ Wildfire
Water	✓ Changing precipitation patterns and types (rain, hail, snow/ice) ✓ Precipitation or hydrological variability ✓ Ocean acidification ✓ Saline intrusion ✓ Sea level rise ✓ Water stress	✓ Drought ✓ Heavy precipitation (rain, hail, snow/ice) ✓ Flood (coastal, fluvial, pluvial, groundwater) × Glacial lake outburst
Wind	✓ Changing wind patterns	✓ Cyclone, hurricane, typhoon ✓ Storm (including blizzards, dust, and sandstorms) ✓ Tornado
Solid mass	✓ Coastal erosion ✓ Soil degradation ✓ Soil erosion ✓ Solifluction	× Avalanche ✓ Landslide ✓ Subsidence

✓ Hazard included in assessment × Hazard not relevant to include due to geographical location of assets

Adapting to a dynamic landscape

In addition to the above, we recognise that global transition-related events can alter the foundation for our assumptions. As the global renewable energy market continues to expand in the coming years, advancements in grid management, energy storage, and emerging technologies are expected to shape the renewable energy landscape. To adapt to this dynamic environment, we actively monitor political, legal, technological, market, and reputational developments to assess their potential effects on our business.

We will continue the ongoing integration of the DMA and our ERM framework to support a consistent and well-anchored assessment of risks across Ørsted. //

// E1-2

Policies related to climate change

To manage our impacts, risks, and opportunities related to climate change, we are guided by our vision to create a world that runs entirely on green energy. As such, climate change mitigation efforts have been at the core of our operations for many years, eliminating the necessity for a stand-alone climate policy.

We continue to focus on delivering measurable change through setting internal targets, milestones, and decision-making mechanisms, tracked through relevant KPIs. The need for the development of policies will be assessed continuously to ensure the effectiveness of our efforts.

While we do not have a stand-alone climate policy, our commitment to mitigating climate change, deploying renewable energy, and promoting efficient energy systems is embedded in our sustainability commitment. Introduced in 2016, this commitment reflects a systems-based approach to addressing climate change, recognising that social and governance factors are critical to successfully delivering reliable and modern energy systems to society. This perspective is applied across our organisation and is also reflected in our 'Code of conduct for business partners'. The sustainability commitment is overseen by the Group Executive Team.

While the sustainability commitment does not outline the specific steps required to address the identified IROs, it has effectively set the direction for our first transition wave: shifting away from fossil fuels. To ensure continued alignment with our strategy and vision, we have incorporated climate-related KPIs in the remuneration framework of the Group Executive Team. In 2024, the short-term bonus programme includes metrics linked to scope 1 and 2 emissions reductions and the external climate rating from the Carbon Disclosure Project (CDP). //

// E1, GOV-3

Incorporating climate-related considerations into the executive remuneration framework ensures that incentives are aligned with both financial performance and climate objectives. As a renewable energy company, our financial metrics inherently reflect climate performance, reinforcing the link between executive pay and our decarbonisation efforts.

A key financial metric linked to executive remuneration is EBITDA. The majority of EBITDA (91 %) is taxonomy-aligned, generated through activities that contribute to climate change mitigation under the EU taxonomy framework. This highlights the connection between executive remuneration and renewable energy growth, supporting our long-term decarbonisation ambition.

Beyond financial performance, a portion of executive remuneration is linked to climate-specific considerations, including our scope 1-2 emissions intensity target. The proportion of recognised remuneration linked to these climate-specific considerations was 1.9% for the CEO, with corresponding figures for the Executive Board as follows: 1.6% for the CCO, 1.4% for the CFO, and 1.5% for the Chief HR Officer. Further details on the methodology, including how climate-related performance is factored into remuneration, can be found in our remuneration report. //

// E1-3

Actions related to climate change

Our actions, as outlined in our transition plan, are underpinned by our broader commitment to deploying renewable energy projects and directing capital towards economic activities classified as sustainable under the EU taxonomy. In 2024, we have allocated DKK 46,800 million in capital expenditures to taxonomy-aligned activities. Further, we have taken final investment decisions on 1.8 GW of new projects, demonstrating our commitment to growth within the EU sustainable framework.

Our actions are organised under key decarbonisation levers – strategic approaches designed to address climate change impacts, risks, and opportunities.

Decarbonisation lever 1: Deploying renewable energy

Our primary decarbonisation lever aligns with a key climate change-related opportunity and a positive impact: the *deployment of renewable energy assets*. This approach not only supports our core business model by capitalising on financial opportunities but also maximises our positive impact on climate change by increasing the availability of renewable energy.

Key action 1.1

Renewable capacity installed

In 2024, we continued to expand our renewable energy portfolio, reaching a total of 18.2 GW of installed capacity, with a pipeline of 7.6 GW in decided (FID'ed) capacity.

We reached commercial operations for several major projects: the offshore wind farms Greater Changhua 1 and 2a (900 MW), South Fork (132 MW), the solar PV assets Sparta Solar (250 MW) and Mockingbird (471 MW), the remaining part of Old 300 (73 MW), and the combined solar PV (300 MW) and battery storage (300 MW/1,200 MWh) asset Eleven Mile. These projects directly contribute to increasing renewable energy capacity, supporting the growing demand for renewable electricity.

We are committed to deploying renewable energy over the long term as part of our core business strategy, with our build-out ambition serving as a key milestone that underscores our focus on expanding renewable energy capacity and aligning with our long term climate ambitions.

Decarbonisation lever 2:
Reducing emissions from operations

Our second decarbonisation lever includes a number of actions that each address the actual negative impacts on climate change from our own operations *(fossil-based energy consumption at our CHP plants, and our scope 1 and 2 emissions)*.

The associated actions undertaken in 2024 are outlined below:

Key action 2.1
Phasing out coal

We achieved a significant milestone in our decarbonisation journey by shutting down our last coal-fired combined heat and power plant in Esbjerg, Denmark. This marks a major step in reducing fossil-based energy consumption at our CHP plants and lowering our scope 1 and 2 emissions from operations, which have already been significantly lowered. Between 2018 and 2024, we have reduced our scope 1 and 2 emissions intensity by 88 % and remain on track to achieve our SBTi-validated target of 93 % in 2025.

We continue to identify additional ways to drive down emissions within our operations. The following actions, although supplementary, are deemed relevant contributions towards our climate objective.

Action 2.1
Electric vehicles fleet

To support our target of achieving a fully electric vehicle fleet by the end of 2025, we transitioned additional fossil fuel-powered vehicles to electric vehicles in 2024. As a result, 73 % of our vehicle fleet is now fully electric. This transition is underpinned by a strategic decision to discontinue the acquisition or leasing of fossil fuel-powered vehicles, ensuring alignment with our decarbonisation objectives.

Action 2.2
Heavy-lift (cargo) drones for offshore maintenance

In 2024, we deployed heavy-lift (cargo) drones (HLCD) for the first time during an operational campaign at the Borssele 1 & 2 Offshore Wind Farm to enhance maintenance efficiency. This innovation delivers significant cost and time savings while reducing GHG emissions by minimising vessel journeys and optimising operations. The use of drones allows cargo to be delivered directly to the nacelle in just four minutes per wind turbine, compared to approximately six hours using conventional methods, enabling tasks to be completed 10-15 times faster. Additionally, this approach eliminates the need to shut down turbines during delivery, reducing work disturbances and further improving efficiency.

Decarbonisation lever 3:
Reducing emissions from our supply chain

Stakeholders, including regulators, investors, and customers, are increasingly attentive to emissions across the entire value chain, making it a key area of focus for organisations seeking to align with the evolving sustainability landscape.

For us, reducing *scope 3 emissions from the renewable energy supply chain* is an important step in supporting the global energy transition. It is the second wave of transition efforts towards delivering on our 2040 science-based net-zero target.

Addressing emissions in the value chain also offers opportunities to manage risks associated with resource availability and supply chain disruptions. By working with suppliers to explore lower-emissions alternatives and support innovations like circular practices, we can make progress in reducing emissions while contributing to broader sustainability efforts.

Although eliminating value chain emissions will largely require systemic changes and long-term efforts by national and regional regulatory advancements, we are committed to making incremental progress in this area. This links directly to our broader decarbonisation strategy and aligns with global climate goals.

Key action 3.1
Continued improvement of our company-wide roadmap

In 2024, we initiated a project to update our company-wide decarbonisation roadmap to support our ambition of achieving net-zero emissions by 2040. This roadmap will continue to provide clear interim milestones and help identify potential new areas where immediate progress can be achieved. This approach ensures a solid foundation for long-term systematic change through measurable progress and targeted actions.

Key action 3.2
Offtake agreements for lower-emissions steel

Decarbonising our value chain requires close collaboration with key partners and suppliers. In 2024, we reinforced our partnership with Dillinger, Europe's largest heavy steel plate producer. Under this agreement, Dillinger will offer Ørsted access to the first production of lower-emission steel, contingent on availability and commercial terms and conditions. The steel plates are a critical component of the offshore wind monopile foundations.

This partnership underscores a long term commitment to decarbonise main components for our offshore assets. We anticipate procuring lower-emissions steel from Dillinger's plant in Dillingen, Germany, in 2027-2028, reflecting the time required to implement this initiative.

Key action 3.3
Supplier engagement and procurement strategy

We work closely with suppliers to drive the integration of decarbonisation into their strategies and operations, a cornerstone of our supplier engagement efforts. Our focus is on key high-impact suppliers, representing over half of our total procurement spend and encompassing the most carbon-intensive segments of our supply chain. We extend clear expectations to adopt science-based targets (through SBTi), provide transparent climate reporting (through CDP), and transition to renewable electricity for their energy needs. For selected high-impact segments, we have introduced climate requirements into our standard contracts and tender criteria.

Our supplier engagement and procurement strategy is an ongoing initiative without a fixed end date, evolving with the growth of our project portfolio and supplier base. This approach ensures that new suppliers in high-impact segments are systematically included in our sustainability efforts.

Since the implementation of our strategy, we have nearly doubled the number of key suppliers with whom we actively engage, while also broadening the focus of our collaboration to encompass circularity in addition to decarbonisation. These efforts not only drive progress toward our 2040 net-zero target but

also contribute to the resilience of supply chains. To embed sustainability matters into procurement practices, we have a dedicated organisational set-up that enables clear focus on driving sustainable procurement.

Action 3.1
Uniform methodology for product carbon footprint (PCF) for offshore assets

In 2024, we continued our collaboration with Carbon Trust to develop a standardised carbon footprint methodology for offshore assets across the full life cycle. The methodology provides sector-specific guidance for the application of international PCF and life cycle assessment standards.

Establishing an industry-wide uniform methodology will ensure a consistent approach to measuring the environmental impact of offshore wind projects throughout their entire life cycle, from material sourcing to decommissioning. By supporting such initiatives, we aim to enhance transparency and drive improvements across the industry.

Decarbonisation lever 4: Beyond value chain mitigation

In addition to reducing our scope 1-3 emissions toward our 2040 net-zero target, we take further steps to finance and develop nature-based projects that contribute to climate action outside our value chain. These efforts are not a substitute for reducing our scope 1-3 emissions; rather, they complement and reinforce our commitment to achieving emissions reductions as part of our holistic approach to climate action. By supporting nature-based projects, we also advance our efforts to address a possible positive impact: *carbon removal through nature-based projects*, which supports broader climate action and sustainability objectives.

Action 4.1
Nature-based projects in the Gambia

In 2024, we have continued to advance our portfolio of nature-based carbon removal projects by planting approximately 40 million propagules in the Gambia, equivalent to around 4,000 hectares, thereby contributing further to the restoration of vital ecosystems and mitigating climate change. The project is in partnership with the Gambia Department of Parks & Wildlife Management and three local NGOs to restore mangrove populations.

To ensure carbon credits contribute meaningfully to climate action, they must meet additionality, i.e. that the project would not occur without financial support, and permanence, i.e. that the mangroves remain intact. We actively support the Gambia project with a dedicated team and financial backing. Though resource-intensive and time-consuming as mangroves mature, this approach ensures project integrity. //

Decarbonisation levers and actions highlights

Decarbonisation lever 1: Deploying renewable energy

Key action 1.1. Installed renewable capapcity
Expanded renewable energy portfolio to 18.2 GW of installed capacity in 2024.

Advanced our pipeline to a total of 7.6 GW in decided capacity (1.8 GW added in 2024).

Decarbonisation lever 2: Reducing emissions from operations

Key action 2.1. Phasing out coal
Shutting down our last coal-fired combined heat and power plant in Esbjerg, Denmark.

Action 2.1. Electric vehicle fleet
Achieved 73% electrification of our vehicle fleet.

Action 2.2. Heavy-lift (cargo) drones for offshore maintenance
Deployed heavy-lift drones at Borssele 1 & 2 in 2024, boosting efficiency and cutting costs and emissions.

Decarbonisation lever 3: Reducing emissions from supply chain

Key action 3.1. Improvements to company-wide roadmap
Launched project in 2024 to update the roadmap for achieving net-zero by 2040 with clear milestones and targeted actions.

Key action 3.2. Offtake agreements for lower-emissions steel
Strengthened partnership with Dillinger in 2024 to secure access to lower-emissions steel, supporting decarbonisation of offshore wind monopile foundations.

Key action 3.3. Supplier engagement and procurement strategy
Continuously engage high-impact suppliers to adopt science-based targets, report climate data, transition to renewable electricity, and meet climate requirements in contracts and tenders.

Action 3.1. Uniform methodology for product carbon footprint (PCF) for offshore assets
Worked with Carbon Trust in 2024 to standardise carbon footprint methodology for offshore assets.

Decarbonisation lever 4: Beyond value chain mitigation

Action 4.1. Nature-based projects in the Gambia
Continued to advance our nature-based carbon removal projects in 2024, planting 40 million mangrove propagules to restore 4,000 hectares and support carbon removal and ecosystem restoration.

// E1-4

Targets related to climate change

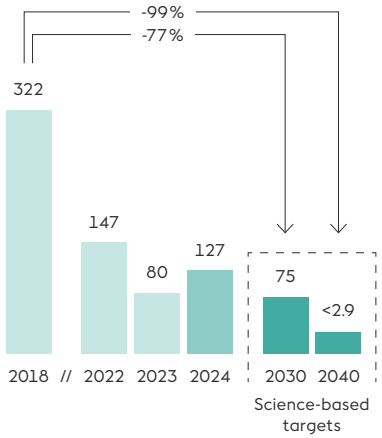
Delivering on our 2040 net-zero ambition

In 2021, we became the first energy company to set a science-based net-zero target covering scope 1-3 emissions by 2040. Since then, we have made measurable progress and remain on track to meet our near-term scope 1-2 emissions intensity target.

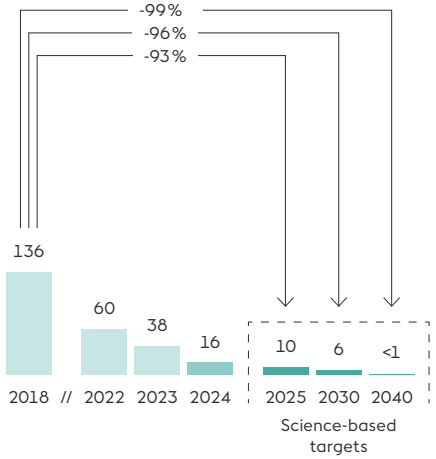
To provide a more detailed trajectory for our decarbonisation efforts, we developed a portfolio of new near-term targets for 2030, using the same KPIs as our 2040 targets. In 2024, the Science Based Targets initiative (SBTi) validated our interim 2030 targets.

The SBTi's target validation team classified the ambition of these targets across scopes 1-3 as aligned with a 1.5 °C trajectory, reflecting alignment with the most ambitious goal of the Paris Agreement. This validation underscores the credibility of our approach and further reinforces our commitment to leading the energy transition towards a net-zero future.

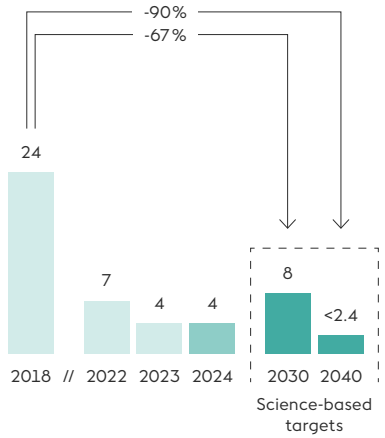
Our portfolio of climate targets outlines a clear pathway to reducing emissions across our value chain. It also includes a cap on emissions from natural gas sales, building on the reductions we have already achieved.



Scope 1-3 greenhouse gas emissions intensity (excl. gas sales)
g CO_2e/kWh



Scope 1-2 greenhouse gas emissions intensity
g CO_2e/kWh

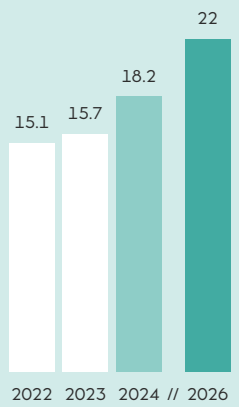


Scope 3 greenhouse gas emissions from gas sales
Mt CO_2e

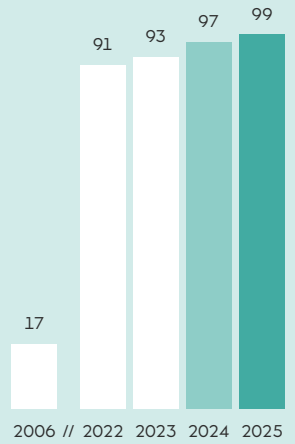
SBTi-validated climate targets 2018-2040

Delivering on our strategic ambition: renewable energy deployment

We remain dedicated to advancing the global shift toward renewable energy. We are on course to achieve a 99% share of renewable energy generation in 2025. This commitment is further supported by our strategic focus on expanding renewable energy capacity, with an ambiton of reaching installed renewable capacity of 22 GW by 2026. //



Installed renewable capacity
GW



Share of renewable energy generation
%

Climate-related targets

ESRS ref.	SBTi and entity-specific climate targets	Unit	Scope	Target value	SBTi target value	Target year	Baseline year	2024	Baseline value	Δ
	SBTi-validated climate targets									
// E1-4, 34(a-e)	Scope 1-2 GHG emissions intensity[1]	g CO_2e/kWh	Own operations	10	93%	2025	2018	16	136	(88%)
// E1-4, 34(a-e)	Scope 1-2 GHG emissions intensity[1]	g CO_2e/kWh	Own operations	6	96%	2030	2018	16	136	(88%)
// E1-4, 34(a-e)	Scope 1-2 GHG emissions intensity[1]	g CO_2e/kWh	Own operations	1	99%	2040	2018	16	136	(88%)
// E1-4, 34(a-e)	Scope 1-3 GHG emissions intensity (excl. gas sales)	g CO_2e/kWh	Own operations and value chain	75	77%	2030	2018	127	322	(61%)
// E1-4, 34(a-e)	Scope 1-3 GHG emissions intensity (excl. gas sales)	g CO_2e/kWh	Own operations and value chain	<2.9	99%	2040	2018	127	322	(61%)
// E1-4, 34(a-e)	Scope 1-3 GHG emissions intensity (sold electricity)	g CO_2e/kWh	Own operations and value chain	24	90%	2030	2018	38	244	(84%)
// E1-4, 34(a-e)	Scope 3 GHG emissions from gas sales	Mt CO_2e	Value chain	8	67%	2030	2018	4	24	(83%)
// E1-4, 34(a-e)	Scope 3 GHG emissions from gas sales	Mt CO_2e	Value chain	<2.4	90%	2040	2018	4	24	(83%)
// E1-4, 34(a-e)	Scope 3 GHG emissions	Mt CO_2e	Value chain	14	50%	2030	2018	9	29	(69%)
	Other climate targets									
Entity spec.	Share of renewable energy generation	%	Own operations	99	-	2025	2018	97	75	22%p
Entity spec.	Coal and coal products used in thermal heat and power generation	ktonnes	Own operations	0	-	2025	2019	228	588	(61%)
Entity spec.	Share of electric vehicles in company vehicle fleet	%	Own operations	100	-	2025	2019	73	21	52%p
	Business driver target									
Entity spec.	Installed renewable capacity[2]	GW	Own operations	22	-	2026	2024	18.2	18.2	0

[1] As part of the SBTi validation process of our interim targets, we updated the baseline year for our scope 1-2 emissions intensity target from 2006 to 2018.

[2] Renewable capacity installed by Ørsted accumulated over time and not adjusted for divestments

Energy consumption

ESRS ref.	Energy consumption	Unit	2024	2023	Δ
// E1-5, 37(a)	**Total energy consumption from non-renewable sources**	**MWh**	**2,384,997**	**4,850,134**	**(51%)**
Entity spec.	Non-renewable fuels used in thermal heat and power generation	MWh	2,211,856	4,690,323	(53%)
// E1-5, 38(a)	Fuel consumed from coal and coal products	MWh	1,449,425	3,782,295	(62%)
// E1-5, 38(c)	Fuel consumed from natural gas	MWh	606,373	745,742	(19%)
// E1-5, 38(b)	Fuel consumed from crude oil and petrolium products	MWh	156,058	162,286	(4%)
Entity spec.	Other fossil sources (oil, gas, and diesel for vessels and vehicles)	MWh	168,062	155,309	8%
// E1-5, 38(e)	Consumption of purchased or acquired heat from fossil sources	MWh	5,079	4,502	13%
// E1-5, 37(c)	**Total energy consumption from renewable sources**	**MWh**	**13,620,470**	**10,718,308**	**27%**
Entity spec.	Renewable fuels used in thermal heat and power generation	MWh	13,143,806	10,090,651	30%
// E1-5, 37(c)(i)	Fuel consumed from biomass	MWh	13,131,089	10,074,047	30%
// E1-5, 37(c)(i)	Fuel consumed from biogas	MWh	12,717	16,604	(23%)
// E1-5, 37(c)(ii)	Consumption of purchased or acquired electricity and heat from renewable sources	MWh	476,664	627,657	(24%)
// E1-5, 37	**Total energy consumption**	**MWh**	**16,005,467**	**15,568,442**	**3%**
// E1-5, AR34	Share of non-renewable energy consumption	%	15	31	(16%p)
// E1-5, AR34	Share of renewable energy consumption	%	85	69	16%p
// E1-5, 40	**Energy intensity from activities in high climate impact sectors**	**MWh/DKKm**	**225**	**196**	**15%**
Entity spec.	**Electric vehicles in company vehicle fleet**	**%**	**73**	**65**	**8%p**

Share of renewable energy consumption
%

Total energy consumption increased by 3% in 2024 compared to 2023.

Total energy consumption from non-renewable sources decreased by 51% in 2024 compared to 2023. This was mainly driven by 62% lower fuel consumption from coal at our CHP plants.

The lower consumption of coal compared to 2023 was mainly driven by the shut down of the coal-based Esbjerg Power Station from September 2024 as well as our other coal-based generation capacity in Q4 2024. In addition, we have resumed biomass usage at Studstrup Power Station, replacing coal consumption since April 2023.

Total energy consumption from renewable sources increased by 27% in 2024 compared to 2023. The increase was primarily driven by 30% higher fuel consumption from biomass at our CHP plants, driven by improved spreads from decreasing wood pellet prices as well as increased biomass usage at Studstrup Power Station in 2024, as we have resumed using biomass after the fire in the wood pellet silo that lead to lower biomass usage in 2023.

The 15% increase in energy intensity from activities in high climate impact sectors is due to a 3% increase in total energy consumption (numerator) and a 10% reduction in revenue (denominator).

§ Accounting policies

Energy consumption from non-renewable sources
Energy consumption from non-renewable sources includes all fossil fuels used at combined heat and power (CHP) plants (lower caloric values), oil, gas and diesel for vessels and vehicles as well as consumption of purchased or acquired heat from fossil sources.

Energy consumption from renewable sources
Energy consumption from renewable sources includes all renewable fuels used at combined heat and power (CHP) plants (lower caloric values) as well as purchased and consumed electricity and heat from renewable sources (electricity used at CHP plants, other facilities, and administrative buildings).

For consumption related to administration and other processes, we calculate direct consumption on the basis of invoices. Our own electricity consumption is 100% covered by renewable energy certificates.

Heat consumption is split between renewable and non-renewable sources based on a calculation using data from Danish heat sources (we only use district heating in Denmark).

Energy consumption from high climate impact sectors
The total energy consumption of Ørsted falls under NACE code D35 'Electricity, gas, steam and air-conditioning supply' as defined in Commission Delegated Regulation (EU) 2022/1288. Similarly, the revenue figure used to derive the intensity shown is the total group revenue, given that all revenue is deemed to be derived from activities under NACE code D35 'Electricity, gas, steam and air conditioning supply'.

Electric vehicles in the company vehicle fleet
Ørsted is a member of the Climate Group's EV100 initiative. The statement is prepared on the basis of the EV100 guidelines.

Gross scope 1, 2, 3, and total GHG emissions

Scopes 1, 2, and 3

ESRS ref.	Greenhouse gas (GHG emissions), tonnes CO_2e	2024	2023	Δ
// E1-6, 48(a), 50(a)	**Direct GHG emissions (scope 1)**	**733,299**	**1,584,822**	**(54 %)**
// E1-6, 48(b)	Covered by the EU Emissions Trading System, %	92	96	(4 %p)
// E1-6, 44(b), 49(a), 50(a)	**Indirect GHG emissions (scope 2), location-based**	**58,925**	**92,960**	**(37 %)**
// E1-6, 44(b), 49(b), 50(a)	**Indirect GHG emissions (scope 2), market-based[1]**	**875**	**701**	**25 %**
// E1-6, 44(c)	**Indirect GHG emissions (scope 3)**	**9,043,386**	**5,631,417**	**61 %**
// E1-6, 51	C1: purchased goods and services	528,954	327,854	61 %
// E1-6, 51	C2: capital goods	3,050,022	91,140	3,247 %
// E1-6, 51	C3: fuel- and energy-related activities	1,390,869	1,314,390	6 %
// E1-6, 51	C4: upstream transportation and distribution	630	234	169 %
// E1-6, 51	C5: waste generated in operations	2,841	2,660	7 %
// E1-6, 51	C6: business travel[2]	22,972	18,111	27 %
// E1-6, 51	C7: employee commuting	12,330	12,577	(2 %)
// E1-6, 51	C9: downstream transport and distribution	2,591	2,496	4 %
// E1-6, 51	C11: use of sold products	4,032,177	3,861,955	4 %
// E1-6, 52(a)	**Total GHG emissions (location-based)[3]**	**9,835,610**	**7,309,199**	**35 %**
// E1-6, 52(b)	**Total GHG emissions (market-based)[3]**	**9,777,560**	**7,216,940**	**35 %**
Entity spec.	**Scopes 1, 2, and 3 (excl. gas sales)**	**5,745,383**	**3,354,985**	**71 %**
Entity spec.	**Scope 3 (excl. gas sales)**	**5,011,209**	**1,769,462**	**183 %**
Entity spec.	**GHG emissions outside of scopes 1-3[4]**	**4,626,264**	**3,584,996**	**29 %**
// E1-6, AR43(c)	Direct biogenic carbon emissions	4,598,412	3,544,231	30 %
// E1-6 AR45(e)	Indirect biogenic carbon emissions	27,852	40,765	(32 %)
// E1-6, 50(b)	**GHG emissions not accounted for under the consolidated group**			
// E1-6, 50(b)	Scope 1 emissions	30,635	-	-
// E1-6, 50(b)	Scope 2 emissions (location-based)	10,063	-	-
// E1-6, 50(b)	Scope 2 emissions (market-based)[5]	10,063	-	-

[1] We cover 100 % of our own electricity consumption with unbundled renewable electricity certificates.

[2] We have obtained carbon dioxide emissions data directly from our air travel suppliers, which account for 0.2 % of the total scope 3 emissions.

[3] Total GHG emissions including scope 2 GHG emissions measured using the location-based and market-based method, respectively.

[4] According to the GHG Protocol, emissions data for direct carbon emissions from biologically sequestered carbon (e.g. carbon dioxide from burning biomass) shall be reported separately from scopes 1-3.

[5] We do not purchase renewable certificates for the scope 2 emissions not financially consolidated.

Scope 1

Scope 1 greenhouse gas (GHG) emissions decreased by 54 % from 2023 to 2024. The main driver was the 53 % decrease in the non-renewable fuels used in the heat and power generation, where coal consumption decreased by 62 %.

In 2024, 92 % of our scope 1 GHG emissions were covered by the EU Emissions Trading System.

Scope 2

Location-based scope 2 GHG emissions decreased by 37 % from 2023 to 2024, primarily driven by less purchased power for the electric boilers at our CHP plants.

All electricity purchased and consumed by Ørsted is covered with certificates, ensuring it has been produced using renewable sources. Therefore, our market-based scope 2 GHG emissions from power consumption amounted to zero tonnes carbon dioxide equivalents. The remaining 875 tonnes carbon dioxide equivalents come from the fossil-based share of our heat consumption.

Scope 3

Scope 3 GHG emissions increased by 61 % from 2023 to 2024. This increase was primarily driven by the increase in emissions from capital goods (category 2), as we commissioned four large solar farms in the US, two offshore wind farms in Taiwan, and one offshore wind farm in the US in 2024, whereas we only commissioned four onshore wind farms in 2023.

GHG emissions outside of scopes 1-3

Direct biogenic carbon emissions were 30 % higher in 2024 than in 2023 due to the 30 % increase in the use of sustainable biomass as fuel.

Indirect biogenic carbon emissions decreased by 33 % in 2024 compared to 2023, driven by the reduction in purchased electricity from renewable sources.

GHG emissions not accounted for under the consolidated group

GHG emissions (scopes 1 and 2) from operating activities that are not accounted for under the consolidated group include emissions associated with our operation of assets over which we have no or partial ownership. These include offshore wind farms where we own part of the wind farm as well as some smaller onshore wind farms where we have no ownership, but oversee operations. All these assets are renewable assets, implying the key driver of the emissions reported is fuel from the vessels and vehicles used to operate these assets.

Gross scope 1, 2, 3, and total GHG emissions
GHG emissions intensity

ESRS ref.	GHG emissions intensity	Unit	2024	2023	Δ
	GHG emissions intensity (scopes 1 and 2)				
Entity spec.	GHG emissions intensity, energy generation	g CO_2e/kWh	16	38	(58%)
Entity spec.	Offshore	g CO_2e/kWh	2	2	0%
Entity spec.	Onshore	g CO_2e/kWh	0	0	-
Entity spec.	Bioenergy & Other	g CO_2e/kWh	61	141	(57%)
Entity spec.	GHG emissions intensity, revenue	g CO_2e/DKK	10	20	(50%)
Entity spec.	GHG emissions intensity, EBITDA	g CO_2e/DKK	23	85	(73%)
	GHG emissions intensity (scopes 1, 2, and 3)				
Entity spec.	GHG emissions intensity[1], energy generation	g CO_2e/kWh	127	80	59%
// E1-6, 53	GHG emissions intensity[2], revenue	g CO_2e/DKK	138	92	50%
// E1-6, 53	GHG emissions intensity[3], revenue	g CO_2e/DKK	138	91	52%

[1] Excludes scope 3 emissions from gas sales. Calculated using market-based scope 2 emissions.
[2] Calculated using location-based scope 2 emissions.
[3] Calculated using market-based scope 2 emissions.

GHG emissions intensity (scopes 1 and 2)
Our scope 1 and 2 GHG emissions intensity (energy generation), decreased by 58% in 2024 compared to 2023. The decrease was the result of a 54% decrease in scope 1 emissions due to lower non-renewable fuels used in thermal heat and power generation (numerator) and an 8% increase in total heat and power generation (denominator).

Our scope 1 and 2 GHG emissions intensity (revenue) was reduced by 50%, and our scope 1 and 2 GHG emissions intensity (EBITDA) was reduced by 73%, following the 58% reduction in GHG emissions (numerator), the 10% reduction in revenue, and the 71% increase in EBITDA (denominators).

GHG emissions intensity (scopes 1, 2, and 3)
Our scope 1, 2, and 3 (excluding gas sales) GHG emissions intensity (energy generation) increased by 59% from 2023 to 2024. The increase was mainly driven by the 183% increase in scope 3 (excluding emissions from gas sales), partially offset by 54% lower scope 1 emissions and an 8% increase in total heat and power generation (denominator).

Our scope 1, 2, and 3 GHG emissions intensity (revenue) increased by 50% (for intensity based on location-based scope 2 emissions) and 52% (for intensity based on market-based scope 2 emissions). The increase was mainly driven by a 61% increase in total scope 3 emissions and a 10% reduction in revenue, partially offset by 54% lower scope 1 emissions.

§ Accounting policies

Direct GHG emissions (scope 1)
Scope 1 emissions are reported based on the Greenhouse Gas (GHG) Protocol and cover 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 based on 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 primarily calculated as energy consumption multiplied by emission factors.

Indirect GHG emissions (scope 2)
Scope 2 emissions are reported based on the GHG Protocol and include 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 country-specific emission factors. Market-based emissions take into account renewable power purchased and assume that regular power is delivered as residual power.

Indirect GHG emissions (scope 3)
Scope 3 emissions are reported based on the GHG Protocol, where the accounting for scope 3 inventory is split into 15 subcategories (C1-C15):

C1 is categorised spend data multiplied by relevant spend-category-specific emission factors.

C2 includes upstream GHG emissions (cradle to operations) from acquired and installed wind, solar, and storage assets in the month when they reached commercial operation date (COD).

C3 is calculated based on actual fuel consumption and power sales to end customers multiplied by relevant emission factors. We 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 emission factors for transport.

C11 is calculated based on actual sales of gas to both end customers 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.

GHG emissions outside of scopes 1-3
Direct carbon emissions from burning biomass is reported outside of scopes 1-3, as per the GHG Protocol. The direct biogenic carbon emissions are calculated by multiplying the volume of used biomass with the corresponding carbon emission factors. The indirect biogenic emissions have been estimated based on our consumption of electricity and heat produced using biomass.

GHG emissions not accounted for under the consolidated group
As per the ESRS, we include scope 1 and 2 emissions from assets where we have no or only partial ownership, but maintain full operational control. The GHG emissions include emissions associated with fuel usage (scope 1) and electricity consumption (scope 2) when operating renewable assets.

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

GHG emissions intensity (scopes 1, 2, and 3), generation, and net revenue
GHG intensity based on energy generation is calculated as the total scope 1, scope 2 (market-based), and scope 3 (excluding gas sales) emissions divided by total heat and power generation. The calculation of GHG intensity based on net revenue divides the total scope 1-3 GHG emissions (numerator) with the total net revenue as shown in the financial statements (denominator).

GHG emissions calculation factors
References for calculation factors used in the 2024 data set (page 94)

Scope 1 emissions

Global warming potential of greenhouse gases

- CH_4, N_2O, SF_6

Intergovernmental Panel on Climate Change (IPCC): Climate Change 2021, The Physical Science Basis

Carbon emissions from fossil fuels at CHP plants

- Coal, oil, natural gas

Danish Energy Agency: Standardfaktorer for brændværdier og CO_2-emissioner (Standard factors for calorific value and carbon emissions), 2023

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 natural gas and oil industry, 2021

Scope 2 emissions

Carbon emissions from power purchased

- In Denmark

EnerginetDK, 2023: *Generel deklaration og Miljødeklaration, 2021 (General declaration and environmental declaration, 2022)*

Carbon emissions from power purchased

- In other European countries

Association of Issuing Bodies (AIB): European Residual Mixes, 2023 (2022 data)

Carbon emissions from power purchased

- In countries outside Europe

Institute for Global Environmental Strategies (IGES): list of grid emission factors, 2023

US Environmental Protection Agency (EPA): US EPA 2024 (eGRID2022 data)

Scope 3 emissions

Use of sold products (category 11)

- Emissions from end-use of gas

UK Department for Environment, Food & Rural Affairs (DEFRA): UK government GHG conversion factors for company reporting, 2023

Capital goods (category 2)

- Wind farms, offshore

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.

- Wind farms, onshore

Siemens, Environmental Product Declaration: a clean energy solution – from cradle to grave. Onshore wind power plant employing SWT-2.3-108

- Solar PV

CdTe: *First Solar, Environmental Product Declaration: Series 6 Photovoltaic Module, NEPD-2993-1671. EPD-Norge, 2021*

Mono-si: *NREL, An Updated Life Cycle Assessment of Utility-Scale Solar Photovoltaic Systems. National Renewable Energy Laboratory, 2021*

- Battery storage

Peralta, M., & Barron, J., "Carbon footprint and energy payback of photovoltaic technologies: A review of trends and gaps," Journal of Cleaner Production, Vol. 426, 2024.

Fuel- and energy-related activities (category 3)

- Emissions from regular power sales and upstream supply chain for fuels

Association of Issuing Bodies (AIB): European Residual Mixes, 2023 (2022 data)

UK Department for Environment, Food & Rural Affairs (DEFRA): UK government GHG conversion factors for company reporting, 2023

Purchased goods and services (category 1)

- Supply chain emission factors depending on product categories

US Environmental Protection Agency (EPA): Supply Chain Greenhouse Gas Emission Factors, USD 2018

Business travel (category 6)

- Assumptions: 'average car', 'unknown fuel type'

UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2023

Biogenic emissions

Biogenic emissions from combustion of biomass

- GHG emissions outside of scopes 1-3, biomass and biogas

UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2023

◦ Comment
(Italic) Source

Entity spec.

Overview by country

Overview by country	Unit	Denmark	The UK	Germany	The Netherlands	The US	Taiwan	Poland	Other countries	2024	2023	Δ
Installed renewable capacity	**MW**	**3,061**	**5,795**	**1,387**	**752**	**5,825**	**945**	**-**	**405**	**18,170**	**15,731**	**16%**
Offshore wind power	MW	1,006	5,692	1,346	752	162	945	-	-	9,903	8,871	12%
Onshore wind power	MW	-	83	27	-	3,215	-	-	401	3,726	3,717	0%
Solar PV power	MW	-	-	14	-	2,108	-	-	4	2,126	1,028	107%
Battery storage	MW	1	20	-	-	340	-	-	-	361	61	492%
Bioenergy	MW	2,054	-	-	-	-	-	-	-	2,054	2,054	0%
Decided (FID'ed) renewable capacity	**MW**	**-**	**3,152**	**1,249**	**-**	**2,137**	**920**	**-**	**180**	**7,638**	**8,323**	**(8%)**
Offshore wind power	MW	-	2,852	1,166	-	1,628	920	-	-	6,566	6,672	(2%)
Onshore wind power	MW	-	-	67	-	259	-	-	44	370	100	270%
Solar PV power	MW	-	-	16	-	-	-	-	136	152	1,179	(87%)
Battery storage	MW	-	300	-	-	250	-	-	-	550	300	83%
P2X	MW	-	-	-	-	-	-	-	-	-	72	(100%)
Awarded and contracted renewable capacity	**MW**	**-**	**2,400**	**-**	**-**	**-**	**-**	**2,753**	**-**	**5,153**	**3,720**	**39%**
Sum of installed, FID'ed, and awarded/contracted capacity	**MW**	**3,061**	**11,347**	**2,636**	**752**	**7,962**	**1,865**	**2,753**	**585**	**30,961**	**27,774**	**11%**
Power generation capacity	**MW**	**2,658**	**2,908**	**837**	**376**	**5,172**	**598**	**-**	**351**	**12,900**	**12,511**	**3%**
Offshore wind power	MW	561	2,830	800	376	96	598	-	-	5,261	4,986	6%
Onshore wind power	MW	-	78	22	-	3,215	-	-	351	3,666	3,707	(1%)
Solar PV power	MW	-	-	15	-	1,861	-	-	-	1,876	1,018	84%
Thermal power	MW	2,097	-	-	-	-	-	-	-	2,097	2,800	(25%)
Heat generation capacity, thermal	**MW**	**2,864**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,864**	**3,353**	**(15%)**
Power generation	GWh	6,583	10,519	2,414	1,333	14,556	2,220	-	811	38,436	35,572	8%
Heat generation	GWh	6,919	-	-	-	-	-	-	-	6,919	6,587	5%
Share of renewable energy generation	%	91	100	100	100	100	100	-	100	97	93	4%p
Greenhouse gas emissions (scopes 1 and 2)	ktonnes CO_2e	700	18	7	2	2	5	-	0	734	1,586	(54%)
Greenhouse gas intensity (scopes 1 and 2)	g CO_2e/kWh	52	2	3	1	0	2	-	0	16	38	(58%)

Entity spec.

Renewable capacity

Business drivers

Renewable capacity	Unit	2024	2023	Δ
Installed renewable capacity	**MW**	**18,170**	**15,731**	**2,439**
Offshore, wind power	MW	9,903	8,871	1,032
Onshore	MW	6,193	4,785	1,407
Wind power	MW	3,726	3,717	9
Solar PV power[1]	MW	2,127	1,028	1,098
Battery storage[1]	MW	340	40	300
Bioenergy[2]	MW	2,075	2,075	-
Decided (FID'ed) renewable capacity	**MW**	**7,638**	**8,323**	**(685)**
Offshore	MW	6,866	6,672	194
Wind power	MW	6,566	6,672	(106)
Battery storage[1]	MW	300	-	300
Onshore	MW	772	1,579	(807)
Wind power	MW	370	100	270
Solar PV power[1]	MW	152	1,179	(1,027)
Battery storage[1]	MW	250	300	(50)
P2X[3]	MW	-	72	(72)
Awarded and contracted renewable capacity	**MW**	**5,153**	**3,720**	**1,433**
Offshore, wind power	MW	5,153	3,677	1,476
Onshore, wind power	MW	-	43	(43)
Sum of installed and FID'ed renewable capacity	**MW**	**25,808**	**24,054**	**1,754**
Sum of installed, FID'ed, and awarded/contracted renewable capacity	**MW**	**30,961**	**27,774**	**3,187**

Additions for the last 12 months

Installed capacity Decided (FID'ed) capacity (above 20 MW) Awarded (offshore) and contracted (onshore) capacity (above 20 MW)

Q1

- Delta Sévre-Argent, Onshore wind (9 MW)
- Sunrise Wind, Offshore wind (924 MW)
- Farranrory, Onshore wind (43 MW)

Q2

- Greater Changua 1 and 2a, Offshore wind (900 MW)
- Eleven Mile,
  - Solar PV (300 MW)
  - Battery storage (300 MW)
- Sparta Solar, Solar PV (250 MW)
- Hornsea 3, Battery storage (300 MW)

Q3

- South Fork, Offshore wind (132 MW)
- Old 300, Solar PV (73 MW)
- Amberg Süd, Solar PV (4 MW)
- Hornsea 4, Offshore wind (4,200 MW)

Q4

- Mockingbird, Solar PV (471 MW)
- Badger Wind, Onshore wind (259 MW)
- Ballinrea Solar Farm, Solar PV (55 MW)
- Old 300 BESS, Battery storage (250 MW)

In 2024, we added 2.4 GW of installed renewable energy capacity. We reached COD for the offshore wind farms Greater Changhua 1 and 2a (900 MW) and South Fork (132 MW), and we commissioned the onshore assets Mockingbird (471 MW), Sparta Solar (250 MW), the remaining part of Old 300 (73 MW), and the Eleven Mile Solar Center with a solar PV capacity of 300 MW and a battery storage capacity of 300 MW/1,200 MWh.

We took final investment decisions for the offshore wind farm Sunrise Wind (924 MW), the onshore wind farms Badger Wind (259 MW) and Farranrory (43 MW), and the solar farm Ballinrea (55 MW). Additionally, we took final investment decisions for two battery energy storage systems (BESS): a BESS colocated with Hornsea 3 (300 MW/600 MWh) and the BESS at Old 300 (250 MW/500 MWh).

[1] Both the solar PV and battery storage capacities are measured in megawatts of alternating current (MW_{AC}).

[2] Including thermal heat capacity from biomass and battery capacity not in Onshore (21 MW).

[3] In Q2 2024, we took the decision to cease the development of our liquid e-fuels project FlagshipONE in Sweden.

§ Accounting policies

Installed renewable capacity
The installed renewable capacity is calculated as renewable 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 asset. We include the full capacity if more than 50% of PPAs or offtake is secured. We only include awarded/contracted capacity for projects that we expect to develop.

Entity spec.

Generation capacity

Business drivers

Generation capacity	Unit	2024	2023	Δ
Power generation capacity	**MW**	**12,899**	**12,511**	**388**
Offshore wind	MW	5,260	4,986	274
Denmark	MW	561	561	-
The UK	MW	2,830	2,830	-
Germany	MW	799	673	126
The Netherlands	MW	376	376	-
Taiwan	MW	598	516	82
The US	MW	96	30	66
Onshore wind	MW	3,666	3,707	(41)
The US	MW	3,215	3,215	-
Ireland	MW	351	351	-
The UK	MW	78	78	-
France	MW	-	41	(41)
Germany	MW	22	22	-
Solar PV	MW	1,876	1,018	858
The US	MW	1,861	1,004	857
France	MW	-	4	(4)
Germany	MW	15	10	5
Thermal, Denmark (CHP plants)	MW	2,097	2,800	(703)
Heat generation capacity, thermal	**MW**	**2,864**	**3,353**	**(489)**
Based on biomass	MW	2,032	2,032	-
Based on coal	MW	-	1,300	(1,300)
Based on natural gas	MW	1,574	1,617	(43)
Heat generation capacity, electric	**MW**	**249**	**225**	**24**
Power generation capacity, thermal	**MW**	**2,097**	**2,800**	**(703)**
Based on biomass	MW	1,232	1,228	4
Based on coal	MW	-	991	(991)
Based on natural gas	MW	882	951	(69)
Based on oil	MW	474	734	(260)

Our power generation capacity increased by 3% to 12,899 MW in 2024. Offshore wind power generation capacity increased by 274 MW, primarily due to the ramp-up of Gode Wind 3 in Germany, Changhua 1 and 2a in Taiwan, and South Fork Wind in the US.

Onshore wind power generation capacity decreased slightly due to the divestment of the French assets in Q2 2024.

Solar PV generation capacity increased by 858 MW to 1,876 MW in 2024, mainly driven by the commissioning of Eleven Mile Solar Center, Sparta Solar, and Mockingbird in the US.

In 2024, thermal power generation capacity decreased by 703 MW, mainly due to the closure of the 373 MW power generation capacity at Esbjerg Power Station. We have also taken the 260 MW unit at Kyndby Peak Load Plant (based on oil) and part of the gas-based capacity at Avedøre Power Station out of operation in 2024.

Heat generation capacity (thermal) decreased by 489 MW, mainly due to the closure of Esbjerg Power Station and part of the gas-based capacity at Avedøre Power Station in 2024.

§ Accounting policies

Power generation capacity
Power generation capacity for an offshore wind farm is calculated and included from TOC of the individual wind turbines. TOC stands for 'take over certificate', which is the document signifying transfer of ownership from the contractor to the owner or operator of the asset. Power generation capacities for onshore wind and solar farms are included after commercial operation date (COD) has been reached. Generation capacity is 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 or into conservation are not included.

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 %.

Entity spec.

Energy business drivers

Business drivers

Energy business drivers	Unit	2024	2023	Δ
Offshore wind				
Wind speed	m/s	10.0	9.8	2%
Wind speed, normal wind year	m/s	9.9	9.9	0%
Availability	%	88	93	(5%p)
Load factor	%	42	43	(1%p)
Onshore wind				
Wind speed	m/s	7.2	7.2	0%
Wind speed, normal wind year	m/s	7.4	7.4	0%
Availability	%	90	88	2%p
Load factor	%	37	36	1%p
Solar PV				
Availability	%	98	98	0%p
Load factor	%	25	24	1%p
Other				
Degree days, Denmark	Number	2,485	2,585	(4%)

Offshore wind

Offshore wind speeds in 2024 were 2% higher than in 2023 and 0.1 m/s higher than in a normal wind year. Availability was 5 percentage points lower in 2024 compared to 2023. The load factor decreased by 1 percentage point in 2024 compared to 2023.

Onshore wind

Onshore wind speeds in 2024 were at the same level as in 2023, which is 0.2 m/s lower than in a normal wind year. Availability was 2 percentage points higher in 2024 compared to 2023. The load factor increased by 1 percentage point in 2024 compared to 2023.

Solar PV

Availability in 2024 was at the same level as in 2023, but the load factor increased by 1 percentage point.

Other

The number of degree days in 2024 was 4% lower than in 2023, indicating that the weather in 2024 was slightly warmer than in 2023.

§ 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 the 'take over certificate' (TOC) is issued. 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.

Entity spec.

Energy generation and sales

Business drivers

Energy generation and sales	Unit	2024	2023	Δ
Power generation	**GWh**	**38,436**	**35,572**	**8%**
Offshore wind	GWh	18,599	17,761	5%
Denmark	GWh	2,061	1,970	5%
The UK	GWh	10,357	10,887	(5%)
Germany	GWh	2,356	2,076	13%
The Netherlands	GWh	1,333	1,449	(8%)
The US	GWh	272	88	209%
Taiwan	GWh	2,220	1,291	72%
Onshore wind	GWh	11,959	11,228	7%
The US	GWh	10,939	10,124	8%
Ireland	GWh	759	809	(6%)
France	GWh	51	89	(43%)
Germany	GWh	49	58	(16%)
The UK	GWh	161	148	9%
Solar PV	GWh	3,356	2,146	56%
The US	GWh	3,346	2,131	57%
Germany	GWh	9	11	(18%)
France	GWh	1	4	(75%)
Thermal	GWh	4,522	4,437	2%
Heat generation	**GWh**	**6,919**	**6,587**	**5%**
Total heat and power generation	**GWh**	**45,355**	**42,159**	**8%**
Of which, thermal heat and power generation	%	25	26	(1%p)
Gas sales	**GWh**	**17,372**	**16,880**	**3%**
Power sales	**GWh**	**19,967**	**21,448**	**(7%)**
Power from renewable sources to end customers[1]	GWh	813	881	(8%)
Regular power to end customers[2]	GWh	1,639	1,567	5%
Power wholesale	GWh	17,515	19,000	(8%)

[1] Power sold with renewable energy certificates (certificates ensuring it has been produced using renewable resources).

[2] Power sold without renewable energy certificates.

Offshore wind power generation increased by 5% to 18.6 TWh in 2024. The increase was primarily due to ramp-up capacity in Taiwan, Germany, and the US as well as higher wind speeds.

Onshore wind power generation was 12.0 TWh in 2024, an increase of 7% compared to 2023, mainly driven by higher generation from the US wind farm Sunflower Wind (passed COD in Q3 2023). Solar PV generation increased by 56% due to the commissioning of the US solar sites Sparta Solar, Eleven Mile, and Mockingbird.

Thermal power generation increased by 2% in 2024 compared to 2023. The increase was mainly driven by attractive wood pellet spreads and improved technical availability at the power plants compared to 2023. This was partially offset by lower power generation from the closed down Esbjerg Power Station as of August 2024. Heat generation was 5% higher in 2024 compared to 2023, mainly driven by the colder weather in the beginning of 2024.

Gas sales were 3% higher compared to 2023, mainly driven by higher offtake from DUC, due to ramp-up of production from the Tyra gas field (not owned by Ørsted), partly offset by the expiry of our contract with Equinor.

Power sales decreased by 7% to 20.0 TWh in 2024, partly due to lower volumes from ending third-party contracts for balancing activities in 2024.

§ Accounting policies

Power generation
Power generation from wind and solar farms is determined as generation sold.

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.

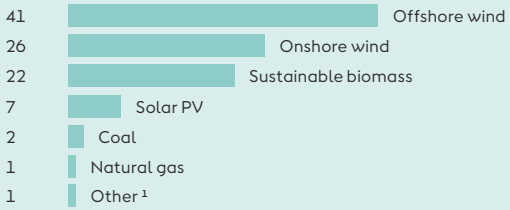
Heat generation
Heat (including steam) generation is measured as net output sold to heat customers.

Gas and power sales
Sales of gas and power are calculated as physical sales to retail and wholesale customers and exchanges. Sales are based on readings from Ørsted's trading systems. Internal sales to our combined heat and power (CHP) plants are not included in the statement.

Total heat and power generation by source
Business drivers

ESRS ref.	Total heat and power generation by source	2024	2023	Δ
	Share of energy generation, %			
Entity spec.	**From renewable sources**	**97**	**93**	**4%p**
Entity spec.	From offshore wind	41	42	(1%p)
Entity spec.	From onshore wind	26	27	(1%p)
Entity spec.	From solar PV	7	5	2%p
Entity spec.	From sustainable biomass	22	18	4%p
Entity spec.	From other renewable energy sources	1	1	0%p
Entity spec.	**From non-renewable sources**	**3**	**7**	**(4%p)**
Entity spec.	From coal	2	6	(4%p)
Entity spec.	From natural gas	1	1	0%p
Entity spec.	From other fossil energy sources	0	0	0%p
Entity spec.	**Total heat and power generation, MWh**	**45,354,845**	**42,158,133**	**8%**
// E1-5, 39	From renewable sources	44,141,989	39,217,892	13%
// E1-5, 39	From non-renewable sources	1,212,856	2,940,241	(59%)

Total heat and power generation by energy source 2024
%



Share of renewable energy generation
%

[1] Other renewable and fossil energy sources

The share of renewable heat and power generation increased by 4 percentage points to 97% in 2024. The increase was mainly due to a 4 percentage point reduction in coal-based generation and a 4 percentage point increase in biomass-based generation.

The coal-based generation decreased due to the shutdown of the coal-based Esbjerg Power Station and the subsequent declining coal usage from Q4 2024. In addition, there was lower coal-based generation at Studstrup Power Station due to the gradual switch back to biomass-based generation from April 2023.

The share of solar PV-based generation increased by 2 percentage points due to the new solar farms in the US. However, this was offset by a 2 percentage point decrease in the share of wind-based generation.

§ Accounting policies

Share of renewable energy generation
The renewable energy share of our heat and power generation is calculated on the basis of the energy sources used and the energy generated by 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 plant or 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.

EU taxonomy for sustainable activities

EU taxonomy KPIs

ESRS or EU ref.	EU taxonomy KPIs, %	2024	2023	Δ
EU 2020/852	**Taxonomy-aligned revenue (turnover)**	**91**	**86**	**5%p**
EU 2020/852	Electricity generation using solar PV (4.1) and storage of electricity (4.10)	1	1	0%p
EU 2020/852	Electricity generation from wind power (4.3)	78	75	3%p
EU 2020/852	Cogeneration of heat and power from bioenergy (4.20)	12	10	2%p
EU 2020/852	**Taxonomy-eligible but not taxonomy-aligned revenue (turnover)**	**0**	**1**	**(1%p)**
// SBM-1, 40(d)(i)	High-efficiency cogeneration of heat and power from fossil gas (4.30)	0	1	(1%p)
EU 2020/852	**Taxonomy-non-eligible revenue**	**9**	**13[1]**	**(4%p)**
// SBM-1, 40(d)(i)	Gas (sales)	6	8	(2%p)
// SBM-1, 40(d)(i)	Coal (generation)	1	3	(2%p)
// SBM-1, 40(d)(i)	Oil (generation and distribution)	1	0	1%p
Entity spec.	Other activities[2]	1	2	(1%p)
EU 2020/852	**Taxonomy-aligned revenue (turnover) adjusted for green bond financing**	**88**	**82[3]**	**6%p**
EU 2020/852	**Taxonomy-aligned CAPEX[4]**	**99**	**99**	**0%p**
EU 2020/852	**Taxonomy-eligible but not taxonomy-aligned CAPEX**	**0**	**0**	**0%p**
EU 2020/852	**Taxonomy-non-eligible CAPEX**	**1**	**1**	**0%p**
EU 2020/852	**Taxonomy-aligned CAPEX adjusted for green bond financing[5]**	**69**	**49[3]**	**20%p**
EU 2020/852	**Taxonomy-aligned OPEX**	**86**	**79**	**7%p**
EU 2020/852	**Taxonomy-eligible but not taxonomy-aligned OPEX**	**1**	**1**	**0%p**
EU 2020/852	**Taxonomy-non-eligible OPEX**	**13**	**20[1]**	**(7%p)**
Entity spec.	**Taxonomy-aligned EBITDA**	**99**	**95**	**4%p**
Entity spec.	Electricity generation using solar PV (4.1) and storage of electricity (4.10)	4	4	0%p
Entity spec.	Electricity generation from wind power (4.3)	91	86	5%p
Entity spec.	Cogeneration of heat and power from bioenergy (4.20)	4	5	(1%p)
Entity spec.	**Taxonomy-eligible but not taxonomy-aligned EBITDA**	**0**	**0**	**0%p**
Entity spec.	High-efficiency cogeneration of heat and power from fossil gas (4.30)	0	0	0%p
Entity spec.	**Taxonomy-non-eligible EBITDA**	**1**	**5**	**(4%p)**
Entity spec.	Gas sales	0	3	(3%p)
Entity spec.	Coal- and oil-based generation	0	1	(1%p)
Entity spec.	Other activities[2]	1	1	0%p

[1] This number has been restated due to an accounting policy update on taxonomy activity 4.30. See page 59 for more details.

[2] 'Other activities' primarily consist of trading and non-eligible power sales (incl. end customer sales).

[3] This number has been restated due to an accounting policy update on the adjusted revenue/CAPEX KPIs. See page 59 for more details.

[4] This ratio is applied to gross investments (DKKm 42,808 in 2024) to calculate taxonomy-aligned gross investments (see page 35).

[5] This is our taxonomy-aligned CAPEX excluding funding from green bonds. The 2024 share implies that 30% of our taxonomy-aligned CAPEX was financed through green bonds, and 69% was financed though our operating cash flow and divestments proceeds.

Taxonomy-aligned revenue (turnover)

The taxonomy-aligned share of revenue in 2024 was 91%, an increase of 5 percentage points compared to 2023. This was primarily due to lower taxonomy non-eligible revenue from gas sales and coal-based generation.

Taxonomy-aligned CAPEX

Our taxonomy-aligned share of CAPEX in 2024 remained at 99% and is primarily related to our wind and solar farms and our storage facilities.

Taxonomy-aligned OPEX

Our taxonomy-aligned OPEX was 86%, an increase of 7 percentage points compared to 2023.

Taxonomy-aligned EBITDA

The taxonomy-aligned share of EBITDA in 2024 was 99%, an increase of 4 percentage points compared to 2023, driven by higher contributions from wind power operations and a concurrent decrease in non-eligible EBITDA from gas sales and coal-based generation by our CHP plants.

§ Accounting policies

Taxonomy-aligned revenue (turnover)
Revenue associated with taxonomy-aligned activities as a proportion of our total revenue. It is adjusted for green bonds by excluding the revenue from our taxonomy-aligned assets financed with green bonds proceeds from the taxonomy-aligned revenue (numerator).

Taxonomy-aligned CAPEX
CAPEX related to assets or processes associated with taxonomy-aligned activities as a proportion of our CAPEX that is accounted for based on IAS 16 (73: (e)(i) and (iii)), IAS 38 (118: (e)(i)), and IFRS 16 (53: (h)). Carbon emission allowances and goodwill have been excluded. It is adjusted for green bonds by excluding the CAPEX financed with green bond proceeds from the taxonomy-aligned CAPEX (numerator).

Taxonomy-aligned OPEX
Maintenance and repair OPEX related to our assets or processes associated with taxonomy-aligned activities as a proportion of the maintenance and repair OPEX of our 'Other external expenses'. We estimate the maintenance and repair costs of 'other external expenses' using a group-level factor based on maintenance and repair costs for each business segment.

Taxonomy-aligned EBITDA (entity-specific)
EBITDA associated with taxonomy-aligned activities as a proportion of our total EBITDA. Taxonomy-aligned EBITDA is an entity-specific data point. It better reflects our business as our gas and power sales business has a large revenue but a small earnings margin, while other areas have a higher margin.

Taxonomy-eligible but not -aligned KPIs
Revenue, CAPEX, OPEX, and EBITDA associated with heat and power generation from fossil gas (4.30) that is not taxonomy-aligned.

Taxonomy-non-eligible KPIs
Revenue, CAPEX, OPEX, and EBITDA associated with taxonomy-non-eligible activities (i.e. activities not included in the delegated acts).

Taxonomy-aligned turnover

				Substantial contribution						Does not significantly harm (DNSH)									
Economic activities (1)	Code (2)	Turnover 2024 (DKKm) (3)	Proportion of turnover 2024 (%) (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, 2023 (%) (18)	Category enabling activity (E) (19)	Category transi-tional activity (T) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation using solar PV technology	CCM 4.1	699	1%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y	1%	-	-
Electricity generation from wind power	CCM 4.3	55,093	78%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	75%	-	-
Storage of electricity	CCM 4.10	243	0%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	0%	E	-
Cogeneration of heat and power from bioenergy	CCM 4.20	8,348	12%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	n.a.	Y	Y	10%	-	-
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**64,383**	**91%**	**91%**	**0%**	**-**	**-**	**-**	**-**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**86%**	**-**	**-**
Of which, enabling		243	0%	0%	0%	-	-	-	-	n.a.	Y	Y	n.a.	Y	Y	Y	0%	E	-
Of which, transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities																			
High-efficiency cogeneration of heat and power from fossil gaseous fuels[2]	CCM 4.30	405	0%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1%	-	T
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**405**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1%**	**-**	**-**
Turnover of taxonomy-eligible activities (A.1 + A.2)		**64,788**	**91%**	**91%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**87%[3]**	**-**	**-**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities (B)		**6,246**	**9%**																
TOTAL (A + B)		**71,034**	**100%**																

CCM Climate change mitigation

Y Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL Eligible (taxonomy-eligible activity for the relevant environmental objective)

[1] We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

[2] We have not assessed our gas-based generation activities for alignment.

[3] This number has been restated according to our updated accounting policy regarding taxonomy activity 4.30. See 'Basis for preparation' on page 59 for more details.

Quantitative breakdown of taxonomy-aligned turnover

The primary sources of turnover contributing to the numerator of the turnover KPI in 2024 are generation and sale of power (DKK 36,693 million), government grants (DKK 12,201 million), and the construction of offshore wind farms (DKK 7,029 million).

Taxonomy-aligned CAPEX

				Substantial contribution						Does not significantly harm (DNSH)									
Economic activities (1)	Code (2)	CAPEX 2024 (DKKm) (3)	Proportion of CAPEX 2024 (%) (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CAPEX, 2023 (%) (18)	Category enabling activity (E) (19)	Category transi-tional activity (T) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of hydrogen	CCM 3.10	746	2%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	n.a.	Y	Y	1%	-	-
Electricity generation using solar PV technology	CCM 4.1	4,566	10%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y	12%	-	-
Electricity generation from wind power	CCM 4.3	37,867	80%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	76%	-	-
Storage of electricity	CCM 4.10	1,531	3%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	8%	E	-
Cogeneration of heat and power from bioenergy	CCM 4.20	2,090	4%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	n.a.	Y	Y	2%	-	-
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)		**46,800**	**99%**	**99%**	**0%**	**-**	**-**	**-**	**-**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**99%**	**-**	**-**
Of which, enabling		1,531	3%	3%	0%	-	-	-	-	n.a.	Y	Y	n.a.	Y	Y	Y	8%	E	-
Of which, transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities																			
High-efficiency cogeneration of heat and power from fossil gaseous fuels[2]	CCM 4.30	19	0%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%	-	T
CAPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**19**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	0%	**-**	**-**
CAPEX of taxonomy-eligible activities (A.1 + A.2)		**46,819**	**99%**	**99%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**99%**	**-**	**-**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of taxonomy-non-eligible activities (B)		**268**	**1%**																
TOTAL (A + B)		**47,087**	**100%**																

CCM Climate change mitigation

Y Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL Eligible (taxonomy-eligible activity for the relevant environmental objective)

[1] We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

[2] We have not assessed our gas-based generation activities for alignment.

Quantitative breakdown of taxonomy-aligned CAPEX

The primary sources of CAPEX contributing to the numerator of the CAPEX KPI in 2024 are additions from property, plant, and equipment in Offshore, Onshore, and partly in Bioenergy (DKK 46,782 million).

CAPEX plan

Taxonomy-aligned CAPEX for 2024 remains at 99%, maintaining the level achieved in 2023. Given our commitment to deploying renewable energy projects in alignment with the EU taxonomy, a separate CAPEX plan is not deemed necessary.

Taxonomy-aligned OPEX

				Substantial contribution						Does not significantly harm (DNSH)									
Economic activities (1)	Code (2)	OPEX 2024 (DKKm) (3)	Proportion of OPEX 2024 (%) (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OPEX, 2023 (%) (18)	Category enabling activity (E) (19)	Category transi-tional activity (T) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation using solar PV technology	CCM 4.1	125	4%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	n.a.	n.a.	Y	Y	Y	3%	-	-
Electricity generation from wind power	CCM 4.3	2,157	70%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	63%	-	-
Storage of electricity	CCM 4.10	1	0%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	n.a.	Y	Y	Y	0%	E	-
Cogeneration of heat and power from bioenergy	CCM 4.20	373	12%	Y	N[1]	N/EL	N/EL	N/EL	N/EL	n.a.	Y	Y	Y	n.a.	Y	Y	13%	-	-
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)		**2,656**	**86%**	**86%**	**0%**	**-**	**-**	**-**	**-**	**n.a.**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**79%**	**-**	**-**
Of which, enabling		1	0%	0%	0%	-	-	-	-	n.a.	Y	Y	n.a.	Y	Y	Y	0 %	E	-
Of which, transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities																			
High-efficiency cogeneration of heat and power from fossil gaseous fuels[2]	CCM 4.30	17	1%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1%	-	T
OPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**17**	**1%**	**1%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	1%	**-**	**-**
OPEX of taxonomy-eligible activities (A.1 + A.2)		**2,673**	**87%**	**87%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**80%[3]**	**-**	**-**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of taxonomy-non-eligible activities (B)		**414**	**13%**																
TOTAL (A + B)		**3,087**	**100%**																

CCM Climate change mitigation

Y Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL Eligible (taxonomy-eligible activity for the relevant environmental objective)

[1] We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

[2] We have not assessed our gas-based generation activities for alignment.

[3] This number has been restated according to our updated accounting policy regarding taxonomy activity 4.30. See 'Basis for preparation' on page 59 for more details.

Quantitative breakdown of taxonomy-aligned OPEX

The sources of OPEX contributing to the numerator of the OPEX KPI in 2024 stem from the estimated maintenance and repair costs of 'other external expenses' in Offshore (DKK 1,720 million), in Onshore (DKK 563 million), and partly in Bioenergy (DKK 373 million).

Maintenance and repair OPEX estimation

We have calculated an estimation of the maintenance and repair costs of 'other external expenses' using a group-level factor based on maintenance and repair costs for each business segment.

§ Accounting policies

Taxonomy-eligible activities
We have identified our taxonomy-eligible activities by screening the economic activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

Six activities in the delegated acts have been identified as eligible for Ørsted:

- Manufacture of hydrogen (3.10).
- 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).
- High-efficiency cogeneration of heat and power from fossil gaseous fuels (4.30).

Taxonomy-aligned activities
Regulation (EU) 2020/852, article 3, sets out criteria which an economic activity must meet to qualify as environmentally sustainable (taxonomy-aligned):

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

Taxonomy alignment of our eligible activities has subsequently been assessed against annex I of the Climate Delegated Act. The TSC for the environmental objectives have been assessed per activity. Minimum safeguards have been assessed on Group level.

However, we have not assessed our gas-based heat and power generation activities (4.30) for taxonomy-alignment.

Substantial contribution
Climate change mitigation
We have assessed and documented whether our taxonomy-eligible activities (3.10, 4.1, 4.3, 4.10, and 4.20) fulfil the substantial contribution criteria to climate change mitigation.

For activity 3.10, the future manufacturing process of hydrogen was calculated to meet the life cycle greenhouse gas (GHG) emission savings requirement in article 25(2) and annex V to Directive (EU) 2018/2001. The calculation of life cycle GHG emission savings follows the methodology referred to in article 28(5) of Directive (EU) 2018/2001, and the quantification methodology has been verified by an independent third party. The quantified life cycle GHG emission savings are subject to final verification by an independent third party upon an asset's operation.

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

Climate change adaptation
We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

Do no significant harm (DNSH)
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' lifetimes.

It is assessed that all relevant eligible activities comply with the criteria set out in appendix A to annex I of the Climate Delegated Act.

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. During this process, we consider environmental degradation risks related to preserving water quality and avoiding water stress. We have internal processes on legal compliance concerning water to ensure all assets live up to the requirements. In addition, we have a water policy, establishing our approach to responsible water management.

For activity 4.3, we work to ensure that construction of offshore wind does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, taking measures to prevent or mitigate impacts in relation to the directive's descriptor 11 (noise/energy).

It is assessed that all relevant eligible activities comply with the criteria set out in appendix B to annex I of the Climate Delegated Act.

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 we further transition 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 all projects, we will develop decommissioning or waste management plans to ensure maximal reuse or recycling at end-of-life in accordance with the waste hierarchy.

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. We have internal processes in place to fulfil these legal requirements.

For activities 3.10 and 4.20, it has been assessed that emissions are within or lower than the emission levels associated with the best-available-techniques (BAT-AEL) ranges set out in relevant best-available-techniques (BAT) conclusions. No significant cross-media effects have been identified.

It is assessed that all relevant eligible activities comply with the criteria set out in appendix C to annex I of the Climate Delegated Act.

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 biodiversity policy and internal processes ensure all our assets live up to the requirements. We have also committed to ensuring that all new renewable energy projects we commission from 2030 onwards deliver a net-positive biodiversity impact, which we aim to achieve through our biodiversity efforts.

For activity 4.3, we work to ensure that the construction of offshore wind does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, taking appropriate measures to prevent or mitigate impacts in relation to the directive's descriptors 1 (biodiversity) and 6 (seabed integrity).

It is assessed that all relevant eligible activities comply with the criteria set out in appendix D to annex I of the Climate Delegated Act.

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, including the principles of the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights, both in our own operations and in our 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.

Taxonomy KPIs
Our accounting policies for the taxonomy KPIs are based on our interpretation of annex I to the Disclosures Delegated Act (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 factors to allocate the financials across our taxonomy activities. The factors are either 100%, 0%, or a value in between where we have used proxies to split the financial numbers into taxonomy-aligned or non-eligible activities. Here, the factors cannot sum to more than 100%, which eliminates the possibility of double counting the resulting financial numbers.

Proxies
Where the financial numbers are not appropriately split into the correct activity in the financial account set-up, proxies have been used to split the numbers. Two proxies have been used:

1) The ratio of purchased power volumes from renewable versus non-renewable assets – applied to revenue and EBITDA from balancing activities.

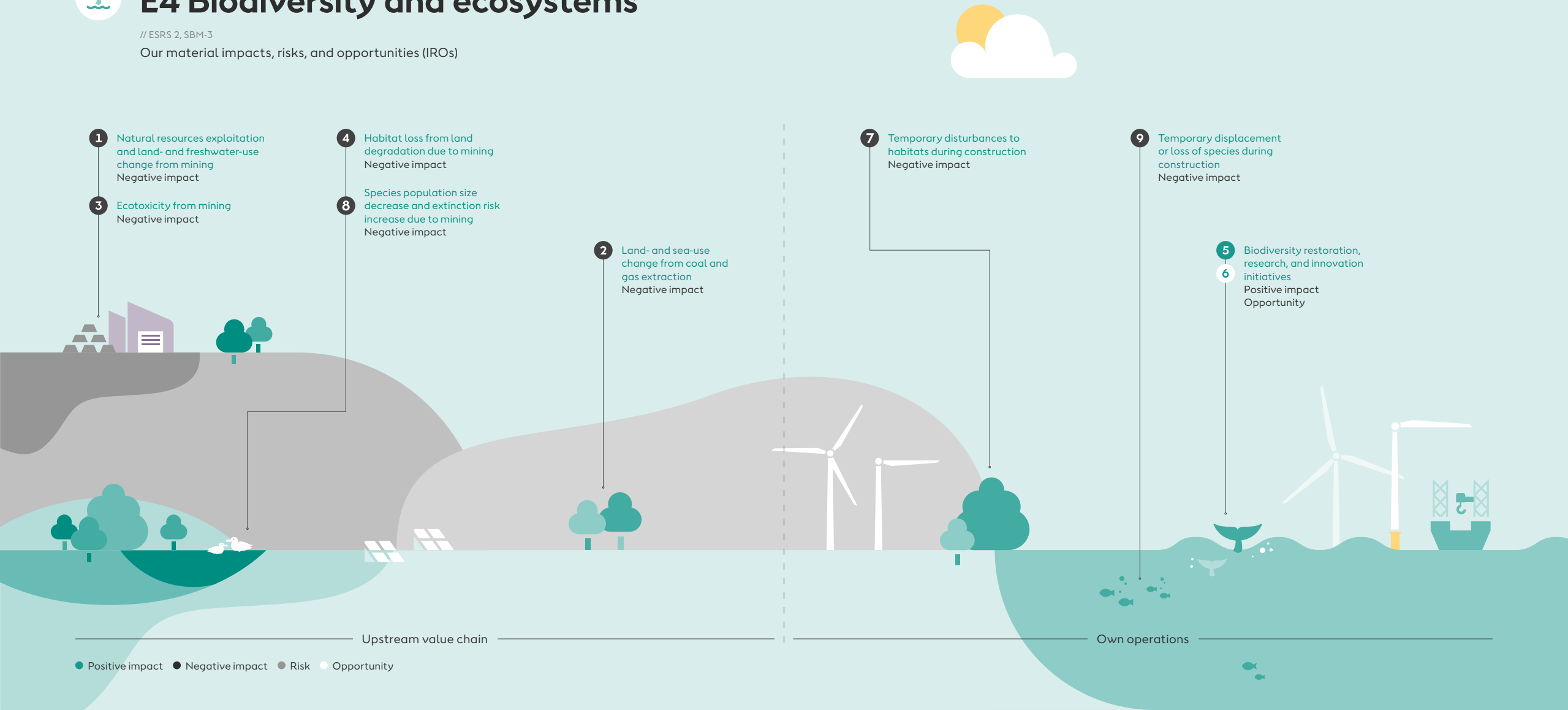
2) Bioenergy's share of renewable energy generation – applied to revenue, EBITDA, CAPEX, and OPEX related to the CHP plants.

For more details on our taxonomy-aligned KPIs, see our accounting policies on page 103.

E4 Biodiversity and ecosystems

// ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)



// ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right and on the next page are descriptions of our material IROs related to biodiversity and ecosystems, including how we manage them.

The impacts primarily originate from our renewable energy business activities but also partly from our legacy business relating to coal and gas.

These impacts occur both through our business relationships with suppliers and through our own activities of constructing our renewable assets.

Direct impact drivers of biodiversity loss

Material IRO description	How do we manage the IRO?
1 Natural resources exploitation and land-use and freshwater-use change from mining Negative impact (upstream value chain)	
2 Ecotoxicity from mining Negative impact (upstream value chain)	
These negative impacts concern natural resources exploitation in our supply chain related to mining and refining processes of metals and minerals. Mining of metals and minerals in our supply chain is a direct impact driver of biodiversity loss through land-use and freshwater-use change and ecotoxicity from run-off. It also impacts ecosystems through land degradation.	We have completed a mapping to help us understand potential negative impacts on biodiversity that we may have in our value chain. We continue to explore ways to identify and mitigate impacts across our value chain, including our first attempt at mapping impacts from high impact commodities (HICs) in our upstream value chain.
3 Land-use and sea-use change from coal and gas extraction Negative impact (upstream value chain)	
This negative impact concerns natural resources exploitation in our supply chain related to coal and gas extraction. Our supply chain has adverse impacts on biodiversity through land-use change due to mining and refining processes of coal and through sea-use change from extraction and refining processes of gas that we primarily source from the North Sea.	We are working towards managing our biodiversity-related negative impacts in our value chain. In 2024, we closed our last coal-fired CHP plant, eliminating the impact from coal from 2025.

Impacts on the extent and condition of ecosystems

Material IRO description	How do we manage the IRO?
4 Habitat loss from land degradation from mining Negative impact (upstream value chain)	
For details related to this IRO, see 'natural resources exploitation' impact.	
5 **6** Biodiversity restoration, research, and innovation initiatives Positive impact [1] (own operations) Opportunity [1] (own operations)	
This positive impact relates to our habitat and ecosystem restoration efforts, including our efforts to protect and restore wider supportive ecosystems, e.g. salt marshes. We conduct species restoration efforts as well as research on habitats, species, and innovation, e.g. biodiversity monitoring and tracking. The impact positively affects the environment by restoring species, ecosystems, and habitats. We also see this as an opportunity to attract patient capital and secure favourable conditions when accessing financing on capital markets or through business partnerships.	We have implemented several biodiversity pilot projects, monitoring plans, and innovative initiatives to work towards achieving our 2030 net-positive ambition. The most recent one being the launch of our 'Biodiversity measurement framework', which will allow us to measure and assess impacts on biodiversity at an asset level, across offshore and onshore operations.
7 Temporary disturbances to habitats during construction Negative impact (own operations)	
This negative impact concerns the disturbances of habitats during the construction of our renewable energy assets. Construction of renewable energy projects causes temporary disturbances to habitats due to ground preparation and the presence of infrastructure.	At an asset level, we prefer to always have a biodiversity action plan in place, which helps us map out our negative impacts and plan out our mitigating actions accordingly.

[1] The positive impact and opportunity also fall under the sub-topic 'Impacts on the state of species'.

Impacts on the state of species

Material IRO description	How do we manage the IRO?
8 Species population size decrease and global extinction risk increase due to mining Negative impact (upstream value chain)	
This negative impact is linked to natural resources exploitation in our supply chain related to mining and refining processes of metals and minerals. Mining of metals and minerals in our supply chain impacts ecosystems through land degradation, which can lead to habitat loss and impacts species by causing a decrease in species population size and potentially extinction.	We have completed a mapping to help us understand potential negative impacts to biodiversity that we may have in our value chain. We continue to explore ways to identify and mitigate impacts across our value chain, including our first attempt at mapping impacts from high impact commodities (HICs) in our upstream value chain.
9 Temporary displacement or loss of species during construction Negative impact (own operations)	
This negative impact concerns the disturbances of species during the construction of our renewable energy assets. Construction of renewable energy projects causes temporary displacement of species, or, in some instances, loss of species through adverse impacts on foraging, breeding, and wintering areas.	At an asset level, we prefer to always have a biodiversity action plan in place, which helps us map out our negative impacts and plan out our mitigating actions accordingly. When we identify overlaps with e.g. an IUCN Red-listed species, an action plan is developed to ensure that we reduce harm to this species or any threatened species.

Transitioning away from fossil fuels to renewable energy is fundamental to solving the biodiversity crisis, as climate change is a main driver of biodiversity loss. The space required for the renewable energy transition is significant, and, with a nature in crisis, it is vital that we make sure our energy projects benefit nature. In 2024, we continued taking action to deliver on our ambition to achieve a net-positive biodiversity impact from all new renewable energy projects from 2030.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in *italics*.

// E4-1

Transition plan

At Ørsted, we believe that transitioning to renewable energy can be part of a solution to the biodiversity crisis, provided it is done correctly. As we continue our renewable energy build-out, we are determined to leave nature as a whole in a better state than we found it. Therefore, our ambition is to take direct action to be able to achieve a net-positive biodiversity impact from projects commissioned from 2030 onwards. In 2024, we took the first steps towards this by launching our 'Biodiversity measurement framework', further aligning our efforts with global public policy targets like the Global Biodiversity Framework.

When developing renewable energy projects, we always adhere to local and national regulations and policies, including those related to biodiversity. This helps ensure that we are also taking our local stakeholders and their interests into consideration.

Through our double materiality assessment (DMA), we have identified material biodiversity-related impacts and an opportunity in our business, both in our own operations and in our value chain. Identifying and assessing these impacts help us to understand how we can continue to strengthen resilience across our operations, which we also assess using the methodology of the Taskforce on Nature-related Financial Disclosures (TNFD). //

// E4, IRO-1

Processes to identify and assess material impacts, risks, and opportunities

Impact assessments of own sites and value chain

During the project development phase of all our offshore and onshore assets where we are responsible for development, we conduct early risk screenings and develop environmental impact assessments (EIAs) or equivalent plans to assess the potential impacts on biodiversity and ecosystems at the locations of potential new assets. This is then followed by the legally required impact assessment processes, providing data on the biodiversity and ecosystems present at the site location. Based on these findings, we can develop action plans to mitigate our impacts and outline restoration measures. Insights from the early risk screenings inform the biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities identified and assessed in the DMA for sites in our own operations. This process highlights the importance of early assessments at the beginning of each of our projects to avoid and mitigate potential impacts on biodiversity and ecosystems.

We have not identified any material dependencies on biodiversity and ecosystems, although soil stability at our sites constitutes the most significant dependency. Regarding our transitional and physical risks, we have mapped out our exposure and have not found significant risks from biodiversity and ecosystems that are not already covered in our mitigation processes and biodiversity action plans.

Additionally, we have not identified any systemic risks to our business model that are not addressed through our established practices or the implementation of measures to reach our biodiversity ambition. A key outcome of our biodiversity programme has been the development of our 'Biodiversity measurement framework', which will ensure that we can capture all potential impacts and risks to biodiversity and ecosystems when developing new renewable energy projects starting from 2024 and thus avoid the majority of impacts and risks to our operations.

We have not completed an assessment of how systemic risks to society have been considered in the assessment of biodiversity and ecosystems-related risks yet. However, we have begun the work of understanding the correlation of these risks, how they impact our projects, and what we can do to mitigate them.

The assessment of our upstream value chain that was completed in 2022 using the Global Biodiversity Score tool is still relevant today. The results provided an overview of impacts based on our most used materials (incl. minerals and metals) and how each material impacts the environment, focusing on biodiversity. The assessment did not include an assessment of how the biodiversity impacts from our upstream value chain affect local communities, but it did provide an essential first step in our work with the Science Based Targets Network (SBTN) framework and our progress towards being ready to set science-based targets for nature.

Our continuous work to identify and mitigate potential impacts and risks of our assets to biodiversity and ecosystems continues to inform our DMA. In this process, we base the identification and scoring of IROs on the knowledge gathered across all our offshore and onshore assets, enabling a cross-business assessment of impacts, risks, dependencies, and opportunities.

Management of impacts in our own operations

At Ørsted, we have sites located in or near biodiversity-sensitive areas. However, our activities at these sites only have *temporary negative impacts during the construction phase*, with no material impacts during operations, cf. the outcome of our DMA.

By following the steps of our new measurement framework, conducting environmental assessments, implementing appropriate mitigation measures, and applying our 'Biodiversity policy', we will be able to avoid any impacts related to the deterioration of biodiversity or natural habitats within our own operations.

We adhere to the mitigation hierarchy in the development of new projects, prioritising to avoid biodiversity impacts wherever feasible. For impacts that cannot be entirely avoided, we focus on minimising and mitigating them to the extent possible. An example of this is avoiding sensitive habitats during the routing of and installation of cables for offshore projects. Post construction, any residual impacts that could not be fully mitigated are addressed through species-specific or habitat-specific restoration. These efforts aim to restore biodiversity and habitat functioning to at least pre-construction baseline levels and are our measures towards achieving a net-positive impact.

This means that the majority of our impacts on biodiversity occur during the construction phase, and are appropriately mitigated, while during the operational phase, we have very limited impact on biodiversity that we are not able mitigate.

One example of an impact that we are sometimes unable to mitigate during the operational phase of an offshore wind farm, which we have assessed as immaterial, is the collision of airborne mobile species, such as birds or bats, with wind turbine blades. In cases where this impact cannot be mitigated through location or design, operational management plans are put in place, for example through enhanced monitoring campaigns, often in conjunction with local stakeholder groups.

Vulnerable species and critical habitat types are identified during the early screening phase of a project, allowing us to plan our project development around these factors, implementing the mitigation hierarchy and ensuring we are undertaking the actions needed to avoid and mitigate impacts on biodiversity. //

// E4, SBM-3

Material impacts and opportunities related to biodiversity and ecosystems

Site locations in our own operations

We have completed an assessment of all our operational assets in collaboration with The Biodiversity Consultancy, using their Biodiversity Risk Screening Kit (BRiSK). This assessment focused on biodiversity- and ecosystem-related impacts, risks, dependencies, and opportunities at an asset level, helping us to better understand which sites are material in this respect. It takes a variety of factors into account that indicate impacts on biodiversity on a scale ranging from low over medium to high. These factors include species, designated areas (including protected areas and key biodiversity areas (KBAs)), ecoregion intactness, water pollution, and marine habitats, amongst others. The assessment highlights a list of matters, indicating that there are potential negative impacts on biodiversity if nothing is done to avoid or mitigate these.

From that output, we have found that the majority of the identified risks have already been identified through our EIA or equivalent processes as well as mitigated as a part of our biodiversity action plans. Therefore, we are taking all necessary steps to limit risks and negative impacts on biodiversity and ecosystems at all our site locations. When we identify overlaps with e.g. an IUCN Red-listed species, an action plan is developed to ensure that we do no significant harm to this species, nor any threatened species, both during construction and the operational phase.

Site locations without material impacts

In total, we have 63 operational sites across our portfolio of renewable energy assets (i.e. offshore and onshore wind, solar PV, and power stations) that currently overlap with or are adjacent to protected areas or KBAs. This is the majority of our assets and is connected to the fact that a buffer zone has been applied (25 km for offshore assets, 10 km for onshore assets), increasing the amount of overlaps with both protected areas and KBAs. Through our mitigation planning and restoration of impacts, we have found that we have no negative impacts on biodiversity and ecosystems at these sites.

Site locations with temporary material impacts

In addition to the operational sites, we had 12 assets under construction in 2024, which were identified as material sites that temporarily have activities negatively affecting biodiversity-sensitive areas. These sites are listed in the table on page 114 and include nine offshore wind and three solar PV projects. At the offshore construction sites, biodiversity impacts were primarily associated with monopile piling, which generates noise pollution, and cable laying, which disrupts benthic and intertidal habitats. Additionally, the increased vessel traffic during construction caused further disruption to the ecosystem through noise pollution.

For the solar PV assets under construction, biodiversity impacts were primarily due to land clearing and cable laying, which caused temporary habitat disruption and species displacement. Additionally, the operation of machinery contributed to noise pollution. All these impacts are appropriately managed or mitigated through implementation of measures agreed through impact assessment and permitting processes.

We have found no negative impacts related to land degradation during the operational phase of our projects, including desertification or soil sealing. Any potential impacts on land degradation are mitigated during the construction phase.

Material impacts in our value chain

We have identified material negative impacts in our upstream value chain. These impacts are primarily *direct impact drivers of biodiversity loss due to extraction of natural resources and mining activities*. Furthermore, *mining also has negative impacts on the extent and condition of ecosystems and thus impacts species diversity*. As mentioned previously, we used the Global Biodiversity Score tool to obtain an overview of biodiversity- and ecosystems-related impacts in our upstream value chain, using global average data for our industry. We are dependent on mining of metals and minerals to expand the capacity of renewable energy assets, just as our peers in the industry. However, we acknowledge the trade-offs of mining in the value chain, which we actively work towards managing. As mentioned before, we are actively engaging with our tier 1 suppliers on their impacts on biodiversity, and we also continuously work towards gathering location-specific data on our upstream value chain. //

// E4-2

Policies related to biodiversity and ecosystems

Policy scope

In 2024, we updated our 'Biodiversity policy', which applies to all sites owned and operated by Ørsted, including sites in or near biodiversity-sensitive areas.

The policy addresses the direct impacts from our operations on biodiversity, ecosystem protection, and sustainable ocean practices.

The scope of the policy covers all of Ørsted's renewable energy assets, both offshore and onshore, and includes our initial steps towards addressing biodiversity in our value chain and the associated dependencies. More specifically, we engage with some of our tier 1 suppliers on their progress on working with biodiversity, similar to our approach with decarbonisation.

Our biodiversity policy does not currently cover the impacts on biodiversity and ecosystems from e.g. raw material extraction in our upstream value chain. However, we are committed to working with our suppliers through our 'Supply chain sustainability programme' on mitigating their impacts on biodiversity, where we are currently engaging with our tier 1 suppliers.

Further tiers down in the value chain, it becomes more challenging to mitigate the inherent impacts on biodiversity and, on a broader scale, nature. Through our supplier dialogues and continued work towards a more sustainable supply chain, we aim to implement mitigating actions for biodiversity in our supply chain in the future.

The objective of our policy is to outline the importance of biodiversity to Ørsted and how we believe that biodiversity is a key part of a sustainable project life cycle. The policy also explains the steps we take to protect biodiversity throughout an asset's life cycle, aiming to avoid potential impacts and risks to biodiversity – from planning and development, through construction, over operation and maintenance, and finally to the decommissioning and potential repowering phases.

Policy governance

Accountability of the policy lies with the Chief Commercial Officer (CCO). To ensure that our policy is implemented and taken into account across our business, the policy includes an overview of the governance structure to support its implementation as well as specific third-party standards that support our work, e.g. the EU taxonomy for sustainable economic activities.

Interests of key stakeholders

Similar to the development of our biodiversity projects (see key actions below), we have also included key stakeholder concerns and interests into the scope of our biodiversity policy. For example, local communities, NGOs, and academia are included in the stakeholder engagement steps during the various phases of an asset's life cycle.

Management and mitigation hierarchy

Our business model is to develop, construct, operate, and own renewable assets, and we are committed to doing this in an environmentally and socially sustainable way. However, we recognise that expanding our operations also implies a greater pressure on natural ecosystems. Therefore, protecting and restoring these ecosystems must be part of the solution, and we remain fully committed to effectively manage our impacts on biodiversity and ecosystems.

Biodiversity management is an integral part of our business model and decision-making processes throughout the full life cycle of our projects. This ranges from early-stage site selection and planning, over project design, construction, operations, and eventually to decommissioning.

To understand and manage our impacts, we follow 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 cannot be avoided. We also compensate for any residual adverse impacts that cannot be restored – while recognising that certain environmental features are irreplaceable and therefore cannot be compensated. //

// E4-3

Actions related to biodiversity and ecosystems

During 2024, we have taken several steps towards meeting our ambition of net-positive energy projects from 2030 and pursuing our material opportunity and positive impact related to *biodiversity restoration, research, and innovation*.

For several of our biodiversity pilot projects, we engage with local communities in our biodiversity- and ecosystems-related actions. This was for example the case with our Humber Estuary restoration project in the UK, which we completed in collaboration with the Yorkshire Wildlife Trust and Lincolnshire Wildlife Trust. The restoration of the Humber Estuary is an example of coastal ecosystem restoration, a nature-based solution that contributes to the sequestration of carbon, while also restoring the natural habitat to improve biodiversity. We have not yet incorporated indigenous knowledge into our actions; however, this is integrated in our new 'Biodiversity measurement framework' and will be done going forward. As of 2024, we have not incorporated biodiversity offsets in our actions for any of our assets or across other operations.

Key actions

Launching our biodiversity measurement framework

In 2024, we publicly launched our biodiversity measurement framework. This science-based framework contributes to the achievement of our biodiversity ambition by taking the first steps to ensure that we can measure, track, and report both the positive and negative impacts on biodiversity. The scope covers our biodiversity activities for our own operations across all geographies.

Building on the momentum of the launch of our framework, we have worked with the World Economic Forum (WEF) to launch the Responsible Renewables Infrastructure initiative (RRI). This initiative aims to bring together the renewable energy industry to build a collective approach for assessing the industry's impacts on biodiversity and local communities.

The first version of these impact pathway initiatives are expected to be completed in 2025, which will prompt further development of the measurement frameworks that are to be developed. Going forward, we will continue to work with the WEF RRI coalition on building an approach to measure impacts on biodiversity from renewable energy projects.

Piloting net-positive solutions

Firstly, we have also progressed on the continuous monitoring across our biodiversity pilot projects. Our global portfolio of innovative projects contributes with learnings to enhance nature and thereby to achieve our net-positive ambition. In Taiwan, for example, we have cultivated corals in labs since 2021 with the purpose of growing them on offshore wind turbines, and we finalised preparations in 2024 and are ready to deploy the first ones as pilots on some of the foundations at the Greater Changhua 1 Offshore Wind Farm in 2025.

Secondly, at our offshore wind site Borssele in the Netherlands, we placed cod pipes to simulate reefs in 2022. This year, we published a paper based on 2023 research (together with Wageningen University), which found the cod pipes to be highly successful in improving the local cod population. These monitoring activities provide valuable learnings and proof of the effectiveness of our initiatives.

Thirdly, we have developed a new method to install offshore wind foundations, reducing noise levels by up to 99%. It represents one of the greatest advancements yet in protective measures for marine life and thereby significantly contributes to bringing down the temporary negative impact during construction activities. The new technology has been successfully tested in Germany at the offshore wind farm Gode Wind 3. Once industrialised, expectedly in 2030, it can also provide a more efficient and cost-effective installation.

Other actions

Science Based Targets Network (SBTN)

We have also completed the first two of the five steps of SBTN's methodology to better understand how to prioritise our efforts in managing our impacts on nature, including biodiversity. The steps are based on locating impacts on nature, including biodiversity, across our upstream value chain and on locating direct impacts. Based on this initial assessment (step 1), we prioritise our top impacts to assess which we should work towards setting science-based targets for (step 2). Step 3 consists of measuring a baseline across impacts, which is then used to set time-bound targets. Going forward, we will work towards setting targets for nature and biodiversity. //

// E4-4

Targets related to biodiversity and ecosystems

Delivering on our biodiversity ambition

In 2021, we adopted an ambition to achieve a net-positive biodiversity impact from all new renewable energy projects that are commissioned from 2030 and onwards. We are on track to meet this ambition with the launch of our biodiversity measurement framework in 2024, which allows us to start setting baselines for priority biodiversity features for upcoming assets and providing the means for us to effectively measure net gains and losses on biodiversity.

Currently, we have not adopted any targets for biodiversity that follows the mandatory minimum disclosure requirements defined in ESRS 2. We are in the process of utilising the methodology from SBTN to map out where our main impacts are across our own operations and upstream value chain on nature (with a broader scope beyond biodiversity). Once this work is complete, we will proceed with setting targets for biodiversity. //

// E4, SBM-3; E4-5

Site locations with temporary material impacts

Country	Asset	Asset type	Area (hectare)	Applied buffer zone (km)	Overlap with KBAs (number)	Overlap with protected areas (number)	Impacts during construction
Germany	Borkum Riffgrund 3	Offshore wind	7,500	25	0	4	Piling, cable laying, vessel traffic, noise pollution, sedimentation, temporary displacement of species, and temporary disturbances to habitats.
	Gode Wind 3	Offshore wind	1,800	25	1	7	
The US	Revolution Wind	Offshore wind	33,500	25	1	52	
	South Fork Wind	Offshore wind	5,500	25	0	1	
Taiwan	Greater Changhua 1	Offshore wind	10,900	25	0	0	
	Greater Changhua 2a	Offshore wind	5,900	25	0	0	
	Greater Changhua 2b	Offshore wind	6,700	25	0	0	
	Greater Changhua 4	Offshore wind	11,700	25	0	0	
The US	Sparta Solar	Onshore solar	1,051	10	0	0	Land clearing, temporary disturbances to habitats, temporary displacement of species, cable laying, operating machinery, and noise pollution.
	Mockingbird	Onshore solar	2,086	10	0	3	
	Old 300	Onshore solar	1,410	10	0	3	
	Badger Wind	Onshore wind	12,600	10	0	4	

As described in the overview with our material impacts, risks, and opportunities (IROs), we have two material impacts within our own operations, both related to assets under construction during 2024. We temporarily impact protected areas negatively and risk disturbance to habitats and displacement or loss of species. The name of the sites, the size of them, including the buffer zones, and the number of protected areas are listed in the table.

§ Accounting policies

During our DMA, we concluded that we have material impacts on biodiversity, which happen during the construction phase of our projects. Therefore, the data presented in this table represents material sites with construction activities in 2024 where overlaps are present. The biodiversity data covers offshore and onshore wind farms and solar farms as well as their cable routes within the buffer zones.

For offshore wind farms, a buffer zone of 25 km is applied, whereas the buffer zone is 10 km for onshore wind and solar farms. These buffers have been determined based on best practice rooted in science and to recognise relevant interactions with protected areas for nature conservation or key biodiversity areas.

Data is recognised from the date of the final investment decision (FID), and the area in hectare is showed for the asset in its entirety.

The data is sourced from the Integrated Biodiversity Assessment Tool (IBAT) using the buffer zones mentioned above for offshore and onshore assets, respectively. The tool provides an output report in which a summarised number of overlaps with protected areas and key biodiversity areas is presented. This number represents any overlaps that should occur within the project site itself and within the buffer zone.

Alignment with TNFD recommendations

Recommended disclosures

Governance

a)
Describe the board's oversight of nature-related dependencies, impacts, risks, and opportunities.

MR
Corporate governance · pages 44-52

b)
Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.

MR
Corporate governance · pages 44-52

c)
Describe the organisation's human rights policies and engagement activities as well as oversight by the board and management, with respect to Indigenous Peoples, local communities, affected and other stakeholders in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks, and opportunities.

SUS
Interests and views of stakeholders · pages 75-76

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

Affected communities · pages 145-151

Strategy

a)
Describe the nature-related dependencies, impacts, risks, and opportunities the organisation has identified over the short, medium, and long term.

SUS
Double materiality assessment · pages 67-74

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

b)
Describe the effect that nature-related dependencies, impacts, risks, and opportunities have had on the organisation's business model, value chain, strategy, and financial planning as well as any transition plans or analysis in place.

SUS
Our business model and how we create value · page 65

Our strategy and impact on sustainability matters · page 66

Biodiversity and ecosystems · pages 109-110

Resource use and circular economy · pages 117

c)
Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.

MR
Enterprise risk management · pages 27-30

SUS
Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

d)
Disclose the locations of assets or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

MR
Our footprint · page 14

SUS
Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

Risk and impact management

a)
i. Describe the organisation's processes for identifying, assessing, and prioritising nature-related dependencies, impacts, risks, and opportunities in its direct operations.

ii. Describe the organisation's processes for identifying, assessing, and prioritising nature-related dependencies, impacts, risks, and opportunities in its upstream and downstream value chain(s).

MR
Enterprise risk management · pages 27-30

SUS
Double materiality assessment · pages 67-74

b)
Describe the organisation's processes for monitoring nature-related dependencies, impacts, risks, and opportunities.

MR
Enterprise risk management · pages 27-30

SUS
Double materiality assessment · pages 67-74

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

c)
Describe how processes for identifying, assessing, prioritising, and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.

MR
Enterprise risk management · pages 27-30

SUS
Double materiality assessment · pages 67-74

Metrics and targets

a)
Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.

MR
Strategic ambitions · page 6

SUS
Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

b)
Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.

MR
Strategic ambitions · page 6

SUS
Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

c)
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

MR
Strategic ambitions · page 6

SUS
Biodiversity and ecosystems · pages 108-114

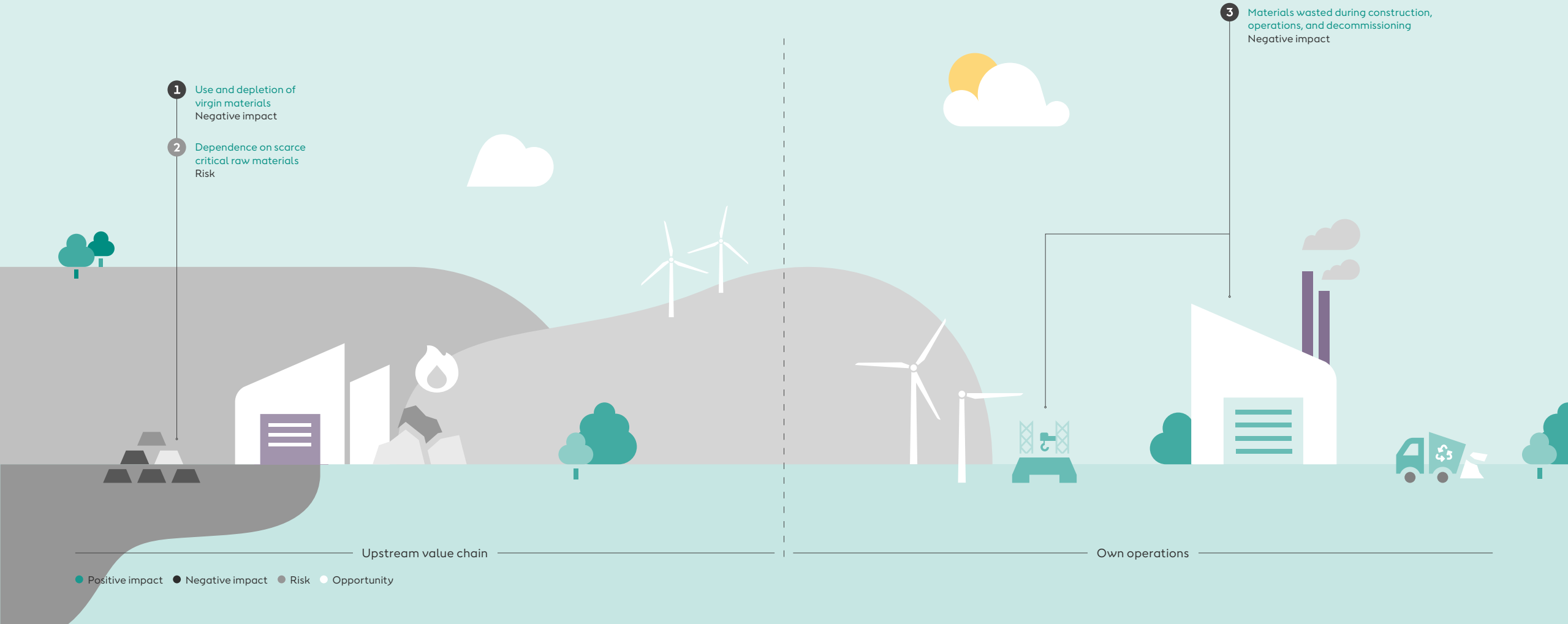
Resource use and circular economy · pages 116-122

MR Management's review
SUS Sustainability statements

E5 Resource use and circular economy

//ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)



// ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right are descriptions of our material IROs related to resource use and circular economy, including how we manage them.

The impacts are directly linked to our business model, as constructing and operating renewable energy assets and products require materials, and waste is generated during the construction, operation, and decommissioning phases.

These impacts occur through our business relationships with suppliers and contractors, who are involved in manufacturing and extraction activities, and also through our own waste-generating activities.

Resource inflows, including resource use

Material IRO description	How do we manage the IRO?
1 Use and depletion of virgin material Negative impact (upstream value chain)	
2 Increased demand for scarce critical raw materials and necessary maturation of supply chains for lower-emissions alternatives Risk (upstream value chain)	
Nearly all resources sourced from our supply chain and embedded in our renewable energy assets are virgin materials, many of which are scarce. This reliance increases our exposure to risks related to resource depletion and reduced material availability. Additionally, the growing demand for renewable energy is driving increased extraction and processing of virgin raw materials, exacerbating the scarcity and depletion of these critical resources.	We are exploring ways to reduce our reliance on scarce, virgin materials, including improved design and maintenance strategies. We are working with key suppliers on the use of recycled materials in our assets, e.g. we have early offtake agreements for lower-emissions steel through industry-wide initiatives (e.g. SteelZero), gradually lowering our need for scarce critical materials.

Waste

3 Materials wasted during construction, operation, and decommissioning Negative impact (own operations)	
This negative impact occurs as materials are wasted during construction, operation, and decommissioning of assets by being sent to landfill or incineration. Disposal through landfill or incineration leads to environmental degradation, including pollution and resource loss.	We are constantly investigating opportunities and partnerships that will help us improve the degree of recyclability of our assets while working on actions that allow for the replacement of non-recyclable content in our assets, ensuring a minimal amount of waste goes to landfill and incineration.

Ørsted's transition plan, as outlined in the ESRS 'E1 Climate Change' chapter, details how our next phase of transformation will focus on reducing GHG emissions across our value chain. A crucial step in this transition is decoupling our renewable energy deployment from the reliance on scarce virgin materials.

While indeed a challenging task, it is one that we have been working on for years, focusing on the identification of partnerships, initiatives, and actions that will help us understand and improve how we work with materials over their entire lifetime – from extraction to disposal. At the same time, our value chain remains complex and resource-intensive, with our business model and strategy still highly dependent on various resource inflows. This makes resource use and circularity a crucial focus area for both our operations and long-term performance.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in *italics*.

Resource use as part of our wider transition

Our resource use is a key driver not only of GHG emissions, but also of costs, implying that both financial and climate performance are impacted by how we manage our resource use-related impacts and risks. Thus, our ability to measure, track, and report high-quality information related to our resource use and circularity efforts is the focus of this chapter, illustrating our work with resource use, efficiency, sourcing, and treatment at end-of-life.

// E5, IRO-1

Processes to identify and assess material impacts, risks, and opportunities

Screening of assets

As part of our DMA, we frequently screen our assets and activities to understand their impacts, risks, and opportunities across our value chain. However, as also noted in the DMA methodology and due to the nature of our assets, we have not undertaken direct consultations with affected communities as part of the screening performed to understand our IROs related to resource use and circularity.

Going forward, we will increasingly apply our methodology for life cycle assessments (LCAs), providing enhanced insights into our impacts related to the *use and depletion of virgin materials* when constructing our assets.

Furthermore, we have calculated the recyclability rate of materials embedded in a representative sample of our offshore wind farms, to understand which materials and components we can process for recycling upon retirement of the wind farms. The underlying calculations, prepared in collaboration with the digital ReWind tool facilitated by DNV, are important for our further understanding of the negative impact of *materials wasted during construction, operation, and decommissioning*. Additionally, the information gathered helps us identify how we can turn used materials, such as steel and copper, into reusable components, improving our wider resource efficiency.

These methodologies, alongside the data available to understand our resource dependencies, also allow for enhanced mitigation of our risk related to the *increasing demand for scarce materials and resources globally*. As outlined throughout this section, we are continuously working on initiatives that will enhance our resilience towards this risk. Assuming a business-as-usual scenario, i.e. a scenario where we do not manage, or pursue, the transition away from the use of scarce virgin materials, the probability of this risk materialising is inherently higher. //

// E5-1

Policies related to resource use and circular economy

Resource management policy

To govern the identified risk and negative value chain impact from using virgin materials, we have adopted a 'Resource management policy', covering all of our activities and locations. The policy's objective is to ensure that we minimise the use and depletion of virgin resources by developing circular value chains together with our suppliers, where feasible, and guide our efforts on sustainable sourcing. It further addresses our adherence to the waste hierarchy, prioritising waste avoidance by reducing and reusing before recycling. Responsibility for the resource management policy lies with our senior vice president for the QHSE department.

Sustainable forest biomass policy

We are committed to continuously improving our practices to mitigate any potential negative impacts related to our use of biomass. All biomass sourced for our CHP plants must comply with our internal 'Sustainable forest biomass policy'. This policy mandates sourcing of certified biomass under internationally recognised schemes, such as SBP, FSC, or PEFC, ensuring the origination from well-managed production forests with an ongoing reforestation effort and adherence to sustainability standards through independent audits.

In addition to biomass, we use Danish straw at our CHP plants at Studstrup and Avedøre. The straw we use is a residue from cereal production and has been used for bioenergy in Denmark for decades. All straw complies with EU and national sustainability criteria addressing soil quality, soil carbon storage, and biodiversity. We are audited yearly by an independent third party to document that our straw complies with relevant sustainability criteria.

Waste management policy

To address our negative impact of materials wasted, we have a 'Waste management policy', covering all our activities and locations. The policy outlines our waste management processes and provides detailed definitions of key aspects of waste management assurance. Our QHSE department is responsible for its ongoing implementation. As the policy is the steering document for our internal way of working with waste and thus contains detailed guidance on waste handling and data reporting for our global waste operations, the policy is only accessible internally.

Together, these policies address our identified impacts and risks, relating both to the upstream and downstream part of our value chain and operations. //

// E5-2

Actions related to resource use and circular economy

To support and obtain the underlying objectives of the policies that we have in place to manage our material resource-related impacts and risks, we are continuously working to identify new actions as well as progressing on the ones we have already commenced. In 2024, our focus has been on the continued development of partnerships and testing of innovative solutions to integrate circularity efforts into our operations. As some of our oldest renewable assets reach their end-of-life stage, we continue to explore and progress on actions related to the avoidance, reduction, and recycling of wasted materials.

Each action listed relates to the identified impacts and risks related to resource use and circular economy but are also closely linked to our decarbonisation efforts and actions as outlined in the ESRS 'E1 Climate Change' chapter, given that the manufacturing of our materials constitutes a key source of GHG emissions.

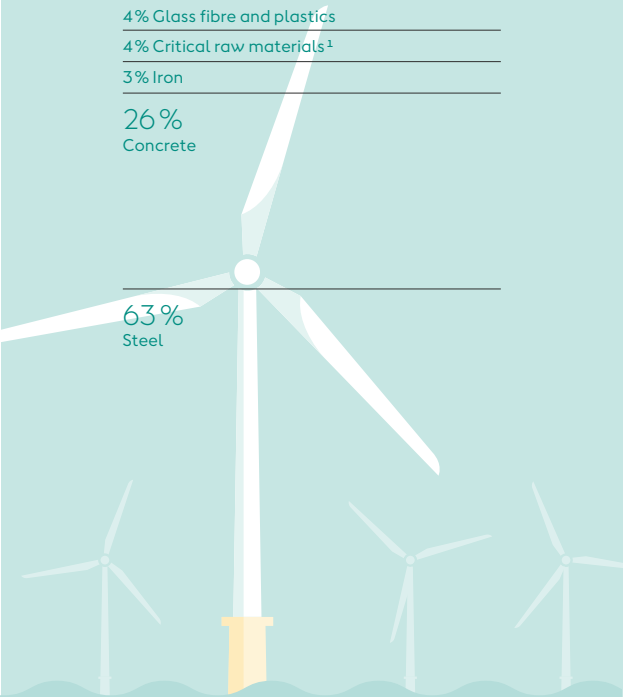
Key actions related to resource inflows

Associated with our *use and depletion of virgin materials* impact, we include a quantitative breakdown of the key materials that enter our business through use in our renewable energy assets. This is an important first step in understanding how we can gradually increase the use of secondary materials in our assets.

Working with our key suppliers on increasing secondary materials in our assets

We engage with our key suppliers on decarbonisation matters as part of our supplier engagement and

Resource inflows for an average offshore wind farm



Illustrative example of the material composition for an average Ørsted offshore wind farm

[1] 3% copper and 1% other materials.

procurement strategy. In 2024, we have extended these engagements to also include resource use and circularity matters. These two topics naturally overlap as we are looking for opportunities to, for example, source more scrap steel as a means of increasing our usage of lower-emissions steel. As our negative impact occurs outside our own operations, we are dependent on continuous collaboration to make meaningful progress that will mitigate both the material negative impact as well as the risk related to our reliance on virgin scarce resources, when constructing our renewable energy assets.

As an example of the supplier engagement programme development, we initiated a collaboration with wind turbine manufacturer Siemens Gamesa to use recycled glass fibres for certain new wind turbine blades at our Greater Changhua 2b and 4 offshore wind farms in Taiwan.

The intended outcome of our supplier engagement and procurement strategy is to have a firm set of circularity-related supplier requirements in place within the next four to five years. For selected components, recycled materials have already been introduced as a sourcing evaluation criterion, ensuring our gradual transition away from the use of virgin resources.

Repairing and refurbishing spare parts for our wind farms during the operational phase

In alignment with our resource management policy objective, we continuously work to reduce, reuse, and recycle resources for our assets. As we have a large portfolio of offshore wind farms in operation, our ability to increase the reuse and refurbishment of spare parts during the life time of the assets can both lower our use of virgin materials, extend the lifetime of the assets, and reduce our operational costs.

In 2024, we have progressed on this action by ordering more than 300 refurbished yaw brake calipers on our East and West Coast hubs in the UK. Calipers are used to hold the nacelle in place when the brakes are applied and are a part of the hydraulic system. For each caliper we reuse, we also lower the cost of our wind farm maintenance. In addition, we have set up refurbishment loops for several other minor components with a long leadtime to reduce the risk of lost production.

By 2030, we intend to establish fully commercial, technically approved refurbishment loops for more than 100 of our key minor components, reducing our overall need for virgin materials during the operational phase of our renewable assets. This is further a mitigation measure towards our identified risk related to *the global increase in demand for various scarce critical materials*.

Furthermore, to increase the reuse of minor components and spare parts, we have successfully conducted a trial on re-selling surplus spare parts from our warehouse in the UK into the second-hand market via our partner Wind Cluster. With this trial, we now have a blueprint set-up to scale our efforts to other locations and markets – ensuring the reuse of spare parts as well as the generation of revenue. At the same time, we are addressing the occurrence of surplus stock in warehouses by improving our forecasting and planning.

Key actions related to resource outflows

The *materials wasted during construction, operation, and decommissioning* constitutes a negative impact. In general, we see two complementary pathways to address waste generation that we must work on simultaneously. Firstly, we must consider if our waste generation can be avoided in the first place, by addressing the challenges at their root cause. This is done as we work to design our assets with minimal reliance on the use of a specific material, for example by switching non-recyclable content with more recyclable content to allow for proper waste treatment. At the same time, we need to ensure that waste is diverted from disposal by enhancing sorting and collection processes as well as supporting the maturation of reuse and recycling markets for our components and materials.

Transition piece covers for offshore wind farms

In 2024, we carried out a long-term test and inspection of a new, recyclable transition piece (TP) cover for potential future application at our offshore wind farms. The TP cover is temporarily installed to shield against water and to save seabirds from getting caught during the time between the installation of the foundation and the mounting of the wind turbine tower, where the inner parts of the foundation are exposed to wind and water elements at offshore sites.

Traditionally, these covers are made from a mechanically durable, fibre-reinforced soft PVC, which enables longer lifetimes and lower maintenance costs but also has proven challenging to recycle. To address this challenge, a new design with TP covers made from a recyclable polypropylene (PP) plastics was therefore introduced by our partner TME, offering

a full cradle-to-grave solution that reduces landfill waste, displaces virgin material, and thus increases the recyclability rates of our wind farms.

The new TP covers have been thoroughly tested, including recycling tests of both the PP material and a full TP cover to document its feasibility at end-of-life. As both tests have confirmed the mechanical feasibility of the new material, the next step in 2025 will be offshore testing of the new design in a pilot project while continuing to work with TME on setting up a take-back system for the TP covers as well as documenting the environmental impacts of the new design.

With the purpose of increasing the recyclability rates of our wind farms, this project was born out of an internal innovation competition in Ørsted in 2022 to address the challenge of the hard-to-recycle soft PVC material.

End-of-life management of wind turbine blades and solar panels

In 2024, we completed the decommissioning of our onshore wind farm Owenreagh 1 in Northern Ireland, which had been in operation since 1997 and consisted of 10 wind turbines with a total capacity of 5 MW. We did so in collaboration with Plaswire, with whom we entered into a partnership in 2023. Plaswire enables the recycling of wind blades, as they specialise in the shredding, granulating, and re-moulding required to turn the blade material into, for example, durable polymer. Durable polymer is typically used in the construction industry, and as a result, some of the retired blades may end up being used to produce road marking poles for some of our new onshore wind farms in Ireland, replacing the use of virgin plastics in our own projects. Similarly, we work with the US solar recycling company SOLARCYCLE on the treatment of defective and retired solar panels. With the installation of various solar assets in the US in 2024, we have, where necessary, sent damaged panels to SOLARCYCLE for recycling, demonstrating our ambition to recycle retired solar panels.

Our collaborations with Plaswire and SOLARCYCLE are examples of how we engage with partners on our material resource-related impacts. Over the past few years, we have successfully carried out several small-scale recycling pilots in the US and the UK and will continue to leverage retired blades and panels from our assets to help accelerate the maturation of promising, innovative, recycling technologies and solutions in our markets going forward. //

// E5-3

Targets related to resource use and circular economy

Tracking our transition away from virgin materials

Based on our identified impacts and risk related to the matter of resource use and circularity, we have revisited our ways of tracking the effectiveness of our policies and actions in 2024. Our location in the value chain of renewable energy assets implies that we rely heavily on upstream value chain partners to understand and quantify the impact we have, which challenges the foundation for setting measurable, outcome-oriented, and time-bound targets. Consequently, we have not yet adopted a formal target related to our impacts on and risk from resource use and circularity.

On the next page, we disclose a range of new indicators related to the resource inflows to our business, which provides a first foundation for developing relevant targets. As a result, we continue to work on establishing one or more measurable reportable targets going forward and expect to communicate targets within the next two years.

Tracking effectiveness of policies and actions

While we are not communicating any formal targets, we are committed to ensuring that we mitigate the negative impacts as well as the risk we have related to resource use and circular economy through both our policies and actions.

Sustainable biomass and residual straw

As outlined in the 'Policies related to resource use and circular economy' section of this chapter, we are committed to sourcing only certified sustainable wooden biomass for use as fuel at our CHP plants. We have tracked our performance on sustainable biomass since 2016 when our baseline value was 61 % of total wooden biomass.

In 2024, 100 % of our wooden biomass was certified sustainable wooden biomass. In addition to wooden biomass, we use residual straw sourced from Danish agriculture. While straw biomass lacks a specific certification scheme, our supplied straw is sourced as a waste product from local farms, preventing the disposal of the resource.

Blades and panels diverted from landfill

In 2021, we made a commitment to not send any of our retired blades to landfill, which was extended to also include our solar panels in 2023.

We believe this is a responsible and natural way of working, supporting our resource management policy objectives while proactively pushing for the early development of capabilities and the maturation of recycling markets. //

Resource inflows

ESRS ref.	Resource inflows, tonnes	2024
	Technical materials for construction of new assets	
// E5-4, 31(a)	Steel	296,200
// E5-4, 31(a)	Copper	6,900
// E5-4, 31(a)	Aluminium	5,600
// E5-4, 31(a)	Plastics	9,700
// E5-4, 31(a)	Glass fibre	5,900
// E5-4, 31(a)	Rare earth elements	300
// E5-4, 31(a)	Concrete	6,800
// E5-4, 31(a)	Glass	26,600
	Technical materials, scrap steel used in steel production	
// E5-4, 31(c)	In absolute value	59,200 - 103,700
// E5-4, 31(c)	In percentage, %	20 - 35

Understanding our use of resources

We have identified key materials fundamental to the construction of our global portfolio of renewable energy projects across offshore and onshore wind, solar, and battery energy storage systems (BESS).

To enhance our understanding and management of resource inflows, we are actively working with suppliers to explore lower-emissions alternatives and aim to establish closer collaboration for obtaining data on the composition of their products, including the percentage of reused or recycled materials. Steel is a primary focus at this stage, given its significant role in renewable energy infrastructure and its high potential for recyclability.

The use of scrap steel is a norm in steel production, with its content varying across geographies and reflecting established industry practices. Approximately 80 % of the steel we source used in the production of steel plates for foundations comes from Europe, where supplier data indicates that, on average, 35 % of the material used in these plates derive from scrap. While we account for geographic variability in our presentation, reflected in a range of 20 - 35 %, our current estimates place us at the upper end.

Lower-emissions steel offers a dual benefit: It minimises greenhouse gas emissions and, depending on the production method, can reduce reliance on virgin iron ore. Steel produced via electric arc furnaces (EAFs), which use scrap steel as feedstock, significantly lowers the need for virgin iron ore compared to traditional blast furnace-basic oxygen furnace (BF-BOF) methods that rely heavily on it. Even though recycled content is widely used in steel production, low-emissions steel still has a limited market availability. Closing this gap is key to cutting emissions, reducing reliance on virgin materials, and advancing a more circular steel industry. Thus, our focus is on sourcing lower-emissions steel, as it represents the most impactful opportunity to drive meaningful progress in reducing the environmental footprint of steel production.

In addition to steel, critical raw materials, such as copper, aluminium, and rare earth elements (REEs), are essential for renewable energy technologies but present negative impacts and risks related to the depletion of virgin materials and the scarcity of supply. Improving the recyclability of materials such as plastics and glass fibres, including composites used in wind turbine blades, is a priority to reduce reliance on finite resources and ensure sustainable material use.

Addressing these challenges involves implementing design changes to optimise resource use, increasing the adoption of recycled and recyclable materials where feasible, and prioritising the maintenance and extension of the lifespan of existing assets and components wherever possible.

§ Accounting policies

Technical materials for construction of new assets

The technical materials for constructing new assets are tracked to provide a detailed understanding of material usage and composition for offshore and onshore renewable energy projects (offshore wind, onshore wind, solar PV, and battery storage assets (BESS)) above 100 MW. Material inflows reflect assets currently under construction within the reporting year.

Our in-house LCA analysis forms the foundation of the methodology, with the highest maturity for offshore assets. External verified studies supplement the project-specific data for battery energy storage systems (BESS), solar PV, and onshore wind.

Material usage is accounted for when main components are recognised as installed. This process involves detailed mapping of materials associated with each main component to ensure accurate tracking and reporting. For offshore wind projects, we track the installation progress of foundations, which are recognised as installed at the time when they are fitted. Wind turbine generators (WTGs) are recognised at the time of take over certification (TOC), marking the transfer of ownership. Materials for other packages, e.g. cables, are mapped to the WTGs and recognised when the WTGs reach TOC.

For solar assets, materials are mapped to the installation of solar panels, with progress tracked throughout the installation phase. Materials associated with transformers, substations, array cables, and piles are recognised at the time of panel installation. A similar split process, as seen in offshore wind, is under consideration for solar assets.

For battery storage systems, materials are recognised upon the installation of battery packs, specifically at the time of connection.

Resource outflows

ESRS ref.	Waste, tonnes	2024	2023	Δ
// E5-5, 37(b)	**Hazardous waste**	**2,283**	**2,381**	**(4%)**
// E5-5, 37(b)	Diverted from disposal	526	679	(23%)
// E5-5, 37(b)(i)	Preparation for reuse	2	37	(95%)
// E5-5, 37(b)(ii)	Recycling	476	570	(16%)
// E5-5, 37(b)(iii)	Other recovery operations[1]	48	72	(33%)
// E5-5, 37(c)	Directed to disposal by waste treatment type	1,757	1,703	3%
// E5-5, 37(c)(i)	Incineration	1,527	1,399	9%
// E5-5, 37(c)(ii)	Landfill	-	33	(100%)
// E5-5, 37(c)(iii)	Other disposal operations[2]	230	271	(15%)
// E5-5, 37(b)	**Non-hazardous waste**	**123,821**	**118,260**	5%
// E5-5, 37(b)	Diverted from disposal	110,634	100,740	10%
// E5-5, 37(b)(i)	Preparation for reuse	107,180	97,351	10%
// E5-5, 37(b)(ii)	Recycling	2,806	3,086	(9%)
// E5-5, 37(b)(iii)	Other recovery operations[1]	648	303	114%
// E5-5, 37(c)	Directed to disposal by waste treatment type	13,187	17,520	(25%)
// E5-5, 37(c)(i)	Incineration	63	79	(20%)
// E5-5, 37(c)(ii)	Landfill	317	178	78%
// E5-5, 37(c)(iii)	Other disposal operations[2]	12,807	17,263	(26%)
// E5-5, 37(a)	**Total waste**	**126,104**	**120,641**	**5%**
Entity spec.	Diverted from disposal, %	88	84	4%p
Entity spec.	Directed to disposal, %	12	16	(4%p)
	Total amount of non-recycled waste			
// E5-5, 37(d)	In absolute value	14,944	19,223	(22%)
// E5-5, 37(d)	In percentage, %	12	16	(4%p)

[1] Composting and recovery.
[2] Energy recovery.

Our total waste increased by 5% in 2024 compared to 2023. This was mainly driven by an increase in non-hazardous waste of 5% due to increased amounts of ashes at our CHP plants from the increased use of biomass.

Total amount of waste diverted from disposal
%

§ Accounting policies

Waste by type, disposal method, and treatment type
The Global Reporting Initiative (GRI) Standards, disclosures 306-3, 306-4, and 306-5, have been used as guidance in developing the reported data points.

Waste is generally reported on the basis of invoices received from waste recipients, supplemented with plant-specific measurement 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.

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

Soil from excavation projects is not included.

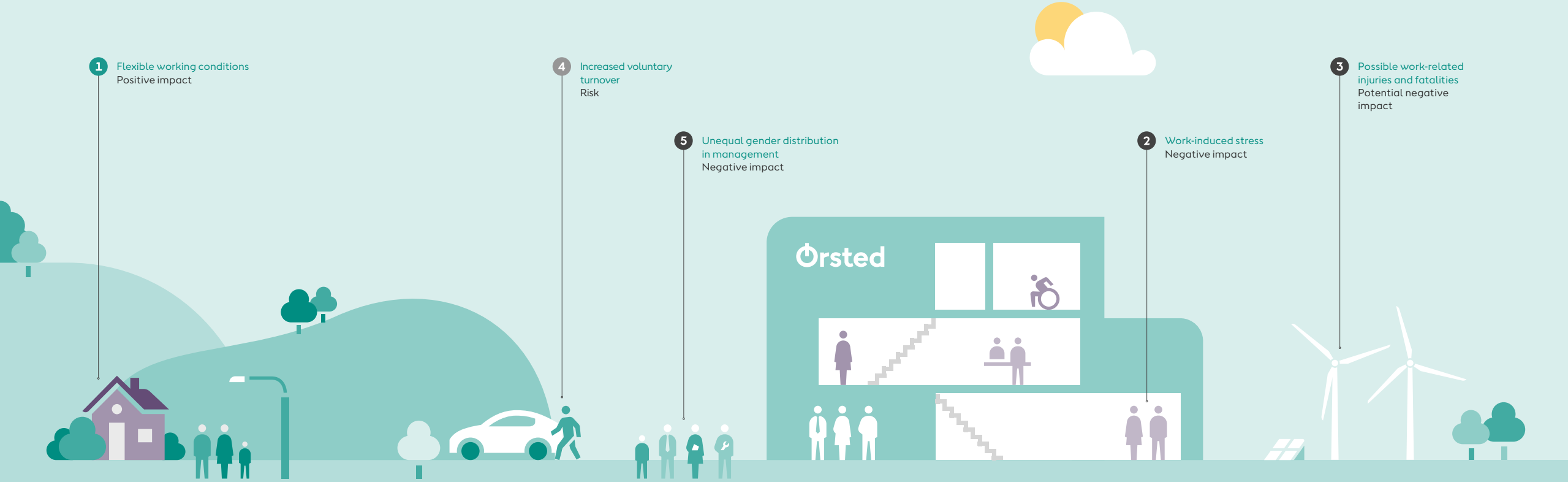
Social

→

Beside Knockawarriga Onshore Wind Farm, County Limerick, Ireland, stands a local football club with facilities used by 170 competitive players. With funding from Ørsted over the last three years, the club has installed an electricity supply, invested in energy efficient floodlights, bought a robotic lawnmower, and set up solar panels on the clubhouse roof. Sports clubs play an important role in rural communities like this one, where 120 children play football every week.

S1 Own workforce

Our material impacts, risks, and opportunities (IROs)



// ESRS 2, SBM-3; S1, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right are descriptions of our material IROs related to our own workforce, including how we manage them.

The impacts are connected to our vision to create a world that runs entirely on green energy, as human capital is a key resource in our business model in order to achieve our vision. It requires that our employees have the possibility to thrive, perform, and grow.

We are involved with these impacts through our own activities, in all stages of our operating model, and across all support functions.

Working conditions

Material IRO description	How do we manage the IRO?
1 Flexible working conditions Positive impact (own operations)	
This postive impact relates to our flexible working culture, creating additionality within the many markets where we operate and particularly in the US and APAC, as our global standards go beyond the norm in many countries outside of Northern Europe. A flexible working culture, with initiatives to continuously enhance it, is anchored in a strategic decision to keep Ørsted a great place to work. This has a positive impact on our own workforce as it gives employees the agency/autonomy to make the work-life balance decisions that work best for them, their team, and their people leader.	We work continually to make Ørsted an increasingly flexible workplace. This is part of our ambition to power and create a working environment where everyone can thrive, perform, and grow. This is implemented globally and governed by our internal guidelines on flexible workplace.
2 Work-induced stress Negative impact (own operations)	
This negative impact relates to employees experiencing stress at work because they are requested to perform working hours beyond the contractual terms or in other ways experience anxiety and unbalances at work. Work-induced stress can cause medical treatment and months away from the job.	We monitor work-induced stress on an ongoing basis and have several measures in place to mitigate this impact. We have a 'Global working hour commitment', describing our position on working hours.
3 Possible work-related injuries and fatalities Potential negative impact (own operations)	
This potential negative impact relates to physical work-related injuries and fatalities. Due to the nature of the utility industry, we recognise this potential impact to our employees. It concerns all employees and contractors working at our sites. Injuries can cause medical treatment and days or months away from the job. This potential negative impact can occur across the short, medium, and long term.	We have a robust health and safety management system, which is fundamental to us and covers all of our employees and contractors working at our sites. We have a strong safety culture, monitor safety performance on a monthly basis, and include safety targets in bonus schemes.

Material IRO description	How do we manage the IRO?
4 Increased voluntary turnover, potentially due to perceived internal risks or uncertainties Risk (own operations)	
This risk is a specific 2024 short-term risk and relates to employees potentially leaving the company due to an increase in uncertainties following organisational restructuring. Although the organisational restructuring was a managed process, such large organisational changes can be a cause of uncertainty and job insecurity, which can trigger employees into leaving the company pre-emptively. This can lead to an increase in the voluntary turnover rate for employees who might choose to pursue other opportunities.	To address these challenges, we are focused on our internal communication and change management, strengthening our focus on good leadership and mental health and reaffirming our commitment to transparency and the well-being of our workforce.

Equal treatment and opportunities for all

5 Unequal gender distribution in management Negative impact (own operations)	
This negative impact relates to the unequal gender distribution we have in leadership roles, where we have a target of 40:60 (women:men). The impact concerns all employees and is particularly linked to the three layers of our target. If we do not succeed in integrating diversity considerations into our succession planning, promoting a balanced representation of men and women in leadership positions, we will not achieve our gender diversity targets.	We have a dedicated talent management team to ensure implementation of actions. This includes e.g. promoting diversity considerations into our succession planning and promoting a balanced representation of men and women in leadership positions.

At Ørsted, we work actively to ensure a safe and inclusive workplace where all employees can thrive. We engage with the employees through various channels and have an open and transparent culture. We are focused on development of our employees' skills and competences and follow up on the general well-being of employees through performance dialogues at individual level and other measures.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in *italics*.

// S1, SBM-3

Material impacts and risks related to own workforce

At Ørsted, all employees are part of a safe working environment where impacts are identified and managed, including impacts related to physical injuries and well-being of employees. Due to the nature of our industry, we recognise the impact to employees of *potential injuries and fatalities*, primarily during the construction and operation phases of our assets. Furthermore, we recognise the present impact of *work-related stress and anxiety experienced among employees* on a global level.

Ensuring transparent and fair working conditions are rooted in our employer value proposition, where fair and competitive rewards and employment terms as well as a flexible working culture, are foundational factors. Our *flexible working culture* is creating additionality within many of the markets where we operate, and particularly in our US and APAC regions, as our global policies go beyond the norm.

Our 'Global parental leave policy' goes far beyond the US and APAC norm. For instance, according to a report by New America's Better Life Lab, the median length of leave for fathers in the US is just one week, compared to 11 weeks for mothers. This disproportionate leave highlights the need for more equitable policies, and our approach seeks to address that imbalance by offering substantial leave for all parents, aligning more closely with global best practices.

For our employees in APAC, entitlements such as industry-leading leave and flexible working hours go beyond labour and similar companies' standards. As a testament to this, Ørsted Taiwan has received a special recognition in the form of the 2024 Work-Life Balance Award presented by Taiwan's Ministry of Labor, specifically in consideration of our wide-ranging and industry-leading policies, supporting the work-life balance of our employees. This award is one of the highest Taiwanese recognitions from the Ministry, and it honours Ørsted among 251 other companies, where Ørsted is the only energy company to receive the award twice, with special recognition of our mission to create a greener future, whilst also creating a positive impact for society and employees.

In 2024, Ørsted navigated a rapidly evolving industry landscape, necessitating organisational adjustments, including redundancies, to maintain our competitive edge. While both satisfaction and motivation levels as well as voluntary turnover remain healthy compared to industry benchmarks, the changes have had a noticeable impact on employee satisfaction and motivation and our voluntary turnover trend. This poses a short-term risk of *increased voluntary turnover* and lower morale, satisfaction, and heightened stress.

To address these challenges, we are focused on our internal communication and change management, strengthening our focus on good leadership and mental health and reaffirming our commitment to transparency and the well-being of our workforce.

All employees in our own workforce are included in the scope of our disclosures. Our own workforce does not include self-employed people or people provided by third-party undertakings, primarily engaged in employment activities. Lastly, due to the nature of our operations and the jurisdictions covering our workforce, we are not at risk of either forced labour incidents or child labour incidents. //

// S1-1

Policies

Our commitments to our own workforce as well as employee obligations are outlined via global employee policies, country-specific policies, and employee handbooks.

Through the adopted policies, we describe our commitments and positions in place for our employees as well as obligations expected from employees. The objective and key content per policy is unfolded below. These policies are owned by the People & Culture organisation, with our Chief HR Officer being overall accountable for them. All our policies have been approved by the Board of Directors. They are available for all employees on our intranet, and many of these policies are available at orsted.com.

Regarding specific groups, our global policies are applicable to all Ørsted employees globally, unless the nature of the policy constitutes a limited eligibility scope, such as e.g. our global parental leave applicable for parents or local variances in policies to reflect local legislation or local market practice.

Policies for human and labour rights

Human rights

We see human rights as fundamental principles for protecting people's dignity and ensuring freedom and respect both in our own operations, in the companies with whom we work, and in the communities where we operate. Our commitment to upholding human rights is outlined in our 'Sustainability commitment', 'Global human rights policy', 'Global labour and employment rights policy', 'Stakeholder engagement policy', and 'Just transition policy'.

Our 'Global human rights policy' aligns with the UN Guiding Principles on Business & Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles & Rights at Work.

The policy explicitly highlights our dedication to ensuring freedom of association, the right to collective bargaining, the elimination of forced, trafficked, or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in employment and occupation, among other critical issues.

Labour and employment rights

With the aim to enhance transparency for our employees within labour and employment rights, we have adopted a 'Global labour and employment rights policy'.

The policy articulates our commitments to actively safeguard labour, employment, and human rights standards within our own workforce, as described in relevant legislation as well as in the International Bill of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. We work to ensure fair labour and employment standards for our employees across all the markets where we operate.

The policy also articulates our commitment to social dialogue and collective bargaining agreements. We respect our employees' rights to freedom of association and to join or refrain from joining labour unions and workers' councils without fear of discrimination, harassment, intimidation, retaliation, or violence in accordance with national laws. Where the right to freedom of association and collective bargaining is restricted or prohibited under national law, we will not hinder employees from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment.

We do not seek to influence mechanisms or activities of employee representatives while they carry out their functions in ways that are not disruptive to regular company operations.

Working time

We see respect for our employees' labour and employment rights as core to protecting our employees' human rights but also as the foundation of our company culture with respect for people. We actively work to ensure a sustainable, responsible, and inclusive working environment with fair labour and employment standards across all the markets where we operate. We have therefore adopted and implemented a 'Global working hour commitment' describing maximum working hours across jurisdictions with inspiration from UN's Global Compact guidelines.

Moreover, when entering countries, we have a high focus on and a standard process for ensuring that local employee handbooks are compliant with local legislation, including within the areas of working hours, overtime, and overtime payment.

Flexible working conditions

Striving to make Ørsted an increasingly flexible workplace is part of our ambition to power and connect a working environment where everyone can thrive, perform, and grow. In our double materiality assessment (DMA), we assessed that our *flexible working conditions* are creating additionality within many of the markets where we operate, and particularly in the US and APAC.

Our flexible working approach is anchored in our strategic focus to ensure that Ørsted is experienced as a great place to work. The Group Executive Team provides direction and support to work in a flexible and inclusive manner, and people leaders and employees are empowered to successfully manage flexible working plans. Our flexible working approach is implemented globally in our internal 'Global guidelines on flexible workplace' and supplemented by country-specific guidelines to comply with local requirements and regulation.

Another initiative to support this flexible working culture is within parental leave. We have implemented a 'Global parental leave policy', which introduces global minimum standards on parental leave entitlement for all our employees. Our policy is 18 weeks for primary caregivers and 12 weeks for secondary caregivers.

We ensure that the topics 'flexibility' and 'work-life balance' are a focus in the ongoing dialogues between people leader and employee with the purpose of finding ideal solutions and adjustments for what works best for both the employee, the people leader, and the team as a whole.

Furthermore, when entering new countries, we have a high focus on ensuring that local employee handbooks are compliant with local legislation as a minimum, and that, in general, we strive to follow market practice on employment terms in markets and even go above and beyond within the areas of flexibility and work-life balance. This could include employment terms such as parental leave, sick leave, annual leave, and child sick leave.

Approach to rights of own workforce

Furthermore, we have the responsibility to safeguard the labour conditions of our employees through social protection. This encompasses support for circumstances such as sickness, unemployment, employment injury, parental leave, and retirement.

We have established a global minimum standard of benefits for caregivers, irrespective of gender or marital status. In addition, we offer various other paid or unpaid family-related leaves, according to country provision, local market practice, and potential collective bargaining agreements, such as marriage leave, compassionate leave, childcare leave, and nursing care leave. We have made a commitment to offer immediate assistance and financial security to employees facing severe illness, with a focus on facilitating a timely and responsible return to work.

Aligned with local practices and statutory provisions, basic insurance for unemployment and disability ensures equitable compensation. Retirement benefits are incorporated in our overall remuneration package, and, unless local laws dictate otherwise, all employees are enrolled in a pension scheme through their employment at Ørsted.

We work actively towards creating a culture where everyone feels safe to voice important matters. This includes encouragement to freely express views, also to colleagues in higher hierarchical positions, on a variety of matters relevant to the employment.

We firmly believe that these principles are integral to fostering a just transition to renewable energy. Therefore, it is our priority to ensure that adequate management systems are in place to identify, prevent, mitigate, and remedy any potential adverse human rights impacts. In cases where we identify potential adverse human rights impacts, we are committed to promptly and effectively providing and enabling remedies. Our grievance and remediation approach includes addressing any adverse human rights impacts

on individuals, workers, and communities that we have caused or contributed to. //

// S1-1

Policies related to health and safety

At Ørsted, we prioritise and protect the physical, social, and psychological safety of everyone in the workplace. We believe that personal health and well-being are fundamental drivers for living a balanced life where people can realise their potential. Through our robust health and safety management system, which is fundamental to our operations and to secure a safe system of work, we foster a culture that promotes our employees' health and safety. All (100%) of our employees are covered by our health and safety management system.

We have established a 'Global policy for quality, health, safety, and environment (QHSE)', setting the standards for how we protect and ensure the well-being of our employees and the sustainability of our operations. The policy covers all our employees and facilities, with accountability resting with our Head of QHSE. We aim to incorporate quality, health, safety, and environment in all our decisions and actions, and we have implemented workplace accident prevention procedures to ensure the safety and well-being of our employees.

We comply with various ISO standards, including ISO 9001 (quality management system), ISO 14001 (environmental management system), and ISO 45001 (occupational health and safety management system), to maintain a robust management system that aligns with international best practices.

Additionally, we have an internal policy on mental well-being for all employees, with a focus on enhancing the mental well-being of our workforce, mitigating mental strain, such as *work-related stress and anxiety*, and providing guidance to employees and leaders on addressing these concerns. We have a range of support systems and offer our employees a health insurance, including access to psychologists and other mental health professionals and crisis counsellors as well as support on topics such as stress, relationships, family issues, and lifestyle management. Accountability for our well-being rests with our Chief HR Officer. //

// S1-4

Actions for health and safety

Key actions

Prevention of injuries and fatalities

In 2024, we conducted a large campaign called Ørsted Safety Days with the objective of implementing Ørsted's life-saving rules. The scope of the campaign was for sites, fabrication yards, and offices across all regions. All employees and contractors on sites were asked to join one of the Safety Day sessions, which were facilitated by different people leaders, including all Group Executive Team members.

Ørsted's life-saving rules have been developed in collaboration with G+, the Global Offshore Wind Health and Safety Organisation, to protect our employees, contractors working at our sites, and suppliers from serious incidents. The implementation of similar life-saving rules has led to a stronger safety culture and better general safety performance in other industries – the same outcome is expected in Ørsted.

Processes to identify actions

Health and safety is an integral part of the way we do business, and health and safety performance is being discussed frequently at all levels of the organisation, including within the Board of Directors, Group Executive Team, QHSE Committee, and by local works councils and cooperation committees.

As health and safety performance is part of the discussion on most managerial levels, we are able to react quickly to negative trends and sub-standard performance and initiate mitigating or preventive actions. To support the discussions and decisions, frequent health and safety reports are shared internally, weekly incident updates are communicated, and dashboards are constantly updated. Finally, a list of top QHSE enterprise risks and a dynamic risk register are ongoingly updated and monitored.

Other actions

Preventing stress among employees

We measure the percentage of employees experiencing stress and have several measures in place to obtain our policy objectives.

To mitigate that employees are requested to perform working hours beyond the contractual terms, potentially leading to worker fatigue, increased stress levels, and a higher risk of accidents and health issues, we initiated activities in 2024 to support people leaders with enhanced and easier accessible data and analytics to promote ongoing monitoring of sustainable working hours in compliance with individual employment terms, local laws, and our 'Global working hour commitment'.

Several geographies have started to track recorded time using analytics products, allowing people leaders to manage their teams effectively, among others highlighting where some employees may be overstretched. These analytics products will be expanded to all geographies in 2025.

During the year, several activities have been implemented to improve the mental well-being of our employees and contractors working at our sites, including the development of new well-being tools and guidelines, the relaunch of the tool 'Howdy', and the roll-out of well-being seminars for people leaders. In addition to these global initiatives, several local initiatives have been completed in 2024. //

// S1-1 (and Danish FSA § 107d)

Policies for equity, diversity, and inclusion

Equity, diversity, and inclusion are integral to our culture and the way we do business. To support this, we have adopted two policies, an internal guide to leaders and an internal guide to employees, aimed at the elimination of discrimination and at promoting equal opportunities and a culture of inclusion. Accountability for these policies rests with our Chief HR Officer.

Diversity and inclusion

We have adopted a 'Global diversity and inclusion policy' which emphasises equal opportunities for all employees in Ørsted. We specifically call out identities such as ethnic background, race, religion, age, gender, disability, sexual orientation, outlook, or social status because these groups have been

historically marginalised or disadvantaged (protected characteristics). By embedding these principles in the way we do business, we promote an environment where all employees can thrive and contribute to our collective success.

The key contents of the policy are: 'Women in management' as we work towards increasing the share of women in executive and managerial positions; 'Sexual orientation and gender identity' where Ørsted among other things has adopted the UN's LGBTI Standards of Conduct for Business in 2018; 'Nationality' where we aim to create an inclusive environment that attracts and retains talented people from all backgrounds and cultures; and 'Recruitment' where all people leaders are equipped with non-discriminatory tools and guidelines for objective recruitment to mitigate unconscious bias.

Bullying, harassment, and discrimination

We have a 'Global bullying, harassment, and discrimination policy', supplemented by country-specific guidelines, which often include mandatory training. Furthermore, to support its implementation, we have both a global employee guide and a global people leader guide on how to create an inclusive culture, which outline proactive measures to prevent bullying, discrimination, and harassment.

The policy covers a potential situation where an employee feels subject to bullying, discrimination, or harassment from another employee. This policy also covers experiences that an employee has with an external consultant working under Ørsted supervision. The policy describes acts of bullying, discrimination, and harassment in the workplace and covers the following grounds for discrimination: sex, race, nationality, sexual orientation, gender identity, religion, size, ability status, pregnancy status, age, ethnic origin, belief, and marital status. We also have a statement on non-retaliation: Many employees may be afraid to speak up, start a conflict, and share their experiences because they are afraid of retaliation. //

// S1-4 (and Danish FSA § 107d)

Actions related to equity, diversity, and inclusion

Key actions

Unequal gender distribution in management

To mitigate the negative impact of *unequal gender distribution in leadership roles*, we have implemented and will continue to implement several key actions. We have a dedicated talent management team to ensure diversity and equity are considered during the organisational review process. This team is crucial for promoting diversity considerations into our succession planning and promoting a balanced representation of men and women in leadership positions. Additionally, we are being more cognisant of our demographic data, incorporating this awareness into our strategic planning for accountability and continuous improvement. This involves enhancing KPIs and metrics, many of which are currently in development and will be implemented in 2025.

Additionally, we will target departments with lower representation of women and adopt an intersectional approach to our data, considering factors such as gender and age in promotions and other parts of the employee life cycle. Our strategic planning incorporates awareness by integrating and monitoring the gender balance of major talent processes, such as promotions, new hires, and redundancies.

Tracking effectiveness of actions

With regards to gender diversity, we report to the Board of Directors on our metrics related to gender on a bi-annual basis. This includes the three levels we have under the gender balance target of at least 40% women across the Ørsted group and a variety of supporting metrics within equity, diversity, and inclusion. Our HR business partners and talent acquisition partners instruct and inform leaders on talent decisions within the context of our gender ambition.

Other actions

Enhanced procedures to prevent discrimination

Our policies include specific commitments related to inclusion. To address the exclusion of historically marginalised groups, our global talent acquisition process was redesigned and launched in 2024, with equity, diversity, and inclusion embedded as key priorities. The redesign of this recruitment process mitigates bias by removing outdated assessments and broadening our hiring criteria to value alternative skills and experiences. This enables us to attract candidates from diverse backgrounds who bring unique perspectives and talent to our organisation.

To ensure fairness and consistency, we introduced tailored interview guides and business cases, aligned with our career framework and assessment standards in 2024. Candidates are evaluated on functional, behavioural, and leadership competences, moving away from subjective impressions. Importantly, we now hire for 'culture add' rather than 'culture fit,' intentionally seeking to enrich our existing culture with diverse identities who bring new contributions and diverse voices, rather than merely replicating our existing one. //

// S1-17

Incidents of discrimination and human rights violations

Our Audit & Risk Committee receives quarterly overviews of all inappropriate and illegal misconduct cases across jurisdictions that have either been managed or are in process locally. This reporting includes incidents of discrimination, including harassment, which in 2024 totaled 5 substantiated cases. A dedicated team in People & Culture is responsible for sending Internal Audit an anonymous global overview. A dedicated system is used to confidentially report on these cases, ensuring country-by-country access protection and only to authorised employees. For GDPR compliance, all data on employee cases are anonymous.

In 2024, we had zero severe human rights incidents connected to our employees. //

// S1-2

Processes for engaging with our own workforce

At Ørsted, we believe in the importance of gaining direct insights and perspectives from our own workforce on a wide variety of matters. We see these insights as key aspects when outlining decisions and strategies.

Global satisfaction survey

Our annual global People Matter survey aims at retrieving employees' perspectives and opinions on satisfaction and motivation across almost 70 questions. The themes assessed within this anonymous survey include the degree of trust, openness, and transparency felt by our employees with regards to collaboration and the management bodies and the level of satisfaction within several aspects of the employees' work life and conditions, e.g. job content, physical working conditions, compensation and employment terms, development opportunities, workload, stress, inclusion and diversity, and potential harassment at the workplace.

The results are shared with the Group Executive Team for their strategic planning of priorities, activities, and follow-up actions. People leaders use the results within their respective teams to enable dialogues about potential improvement initiatives, ensuring a safe and inclusive working environment where everyone can thrive, perform, and grow.

Pulse surveys

Another activity deployed during 2024 for gathering perspectives of own workforce has been using pulse surveys, especially within the areas of equality, diversity, and inclusion (ED&I) and well-being. Pulse surveys are initiated by people leaders as a way to ensure that recurring surveys aiming to check how the team is doing in regard to different matters are carried out. Results are used as a springboard for further dialogue on important themes such as physical and mental well-being, workload, harassment in the workplace, trust, transparency, etc. As an example, the Group Executive Team has carried out global surveys during 2024 to check the temperature throughout the organisation during periods with organisational changes and to take the result into account when planning strategies, priorities, and communication going forward.

Other types of engagement

Additionally, we have established an easily accessible site on our company intranet that outlines various options for employee representation on both global and local levels. These include various channels for employees to voice their opinions and engage both with other colleagues and with management.

Such options include HR business partners, occupational health and safety representatives, different local works councils, cooperation committees, employment relations representatives, and personal development dialogues. Engagement and employee representation through more formal bodies, such as work councils and employment relations representatives, are generally regulated by local legislation or locally agreed with the respective employee representation body. The frequency of engagement is both regularly recurring meetings and extraordinary ones, summoned to discuss important topics related to the workforce.

In addition, we have the Ørsted IN networks (employee resource groups), which collectively create an online hub, supporting an inclusive culture within the organisation. The inclusion networks represent different groups across our organisation, e.g. within race and ethnicity, gender, LGBTQ+, age, and disability. They are for anyone who identifies with one of the groups, and who supports the equality and inclusion of that group. Allies are encouraged to join networks to show their support and to expand their knowledge about inclusion of diversity.

Moreover, different Viva Engage channels are made available to our employees, serving the purpose of creating global informal dialogues across our organisation on different topics related to our own workforce. Employees can freely comment and ask direct questions to our management via the Viva Engage channels, hosted by different management representatives or by other employees.

// ESRS 2, GOV-1

Finally, we successfully completed our first-ever global employee election for the employee-elected members to the Board of Directors of Ørsted A/S in Q1 2024, with participation of employees across our global footprint. For more information about representation of employees in the Board of Directors, see page 48 in the 'Management's review'. //

Accountability

The overall accountability for the People Matter survey, Ørsted IN networks, and HR business partners' engagement rests with the Chief HR Officer. In regard to engagement via our formal representation bodies, such as works councils, it depends on the specific country in scope with whom the operational responsibility rests. However, in general, this responsibility rests with our Chief HR Officer together with the country manager of the respective country. For other representative bodies, such as occupational health and safety representatives, the operational responsibility rests with our Head of QHSE.

Effectiveness of engagement activities

Depending on the different type and channel used to create or enhance engagement, different ways to measure effectiveness are deployed.

Most importantly, the People Matter survey is an effective tool with a high participation ratio (91 % for 2024), supported by follow-up activities (incl. sessions with HR business partners and HR colleagues locally), aimed at actively following up on matters which were evaluated particularly low.

Other ways of testing effectiveness of different engagement initiatives include using pulse surveys, which are directly aimed at assessing the efficiency of the different initiatives set in place to establish dialogues with our employees.

Engagement with vulnerable employees

To gain deeper insights into the perspectives of employees who may be particularly vulnerable or marginalised, we are taking two significant steps. First, we are working to collect more comprehensive data across various identity dimensions. In the US, this has allowed us to better understand the experiences of specific racial and ethnic communities, gender, disability, and caregiving status, with the goal of expanding this data collection capacity globally.

Secondly, we are re-designing our employee engagement survey tools to ensure that these tools are equipped to capture insights on equity, diversity, and inclusion. This enables us to build a more inclusive workplace by incorporating the voices and experiences of all employees into our decision-making processes.

Additionally, when we focus on advancing, promoting, and retaining underrepresented or marginalised groups, the impact goes beyond our organisation. In a global company like ours, ensuring that these groups have access to significant roles creates a social benefit by ensuring that diverse voices are present in decision-making processes, particularly those that influence communities worldwide, such as in renewable energy.

Internally, it means we are creating equitable access to management, which is often difficult to achieve without a targeted and intentional approach. This also allows employees to see themselves reflected in leadership, fostering a sense of inclusion and belonging. We are considering this in our recruitment, organisational review, and people review processes to ensure that our actions create both internal and external value. //

// S1-3

Remedy of negative impacts and channels to raise concerns

Approach and processes for providing remedy

We work actively to ensure a safe and inclusive working environment as all employees deserve to be treated with dignity and respect. Employees can report grievances and complaints via the designated mechanisms, depending on the nature of the incident. Regardless of the reporting mechanisms and its severity level, we take all incidents seriously and handle all cases in a professional and confidential manner where all parties' needs are taken into consideration.

Access to remedy helps ensure fairness, justice, and protection for individuals and communities. It allows people to seek recourse and find a solution when they feel that their rights have been violated, promoting a more equitable and fairer workplace. If any employee feels they have experienced an instance of bullying, discrimination, or harassment, they are encouraged to seek support.

We have established various grievance and complaint mechanisms for our employees, which are described on our intranet and summarised below.

Channels for own employees to raise concerns

We are dedicated to ensuring that our employees not only have access to grievance channels but also have the knowledge, confidence, and psychological safety to utilise them when necessary. Ørsted as an organisation has the responsibility to take all reported cases seriously and provide fair outcomes for investigated cases that take all parties' needs into consideration. We also maintain secure and confidential records of reports and outcomes.

All employees have the right to make a complaint or raise a grievance without fear of retaliation. All concerns and complaints raised to People & Culture are taken seriously and handled confidentially to the extent possible.

Employees can use various mechanisms for raising their concerns or complaints. Firstly, an employee can always go to their direct people leader for support. Secondly, employees can reach out to the People & Culture organisation if they have a question or a concern via either an HR business partner or a local People & Culture colleague. Thirdly, the employees can raise their concerns on an anonymous basis in the annual People Matter survey.

Lastly, our Whistleblower Hotline can be used by our employees and external stakeholders. Through the Whistleblower Hotline, employees are able to file a confidential report on inappropriate or illegal conduct and can remain anonymous. For more information on how we protect whistleblowers against retaliation, see ESRS 'G1 Business conduct'.

Awareness and trust in our grievance mechanisms

We take proactive steps to ensure that our employees are aware of and reminded about the grievance mechanisms available. This awareness is built into various aspects of our employee experience, including:

1) code of conduct training:
As part of our mandatory e-learning, we include guidance on our grievance and complaints handling policy.

2) policy:
The employees' rights and options for support are further described in the 'Grievance and complaints' section in our 'Global labour and employment rights policy'.

3) internal information campaigns:
We regularly communicate with our employees through various internal channels, including emails, newsletters, and our intranet, to remind them about the availability of grievance channels and to encourage their use. //

// S1-5

Targets

Processes for setting targets

Gender balance

We have a gender target of a 40:60 women:men balance across Ørsted by 2030. This target is tracked at three levels: senior directors and above, people leaders, and all employees. The target ensures we carefully consider gender balance when we hire and promote talent, and when we review data on those leaving the organisation. The process for setting the target was set at executive level in 2021 as a strategic pillar to identify and execute immediate steps for a visible short-term impact on gender balance.

We track our gender balance targets through a dedicated dashboard, which is available to all employees, with certain business groups integrating gender tracking within their functions. Additionally, we consistently review talent management and talent acquisition processes, such as hiring, promotions, and redundancies, against our gender targets to ensure alignment and progress. These efforts allow us to continuously monitor and advance our gender goals across the organisation.

One of the biggest challenges we face is the lack of detail needed to fully understand the diverse experiences within our gender ambition. For instance, while we can track the experiences of women in general, our data does not account for important factors such as ethnicity, disability, or gender identity, dimensions that can significantly shape a person's experience in the workplace. This is one of the key lessons we have learnt. Furthermore, we measure

women as a broad group, but without the ability to track these additional layers, we risk overlooking the unique challenges faced by women and individuals with intersecting identities. This gap highlights that while we may be making progress in some areas, there is more work to do to ensure we are not leaving anyone behind.

Safety

Ørsted uses the total recordable injury rate (TRIR), which means incidents requiring some kind of medical treatment per 1,000,000 working hours, as a metric to monitor safety performance in order to reduce the negative impact on our own workforce and the contractors working at our sites.

TRIR is monitored and reported monthly. This includes safety presentations on construction projects to the Group Executive Team and the Board of Directors. Updated TRIR targets are established every year in Q4, based on past performance, expected impact of improvement initiatives, and expected level and complexity of activities in the coming year.

The TRIR targets are proposed by the different business areas, validated by the QHSE department, and then discussed and approved by the Group Executive Team.

Senior management is consequently fully involved in monitoring safety performance and establishing future targets. If safety performance for a specific entity deteriorates, the Group Executive Team is also very clear and visible in formulating their expectations for improvement and allocating relevant and competent resources.

Satisfaction

The Group Executive Team has decided our ambition for employee satisfaction and motivation, which supports one of our four strategic pillars of being the leading talent platform in renewable energy. Employee satisfaction and motivation should be in the top tier (top 25%).

Our ambition is unchanged, even though 2024 has been a year where we have seen a significant drop in satisfaction and motivation, due to the changes Ørsted has undergone. It is the responsibility of our people leaders to create action plans that focus on increasing satisfaction and motivation and getting it back to the desired level. //

// S1-5

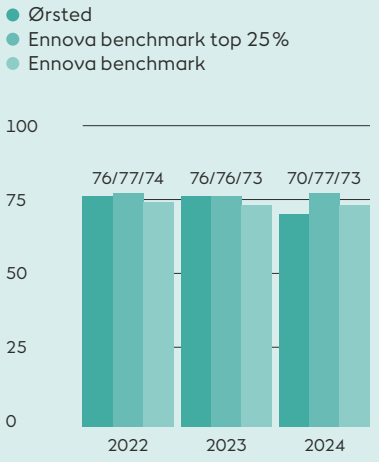
Targets

Gender balance, total workforce
%, women/men

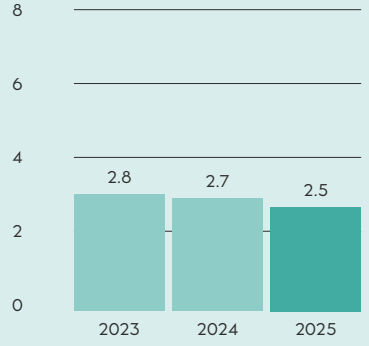
Gender balance, people leaders
%, women/men

Gender balance, senior directors and above
%, women/men

Employee satisfaction in top 25% compared to external benchmark group
(Index 0-100)



Total recordable injury rate (TRIR)
Injuries per million hours worked



People

ESRS ref.	Number of employees	Unit	2024	2023	Δ
// S1-6, 50(a); SBM-1, 40(a)(iii)	**Total number of employees (as of 31 December)**	**Head count**	**8,407**	**9,073**	**(7%)**
// S1-6, 50(a); SBM-1, 40(a)(iii)	Denmark	Head count	3,984	4,486	(11%)
// S1-6, 50(a); SBM-1, 40(a)(iii)	The UK	Head count	1,272	1,324	(4%)
// S1-6, 50(a); SBM-1, 40(a)(iii)	Malaysia	Head count	792	770	3%
// S1-6, 50(a); SBM-1, 40(a)(iii)	Poland	Head count	783	779	1%
// S1-6, 50(a); SBM-1, 40(a)(iii)	The US	Head count	720	747	(4%)
// S1-6, 50(a); SBM-1, 40(a)(iii)	Germany	Head count	390	398	(2%)
// S1-6, 50(a); SBM-1, 40(a)(iii)	Taiwan	Head count	199	197	1%
// S1-6, 50(a); SBM-1, 40(a)(iii)	The Netherlands	Head count	105	115	(9%)
// S1-6, 50(a); SBM-1, 40(a)(iii)	Ireland	Head count	100	105	(5%)
// S1-6, 50(a); SBM-1, 40(a)(iii)	Other[1]	Head count	62	152	(59%)
Entity spec.	Number of employees (as of 31 December)	FTE	8,278	8,905	(7%)
Entity spec.	Average number of employees during the year	FTE	8,496	8,666	(2%)
Entity spec.	**Sickness absence**	**%**	**2.1**	**2.1**	**(0.0%p)**
	Turnover				
// S1-6, 50(c)	Number of employees who left the company	Head count	1,190	797	49%
// S1-6, 50(c)	Employee turnover rate	%	14.3	9.6	4.7%p
Entity spec.	Number of employees who left the company voluntarily	Head count	723	600	21%
Entity spec.	Voluntary employee turnover rate	%	8.7	7.2	1.5%p
	Employee satisfaction survey results				
Entity spec.	Employee satisfaction[2]	Index 0-100	70	76	(6)
Entity spec.	Employee loyalty	Index 0-100	80	84	(4)
Entity spec.	Employees experiencing stress	%	18.8	13.7	5.1%p
Entity spec.	Employees experiencing bullying, harassment, threats, or violence	%	2.6	2.7	(0.1%p)

[1] Distribution in other countries in 2024:
Singapore (18)
Korea (14)
Spain (9)
Vietnam (9)
Sweden (7)
Norway (4)
Japan (1)

[2] Our target is to have an employee satisfaction survey result in the top 25 percentile compared to an external benchmark group.

The number of employees was 7% lower at the end of 2024 compared to 2023.

Ørsted's voluntary turnover increased by 1.5 percentage points in 2024, whereas the total turnover increased by 4.7 percentage points.

The reduction in the total number of employees and increased total turnover for 2024 are related to organisational adjustments, including redundancies, that we have undergone to maintain our competitive edge.

The score for employee satisfaction in the annual employee survey was 70, which is 6 index points lower than 2023. While satisfaction and motivation levels remain healthy compared to industry benchmarks, the score is below the Ennova benchmark index of 73 and below our target of being in the top 25% percentile of an Ennova benchmark group.

§ Accounting policies

Number of employees
Employee data is recognised based on records from the Group's ordinary registration systems and is determined as the number of employees at the end of the reporting period. 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.

The number of FTEs is determined as the number of employees converted to full-time equivalents. Following the implementation of the ESRS, we are reporting the number of employees as a head count.

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 (excl. divestments) 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, advisors, and external temporary workers who do not have an employment contract with Ørsted.

Group Executive Team and Board of Directors

ESRS ref.	Group Executive Team and Board of Directors	Unit	2024	2023	Δ
	Group Executive Team				
Entity spec.	Members	Head count	5	10	(5)
// GOV-1, 21(a)	Executives	Head count	4	3	1
// GOV-1, 21(a)	Non-executives	Head count	1	7	(6)
Entity spec.	Average age	Years	54	50	4
Entity spec.	Average seniority	Years	2	1	1
S1-16, 97(b)	CEO pay ratio[1]	Ratio	28	-	-
Entity spec.	Remuneration of the Group Executive Team[2]	DKK million	64	134	(52%)
// E1, GOV-3, 13	CEO pay ascribed to climate-related KPIs[3]	%	1.9	-	-
	Board of Directors				
Entity spec.	Members	Head count	6	8	(2)
// GOV-1, 21(a)	Executives	Head count	0	0	0
// GOV-1, 21(a)	Non-executives	Head count	6	8	(2)
// GOV-1, 21(d)	Average age	Years	61	61	0
// GOV-1, 21(d)	Average seniority	Years	5	4	1
// GOV-1, 21(e)	Independent board members	%	83	88	(5%p)
Entity spec.	Board meetings	Number	15	16	(1)
Entity spec.	Attendance	%	96	94	2%p
Entity spec.	Remuneration of the Board of Directors[2]	DKK thousand	6,430	6,907	(7%)
	Nomination & Remuneration Committee				
Entity spec.	Members	Head count	3	3	0
Entity spec.	Meetings	Number	4	3	1
Entity spec.	Attendance	%	100	100	0%p
	Audit & Risk Committee				
Entity spec.	Members	Head count	3	3	0
Entity spec.	Meetings	Number	6	10	(4)
Entity spec.	Attendance	%	94	100	(6%p)
	Asset Project Committee				
Entity spec.	Members	Head count	3	-	-
Entity spec.	Meetings	Number	8	-	-
Entity spec.	Attendance	%	96	-	-

[1] CEO pay ratio shown is based on awarded remuneration and median employee base salary. More information on the CEO pay ratio based on average employee salary can be found in the remuneration report for 2024.

[2] For more information on the remuneration of the Group Executive Team and the Board of Directors, see note 2.7 'Employee costs' in the financial statements.

[3] Part of the remuneration paid to the CEO is based on climate-related KPIs. For more information, please see the ESRS 'E1 Climate Change'.

As per 31 December 2024, the number of members in the Group Executive Team was five compared to ten in 2023. As per 1 February 2025, the number of members in the Group Executive Team was reduced to four as Mads Nipper stepped down as CEO.

The CEO pay ratio was 28 in 2024. In 2024, the methodology for calculating the ratio has changed slightly to better align with the requirements under the ESRS, implying that the ratio relies on the median annual base remuneration of our employees.

With regards to the board and its committees, we established the Asset Project Committee in 2024, overseeing the planning and execution of asset projects. The committee met eight times during 2024.

For additional information on the work of the Board of Directors during 2024, please see the section on 'Corporate governance' in the 'Management's review'.

§ 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 awarded remuneration (fixed salary, including personal benefits, such as a company car, free telephone, etc., variable salary, and share-based payment at grant value) and the median annual base remuneration for all employees who have been employed for at least 12 months (excl. variable pay elements).

Board of Directors
In this section, the Board of Directors includes the members elected at the annual general meeting (AGM). Under 'Remuneration of the Board of Directors', the members elected by the employees are also included.

For the classification of independent board members, we follow the Recommendations on Corporate Governance as issued by the Danish Committee on Corporate Governance.

The gender with lowest representation is reported under 'Diversity and pay gap'.

Group Executive Team (GET)
Consists of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief HR Officer (CHRO), the deputy CEO and Chief Commercial Officer (CCO), and the Chief Operating Officer (COO).

Diversity and pay gap

ESRS ref.	Diversity, head count	2024	2023	Δ
Entity spec.	**Board of Directors, Ørsted A/S, members**	**6**	**8**	**(25%)**
// GOV-1, 21(d)	Gender with lowest representation, %	50	38	12%p
Entity spec.	**Group Executive Team, members**	**5**	**10**	**(50%)**
// S1-9, 66(a)	Gender with lowest representation (female), %	20	30	(10%p)
Entity spec.	**Senior directors and above**	**187**	**175**	**7%**
Entity spec.	Gender with lowest representation (female), %	24	22	2%p
Entity spec.	**People leaders**	**1,032**	**1,054**	**(2%)**
Entity spec.	Gender with lowest representation (female), %	33	33	0%p
Entity spec.	**All employees**	**8,407**	**9,073**	**(7%)**
Entity spec.	Gender with lowest representation (female), %	34	35	(1%p)
	All employees per age group, head count			
// S1-9, 66(b)	Under 30 years	1,183	-	-
// S1-9, 66(b)	30-50 years	5,624	-	-
// S1-9, 66(b)	Above 50 years	1,600	-	-

ESRS ref.	Gender pay gap, %	2024
// S1-16, 97(a)	Gender pay gap, average	14

ESRS ref.	Contract type, head count, 2024	Female	Male	Other [1]	Not disclosed	Total
// S1-6, 50(a)(b)	**Number of employees**	**2,854**	**5,553**	**-**	**-**	**8,407**
// S1-6, 50(b)(i)	Permanent employees	2,760	5,452	-	-	8,212
// S1-6, 50(b)(ii)	Temporary employees	94	101	-	-	195
// S1-6, 50(b)(iii)	Non-guaranteed hours employees	-	-	-	-	-

[1] The gender data presented in this report reflects the binary options of 'male' and 'female' as captured by our data systems. Many of these options are based on sex as recorded in official documents and do not fully represent the diversity of gender identities.

The changes made to the Board of Directors in 2024 means that we now have equal gender representation in the Board. However, the reduction of the Group Executive Team in 2024 to five members resulted in a female representation of 20%.

We have a gender diversity target of 40% women across Ørsted by 2030. The target is tracked at three levels: senior directors and above, people leaders, and all employees.

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. In 2024, we have changed our methodology on the gender pay gap calculations to reflect the requirements of the ESRS. This implies that we report a pay gap based on data from nine of the countries where we operate, that being Denmark (49%), Germany (5%), Ireland (1%), Malaysia (9%), the Netherlands (1%), Poland (9%), the UK (15%), Taiwan (2%), and the US (9%).

The gender pay gap of 14% consists of individual gender pay gaps across the countries where we operate, and reflects that the differences in pay between men and women are impacted by differences in gender mix across the career levels in the organisation. The share of women in higher-level leadership positions are significantly lower than in the remaining part of the organisation, resulting in average pay for women being lower than average pay for men in most countries.

This year, we have included a breakdown of our employees as per their contract type and gender. In 2024, 98% of our employees were employed on a permanent basis.

§ Accounting policies

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 all people with direct reports (responsibilities for staff).

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 at the end of the reporting period (head count).

Gender pay
Ørsted's global gender pay gap is calculated based on individual gender pay gaps within countries where Ørsted has at least 50 employees. For each country, the difference of average pay levels between female and male employees has been calculated and is expressed as the percentage of the average pay level of male employees from that country.

The salaries are reviewed annually, and salary increases come into effect on 1 June. Employees who have been employed for 12 months on that date are included in the calculation. Each calculated country-specific ratio has been indexed to present one global gender pay gap. The 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).

Employees per contract type
Employees on permanent contracts include all employees on permanent, non-time-bound contracts. Employees on temporary contracts include all employees on time-bound contracts. No employees within Ørsted are employed on a non-guaranteed hour basis.

Safety

ESRS ref.	Safety	Unit	2024	2023	Δ
Entity spec.	**Total recordable injuries (TRIs)**	**Number**	**85**	**73**	**16%**
// S1-14, 88(c)	Own employees	Number	19	23	(17%)
Entity spec.	Contractor employees	Number	66	50	32%
Entity spec.	**Lost-time injuries (LTIs)**	**Number**	**45**	**36**	**25%**
Entity spec.	Own employees	Number	11	12	(8%)
Entity spec.	Contractor employees	Number	34	24	42%
Entity spec.	**Hours worked**	**Million hours worked**	**30.9**	**25.8**	**20%**
Entity spec.	Own employees	Million hours worked	14.1	14.5	(3%)
Entity spec.	Contractor employees	Million hours worked	16.8	11.3	49%
Entity spec.	**Total recordable injury rate (TRIR)**	**Injuries per million hours worked**	**2.7**	**2.8**	**(4%)**
// S1-14, 88(c)	Own employees	Injuries per million hours worked	1.3	1.6	(19%)
Entity spec.	Contractor employees	Injuries per million hours worked	3.9	4.4	(11%)
Entity spec.	**Lost-time injury frequency (LTIF)**	**Injuries per million hours worked**	**1.5**	**1.4**	**7%**
Entity spec.	Own employees	Injuries per million hours worked	0.8	0.8	0%
Entity spec.	Contractor employees	Injuries per million hours worked	2.0	2.1	(5%)
// S1-14, 88(b)	**Fatalities**	**Number**	**0**	**0**	**0%**
Entity spec.	**Permanent disability cases**	**Number**	**0**	**0**	**0%**

The total recordable injury rate (TRIR) decreased by 4%, while the lost time injury frequency (LTIF) increased by 7%.

In 2024, our total number of recordable injuries increased by 12 injuries, driven by 16 additional injuries recorded among contractor employees compared to 2023. The increase in recordable injuries among contractor employees is associated with the 49% increase in the number of hours worked among contractor employees.

The total number of lost-time injuries (LTIs) increased by nine injuries, as the number of lost-time injuries increased by ten among our contractor employees, while it decreased by 1 for our own employees.

The total amount of hours worked in 2024 was 20% higher than in 2023 due to the higher humber of projects under construction compared to last year.

To ensure the health and safety of our employees and contractors, we continue to constantly monitor our safety performance and implement relevant and effective actions where and when needed.

§ Accounting policies

The scoping and consolidation of safety data entails that we include 100% of injuries, hours worked, etc., from all operations where Ørsted is responsible for HSE safety, including the safety of our contractors.

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 equivalent and monthly records of the number of employees converted into full-time equivalents. 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. Contractor employees are considered part of our value chain workers, as defined by the ESRS.

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.

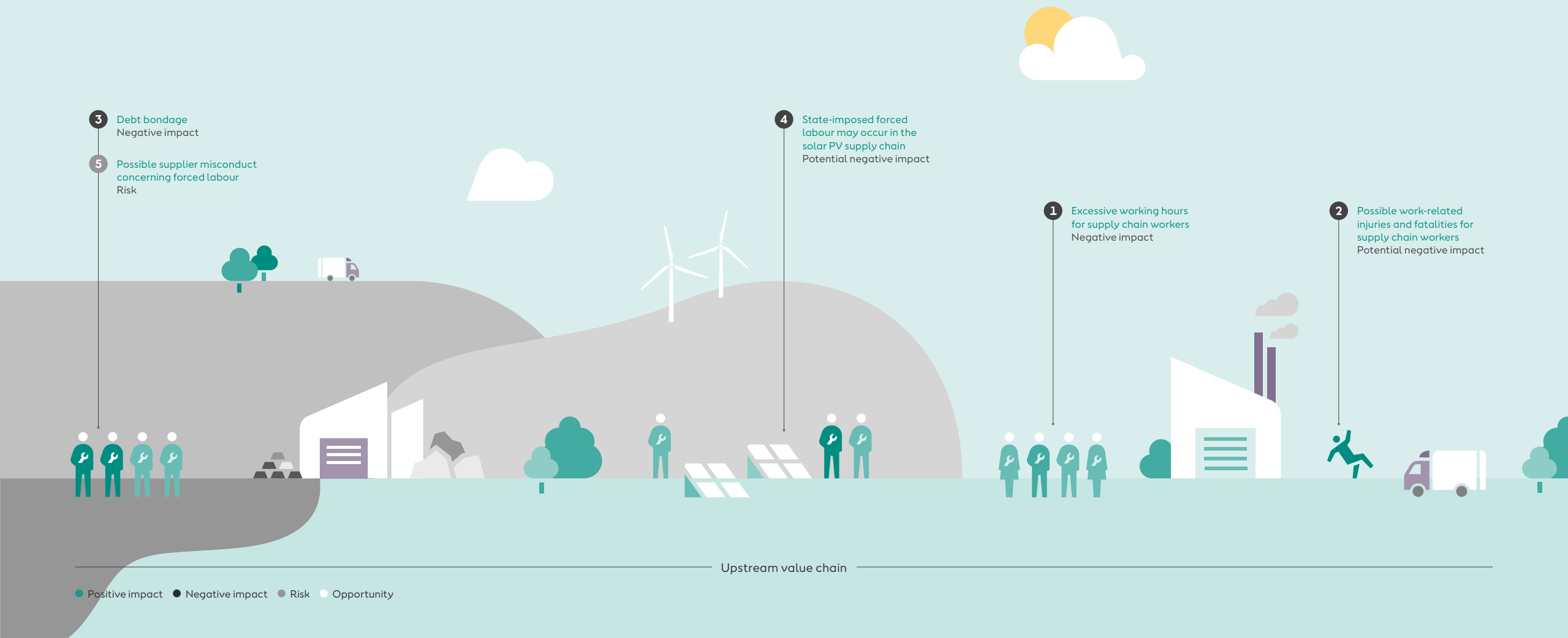
Total recordable injury rate (TRIR) is calculated in the same way as LTIF, but in addition to lost-time injuries, TRIR also includes injuries where the injured person is able to perform restricted work the day after the accident as well as injuries where the injured person has received medical treatment.

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

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

S2 Workers in the value chain

Our material impacts, risks, and opportunities (IROs)



// ESRS 2, SBM-3; S2, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right are descriptions of our material IROs related to workers in the value chain, including how we manage them.

The impacts are linked to our strategic decision to build out our renewable capacity and operations, in which our value chain is dependent on manufacturing in less regulated countries.

These impacts occur through our relationships with suppliers and contractors in the manufacturing of components and extraction of materials in our supply chain.

Working conditions

Material IRO description	How do we manage the IRO?
1 Excessive working hours for supply chain workers Negative impact (upstream value chain)	
2 Possible work-related injuries and fatalities for supply chain workers Potential negative impact (upstream value chain)	
Our supply chain workers can be subject to excessive working hours and be denied adequate breaks. Furthermore, their work can result in injuries which might be fatal in rare situations. Within our industry, there are regions with weak labour protections where workers face a higher risk of significant negative physical and mental health impacts due to long working hours and poor working conditions. The potential negative impact related to injuries and fatalities spans across the short, medium, and long term.	We focus on promoting responsible sourcing and respect for labour rights. We conduct regular supplier assessments, risk-based audits, and stakeholder engagements, enabling us to monitor and evaluate performance relating to working hours across the supply chain and ensure fair working conditions.

Other work-related rights

Material IRO description	How do we manage the IRO?
3 Debt bondage Negative impact (upstream value chain)	
4 State-imposed forced labour may occur in the solar PV supply chain Potential negative impact (upstream value chain)	
5 Forced labour allegations or misconduct in major supply chains for renewable energy materials and components Risk (upstream value chain)	
Supply chain workers can end up in debt bondage if they have to pay recruitment fees. Specific state-imposed forced labour may occur with our suppliers in the solar PV supply chain as well as allegations of supplier misconduct related to forced labour in major supply chains for main components. In regions with weak labour protections, workers face higher risk of debt bondage and forced labour, which can negatively impact them and their families. The potential negative impact related to forced labour in the solar PV supply chain spans across the short, medium, and long term.	We have particular focus on forced labour and supply chain traceability in our due diligence approach. We conduct regular supplier assessments, risk-based audits, and stakeholder engagements, enabling us to monitor and evaluate our suppliers' conduct.

The green energy build-out impacts the lives of many, including people working across renewable energy supply chains. To support a just energy transition, we expect the companies we work with to run their business and supply chains in compliance with national laws and with respect for international labour and human rights standards. We need to make sure that we respect labour and human rights in everything we do, and that we reduce the risk of people in our value chain being adversely impacted.

At Ørsted, we want to support a just transition through the creation of decent jobs in the renewable energy industry. This means jobs providing workers with decent wages, secure employment, safe working conditions, and a working environment where they are free to express their concerns, and where their right to organise in trade unions is protected.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in *italics*.

// S2, SBM-3

Material impacts and risks related to workers in the value chain

We have assessed IROs related to workers in our value chain, focusing primarily on our first-tier suppliers' workers but also workers further out in our supply chain, by using industry knowledge and internal knowledge based on our engagement in various forums. Workers in our value chain who are likely to be materially impacted by our operations and business relationships are included in the scope of our disclosures.

Types of impacted value chain workers

Our projects involve a diverse range of workers across the value chain, including those in upstream activities (such as refining, manufacturing, logistics, transportation, and mining and extraction of minerals and metals) and on-site construction, particularly in offshore operations. The latter includes workers at our project sites who are not part of our own workforce, such as subcontracted or temporary workers. These workers are materially impacted by our activities due to the nature of their work.

Certain workers within these categories are especially vulnerable, such as migrant workers, women, young workers, minority ethnic groups, or those in unsafe work conditions. As part of our due diligence process, we conduct detailed assessments, including interviews, to understand how these vulnerable worker groups may face increased harm within our value chain. Based on our double materiality assessment (DMA), we have identified that workers in high-risk sectors like logistics, maritime operations, and mining, and in particular those working under vulnerable conditions, are more likely to experience issues related to unsafe employment practices.

Material impacts

Negative impacts

Our material negative impacts on our suppliers' and sub-contractors' workers primarily relate to work-related rights violations, including *excessive working hours*, as well as *concerns over safety for all workers engaged in our supply chain*. There have also been known issues related to *debt bondage*, and *state-imposed forced labour may occur in the solar PV supply chain*.

These impacts are often widespread or systemic in contexts where we, or our direct suppliers, have sourcing or business relationships. This is also relevant in commodity supply chains in Africa, Asia, and Latin America for essential materials and components required for our renewable energy projects, such as minerals and metals used in wind turbines, cables, and solar panels.

In regions with weak labour protections, workers involved in the extraction and mining of these materials face significant health impacts due to long working hours, poor working conditions, and heightened vulnerability to exploitation. Our material negative impacts on value chain workers are linked to the transition to renewable operations, where our value chain is dependent on manufacturing in less regulated countries.

Positive impacts

While we do not directly create a material positive impact on workers in the value chain, we focus on strengthening practices that address our negative impacts, enhancing conditions for workers within the areas of our operations and supply chain.

Material financial risks

We are aware of a material risk related to *forced labour allegations of inadequate labour protections and oversight in our supply chain for critical components*. These include minerals and metals, such as rare earth elements for wind turbine magnets, copper for export or array cables, lithium for batteries, and silica for solar panels. These materials are often sourced from countries and areas in Africa, Asia, and Latin America, where enforcement of labour protections is weaker, increasing the risk of forced and child labour.

This risk largely arises from our renewable energy projects' dependency on workers in our supply chain and our dependence on these materials in our renewable energy assets, compounded by the complex and multi-tiered nature of mining supply chains. It disproportionately affects certain groups, such as migrant workers, women, young workers, or those in unsafe work conditions in mining operations in high-risk regions. //

// S2-1

Policies related to value chain workers

Policy key contents

Our commitment to respect human rights, including labour rights, and protect value chain workers is outlined in our 'Global human rights policy', 'Stakeholder engagement policy', 'Just transition policy', and 'Code of conduct for business partners'.

Our 'Global human rights policy' explicitly highlights our dedication to ensuring freedom of association, the right to collective bargaining, the elimination of forced, trafficked, or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in employment and occupation, among other critical issues.

In addition, our 'Code of conduct for business partners' is an integrated part of our agreements with our suppliers and counterparties. It is further integrated in the evaluation process for our joint venture partners and other strategic partners.

These policies are adopted to ensure ethical practices, respect human rights, and promote sustainable employment conditions across our value chain. They address key material impacts and risks related to working conditions and other work-related rights.

Policy scope

The scope of these policies covers all workers across our value chain, including those employed by our suppliers, contractors, and business partners globally. In regions or industries considered high-risk, such as Asia, these policies are particularly relevant and applicable.

Policy governance

Our Chief Operating Officer (COO) is accountable for and oversees the implementation of our 'Global human rights policy', and our Chief Commercial Officer (CCO) is accountable for the implementation of our 'Just transition' and 'Stakeholder engagement' policies. In practice, these policies are executed by several functions across our Global Stakeholder Relations organisation, including our Global Sustainability and Regulatory & Public Affairs departments, regional Corporate Affairs functions, and onsite project staff. Moving forward, we aim to strengthen our governance by designating senior management accountability for these policies.

Policy monitoring is generally conducted through external risk ratings, controversy reports, and adherence to the minimum safeguards of the EU taxonomy for sustainable activities, which are also subject to limited assurance by our external auditors.

Alignment with international standards

We align our policies with relevant internationally recognised guidelines and standards. Our 'Global human rights policy' aligns with the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our 'Just transition policy' is aligned with the UN Global Compact (UNGC) and the ILO Declaration on Fundamental Principles and Rights at Work. Our code of conduct for business partners adheres to several standards and conventions, including the OECD Due Diligence Guidance, the Maritime Labour Convention, IFC Performance Standards and the previously mentioned guidelines.

Interests of key stakeholders

Whenever applicable, we shape our policies with input from industry experts and leading organisations, including the Business and Human Rights Resource Centre, which provided valuable insights for our 'Global human rights policy'. However, we have not engaged directly with value chain workers or their representatives when developing our policies.

As we revisit and update our global policies, we aim to address this by enhancing our outreach and dialogue. Incorporating the perspectives of these key stakeholders will enable us to better consider and address the interests of those most impacted by our operations going forward.

Availability of policies

To promote transparency and inclusivity, we make these policies publicly available and share them directly with stakeholders affected by our activities or involved in their implementation, including business partners. We also ensure that they are easily accessible through our website and other engagement platforms.

Approach to respecting rights of value chain workers

We ensure the respect of human rights, including labour rights, across our value chain by conducting regular supplier assessments. These assessments evaluate labour conditions and the implementation of management systems by our suppliers to safeguard workers' rights. Our engagement is designed to detect, prevent, and address impacts and risks related to human rights violations, with a focus on ensuring fair treatment, safe working environments, and compliance with international labour standards.

We engage with value chain workers during our assessments to gather insights into their working conditions. We also collaborate with suppliers to enhance transparency and accountability, ensuring that workers' voices are heard, and their concerns are addressed.

Through our policies, we commit to provide and enable remedies for potential human rights impacts by implementing accessible grievance mechanisms. These allow value chain workers to report concerns or violations, ensuring these channels are user-friendly, confidential, and culturally appropriate. Upon receiving a grievance, we must promptly investigate the issue and engage with the affected parties to gather information and consider their perspectives.

If human rights impacts are identified, we strive to take immediate action and provide appropriate remedies, which may include compensation, restoration of rights, or preventive measures. We also invest in training of our employees and business partners to raise awareness of human rights issues, e.g. related to bullying and discrimination. //

// S2-1 and S2-4

We are currently not able to fully assess our full value chain for instances of non-respect for these principles, besides the indications from our external risk ratings and controversy reports, which have not identified any material incidents. We aim to maintain transparency by documenting any reported cases that come to our attention related to human rights impacts involving workers in the value chain, whether in our operations or within our upstream and downstream value chain. //

// S2-2

Processes for engaging with value chain workers about impacts

Engagement with value chain workers

To ensure our decisions and activities are informed by the perspectives of value chain workers, we engage proactively with them and their representatives, including trade unions. The outcome of this engagement directly informs our strategies for identifying, assessing, and addressing actual and potential impacts on workers. Through this collaborative process, we work to uphold fair labour practices and to foster safe,

dignified, and inclusive work environments across our operations and partnerships.

As part of our due diligence process, we engage directly with workers or, where needed, through credible proxies, such as labour unions with insight into local working conditions. These proxies help provide important insights into the workers' situations and help ensure our efforts are aligned with their needs. This engagement involves regular dialogues and consultations to understand their concerns. This approach also gives us an understanding and insights into perspectives of the workers who may be particularly vulnerable, especially migrant workers.

While we do not currently have global framework agreements with global union federations, we prioritise collective worker representation wherever possible to promote open communication and advocate for fair conditions across our value chain.

Engagement with suppliers

Our supplier engagement is guided by the OECD due diligence principles and a deep understanding of potential sustainability impacts and risks within our supply chain. We work closely with key suppliers to ensure that our supply chain impacts and risks are identified and addressed. Feedback from value chain workers is crucial in shaping our risk assessments and informing our supplier engagement strategies.

Our work is based on a systematic and risk-based due diligence process used to assess partners' and suppliers' adherence to our 'Code of conduct for business partners'. We believe in collaborative partnerships, expecting business partners to actively participate in risk assessments, inspections, monitoring, and reporting.

To evaluate the performance of our suppliers and business partners and identify any gaps or adverse impacts, we employ a combination of risk screenings, extended risk screenings, and code of conduct assessments (conducted either via desktop analysis or onsite assessment), which may occur both before and after contract signing.

This process evaluates suppliers' adherence to our code of conduct and integrates with our global procurement system, encompassing four key steps for real progress and continuous improvement:

1. Commitment: Upon entering a contract with Ørsted, suppliers sign and thereby commit to our code of conduct.

2. Risk screening: Based on country risk, category risk, and spend, we prioritise business partners for further engagement.

3. Assessment: We evaluate whether business partners adhere to the expectations in our code of conduct, reviewing relevant management systems and practices. Our engagement typically occurs as desktop reviews and interviews during the assessment of high-risk suppliers, either conducted by our internal assessment team or by external auditors with local language and cultural expertise. Our supplier assessments are structured to occur either prior to or after contract signing and are supplemented by follow-up engagements as necessary.

4. Improvement: In cases where gaps are identified, our Sustainability Due Diligence & Compliance team engages and collaborates with suppliers and business partners on improving their adherence to our social, environmental, and ethical expectations, followed by regular touch points to ensure effective implementation of the improvement plan. In cases where we identify that business partners intentionally fail or repeatedly neglect the improvement plans, we reserve the right to terminate business relationships with the partner in question.

Effectiveness of engagement activities

To measure the effectiveness of our engagements, we assess outcomes of our assessments on an ongoing basis, including any agreements or remedial actions implemented as a result. We continuously work to improve our approach and, ultimately, value chain worker conditions. The senior operational responsibility for overseeing these engagements rests with our Chief Procurement Officer, ensuring that results are integrated into our broader due diligence processes.

In 2024, we have improved the evaluation of our due diligence process and are working on optimising it alongside relevant internal teams, such as our QHSE team. In 2025, we aim to implement the new process in the organisation as well as mature the monitoring of contracted suppliers.

The commitment to continuous improvement is underscored by regular updates to our due diligence process, methodology, and incorporation of evolving standards into our screening tools. As we navigate the dynamic landscape of upcoming legislations within due diligence, our goal is to secure compliance and meet the highest standards of integrity, transparency, and ethical conduct. //

// S2-3 and S2-4

Remedy of negative impacts and channels to raise concerns

Approach and processes for providing remedy

Our approach to managing our negative impacts on value chain workers and our processes for identifying what is needed and appropriate to respond to these impacts emphasise responsible sourcing, the promotion of labour rights, and address environmental and social impacts and risks. To achieve this, we conduct regular assessments, risk-based audits, and stakeholder engagements, enabling us to monitor and ensure compliance across the supply chain.

Our approach to addressing concerns and grievances within our value chain is built on the principles of transparency, trust, and effective remediation that is proportionate to the grievance that has occurred. We continuously work to strengthen our processes for providing or contributing to appropriate remediation to value chain workers who have been harmed, where we have identified that we have caused or contributed to a negative impact. //

// S2-3

Channels for value chain workers to raise concerns

Workers in our value chain have free access to and are encouraged to use the Ørsted Whistleblower Hotline to confidentially report any inappropriate or illegal conduct.

We are actively working to establish and implement additional mechanisms to provide or enable remedy for human rights impacts on our value chain workers. These mechanisms will be specifically designed for value chain workers to raise concerns about labour or human rights issues.

Once in place, they will allow value chain workers to have better access to reporting any violations, which will be promptly reviewed and addressed by our compliance and internal audit teams. Additionally, we will collaborate with suppliers to support corrective actions, offering guidance and resources to address identified issues in alignment with our policies.

Through our 'Code of conduct for business partners', we actively support and require all suppliers to establish accessible grievance mechanisms for their workers, rights holders, and stakeholders. These mechanisms must allow for safe and confidential reporting of any concerns related to the scope of the code of conduct, ensuring that individuals can report issues without fear of retaliation.

Monitoring and effectiveness of grievance channels

We work closely with key suppliers to monitor issues raised and addressed while also assessing the effectiveness of these grievance channels, ensuring they are consistently available and trustworthy resources for value chain workers. However, currently we do not have a formal process in place to assess the effectiveness of our mechanisms and communication channels specifically for value chain workers.

We are working to establish a global methodology for aggregating feedback and grievance management, which will also enable us to systematically track and monitor the effectiveness of our efforts. Specifically, we aim to implement a standardised process for receiving, addressing, resolving, and providing remedies to value chain workers where necessary. We plan to pilot a grievance reporting channel for a select supplier to collect workers' grievances via a digital solution by 2025.

Awareness and trust in our grievance mechanisms

As part of our ongoing commitment to transparency and accountability, we assess whether value chain workers are aware of and trust the grievance mechanisms available to them during our onsite supplier assessments where we conduct interviews with workers. However, our assessments in this area are still a work in progress. While we can evaluate workers' awareness during these interviews, we do not yet have sufficient comprehensive assessments to fully assess their trust in these channels. We are actively working to strengthen our approach to ensure greater transparency regarding value chain workers' grievances.

Further to this, it is our aim to ensure that our Whistleblower Hotline is widely available to value chain workers, although we cannot be certain that all value chain workers are aware of this channel and know how to access it. However, we ensure individuals who use these grievance mechanisms are protected from retaliation, and that all whistleblower reports are handled confidentially, in line with our 'Good business conduct policy' and 'Whistleblower policy'. For more information on how we protect whistleblowers against retaliation, see ESRS 'G1 Business conduct'. //

// S2-4

Actions related to workers in the value chain

We work to ensure the health, safety, and well-being of all workers in our supply chains while actively mitigating negative impacts and risks related to working conditions and labour rights. We have identified several key areas of concern, including excessive working hours, injuries, fatalities, debt bondage, withholding of passports, and forced labour. Our actions are focused on both preventing and addressing these negative impacts and risks throughout our value chain.

Key actions

In 2024, we took steps to address work-related rights and improve working conditions within our supply chains to help prevent and mitigate our negative impacts and risks.

Human rights training

We identified several key areas requiring attention to safeguard workers' rights within our supply chains. One major concern was the issue of *excessive working hours*, prompting us to introduce a series of initiatives. We have provided human rights training for our Marine Inspection team, emphasising the importance of appropriate working conditions and addressing matters such as bullying, discrimination, harassment, and excessive hours.

These efforts aim to guarantee that workers are not subjected to undue stress, and that violations are promptly detected and rectified. We aim to expand this initiative by 2025 to include QHSE site representatives, further emphasising the importance of respecting labour standards across all project sites.

Safety monitoring practices and training

We have also concentrated on health and safety standards, delivering training for wind turbine technicians and offshore workers to reduce the risk of injuries and fatalities. In addition, we conduct regular inspections of supplier performance focused on adherence to safety protocols and prevention of incidents, including accidents and fatalities.

By 2025, we aim to make our safety monitoring practices standard throughout all projects, ensuring safe working environments for all personnel during the life cycles of our renewable energy projects.

In cases of actual material impacts, such as *workplace injuries*, we work closely with the affected individuals to ensure access to medical care, rehabilitation, and financial support. Lessons learnt from these incidents inform ongoing improvements to our safety protocols.

Blockchain technology pilot project

To increase transparency of our supply chain, we have implemented a blockchain technology pilot project to track copper usage at our offshore wind farm Hornsea 2. Through this pilot, we have improved visibility into copper sourcing and are better equipped to identify and address supply chain risks related to forced labour as well as other social and environmental risks related to copper mining. This effort also helps to inform our discussions with partners about improving traceability. In the coming years, we plan to extend our blockchain pilot from copper to other key materials, such as steel.

Partnership with the Worker Welfare Group

During the year, we have also taken steps to address critical work-related rights impacts, including *debt bondage and forced labour*. For instance, we are working with industry peers through the Worker Welfare Group, a partnership focused on labour rights and worker welfare requirements within the marine construction sector.

The Worker Welfare Group has developed a set of principles and guidelines to support, in the first instance, the Singapore marine construction sector, enabling it to meet international standards for worker rights and worker welfare, particularly focusing on responsible recruitment, improved accommodation, better transport, and improved access to grievance mechanisms. We have engaged with key stakeholders to advocate for systemic improvements and are also working with local organisations to facilitate access to remedy for workers.

Going forward, we aim to build on our initial learnings from the Worker Welfare Group and implement the principles for fair treatment of migrant workers throughout 2025. This will further strengthen our dedication to labour rights and worker welfare.

Other actions

Participation in the Initiative for Responsible Mining Assurance (IRMA)

We actively participate in the Initiative for Responsible Mining Assurance (IRMA) to promote responsible practices in sourcing critical minerals and third-party verification of responsible practices in the minerals supply chain. Our collaboration with the IRMA Buyers Group will be supported by ongoing discussions with suppliers, aiming to enhance traceability and accountability across our supply chain.

Engagement in the International Responsible Business Conduct (IRBC) Agreement

In 2024, we also focused on reinforcing our commitment to ethical sourcing and ensuring the well-being of workers involved in our projects. Our engagement in the International Responsible Business Conduct (IRBC) Agreement for the Renewable Energy Sector has been important in this regard. We collaborated with other wind developers and industry partners to address risks and impacts tied to workers' rights, e.g. in the minerals and metals supply chains.

As part of the IRBC, we conducted a maturity assessment against the OECD guidelines. Our efforts led to Ørsted being recognised as an industry leader, underscoring our dedication to responsible business conduct.

Supplier selection criteria

During 2024, our procurement process has been updated to ensure that all relevant offshore supplier categories (excluding EU tenders) will go through a pre-qualification process that will include an early screening and evaluation of our code of conduct and QHSE requirements. This will ensure that there is an early evaluation and approval of suppliers on social and environmental criteria before the sourcing process starts.

In addition to the principles of our code of conduct, we have commenced the incorporation of climate requirements into contractual agreements with key suppliers, which entails reporting to the Carbon Disclosure Project (CDP), setting science-based climate targets, and covering electricity consumption with renewable electricity. //

// S2-5

Targets related to workers in the value chain

Currently, we have not set time-bound and outcome-oriented targets that meet the criteria for effectively reducing negative impacts, advancing positive impacts, or managing material risks and opportunities related to value chain workers. However, we recognise the importance of establishing robust targets to drive meaningful progress in these areas.

We are working to establish a clear process that will involve engaging directly with value chain workers, their representatives, or credible proxies. In the meantime, we are focused on gathering data and assessing current practices to ensure that future targets are effective and aligned with stakeholder needs. We are not yet fully able to monitor how effectively our policies and actions address our material sustainability-related impacts and risks for workers in the value chain. //

Entity spec.

Supply chain due diligence

Supply chain due diligence, number	2024	2023	Δ
Risk screenings			
Risk screenings (all contracts above DKK 3 million)	344	363	(5%)
Extended risk screenings	42	62	(32%)
Know-your-counterparty (KYC) screenings	884	1,456	(39%)
Due diligence activities conducted			
Code of conduct (CoC) desktop assessments	19	54	(65%)
Code of conduct (CoC) site assessments	5	9	(44%)
Health, safety, and environment (HSE) desktop assessments	114	130	(12%)
Health, safety, and environment (HSE) site assessments	58	117	(50%)
Desktop vessel inspections	71	61	16%
Physical vessel inspections	429	404	6%

Risk screenings

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

There was a 5% decrease in the number of risk screenings performed based on country and category risk compared to 2023. Based on the risk screenings performed, 42 extended risk screenings were carried out with additional risk parameters, including labour characteristics related to e.g. migrant workers and seafarers' rights. The reduction in extended risk screenings is driven by a high number of recurring suppliers assessed previously from a code of conduct (CoC) perspective.

The number of know-your-counterparty (KYC) screenings, focusing on suppliers' integrity and legal compliance, decreased by 39%. The decrease is linked to a system clean-up led by the Business Ethics Compliance team in 2024.

Due diligence activities

The number of CoC desktop assessments decreased by 65% in 2024 compared to 2023. The decrease is due to an update of our assessment methodology within selected business areas. There was also a 12% decrease in the number of health, safety, and environment (HSE) desktop assessments performed in 2024 compared to 2023 due to the implementation of new sourcing processes and processes for selecting suppliers.

The number of CoC site assessments decreased to a total of 5 in 2024 from 9 in 2023 due to a lower number of suppliers in high-risk markets. The number of HSE site assessments decreased by 50% in 2024 compared to 2023 due to reduced project activities on-site during 2024.

The number of desktop vessel inspections increased by 16% and the number of physical vessel inspections increased by 6% in 2024 compared to 2023. The change is due to an increase in the execution of offshore projects, which has led to an increased number of vessels relevant for inspection.

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

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

Risk screenings
The Responsible Business Partners Programme (RPP) team applies a risk-based due diligence framework to identify areas within our code of conduct (CoC) for business partners where suppliers need to improve 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 risks. Based on the risk screening evaluation, the RPP team conducts extended risk screenings of selected contracts with additional risk parameters, including labour characteristics related to e.g. migrant workers' and seafarers' rights. 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.

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.

S3 Affected communities

Our material impacts, risks, and opportunities (IROs)

// ESRS 2, SBM-3; S3, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right and on the next page are descriptions of our material IROs related to affected communities, including how we manage them.

The material impacts that we have identified on affected communities are linked to our strategic decision to build out our renewable capacity and operations, which includes increased construction activities in our own operations as well as manufacturing and mining activities in our value chain that are necessary for the sustainable economy.

These impacts occur through our relationships with suppliers and contractors in manufacturing of components and extraction of materials in our supply chain and in our own construction and operation activities.

Communities' economic, social, and cultural rights

Material IRO description	How do we manage the IRO?
1 Pollution from mining may affect communities' health Potential negative impact (upstream value chain)	
Air, soil, and water contamination from mining of minerals and metals may have adverse health effects on local communities living close to manufacturing or mining sites. Particularly in regions where critical materials are sourced for the technologies we use, communities may face significant negative health impacts from pollution. This potential negative impact can occur across the short, medium, and long term.	We engage directly with impacted communities, listen to their concerns, and provide appropriate remedies to support their well-being and resilience. We continuously work to strengthen our processes for providing or contributing to appropriate remediation to affected communities.
2 Local jobs and educational opportunities Positive impact (own operations)	
3 Public infrastructure improving living standards Positive impact (own operations)	
We provide education and upskilling programmes to develop competences in renewable energy technologies, which enable community members who may be situated next to our operating sites to gain employment in our projects. We also invest in community infrastructure to enhance public facilities, e.g. ports, roads, and community buildings. Communities can benefit from socio-economic impacts in terms of the creation of local jobs and educational opportunities as well as an improved standard of living through improvements to public infrastructure when renewable energy assets are constructed near them.	We actively work to implement initiatives that foster community development in consultation with communities to best address local needs.

Material IRO description	How do we manage the IRO?
4 Local communities' resistance to and concerns with renewable energy projects Risk (own operations)	
Local community resistance to renewable energy projects – if not proactively addressed – can lead to delays in project timelines, increased costs from operational disruptions, potential legal costs from community lawsuits, and political or reputational risks.	We have put a number of mitigation measures in place, including the incorporation of human rights due diligence in early project stages and the launch of a 'Community Impact Programme'.
5 Increasing local content and social impact requirements in tender processes Risk (own operations)	
Increasing preferences of authorities for local content as opposed to overall social impact in tender processes can pose a risk, as meeting these expectations requires significant engagement and resources which could, in a worst case scenario, lead to economically non-viable business cases for renewable project development.	We have developed a people-positive framework and are working with World Economic Forum-led coalitions for socio-economic impact, and we are lobbying local governments to recognise the benefits of it.

Rights of Indigenous Peoples

Material IRO description	How do we manage the IRO?
6 Indigenous Peoples' rights and livelihoods possibly disrespected or disrupted by suppliers Potential negative impact (upstream value chain)	
7 Indigenous Peoples' rights and livelihoods disrespected or disrupted during development and contruction Negative impact (own operations)	
Suppliers and other actors further up in the value chain (e.g. in mining) may disrespect Indigenous Peoples' rights and disrupt their livelihoods. Furthermore, Indigenous Peoples are or can be affected by our development and construction activities or by our suppliers operating on or near Indigenous lands. Some Native American tribes with traditional or cultural connections to the seabed have expressed dissatisfaction with the consultation process utilised by the federal government. The potential negative impact in our upstream value chain can occur across the short, medium, and long term.	We work to minimise these negative impacts, recognising the importance of protecting Indigenous rights, and we are engaging with affected Indigenous Peoples. This e.g. takes place through our community liaison officers and project staff, employing different types of interaction, such as public meetings and consultations to facilitate open communication.
8 Consent of indigenous communities Risk (own operations)	
Failure to ensure consent from Indigenous communities through an adequate free, prior, and informed consent (FPIC) process, which can arise from insufficient engagement by authorities, business partners, or prior stakeholders, amongst others. Securing the FPIC of Indigenous communities presents a risk, particularly in regions like the US and Australia, where Indigenous Peoples maintain strong cultural and ownership ties to their lands. It can result in project delays, added costs, and strained relationships that may limit future opportunities in these areas.	We build trust with Indigenous communities by upholding their rights, committing to FPIC, addressing concerns early, ensuring meaningful engagement, and promoting shared benefits through co-ownership and inclusivity.

Transitioning to a world powered entirely by green energy presents a great opportunity for positive change on a local and global scale. It has the potential to unlock opportunities and create significant value for the communities where we operate. However, to realise this potential and ensure the pace and scale needed for a successful and just renewable energy transition, gaining the trust and support of the local communities where we build is essential.

To get there, we are committed to working together with communities and strive to not only avoid or mitigate negative impacts but also seek ways to create a positive, lasting impact which ensures that the benefits of this transformation are shared equitably. This includes a strong commitment to respecting human rights, promoting an inclusive and diverse industry, and delivering tangible economic and social benefits, providing long-term value to those affected by our projects.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in *italics*.

// S3, SBM-3

Material impacts and risks related to affected communities

All affected communities likely to be materially impacted by our operations and throughout our value chain are included in the scope of our disclosures. This includes not only impacts directly connected to our own operations but also those throughout our value chain, including our business relationships.

Types of affected communities

We recognise the importance of identifying and understanding the diverse communities that may be affected by our renewable energy projects. Our operations and value chain may impact various communities, leading to human rights concerns and other social impacts. Through our DMA process, we have identified two key groups that are subject to our material impacts: Indigenous Peoples and local communities.

Indigenous Peoples are affected by our own operations, such as wind or solar farm development, and throughout our value chain, where we may work with suppliers operating on or near Indigenous lands. They are particularly vulnerable and face heightened risks of harm due to their cultural heritage and traditional land rights. Local communities can also be impacted negatively by living near extraction sites for minerals and metals used in renewable energy infrastructure, such as rare earth elements for wind turbines and solar panels.

Material impacts

Negative impacts

Our material negative impacts on affected communities primarily take place in our supply chain. This includes *negative health implications on local communities from air, water, and soil pollution from mining activities*. Our suppliers' activities can also *potentially disrespect Indigenous Peoples' rights and disrupt their livelihoods*. This can also happen within our own operations during the development and construction of our wind and solar farms, but we work to minimise these impacts, recognising the importance of protecting Indigenous rights.

In general, our material impacts are widespread and systemic, particularly in regions where we develop renewable energy projects, or where critical materials are sourced for the technologies we use. They arise as part of the transition to greener and renewable operations. This transition includes challenges associated with innovation and restructuring, such as the increased demand for minerals and metals that are essential for renewable technologies.

Positive impacts

We actively work to implement initiatives that foster community development in consultation with communities to best address local needs. Involving local communities in the planning and development phases of renewable energy projects allows us to address their concerns, align our activities with community interests, and promote shared benefits, such as job creation, economic development, and enhanced community well-being.

For instance, we provide *education and upskilling programmes to develop competences in renewable energy technologies* through community benefit funds. This enables community members to gain employment in our projects or the wider renewable energy industry, *generating local jobs and fostering innovation*. Additionally, we *invest in community infrastructure to enhance public facilities and improve living standards*, such as the Grimsby Youth Zone in the UK.

Material financial risks

We have identified three key material financial risks in our operations that arise from our interactions with and dependencies on affected communities. First, *local community resistance to renewable energy projects* – if not proactively addressed – may lead to delays in project timelines, increased costs from operational disruptions, potential legal costs from community lawsuits, and political or reputational risks. This risk is especially significant for communities in industrialised or rural areas that depend on the same natural resources, such as land or water, or infrastructure that our operations may impact. For instance, for wind or solar projects, disputes over reduced access to land or sea space or environmental concerns, including biodiversity impacts, can hinder progress.

Second, *increasing requirements for local content and social impact in tender processes* pose a risk, as meeting these expectations requires significant engagement and resources to ensure local communities benefit from our projects.

Third, *securing the free, prior, and informed consent (FPIC) of Indigenous communities* presents a risk, particularly in regions like the US and Australia, where Indigenous Peoples maintain strong cultural and ownership ties to their lands. Failure to ensure consent through an adequate FPIC process – due to insufficient engagement by authorities, business partners, or previous stakeholders – can result in project delays, added costs, and strained relationships that may limit future opportunities in these areas.

Two of our material risks relate specifically to distinct groups rather than to all affected communities. First, not securing FPIC is a unique risk for Indigenous communities, particularly in regions such as the US and Australia. Secondly, in areas where local communities rely on the same natural resources – such as land or water – used by our operations, there is a heightened risk of local resistance. These risks are distinct to these specific groups, as their unique connections to the land and resources set them apart from broader affected communities. //

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Policies related to affected communities

Policy key contents

Our commitment to respect human rights and engage with communities is outlined in our 'Global human rights policy', 'Stakeholder engagement policy', 'Just transition policy', and 'Code of conduct for business partners'.

Our 'Global Human rights policy' includes specific provisions to respect Indigenous land rights, cultures, and traditional practices, and it commits us to engaging with Indigenous communities early in the planning process of our renewable energy projects, ensuring their input is considered and incorporated into project design and implementation. This includes honouring the principles of FPIC as fundamental to our engagement strategy.

These policies are adopted to prevent, mitigate, and remediate potential negative impacts on local communities near our operations and value chain. The policies address key material impacts and risks related to Indigenous Peoples' rights and local communities' economic, social, and cultural rights.

Policy scope

These policies are globally applicable, covering our operations and extending throughout our value chain, with a particular focus on communities directly affected by our activities. Certain aspects of the policies are especially relevant to specific regions. For instance, obtaining consent from indigenous communities is particularly significant in countries such as the US and Australia.

Policy governance

For information about the governance of our 'Global human rights policy', 'Stakeholder engagement policy', and 'Just transition policy', please see ESRS 'S2 Workers in the value chain' on page 140.

Alignment with international standards

We align our policies with relevant internationally recognised guidelines and standards relevant to Indigenous Peoples and other local stakeholders. For more information about the alignment of our policies with international standards, please see ESRS 'S2 Workers in the value chain' on page 140.

Interests of key stakeholders

For more information about how we incorporate the perspectives of key stakeholders into our policies, please see ESRS 'S2 Workers in the value chain' on page 140.

Availability of policies

For more information about the availability of our policies, please see ESRS 'S2 Workers in the value chain' on page 140.

Approach to respecting rights of affected communities

Overall, our 'Code of conduct for business partners' and policies on human rights and stakeholder engagement describe our approach to:

- respecting Indigenous Peoples, minorities, and other vulnerable groups in line with international law and standards as described in the UN Declaration on the Rights of Indigenous Peoples, including the principles of FPIC
- respecting land rights of legitimate tenure rights holders as set out in the UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests
- ensuring the safety and protection of defenders of human rights, the environment, or Indigenous Peoples
- mandating that our business partners take measures to protect environmental and human rights defenders and other interested parties who lawfully exercise their freedom of speech.

We engage in early and ongoing dialogue with local communities and Indigenous Peoples by hosting e.g. consultation sessions, attending community meetings, and conducting surveys. This approach helps us gather insights to better understand their external perspectives on our projects and the local impacts. We aim to build an approach based on transparent communication, co-creation of mitigation measures, and on ensuring that feedback is integrated into project planning and execution.

Through our policies, we commit to provide and enable remedies for potential human rights impacts by implementing accessible grievance mechanisms that allow affected individuals and communities to report concerns or violations, ensuring these channels are user-friendly, confidential, and culturally appropriate. Upon receiving a grievance, we must promptly investigate the issue and engage with the affected parties to gather information and consider their perspectives.

If human rights impacts are identified, we strive to take immediate action and provide appropriate remedies, which may include compensation, restoration of rights, or preventive measures. We also invest in training of our employees and business partners to raise awareness of human rights issues, e.g. related to bullying and discrimination. //

// S3-1 and S3-4

We are currently not able to fully assess our full value chain for instances of non-respect for these principles, besides the indications from our external risk ratings and controversy reports, which have not identified any material incidents. We aim to maintain transparency by documenting any reported cases that come to our attention related to human rights impacts involving affected communities, whether in our operations or within our upstream and downstream value chain. //

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Processes for engaging with affected communities about impacts

Engagement with affected communities

We aim to go above the minimum regulatory requirements regarding engagement with affected communities, as we believe these engagements are essential for securing and sustaining the social license necessary for advancing renewable energy development. To ensure that our decisions reflect the perspectives of affected communities, we engage proactively with community stakeholders and local organisations and seek ongoing dialogue with them, ensuring their voices are heard and considered in our decision-making processes. This approach is being integrated across our business functions, markets, and asset projects.

The outcome of this engagement directly informs our strategies for identifying, assessing, and addressing actual and potential impacts on affected communities. The collaboration also helps us to identify opportunities for community investment and support, ensuring that the benefits of our projects are aligned with local communities' interests and needs.

It is our responsibility to ensure that affected communities, whether directly or indirectly impacted, are considered, and that their voices are integrated into the project planning. Depending on the specific context of a project, we engage either directly with affected communities, their legitimate representatives, or credible proxies, such as local NGOs or government representatives, to gain insights into their needs and concerns.

Engagement occurs at various frequencies and at various stages of a project. Our aim is to initiate early dialogue during the planning phase to gather the insights and concerns of the affected communities. This takes place through e.g. our community liaison officers and project staff employing different types of interaction, such as public meetings and consultations to facilitate open communication. When we employ community liaison officers in our projects, they often come from the communities we engage with, helping us gain a profound understanding of the local contexts. We continue this dialogue through the development, construction, and operation phases of our renewable energy assets.

We see value in gaining insights into the perspectives of vulnerable or marginalised communities, including environmental justice communities, to ensure that their needs and concerns are appropriately addressed in our projects. We have actively engaged with Indigenous communities in connection with projects both in the US and Australia. Our goal is to secure FPIC for projects impacting Indigenous lands or territories, respecting their rights and their cultural, intellectual, religious, and spiritual property.

Effectiveness of engagement activities

The responsibility for ensuring effective community engagement lies with the local project managers and directors, who oversee the local engagement processes and ensure that community feedback informs our project decisions appropriately. Going forward, we will work to improve our global governance and oversight by implementing full accountability centrally.

At present, we are not fully able to effectively assess our community engagement efforts; however,

through regular follow-up meetings with community representatives, we are able to collect feedback on the processes. Where applicable, we document agreements and outcomes resulting from these engagements. //

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Remedy of negative impacts and channels to raise concerns

Approach and processes for providing remedy

Our approach to managing our negative impacts on affected communities and our processes for identifying what is needed and appropriate to respond to these impacts help us to avoid, mitigate, and remedy negative impacts while creating lasting positive impacts for these communities.

To effectively remediate material negative impacts, including those that may affect Indigenous rights or disrupt local livelihoods within our value chain or operations, we engage directly with impacted communities, listen to their concerns, and provide appropriate remedies to support their well-being and resilience. We continuously work to strengthen our processes for providing or contributing to appropriate remediation to affected communities where we have identified that we have caused or contributed to a negative impact. //

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Channels for affected communities to raise concern

To facilitate our ability to address negative impacts on affected communities, we often employ community liaison officers who engage with local stakeholders to gather feedback and address grievances related to our projects, particularly during the planning and execution phases. We use various methods and channels to collect community input, including hosting informational town halls and open forums, telephone lines, emails, and social media as well as designated drop-off boxes in locations to allow residents to submit concerns anonymously.

Additionally, our Whistleblower Hotline enables individuals in affected communities to report any inappropriate or illegal conduct confidentially.

Furthermore, we actively encourage our business partners and contractors to adopt similar channels for community engagement through our 'Code of conduct for business partners' and associated due diligence processes, ensuring that our collective operations support the needs and concerns of the communities we impact.

Monitoring and effectiveness of grievance channels

We work closely with materially affected communities to monitor issues raised and addressed while also assessing the effectiveness of these grievance channels. We currently assess the effectiveness of our mechanisms and communication channels through our ongoing dialogue with local stakeholders.

We want to further improve our process of assessing the effectiveness of these efforts and are working to establish a global methodology for aggregating community feedback and grievance management. This will allow us to systematically track and monitor the effectiveness of our efforts. Specifically, we aim to implement a standardised process for receiving, addressing, resolving, and providing remedies to affected communities when necessary. We plan to pilot a grievance reporting channel for a select supplier to collect workers' grievances via a digital solution by 2025.

Awareness and trust in our grievance mechanisms

As part of our ongoing commitment to transparency and accountability, we assess whether affected communities are aware of and trust the grievance mechanisms available to them through ongoing community engagements. However, our assessments in this area are still a work in progress. While we can evaluate communities' awareness during engagements, we do not yet have sufficient comprehensive assessments to fully measure their trust in these channels. We are actively working to strengthen our approach to ensure greater transparency regarding affected communities' grievances.

Further to this, it is our aim to ensure that our whistleblower hotline is widely available to affected communities, although we cannot be certain that all affected communities are aware of this channel and know how to access it. However, we ensure individuals who use these grievance mechanisms are protected from retaliation, and that all whistleblower reports are handled confidentially, in line with our 'Good business conduct policy' and 'Whistleblower policy'. For more information on how we protect whistleblowers against retaliation, see ESRS 'G1 Business conduct'. //

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Actions related to affected communities

We are working to prevent, mitigate, and remediate the actual and potential negative impacts on affected communities and Indigenous Peoples. Our approach includes a variety of initiatives aimed at managing impacts and risks and creating positive outcomes, ensuring that we address both the economic, social, and cultural rights of local communities as well as the rights of Indigenous Peoples.

Key actions

Workforce development training programme

Local people and businesses have a vital role to play in the growth of the renewable energy industry. In the US, we developed a workforce development programme that has provided 335 union workers in New York, Rhode Island, and Connecticut with the credentials necessary to work offshore.

The training programme finalised in 2024 and was delivered in part at the National Offshore Wind Training Center (NOWTC), to which we have committed to give a USD 10 million founding grant. The programme includes a three-part medical evaluation, helicopter underwater escape training, and Global Wind Organisation Basic Safety Training, each of which are critical for workers to safely carry out work in the offshore environment.

Providing worker safety training is part of Ørsted's first-of-its-kind National Offshore Wind Agreement with North America's Building Trades Unions, and the programme shows our ongoing efforts to equip local workers with key skills to pursue careers in New York's growing offshore wind industry.

Community benefit funds

To create a positive impact in local communities, we support initiatives that generate *local employment, provide educational opportunities, and drive enhancements to public infrastructure.*

One of our major accomplishments this year was launching the Hornsea 3 Community Fund to support local groups and organisations in North Norfolk and parts of Suffolk in the UK who work with community facilities or activities, skills and education, or environmental projects. In September 2024, the fund announced its first round of awards, as a total of GBP 249,000 was distributed to 21 local organisations selected for their potential to strengthen community well-being and resilience.

These projects include educational initiatives to enhance skills, environmental conservation efforts, and programmes aimed at improving public health and social well-being. Among the funded projects are community centres, youth initiatives, and environmental programmes focused on boosting local biodiversity. The fund is made available as part of our project to create the world's single largest offshore wind farm, Hornsea 3, and will award a total of GBP 7 million over a targeted ten-year period.

Our efforts with the Choczewo Community Benefit Fund have also progressed, as we moved into the third round of awards, aimed at establishing a sustainable community investment model to support local groups and organisations in the Choczewo Municipality in Poland. The funds are granted to projects across various areas, including community development, safety, local councils, cultural heritage, environmental protection, youth engagement, local well-being, and infrastructure. The fund is connected to the development of our offshore wind farms in the Baltic Sea, Baltica 2 and 3, and through it, we will award a total of PLN 1 million in grants over three years (2023-2025).

Other actions

Global guidelines and grievance management system

In 2024, we laid the foundation for many of the initiatives currently in progress for managing our negative impact and risks associated with *failing to respect Indigenous Peoples' rights* and *ensuring FPIC in our own operations*. We began by developing a global guidance for social and human rights impact assessments, which will allow us to proactively manage these risks and impacts before the construction of new projects.

Furthermore, we finalised our internal guidelines for free, prior, and informed consent (FPIC), a framework designed to ensure respectful and transparent engagement with Indigenous communities. These guidelines guarantee that we secure consent from Indigenous communities before initiating projects that might impact their lands or cultural heritage.

Going forward, we will be conducting specific assessments on how projects might affect Indigenous communities. This will involve engaging with these communities early in the planning phase to ensure that their needs and concerns are adequately addressed.

We also initiated the creation of a company-wide methodology for systematically addressing community grievances. This system aims to learn from previous incidents to improve future community engagements. By 2025, we aim to fully implement both the global guidance for social and human rights impact assessments and the comprehensive grievance management system.

Initiatives to support Indigenous communities

In 2024, we took several steps to address negative impacts related to Indigenous Peoples' rights and livelihoods near offshore wind projects in the US. Local Indigenous communities have raised concerns about our projects' effects on cultural viewsheds and marine wildlife. To mitigate their concerns, we have provided local habitat restorations, granted scholarships for local Indigenous youth, and supported cultural projects in local parks and museums. To mitigate the viewshed impact, we implemented a lighting system that minimises light pollution.

Enhancing local content in tender processes

To address the risk of *potential local resistance to renewable energy projects*, we strengthened our strategy for early and transparent engagement with local communities. This included enhancing local content in our tender processes to align more closely with community needs and regulatory expectations.

Pilot initiatives measuring effectiveness of our community and biodiversity efforts

Additionally, we completed three pilot initiatives during the year to measure the effectiveness of our community and biodiversity efforts in delivering local social value. These pilots focused on evaluating social returns on investment, creating natural, human, and social capital, and assessing overall impacts on community well-being indicators. Also, the knowledge built from these initiatives will constitute the building blocks for our future ability to monitor how effectively our policies and actions address our material impacts and risks related to affected communities.

Our goal is to further refine how we measure the social, economic, and cultural impacts of our projects, thereby improving the allocation of investments to areas that provide the greatest benefit. Going forward, we will also work to fully perform impact assessments that incorporate local community feedback.

Minerals and metals supply chain initiatives

Finally, the *potential negative impacts on community health and Indigenous Peoples' rights identified in our value chain* are highly related to our minerals and metals supply chain. For more information on how we address impacts related to our minerals and metals supply chain, see ESRS 'S2 Workers in the value chain' under 'Actions'. //

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Targets related to affected communities

Currently, we have not set time-bound and outcome-oriented targets that meet the criteria for effectively reducing negative impacts, advancing positive impacts, or managing material risks and opportunities related to affected communities. However, we recognise the importance of establishing robust targets to drive meaningful progress in this area.

We are working to establish a clear community engagement process that will involve engaging directly with the affected communities, their representatives, or credible proxies. In the meantime, we are focused on gathering data and assessing current practices to ensure that future targets are effective and aligned with stakeholder needs. We are not yet fully able to monitor how effectively our policies and actions address our material sustainability-related impacts, risks, and opportunities for affected communities. //

Governance

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Foundations are one of the largest sources of carbon emissions in an offshore wind farm's life cycle. In March 2024, we signed a memorandum of understanding with German steel producer Dillinger, securing access to the company's first production of lower-emissions heavy plate steel for offshore wind foundations. In return, we offer our support to accelerate investment in the plant used to produce it.

G1 Business conduct

Our material impacts, risks, and opportunities (IROs)

Own operations

● Positive impact ● Negative impact ● Risk ○ Opportunity

// ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the table below is a description of our material IRO related to business conduct, including how we manage it.

The positive impact is linked to our strategic decision to build out our renewable capacity and operations. It occurs through our lobbying activities that primarily concern regulation of the energy sector with a view to accelerating the deployment of renewable energy in a way that underpins urgent climate action, security of supply, competitiveness, and nature enhancement.

Political engagement and lobbying activities

Material IRO description	How do we manage the IRO?
1 Constructive political engagement through lobbying Positive impact (own operations)	
This positive impact relates to our lobbying activities and other means of political influence that enable us to contribute to the development of policies and legislation relating to the build-out of renewable energy and the ambition of industry-wide decarbonisation (climate advocacy). We positively impact the environment and society through our lobbying activities that promote the accelerated build-out of renewable energy, which is a key technology needed to decarbonise society and succeed in limiting global warming to 1.5 °C.	Our global Regulatory & Public Affairs team and regional teams perform constructive political engagement through lobbying and climate advocacy efforts.

At Ørsted, our approach to business conduct is steered by integrity, one of our key guiding principles. We commit to transparent and ethical practices across our business and operate in compliance with laws and regulations, fostering trust and respect among our employees and other stakeholders.

We have several key policies to support our corporate culture, including our 'Good business conduct (GBC) policy' and 'Code of conduct for business partners', which present the rules to be adhered to by our own employees and business partners.

Our double materiality assessment (DMA) identified several impacts and financial risks related to business conduct. A positive impact related to our political influence and lobbying activities was assessed as material. However, due to the preventative measures that we have in place at Ørsted, risks related to corruption and bribery were not assessed as material.

The following section describes our business conduct activities and risk mitigation strategies, which are integral to our business practices and fundamental to the way we work at Ørsted.

Business conduct matters

Corporate culture

We are committed to fostering a robust corporate culture. This is achieved through a strong leadership commitment, targeted communication, and periodic global awareness campaigns that make business ethics and compliance a visible priority within the organisation.

Good business conduct (GBC) policy

This commitment is reflected in our 'Good business conduct (GBC) policy'. It provides clear guidance on the expected behaviour of all employees within the company and their interactions with stakeholders and business partners, and it addresses key areas such as bribery and corruption, facilitation payments, sponsorships and donations, political contributions, gifts and entertainment, and conflicts of interest.

The policy is overseen by our Chief Compliance Officer, our Compliance Officer for good business conduct, and our Compliance Committee, chaired by our CEO. It is available for all employees, and we have a broad communication strategy to keep employees informed and engaged in upholding our standards of good business conduct, including regular communication when the policy is updated.

Anti-corruption and anti-bribery

We have a zero-tolerance policy for all forms of bribery and corruption. To ensure adherence to this, we have several measures in place to enable us to successfully prevent, detect, and address allegations or incidents of corruption and bribery. We effectively identify and manage these risks within our operations through a thorough due diligence process where we conduct know-your-counterparty (KYC) screenings.

This process evaluates suppliers and other business partners for compliance with anti-bribery and -corruption regulations, sanctions, government watchlists, and adverse media reports. For high-risk engagements, such as mergers, acquisitions, and joint ventures, we conduct enhanced due diligence, assessing additional factors, including sustainability, creditworthiness, and brand integrity.

Furthermore, we monitor all activities related to sponsorships, donations, gifts, and entertainment to ensure strict compliance with our GBC policy and only support initiatives with sponsorships and donations that are subject to high transparency and accountability and are aligned with our overall vision.

Our Internal Audit team conducts regular audits to ensure the effectiveness of our GBC policy and that all allegations or incidents of corruption and bribery are investigated. In 2024, we experienced no convictions and no fines for violation of anti-corruption and anti-bribery laws.

Employees who fail to adhere to our GBC policy may face disciplinary actions, including immediate termination of employment. It may also result in legal sanctions and reporting to the police. We work proactively with people leaders to clarify policies and prevent serious non-compliance issues.

At-risk functions

In our organisation, certain functions are more susceptible to corruption and bribery due to their involvement in critical financial transactions, interactions with key business partners and public officials, and geographic location. There is also a higher risk when entering new markets, particularly in countries with higher corruption risks and lower levels of transparency. To address this, our compliance monitoring processes ensure the highest standards of integrity and adherence to regulations.

Business conduct training

All new employees are required to participate in an e-learning course on business conduct as part of their onboarding process, and the course must be repeated by all employees every second year. The training covers a wide range of topics, including anti-corruption, anti-bribery, and ethical guidelines, and addresses various scenarios and ethical dilemmas.

Our Business Ethics Compliance team oversees the completion of the e-learning and conducts additional ad-hoc training for at-risk functions. The training aims to translate our zero tolerance towards bribery, corruption, and inappropriate business conduct into everyday work and ensure employees are well equipped to understand what good business conduct means and how to comply with our GBC policy.

Whistleblowers

Our commitment to business integrity and transparency is upheld through the Whistleblower Hotline, where both employees and external stakeholders can raise concerns about unethical behaviour or wrongdoings. It is used for reporting and handling all investigations and for liaising with affected areas and stakeholders. For more details on the handling of whistleblower reports and management of the whistleblower scheme, please see the 'Management's review', page 49.

We outline our commitment to protecting whistleblowers against retaliation in our 'Good business conduct policy' and our 'Whistleblower policy'. Our system complies with applicable laws and regulations designed to protect the rights and freedom of persons with respect to the reporting of cases and the associated processing of personal data. Whistleblowers who choose to remain anonymous cannot be tracked or identified.

// G1, IRO-1

Processes to identify and assess material impacts, risks, and opportunities

The starting point of our DMA for ESRS 'G1 Business conduct' identified and assessed several impacts and financial risks related to business conduct that we recognise are related to our global operations. Through our DMA, one positive impact related to our *political influence and lobbying activities* was assessed as material.

Our DMA also identified and assessed bribery and corruption risks related to our own conduct regarding misuse of influence, asset misappropriation, and financial reporting fraud as well as bribery and corruption risks related to our suppliers and other business partners. However, due to the preventative measures that we have in place at Ørsted, these risks were not assessed as material. We mitigate our business conduct-related risks to an acceptable level through risk management, as described in the text above. //

// G1-5

Political influence and lobbying activities

To promote the accelerated build-out of renewable energy and the goals of the Paris Agreement, our global and local Regulatory & Public Affairs teams perform constructive political engagement through lobbying and advocacy efforts. Our Chief Commercial Officer (CCO) is accountable for these activities, with day-to-day oversight being performed by our Senior Vice President of Global Stakeholder Relations and Vice President of Regulatory & Public Affairs. We are registered in the EU Transparency Register, and our identification number is 870817015429-80.

Our lobbying activities primarily concern regulation of the energy sector with a view to accelerating the deployment of renewable energy in a way that underpins urgent climate action, security of supply, competitiveness, and nature enhancement. Our main positions on these topics include support for climate policy agenda goals, namely limiting global heating to 1.5 °C as per the Paris Agreement and supporting the expansion of renewables and the phase-out of fossil fuels.

Our lobbying activities interact with our material IROs related to climate change mitigation, both by helping to mitigate our climate-related transition risks and by helping to leverage our material opportunity and deliver on our positive impact related to renewable energy deployment.

Within Ørsted A/S, there is one member of our Board of Directors who currently holds a position in public administration. No other members of the administrative, management, or supervisory bodies currently hold a position in public administration or have done so for the past two years. //

// G1-5, 29(b)

Political influence and lobbying activities

Political influence, DKK million	2024
The US	**23**
Political institutions	-
Lobbying firms	12
NGOs and advocacy groups	3
Trade associations and industry organisations	8
Think tanks	-
Europe	**21**
Political institutions	-
Lobbying firms	3
NGOs and advocacy groups	-
Trade associations and industry organisations	17
Think tanks	1
APAC	**0**
Global	**2**
Political institutions	-
Lobbying firms	1
NGOs and advocacy groups	1
Trade associations and industry organisations	0
Think tanks	-
Total	**46**

In 2024, our main advocacy activities took place in Europe and the US. We contributed to the European industry associations WindEurope and Green Power Denmark, both significant industry representatives for the renewable energy sector towards policymakers who are important in our climate advocacy. Outside Denmark, the main advocacy activities for the wind energy sector took place through contributions to industry associations in the UK, Germany, and the Netherlands. In the US, we primarily contributed to the trade association American Clean Power. In addition, our political influence and advocacy activities in the US took place through several lobbying firms in the different states where we promote the accelerated build-out of renewable energy.

Entity spec.

Whistleblower cases

Whistleblower cases, number	2024	2023	Δ
Substantiated whistleblower cases	**14**	**18**	**(4)**
Cases transferred to the police	0	1	(1)

In 2024, 14 substantiated cases of inappropriate or unlawful behaviour were reported through our whistle-blower scheme. Ten cases related to good business conduct policy violations, while three cases concerned the workplace environment, and one case was classified as 'other'. None of the reported cases were critical to our business, nor caused adjustments to our financial results. Additionally, no cases required reporting to the police.

§ Accounting policies

Political influence and lobbying activities
The data covers financial contributions made either directly or indirectly to beneficiaries that are related to our material impacts, risks, and opportunities, which primarily concern climate-related advocacy. External expenses are included. Internal expenses, such as salary for employees working within this area of expertise, are excluded. Our policy does not allow for in-kind political contributions, and consequently this is not relevant to report. The data is gathered from invoices through our procurement spend data. A threshold of DKK 100,000 has been applied, i.e. smaller contributions have not been reported.

Whistleblower cases
Ørsted's Whistleblower Hotline is available for internal and external reporting of suspected cases of inappropriate or illegal behaviour.

Only cases which are closed during the reporting year, and which have been reported to the Audit & Risk Committee as fully or partially substantiated, are reported. Substaniated cases are those that provide evidence to support or prove the truth of the allegation raised.

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Note	DKKm	2024	2023
2.2, 2.4	Revenue	71,034	79,255
2.3	Cost of sales	(35,963)	(46,624)
	Other external expenses	(8,697)	(7,406)
2.7, 2.8	Employee costs	(6,532)	(6,374)
	Share of profit (loss) in associates and joint ventures	(68)	(55)
2.6	Other operating income	5,298	10,329
2.6	Other operating expenses	6,887	(10,408)
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	**31,959**	**18,717**
3.1	Amortisation and depreciation on intangible assets, and property, plant, and equipment	(10,225)	(9,795)
3.1, 3.2	Impairment losses on intangible assets, and property, plant, and equipment	(15,563)	(26,775)
	Operating profit (loss) (EBIT)	**6,171**	**(17,853)**
	Gain (loss) on divestment of enterprises	(11)	234
	Share of profit (loss) in associates and joint ventures	37	36
5.6	Financial income	8,590	12,379
5.6	Financial expenses	(12,181)	(13,822)
	Profit (loss) before tax	**2,606**	**(19,026)**
4.2	Tax on profit (loss) for the year	(2,590)	(1,156)
	Profit (loss) for the year	**16**	**(20,182)**
	Profit (loss) for the year is attributable to		
	Shareholders in Ørsted A/S	(923)	(21,059)
	Interests and costs, hybrid capital owners of Ørsted A/S	717	553
	Non-controlling interests	222	324
5.2	Earnings per share (DKK)	(2.2)	(50.1)
5.2	Diluted earnings per share (DKK)	(2.2)	(50.1)

Consolidated statement of comprehensive income

1 January – 31 December

Note	DKKm	2024	2023
	Profit (loss) for the year	**16**	**(20,182)**
	Other comprehensive income		
	Cash flow hedging		
6	Value adjustments for the year	3,426	25,017
5.2	Value adjustments transferred to income statement	(1,269)	(4,143)
	Exchange rate adjustments		
	Exchange rate adjustments relating to net investments in foreign enterprises	6,041	548
6.4	Value adjustment of net investment hedges	(3,698)	(328)
5.2	Value adjustments and hedges transferred to income statement	12	(295)
	Tax		
	Tax on hedging instruments	276	(4,576)
	Tax on exchange rate adjustments	131	10
	Other		
	Share of other comprehensive income from associated companies, after tax	5	6
	Other comprehensive income	**4,924**	**16,239**
	Total comprehensive income	**4,940**	**(3,943)**
	Comprehensive income for the year is attributable to		
	Shareholders in Ørsted A/S	3,752	(4,837)
	Interest payments and costs, hybrid capital owners of Ørsted A/S	717	553
	Non-controlling interests	471	341
	Total comprehensive income	**4,940**	**(3,943)**

Other comprehensive income
All items in 'Other comprehensive income' may be recycled to the income statement.

Cash flow hedging
Value adjustments for the year for cash flow hedging amounting to DKK 3,426 million mainly consist of gains related to the hedging of power, partly countered by losses related to the hedging of GBP. In 2023, gains related to the hedging of power was primarily attributable to value adjustments amounting to DKK 25,017 million. The gain of DKK 1,269 million transferred to the income statement mainly consists of gains related to the hedging of power.

Exchange rate adjustments
In 2024, foreign exchange gains relating to net investments in foreign enterprises amounting to DKK 6,041 million were primarily attributable to an increase in the USD and GBP exchange rate of 6.7 % and 4.8 %, respectively. A part of the net investment was hedged, resulting in losses of DKK 3,698 million.

Consolidated statement of financial position

31 December

Note	Assets DKKm	2024	2023
3.1	**Intangible assets**	**2,611**	**3,426**
3.1	Land and buildings	7,977	7,777
3.1	Production assets	138,477	121,643
3.1	Fixtures and fittings, tools, and equipment	2,122	2,042
3.1	Property, plant, and equipment under construction	53,118	48,307
3.1	**Property, plant, and equipment**	**201,694**	**179,769**
	Investments in associates and joint ventures	870	960
	Receivables from associates and joint ventures	200	77
	Other securities and equity investments	344	167
6	Derivatives	960	1,356
4.3	Deferred tax	9,250	8,192
3.7	Other receivables	3,218	3,134
	Other non-current assets	**14,842**	**13,886**
	Non-current assets	**219,147**	**197,081**
3.3	Inventories	17,448	10,539
6	Derivatives	4,617	10,473
3.4	Contract assets	324	802
3.5	Trade receivables	9,045	11,107
3.7	Other receivables	9,936	10,530
	Receivables from associates and joint ventures	41	74
	Income tax	570	483
5.4	Securities	14,532	29,902
5.4	Cash	23,126	10,145
	Current assets	**79,639**	**84,055**
	Assets	**298,786**	**281,136**

Note	Equity and liabilities DKKm	2024	2023
5.2	Share capital	4,204	4,204
5.2	Reserves	(5,164)	(10,251)
	Retained earnings	63,098	62,829
5.2	**Equity attributable to shareholders in Ørsted A/S**	**62,138**	**56,782**
5.3	Hybrid capital	20,955	19,103
3.10	Non-controlling interests	10,391	1,906
	Equity	**93,484**	**77,791**
4.3	Deferred tax	2,433	3,439
3.9	Provisions	17,735	16,908
5.5	Lease liabilities	8,076	7,618
5.1	Bond and bank debt	83,607	79,236
6	Derivatives	8,882	13,763
3.4	Contract liabilities	8,834	3,297
3.8	Tax equity liabilities	16,158	13,610
3.7	Other payables	5,825	6,273
	Non-current liabilities	**151,550**	**144,144**
3.9	Provisions	2,800	15,955
5.5	Lease liabilities	834	808
5.1	Bond and bank debt	4,101	384
6	Derivatives	7,009	8,449
3.4	Contract liabilities	2,578	2,785
	Trade payables	20,827	14,915
3.8	Tax equity liabilities	4,320	3,397
3.7	Other payables	7,106	6,225
	Income tax	4,177	6,283
	Current liabilities	**53,752**	**59,201**
	Liabilities	**205,302**	**203,345**
	Equity and liabilities	**298,786**	**281,136**

Consolidated statement of shareholders' equity

1 January – 31 December

	2024								2023							
DKKm	Share capital	Reserves[1]	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group	Share capital	Reserves[1]	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Non-controlling interests	Total Group
Equity at 1 January	4,204	(10,251)	62,829	-	56,782	19,103	1,906	77,791	4,204	(26,467)	88,331	5,675	71,743	19,793	3,996	95,532
Comprehensive income for the year:																
Profit (loss) for the year	-	-	(923)	-	(923)	717	222	16	-	-	(21,059)	-	(21,059)	553	324	(20,182)
Other comprehensive income:																
Cash flow hedging	-	2,129	-	-	2,129	-	28	2,157	-	20,874	-	-	20,874	-	-	20,874
Exchange rate adjustments	-	2,181	-	-	2,181	-	174	2,355	-	(92)	-	-	(92)	-	17	(75)
Tax on other comprehensive income	-	360	-	-	360	-	47	407	-	(4,566)	-	-	(4,566)	-	-	(4,566)
Share of other comprehensive income of associated companies, after tax	-	-	5	-	5	-	-	5	-	-	6	-	6	-	-	6
Total comprehensive income	**-**	**4,670**	**(918)**	**-**	**3,752**	**717**	**471**	**4,940**	**-**	**16,216**	**(21,053)**	**-**	**(4,837)**	**553**	**341**	**(3,943)**
Cash flow hedging of property, plant, and equipment under construction	-	(181)	-	-	(181)	-	-	(181)	-	-	-	-	-	-	-	-
Coupon payments, hybrid capital	-	-	-	-	-	(687)	-	(687)	-	-	-	-	-	(546)	-	(546)
Tax	-	40	-	-	40	9	-	49	-	-	-	-	-	2	-	2
Additions, hybrid capital	-	-	-	-	-	5,520	-	5,520	-	-	-	-	-	-	-	-
Disposals, hybrid capital	-	-	-	-	-	(3,707)	-	(3,707)	-	-	-	-	-	(699)	-	(699)
Dividends paid	-	-	-	-	-	-	(369)	(369)	-	-	2	(5,675)	(5,673)	-	(413)	(6,086)
Additions, non-controlling interests	-	558	1,143	-	1,701	-	8,383	10,084	-	-	-	-	-	-	537	537
Disposals, non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,477)	-	(4,477)	-	(2,555)	(7,032)
Other changes	-	-	44	-	44	-	-	44	-	-	26	-	26	-	-	26
Equity at 31 December	**4,204**	**(5,164)**	**63,098**	**-**	**62,138**	**20,955**	**10,391**	**93,484**	**4,204**	**(10,251)**	**62,829**	**-**	**56,782**	**19,103**	**1,906**	**77,791**

[1] See note 5.2 'Equity' for more information on reserves.

In addition to the total reserves of DKK -5,164 million, a loss of DKK 513 million is recognised as part of non-controlling interests. The loss is related to the hedging of revenue belonging to the non controlling interests.

Consolidated statement of cash flows

1 January – 31 December

Note	DKKm	2024	2023
	Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA)	31,959	18,717
	Reversal of gain (loss) on divestment of assets	(349)	(5,745)
	Change in derivatives	648	4,274
	Change in provisions	(13,057)	8,454
	Other items	(129)	287
	Change in inventories	(6,534)	3,656
	Change in contract assets and liabilities	6,154	461
	Change in trade receivables	2,142	1,522
	Change in other receivables	1,008	3,834
	Change in trade payables	2,821	(5,309)
	Change in tax equity liabilities	1,458	374
	Change in other payables	(964)	(660)
	Interest received and similar items	6,820	8,278
	Interest paid and similar items	(7,294)	(6,894)
4.4	Income tax paid	(6,327)	(2,717)
	Cash flows from operating activities	**18,356**	**28,532**
	Purchase of intangible assets, and property, plant, and equipment	(42,654)	(38,203)
	Sale of intangible assets, and property, plant, and equipment	4,471	8,189
	Divestment of enterprises	942	(3)
	Purchase of other equity investments	(163)	(124)
	Purchase of securities	(11,588)	(18,285)
	Sale/maturation of securities	27,318	13,935
	Change in other non-current assets	(134)	(13)
	Transactions with associates and joint ventures	22	(247)
	Dividends received and capital reductions	27	19
	Cash flows from investing activities	**(21,759)**	**(34,732)**

Note	DKKm	2024	2023
	Proceeds from raising loans	9,990	17,584
	Instalments on loans	(3,407)	(1,580)
	Instalments on leases	(736)	(712)
	Coupon payments on hybrid capital	(687)	(546)
	Repurchase of hybrid capital	(3,707)	(699)
	Proceeds from issuance of hybrid capital	5,520	-
	Dividends paid to shareholders in Ørsted A/S	-	(5,673)
3.10	Transactions with non-controlling interests	9,863	(7,061)
	Net proceeds from tax equity partners	78	(182)
	Collateral posted in relation to trading of derivatives	(13,400)	(21,829)
	Collateral released in relation to trading of derivatives	12,166	19,515
	Restricted cash and other changes	163	1,448
	Cash flows from financing activities	**15,843**	**265**
	Total net change in cash and cash equivalents	**12,440**	**(5,935)**
5.4	Cash and cash equivalents at 1 January	10,144	16,175
	Total net change in cash and cash equivalents	12,440	(5,935)
	Exchange rate adjustments of cash and cash equivalents	540	(96)
5.4	**Cash and cash equivalents at 31 December**	**23,124**	**10,144**

Supplementary statements

Our supplementary statements of gross and net investment appear from note 3.0 'Capital employed' and free cash flows (FCF) from note 2.1 'Segment information'.

§ Accounting policies

'Cash flows from operating activities' are determined using the indirect method as operating profit (loss) before depreciation, amortisation, and impairment losses adjusted for changes in operating items without cash flow effect. Trade payables relating to purchases of intangible assets, and property, plant, and equipment are not recognised in 'Change in trade payables' but in 'Purchase of intangible assets, and property, plant, and equipment' under 'Cash flows from investing activities'.

'Change in tax equity liabilities' relates to cash contributions from tax equity partners and repayment hereof through production tax credits (PTCs), investment tax credits (ITCs), and other tax attributes to tax equity partners. See also note 3.8 'Tax equity liabilities'.

'Cash flows from investing activities' comprise payments in connection with the purchase and sale of non-current assets and enterprises as well as the purchase and sale of securities that are not recognised as cash and cash equivalents.

'Cash flows from financing activities' comprise changes in the size or composition of equity and loans, including instalments on leases, all transactions with non-controlling interests, and net proceeds related to interest-bearing tax equity liabilities. Proceeds from the raising of short-term repo loans are presented net.

Cash flows in currencies other than the functional currency are translated at the average exchange rates for the month in question, unless these differ significantly from the rates at the transaction date.

Basis of reporting
Note 1

Significant changes and events
Note 1.1

The financial position and performance of Ørsted was particularly affected by the following events and transactions during 2024.

Impairments

During 2024, we have recognised a net impairment loss of DKK 15.6 billion. The main contributors to the net impairment loss were construction delay and higher expected costs due to higher risk assessments for Sunrise Wind (DKK 4.3 billion) and Revolution Wind (DKK 3.8 billion), lower valuation of our seabed leases (DKK 4.1 billion), an increase in the US long-dated interest rate (DKK 2.7 billion) across our US portfolio, and our decision to cease execution of FlagshipONE (DKK 1.5 billion). This was partly offset by a reversal on our Sunrise Wind project (DKK 1.8 billion) due to its award of a higher OREC by the State of New York.

See note 3.2 'Impairments'.

Onerous contracts and cancellation fees

Onerous contracts for FlagshipONE
In Q2 2024, we decided to cease execution of FlagshipONE and deprioritise our immediate efforts within the liquids e-fuel market. In addition to the impairment loss recognised on FlagshipONE, we have recognised a provision relating to the expected contract cancellation fees not already covered by the impairment loss. The remaining provision was DKK 0.3 billion at the end of 2024.

See note 3.9 'Provisions and contingent liabilities'.

Onerous contracts for Ocean Wind 1
At the end of 2023, we recognised a provision of DKK 15.0 billion related to contract cancellation fees for Ocean Wind 1. During 2024, we have finalised negotiation of several supplier contracts with a better outcome than assumed, leading to a partly reversal through EBITDA. In combination with payments and other adjustments, the remaining provision for 'Onerous contracts' has been reduced to DKK 1.6 billion at the end of 2024.

See note 3.9 'Provisions and contingent liabilities'.

Divestments and acquisitions

Divestments

Four operational onshore assets[1]
In June, we completed the partial divestment of an 80% stake in four operational onshore wind assets in the US. The transaction resulted in proceeds of DKK 2 billion.

See note 3.10 'Non-controlling interests'.

Ostwind France
In May, we completed the divestment of our Ostwind France onshore business. The transaction resulted in proceeds of DKK 1 billion.

See note 3.1 'Intangible assets, and property, plant and equipments'.

Mockingbird
In November, we completed the divestment of a 50% ownership stake of our solar farm Mockingbird in the US. The transaction resulted in proceeds of DKK 1.1 billion.

See note 2.6 'Other operating income and expenses' and note 3.1 'Intangible assets, and property, plant and equipments'.

Greater Changhua 4
In December, we completed the farm-down of a 50% ownership stake of our offshore wind farm Greater Changhua 4 in Taiwan. The transaction resulted in proceeds of DKK 3.8 billion in 2024.

As part of the divestment, we also entered into a construction agreement with the partner.

See note 2.6 'Other operating income and expenses' and note 3.1 'Intangible assets, and property, plant and equipments'.

Four operational offshore assets[1]
In December, we completed the partial divestment of an 12.45% minority stake in four operational offshore wind assets in the UK.

The transaction resulted in total proceeds of DKK 14.5 billion, split on a divestment cash flow of DKK 8.3 billion and prepayments included in cash flow from operations (CFO) of DKK 6.2 billion. As it is a transaction with non-controlling interests (NCI), no gain (loss) have been included in profit (loss) for the year.

See note 3.10 'Non-controlling interests'.

Acquisitions

Sunrise Wind
In July, we completed the acquisition of Eversource's 50% interest in Sunrise Wind, which was owned jointly by Ørsted and Eversource.

See note 3.1 'Intangible assets, and property, plant, and equipment'.

For a detailed discussion on Ørsted's performance and financial position, please refer to the 'Management's review'.

[1] As these divestments are with non-controlling interests, it is not included in 'Cash flow from investing activities' but as 'Cash flow from financing activities' in our statement of cash flows.

Basis of preparation

Note 1.2

This section provides an overall description of the accounting policies applied in our consolidated financial statements as well as the European Single Electronic Format (ESEF) reporting requirements. We provide a more detailed description of the accounting policies applied in the specific notes. Key accounting estimates and judgements as well as new and amended IFRS standards and interpretations are discussed in detail later in this note.

Accounting policies

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act (Årsregnskabsloven).

The accounting policies have been applied consistently in the financial year and for comparative figures.

Measurement basis

The consolidated financial statements have been prepared on historical cost basis, except for derivatives, gas in non-Danish storage facilities, financial instruments in the trading portfolio, and carbon emission allowances in the trading portfolio, which are measured at market value.

Consolidation

The consolidated financial statements comprise the financial statements of Ørsted A/S (the parent company) and subsidiaries controlled by Ørsted A/S. See more in note 7.4 'Company overview'.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which have been prepared in accordance with the Group's accounting policies.

Intra-group income, expenses, shareholdings, balances, and dividends as well as realised and unrealised gains and losses arising from intra-group transactions are eliminated in our consolidated financial statements.

Unrealised gains and losses resulting from transactions with associates and joint ventures are eliminated to the extent of our ownership interest.

Entities are accounted for as associates if we hold or have the ability to exercise, directly or indirectly, 20-50% of the voting rights and do not exercise control. However, we carry out a specific assessment of our ability to exercise influence, including our ability to influence financial and operational decisions and thus our return. Entities that satisfy the criteria for joint control are accounted for as investments in joint ventures, unless the nature of the joint arrangement is considered a joint operation.

Our shares in joint operations are recognised in the consolidated balance sheet through recognition of the Group's own assets, liabilities, income, and expenses. The proportionate share of realised and unrealised gains and losses arising from intra-group transactions between fully consolidated enterprises and joint operations is eliminated.

Foreign currency translation

The financial statements are presented in million Danish kroner (DKKm), unless otherwise stated.

Exchange differences arising between the exchange rate on the transaction date and on the date of payment are recognised in profit (loss) for the year as financial income or expenses.

Foreign currency transactions are translated into the functional currency defined for each entity, using the exchange rates prevailing at the transaction date. Receivables, payables, and other monetary items in foreign currencies are translated at the exchange rates on the balance sheet date. The difference between the exchange rate on the balance sheet date and on the date at which the receivable or payable arose is recognised in profit (loss) for the year as financial income or expenses.

Financial statements of foreign subsidiaries, joint operations, associates, and joint ventures are translated into DKK at monthly average exchange rates insofar as these do not deviate materially from the actual exchange rates at the transaction dates.

Balance sheet items are translated at the exchange rates on the balance sheet date.

All exchange differences are recognised in profit (loss) for the year, except for exchange differences arising on:

- translation of the opening equity of these entities at the exchange rates on the balance sheet date
- translation of the statements of comprehensive income of these enterprises from 'the average-for-the-month exchange rates' to 'the exchange rates on the balance sheet date'
- translation of balances accounted for as part of the total net investment
- translation of the portion of loans and derivatives that has been entered into to hedge the net investment in an enterprise, and that provides an effective hedge against corresponding foreign exchange gains (losses) on the net investment.

The above types of exchange differences are recognised in 'Other comprehensive income'. Such exchange rate adjustments are divided between the equity of the parent company and the equity of the non-controlling interests.

Basis of preparation

Note 1.2 – continued

On full or partial divestment of the net investment, the accumulated exchange rate adjustments are recognised as follows:

- Disposal resulting in loss of control:
  The accumulated exchange rate adjustments, including any associated hedges, are recognised in the profit (loss) for the year if a foreign exchange gain (loss) is realised by the selling entity. Any foreign exchange gain (loss) is transferred to the item in which the gain (loss) from the disposal is recognised. The part of the foreign currency translation reserve that relates to non-controlling interests is not transferred to profit (loss) for the year.

- Disposal not resulting in loss of control:
  A proportionate share of the foreign currency translation reserve is transferred from the parent company shareholders' share of equity to the minority shareholders' share of equity.

Repayment of balances that are considered part of the net investment does not constitute a partial disposal of the subsidiary.

iXBRL reporting

We are required to file our annual report in the European Single Electronic Format ('ESEF') using the XHTML format and to tag the consolidated financial statements, including notes, using the Inline eXtensible Business Reporting Language (iXBRL). The iXBRL tags comply with the ESEF taxonomy. Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created.

The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a ZIP file named Orsted-2024-12-31-en.zip.

Non-IFRS financial measures

We present financial measures in the consolidated financial statements to describe the Group's financial performance, financial position, and cash flows. We use these financial measures as we believe they provide valuable information to our stakeholders and management.

The financial measures should not be considered a replacement for the performance measures as defined under IFRS, but rather as supplementary information.

The financial measures may not be comparable to similar titled measures presented by other companies, as the definitions and calculations may be different.

The financial measures most commonly presented in the Ørsted annual report are:

- EBITDA and EBITDA excluding new partnerships and cancellation fees
- funds from operations (FFO)
- FFO/adjusted interest-bearing net debt
- interest-bearing net debt (NIBD)
- adjusted interest-bearing net debt
- free cash flow (FCF)
- return on capital employed (ROCE)
- capital employed
- gross investments
- net investments.

Our definitions of the financial measures are included in note 7.3 'Non-IFRS financial measures'.

Basis of preparation

Note 1.2 – continued

Note		Key accounting estimates and judgements	Estimate/judgement	Potential impact from accounting estimates and judgements
2.4	Government grants	Classification of contract for difference (CfD) agreements	Judgement	••
2.6	Other operating income and expenses	Variable selling prices related to divestments of offshore wind farms and offshore transmission assets	Estimate	••
		Consolidation method for partnerships	Judgement	•••
3.2	Impairments	Key assumptions in impairment tests	Estimate	•••
3.8	Tax equity liabilities	Recognition of tax equity partnerships	Estimate/judgement	••
3.9	Provisions and contingent liabilities	Assumptions for provisions	Estimate	•••
4.2	Tax on profit (loss) for the year	Recognition of income taxes	Estimate	•••
6.1	Risk framework	Valuation of long-term power purchase agreements	Estimate/judgement	••
		Hedge accounting	Estimate/judgement	••

Key accounting estimates and judgements and their level of potential impact on the consolidated financial statements.

The impact relates to objectivity and business practice.

- • Very objective/market-conforming
- •• Objective/partially conforming
- ••• Partially subjective/partially distinctive
- •••• Subjective/distinctive to Ørsted

Implementation of new and changed accounting standards and interpretations

The International Accounting Standards Board (IASB) has issued amended standards that are effective for the first time in 2024. None of them required a change in our accounting policies or had any material impact on our consolidated financial statetements.

New standards and interpretations

IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the consolidated financial statements for 2024. Ørsted expects to adopt the accounting standards and interpretations as they become mandatory. In 2024, IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements' which replaces IAS 1 'Presentation of Financial Statements'. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. Besides that, the new or amended standards or interpretations are not expected to have a significant impact on our consolidated financial statements.

Key accounting estimates and judgements

The use of reasonable estimates and judgements is an essential part of the preparation of the consolidated financial statements.

Given the uncertainties inherent in our business activities, we make a number of estimates and judgements. The estimates and judgements are based on assumptions concerning future developments, which affect our application of accounting policies and the reported amounts of our assets, liabilities, sales, costs, cash flows, hedge reserves, and related disclosures. Actual amounts may differ from the amounts estimated and judgements made, as more detailed information becomes available.

We regularly reassess these estimates and judgements based on, among other things, historical experience, the current situation in the financial markets, and a number of other relevant factors, e.g. the updates on annual estimated production. Changes in estimates are recognised in the period in which the estimate in question is revised.

Accounting estimates, judgements, and assumptions which may entail a risk of material adjustments in subsequent years are listed in the table above.

In addition, we make judgements when we apply the accounting policies.

Reference is made to the specific notes for further information on the key accounting estimates and judgements as well as the assumptions applied.

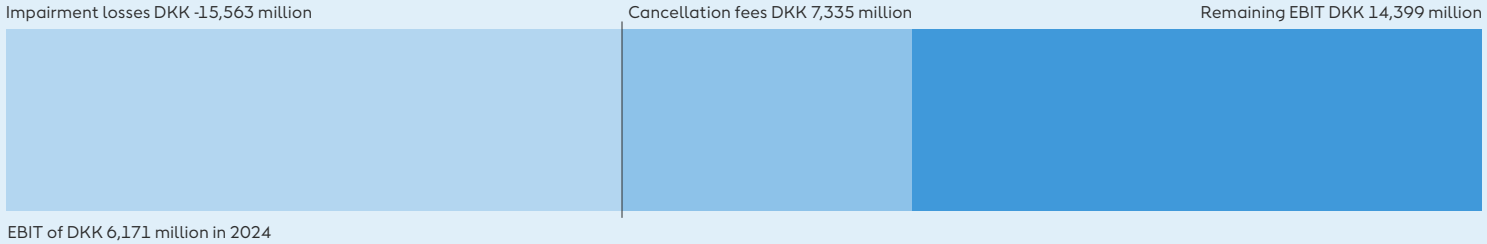
Return on capital employed
Note 2

Return on capital employed (ROCE) is a key ratio, showing how profitable our business activities are. Our target is an average ROCE of approx. 13 % for the Group for the 2024-2030 period.

ROCE was 4.5 % in 2024. Adjusted for impairment losses and cancellation fees, ROCE amounted to 10.1 % in 2024.

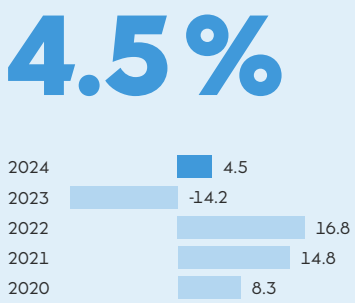
See note 2.1 'Segment information'.

EBIT
DKKm

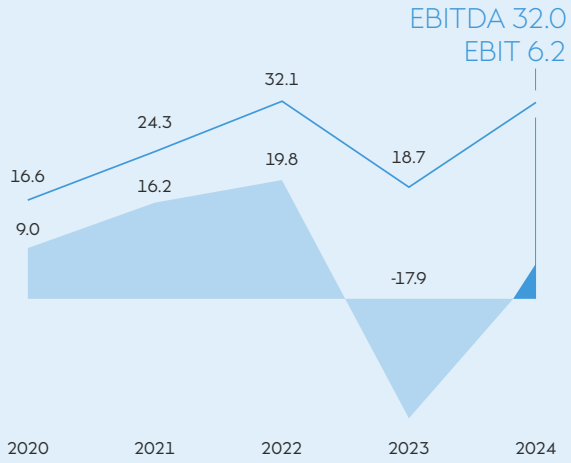


Return on capital employed
%

Return on capital employed was 4.5 % in 2024 against -14.2 % in 2023.



EBITDA and EBIT
DKKbn



Segment information

Note 2.1

Offshore
DKKm

Revenue	53,808
EBITDA	26,470
Gross investments	33,023

Primary activities
Development, construction, ownership, and operation of offshore wind farms in Europe, the US, and APAC, and development of renewable hydrogen in selected core markets.

Onshore
DKKm

Revenue	2,720
EBITDA	3,863
Gross investments	7,391

Primary activities
Development, construction, ownership, and operation of onshore wind and solar farms in the US and Europe, including integrated storage.

Bioenergy & Other
DKKm

Revenue	15,105
EBITDA	1,082
Gross investments	2,250

Primary activities
Generation of heat and power and delivery of ancillary services from CHP plants in Denmark, optimisation of our gas portfolio, as well as management of our Danish and Swedish B2B business.

Geographical distribution

Geographical revenue is broken down, as far as possible, by the customer's geographical location based on supply point.

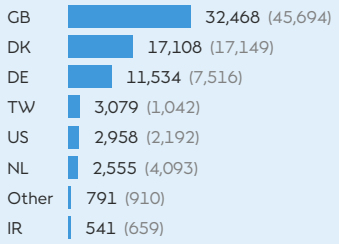
A significant part of our sales takes place via power exchanges and gas hubs in Europe, whose physical locations do not reflect the geographical locations of our customers. When breaking down these sales by geographical location, we use the physical locations of the exchange or hub since we do not know the physical location of our customers in all cases.

No single customer accounted for more than 10% of our consolidated revenue in 2024 or 2023.

Non-current assets are broken down geographically, based on the physical locations of the assets.

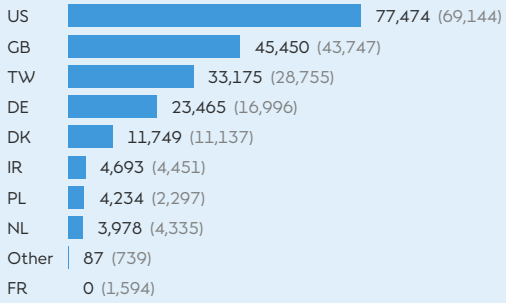
Revenue
DKKm 2024 (2023)

Total 71,034 (79,255)



Intangible assets and property, plant, and equipment
DKKm 2024 (2023)

Total 204,305 (183,195)



Revenue, intangible assets, and property, plant, and equipment are presented based on the locations of our customers and assets as well as the exchanges on which we trade.

§ Accounting policies

Our operating segments are consistent with our internal reporting to our chief operating decision-maker, the Group Executive Team.

The operating segments are managed primarily on the basis of EBITDA and investments. Financial income, financial expenses, and tax are allocated to the operating segments, while we manage them at Group level.

Segment income and segment expenses are those items that, in our internal management reporting, are directly attributable to individual segments or can be indirectly allocated to individual segments on a reliable basis.

Segment information

Note 2.1 – continued

2024 income statement DKKm	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/ eliminations	Total
External revenue	52,528	2,732	15,642	70,902	132	71,034
Intra-group revenue	1,280	(12)	(537)	731	(731)[1]	-
Revenue	**53,808**	**2,720**	**15,105**	**71,633**	**(599)**	**71,034**
Cost of sales	(24,628)	(97)	(11,316)	(36,041)	78	(35,963)
Employee costs and other external expenses	(11,287)	(2,432)	(2,656)	(16,375)	1,146	(15,229)
Gain (loss) on disposal of non-current assets	215	141	(7)	349	-	349
Additional other operating income and expenses	8,421	3,541	(45)	11,917	(81)	11,836
Share of profit (loss) in associates and joint ventures	(59)	(10)	1	(68)	-	(68)
EBITDA	**26,470**	**3,863**	**1,082**	**31,415**	**544**	**31,959**
Depreciation and amortisation	(7,091)	(2,190)	(667)	(9,948)	(277)	(10,225)
Impairment losses	(14,242)	(1,321)	-	(15,563)	-	(15,563)
Operating profit (loss) (EBIT)	**5,137**	**352**	**415**	**5,904**	**267**	**6,171**
Key ratios						
Intangible assets, and property, plant, and equipment	127,821	66,359	8,919	203,099	1,206	204,305
Equity investments and non-current receivables	507	444	264	1,215	180	1,395
Net working capital, capital expenditures	(7,005)	(297)	(148)	(7,450)	(4)	(7,454)
Net working capital, work in progress	5,798	-	-	5,798	-	5,798
Net working capital, tax equity	(1,205)	(17,509)	-	(18,714)	-	(18,714)
Net working capital, other items	(5,783)	389	40	(5,354)	4,663	(691)
Derivatives, net	(5,470)	(3,325)	(858)	(9,653)	(661)	(10,314)
Decommissioning obligations	(9,347)	(2,293)	(2,204)	(13,844)	-	(13,844)
Other provisions	(4,037)	-	(619)	(4,656)	(2,035)	(6,691)
Tax, net	6,286	(4,295)	285	2,276	934	3,210
Other receivables and other payables, net	(3,966)	(30)	-	(3,996)	(1,493)	(5,489)
Capital employed at 31 December	**103,599**	**39,443**	**5,679**	**148,721**	**2,790**	**151,511**
Return on capital employed (ROCE), %						**4.5**
Cash flows from operating activities	12,931	4,459	1,939	19,329	(973)	18,356
Gross investments	(33,023)	(7,391)	(2,250)	(42,664)	(144)	(42,808)
Divestments	11,293	4,430	-	15,723	(43)	15,680
Free cash flow (FCF)	**(8,799)**	**1,498**	**(311)**	**(7,612)**	**(1,160)**	**(8,772)**

The column 'Other activities/eliminations' primarily covers the elimination of inter-segment transactions. It also includes income and costs, assets and liabilities, investment activity, taxes, etc., handled at Group level.

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK -4,538 million, which primarily relates to our Shared Functions services and our B2B business activities.

Segment information

Note 2.1 – continued

2023 income statement DKKm	Offshore	Onshore	Bioenergy & Other	Reportable segments	Other activities/ eliminations	Total
External revenue	57,062	2,643	19,525	79,230	25	79,255
Intra-group revenue	1,365	(23)	(295)	1,047	(1,047)[1]	-
Revenue	**58,427**	**2,620**	**19,230**	**80,277**	**(1,022)**	**79,255**
Cost of sales	(31,773)	(129)	(15,024)	(46,926)	302	(46,624)
Employee costs and other external expenses	(9,712)	(2,460)	(2,730)	(14,902)	1,122	(13,780)
Gain (loss) on disposal of non-current assets	5,751	-	(6)	5,745	-	5,745
Additional other operating income and expenses	(8,829)	2,948	52	(5,829)	5	(5,824)
Share of profit (loss) in associates and joint ventures	(47)	(9)	1	(55)	-	(55)
EBITDA	**13,817**	**2,970**	**1,523**	**18,310**	**407**	**18,717**
Depreciation and amortisation	(6,815)	(1,957)	(759)	(9,531)	(264)	(9,795)
Impairment losses	(25,526)	(927)	(322)	(26,775)	-	(26,775)
Operating profit (loss) (EBIT)	**(18,524)**	**86**	**442**	**(17,996)**	**143**	**(17,853)**
Key ratios						
Intangible assets, and property, plant, and equipment	111,188	62,626	8,132	181,946	1,249	183,195
Equity investments and non-current receivables	770	143	92	1,005	167	1,172
Net working capital, capital expenditures	(3,285)	(1,001)	(256)	(4,542)	-	(4,542)
Net working capital, work in progress	1,705	-	-	1,705	-	1,705
Net working capital, tax equity	(1,365)	(14,446)	-	(15,811)	-	(15,811)
Net working capital, other items	4,513	461	870	5,844	1,950	7,794
Derivatives, net	(3,645)	(6,311)	(738)	(10,694)	311	(10,383)
Decommissioning obligations	(8,840)	(2,062)	(2,075)	(12,977)	-	(12,977)
Other provisions	(16,865)	(2)	(1,022)	(17,889)	(1,997)	(19,886)
Tax, net	2,187	(3,787)	(348)	(1,948)	901	(1,047)
Other receivables and other payables, net	(2,789)	13	.	(2,776)	(1,274)	(4,050)
Capital employed at 31 December	**83,574**	**35,634**	**4,655**	**123,863**	**1,307**	**125,170**
Return on capital employed (ROCE), %						**(14.2)**
Cash flows from operating activities	21,209	609	2,550	24,368	4,164	28,532
Gross investments	(28,613)	(9,069)	(727)	(38,409)	(100)	(38,509)
Divestments	1,500	5	61	1,566	(24)	1,542
Free cash flow (FCF)	**(5,904)**	**(8,455)**	**1,884**	**(12,475)**	**4,040**	**(8,435)**

The column 'Other activities/eliminations' primarily covers the elimination of inter-segment transactions. It also includes income and costs, assets and liabilities, investment activity, taxes, etc., handled at Group level.

[1] Including the elimination of other activities, the total elimination of intra-group revenue amounts to DKK -4,896 million, which primarily relates to our Shared Functions services and our B2B business activities.

Revenue

Note 2.2

Revenue DKKm	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	2024	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	2023
Generation of power	11,935	2,275	5,315	-	19,525	10,585	2,171	6,306	-	19,062
Sale of power	17,832	3	225	(18)	18,042	25,329	3	395	(288)	25,439
Revenue from construction of wind farms and transmission assets	6,991	38	-	-	7,029	6,589	148	-	-	6,737
Generation and sale of heat and steam	-	-	3,380	-	3,380	-	-	3,776	-	3,776
Sale of gas	-	-	4,520	(30)	4,490	-	-	6,296	-	6,296
Distribution and transmission	-	-	373	(2)	371	-	-	309	(1)	308
O&M and other services	4,464	324	378	(549)	4,617	4,045	163	942	(733)	4,417
Total revenue from customers	**41,222**	**2,640**	**14,191**	**(599)**	**57,454**	**46,548**	**2,485**	**18,024**	**(1,022)**	**66,035**
Government grants	11,637	103	461	-	12,201	9,518	296	364	-	10,178
Miscellaneous revenue	949	(23)	453	-	1,379	2,361	(161)	842	-	3,042
Total revenue	**53,808**	**2,720**	**15,105**	**(599)**	**71,034**	**58,427**	**2,620**	**19,230**	**(1,022)**	**79,255**
Timing of revenue recognition from customers										
At a point in time	21,900	2,640	6,204	(599)	30,145	34,657	2,485	10,722	(1,022)	46,842
Over time	19,322	-	7,987	-	27,309	11,891	-	7,302	-	19,193
Total revenue from customers	**41,222**	**2,640**	**14,191**	**(599)**	**57,454**	**46,548**	**2,485**	**18,024**	**(1,022)**	**66,035**
Revenue from sale of goods and services										
Revenue from sale of goods	49,777	2,691	14,609	(72)	67,005	54,602	2,585	18,736	(303)	75,620
Revenue from sale of services	4,031	29	496	(527)	4,029	3,825	35	494	(719)	3,635
Total revenue	**53,808**	**2,720**	**15,105**	**(599)**	**71,034**	**58,427**	**2,620**	**19,230**	**(1,022)**	**79,255**

Revenue

The timing of transfer of goods or services to customers is categorised as follows:

'At a point in time' mainly comprises:
- sale of power or gas in the market, e.g. Nord Pool, TTF, NBP, and ERCOT
- sale of transmission assets from offshore wind farms.

'Over time' mainly comprises:
- construction agreements for wind farms and transmission assets
- long-term contracts with customers to deliver power, heat, or gas.

Backlog

Order backlog for the construction of wind farms and offshore transmission assets is remaining revenue on construction agreements to be recognised in future years.

The overview does not include revenue from contracts with customers to deliver gas, heat, and power, or our operations and maintenance agreements. For these types of goods and services, we recognise the revenue that corresponds directly to the value transferred to the customer.

Order backlog

DKKm	2024	2023
31 December	8,643	6,538
Within one year	100%	99%
In more than one year	0%	1%

Revenue for the year decreased by 10% to DKK 71,034 million in 2024. The decrease was mainly due to a lower 'Sale of power', driven by lower power prices across markets and lower volumes sold on third-party contracts, and due to a lower 'Sale of gas', mainly because of lower gas prices.

Revenue from construction agreements was DKK 7,029 million, mainly relating to the construction of Borkum Riffgrund 3 and Gode Wind 3 for partners.

In 2023, revenue from construction agreements mainly related to the construction of Borkum Riffgrund 3 for partners and the divestment of the Hornsea 2 offshore transmission asset.

Income from government grants increased in 2024 due to Hornsea 2 entering the UK subsidy regime (CfD), combined with lower power prices, leading to a higher subsidy per MWh produced.

Revenue

Note 2.2 – continued

§ Accounting policies

Revenue is measured based on the consideration specified in a contract with a customer (transaction price) and excludes amounts collected on behalf of third parties, i.e. VAT. We recognise revenue when we transfer control over a product or service to a customer or a partner.

If a part of the transaction price is variable, i.e. bonus payments, incentive payments for unmissed deadlines, etc., the variable consideration is recognised in revenue when it is highly probable that the revenue will not be reversed in subsequent periods.

We adjust the transaction price for the time value of money if the payments exceed twelve months.

Generation of power
Generation of power is the sale of power produced at our own wind farms, solar farms, and power stations as well as the sale of ancillary services. We recognise revenue as the power is produced, since this is when delivery to the customers occurs.

Fees for having CPH plants on standby or ready to increase or decrease the generation of power to balance the demand and supply in the system are considered one performance obligation fulfilled over time.

The consideration for the power is due when the actual power is delivered to the customer.

Sale of power
Sale of power includes revenue from the sale of power sourced from other producers. This includes the sale of power sourced from investor power purchase agreements, third-party balancing contracts, exchanges, and other sales contracts. The sale is recognised when the power is delivered to the grid.

Sales contracts for a fixed amount of power at a variable price, or where we are exclusive suppliers to the customer at a variable price, are considered one performance obligation with multiple deliveries to be satisfied over time. For such contracts and for long-term agreements on selling power at a fixed price, we recognise revenue in the amount up to which we have a right to invoice.

The consideration for the power is due when the actual power is delivered to the customer.

Revenue from failed own-use power contracts are recognised on a net basis. These are contracts settled with delivery of physical power where the purpose of entering into them are hedging or optimisation of our revenue

Revenue from construction of wind farms
Revenue from construction of wind farms includes development and construction. The construction agreements cover the construction phase from design to delivery of an operational asset. The agreement consists of two performance obligations:

- Wind farms.
- Offshore transmission assets, if applicable.

The construction agreements cover our partners' shares of the construction of the wind farm and offshore transmission assets, if applicable. If our contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on the expected cost-plus margin.

We recognise revenue over time, using an input method to measure progress towards complete satisfaction of the performance obligation because the customer gains control of the wind farm during the construction process. The input method reflects the ongoing transfer of control.

The consideration for the construction of an offshore wind farm consists of a fixed fee and a relatively minor variable fee, depending on when the wind farm can be put into operation. The consideration for an offshore transmission asset is a fixed fee.

After signing the construction agreement, we carry out an assessment determining when the wind farm is expected to be completed. We calculate the size of the variable payment on this basis. We only recognise the variable fee when it is highly probable that a subsequent reversal will not take place.

Our partner pays the fixed consideration based on a payment schedule. The payment schedule is determined and based on the expected progress of the construction and transfer of control to the customer.

Generation and sale of heat and steam
Heat is sold under long-term heat contracts and recognised when the heat is delivered to our customer.

The individual heat customer has made a prepayment to finance the majority of our CAPEX associated with the biomass conversion of the CHP plant. The prepayment is recognised as a contract liability, and it is also recognised as revenue in step with the transfer of heat to the customer.

Payment for the sale of heat consists of fixed costs associated with operations and maintenance of a CHP plant, fuel costs for the generation of heat, and a financial return. The consideration is due when delivered.

Sale of gas
Sale of gas is our gas sourced from other producers, and it is recognised when the gas is transferred to our buyer. The transfer of control occurs either when the gas is injected into the distribution system or delivered to the customer.

Sales contracts for a fixed amount of gas at a variable price, or where we are exclusive suppliers to the customer at a variable price, are considered one performance obligation with multiple deliveries to be satisfied over time. For such contracts, we recognise revenue in the amount up to which we have a right to invoice.

The consideration for the gas is due when the gas is injected into the distribution system or delivered to the customer.

Distribution and transmission
Fees for distribution and transmission of oil and gas is recognised when the product is delivered to the buyer, or when the capacity is made available.

Revenue is calculated as the amount to which we are entitled when the service is delivered to the customer, and consideration is payable when invoiced.

O&M and other services
Revenue from providing services is recognised over time as our customers simultaneously receive and consume the benefits provided.

For fixed-price contracts, revenue is recognised based on the actual service rendered at the end of the reporting period as a proportion of the total services to be rendered. This is determined based on the actual labour hours spent relative to the total labour hours expected.

Fixed-price contracts are invoiced on a monthly basis, and consideration is payable when invoiced. Variable fee services are due after the services are rendered.

Cost of sales

Note 2.3

Cost of sales DKKm	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	2024	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	2023
Power including certificates	15,901	5	463	3	16,372	23,500	-	686	(134)	24,052
Costs of constructing wind farms and transmission assets	6,971	35	-	-	7,006	6,527	53	-	-	6,580
Biomass	-	-	4,386	-	4,386	-	-	3,753	-	3,753
Coal	-	-	585	-	585	-	-	2,017	(7)	2,010
Gas	-	-	4,361	(5)	4,356	-	-	5,640	(1)	5,639
Distribution and transmission costs	1,501	33	795	(2)	2,327	1,527	37	1,408	(59)	2,913
Other cost of sales	255	24	726	(74)	931	219	39	1,520	(101)	1,677
Total	**24,628**	**97**	**11,316**	**(78)**	**35,963**	**31,773**	**129**	**15,024**	**(302)**	**46,624**

Cost of sales decreased by 23 % to DKK 35,963 million in 2024. The decrease was primarily due to the lower power and gas prices across all markets.

'Costs of construction of wind farms and transmission assets' was DKK 7,006 million, mainly related to the construction of Borkum Riffgrund 3 and Gode Wind 3 for partners.

In 2023, 'Costs of construction of wind farms and transmission assets' was DKK 6,580 million, mainly related to the construction of Borkum Riffgrund 3 for partners and the divestment of the remaining 50% of the Hornsea 2 offshore transmission asset to an Ofgem-appointed buyer.

§ Accounting policies

Ørsted constructs offshore transmission assets in the UK, which are required to be divested to third parties due to EU unbundling regulations. The construction costs are presented as inventories and transferred to cost of sales when the asset is divested to either a farm-down partner or to the buyer appointed by Ofgem.

Government grants

Note 2.4

Government grants DKKm	2024	2023
Government grants recognised in profit (loss) for the year under revenue	12,201	10,178
Government grants recognised in profit (loss) for the year under other operating income	23	26
Government grants recognised in the balance sheet	(23)	(26)
Government grants recognised for the year	**12,201**	**10,178**

Energinet, the transmission system operator in Denmark, administers subsidies for environmentally sustainable power generation, including biomass and offshore wind farms. We treat the subsidies as a government grant, as it is paid by the Danish state.

In the UK, we receive subsidies under two schemes: contracts for difference (CfD) and the Renewable Obligation scheme (renewable obligation certificate (ROC) regime). We treat the payments from the schemes as government grants.

Feed-in tariffs from our Irish, Dutch, and German wind farms are also recognised as government grants.

For subsidies in the US, see note 3.8 'Tax equity liabilities'.

Income from government grants increased in 2024 compared to 2023 due to lower power prices, leading to a higher subsidy per MWh produced.

§ Accounting policies

Government grants comprise grants for environmentally sustainable power generation, grants for the funding of development projects, investment grants, etc.

Government grants are recognised when there is reasonable assurance that the grants will be received.

As grants for power generation are intended as a compensation for the price of power, we systematically recognise the grants under revenue in line with the power generation and thus the related revenue.

When we enter into contracts for differences (CfD) with governments, we assess the appropriate classification at inception as either a government grant or a derivative (within the scope of IFRS 9). In the assessment, we consider e.g. other price levels, duration, flexibility in the start date, and credit terms, etc. In this assessment, we put significant emphasis on the price levels being sufficiently attractive, making it unlikely that the contract would result in us becoming a net payer under the contract.

If the contract is deemed to be on market terms, we classify the contract as a financial instrument.

If the contracts are more attractive than the market terms, we classify the contracts as a government grant.

To the extent the CfD contains embedded derivatives, we apply the same assessment to these as described above for the host contract.

The settlement payment for the CfD is recognised as a government grant, which is presented as revenue.

⌕ Key accounting judgement

Classification of contract for difference (CfD) agreements

When we enter into contract for difference (CfD) agreements with governments whose purpose it is to support the build-out of renewable energy, we assess the appropriate accounting standards to be applied. To determine the appropriate classification of the CfD as either a government grant or derivative, we consider all the relevant facts and circumstances, including price levels, duration, flexibility in the start date, production requirements, credit terms, etc.

If the host contract is considered a government grant arrangement, we apply the same judgement to each individual derivative embedded in the CfD. If the embedded derivatives, which would otherwise require separation, are assessed to provide an additional upside, they are considered part of the government grant host contract.

Research and development expenditures

Note 2.5

Expensed research and development expenditures 2024 DKKm	Offshore[1]	Onshore	Bioenergy & Other	Total
Research	130	-	-	130
Development	995	430	-	1,425
Total	**1,125**	**430**	**-**	**1,555**

Expensed research and development expenditures 2023 DKKm				
Research	239	-	-	239
Development	1,606	460	1	2,067
Total	**1,845**	**460**	**1**	**2,306**

[1] In 2024, development expenditures in Offshore include P2X development costs of DKK 103 million (2023: DKK 338 million).

§ Accounting policies

Research costs are costs incurred to find new or improve existing technologies (e.g. improving offshore foundations, optimising the blade stability and performance of wind farms, and developing new ways of converting renewable electrons to renewable molecules and synthetic fuels).

Research costs are recognised in the income statement as incurred.

Development costs primarly comprise salaries (presented in note 2.7 'Employee costs') as well as internal and external costs, which can be directly or indirectly attributed to design and development of offshore and onshore wind farms, solar farms, and energy storage facilities.

Development costs are expensed until the capitalisation criteria are met. Development costs incurred after that are capitalised as 'Property, plant, and equipment under construction' (see line 'Additions' in note 3.1 'Intangible assets, and property, plant and equipment').

Other operating income and expenses

Note 2.6

Other operating income DKKm	2024	2023
Gain on divestment of assets	605	5,895
US tax credits and tax attributes	3,547	2,577
Compensations	847	916
Miscellaneous operating income	299	941
Total	**5,298**	**10,329**

Other operating expenses DKKm	2024	2023
Cancellation fees	(7,335)	9,621
Ineffective hedges, etc.	(137)	512
Loss on divestment of assets	256	150
Miscellaneous operating expenses	329	125
Total	**(6,887)**	**10,408**

Other operating income

In 2024, 'Other operating income' was DKK 5,298 million, which was DKK 5,031 million lower than in 2023.

In 2024, 'Gain on divestment of assets' primarily related to effects from minor adjustments from farm-downs completed in prior years. In 2023, 'Gain on divestments of assets' related to the divestment of London Array and the 50% farm-down of Gode Wind 3.

The increase in 'US tax credits and tax attributes' was mainly driven by the continuous commissioning of new onshore assets having full impact.

'Compensations' was primarily compensations regarding outages and curtailments from TenneT, the German grid operator, and compensations from US operating asset performance guarantees.

'Miscellaneous operating income' primarily related to adjustment of provisions toward partners.

Other operating expenses

In 2024, 'Cancellation fees' was an income of DKK 7,335 million and primarily related to adjustments to the provision for onerous contracts for Ocean Wind as well as the decision to cease execution of FlagshipONE. For Ocean Wind, we have finalised the negotiation of several contracts with a better outcome than expected, leading to a net-positive impact. This was partly offset by costs related to fulfilling and cancelling contracts for FlagshipONE.

In 2023, 'Cancellation fees' related to the decision to cease the development of Ocean Wind.

See note 3.9 'Provisions and contingent liabilities' for more information about the cancellation fees and provisions made in relation to this.

§ Accounting policies

Gains from farm-downs of ownership interests in wind farms are recognised on the divestment date as other operating income.

Gains from future construction of the partner's share of the wind farm are recognised over time in the income statement in step with construction.

Divestment of ownership interests in our offshore wind farms
When we divest an ownership interest in an offshore wind farm to a partner, we typically also enter into agreements on the construction and future operation of the offshore wind farm.

Contracts in connection with a divestment are typically agreements on:

- the sale of shares (divestment of assets), referred to as a share purchase agreement (SPA)
- the future construction of the offshore wind farm (construction agreements or construction management agreements, if not in operation)
- the future operation of the offshore wind farm (O&M agreements).

The partnerships are typically established as joint operations with shared control. If an investor obtains a non-controlling interest in our joint operator controlled by Ørsted, this is classified as a transaction with a non-controlling interest. If such a transaction comprises both an equity investment and other arrangements, such as power purchase agreements, proceeds are allocated between these elements on a relative fair value basis.

⌕ Key accounting estimate

Variable selling prices related to divestments of offshore wind farms and offshore transmission assets
When we divest an ownership interest in an offshore wind farm and an offshore transmission asset to a partner, we consider all terms and activities in the contracts in order to determine the transaction price.

If the consideration includes a variable amount, we estimate the consideration to which we are entitled in exchange for transferring the asset, the wind farm, and the transmission asset to our partner.

The variable considerations are estimated at contract inception based on future outcome of events, e.g.:

- the divestment price of the offshore transmission asset through a competitive tender process
- the winning bid of the tender revenue stream through a competitive tender process for offshore transmission assets
- the impact on production from future wind farms.

We consider 'the most likely amount' to provide the most appropriate estimate of the expected variable consideration.

⌕ Key accounting judgement

Consolidation method for partnerships
On establishment of partnerships and in connection with any restructuring of existing partnerships, we carry out individual assessments to determine whether we control the investee. Significant judgements are applied to determine who controls the economically and operationally significant decisions in the partnership, and whether arrangements with partnerships are considered a non-controlling interest or a financial liability. Relevant items to consider typically involve decisions related to budget approval, sale of power as well as decommissioning and repowering.

For joint arrangements, we subsequently assess whether they are joint ventures or joint operations.

In assessing joint operations, we consider:
- the corporate form of the operation
- whether we are only entitled to the net profit (loss) or to income and expenses resulting from the operation.

In addition, the fact that the parties buy or are assigned all output, for example the power generated, will lead to the structure being considered a joint operation if we have joint control.

The assessment of the consolidation method determines the recognition of gain or loss on divestments as either operating income in the income statement or as transactions with a non-controlling interest in equity.

Employee costs

Note 2.7

Employee costs DKKm	2024	2023
Wages, salaries, and remuneration	6,707	6,550
Pensions	563	536
Other social security costs	286	268
Share-based payment	43	32
Other employee costs	174	185
Employee costs before transfer to assets	**7,773**	**7,571**
Transfer to assets	(1,241)	(1,197)
Total employee costs	**6,532**	**6,374**

Salaries and remuneration for the Group Executive Team and the Board of Directors	Executive Board[1]		Other members of the Group Executive Team[2]		Board of Directors		Total	
DKK 000	2024	2023	2024	2023	2024	2023	2024	2023
Fixed salary	37,969	27,849	12,136	36,278	6,430	6,907	56,535	71,034
Short-term cash-based incentive scheme	4,676	3,711	1,729	5,046	-	-	6,405	8,757
Share-based payment	2,787	6,270[3]	1,110	4,622	-	-	3,897	10,892
Pension, social security, and benefits	704	858	2,890	7,650	-	-	3,594	8,508
Salary in notice period	-	8,443	-	12,850	-	-	-	21,293
Severance payment	-	6,210	-	14,309	-	-	-	20,519
Total	**46,136**	**53,341**	**17,865**	**80,755**	**6,430**	**6,907**	**70,431**	**141,003**

[1] In 2024, the Executive Board consisted of Mads Nipper, Rasmus Errboe, Trond Westlie (joined on 1 April 2024), and Henriette Fenger Ellekrog.

[2] Ørsted updated its executive management structure effective 1 April 2024. The Group Executive Team was reduced to five members (the Executive Board members and Patrick Harnett). Salaries and remuneration for 'Other members of the Group Executive Team' in 2024 include compensation of Patrick Harnett for the period April - December 2024 and compensation for the first quarter of 2024 for Olivia Breese, Andrew Brown, Anders Zoëga Hansen, David Hardy, Per Mejnert Kristensen, Ingrid Reumert, and Varun Sivaram.

[3] Mads Nipper's 2023 remuneration includes a DKK 4.5 million expense due to the cancellation of two LTI grants. These grants were canceled because the increase in his shareholding was not sufficient to satisfy the requirements of the share programme.

The decrease in total remuneration is due to the change in composition of the Group Executive Board.

Pension plans and number of employees

Pension plans are defined-contribution plans that do not commit Ørsted beyond the amounts contributed.

In 2024, our average number of employees (FTE) was 8,496 (2023: 8,666).

Remuneration of the Group Executive Team

The remuneration of the Group Executive Team is based on a fixed salary, personal benefits, such as a company car, free telephone, etc., a variable salary, and share-based payment. Non-executive members of the Group Executive Team also receive a pension.

The members of the Board of Directors are only paid a fixed remuneration for their work in Ørsted. In addition, Ørsted reimburses any travel expenses.

For more details on the remuneration of the Executive Board and Board of Directors, please refer to the remuneration report: orsted.com/remuneration2024.

Share-based payment

Note 2.8

Market value of PSUs and key assumptions for valuation in executive share programme	Time of granting 2024	Time of granting 2023	Time of granting 2022
Market value of 1 PSU	487	729	909
Key assumptions			
Share price	384	583	835
Average volatility rate, peers	25.9 %	30.6 %	30.2 %
Volatility rate, Ørsted	38.4 %	36.2 %	34.8 %
Risk-free interest rate	2.3 %	2.5 %	0.9 %
Expected term at time of granting	3 years	3 years	3 years

Required number of locked-up shares relative to fixed salary	
CEO	75 % of fixed salary
CFO, COO, CCO, Chief HR Officer	50 % of fixed salary
Other participants	0 % - 25 % of fixed salary

The figure shows the shareholding requirement in percentage of the participants' fixed salary. A build-up period of up to five years is allowed.

Executive share programme

The Group Executive Team and a number of other senior executives participate in the share programme (approx. 160). As a condition for the granting of performance share units (PSUs), the participant must own a number of shares in Ørsted corresponding to a portion of the individual participant's annual fixed salary. The portion depends on the employee category, and it makes up 75 % of our CEO's fixed salary. See the table above for more information. The participants in the programme must invest in Ørsted shares prior to the first granting. A build-up period for the shareholding requirement of up to five years is allowed. If the participants fulfil the shareholding requirement at the time of granting, they will be granted a number of PSUs each year, representing a value of 15-20 % (15-40 % in the US) of the annual fixed salary on the date of granting.

The granted PSUs have a vesting period of approximately three years. Then, each PSU entitles the holder, without payment, to receive a number of shares corresponding to 0-200 % of the number of PSUs granted. The vesting is conditional upon continued employment. Assuming no share price development since the grant, the value would correspond to 0-30 % or 0-40 % (0-80 % in the US) of the fixed salary on the date of grant. The final number of shares for each participant will be determined on the basis of the total shareholder return delivered by Ørsted, benchmarked against ten comparable European energy companies. The highest rate (200 %) will be triggered if Ørsted's results, measured as the total return to shareholders, outperform those of the comparable companies. For each lower ranking, the number of shares granted will fall by 20 percentage points. If, for example, Ørsted ranks third, the participants will be entitled to 160 % of the target.

If Ørsted ranks 11 in the comparison, no shares will be granted to the participants. The right to shares is conditional upon continued employment.

Retention share programme

The target group for the share-based retention agreements will typically be employees responsible for vital, long-term projects. The use of these share-based retention agreements will be limited to 25 concurrent agreements with an individual time frame of up to five years. Executive Board members are not eligible for these retention agreements.

The number of retention share units (RSUs) to be granted will be determined on the basis of the price of Ørsted's shares at the time of the grant and will be limited to an amount corresponding to a maximum of six months' base pay for the employee in question. At vesting, each RSU will entitle the employee to one Ørsted share free of charge. However, the total value of the shares to be received at vesting will be capped at a maximum of twelve months' base pay for the employee in question.

§ Accounting policies

The share programme is classified as an equity-based programme as the programme is settled in shares. The market value of the PSUs and the estimated number of PSUs granted are measured at the time of granting and recognised:

- in the income statement under employee costs over the vesting period
- as an offset in the balance sheet under equity over the vesting period.

The valuation of the PSUs and the estimate of the number of PSUs expected to be granted are carried out as a probability simulation based on Ørsted's expected total shareholder return relative to ten comparable European energy companies. The expectations are factored into the market value and are not adjusted subsequently. The participants are compensated for any dividend payments by receiving additional PSUs.

Share-based payment

Note 2.8 – continued

Maximum number of outstanding shares at 31 December '000 Time of granting	Executive Board[2]	Other members of the Group Executive Team[2]	Senior executives	Other employees	2024	2023	2024 in % of share capital	Market value of shares at granting DKKm	Years until expiry as of 2024
1 April 2021	-	-	-	-	-	47	-	-	-
1 April 2022	4	1	74	-	79	89	0.02 %	72	0.3
1 April 2023	7	1	113	-	121	136	0.03 %	88	1.3
1 April 2024	21	-	220	-	241	-	0.06 %	117	2.3
Share retention programme	-	-	15	-	15	8	0.00 %	7	
Maximum number of outstanding shares at 31 December	**32**	**2**	**422**	**-**	**456**	**280**	**0.11 %**	**284**	

Development in maximum number of outstanding shares '000						
Maximum number of outstanding shares at 1 January	14	25	234	7	280	233
Compensation for dividends paid (2020, 2021, and 2022 programmes)	-	-	-	-	-	5
Transfer between categories	-	(22)	22	-	-	-
Vested (2021 and 2020 programmes)[1]	(2)	-	(43)	-	(45)	(65)
Granted (2024 and 2023 programmes)	20	-	265	-	285	167
Cancelled (2021, 2022, 2023, and 2024 programmes)	-	-	(71)	-	(71)	(53)
Share retention programme	-	(1)	15	(7)	7	(7)
Maximum number of outstanding shares at 31 December	**32**	**2**	**422**	**-**	**456**	**280**

DKKm						
Market value of share programme at the time of granting	19	2	263	-	284	125
Maximum market value of share programme at 31 December	10	1	137	-	148	105

[1] At vesting in 2023 and 2024, Ørsted did not outperform any of the ten competitors, and, as a result, the participants did not receive any shares.

[2] Members as of 31 December 2024 are included in this category.

The maximum market value of the share programme at 31 December is based on the assumption that the participants receive the maximum number of shares (i.e. 200 % of the granted PSUs). This requires Ørsted to deliver the highest shareholder return, benchmarked against ten comparable companies.

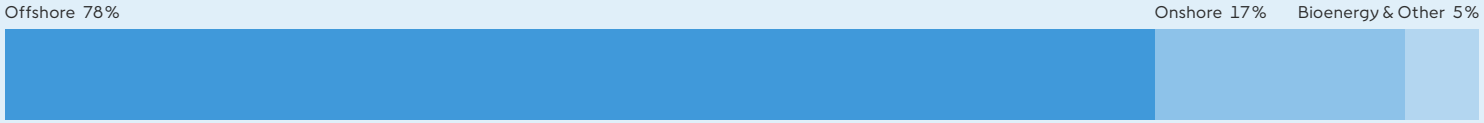
Capital employed
Note 3

Our capital employed primarily relates to production assets, including assets under construction.

We monitor investment projects closely, as a large part of our value is created in the development and construction phases.

Capital employed by segment[1]
% 2024

Gross investments by segment[2]
% 2024



Capital employed DKKm	**2024**	**2023**
Intangible assets, and property, plant, and equipment	204,305	183,195
Equity investments and non-current receivables	1,395	1,172
Net working capital, capital expenditures	(7,454)	(4,542)
Net working capital, work in progress[3]	5,798	1,705
Net working capital, tax equity	(18,714)	(15,811)
Net working capital, other items	(691)	7,794
Derivatives, net	(10,314)	(10,383)
Decommissioning obligations	(13,844)	(12,977)
Other provisions	(6,691)	(19,886)
Tax, net	3,210	(1,047)
Other receivables and other payables, net	(5,489)	(4,050)
Total capital employed	**151,511**	**125,170**

Gross and net investments DKKm	**2024**	**2023**
Cash flows from investing activities	(21,759)	(34,732)
Dividends received and capital reductions reversed	(27)	(19)
Purchase and sale of securities, reversed	(15,730)	4,350
Loans to associates and joint ventures, reversed	121	78
Sale of non-current assets, reversed	(5,413)	(8,186)
Gross investments	**(42,808)**	**(38,509)**
Transactions with non-controlling interests in connection with divestments and acquisitions	10,267	(6,644)
Sale of non-current assets	5,413	8,186
Divestments	**15,680**	**1,542**
Net investments	**(27,128)**	**(36,967)**

[1] Capital employed by segment is based on capital employed for reportable segments of DKK 148,721 million.

[2] Gross investments by segment is based on gross investments for reportable segments of DKK 42,664 million.

[3] 'Net working capital, work in progress' consists of inventories related to transmission assets, construction agreements, and construction management agreements in connection with the construction of transmission assets and offshore wind farms for partners as well as related trade payables.

Intangible assets, and property, plant, and equipment

Note 3.1

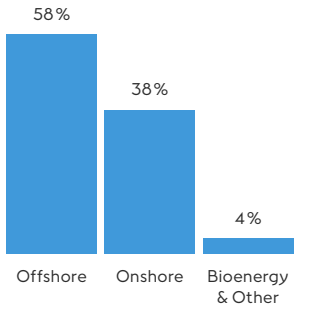
Intangible assets, and property, plant, and equipment DKKm	Intangible assets	Land and buildings	Production assets	Fixtures and fittings, tools, and equipment	Property, plant, and equipment under construction	Property, plant, and equipment
Cost at 1 January 2024	5,177	11,153	189,104	4,040	69,197	273,494
Exchange rate adjustments	17	483	6,944	21	3,425	10,873
Additions	355	555	8,504	562	37,364	46,985
Disposals	(1,139)	(289)	(2,857)	(29)	(4,205)	(7,380)
Adjustment of decommissioning obligations	-	-	(206)	-	439	233
Reclassified assets	-	188	17,143	60	(17,391)	-
Cost at 31 December 2024	**4,410**	**12,090**	**218,632**	**4,654**	**88,829**	**324,205**
Depreciation and amortisation at 1 January 2024	(1,048)	(3,346)	(65,639)	(1,994)	-	(70,979)
Exchange rate adjustments	(1)	(105)	(1,752)	11	(1)	(1,847)
Depreciation and amortisation	(131)	(625)	(8,921)	(548)	-	(10,094)
Disposals	88	24	396	3	55	478
Depreciation and amortisation at 31 December 2024	**(1,092)**	**(4,052)**	**(75,916)**	**(2,528)**	**54**	**(82,442)**
Impairment losses at 1 January 2024	(703)	(30)	(1,822)	(4)	(20,890)	(22,746)
Exchange rate adjustments	(4)	(1)	(149)	-	(1,610)	(1,760)
Impairment losses and reversals	-	(30)	(1,713)	-	(13,820)	(15,563)
Reclassified assets	-	-	(555)	-	555	-
Impairment losses at 31 December 2024	**(707)**	**(61)**	**(4,239)**	**(4)**	**(35,765)**	**(40,069)**
Carrying amount at 31 December 2024	**2,611**	**7,977**	**138,477**	**2,122**	**53,118**	**201,694**

Intangible assets

Intangible assets consist of goodwill of DKK 1,713 million (2023: DKK 1,847 million), carbon emission allowances of DKK 306 million (2023: DKK 871 million), other rights of DKK 463 million (2023: DKK 626 million), completed development projects of DKK 41 million (2023: DKK 61 million), and development projects in progress of DKK 88 million (2023: DKK 21 million). Recognised goodwill primarily relates to Onshore Europe.

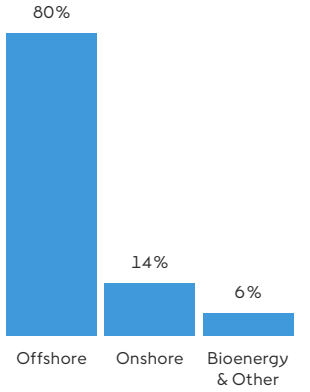
Production assets by segment
% 2024

DKK 138,477 million



Property, plant, and equipment under construction by segment
% 2024

DKK 53,118 million



Intangible assets, and property, plant, and equipment

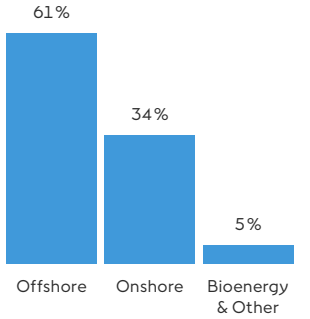
Note 3.1 – continued

Intangible assets, and property, plant, and equipment DKKm	Intangible assets	Land and buildings	Production assets	Fixtures and fittings, tools, and equipment	Property, plant, and equipment under construction	Property, plant, and equipment
Cost at 1 January 2023	5,707	10,747	179,094	3,076	52,088	245,005
Exchange rate adjustments	9	(47)	159	(23)	(1,551)	(1,462)
Additions	19	551	349	889	36,164	37,953
Disposals	(580)	(114)	(5,125)	-	(1,477)	(6,716)
Adjustment of decommissioning obligations	-	-	(1,803)	-	539	(1,264)
Reclassified assets	22	16	16,430	98	(16,566)	(22)
Cost at 31 December 2023	**5,177**	**11,153**	**189,104**	**4,040**	**69,197**	**273,494**
Depreciation and amortisation at 1 January 2023	(973)	(2,767)	(59,102)	(1,533)	-	(63,402)
Exchange rate adjustments	-	(6)	(586)	(2)	-	(594)
Depreciation and amortisation	(59)	(614)	(8,661)	(459)	-	(9,734)
Disposals	(16)	41	2,710	-	-	2,751
Depreciation and amortisation at 31 December 2023	**(1,048)**	**(3,346)**	**(65,639)**	**(1,994)**	**-**	**(70,979)**
Impairment losses at 1 January 2023	(705)	-	(781)	-	(3,157)	(3,938)
Exchange rate adjustments	2	-	17	-	438	455
Impairment losses and reversals	-	(30)	(1,058)	(4)	(18,190)	(19,282)[1]
Disposals	-	-	-	-	19	19
Impairment losses at 31 December 2023	**(703)**	**(30)**	**(1,822)**	**(4)**	**(20,890)**	**(22,746)**
Carrying amount at 31 December 2023	**3,426**	**7,777**	**121,643**	**2,042**	**48,307**	**179,769**

[1] We recognised total impairment losses of DKK 26,775 million for the year. Of that amount, DKK 19,282 million are recognised under 'Property, plant, and equipment' and DKK 7,493 million under 'Provisions' as 'Onerous contracts'. See notes 3.2 'Impairments' and 3.9 'Provisions and contingent liabilities' for more information.

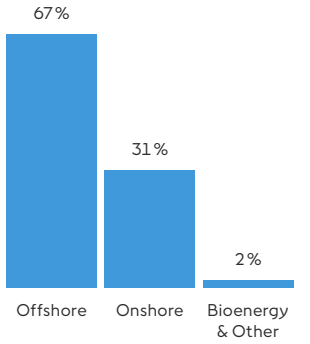
Production assets by segment
% 2023

DKK 121,643 million



Property, plant, and equipment under construction by segment
% 2023

DKK 48,307 million



Intangible assets, and property, plant, and equipment

Note 3.1 – continued

Lease assets DKKm	Land and buildings	Production assets	Fixtures and fittings, tools, and equipment	Property, plant, and equipment
Carrying amount at 1 January 2024	5,881	27	1,567	7,475
Exchange rate adjustments	496	1	18	515
Additions	584	-	514	1,098
Disposals	(217)	-	(24)	(241)
Impairment	(30)	-	-	(30)
Depreciation	(540)	(3)	(453)	(996)
Carrying amount at 31 December 2024	**6,174**	**25**	**1,622**	**7,821**

Lease assets DKKm				
Carrying amount at 1 January 2023	6,409	43	1,157	7,609
Exchange rate adjustments	(45)	1	(32)	(76)
Additions	137	4	814	955
Disposals	(67)	-	-	(67)
Impairment	(30)	-	-	(30)
Depreciation	(523)	(21)	(372)	(916)
Carrying amount at 31 December 2023	**5,881**	**27**	**1,567**	**7,475**

Contractual obligations by segment DKKm	0-1 year	1-5 years	5-10 years	2024	2023
Offshore	46,774	43,804	6	90,584	86,015
Onshore	9,588	2,056	2	11,646	10,937
Bioenergy & Other	1,558	137	-	1,695	2,274
Total	**57,920**	**45,997**	**8**	**103,925**	**99,226**

Overview of contracts entered into where delivery had not taken place at 31 December 2024.
The obligations are measured at nominal value.

Leases

We mainly lease office buildings, service and installation vessels, seabeds related to offshore wind farms, and plots of land related to onshore wind farms, solar farms, and battery storage facilities.

Seabed leases include variable lease payments, which depend on the number of megawatt hours generated. However, we have typically agreed on minimum lease payments for the seabeds, and these minimum payments are included in the lease liabilities.

Expenses for the year relating to variable lease payments not included in lease liabilities were DKK 1,132 million in 2024 (2023: DKK 992 million). Interests on lease debt expensed in profit (loss) were DKK 301 million in 2024 (2023: DKK 308 million).

Total cash outflow for leases were DKK 2,171 million in 2024 (2023: DKK 2,012 million).

During 2024, we have entered into lease contracts for vessels which we will not take delivery of until 2027. Consequently, those have not yet commenced as per 31 December 2024 and therefore not been included in the balance sheet.

For a maturity analysis of lease liabilities, we refer to note 5.5 'Maturity analysis of financial liabilities'.

Contractual obligations

Our contractual obligations for property, plant, and equipment at 31 December 2024 mainly related to wind turbines, foundations, and cables, etc., for the construction of offshore wind farms (primarily Borkum Riffgrund 3, Greater Changhua 2b and 4, Hornsea 3, Revolution Wind, and Sunrise Wind).

The obligations in Onshore mainly related to purchases of wind turbines and solar PV modules.

Useful lives	
Battery storage	15-30 years
Buildings	20-50 years
Fixtures and fittings, tools, and equipment	3-10 years
Gas transportation systems (marine pipelines)	20-40 years
Offshore wind farms	20-35 years
Onshore wind farms	24-30 years
Production assets, power (thermal), and district heating	20-25 years
Solar farms	25-35 years
Goodwill	Indefinite

Intangible assets, and property, plant, and equipment

Note 3.1 – continued

§ Accounting policies

Intangible assets
Rights are measured at cost less accumulated amortisation and impairment losses. Rights are amortised on a straight-line basis over their estimated future useful lives, which are 5-20 years.

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company. The carrying amount of goodwill is allocated to the Group's cash-generating units, which are the operating segments at the acquisition date. Goodwill is not tax deductable.

Annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives.

Property, plant, and equipment
Property, plant, and equipment which is not a lease is measured at cost less accumulated depreciation and impairment losses. Cost of property, plant, and equipment is depreciated by using the straight-line method, the diminishing-balance method, or the reducing-fraction method. The diminishing-balance method and the reducing-fraction method result in decreasing depreciation over the useful life. These methods are used for some of our offshore wind farms.

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Costs comprise purchase price and any costs directly attributable to the acquisition until the date the asset is available for use.

The costs of self-constructed assets comprise direct and indirect costs of materials, components, sub-suppliers, and labour. Borrowing costs relating to both specific and general borrowing directly attributable to assets under construction with a lengthy construction period are recognised in costs during the construction period. Costs are increased by the present value of the estimated obligations for demolition and decommissioning of assets to the extent that the obligations are recognised as provisions.

Subsequent costs, for example in connection with replacement of parts of an item of property, plant, and equipment, are recognised in the carrying amount of the asset in question when it is probable that future economic benefits will flow to the Group from the expenses incurred. Any residual value of the replaced parts is recognised in the income statement as loss on disposal of non-current assets. Other repair and maintenance expenses are recognised in profit (loss) for the year as incurred.

Leases
Our lease assets are classified alongside our owned assets of similar type under property, plant, and equipment. Initially, we measure a lease asset at cost, being the initial amount of the lease liability. We depreciate our lease assets over the lease term. The depreciation method used is the straight-line method for all our lease assets, except for seabed leases where the depreciation method is aligned with the depreciation method for the related offshore wind farm. Therefore, seabed lease assets are depreciated using either the straight-line method or the reducing-fraction method.

Our lease liabilities are initially measured at the net present value of the in-substance fixed lease payments for the use of a lease asset. If, at inception of the lease, we are reasonably certain that we will exercise an option to extend a lease, we will include the lease payments in the option period when calculating the lease liability. We measure the lease asset to the value of the lease liability at initial recognition.

Contracts may contain both lease and non-lease components. We allocate the consideration in a contract to the lease and non-lease components based on their relative stand-alone prices. We account for non-lease components in accordance with the accounting policy applicable for such items. Non-lease components comprise building services and operating costs of leased vessels, etc.

Variable lease expenses are recognised in other external expenses in the period when the condition triggering those payments occurs. Interests of lease liabilities are recognised in financial expenses.

Each lease payment is separated into repayment of the lease liability and payment of interests of the lease liability. Debt repayments are classified as cash flows from financing activities, and payment of interests are classified as cash flows from operating activities.

Impairments

Note 3.2

Impairment losses on segment level

DKKm	2024	2023
Offshore	14,242	25,526
Onshore	1,321	927
Bioenergy & Other	-	322
Total impairment losses	**15,563**	**26,775**

WACC levels

%	2024	2023
Base discount rate applied for the US	6.00 – 7.75%	5.50 – 7.00%

The base discount rate after tax applied for the value-in-use calculation is determined per CGU.

We have updated our impairment calculations as of 31 December 2024. When estimating the future cash flows for the value-in-use calculations of our cash-generating units (CGUs), management has assessed relevant assumptions and estimates and taken other related risks and inherent uncertainties into consideration.

Following this, we have recognised net impairment losses of DKK 15.6 billion in 2024. The main contributors to the net impairment loss were construction delay and higher expected costs due to a higher risk assessment for Sunrise Wind and Revolution Wind, a lower valuation of our seabed leases, an increase in the US long-dated interest rate across our US portfolio, and our decision to cease execution of FlagshipONE. This was partly offset by a reversal on our Sunrise Wind project due to its award of a higher OREC level by the State of New York. In 2023, we recognised impairment losses of DKK 26.8 billion, of which DKK 20 billion related to the termination of Ocean Wind 1.

Impairment test

When performing impairment calculations, we have reassessed assumptions and estimates in relation to relevant risks identified for the individual projects. These risks primarily relate to the construction schedule, the supply chain, and the ability to qualify for the additional 10% ITC bonus credits. The risks could create potential further cost increases, schedule delays, delayed revenue, knock-on effects, and other business case implications. Our impairment tests are based on a probability-weighted assessment of the likelihood of these risks. While uncertainties are inherent in the assumptions used, the assumptions reflect mangement's best estimate.

The projects with the most significant impairment impact and high involvement of estimates and uncertainties are described in the following sections, along with more general sections.

Sunrise Wind

In 2024, we have recognised a net impairment loss of DKK 3.8 billion for Sunrise Wind. The impairment loss was primarily driven by the following circumstances:

- A negative effect from construction delays and increased costs and contingencies due to a higher risk assessment (DKK 4.3 billion).
- A negative effect from the increase in the long-dated US interest rate (DKK 1.2 billion).
- A positive effect from the award of a higher offshore wind renewable energy certificate (OREC) level by the State of New York (DKK 1.8 billion).
- A negative effect from updated assumptions for the expected market prices was offset by the impact of acquiring Eversource's 50% share of the project at a price below the recoverable amount of our 50% share of the project at the end of Q2 2024.

CGUs in Offshore

The cash-generating units (CGUs) are made up of individual offshore wind farms or seabeds, each of which generates cash flows for the segment independently of each other.

Significant CGUs
Europe: Baltica 2, Baltica 3, Borkum Riffgrund 1, Borkum Riffgrund 2, Borkum Riffgrund 3, Borssele 1 & 2, Gode Wind 1, Gode Wind 2, Gode Wind 3, Hornsea 1, Hornsea 2, Hornsea 3, Race Bank, Walney, and Walney Extension.
The US: Block Island, Revolution Wind, Skipjack Wind (seabed), South Fork, Sunrise Wind, and Ocean Wind (seabed).
APAC: Greater Changhua 1 and 2a and Greater Changhua 2b and 4.

CGUs in Onshore

The CGUs are made up of individual onshore wind and solar farms, each of which generates cash flows for the segment independently of each other.

Significant CGUs
The US: Amazon, Badger, Eleven Mile, Ford Ridge, Haystack, Helena Energy Center, Lincoln Land Wind, Lockett, Mockingbird, Muscle Shoals, Old 300, Old 300 BESS, Permian Energy Center, Sage Draw Wind, Sparta Solar, Sunflower Wind, Tahoka Wind, Western Trail, and Willow Springs Wind.
Europe: Portfolio of projects (including goodwill).

CGUs in Bioenergy & Other

The Danish CHP plants constitute a single CGU, as overall production planning is for the entire Danish portfolio. In addition, the Danish offshore gas pipeline system is deemed to constitute an independent CGU.

Significant CGUs
Central CHP plants and the offshore gas pipeline system.

Impairments

Note 3.2 – continued

CGUs DKKm	2024 Impairment losses	2024 Recoverable amount	2023 Impairment losses	2023 Recoverable amount	ITC bonus credits assumed in impairment tests: ITC bonus credits	ITC bonus credits assumed in impairment tests: Probability weighting	Sensitivity impact DKK billion: No ITC bonus credits	Sensitivity impact DKK billion: 40% ITC bonus credits, 100% probability	Sensitivity impact DKK billion: +50 bps WACC	Sensitivity impact DKK billion: -50 bps WACC
Ocean Wind 1	-	n.a.	19,875	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ocean Wind seabeds	2,584	n.a.	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a	n.a.
Skipjack Wind seabed	1,502	n.a.	-	n.a.	n.a.	n.a.	n.a	n.a.	n.a.	n.a.
Sunrise Wind	3,787	6,511	2,069	2,006	10%	95%	(4.0)	0.2	(1.4)	1.4
Revolution Wind	4,463	5,579	2,706	3,723	10%	95%	(1.3)	0.1	(0.5)	0.5
South Fork	437	2,871	554	2,993	n.a.	n.a.	n.a.	n.a.	(0.1)	0.1
Block Island	(46)	1,384	322	1,304	n.a.	n.a.	n.a.	n.a.	0.0	0.0
FlagshipONE	1,515	n.a.	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Offshore	**14,242**	**16,345**	**25,526**	**10,026**						
Onshore	**1,321**	**11,501**	**927**	**2,667**	**n.a**	**n.a**	**n.a**	**n.a.**	**(0.7)**	**0.5**
Bioenergy & Other	**-**	**-**	**322**	**n.a.**						
Total	**15,563**	**27,846**	**26,775**	**12,693**						

Estimation uncertainty and sensitivity analyses

Due to the impairments recognised, estimation uncertainty exists on the assets impaired. The assumptions with major uncertainties include investment tax credits, interest rates, and the supply chain.

The sensitivity analyses presented in the table show the related impact on impairment losses when a change in a given assumption increases or decreases the 'value-in-use' for our CGUs. The analyses are performed with all other assumptions unchanged.

We have included sensitivity analyses of impairment effects if WACC levels or assumptions related to ITC bonus credits change. The high probabilities for Revolution Wind and Sunrise Wind qualifying for the additional 10% ITC bonus credits are based on our assessment that the onshore substations are located on brownfield sites as defined by the current 'energy community' guidance.

If WACC had increased by 50 basis points in the impairment test of e.g. Revolution Wind as of 31 December 2024, the impairment loss would have been DKK 0.5 billion higher.

If we had not included the probability-weighted additional 10% ITC bonus credits in the impairment test of e.g. Revolution Wind as of 31 December 2024, the impairment loss would have been DKK 1.3 billion higher.

Revolution Wind

In 2024, we have recognised a net impairment loss of DKK 4.5 billion for Revolution Wind. The impairment loss was primarily driven by the following circumstances:

- A negative effect from the construction delay of the onshore substation, which has pushed the commercial operation date (COD) from 2025 to 2026, including knock-on impacts on costs and progress (DKK 2.1 billion).
- Challenges related to the piling of one of the offshore substation monopiles and a reassessment of the risks related to the offshore scope of the project (DKK 1.7 billion).
- A negative effect from the increase in the long-dated US interest rate (DKK 0.5 billion).

Seabed value of Ocean Wind and Skipjack Wind

When estimating the recoverable amount of the seabeds related to Ocean Wind and Skipjack Wind, we use the approach 'fair value less costs of disposal' (FVLCD) to determine if the carrying amounts exceed the recoverable amounts. Our valuation indications have led to an impairment of DKK 4.1 billion in 2024, which has substantially reduced the carrying amount.

The valuation is based on market-informed valuation indications, which among other things are based on the price development seen in the latest seabed lease auctions. Despite the currently lower valuation, we continue to see a strategic optionality in these seabeds.

Impairments

Note 3.2 – continued

Other US assets

In 2024, updated market price assumptions have resulted in impairment losses of DKK 0.6 billion on South Fork, Block Island, and our US onshore assets, exclusive of the impact from higher interest rates.

Interest rates

The long-dated US interest rate increased from 31 December 2023 to 31 December 2024, leading to higher WACC levels. The effect from increasing interest rates led to an impairment of DKK 2.7 billion across our US portfolio.

Ceasing execution of FlaghipONE

In 2024, we took the decision to cease execution of FlagshipONE and deprioritised our immediate efforts within the liquid e-fuels market. This resulted in an impairment loss of DKK 1.5 billion.

Impairment losses relating to intangible assets

We have not recognised any material impairment losses to goodwill or other intangible assets in 2024.

Goodwill primarily relates to Onshore Europe.

§ Accounting policies

For the purpose of assessing impairment losses, 'Intangible assets', and 'Property, plant, and equipment' are grouped at the level for which there are separately identifiable cash flows (cash-generating units (CGUs)).

CGUs including goodwill are assessed for impairment yearly or whenever events or circumstances indicate that the carrying amount of an asset or CGU may not be recoverable. If any indication of impairment exists, an estimate of the asset's or CGU's recoverable amount is made.

The value of a CGU is impaired if the carrying amount exceeds the recoverable amount, which is the higher of the estimated value-in-use and the fair value less costs of disposal. Value-in-use calculations are based on management's expectations to future cash flows from financial forecasts and business plans and include a number of assumptions and estimates. Fair value less costs of disposal is used for seabeds and is based on multiple analyses and discounted cash flow models, if a business case is available.

Estimating expected cash flows involves a number of assumptions and estimates. In the US, key estimates and assumptions for the forecast periods are CAPEX (including knock-on effects from supplier delays, etc.), inflation, terms of conditions in new power purchase agreements, eligibility for bonus ITCs, and tax equity arrangements or alternative ways of monetising the ITCs and PTCs. All these key estimates and assumptions are determined specifically for each CGU and are based on current legislation and administrative practices effective by the end of the reporting period.

The discount rate applied when calculating value-in-use takes general risks into account and is based on the post-tax nominal weighted average cost of capital (WACC), whereas the estimated future cash flows are adjusted for risks specific to the asset.

Impairment losses are recognised in the income statement and, except in the case of goodwill, reversed if there has been a change in the estimates used to determine the CGU's recoverable amount. Reversal of an impairment loss is recognised as income in the income statement net of depreciation if no impairment loss had been recognised for the CGU.

⌕ Key accounting estimate

Key assumptions in impairment tests

Value-in-use calculations are based on management's expectations about future cash flows from financial budgets and forecasts and include a number of assumptions and estimates.

These assumptions include construction schedules, estimates of future market conditions, CAPEX, market prices of energy and commodities, inflation, discount rates, useful lives of the projects, tax incentives, including the ability to qualify for tax credits from the US Inflation Reduction Act, etc.

The market prices applied are based on available forward prices for a period of up to five years and our best estimate of long-term prices for the remainder of the period.

While there are inherent uncertainties in the assumptions, the assumptions reflect management's best estimate over the lives of the Group's CGUs.

Potential consequences of further adverse development

In addition to the sensitivities described, further adverse developments could lead us to cease development of or reconfigure projects currently under development. Besides impairing the capitalised value of these projects, ceasing to develop projects could lead to compensation to suppliers or other stakeholders for cancelling contracts. Costs related to cancelling contracts will be recognised as 'Other operating expenses' in our income statement (part of EBITDA) when the obligation arises and to the extent these exceed already recognised onerous contracts.

Inventories

Note 3.3

Inventories DKKm	2024	2023
Offshore transmission assets	10,476	3,944
Biomass	581	928
Coal	268	566
Gas	2,915	2,167
Oil	272	339
Renewable certificates	2,775	2,371
Carbon emission allowances	147	213
Other	14	11
Total inventories	**17,448**	**10,539**
Inventories recognised as an expense in 'Cost of sales' during the year	16,152	9,626

Inventories measured at fair value are disclosed in note 6.6 'Fair value measurement'.

'Offshore transmission assets' relate to the Hornsea 3 and Hornsea 4 transmission assets.

'Gas' primarily relates to our gas trade activities.

'Renewable certificates' are primarily renewable obligation certificates (ROCs), which are issued to renewable energy power generators in the UK.

§ Accounting policies

Offshore transmission assets are recognised as inventory until divestment and measured at cost. The costs comprise costs of materials used in construction, site labour costs, costs of renting equipment as well as indirect production costs, such as employee costs.

Gas inventories are carried either at fair value or at cost depending on the nature of the inventory. For gas storage facilities managed on a fair value basis, the gas is recognised at fair value less costs to sell. Changes in the fair value less costs to sell are recognised in 'Cost of sales' in the period of the change.

Purchased carbon emission allowances are measured at market value.

Renewable certificates, which we earn by generating power using renewable energy sources, are recognised in inventories in step with our generation. We measure renewable certificates (earned and bought) at cost using the first-in, first-out (FIFO) principle.

Other inventories are measured at cost, determined on a first-in, first-out basis (e.g. biomass) or by net realisable value, if net realisable value is lower.

Inventories are written down to the lower of net realisable value and cost price. For offshore transmission assets, it is the expected final transfer value announced by Ofgem.

The net realisable value is the sum (discounted) which the inventories are expected to generate through a normal sale.

Contract assets and liabilities

Note 3.4

Revenue from contracts with customers DKKm	2024	2023
Revenue included in contract liabilities at the beginning of the year	(6)	(6)
Revenue from performance obligations satisfied in previous years	(21)	(592)

Contract balances DKKm		
Contract assets		
Current contract assets	324	802
Total contract assets	**324**	**802**
Contract liabilities		
Non-current contract liabilities	8,834	3,297
Current contract liabilities	2,578	2,785
Total contract liabilities	**11,412**	**6,082**

The table shows the amount of our revenue relating to contract liabilities carried forward (as prepayments and deferred revenue) and the amount relating to performance obligations satisfied in a prior year (e.g. re-negotiations or constraints on variable considerations that are not recognised until they are highly probable).

Contract assets and contract liabilities primarily related to:

- the construction of offshore wind farms with partners, with each party typically owning 50% of the offshore wind farm
- prepayments from heat customers.

Our contract assets primarily related to the construction of Greater Changhua 4.

At the end of 2024, current contract liabilities primarily related to the farm-down of Greater Changhua 4.

At the end of 2023, current contract liabilities related to the construction of Borkum Riffgrund 3 and Gode Wind 3.

Non-current contract liabilities related to prepayment of power related to the divestment of an equity ownership share in a portfolio of four UK offshore wind farms and prepayments from heat customers.

§ Accounting policies

We recognise a contract asset when we perform a service or transfer goods in advance of receiving consideration, and the consideration is conditional. When the consideration is unconditional, and the goods or services are delivered, we recognise a receivable. A right to consideration is unconditional if only the passage of time is required before the payment is due.

Contract assets are measured at the transaction price of the goods delivered or services performed less invoicing on account.

We recognise a contract liability when the invoicing on account or expected losses exceed the transaction price of the goods or services transferred to our customer.

Prepayments from power and heat sales are recognised as a contract liability until delivery.

Trade receivables

Note 3.5

Trade receivables DKKm	2024	2023
Trade receivables, not due	7,848	10,480
Trade receivables, 1-30 days overdue	563	291
Trade receivables, more than 30 days overdue	647	358
Trade receivables, write-downs	(13)	(22)
Total trade receivables	**9,045**	**11,107**

We continuously perform credit ratings of our customers. For customers with a general credit risk, a write-down of 0-1 % is carried out on initial recognition.

In 2023, we wrote down a loan given to support US suppliers in the amount of DKK 571 million related to Ocean Wind 1 and 2. Except for this, we have not made any write-downs of receivables in 2024 or 2023.

Reversal of write-downs was DKK 5 million.

§ Accounting policies

We keep our receivables until maturity, and therefore, they are measured at amortised cost.

Write-downs are carried out from initial recognition of our receivables. The write-down is calculated as the difference between the carrying amount of the receivable and the net present value of expected future cash flows from the receivable. The discount rate used is the effective interest rate for the individual receivable or the individual portfolio.

We apply the simplified approach to the write-down of trade receivables, which permits calculating the write-down as the full loss during the entire term of the receivable.

Supply chain finance

Note 3.6

	2024		2023	
Supply chain finance – liabilities paid by supplier finance banks DKKm	**Recognised in balance sheet**	**Of which, paid by supplier finance banks**	**Recognised in balance sheet**	**Of which, paid by supplier finance banks**
Trade payables	3,256	2,985	1,833	1,741

We have entered into supply chain finance agreements with a limited number of suppliers. This provides the supplier with the possibility of requesting the participating banks to pay the invoice before our due date.

We expect that more of our suppliers will make use of supply chain financing in the future.

'Trade payables', for which supplier financing is offered, retain their classification in our balance sheet.

Liabilities that are part of supply chain financing are due 120-180 days after invoice date. Comparable liabilities that are not part of supply chain financing are due up to 90 days after invoice date.

Other receivables and other payables

Note 3.7

Other receivables DKKm	2024	2023
Receivables from the divestment of assets and enterprises	513	1,472
Receivables from the divestment of equity investments to non-controlling interests	747	735
Collateral provided in connection with hedging activities (receivable from banks)	5,533	4,773
Cash, not available for use	317	481
VAT and other indirect tax receivables	1,580	1,640
Prepayments	1,429	1,265
Deposits	215	308
Other	2,820	2,990
Total other receivables	**13,154**	**13,664**
Of which, working capital	6,400	6,739
Of which, other capital employed	817	1,847
Of which, interest-bearing net debt	5,937	5,078

Other payables DKKm		
M&A related liabilities	2,477	2,753
Payables related to the divestment of assets[1]	3,234	2,900
Accrued interest	3,589	3,097
Collateral received in connection with hedging activities (payable to banks)	76	287
Salary-related items, payable	905	844
VAT and other indirect taxes, payable	501	535
Other deferred income	361	104
Other	1,788	1,978
Total other payables	**12,931**	**12,498**
Of which, working capital	3,364	3,306
Of which, other capital employed	6,126	5,854
Of which, interest-bearing net debt	3,441	3,338

[1] Mainly related to the divestment of a portfolio of four onshore projects in 2022.

Tax equity liabilities

Note 3.8

Tax equity liabilities DKKm	2024	2023
Balance at 1 January	17,007	16,393
Contribution received from tax equity partners	5,200	2,942
Disposal related to divestment	(587)	-
Tax attributes and PTCs/ITCs recognised in other operating income	(3,434)	(2,531)
Cash paid to tax equity partners	(230)	(219)
Tax equity partners' contractual return	1,275	965
Exchange rate adjustments	1,247	(543)
Balance at 31 December	**20,478**	**17,007**
Of which, working capital	18,714	15,811
Of which, interest-bearing debt	1,764	1,196

During 2024, we commissioned four solar projects, Mockingbird, Eleven Mile Solar Center, Sparta Solar, and Old 300, and we received a tax equity contribution from our partner for these projects. In November 2024, we divested a 50% ownership share of our solar farm Mockingbird.

§ Accounting policies

Due to the operational and financial nature of the tax equity partnerships, we normally have the power to affect relevant activites and make decisions for the projects as the managing partner in the agreements. Therefore, we normally fully consolidate companies that have tax equity partners.

The tax equity contribution generally has the characteristics of a liability as the initial contribution is repaid, including an agreed return, and the partner does not share in the risks of the project in the same way as a shareholder.

As such, the contribution is accounted for as a liability and measured at amortised cost. The liability is based on the expected method of repayment and is divided into:

- a net working capital element to be repaid through PTCs or ITCs and other tax attributes
- an interest-bearing debt element expected to be repaid through cash distributions.

The partner's agreed return is expensed as a financial expense and is recognised as an increase of the tax equity liability. PTCs, ITCs, and other tax attributes transferred to the tax equity partner are recognised as other operating income. PTCs are recognised in the periods earned, while ITCs and other tax attributes are recognised on a straight-line basis over the estimated contractual length of the partnership.

In addition to the above, we recognise a liability for the expected purchase price for the partner's post-flip rights to cash distributions. This liability is recognised at fair value, and adjustments are expensed as a financial item. This recognition reflects the intention and high likelihood that we will purchase the partner's post-flip rights, and they are part of the financial costs of the arrangement.

⌕ Key accounting judgement

Recognition of tax equity partnerships
On formation of a tax equity partnership, we assess the appropriate recognition of the partner's contribution as well as the method of recognition for the elements used to repay the partner, such as PTCs, ITCs, and tax attributes.

When assessing the recognition of the partner's contribution, we look at:

- the expected flows of PTCs/ITCs, tax attributes, and cash payments to the partner
- the rights and obligations of both us and the tax equity partner.

The deferral of the income related to tax attributes and the recognition of the contribution as working capital or interest-bearing debt are affected by our expectation about the size, method, and timing of repayments.

Government support in the US
In the US, PTCs, ITCs, and other tax attributes are used to incentivise investment in renewable energy assets – similar to subsidies in other countries.

Description of tax equity partnerships

Tax equity partnerships are characterised by a tax equity partner, who contributes an upfront payment as part of the initial project investment and generally does not have an operational role in the project. The partner receives a contractually agreed return on the contribution. In order to 'repay' the initial contribution and the return, a disproportionate share of the production tax credits (PTCs) or the investment tax credits (ITCs) and other tax attributes (accelerated tax depreciation and other taxable results) are allocated to the partner during the first part of the project's lifetime. The partner also receives some cash payment-based percentages specified in the partnership agreements. Once the partner receives the agreed return, the agreement flips, and the partner is typically entitled to a minor part of the cash distributions from the project, unless we repurchase this right from them, which is highly likely.

Provisions and contingent liabilities

Note 3.9

Provisions DKKm	2024 Decom-missioning obligations	Onerous contracts	Other provisions	Total	2023 Decom-missioning obligations	Onerous contracts	Other provisions	Total
Provisions at 1 January	12,977	15,654	4,232	32,863	14,076	280	5,350	19,706
Exchange rate adjustments	382	214	12	608	62	(675)	11	(602)
Used during the year	(34)	(8,074)	(1,036)	(9,144)	(30)	(4,206)	(824)	(5,060)
Provisions reversed during the year	(88)	(7,663)	(260)	(8,011)	-	-	(1,447)	(1,447)
Provisions made during the year	504	2,531	1,070	4,105	526	20,246	1,150	21,922
Disposals	(86)	-	-	(86)	(349)	-	(12)	(361)
Divestment of enterprises	(7)	-	(1)	(8)	-	-	-	-
Change in estimates	(125)	-	-	(125)	(1,790)	-	-	(1,790)
Interest element of provisions	321	12	-	333	482	9	4	495
Total provisions at 31 December	**13,844**	**2,674**	**4,017**	**20,535**	**12,977**	**15,654**	**4,232**	**32,863**
Falling due as follows								
In 0-1 year	344	2,031	425	2,800	250	15,007	698	15,955
In 1-5 years	634	266	3,282	4,182	1,499	536	3,350	5,385
After 5 years	12,866	377	310	13,553	11,228	111	184	11,523

Decommissioning obligations by segment

DKKm	0-5 years	5-10 years	10-20 years	After 20 years	2024	2023
Offshore	545	1,853	4,646	2,303	9,347	8,840
Onshore	1	-	37	2,255	2,293	2,062
Bioenergy & Other	432	65	1,352	355	2,204	2,075
Total	**978**	**1,918**	**6,035**	**4,913**	**13,844**	**12,977**

Decommissioning obligations

Decommissioning obligations comprise estimated expenses relating to the decommissioning and disposal of our offshore wind, onshore wind, and solar farms, our battery storage facilities, the restoration of seabeds, the decommissioning of our CHP plants, the Nybro gas plant, and our oil and gas pipes.

We are obliged to decommission our wind and solar farms and restore the surroundings. When we construct offshore wind farms in cooperation with partners, they are liable for their share of the decommissioning costs. Therefore, we have only included the decommissioning obligations associated with our ownership interest in the offshore wind farms.

Other provisions

Other provisions comprise primarily:

- offshore partnership provisions, including warranty obligations
- obligations in relation to the divestment of our oil and gas business in 2017
- obligations in respect of our own carbon emissions
- other contractual obligations.

Provisions and contingent liabilities

Note 3.9 – continued

Onerous contracts

Onerous contracts primarily related to ceasing the development of Ocean Wind 1 where we have a provision of DKK 1.6 billion at the end of 2024 (2023: DKK 15 billion) as well as onerous contracts in relation to our decision to cease execution of FlagshipONE. The provision relates to cancellation fees on contracts.

In 2024, 'Provisions reversed during the year' related to Ocean Wind 1, where we have finalised the negotiation of several contracts with a better outcome than assumed.

In 2024, 'Used during the year' primarily related to payments to fulfilling and cancelling contracts for Ocean Wind 1 and FlagshipONE.

In 2023, 'Used during the year' primarily related to CAPEX spent on construction of Ocean Wind 1 until the termination of the project and other costs associated with terminating the project. 'Used during the year' also related to CAPEX spent on the construction of Sunrise Wind.

In 2024, 'Provisions made during the year' primarily related to updated assumptions related to operations and maintenance contracts for offshore transmission assets in the UK, higher costs related the construction agreement for Borkum Riffgrund 3, and costs related to ceasing the Ocean Wind 1 and FlagshipONE projects.

Contingent liabilities

Liability to pay compensation

In case of any environmental accidents or other types of damage caused by our gas and oil transport, the companies Ørsted Salg & Service A/S and Danish Oil Pipe A/S are liable to pay compensation according to legislation. This also applies if there is no proof of negligence (strict liability). We have taken out insurance to cover any such claims.

Secondary liability

As part of the divestment of our oil and gas business in 2017, we assumed a secondary liability regarding the decommissioning of offshore installations.

Litigation

We are party to a number of court cases and legal disputes. In our assessment, none of these will significantly impact Ørsted's financial position, neither individually nor collectively.

We have been party to cases relating to the Danish competition authorities' claim that the former Elsam A/S and Elsam Kraft A/S ('Elsam'), now part of Ørsted, charged excessive prices in the Danish wholesale power market in the period 1 July 2003 to 31 December 2006.

These cases have been resolved in Ørsted's favour. However, in connection with the former cases, some energy trading companies, some of their customers, and others have filed claims for damages, which are still pending. The biggest claim was filed in 2007

§ Accounting policies

Provisions are recognised when the following criteria are fulfilled:

- We have a legal or constructive obligation as a result of an earlier event.
- The settlement of the obligation is expected to result in an outflow of resources.
- The obligation can be measured reliably.

Decommissioning obligations are measured at the present value of the future liability in respect of decommissioning as expected at the balance sheet date. The present value of the provision and changes in estimate are recognised as part of the cost of property, plant, and equipment and depreciated together with the associated asset. The addition of interest on provisions is recognised in the income statement under financial expenses.

For onerous contracts, a provision is made when the expected income to be derived from a contract is lower than the unavoidable cost of meeting our obligations under the contract.

Provisions concerning carbon emissions are recognised when our actual emissions exceed our holding of carbon emission allowances.

⌕ Key accounting estimate

Assumptions for provisions

We continually assess our provisions recognised to cover contractual obligations and claims raised against Ørsted. Timing, probabilities, amounts, etc., which have a bearing on our provisions' estimates, are updated quarterly based on our expectations.

Estimates of provisions are based on our expectations of, for example:

- timing and scope of obligation
- future cost level
- legal assessment.

If deemed material, non-current provisions are discounted using either the structural risk-free interest rate or the incremental borrowing rate. The structural risk-free interest rate is used for decommissioning liabilities and onerous contracts. It is calculated as the sum of real return (gross domestic product growth rate), inflation, and inflation premium for other risks. Separate structural risk-free interest rates are calculated for the UK, the rest of Europe, the US, and Taiwan.

The outcome of our contractual obligations and claims may depend on future events, which are uncertain by nature.

Key assumptions in estimating cancellation fees

Measuring the provision for 'Onerous contracts' related to cancellation fees for Ocean Wind 1 involves a number of assumptions and significant estimates and judgements. On contract level, we have assessed the contractual terms and obligations, including the expexted costs of fulfilling or cancelling the contracts.

To a high degree, the estimation of the total provision depends on negotiations with subcontractors and contractual partners, which impact the settlement of the individual contracts. The measuring and estimation of the total provision for 'Onerous contracts' is based on management's expectations and best estimate of total costs.

Provisions and contingent liabilities

Note 3.9 – continued

before the Copenhagen Maritime & Commercial Court, amounting to approx. DKK 4.4 billion with addition of litigation interest. The case is at the moment under preparation for the Maritime & Commercial Court.

Ørsted is involved in ongoing transfer pricing disputes. For further information, we refer to section 4.1 'Approach to taxes'.

Change of control

Some of our activities are subject to consents, permits, and licences granted by public authorities. We may be faced with a claim for acceptance of any transfer, possibly with additional terms and conditions, if the Danish state holds less than 50% of the share capital or voting rights in Ørsted A/S. Read more in note 5.1 'Interest-bearing net debt and FFO'.

Non-controlling interests

Note 3.10

Non-controlling interests[4] DKKm	Brookfield partnership, the UK Offshore[1] 2024	Brookfield partnership, the UK Offshore[1] 2023	OONA Energy Partners, the US Onshore[2] 2024	OONA Energy Partners, the US Onshore[2] 2023	Other[3] 2024	Other[3] 2023
Statement of comprehensive income						
Revenue	8,733	-	418	-	2,241	2,146
EBITDA	6,694	-	935	-	1,247	1,131
Profit (loss) for the year	1,799	-	226	-	403	290
Total comprehensive income	1,817	-	514	-	573	401
Profit (loss) for the year attributable to non-controlling interests	-	-	226	-	191	138
Balance sheet						
Non-current assets	22,919	-	9,878	-	4,782	5,219
Current assets	4,572	-	415	-	1,008	895
Non-current liabilities	1,677	-	5,250	-	1,581	1,610
Current liabilities	1,205	-	1,920	-	526	589
Carrying amount of non-controlling interests	6,128	-	2,498	-	1,765	1,906
Statement of cash flows						
Cash flows from operating activities	4,982	-	121	-	950	983
Cash flows from investing activities	6,903	-	(60)	-	(175)	(110)
Cash flows from financing activities	(12,011)	-	(20)	-	(821)	(902)
– of which, dividends paid to non-controlling interests	-	-	-	-	(369)	(413)

Transactions with non-controlling interests DKKm	2024	2023
Transactions with non-controlling interests		
Dividends paid to non-controlling interests	(369)	(413)
Acquisition of non-controlling interests[5]	-	(7,032)
Divestment of equity investments to non-controlling interests	10,347	(153)
Other capital transactions with non-controlling interests	(115)	537
Total transactions, cf. statement of cash flows	**9,863**	**(7,061)**
Divestment of equity investments to non-controlling interests		
Changes in receivables relating to the acquisition and divestment of non-controlling interests	10,347	(7,185)
Cash selling price, total	**10,347**	**(7,185)**

In the table, we provide financial information for subsidiaries with significant non-controlling interests. The amounts stated are the consolidated accounting figures of the individual enterprises or groups, determined according to our accounting policies. Amounts are stated before intra-group eliminations.

[1] In December 2024, we divested a 24.9% equity stake of our 50% share (equivalent to a 12.45% share) in four UK offshore assets: Hornsea 1, Hornsea 2, Burbo Bank Extension, and Walney Extension, each represented by an individual holding company taking in Brookfield as non-controlling owner. We retain a 37.55% equity ownership stake in these wind farms.

[2] In June 2024, we divested an 80% equity stake in four of our US onshore assets: Ford Ridge Wind, Sunflower Wind, Helena Wind, and Western Trail Wind to Stonepeak. We retain a 20% equity ownership stake.

[3] Primarily related to UK assets: Walney and Gunfleet Sands.

[4] A complete list of all non-controlling interests, their company legal names, and country of registration can be found here: orsted.com/company-overview

[5] During 2023, we acquired the remaining equity in Ocean Wind, Bay State Wind, and Lease Area 500.

§ Accounting policies

Transactions with non-controlling interests are accounted for as transactions with the shareholder base.

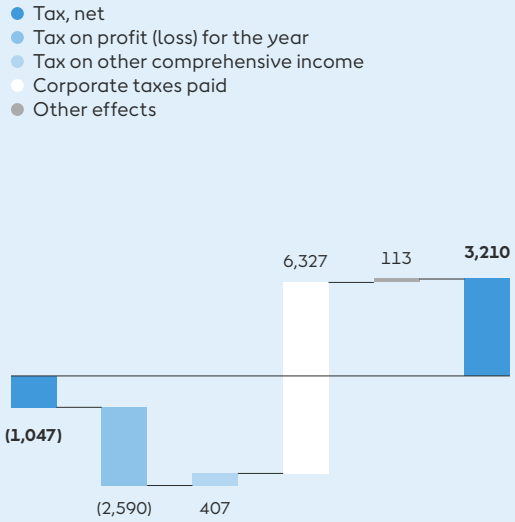
Gains and losses on the divestment of equity investments to non-controlling interests are recognised in equity when the divestment does not result in a loss of control. See 'Consolidated statement of shareholders' equity' and note 5.2 'Equity'.

For a description of our 'Key accounting judgement' on 'Consolidated method for partnerships', see note 2.6 'Other operating income and expenses'.

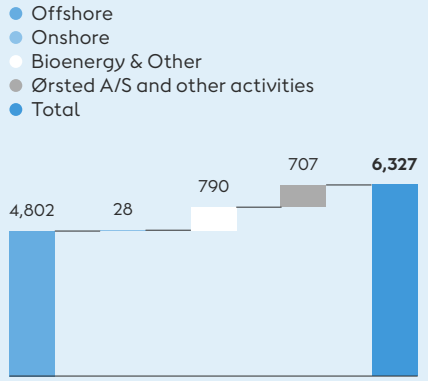
Tax
Note 4

The Group's taxes reflect our business operations and applicable tax legislation in the countries where we operate.

Development in current and deferred tax asset and liabilities (tax, net), 2023-2024
DKKm



Corporate income tax paid by segment, 2024
DKKm



6.3 bn

Corporate income tax paid by the Group in 2024 totalled DKK 6,327 million against DKK 2,717 million in 2023.

6.0 bn

Current corporate income tax in 2024 totalled DKK 5,990 million against DKK 2,876 million in 2023.

99 %

Effective tax rate for the Group for 2024 was 99 % against -6 % in 2023.

2024 DKKm	**Profit (loss) before tax**	**Tax**	**Tax in %**
Tax equity, deferred tax liability	-	(1,013)	n.a.
Gain (loss) on divestment of enterprises and assets	(88)	310	352 %
Impairment for the year	(15,563)	1,895	12 %
Cancellation fees	7,335	-	0 %
Other adjustments	-	(1,113)	n.a.
Remaining business	10,922	(2,669)	24 %
Effective tax for the year	**2,606**	**(2,590)**	**99 %**

'Other adjustments' include changes in tax rates, movements in uncertain tax positions, tax concerning previous years, and unrecognised tax losses. See more regarding Impairments in note 3.2 'Impairments'.

Approach to taxes

Note 4.1

At Ørsted, we provide user-friendly and transparent information about our global tax positions.

We are committed to paying the right amount of tax, at the right time, in the right place, and in accordance with the tax laws of the countries where we operate. We seek to comply not only with the letter of the law but also with the underlying tax policy intent.

We believe that taxes are a core part of our corporate social responsibility.

For more details on our approach to taxes, we refer to our tax policy, which can be found here: orsted.com/tax-policy.

Transparency and sustainability

We believe that by providing user-friendly information about our tax positions, we contribute to promoting public trust in the corporate tax system.

We continue to report our key tax figures with inspiration from the Global Reporting Initiative (GRI) 207: Tax standard when presenting our approach to and reporting of tax.

The purpose of our transparency initiatives is to create certainty about our tax positions for our stakeholders, such as our investors and the local communities where we pay our taxes, and where we operate.

Our tax reporting according to our transparency intitiatives includes country-by-country key figures and total tax contribution figures, which can befound here: orsted.com/tax-transparency.

In line with our tax policy, we engage constructively in national and international dialogue with governments, business groups, and civil society to support the development of effective tax systems, legislation, and administration. We believe that by providing relevant and constructive input, we can contribute to an informed discussion on taxes and tax policy. The purpose of our engagement is to promote the development of future tax legislation and practice that supports the green transformation.

During 2024, we have provided our responses to several public consultations in the US pertaining to the implementation of, and guidance on, the Inflation Reduction Act, to ensure the green transformation objectives are met also from a tax perspective. To promote responsible tax practices, we are engaging with CSR Europe to develop a European index for responsible tax practices. We participated in several panel debates with a view to promoting responsible tax practices.

Pillar 2 – minimum effective tax rate of 15 %

In December 2021, OECD released the Pillar 2 model rules to reform international corporate taxation.

We continue to work with the Pillar 2 rules as they continuously come into effect in the individual countries. Based on our figures, we expect to benefit from the temporary safe harbour rules in all of the jurisdictions where we operate if the Pillar 2 effective tax rate is less than 15 %. The only exception is Singapore because of the technical set up of the safe harbour rule; however, no Pillar 2 tax is expected when calculating the full-scope top-up tax.

UN SDG (no. 16)
We are transparent about our approach to tax. We actively participate in the development of effective, accountable, and transparent legislation by our engagement with the OECD on Pillar 2.

We endorse the B Team Responsible Tax Principles. The B Team is a group of business leaders, working to create new norms of corporate leadership that can build a better world, grounded in sustainability, equality, and accountability for companies, communities, and future generations.

The Fair Tax Mark accreditation scheme seeks to encourage and recognise businesses that pay the right amount of corporation tax at the right time and in the right place. We seek to pay tax responsibly and transparently and are proud to have qualified for the Fair Tax Mark since 2022 with re-accreditation in 2023 and 2024.

Approach to taxes

Note 4.1 – continued

Tax governance

Taxes are overseen by the Board of Directors, and within the Board, the Chair of the Audit & Risk Committee is accountable for our tax policy. The responsibility for tax risk management lies with the CFO and is overseen by the Audit & Risk Committee. The day-to-day tax management is handled by a centralised global tax team.

Our tax function is involved in the planning, implementation, and documentation of all significant business decisions and processes to ensure a coordinated assessment of all tax compliance and risks. The tax function also monitors and regularly updates tax risks and related controls.

Complying with tax rules can be complex, as the interpretation of legislation and case law may not always be clear-cut and may change over time, giving rise to tax risks. Our tax governance and control framework ensures appropriate processes and organisational structures to identify, assess, monitor, and manage tax risks at different levels of the Group. We manage our tax risks by preventing unnecessary disputes, which we strive to achieve through strong technical positions, thorough documentation and explanations of our positions, robust compliance procedures, and by engaging in up-front dialogues with tax authorities.

We define a tax risk as any consequence relating to the application of our tax policy, day-to-day operations, compliance, or external reporting that impacts the business in the form of cash liabilities, financial reporting misstatements, or reputational damage. We continuously update our tax governance and control framework to ensure that we are aligned with business objectives and stakeholder expectations.

We have a standardised review process in place, and our controls are continuously reviewed, assessed, and, where applicable, substituted by automated processes. Tax decisions in relation to matters which are subject to approval by the Group Executive Team or the Board of Directors are approved by the Head of Tax.

Our tax risk management work includes considering uncertain tax positions, e.g. when we have taken a position where there is an uncertainty created by a comparison of the wording of the law with the expressed policy intent or lack thereof or fluctuating or divergent application by tax authorities or judicial systems in the countries where we operate.

Occasionally, a multinational enterprise like Ørsted faces potential double taxation. This occurs when two or more tax jurisdictions seek to tax the same business income. We believe that profit should only be taxed once, and where the value is created, in line with the position of the OECD.

In response to the tax risks connected to our activities, including the controversies described in this section, we have made tax-related provisions in accordance with IAS 12, IAS 37, and relevant interpretation, such as IFRIC 23. The provisions have been calculated based on differences in tax rates and statistical risks of suffering economic or legal double taxation.

Tax planning and use of tax incentives

To remain competitive, we make use of incentives and tax relief implemented by governments where we have commercial substance, and our business activities are the intended beneficiaries of such incentives and relief. We benefit from the R&D tax credit regimes in the US, Poland, and Denmark as well as the investment and production tax credit regimes in the US.

We only use business structures that are driven by commercial considerations and aligned with our business activities. We do not use so-called secrecy jurisdictions or tax havens to avoid taxes. If we establish an entity in a low or nil-rate jurisdiction, it will be for substantive and commercial reasons. This is the case with our Isle of Man entity, which holds a licence to develop and build a local offshore wind farm, providing renewable energy to the Isle of Man, and with our Singapore entity, which provides technical and administrative services to wind farm projects.

Approach to taxes

Note 4.1 – continued

Tax controversies

During 2024, the Danish Tax Agency has opened further enquiries on development services in relation to non-Danish wind farms.

To date, Ørsted Wind Power A/S has received final administrative decisions from the Danish Tax Agency in relation to the development services for the offshore wind farms Hornsea 1, Walney Extension, Race Bank, Borssele 1 & 2, and Hornsea 2. We have also received an information request in relation to the development services provided for the offshore wind farms Greater Changhua 1 and 2a. In all its decisions, the Danish Tax Agency claims that Ørsted Wind Power A/S has not acted at arm's length terms when charging fees for development services provided to the project companies. The Danish Tax Agency claims that the full value of expected, future cash flows related to the offshore wind farms should be taxed in Denmark.

Up until 31 December 2024, the Danish Tax Agency has increased Ørsted Wind Power A/S's tax payments to Denmark with DKK 10.8 billion for the income years 2015-2018. The amount, which is excluding any interest, is detailed per wind farm in the table below.

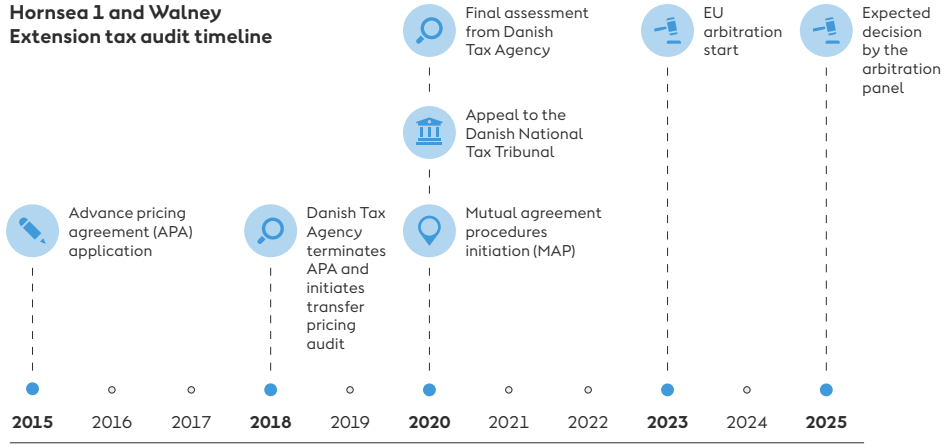
The table illustrates the payable tax to Denmark per wind farm, should the Danish Tax Agency's position prevail, and the expected corresponding adjustments. The Danish tax, plus interests, would be payable upfront, and the corresponding adjustments would crystalise over the remaining lifetimes of the wind farms.

As described in our key accounting estimates on page 202, we have made provisions for uncertain tax positions according to IFRIC 23. In relation to these transfer pricing disputes, we have used a weighted average of several different scenarios, where the base case is that we will win the cases, but a number of scenarios include different adjustments, resulting in increased tax payable to Denmark. The scenarios with additional tax payable to Denmark assumes corresponding adjustments.

Decisions made by the Danish Tax Agency DKKm	**Walney Extension**	**Hornsea 1**	**Race Bank**	**Borssele 1 & 2**	**Hornsea 2**	**Total**
Potential additional Danish tax payment excluding any interest	2,949	2,337	2,488	1,088	1,950	10,812
Tax value of potential corresponding adjustment	2,651	2,294	2,236	1,180	1,681	10,042
Likely timing of settlement of potential tax in Denmark, if the Danish Tax Agency prevails	2nd half of 2025	2nd half of 2025	TBD[1]	TBD[1]	TBD[1]	

[1] Timing of settlement is likely to follow the same process and timeline as for Walney Extension and Hornsea 1.

Hornsea 1 and Walney Extension tax audit timeline



Tax controversies timeline
Tax controversies related to the development services provided from Danish entities to our projects outside of Denmark take multiple years to settle. The dispute concerning Hornsea 1 and Walney Extension has currently been ongoing for more than nine years from application for an advanced pricing agreement, which failed when the Danish Tax Agency chose to terminate negotiations with the British tax authorites (HM Revenue & Customs) and instead initiated an audit. The next step is for the cases to be settled in arbitration, which we currently expect to happen in the latter half of 2025. Above, we have summarised the timeline for Hornsea 1 and Walney Extension. Also, we have included a status of the other projects where a transfer pricing case has started.

Race Bank
We have appealed the administrative decision to the Danish Tax Tribunal and submitted a MAP application in November 2024. We continue to consider our further options in light of the ongoing arbitration case regarding Hornsea 1 and Walney Extension, including an elaborated appeal to the Danish Tax Tribunal, a direct appeal to the court system, or the pursuit of a MAP under the double tax treaty between Denmark and the UK.

Borssele 1 & 2
We have appealed the administrative decision to the Danish Tax Tribunal. We continue to consider our further options, including an elaborated appeal to the Danish Tax Tribunal, a direct appeal to the court system, or a request for a MAP under the double tax treaty between Denmark, the Netherlands, and the EU Arbitration Convention.

Hornsea 2
We have appealed the administrative decision to the Danish Tax Tribunal, who put the case on hold until the arbitration case regarding Hornsea 1 and Walney Extension has been solved. We continue to consider our further options, including an elaborated appeal to the Danish Tax Tribunal, a direct appeal to the court system, or a request for a MAP under the double tax treaty between Denmark and the UK.

Greater Changhua 1 and 2a
The Danish Tax Agency issued an information request in October 2024. The deadline for the Danish Tax Agency to issue a draft administrative decision is on 1 May 2025.

Closed audits
The Danish Tax Agency has closed the audits of Burbo Bank Extension and Borkum Riffgrund 2 without adjustments.

Tax on profit (loss) for the year

Note 4.2

Effective tax rate DKKm, %	2024 DKK million	2024 %	2023 DKK million	2023 %
Tax on profit (loss) for the year can be explained as follows				
Calculated 22 % tax on profit (loss) before tax	(573)	22	4,186	22
Adjustments of calculated tax in foreign subsidiaries in relation to 22 %	(257)	10	825	4
Tax effect of				
Non-taxable income and non-deductible costs, net	202	(8)	1,519	8
Unrecognised tax assets	(858)	33	(8,084)	(43)
Tax equity contributions	(1,013)	39	874	5
Movements in uncertain tax positions	(31)	1	(251)	(1)
Changes in tax rates	178	(7)	(21)	-
Adjustment of tax concerning previous years	(238)	9	(204)	(1)
Effective tax for the year	**(2,590)**	**99**	**(1,156)**	**(6)**

Income tax

Tax on profit (loss) was DKK 2,590 million in 2024 against DKK 1,156 million in 2023. The effective tax rate was 99 % in 2024 against -6 % in 2023.

The effective tax rate in 2024 was primarily affected by:

- The non-recognition of a deferred tax liability in connection with the reversal of the Ocean Wind 1 cancellation fee.
- The non-recognition of deferred tax assets in connection with the cancellation of FlagshipONE.
- The non-recognition of deferred tax assets in connection with the impairment of projects in the US and FlagshipONE.
- The recognition of deferred tax liabilities in connection with the capitalisation of project costs in the US where we have entered into tax equity agreements on the following projects:

Eleven Mile Solar Center

Mockingbird

Sparta Solar

The tax equity contribution excludes the Mockingbird farm-down impact, which is included in non-taxable income and non-deductible costs, net.

The changes in tax rates primarily relate to state tax rates in the US. The adjustment of tax concerning previous years primarily relates to expected adjustments to final tax returns regarding previous years.

The effective tax rate in 2023 was primarily affected by the largely tax-exempt divestments of the offshore wind farms Gode Wind 3 and London Array, the non-recognition of deferred tax assets in connection with the termination of the Ocean Wind 1 project, and the recognition of deferred tax liabilities in connection with capitalisation of project costs in the US where we have entered into tax equity agreements on Sunflower Wind, Sparta Solar, and Old 300, and by the final build-up recognition of deferred tax liabilities on South Fork Wind.

Further, the deferred tax liability previously recognised on Ocean Wind 1 was reversed in connection with the ceasing of that project.

§ Accounting policies

Tax for the year consists of current tax, changes in deferred tax, and adjustments in respect of previous years. Tax on profit (loss) for the year is recognised in the income statement. Tax relating to other items is recognised in other comprehensive income.

Our uncertain tax positions are measured by using either of the following two methods, depending on which method we expect to better predict the resolution of the uncertainty:

- The most-likely-outcome method is applied in cases where there are only two possible outcomes.
- The weighted-average method is used in cases where there are more than two possible outcomes.

Our uncertain tax positions are recognised under 'Income tax' or 'Deferred tax', depending on how the realisation of the tax position will affect the financial statement.

See more regarding our tax equity partnerships in notes 3.8 'Tax equity liabilities' and 4.3 'Deferred tax'.

Tax on profit (loss) for the year

Note 4.2 – continued

Income tax DKKm	2024	2023
Tax on profit (loss) for the year	(2,590)	(1,156)
Tax on other comprehensive income	407	(4,566)
Tax on cash flow hedging of property, plant, and equipment under construction	40	-
Tax on hybrid capital related to equity	9	2
Total tax for the year	**(2,134)**	**(5,720)**
Tax on profit (loss) for the year can be broken down as follows		
Current tax	(5,990)	(2,876)
Deferred tax	4,355	1,207
Changes in tax rates	178	(21)
Uncertain tax positions	(31)	(251)
Tax on hybrid capital	149	115
Tax equity	(1,013)	874
Adjustment of tax concerning previous years	(238)	(204)
Tax on profit (loss) for the year	**(2,590)**	**(1,156)**
Tax on other comprehensive income can be broken down as follows		
Current tax	1,104	(1,262)
Deferred tax	(657)	(3,304)
Tax on other comprehensive income	**447**	**(4,566)**

Tax on profit (loss) for the year and other comprehensive income

In 2024, total tax for the year was DKK 2,134 million, consisting of tax on profit (loss) for the year, tax on other comprehensive income, tax on cash flow hedging or property, plant, and equipment under construction, and tax on hybrid capital related to equity.

Current tax

Current tax is the tax incurred by Ørsted on profit for the year. This differs from taxes paid because of payments or refunds regarding prior years and residual payments for the current year.

Because of the high level of investments and the subsequent deferrals of payable tax as a consequence of accelerated tax depreciation, our current tax is generally lower than the statutory corporate tax rates during construction and the initial years after first power from a wind farm.

However, as we use the realisation principle on certain financial instruments and exchange rate adjustments on bonds, losses on these are deferred.

Pillar 2

We expect to benefit from the temporary safe harbour rules in all of the jurisdictions where we operate if the Pillar 2 effective tax rate is less than 15 %. The only exception is Singapore because of the technical set up of the safe harbour rule; however, no Pillar 2 tax is expected when calculating the full-scope top-up tax.

⌕ Key accounting estimate

Estimates regarding recognition of income taxes

We are subject to income taxes in all the countries where we operate. Significant judgement and estimates are required in determining the worldwide income taxes and income tax assets and liabilities, including provisions for uncertain tax positions.

While conducting business around the world, tax and transfer pricing disputes with tax authorities may occur due to the complex nature of the tax rules related to the business. Judgement is applied to assess the possible outcome of such disputes. We apply the methods prescribed in IFRIC 23 'Uncertainty over Income Tax Treatments' when making provisions for uncertain tax positions, and the provisions made are based on different scenarios with possible outcomes. We consider the provisions made to be adequate. The actual obligation may deviate and might lead to tax in excess of the uncertain tax provisions included. This depends on the result of litigations and settlements with the relevant tax authorities.

Ongoing tax disputes, primarily related to transfer pricing cases, are included as part of 'Income tax' and 'Deferred tax'. Estimates in respect of transfer pricing cases depend, among others, on whether corresponding adjustments can be obtained in the relevant jurisdictions, and, in terms of disputes regarding project companies with partners, whether compensation can be obtained from these partners. Any expected compensation from partners is included as part of 'Other receivables'.

Deferred tax

Note 4.3

Net deferred tax for 2024 primarily consist of	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations
Assets				
Recognition of impairments and tax loss carryforwards	●			
Financial instruments	●		●	
Liabilities				
Tax equity structures	●	●		
Accelerated tax depreciation compared to accounting depreciation	●		●	
Acquisitions		●		

Deferred tax 2024 DKKm	Offshore	Onshore	Bioenergy & Other	Other activities/ eliminations	Deferred tax at 31 December
Deferred tax, assets	9,935	44	792	(1,521)	9,250
Deferred tax, liabilities	-	4,396	193	(2,156)	2,433
Unrecognised tax assets	11,374	426	833	385	13,018

Deferred tax 2023 DKKm					
Deferred tax, assets	10,038	64	41	(1,951)	8,192
Deferred tax, liabilities	1,748	3,760	148	(2,217)	3,439
Unrecognised tax assets	9,691	109	33	40	9,873

The table shows the reconciliation of deferred tax to the balance sheet by segment. The unrecognised tax asset is primarily due to ring-fenced tax losses and other losses not meeting the criteria for recognition under IAS 12. These primarily relate to losses in connection with the termination of the Ocean Wind 1 project.

There is no expiry of our unrecognised tax assets. No provision for withholding tax on dividends has been included as the amounts where a concrete dividend distribution is planned are considered immaterial in 2024. 'Other activities/eliminations' primarily consist of eliminations between segments.

Significant movements in deferred tax assets and liabilities

Assets

↑ Provisions primarily related to German projects.

Provisions regarding decommissioning obligation.

Impairment of assets in the US.

Recognition of tax losses.

Net movements of financial instruments primarily in Denmark.

↓ Tax depreciations utilised in the UK, Germany, the Netherlands, and Ireland on mature operating projects.

Derecognition of tax loss carry-forwards in the US.

Liabilities

↑ Tax equity partnerships related to Eleven Mile Solar Center, Mockingbird, and Sparta Solar.

Adjustments related to our tax equity liabilities in the US.

↓ Farm-down of Mockingbird.

Reduction in US tax rate.

Deferred tax

Note 4.3 – continued

Development in deferred tax assets and liabilities, 2024 DKKm	Deferred tax balances at 1 January, net	Movements	Deferred tax balances at 31 December, net	Assets	Liabilities
Intangible assets	(188)	187	(1)	16	17
Property, plant, and equipment	(1,649)	311	(1,338)	5,135	6,473
Other non-current assets	(302)	274	(28)	-	28
Current assets	(1)	9	8	8	-
Decommissioning obligations	2,206	191	2,397	2,544	147
Other non-current liabilities	381	1,113	1,494	1,734	240
Current liabilities	(369)	456	87	87	-
Tax loss carryforwards	4,675	(477)	4,198	4,198	-
Offset				(4,472)	(4,472)
Total	**4,753**	**2,064**	**6,817**	**9,250**	**2,433**

Development in deferred tax assets and liabilities, 2023 DKKm					
Intangible assets	(38)	(150)	(188)	18	206
Property, plant, and equipment	(6,134)	4,485	(1,649)	4,709	6,358
Other non-current assets	16	(318)	(302)	5	307
Current assets	-	(1)	(1)	1	2
Decommissioning obligations	2,101	105	2,206	2,212	6
Other non-current liabilities	415	(34)	381	625	244
Current liabilities	3,373	(3,742)	(369)	3	372
Tax loss carryforwards	6,572	(1,897)	4,675	4,675	-
Offset				(4,056)	(4,056)
Total	**6,305**	**(1,552)**	**4,753**	**8,192**	**3,439**

The difference in tax and accounting treatment on:

- provisions, decommissioning, impairment, depreciations, and our tax equity partnerships impact the development of the deferred tax balance on property, plant, and equipment
- financial instruments and exchange rate adjustments impact the development in non-current liabilities.

§ Accounting policies

Deferred tax is recognised in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax is not recognised in respect of temporary differences relating to:

- the acquisition of joint operations, including licence interests
- other items where differences arise at the time of acquisition, affecting neither the profit (loss) for the year nor the taxable income. However, this does not include differences arising in connection with company acquisitions, except for right-of-use assets, lease liabilities, decommissioning, restoration, and similar liabilities where the corresponding amounts are recognised as part of the costs of the related assets.

Differences arising in connection with company acquisitions are recognised.

Deferred tax is measured depending on how we plan to use the assets and settle the liabilities. We offset tax assets and liabilities when the tax assets can be offset against tax liabilities in the year in which the deferred tax assets are expected to be used. Intragroup gains and losses are eliminated when calculating deferred tax. In countries where taxes can be offset between companies due to joint taxation schemes, we have netted within a tax jurisdiction. Where no such possibility is feasible, the deferred tax is included in the gross amount on a company-by-company level.

Tax losses carried forward in jurisdictions where we have a history of losses are recognised based on other convincing evidence of future profits. The other convincing evidence is based on our long-term forecast model approved by the Board of Directors.

Adjustments to unrecognised tax assets are recognised in profit (loss) or other comprehensive income, depending on the underlying source of the adjustment.

Deferred tax is measured based on the tax rules and rates applying when the deferred tax becomes current tax. Changes in deferred tax because of changes in tax rates are recognised in profit (loss) for the year.

Deferred tax (net liabilities) related to tax equity structures are recognised as a tax expense in the income statement when the tax equity partnership agreement is effective. The liability recognised is the amount that we expect to take over once the contribution from the equity partner is repaid, and the tax equity structure flips.

We have adopted the narrow-scope amendments to IAS 12 'Income taxes', which provide temporary relief from accounting for deferred taxes arising from the implementation of the Pillar 2 model rules.

US tax equity partnerships

We have entered into several tax equity partnership agreements in the US.

The expected value of the deferred tax liability related to property, plant, and equipment at the flip date in the tax equity partnership agreement is included in our accounts when the tax equity partnership agreement is effective. The deferred tax liability from existing tax equity partnerships will gradually be reduced based on accounting depreciation after the flip date. See more regarding tax equity partnerships in note 3.8 'Tax equity liabilities'.

Our tax footprint

Note 4.4

Our tax footprint is an effect of how and where we conduct our business.

Local corporate taxes paid

We are continuously making significant investments in offshore wind farms in the UK, Germany, the Netherlands, the US, and Taiwan (see also our global footprint in the 'Management's review'), resulting in the accumulation of large tax assets in recent years and a deferral in paid tax, until our assets are commissioned and put into operation. Once the deferral ends, the taxable income related to our assets will exceed the accounting profit.

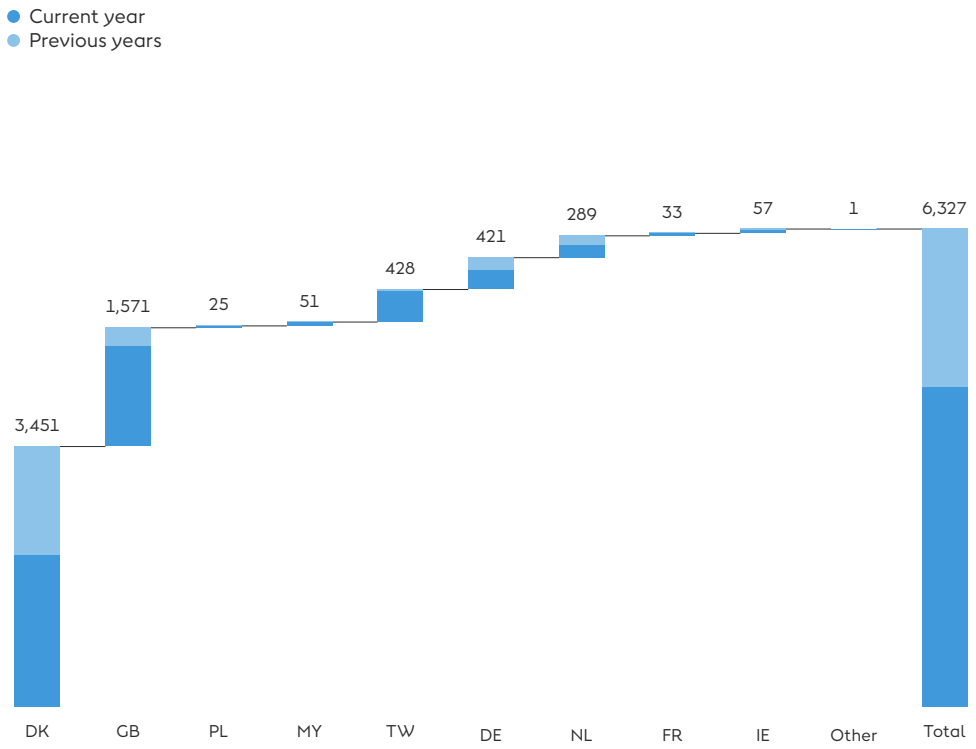
For this reason, the applicable corporate tax rate and the cash tax paid will always differ, but accumulated over the lifetime of the wind farm, they will generally be similar, unless the project is subsidised.

Compared to a few years ago, we have an accelerated volume of assets being commissioned and put into operation, and positive taxable income is generated. Even in jurisdictions with large tax loss carryforwards, the application of tax loss carryforward limitation rules, e.g. where a minimum share of any positive taxable income will always be taxed as well as limitations in joint taxation, may result in payable taxes.

The US is the exception to this development in corporate taxes, due to the tax equity set-up in the US and the significant amount of tax assets not recognised in connection with the termination of the Ocean Wind 1 project. The funding in the US is carried out applying the US tax equity set-up, which effectively means that tax attributes are transferred to the tax equity partner as repayment and return on investment. See more regarding tax equity partnerships in note 3.8 'Tax equity liabilities'.

More information regarding our tax footprint can be found here: orsted.com/tax-transparency.

Payments, corporate taxes
DKKm



As our business matures, we start to incur corporate taxes in the countries where we operate.

Capital structure
Note 5

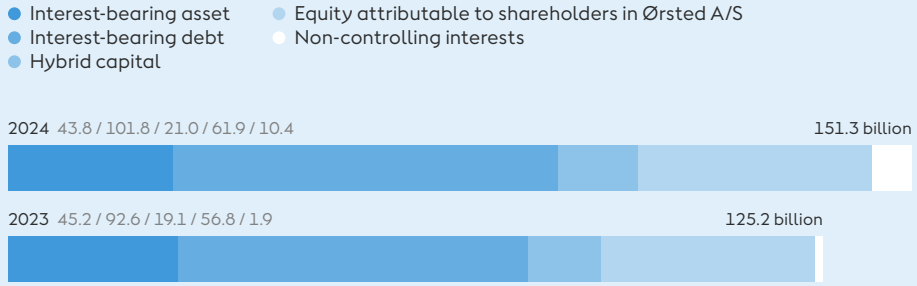
An appropriate capital structure is important to ensure we have the ability to raise new debt with attractive terms.

In February 2024, following the release of our annual report for 2023, S&P downgraded us from BBB+ to BBB. In January 2025, S&P and Fitch changed their rating outlook from stable to negative. If our ratings should be downgraded by one notch, it will not impact Ørsted's business activities.

In March 2024, we issued a EUR 750 million (DKK 5,593 million) green hybrid bond. Simultaneously, we redeemed EUR 250 million (DKK 1,864 million) in principal amount of our hybrid bond due in November 3017.

In September 2024, we redeemed the remaining EUR 250 million (DKK 1,864 million) in principal amount of our hybrid bond due in November 3017.

Equity and interest-bearing net debt
DKKbn



Capital structure
To ensure we have the financial strength to operate in the international energy and capital markets and to secure financing on attractive terms, we target a solid investment grade rating with all three major rating agencies. This includes an FFO/adjusted interest-bearing net debt credit metric target above 30 %.

To support a solid investment grade, we have taken a number of initiatives. We have e.g. decided to pause dividends for the financial years 2023-2025, and we will accelerate our divestment programme.

Financing policy
The aim of our financing policy is to minimise liquidity and refinancing risks while minimising financing costs and matching the currency composition of our debt with our revenue.

We obtain funding in different markets and with different maturities. Our debt is primarily consolidated in the parent company, where cash resources are made available to the Group companies via an internal bank.

Cash management and liquidity reserve
A group-wide cash management set-up ensures optimal allocation of cash in relation to our day-to-day operations and investment programme. We target a liquidity reserve that ensures adequate coverage of our use of liquidity on a rolling 12 month forward-looking basis to limit the company's sensitivity to unforeseen developments, including unrest in the financial markets.

13.2 %

Funds from operations (FFO) relative to adjusted interest-bearing net debt amounted to 13.2 % at 31 December 2024 against 28.6 % at 31 December 2023.

58.0 bn

Our interest-bearing net debt totalled DKK 58,027 million at 31 December 2024 against DKK 47,379 million at 31 December 2023.

78.0 bn

Our liquidity reserve totalled DKK 77,991 million at 31 December 2024 against DKK 90,665 million at 31 December 2023.

Interest-bearing net debt and FFO

Note 5.1

Interest-bearing debt and interest-bearing assets

DKKm	2024	2023
Interest-bearing debt		
Bond debt	72,028	70,589
Bank debt	15,680	9,031
Total bond and bank debt	**87,708**	**79,620**
Tax equity liability (see note 3.8)	1,764	1,196
Lease liability	8,910	8,426
Other interest-bearing debt		
Debt in connection with divestments	3,234	2,900
Debt from receiving collateral under credit support annexes	71	286
Other interest-bearing debt	137	153
Total interest-bearing debt	**101,824**	**92,581**
Interest-bearing assets		
Securities	14,532	29,902
Cash	23,126	10,145
Receivables from associates and joint ventures	202	77
Cash, not available for use	317	481
Other interest-bearing receivables		
Receivables from placing collateral under credit support annexes	4,873	3,854
Receivables in connection with divestments	747	735
Other receivables	-	8
Total interest-bearing assets	**43,797**	**45,202**
Total interest-bearing net debt at 31 December	**58,027**	**47,379**
50% of hybrid capital	10,477	9,552
Other interest-bearing debt, add back	(3,442)	(3,339)
Other interest-bearing receivables, add back	5,620	4,597
Cash and securities not available for distribution, excluding repo loans	710	867
Total adjusted interest-bearing net debt	**71,392**	**59,056**

Funds from operations (FFO)

DKKm	2024	2023
EBITDA	**31,959**	**18,717**
Change in provisions and other adjustments	(13,184)	8,742
Change in derivatives	648	4,274
Variation margin, add back	(1,540)	(7,086)
Reversal of gain (loss) on divestment of assets	(348)	(5,745)
Income tax paid	(6,327)	(2,717)
Interest and similar items, received/paid	(477)	1,385
Reversal of interest expenses transferred to assets	(1,011)	(453)
50% of coupon payments on hybrid capital	(343)	(273)
Dividends received and capital reductions	27	19
Funds from operations (FFO)	**9,404**	**16,863**

Funds from operations (FFO)/adjusted interest-bearing net debt

DKKm	2024	2023
Funds from operations (FFO)	9,404	16,863
Total adjusted interest-bearing net debt	71,392	59,056
Funds from operations (FFO)/adjusted interest-bearing net debt	**13.2%**	**28.6%**

FFO/adjusted interest-bearing net debt was 13.2%. The decrease compared to last year was mainly driven by the payment of cancellation fees related to Ocean Wind 1 and an increase in adjusted interest-bearing net debt of DKK 12.3 billion.

'Interest-bearing net debt' totalled DKK 58,027 million compared with DKK 47,379 million in 2023.

Interest-bearing net debt and FFO

Note 5.1 – continued

Interest-bearing net debt

Interest-bearing net debt totalled DKK 58,027 million at the end of 2024, an increase of DKK 10,648 million relative to 2023. The increase in interest-bearing net debt consists of an increase in interest-bearing debt of DKK 9,243 million and a decrease in interest-bearing assets of DKK 1,405 million.

In June 2024, we obtained a GBP 240 million (DKK 2,104 million) loan from Eksfin, the Norwegian Export Credit Agency.

Rating

We have a corporate credit rating from all major rating agencies.

	Rating	Outlook
Standard & Poor's	BBB	Negative [2]
Moody's	Baa1 [1]	Negative
Fitch	BBB+ [1]	Negative [2]

[1] Baa1 and BBB+ are the same rating.
[2] Announced in January 2025.

If our ratings should be downgraded by one notch to BBB-/Baa2/BBB, it will not significantly impact Ørsted's business activities.

Market value of bond and bank debt

The market value of our bond and bank debt amounted to DKK 69,104 million and DKK 14,890 million, respectively, at 31 December 2024 (2023: DKK 68,671 million and DKK 8,711 million, respectively). The market value of issued bonds has been determined as the market value at 31 December (level 1 – quoted prices).

The market value of bank loans has been determined as the present value of expected future instalments and interest payments using the Group's current interest rate on loans as the discount rate (level 2 – observable inputs).

Due to the level of interest rates on average being lower at the time of issuance, the market value of our bond and bank debt is below the carrying amount.

Loan arrangements and credit facilities

At 31 December 2024, we had bank loan obligations totalling DKK 7,533 million (2023: DKK 5,030 million) and undrawn loan agreements for an aggregate amount of DKK 7,117 million (2023: DKK 6,597 million) to the European Investment Bank, Nordic Investment Bank, and Eksfin. The loans offered by these multilateral financial institutions cofund specific energy projects with maturities exceeding those normally available in the commercial banking market. In the event of two of the rating agencies downgrading our rating to BBB- or Baa3, we may be met with cancellation and repayment of these loan agreements. In addition, in case of a downgrade to a level below investment grade, we may be met with demands for cancellation and repayment of any drawn amount on our NTD 25 billion credit facility in Taiwan as well as demands for replacing existing parent company guarantees of an estimated range of up to DKK 15-20 billion by either bank guarantees or cash.

Furthermore, we had non-cancellable credit facilities of DKK 37,619 million at 31 December 2024 (2023: DKK 44,562 million) with a number of Scandinavian and international banks. See note 5.4 'Liquidity reserve' for further details.

In connection with these loan agreements and credit facilities, we may be met with demands for cancellation and repayment of any drawn amount in the event of shareholders other than a group consisting of the Danish state and Danish power distribution companies controlling more than 50% of the share capital or voting rights in Ørsted A/S.

Changes in interest-bearing debt

DKKm	2024	2023
Interest-bearing debt at 1 January	92,581	77,707
Cash transactions		
Proceeds from raising loans	9,990	17,584
Instalments on loans	(3,407)	(1,580)
Instalments on leases	(736)	(712)
Change in other interest-bearing debt and tax equity liability	671	(1,625)
Non-cash transactions		
Raising lease debt, etc.	1,220	872
Foreign exchange adjustments, amortisation, etc.	1,505	335
Interest-bearing debt at 31 December	**101,824**	**92,581**

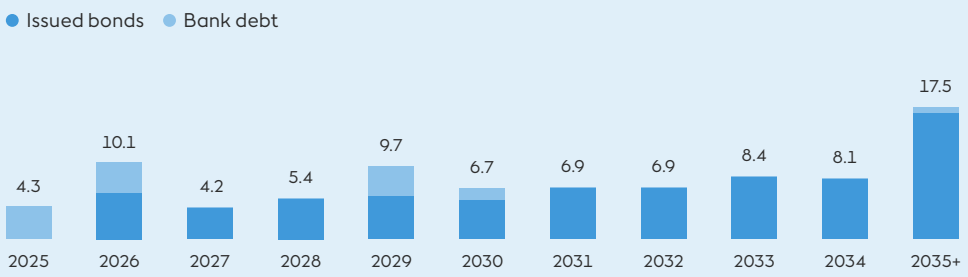
Interest-bearing net debt and FFO

Note 5.1 – continued

Senior bonds issued at 31 December 2024 Million, currency	Type of financing	Outstanding amount Currency	DKK	Coupon (%)	Time of issue	Maturing	Quoted in
EUR	Green	600	4,474	2.250	June 2022	June 2028	Luxembourg
EUR	Green	750	5,593	1.500	Nov. 2017	Nov. 2029	London
EUR	Green	900	6,712	3.250	Sep. 2022	Sep. 2031	Luxembourg
EUR	Green	750	5,593	2.875	June 2022	June 2033	Luxembourg
EUR	Green	700	5,220	3.625	Feb. 2023	March 2026	Luxembourg
EUR	Blue	100	746	3.625	June 2023	June 2028	Luxembourg
EUR	Green	600	4,474	3.750	Feb. 2023	March 2030	Luxembourg
EUR	Green	700	5,220	4.125	Feb. 2023	March 2035	Luxembourg
GBP	Green	350	3,157	2.125	May 2019	May 2027	Luxembourg
GBP	-	750	6,764	4.875	Jan. 2012	Jan. 2032	London
GBP	Green	300	2,706	2.500	May 2019	May 2033	Luxembourg
GBP	Green	250[1]	2,255	CPI+0.375	May 2019	May 2034	Luxembourg
GBP	Green	375	3,382	5.125	Sep. 2022	Sep. 2034	Luxembourg
GBP	-	500	4,510	5.750	Apr. 2010	Apr. 2040	London
GBP	Green	575	5,186	5.375	Sep. 2022	Sep. 2042	Luxembourg
NTD	Green	4,000	879	0.920	Nov. 2019	Nov. 2026	Taipei
NTD	Green	4,000	879	0.600	Nov. 2020	Nov. 2027	Taipei
NTD	Green	3,000	659	0.700	Nov. 2020	Nov. 2030	Taipei
NTD	Green	8,000	1,757	1.500	Nov. 2019	Nov. 2034	Taipei
NTD	Green	8,000	1,757	0.980	Nov. 2020	Nov. 2040	Taipei

[1] Issued principal is indexed to an outstanding amount of GBP 316 million corresponding to DKK 2,846 million at 31 December 2024. In addition to senior bonds, we have issued a number of hybrid bonds accounted for as equity, see note 5.3 'Hybrid capital'.

Maturity profile of issued senior bonds and bank debt
DKK billion



§ Accounting policies

Bond debt, bank debt, and other payables are recognised at inception at market value (typically proceeds received) net of transaction costs incurred. In subsequent periods, the liabilities are measured at amortised cost, so that the difference between the cost (proceeds) and the nominal value is recognised in profit (loss) for the year as interest expenses over the term of the loan, using the effective interest rate method.

Financial liabilities are classified as current, unless the Group has an unconditional right to defer settlement of the liability to at least one year after the balance sheet date.

Equity

Note 5.2

Earnings per share DKKm	2024	2023
Profit (loss) for the year	16	(20,182)
Interest and costs, hybrid capital owners of Ørsted A/S	(717)	(553)
Non-controlling interests	(222)	(324)
Ørsted's share of profit (loss) for the year	**(923)**	**(21,059)**
('000)		
Average number of outstanding shares	420,233	420,227
Dilutive effect of share programme	397	280
Average number of outstanding shares, diluted	**420,630**	**420,507**
(DKK)		
Earnings per share	(2.2)	(50.1)
Diluted earnings per share	(2.2)	(50.1)

Share capital

Ørsted's share capital is DKK 4,203,810,800 (2023: 4,204 million), divided into shares of DKK 10. The share capital is unchanged from last year. No shares are subject to special rights or restrictions on voting rights. All shares are fully paid up.

Treasury shares

To secure our share programme, we have acquired treasury shares in accordance with the authorisation approved by the general meeting. The total portfolio of treasury shares consists of 146,317 shares at 31 December 2024 (2023: 150,784), corresponding to less than 0.1 % of the share capital.

Dividends

As communicated in the Capital Markets Update on 7 February 2024, Ørsted has paused dividends for the financial years 2023-2025. Consequently, the Board of Directors proposes that no dividend be paid out to the shareholders for the financial year 2024.

Profit (loss) for the year

Ørsted's share of profit (loss) in 2024 is allocated to retained earnings.

Owners of Ørsted

The Danish state is the principal shareholder with an ownership interest of 50.1 %. In addition, Equinor and Andel have an ownership interest of 10 % and 5 %, respectively. See note 15 'Ownership information' in the parent company's financial statements.

Equity

Note 5.2 – continued

Reserves 2024 DKKm	Foreign currency translation reserve	Hedging reserve[1]					Total reserves
		Hedging of net investments	Hedging of revenue	Hedging of divestments	Hedging of interest	Hedging of property, plant, and equipment under construction	
Reserves at 1 January	(384)	(1,601)	(8,615)	(65)	414	-	(10,251)
Exchange rate adjustments	5,867	-	-	-	-	-	5,867
Value adjustments of hedging	-	(3,698)	2,821	284	293	(181)	(481)
Value adjustments transferred to							
Revenue	-	-	(403)	-	-	-	(403)
Other operating income	5	-	-	(199)	-	-	(194)
Other operating expenses	7	-	(642)	-	-	-	(635)
Financial income and expenses	-	-	-	-	(25)	-	(25)
Tax							
Tax on hedging and currency adjustments	(683)	814	309	(20)	(60)	40	400
Movements for the year	**5,196**	**(2,884)**	**2,085**	**65**	**208**	**(141)**	**4,529**
Additions, non-controlling interests	-	-	558	-	-	-	558
Total reserves including tax at 31 December	**4,812**	**(4,485)**	**(5,972)**	**-**	**622**	**(141)**	**(5,164)**
Total reserves excluding tax at 31 December	**4,795**	**(5,753)**	**(7,358)**	**-**	**798**	**(181)**	**(7,699)**

Reserves 2023 DKKm							
Reserves at 1 January	(725)	(1,178)	(26,694)	-	2,130	-	(26,467)
Exchange rate adjustments	531	-	-	-	-	-	531
Value adjustments of hedging	-	(328)	24,950	(41)	108	-	24,689
Value adjustments transferred to							
Revenue	-	-	(2,437)	-	-	-	(2,437)
Other operating income – gain on divestment of assets	(80)	21	-	(44)	-	-	(103)
Other operating expenses	-	-	512	-	-	-	512
Financial income and expenses	-	(236)	134	-	(2,308)	-	(2,410)
Tax							
Tax on hedging and currency adjustments	(110)	120	(5,080)	20	484	-	(4,566)
Movement for the year	**341**	**(423)**	**18,079**	**(65)**	**(1,716)**	**-**	**16,216**
Total reserves including tax at 31 December	**(384)**	**(1,601)**	**(8,615)**	**(65)**	**414**	**-**	**(10,251)**
Total reserves excluding tax at 31 December	**(1,093)**	**(2,053)**	**(9,827)**	**(85)**	**530**	**-**	**(12,528)**

Foreign currency translation reserve
The foreign currency translation reserve comprises:

- exchange rate adjustments arising on translation of the financial statements of foreign entities with a currency that is not the Group's presentation currency
- exchange rate adjustments relating to loans that form part of our net investment in such entities
- exchange rate adjustments relating to hedging transactions on our net investment in such entities.

On realisation or partial realisation of the net investment, the exchange rate adjustments are recognised in profit (loss) for the year if a foreign exchange gain (loss) is realised by the divested entity. The foreign exchange gain (loss) is transferred to the item where the gain (loss) is recognised.

Hedging of revenue
Hedging of revenue includes hedging of energy, currency, and inflation risks associated with revenue.

Share premium reserve
Retained earnings include the share premium reserve of DKK 21,279 million (2023: 21,279 million), representing the excess amount of subscribed-for share capital over the nominal value of these shares in connection with capital injections.

[1] Costs of hedging related to the time value of option elements in Onshore CPPAs, and basis spread on currency swaps included in the hedging reserve amounts to a gain of DKK 139 million (2023: DKK 239 million). The change from last year primarily relates to value adjustments of Onshore CPPAs, which are structured with a minimum price per MWh and a mechanism where we retain most of the upside from high power prices.

Hybrid capital

Note 5.3

Hybrid bonds	Green due in 3019	Green due in 3021	Green due in 3022	Green due in 3024	Green due in 3021
Type	Subordinated	Subordinated	Subordinated	Subordinated	Subordinated
Carrying amount	DKK 4,416 million	DKK 3,697 million	DKK 3,692 million	DKK 5,520 million	DKK 3,630 million
Financial classification	Equity	Equity	Equity	Equity	Equity
Notional amount	EUR 600 million (DKK 4,474 million)	EUR 500 milllion (DKK 3,729 million)	EUR 500 milllion (DKK 3,729 million)	EUR 750 million (DKK 5,593 million)	GBP 425 million (DKK 3,833 million)
Issued	December 2019	February 2021	December 2022	March 2024	February 2021
Maturing	December 3019	February 3021	December 3022	March 3024	February 3021
Quoted in	Luxembourg	Luxembourg	Luxembourg	Luxembourg	Luxembourg
First redemption at par	9 December 2027	18 February 2031	8 December 2028	14 September 2029	18 February 2033
Coupon for the first	Eight years fixed at 1.750% p.a.	Ten years fixed at 1.500% p.a.	Six years fixed at 5.250% p.a.	5 years and 9 months fixed at 5.125% p.a.	12 years fixed at 2.500% p.a.
Coupon in subsequent period is adjusted every five years with the five-year euro swap	+1.952% points from 2027, +2.020% points from 2032, and +2.952% points from 2047	+1.860% points from 2031 and +2.610% points from 2051	+2.619% points from 2028, +2.869% points from 2033, and +3.619% points from 2048	+2.590% points from 2029, + 2.840% points from 2034, and +3.590 % points from 2049	Adjusted every five years with the five-year benchmark gilt +2.136% points from 2033 and +2.886% points from 2053
Deferral of interest payment	Optional	Optional	Optional	Optional	Optional

We have issued hybrid capital which is subordinate to our other creditors. The purpose of issuing hybrid capital is to strengthen our capital base and fund our investments. We have issued EUR hybrid bonds with a total nominal value of EUR 2,350 million and GBP 425 million, respectively, equivalent to DKK 21,358 million (2023: EUR 2,100 million and GBP 425 million, respectively, equivalent to DKK 19,310 million).

For all our hybrid bonds, we have the right to defer coupon payments and ultimately decide not to pay them at maturity. Deferred coupon payments become payable, however, if we decide to pay dividends to our shareholders or pay coupon payments on other hybrid bonds.

As a consequence of the special terms regarding the hybrid bonds, these are classified as equity, and therefore coupon payments are recognised in equity.

§ Accounting policies

Hybrid capital comprises issued bonds that qualify for treatment in accordance with the rules on compound financial instruments due to the special characteristics of the bonds. The notional amount, which constitutes a liability, is recognised at present value, and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability. The carrying amount of the liability component amounted to nil on initial recognition as the only payment obligation is the repayment of the nominal value in 1,000 years.

Coupon payments are accounted for as dividends, which are recognised directly in equity at the time the payment obligation arises. This is because the coupon is discretionary, and therefore any deferred coupon lapses upon maturity of the hybrid capital. Coupon payments are recognised in the statement of cash flows within financing activities.

On redemption of hybrid capital, the payment will be distributed between liability and equity, applying the same ratio as when the hybrid capital was issued. This means that the difference between the payment on redemption and the net proceeds received on issue is recognised directly in equity, as the liability portion of the existing hybrid issues will be nil during the first part of the life of the hybrid capital.

Liquidity reserve

Note 5.4

Cash and cash equivalents, securities DKKm	2024	2023
Cash, cf. balance sheet	23,126	10,145
Bank overdrafts that are part of the ongoing cash management	(2)	(1)
Total cash and cash equivalents at 31 December, cf. statement of cash flows	**23,124**	**10,144**
Cash can be specified as follows		
Cash cf. balance sheet	23,126	10,145
Cash, not available for use	317	481
Securities can be specified as follows		
Securities, available	10,129	29,515
Securities, not available for use	4,403	387
Total securities at 31 December	**14,532**	**29,902**

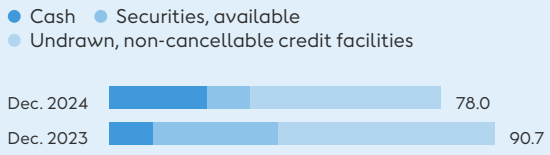
The table shows our cash and securities divided into 'available' and 'not available for use'.

Overview of securities DKKm	Fixed rate	Floating rate	2024	Fixed rate	Floating rate	2023
Maturities						
0-2 years	(376)[1]	3,383	3,007	3,064	12,032	15,096
2-5 years	710	4,734	5,444	371	8,287	8,658
After 5 years	5,511	570	6,081	2,583	3,565	6,148
Total carrying amount	**5,845**	**8,687**	**14,532**	**6,018**	**23,884**	**29,902**

The table shows our securities split into maturities and fixed or floating interest rates. The overview includes the interest rate swaps used to manage the interest rate risk of the securities.

[1] For securities maturing within 2 years, the negative value of the interest rate swaps exceeds the value of the securities.

Liquidity reserve, DKKbn



The change in liquidity reserve is due to a decrease in available securities and undrawn credit facilities of DKK 19,386 million and DKK 6,269 million, respectively, partly countered by an increase in cash of DKK 12,981 million. The decrease in undrawn credit facilities is a consequence of a lower exposure to trades requiring the exchange of collateral.

Liquidity reserve

Liquidity reserve at 31 December 2024 amounted to DKK 78.0 billion (31 December 2023: DKK 90.7 billion).

Collateral and margin postings

When we trade derivatives to execute our hedging strategy, we can trade with daily settlement of the market value or with settlement at maturity.

To reduce the risk of having to pay large amounts for negative market values, we actively manage the share of trading with daily settlement. As of 31 December 2024, 12 % (2023: 12 %) of our power and gas trades and 92 % (2023: 88 %) of our currency, inflation, and interest rate hedges were settled daily.

Cash, cash equivalents, and securities

Securities are a key element in our liquidity reserve, and therefore, investments are mainly made in liquid AAA-rated Danish mortgage bonds and, to a lesser extent, in other bonds. Most of the securities qualify for repo transactions with the Danish central bank, 'Danmarks Nationalbank'.

'Securities not available for use' comprise securities pledged as collateral for:

- short-term repo loans: DKK 4,011 million at 31 December 2024 (2023: DKK 0 million)
- insurance-related provisions: DKK 392 million at 31 December 2024 (2023: DKK 387 million).

At 31 December 2024, we had received cash collateral in the amount of DKK 70 million (2023: DKK 286 million) concerning the positive market value of derivatives.

'Cash not available for use' comprises:

- collateral for power purchase agreements and trading with financial instruments: DKK 269 million (2023: DKK 421 million)
- collateral for insurance-related provisions: DKK 45 million (2023: DKK 41 million)
- collateral for other transactions: DKK 3 million (2023: DKK 19 million).

§ Accounting policies

Securities comprise bonds that are monitored, measured, and reported at market value on an ongoing basis in conformity with the Group's investment policy. Changes in market value are recognised in profit (loss) for the year as financial income and expenses. Purchase and sale of securities are recognised at the settlement date.

For listed securities, market value equals the market price, and for unlisted securities, market value is estimated based on generally accepted valuation methods and market data.

Divested securities where repurchase agreements (repo transactions) have been made at the time of sale are recognised in the balance sheet at the settlement date as if the securities were still held. The amount received is recognised as a liability, and the difference between the selling price and the purchase price is recognised in profit (loss) for the year over the term as interest. The return on the securities is recognised in profit (loss) for the year.

Maturity analysis of financial liabilities

Note 5.5

Maturity analysis of financial liabilities 2024 DKKm	2025	2026	2027-2028	After 2028	Total
Bank loans and issued bonds					
Notional amount	4,260	10,122	9,543	64,225	88,150
Interest payments	2,611	2,604	4,731	13,931	23,877
Trade payables	20,827	-	-	-	20,827
Lease liabilities	1,163	975	1,787	11,903	15,828
Tax equity debt	234	259	519	968	1,980
Other non-derivative payables	3,222	1,871	1,206	11,498	17,797
Derivatives	6,531	2,848	4,327	5,775	19,481
Total payment obligations	**38,848**	**18,679**	**22,113**	**108,300**	**187,940**

Maturity analysis of financial liabilities 2023 DKKm	2024	2025	2026-2027	After 2027	Total
Bank loans and issued bonds					
Notional amount	408	-	13,388	66,165	79,961
Interest payments	2,485	2,480	4,762	15,380	25,107
Trade payables	14,915	-	-	-	14,915
Lease liabilities	1,009	844	1,552	8,634	12,039
Tax equity debt	153	213	443	681	1,490
Other non-derivative payables	4,090	1,730	808	11,390	18,018
Derivatives	7,611	3,445	4,015	7,404	22,475
Total payment obligations	**30,671**	**8,712**	**24,968**	**109,654**	**174,005**

The Group's cash needs in respect of its financial loans and borrowings are shown in the table. The maturity analysis was determined on 31 December.

The maturity analysis is based on undiscounted cash flows, including estimated interest payments. Interest payments are based on market conditions and interest rate hedging entered into as of 31 December. The maturity analysis does not include hybrid capital classified as equity.
At 31 December 2024, we had issued hybrid capital with a notional amount totalling DKK 21,358 million due after 2028.

Financial income and expenses

Note 5.6

Net financial income and expenses[1]

DKKm	2024	2023
Interest expenses, net	(1,739)	(1,764)
Interest expenses, leasing	(301)	(308)
Interest element of provisions, etc.	(502)	(662)
Tax equity partner's contractual return	(1,275)	(965)
Value adjustments of derivatives, net	541	1,850
Capital gains/losses on securities at market value, net	434	489
Exchange rate adjustments, net	(750)	(140)
Other financial income and expenses	1	57
Net financial income and expenses	**(3,591)**	**(1,443)**

Financial income and expenses[2]

DKKm	2024	2023
Interest income from cash, etc.	843	926
Interest income from securities at market value	710	716
Capital gains on securities at market value	783	489
Foreign exchange gains	3,854	4,674
Value adjustments of derivatives	2,372	5,548
Other financial income	28	26
Total financial income	**8,590**	**12,379**
Interest expenses relating to loans and borrowings, etc.	(4,604)	(4,167)
Interest expenses transferred to assets	1,011	453
Interest expenses, leasing	(301)	(308)
Interest element of provisions	(113)	(257)
Tax equity partner's contractual returns	(1,275)	(965)
Capital losses on securities at market value	(349)	-
Foreign exchange losses	(4,538)	(5,042)
Value adjustments of derivatives	(1,897)	(3,470)
Other financial expenses	(115)	(66)
Total financial expenses	**(12,181)**	**(13,822)**
Net financial income and expenses	**(3,591)**	**(1,443)**

[1] The table shows net financial income and expenses, corresponding to our internal reporting.

The gain in 'Value adjustments of derivatives, net' in 2024 mainly consisted of the gains on interest rate swaps, which are not hedge accounted. The gain was mostly driven by the increase in interest rates. In 2023, 'Value adjustments of derivatives, net' included a gain of DKK 2,399 million due to hedge ineffectiveness driven by reduced funding needs in US.

'Exchange rate adjustments, net' are mainly affected by inter-company balances between entities with different functional currencies and do not impact the statement of cash flows or interest-bearing net debt. The negative 'Exchange rate adjustments, net' in 2024 were mostly driven by the increase in the GBP/DKK exchange rate.

[2] Exchange rate adjustments of currency hedging are recognised in revenue and cost of sales with a loss of DKK 569 million (2023: a loss of DKK 451 million).

Borrowing costs transferred to property, plant, and equipment under construction are calculated as the weighted average effective interest rate for general borrowing. This amounted to 3.4 % in 2024 (2023: 3.4 %).

§ Accounting policies

Market value adjustments of interest rate and currency derivatives that have not been entered into for hedging purposes are presented as financial income or expenses.

The accounting policy for the tax equity partner's contractual return is described in note 3.8 'Tax equity liabilities'.

Risk management
Note 6

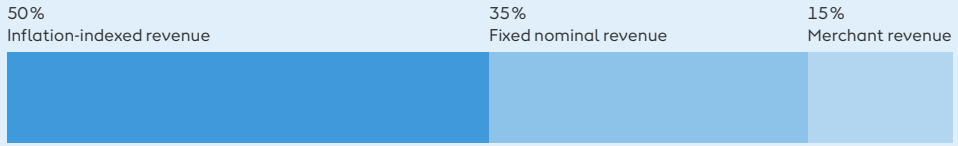
We are exposed to financial and revenue risks in the form of energy price and volume risks, inflation and interest rate risks, commodity price risks, currency risks, credit risks, and liquidity risks as part of our business, hedging, and trading activities. Through our risk management, we monitor and proactively manage the risks according to our risk appetite.

In this note, we describe the origination as well as our governance and management of all these financial and revenue risks, excluding liquidity risks, which are covered in note 5.

For the period 2025-2030, approximately 85 % of our expected revenue from our wind, solar PV, and battery storage assets are fixed-price inflation-indexed or fixed nominal. The remaining 15 % is exposed to fluctuations in power prices.

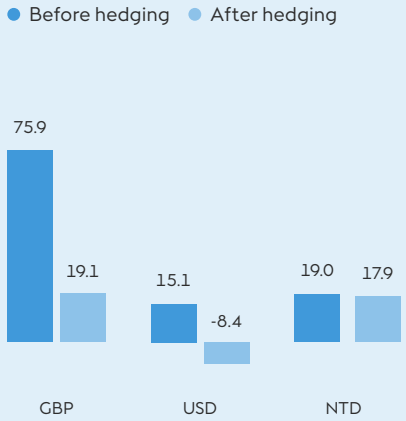
Furthermore, our cash flows denominated in foreign currencies are exposed to changes in the value of foreign currencies against Danish kroner.

Revenue composition of offshore and onshore assets 2025-2030



For the period 2025-2030, approximately 85 % of our expected revenue from our wind, solar PV, and battery storage assets are fixed-price inflation-indexed or fixed nominal. The remaining 15 % are exposed to fluctuations in power prices.

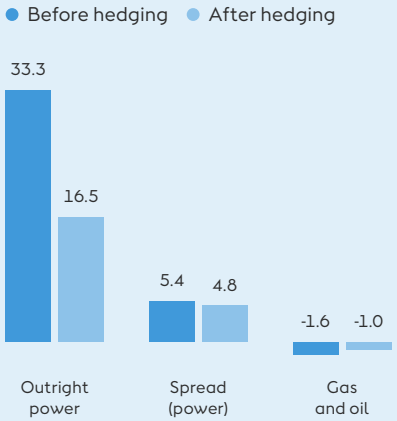
Currency exposure 2025-2029[1]
DKKbn



[1] In 2024, our currency exposure and hedges have been updated with our latest view of the expected proceeds from and timing of our divestment programme. For USD and NTD, we manage our risk to a natural time spread between front-end capital expenditures relating to construction projects and long-term revenue. In the five year horizon, we are therefore seeing that our hedges increase our net exposure, but our hedges reduce the risk in the longer horizon.

We deem EUR to constitute an insignificant risk as we expect Denmark to maintain its fixed exchange-rate policy.

Energy exposure 2025-2027[2]
DKKbn



[2] Energy exposure before hedging does not include revenue from inflation-indexed and fixed nominal prices as these do not contain any energy exposure.

~ 50 % inflation-indexed revenue

~50% of our revenue from offshore and onshore assets are fixed price-indexed to inflation, mainly from ROC and CfD subsidies in the UK and Poland (2023: ~45%).

~ 35 % fixed nominal revenue

~35 % of our revenue from offshore and onshore assets are fixed in nominal terms, mainly from fixed-price subsidies and CPPAs in Continental Europe, Taiwan, and the US as well as hedges swapping inflation-indexed cash flows to fixed cash flows (2023: ~35 %).

~ 15 % merchant revenue

~15 % of our revenue from offshore and onshore assets are exposed to merchant power prices (2023: ~20%).

DKK -7.6 billion

The value of our hedging instruments (mainly inflation and power) impacting EBITDA in the future amounts to a loss of DKK 7.6 billion at 31 December 2024 (2023: DKK 9.9 billion).

Risk framework

Note 6.1

The overall objective of our financial and revenue risk management is to:

- increase the predictability of our short-term income and construction costs
- protect our current and future investment capacity by stabilising key rating metrics, such as FFO/adjusted interest-bearing net debt
- protect the long-term real value of the shareholders' investment in Ørsted.

The governance for managing market, credit, and liquidity risks are based on the three-lines-of-defence model:

- The first line of defence is responsible for our ongoing risk management and control, including necessary mitigating actions for all risks we take on through our business, hedging, and trading activities.
- The second line of defence is Group Risk Management, which is responsible for challenging decisions made by the first line of defence, including providing independent risk views and advice, as well as monitoring and controlling that risks are being managed appropriately.
- The third line of defence is Internal Audit.

The mandates for first line of defence are established during the business planning processes and evaluated according to our risk appetite. An example is deciding on the target hedge level for price exposures from intermittent power generation as described in note 6.2 'Energy price risks'.

In our risk management processes, financial and revenue risks are quantified and assessed against our risk appetite – alongside decisions on suitable risk mitigation measures. Our biggest enterprise risks and associated risk mitigation measures are presented in the 'Enterprise risk management' section in the 'Management's review'.

The Board of Directors overseas our risk management through the Audit & Risk Committee and approves associated frameworks, mandates, and limits per risk factor. See the 'Corporate governance' section in the 'Management's review' for governance regarding our committees.

We govern the accounting treatment and effectiveness of hedges by applying hedge accounting on energy, commodity, currency, interest rate, and inflation hedging.

§ Accounting policies

Hedge accounting
We apply hedge accounting to our energy, commodity, currency, interest, and inflation hedges.

Almost all of the hedging instruments we use fully match the market risk of the exposure we hedge. The UK power exposure, for example, is hedged using UK power swaps or futures. Thus, the main source of ineffectiveness is related to the volume and timing of the actual production versus the settlement of the hedge. This difference in timing is referred to as volume risk and is described in more detail on the next page.

To the extent that a risk needs to be hedged, and if there is no fully effective instrument available in the market, analyses are performed of the expected effectiveness of the hedging instrument before the hedging transaction is concluded. In this case, the ratio between the hedged risk and the hedging instrument may deviate from the one-to-one principle and will be determined as the ratio which most effectively hedges the desired risk.

When we conclude a hedging transaction, and each time we present financial statements thereafter, we assess the correlation between the hedged exposure and the hedging instrument. The effective change in market value of the hedging instrument is recognised as a hedge of future cash flows in other comprehensive income in the hedging reserve.

If the hedged cash flows are no longer expected to be realised, the in-full or partially accumulated value change is transferred to profit (loss) for the year. Ineffective hedges related to energy and commodity exposures are recognised in other operating expenses. Ineffectiveness related to other hedges are recognised in financial income or expenses.

On realisation of the hedged cash flow, the resulting gains or losses are transferred from equity and recognised in the same item as the hedged item. However, on interest rate and currency hedging of proceeds from future loans, the resulting gain or loss is transferred from equity over the term of the loan.

For currency swaps, the basis spread is accounted for according to the cost of the hedging model.

⌕ Key accounting estimate

Valuation of long-term power purchase agreements
When we measure our power purchase agreements at fair value, we use estimates of non-observable inputs, such as:

- production forecasts
- forecasted long-term power prices and exchange rates
- forecasted inflation expectations.

Hedge accounting
Hedge effectiveness is measured using forecasted production as well as estimates regarding energy prices, intermittency, interest, currency, and inflation. For periods where we are close to fully hedged, volume overhedging is possible if the forecasted production does not materialise, which will lead to recognition of ineffectiveness.

⌕ Key accounting judgement

Valuation of long-term power purchase agreements
We measure our power purchase agreements at fair value, but they cannot always be measured against quoted prices in active markets due to the long duration of the contracts. We therefore use elements of judgement when measuring the fair value, and we aim to limit the use of subjective estimates and base the fair values on external information, including external pricing and benchmark services.

Hedge accounting
Judgements are used to consider whether forecasted transactions are highly probable exposures as hedged items in a hedge relationship, e.g. expected production from wind farms, and judgement is applied as to whether the hedge instruments applied in the hedge relationships identified are effective.

Energy price risks

Note 6.2

Our main energy price risk stems from our intermittent power generation from wind and solar PV assets. By nature, this is exposed to volume uncertainty, price uncertainty, and the often negative correlation between the two. We are also exposed to other energy price risks through our combined heat and power plants.

Intermittent Offshore and Onshore power generation

Around 15% of the revenue from our power generation in Offshore and Onshore in 2025-2027 is exposed to power price uncertainty.

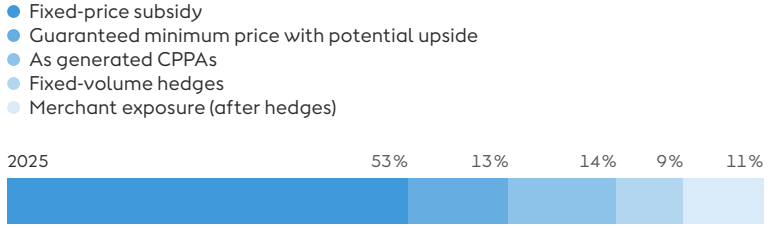
Most of our Offshore assets receive government subsidies, which provide a high degree of revenue certainty for pre-determined periods of time. The majority of the offshore subsidies that we receive in the UK, Central Europe, the US, and Taiwan provide us with either floor prices or fixed prices per MWh for the power produced. Our UK ROC assets receive a fixed subsidy per MWh in addition to the revenue generated from selling the power generation in the market. Furthermore, some of our Offshore assets in Germany will see their floor price subsidies drop from EUR 184-194 per MWh to EUR 39 per MWh over the next three years. For a very small number of our assets in the UK, the government subsidies have expired or will expire by the end of 2027. From early 2025, all Danish assets will be without subsidy. We manage some of the revenue risks in Offshore using corporate power purchase agreements (CPPAs), which have fixed prices and floor prices. These CPPAs cover approx. 10% of the expected Offshore revenue for the period 2025-2027.

A large part of our income in Onshore comes from production tax credits (PTCs) or investment tax credits (ITCs) related to power generation or investments in the US (see note 3.8 'Tax equity liabilities'). The tax credits are not exposed to a power price risk. However, there is a price risk associated with the power produced by these assets. In Europe, we have a mixture of subsidised and subsidy-free Onshore assets. Like in Offshore, we manage some of the Onshore revenue risks using CPPAs. The current Onshore CPPAs cover approx. 62% of the expected Onshore revenue for the period 2025-2027. In general, these CPPAs are structured with a minimum price per MWh and a mechanism where we retain most of the upside from high power prices.

To mitigate our residual exposure to revenue risks, we use fixed-volume hedges. There can be mismatches between these hedges and the production profiles of our assets. In addition, there tends to be a negative correlation between power prices and generation volumes, which is driven by the periods when solar and wind generation exceeds demand. These risks are accounted for in our hedging strategy and policies. For example, the maximum hedge ratio is 70% when using fixed-volume hedges within the two-year horizon we actively manage. This maximum hedging level ensures a low probability for not having physical power generation behind fixed-volume hedges while also providing an adequate level of risk reduction.

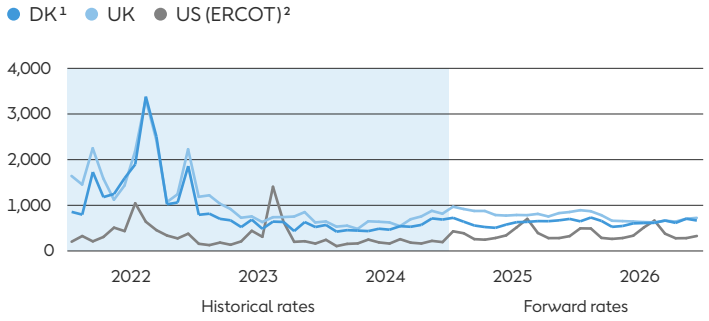
We may hedge beyond the two-year horizon if the price level is commercially attractive.

Composition of revenue from generation of power in Offshore and Onshore



The graph shows the split of the expected revenue from generation of power in Offshore and Onshore in 2025. The revenue from inflation-indexed or fixed nominal (covered by the three darkest blue components in the graph) is 80%, compared to the 85% from inflation-indexed or fixed nominal from 2025-2030 shown in section 6.0.

Development in power prices, DKK/MWh



The graph shows the historic development in monthly average spot power prices for the past three years and the forward rates for 2025 and 2026 as of 31 December 2024. The graph covers our main markets where we are exposed to power prices.

¹ Average of DK1 and DK2.
² Average of north and west.

Energy price risks

Note 6.2 – continued

Power generation at our CHP plants

Our portfolio of CHP plants primarily consists of biomass-fuelled units in Denmark. The profitability of power generation is determined by the difference between the selling price of power and the purchase price of biomass. If the spreads are attractive, we provide condensing power generation in addition to CHP generation. The total net price risk associated with power from CHP generation for the period 2025-2027 is DKK 4.8 billion after hedging, covering both heat-bound and condensing-based generation. We are not exposed to price risks related to heat generation.

Risk after hedging

Our energy exposure after hedging for the years 2025-2027 can be summarised as shown in the table.

Risk after hedging DKKbn	Effect of price change +10%	-10%
Power: 16.5 sell position	+1.7	-1.7
Spread (power): 4.8	+0.5	-0.5

A 10% increase in the power price will result in a gain of DKK 1.7 billion over the period 2025-2027, all else remaining unchanged. Gas and oil activities have a limited risk after hedging of DKK 0.0 billion for the period 2025-2027.

Power price exposure before hedging for 2025-2027, split on markets
DKKbn

The graph shows our power exposure towards power prices in different markets before hedges for the period 2025-2027.

§ Principles for estimating exposures

Exposure is calculated as the expected production (or net purchase/sale) times the forward price for the respective years.

Energy price risks

Note 6.2 – continued

Energy price cash flow hedge accounting 2024 DKKm	Contractual principal amount	Maturity analysis 2025	 2026	 After 2026	Market value Asset	 Liability	Recognised in comprehensive income	Expected transfers to EBITDA 2025	 2026	 After 2026
EBITDA impact										
Power purchase agreements (sell pos.)	9,771	2,001	2,022	5,748	867	(5,413)	(3,795)	(72)	(427)	(3,296)
Power swaps and futures (sell position)	3,750	2,277	1,473	-	897	(1,155)	287	79	208	-
Gas swaps and options (sell position)	768	723	45	-	87	(206)	128	98	30	-

Energy price cash flow hedge accounting 2023 DKKm		2024	 2025	 After 2025				2024	 2025	 After 2025
EBITDA impact										
Power purchase agreements (sell pos.)	5,378	1,288	973	3,117	135	(7,883)	(6,973)	(852)	(1,066)	(5,055)
Power swaps and futures (sell position)	7,545	3,617	2,715	1,213	3,476	(6,465)	1,861	1,614	25	222
Power options (buy position)	171	-	171	-	-	-	(72)	(71)	(1)	-
Gas swaps and options (sell position)	1,165	456	648	61	172	(314)	(896)	(761)	(62)	(73)
Oil futures (buy position)	8	8	-	-	-	-	(1)	(1)	-	-

Contracts accounted for at fair value through profit or loss (EBITDA) DKKm	2024 Contractual principal amount	 Market value	2023 Contractual principal amount	 Market value
Energy				
Power swaps (buy position)	3,071	(409)	245	2,126
Power options (sell position)	830	(23)	2,279	(67)
Power purchase agreements (sell pos.)	237	(94)	-	-
Gas swaps and options (sell position)	2,734	406	1,528	2,395
Oil swaps and options (buy position)	169	(147)	166	(492)
Other (buy position)	740	-	175	-

Part of the power swaps and futures hedge is managed with a dynamic hedge percentage. This relates to power sales sourced from purchase agreements with price caps and floors. The risk management objective is to protect the margin from price changes.

Ineffective hedges

In 2024, we recognised ineffective hedges with a gain of DKK 137 million (2023: loss of DKK 512 million) in other operating expenses, of which volume-related ineffectiveness related to Offshore amounted to DKK 0 million (2023: DKK -418 million), inflation-indexed-related ineffectiveness amounted to DKK 0 million (2023: A gain of DKK 105 million), and other ineffectiveness amounted to a gain of DKK 137 million (2023: DKK -199 million).

Inflation and interest rate risks

Note 6.3

Approximately 85 % of our revenue from Offshore and Onshore assets for the period 2025-2030 stem from either fixed nominal or inflation-indexed contracts. The long duration of these cash flows exposes us towards changes in interest rates and inflation, particularly for assets where the fixed nominal price received is constant regardless of interest rate, inflation, or merchant price level.

Our risk management builds on the important central assumption that shareholders prefer exposure to inflation-indexed cash flows over nominal cash flows, as this protects the real value of their investment. We apply an asset and liability management principle for handling interest rate and inflation risks.

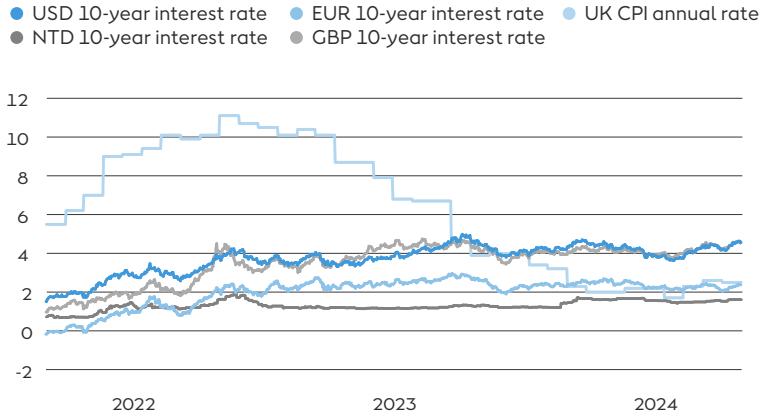
Inflation risk

We prefer to invest in assets with inflation-linked revenue to mitigate our cost inflation risks. Our cost inflation mainly stems from OPEX, COGS, DEVEX, and CAPEX, which, to a large extent, increase with inflation. Operational costs are assessed together with the inflation-indexed revenue to reduce the net risk.

In addition, CAPEX is exposed to the price development in a number of commodities, most significantly steel and copper for wind turbine, foundation, and cable contracts. Commodity price risks are first and foremost reduced by negotiating fixed-price CAPEX contracts and secondly by negotiating CAPEX price-linked to indexes or similar that can be hedged in the financial markets. The net commodity risk in CAPEX is hedged asset by asset following project FID.

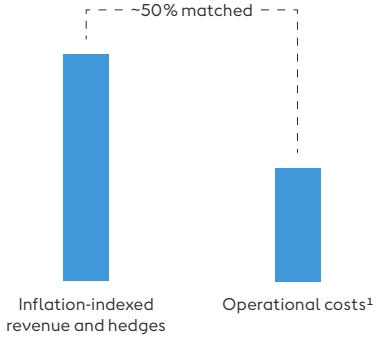
Development in inflation and interest rates

%



The graph shows the historic development in interest and inflation rates for the past three years. The graph covers our main markets where we are exposed to interest and inflation.

Inflation-indexed revenue in 2025-2030 is partly offset by inflation-indexed operational costs



¹ Operational costs are comprised of OPEX, COGS, and DEVEX after deduction of income from PTCs and ITCs.

Inflation and interest rate risks

Note 6.3 – continued

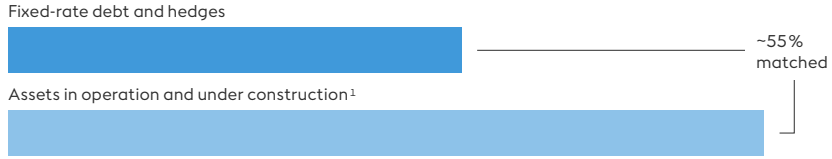
Interest rate risks

We actively match our debt with our assets per currency and modified duration. Modified duration of both assets and debt is the change in value in response to a 1 percentage point change in interest rates. As a rule of thumb, modified duration is matched within ±2 percentage points. For example, the fixed nominal cash flows from our Taiwanese projects with an average of 7.7 % in modified duration are matched with fixed-rate NTD debt with roughly 8.3 % modified duration.

For assets in operation and under construction, 60 % of the lifetime present value of fixed nominal cash flow, excluding CAPEX, are matched with corresponding fixed-rate senior and hybrid debt.

Part of this matching has been done by entering into inflation swaps on our inflation-indexed CfD and ROC revenue in the UK to match our GBP fixed-rate debt. As our portfolio of awarded assets mature, we actively consider executing interest rate swaps to lock in the interest rates before funding is secured. Finally, when we farm down part of an asset, we normally hedge part of the interest, inflation, and currency risks related to the divestment proceeds.

Fixed-rate debt and hedges used to protect fixed nominal cash flows against interest rate increases



For assets in operation and under construction, approximately 55 % of the fixed nominal cash flows are matched with a fixed interest rate on our debt and hedge portfolio.

[1] Lifetime present value of fixed nominal cash flows, excluding CAPEX. Assets under construction include the Hornsea 3, Borkum Riffgrund 3, Revolution Wind, Sunrise Wind, and Greater Changhua 2b and 4 offshore wind farms.

Inflation and interest rate risks

Note 6.3 – continued

Cash flow hedge accounting 2024 DKKm	Contractual principal amount	Maturity analysis 2025-28	 2029-34	 After 2034	Market value Asset	 Liability	Recognised in comprehensive income	Expected transfers to income statement 2025	 2026	 After 2026
EBITDA impact										
Inflation swap (pay variable/receive fixed – UK), revenue	22,503	5,231	13,439	3,833	-	(3,024)	(3,513)	(216)	(221)	(3,076)
Financial items impact										
Interest rate swap (pay fixed/receive variable – USD), future loan issuance	2,989	-	-	2,989	26	-	702	-	70	632
Interest rate swap (pay fixed/receive variable – NTD), future loan issuance	-	-	-	-	-	-	96	5	10	81
Property, plant, and equipment under construction										
Metals	1,456	1,456	-	-	-	(181)	n/a	n/a	n/a	n/a

Cash flow hedge accounting 2023 DKKm		2024-27	2028-33	After 2033				2024	2025	After 2025
EBITDA impact										
Inflation swap (pay variable/receive fixed – UK), revenue	22,883	6,409	12,818	3,656	-	(3,125)	(3,414)	(202)	(204)	(3,008)
Interest rate swap (pay fixed/receive variable – NTD), divestment	4,776	4,776	-	-	-	(85)	(85)	(85)	-	-
Financial items impact										
Interest rate swap (pay fixed/receive variable – USD), future loan issuance	3,036	-	-	3,036	-	(142)	530	-	-	530
Interest rate swap (pay fixed/receive variable – NTD), future loan issuance	2,639	-	-	2,639	-	(6)	-	-	-	-

Contracts accounted for at fair value through profit or loss (financial items) DKKm	2024 Contractual principal amount	 Market value	2023 Contractual principal amount	 Market value
Interest rate swaps (pay fixed/receive variable)	13,822	200	21,806	(369)

Interest rate swaps are used to adjust the maturity of our bond portfolio. For 2023, this includes ineffective USD interest rate swaps with a contractual principal amount of DKK 12,148 million.

We hedge our UK inflation risk related to inflation-indexed revenue from ROC and CfD subsidies at an average fixed rate of 3.4%. Furthermore, we hedge the interest and inflation risk related to divestments. All the inflation risks that we hedge are separately identifiable in the underlying contract.

We have recognised ineffectiveness of DKK 25 million (gain) (2023: ineffectiveness gain of DKK 2,297 million in financial income, mainly related to US interest rate hedges no longer needed after the termination of Ocean Wind 1).

Currency risks

Note 6.4

Our cash flows consist of multiple different currencies, which expose us to fluctuations in currency exchange rates. Our main currency exposures are GBP, USD, and NTD. While our exposure to EUR is also significant, we deem EUR an insignificant risk as we expect Denmark to maintain its fixed exchange-rate policy.

For GBP, our significant earnings from assets in operation and expected farm-downs are larger than our planned CAPEX, resulting in a net-positive GBP exposure, both in the short and long term. A 10% increase in the GBP/DKK exchange rate will result in a gain of DKK 1.9 billion over the period 2025-2029, all else remaining unchanged.

For USD, our portfolio of offshore and onshore development assets, operating assets, and expected farm-downs translate to a both short- and long-term net-positive USD exposure.

We primarily manage currency risk by using structural risk management tools, such as using local currency sourcing contracts, netting income and expenses in the same currency, and issuing local currency debt to naturally balance our portfolio.

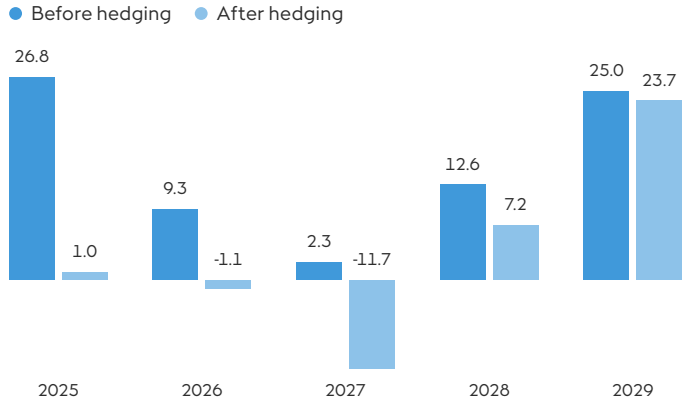
More specifically, the currency denomination of new debt issuances is aimed at optimising the currency composition of net debt with that of forecasted FFO to ensure stability in FFO/adjusted interest-bearing net debt against adverse movements in exchange rates. Debt can be particularly effective in new markets to mitigate the time-spread risk since the proceeds from the debt issuance can be used to fund and hedge construction costs, while the debt repayment profile can be sculpted to match future revenue.

The residual currency risk after debt and netting of exposures are managed via financial derivatives according to our desired risk appetite. Our overall hedge horizon is five years, covering only highly certain cash flows to reduce the risk of hedge ineffectiveness. For energy price risks in foreign currencies, we do not hedge the exchange rate risk until the energy exposure has been hedged. For cash flows that relate to subsidised GBP income from our UK offshore wind farms less operating expenses, we hedge on a declining level over a five-year rolling horizon. The target is to hedge 100% of highly certain cash flows in year 1, declining by 20 percentage points each year to 20% in year 5.

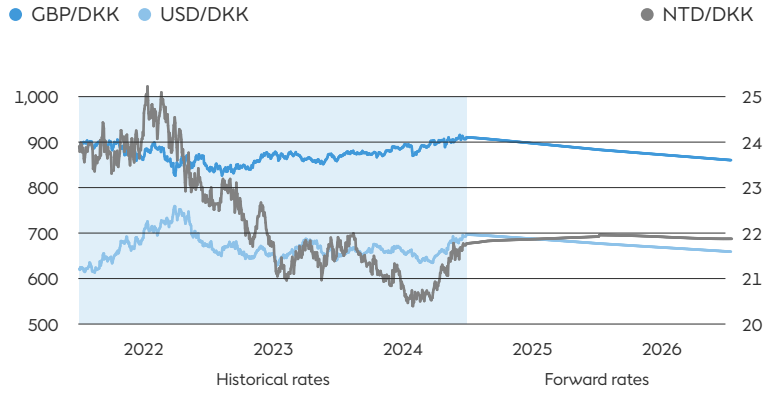
Our currency exposure from production, sales, investment, and divestment after hedging for the years 2025-2029 can be summarised as shown in the table.

Risk after hedging DKKbn	**Effect of price change** +10%	-10%
GBP: 19.1 sell position	+1.9	-1.9
USD: 8.4 buy position	-0.8	+0.8
NTD: 18 sell position	+1.8	-1.8

GBP exposures[1]
DKKbn



Development in currency rates[2]



[1] The graph shows our GBP exposure before and after hedges from divestments and investments, green certificates, and hedged energy.

[2] The graph shows the historic development in spot currency rates for the past three years and the forward rates for 2025 and 2026 as of 31 December 2024.

Currency risks

Note 6.4 – continued

Currency cash flow hedge accounting 2024 DKKm	Contractual principal amount	Maturity analysis 2025	 2026	 After 2026	Market value Asset	 Liability	Recognised in comprehensive income	Expected transfers to income statement 2025	 2026	 After 2026
EBITDA impact										
GBP forwards and cross-currency swaps	22,864	5,980	5,691	11,193	-	(885)	(942)	(387)	(235)	(320)

Currency cash flow hedge accounting 2023 DKKm		2024	2025	After 2025				2024	2025	After 2025
EBITDA impact										
GBP forwards and cross-currency swaps	24,191	5,961	6,115	12,115	131	(481)	(331)	(218)	(33)	(80)
USD forwards	3	3	-	-	-	-	-	-	-	-

The GBP exchange rates for hedges impacting EBITDA in 2025 and 2026 are hedged at an average of GBP/DKK 8.5 and 8.5, respectively. Ineffectiveness from currency cash flow hedges in 2024 amounts to a loss of DKK -82 million (2023: DKK -134 million), recognised in financial items.

Contracts accounted for at fair value through profit or loss (financial items) DKKm	2024 Contractual principal amount	 Market value	2023 Contractual principal amount	 Market value
Currency				
Forward exchange contracts	21,180	1	24,504	(54)

The table shows cash management positions which are not hedge accounted.

Currency risks

Note 6.4 – continued

Hedging of net investments in foreign subsidiaries DKKm Currency 2024	Net investment	Of which, non-controlling interests	Hedged amount in currency	Net position	Accumulated exchange rate adjustments in equity
GBP	62,675	(7,859)	(46,688)	8,128	(1,877)
EUR	31,702	-	-	31,702	30
USD	43,840	(2,498)	(27,282)	14,060	619
NTD	27,821	-	(10,324)	17,497	102
Other	5,704	-	-	5,704	154
Total	**171,742**	**(10,357)**	**(84,294)**	**77,091**	**(972)**
Currency 2023					
GBP	70,682	(1,876)	(31,197)	37,609	(3,075)
EUR	37,602	-	-	37,602	9
USD	22,809	-	(20,045)	2,764	(301)
NTD	25,778	-	(5,937)	19,841	131
Other	3,853	-	-	3,853	90
Total	**160,724**	**(1,876)**	**(57,179)**	**101,669**	**(3,146)**

No ineffectiveness from net investment hedges in 2024. In 2023, ineffectiveness caused by impairments on our US activities was recognised with a gain of DKK 236 million in financial items..

The net position expresses the accounting exposure. If, for example, the GBP/DKK exchange rate increased by 10% on 31 December 2024, equity would have increased by DKK 813 million, corresponding to 10% of DKK 8,128 million.

		Maturity analysis			Market value	
Net investment hedges 2024 DKKm	**Contractual principal amount**	**2025**	**2026**	**After 2026**	**Asset**	**Liability**
GBP issued senior bonds	27,960	-	-	27,960	-	-
GBP forwards and cross-currency swaps	18,728	4,162	3,247	11,319	142	(604)
USD bank loans	5,368	-	-	5,368	-	-
USD forwards and cross-currency swaps	21,914	4,919	10,370	6,625	194	(997)
NTD issued senior bonds	5,931	-	879	5,052	-	-
NTD forwards and cross-currency swaps	4,393	4,393	-	-	4	-

Net investment hedges 2023 DKKm		**2024**	**2025**	**After 2025**		
GBP issued senior bonds	26,669	-	-	26,669	-	-
GBP forwards and cross-currency swaps	4,528	774	1,131	2,623	7	-
USD bank loans	1,332	-	-	1,332	-	-
USD forwards and cross-currency swaps	18,713	4,926	3,934	9,853	657	-
NTD issued senior bonds	5,937	-	-	5,937	-	-

Hedging of net investments in foreign subsidiaries

Our foreign subsidiaries entail currency risks. We hedge these currency risks by raising loans in foreign currencies and by entering into forward exchange contracts, currency swaps, and options.

On 31 December 2024, the accumulated exchange rate adjustments totalled DKK -972 million (2023: DKK -3,146 million), divided between the exchange rate adjustment of the net investment of DKK 4,791 million (2023: DKK -1,093 million) and the hedging thereof of DKK -5,763 million (2023: DKK -2,053 million).

§ Accounting policies

Hedging of net investments in foreign subsidiaries
Changes in the market value of currency derivatives and currency adjustment of loans that are classified as net investment hedges in foreign subsidiaries or associates are recognised in the consolidated financial statements directly in equity within a separate foreign currency translation reserve.

Credit risks

Note 6.5

Offsetting of financial assets DKKm	Derivatives	Trade receivables	2024	Derivatives	Trade receivables	2023
Financial assets	6,795	9,614	16,409	17,775	21,728	39,503
Financial liabilities, offset	(2,402)	(4,916)	(7,318)	(6,911)	(16,849)	(23,760)
Financial assets in the balance sheet	**4,393**	**4,698**	**9,091**	**10,864**	**4,879**	**15,743**
Amounts not offset in the balance sheet						
Liabilities with offsetting rights	(1,543)	-	(1,543)	(2,529)	-	(2,529)
Collateral received	(139)	-	(139)	(468)	-	(468)
Net	**2,711**	**4,698**	**7,409**	**7,867**	**4,879**	**12,746**

Offsetting of financial liabilities DKKm						
Financial liabilities	11,153	9,246	20,399	17,864	20,981	38,845
Financial assets, offset	(2,402)	(4,916)	(7,318)	(6,911)	(16,849)	(23,760)
Financial liabilities in the balance sheet	**8,751**	**4,330**	**13,081**	**10,953**	**4,132**	**15,085**
Amounts not offset in the balance sheet						
Assets with offsetting rights	(1,543)	-	(1,543)	(2,529)	-	(2,529)
Collateral provided	(5,082)	-	(5,082)	(4,214)	-	(4,214)
Net	**2,126**	**4,330**	**6,456**	**4,210**	**4,132**	**8,342**

A large part of the gross assets and liabilities can be offset due to the nature in trading activities where energy is both purchased and sold with a limited number of participants in the energy markets.

Credit quality of the Group's counterparties[1] DKKm	2024	2023
AAA/Aaa	12,485	27,301
AA/Aa	17,623	7,518
A/A	10,262	10,501
BBB/Baa	4,583	9,020
Other	7,962	9,198
Total credit exposure	**52,915**	**63,538**

[1] The figures do not reflect our actual credit exposure, as the positions are calculated before offsetting our debt to such counterparties. At December 31, 2024 Ørsted considered its maximum credit risk to be DKK 52,915 million (2023: DKK 63,538 million).

We are exposed to credit risks from our hedging activities, construction activities, and all other activities where a counterparty's failure to meet their obligations may cause a loss. A large part of our credit risk is towards major international energy companies, suppliers, and banks.

Our key credit risk management objective is to secure that credit decisions are well informed and takes into consideration potential future changes to relevant risk factors, and to monitor our counterparties closely. Our credit policy is to accept unsecured credit exposures to investment grade counterparties while we have limited or no credit appetite to lower rating classes. Some of our main methods for mitigating the credit risks are by having minimum rating requirements in our contracts, monitoring credit worthiness indicators closely to be able to react in due time, and requiring guarantees or other credit-risk-reducing measures if needed and deemed necessary. Where mitigation in accordance with our policies and principle is not commercially posible, credit risk can be accepted if deemed necessary and balanced.

For the most significant counterparties, an internal rating is assigned in connection with establishing credit limits. The rating is based on information from external credit rating agencies, publicly available information, credit risk information systems, and our own analyses.

We have not experienced any losses from a major counterparty in 2024. In 2023, we wrote down a loan to a US supplier amounting to DKK 571 million.

§ Accounting policies

We only offset positive and negative values if we are entitled to and intend to settle several financial instruments net.

Fair value measurement

Note 6.6

Fair value hierarchy of financial instruments DKKm	Quoted prices (level 1)	Observable input (level 2)	Non-observable input (level 3)	2024	Quoted prices (level 1)	Observable input (level 2)	Non-observable input (level 3)	2023
Assets								
Gas inventory	2,735	-	-	2,735	1,513	-	-	1,513
Total inventory	**2,735**	**-**	**-**	**2,735**	**1,513**	**-**	**-**	**1,513**
Bonds	-	14,532	-	14,532	-	29,902	-	29,902
Total securities	**-**	**14,532**	**-**	**14,532**	**-**	**29,902**	**-**	**29,902**
Energy derivatives	2,943	559	1,243	4,745	7,485	2,700	559	10,744
Currency derivatives	-	361	-	361	-	749	-	749
Interest and inflation derivatives	-	471	-	471	-	336	-	336
Total derivative assets	**2,943**	**1,391**	**1,243**	**5,577**	**7,485**	**3,785**	**559**	**11,829**
Liabilities								
Energy derivatives	2,784	752	6,399	9,935	5,397	4,176	8,087	17,660
Currency derivatives	-	2,506	-	2,506	-	489	-	489
Interest and inflation derivatives	-	3,269	-	3,269	-	4,063	-	4,063
Commodity derivatives	-	181	-	181	-	-	-	-
Total derivative liabilities	**2,784**	**6,708**	**6,399**	**15,891**	**5,397**	**8,728**	**8,087**	**22,212**

All assets and liabilities measured at market value are measured on a recurring basis.

We measure our securities and derivatives at fair value. A number of our derivatives, mainly power purchase agreements, are measured based on unobservable inputs due to the long duration of the contracts.

Valuation principles and process

In order to minimise the use of subjective estimates or modifications of parameters and calculation models, it is our policy to determine fair value based on the external information that most accurately reflects the market values. We use pricing services and benchmark services to increase the data quality. Market values are determined by the Risk Management function.

We use external price providers to ensure a high quality of our price curves. Where prices are not available, we model the prices based on our prior experience and best estimates. Where relevant and possible, we validate our price curves against third-party data.

Fair value hierarchy

Market values based on quoted prices comprise quoted securities and derivatives that are traded in active markets. The market values of derivatives traded in an active market is often settled on a daily basis, thereby minimising the market value presented on the balance sheet.

Market values based on observable inputs comprise derivatives where valuation models with observable inputs are used to measure fair value.

Market values based on non-observable inputs mainly comprise long-term power purchase agreements (PPAs) that lock the power price of the expected power generation over a period of up to 10-20 years. Due to the long duration of these PPAs, power prices are not observable for a large part of the duration. The most significant non-observable inputs are based on US power prices (mainly ERCOT) and German power prices.

Estimating as-produced power prices

Since our PPAs are normally settled on the actual production, and the power prices available in the market are based on a constant production (flat profile), we take into account that our expected production is not constant, and thus our PPAs will not be settled against a flat profile price. For the majority of our markets, the flat profile power price can be observed for a maximum of four to six years in the market, after which an active market no longer exists.

Fair value measurement

Note 6.6 – continued

Derivatives valued on the basis of unobservable input DKKm	2024	2023
Market value at 1 January	(7,528)	(14,687)
Value adjustments through profit or loss	(4)	(31)
Value adjustments through other comprehensive income	3,501	3,766
Sales/redemptions	(516)	1,366
Purchases/issues	(294)	750
Transferred from quoted prices and observable input	(35)	-
Transferred to quoted prices and observable input	(280)	1,308
Market value at 31 December	**(5,156)**	**(7,528)**

Unobservable input per commodity price DKKm		
US ERCOT power prices	(2,375)	(5,261)
German power prices	(1,406)	(1,484)
US MISO power prices	(487)	(737)
Other power prices	(735)	(37)
Gas prices	(153)	(9)
Total	**(5,156)**	**(7,528)**

	Power price (DKK/MWh)			Sensitivity (DKKm)	
Overview of significant unobservable inputs and sensitivities	**Weighted average**	**Monthly minimum**	**Monthly maximum**	**+25%**	**-25%**
Intermittency-adjusted power price					
US ERCOT (2025-2033)	195	69	541	(2,577)	2,928
Germany (2026-2035)	420	320	622	(1,200)	1,200
US MISO (2025-2033)	282	183	460	(399)	595
US SPP (2025-2035)	232	93	419	(436)	683
Ireland (2025-2042)	493	408	842	(228)	228

The table shows the significant unobservable inputs used in the fair value measurements categorised as level 3 of the fair value hierarchy, together with a sensitivity analysis as at 31 December 2024.
The asymmetric sensitivity on the US price areas is due to some US PPAs being structured with a minimum price per MWh and a mechanism where we retain most of the upside from high power prices.

If intermittency-adjusted power prices in Germany as of 31 December 2024 increased/decreased by 25%, the market value would decrease/increase by DKK 1,200 million.

Valuation techniques and significant unobservable inputs

We use a discounted cash flow model for the valuation of power derivatives.

The US power purchase agreements give exposure to the long-term US power prices, mainly in the ERCOT, SPP, and MISO regions. The power price is observable for the first four to six years. For the following four to six years, the power price is estimated based on observable inputs (gas prices and heat rates). For the subsequent period, the power price is non-observable and estimated by extrapolating the power price towards the U.S. Energy Information Administration's long-term power price forecast, assuming similar seasonality as in previous periods. As the majority of the remaining contract period is within the period when power prices are non-observable, we classify the contracts as based on non-observable input.

In Germany and other countries where we have long-term PPA contracts, the power price is observable for up to five years. When power prices are no longer observable in the market, we have estimated the power price by extrapolating the last year with an observable power price, taking expected inflation and seasonality into account.

Acquired CPPAs

The initial negative fair value from long-term PPAs acquired in a business combination is recognised as revenue in profit or loss in the future period to which the market value relates. This effectively increases or decreases the revenue from the contract price to the forward price at the closing date.

In 2024, we have recognised an income of DKK 148 million (2023: income of DKK 197 million) related to the initial fair value from PPAs. The total amount of initial fair value as of 31 December 2024 amounts to a negative value of DKK 1,157 million (2023: negative value of DKK 1,243 million), which will be recognised as revenue in a future period.

§ Accounting policies

When the fair value at 'initial recognition' differs from the transaction price, and the fair value is not purely based on observable prices, the difference between the fair value at initial recognition and the transaction price is deferred and recognised over the lifetime of the PPA.

Energy trading portfolio

Note 6.7

Overview of the Group's energy trading portfolio[1] DKKm	2024 Contractual principal amount	2024 Unrealised gain (loss)	2023 Contractual principal amount	2023 Unrealised gain/(loss)
Power swaps (sell position)	4,389	229	3,305	(492)
Power options (buy position)	3,778	972	5,906	1,406
Gas swaps and options (sell position)	3,477	(704)	2,138	(312)
Oil swaps and options (buy position)	169	(20)	156	(137)
Other (sell position)	741	12	175	13

Trading mandates[2]

VaR limit in 2024: DKK 100 million	Stress limit in 2024: DKK 400 million	Maximum open positions in trading portfolio
VaR indicates the largest loss in one trading day at a probability of 95%. VaR is based on data for the past 45 trading days, with the heaviest weighting being assigned to the most recent trading days.	Stress indicates the largest daily loss we risk sustaining with the given portfolio. Stress is based on data from 1 January 2006 to the present day.	• Max. 6 TWh of power • Max. 9.5 TWh of gas • Max. 1 million BOE • Max. 1.5 million tonnes of carbon emissions • Max. 0.5 million tonnes of coal and biomass

[1] The contractual principal amount has been determined as the net position per derivative type. The risks associated with our options are smaller than for our swaps. The unrealised gain/loss consists of both the received exposure from our assets with settlement at maturity and the external trades settled on a daily basis, including the settled margin.

[2] Trading activities are carried out under mandates approved by the Board of Directors. The mandates comprise a value-at-risk (VaR) mandate and a stress mandate as well as a limit for the maximum positions measured in energy units per product (power, gas, etc.).

Trading portfolio

The purpose of our trading portfolio is to:

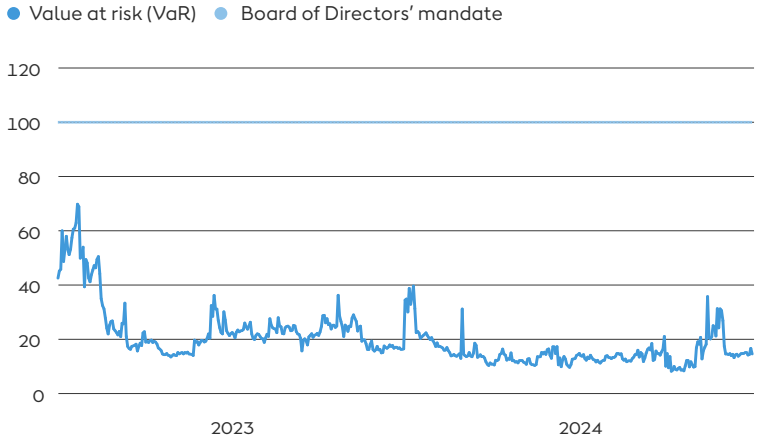
- optimise hedging execution
- contribute to increased market insight
- profit from short-term fluctuations in energy prices.

The energy trading portfolio receives the exposure from our assets and takes that exposure into the external market in the most efficient way possible, given the mandates shown above. The overview of the Group's energy trading portfolio above is the net of the internal exposures received from the assets and the external trades in line with internal risk management.

The trading portfolio primarily consists of positions in power and gas.

The trading portfolio constitutes a smaller part of our total portfolio of derivatives, and the associated risk is limited.

Daily positions in the trading portfolio, market trading mandates
DKKm



§ Accounting policies

Market value adjustments of physical and financial contracts relating to energy that are entered into with the purpose of generating gains from short-term price changes are recognised as revenue.

Categories of financial instruments

Note 6.8

Categories of financial instruments DKKm	2024	2023
Energy, currency, and interest derivatives	3,360	7,251
Securities	14,532	29,902
Financial assets measured at fair value via the income statement	**17,892**	**37,153**
Energy derivatives	1,851	3,783
Currency derivatives	340	795
Interest and inflation derivatives	26	-
Derivatives (assets) measured at fair value and used as hedging instruments	**2,217**	**4,578**
Trade receivables	9,045	11,107
Other accounts receivable	8,004	7,200
Cash	23,444	10,626
Financial assets measured at amortised cost	**40,493**	**28,933**
Energy, currency, and interest derivatives	3,426	3,712
Financial liabilities measured at fair value via the income statement	**3,426**	**3,712**
Energy derivatives	6,774	14,661
Currency derivatives	2,486	481
Interest and inflation derivatives	3,024	3,358
Commodity derivatives	181	-
Derivatives (liabilities) measured at fair value and used as hedging instruments	**12,465**	**18,500**
Bank loans and issued bonds	87,708	79,620
Trade payables	20,827	14,915
Other accounts payable	8,380	8,591
Financial liabilities measured at amortised cost	**116,915**	**103,126**

The table shows our financial instruments divided into categories.
The categories indicate how the financial instruments are recognised in the financial statement.

Financial instruments are used for various purposes. The purpose determines the category, and whether the value adjustment of the instrument should be recognised in the profit (loss) for the year or as part of the hedging reserve in equity.

The fair value of financial instruments measured at amortised cost is identical to the carrying amount with the exception of bank loans and issued bonds where the market value is stated in note 5.1 'Interest-bearing net debt and FFO'.

Sensitivity analysis of financial instruments

Note 6.9

Sensitivity analysis of financial instruments DKKm	Price change	31 December 2024 Effect on profit (loss) before tax	31 December 2024 Effect on equity before tax	31 December 2023 Effect on profit (loss) before tax	31 December 2023 Effect on equity before tax
Power	+25%	(187)	(6,736)	(277)	(8,119)
	-25%	438	7,247	562	8,263
Gas	+25%	(741)	152	(588)	(127)
	-25%	741	(152)	588	127
Oil	+25%	(112)	-	(360)	260
	-25%	112	-	360	(158)
GBP	+10%	(541)	(2,636)	817	(2,965)
	-10%	541	2,636	(817)	2,965
USD	+10%	(1,279)	(259)	(2,070)	(662)
	-10%	1,279	259	2,070	662
NTD	+10%	155	-	(386)	(9)
	-10%	(155)	-	386	9
EUR	+1%	11	(13)	(212)	(15)
	-1%	(11)	13	212	15
Inflation	+1%p	-	(1,795)	-	(2,059)
Interest	+1%p	266	258	620	920

The sensitivity analysis in the table shows the effect of market value changes, assuming a relative price change at 31 December.

The effect on profit (loss) before tax comprises financial instruments that remained open at the balance sheet date, and which have an effect on profit (loss) in the current financial year.

Effect on equity before tax comprises financial instruments that remained open at the balance sheet date, and which are value-adjusted directly in equity.

Financial instruments include derivatives as well as receivables and payables in foreign currencies.

The illustrated sensitivities only comprise the impact of our financial instruments.

If the hedged exposure had been included in the sensitivity analysis, the effect of a price change would have been reduced or offset entirely.

Net investments and associated hedging of net investments in foreign subsidiaries are not included in the table, as the effects of the sum of the investments and the hedging are considered to be neutral to changes in currencies.

A 10% increase/decrease in the currencies hedged in connection with net investments would reduce/increase equity by DKK 8,430 million (2023: DKK 5,718 million).

Other notes
Note 7

Related-party transactions
Note 7.1

Joint ventures DKKm	2024	2023
Dividends received	99	86
Capital transactions, net	94	(222)
Sales of goods and services	26	64
Receivables	109	9

Associates DKKm	2024	2023
Capital transactions, net	(47)	(54)
Sale of goods and services	6	-
Purchase of goods and services	181	(186)
Payables	(20)	(25)

Related parties that have control over the Group comprise the Danish state, represented by the Danish Ministry of Finance.

Other related parties are the Group's associates and joint ventures, members of the Board of Directors and the Executive Board, and other senior executives.

See note 7.4 'Company overview' for an overview of our joint ventures and associates.

Related-party transactions are made on arm's length terms. Intra-group transactions have been eliminated in the consolidated financial statements.

The remuneration and share programmes for the Group Executive Team and the Board of Directors are described in notes 2.7 'Employee costs' and 2.8 'Share-based payment'.

We use the exemption set out in IAS 24.25 concerning entities in which the Danish state is a related party, and therefore transactions with government-related companies are not disclosed.

There were no other related-party transactions during the period.

Auditor's fees

Note 7.2

PwC is Ørsted's auditor appointed by the annual general meeting. PwC audits the consolidated financial statements of Ørsted and our subsidiaries' statutory financial statements in all the countries where we are represented, and an audit is required.

It is our policy that the annual fee for non-audit services provided by our statutory auditor cannot exceed the annual fee for statutory audit services measured at Group level. The cap may be exceeded subject to approval by the Audit & Risk Committee.

'Other assurance engagements' primarily included limited assurance over the sustainabiity statements, assurance services related to the issuance of bonds, audit of special regulatory financial statements, and assurance services related to other reporting to third parties.

'Tax and VAT advice' primarily included advice in connection with tax due diligence, transfer pricing advice, and advice in connection with the preparation and review of tax returns.

'Other services' included other consultancy services, primarily related to vendor due diligence and risk and performance mangement advice.

Fees for services other than the statutory audit supplied by PwC Denmark to Ørsted amounted to DKK 12 million (2023: DKK 8 million) and consisted of assurance services related to the issuance of bonds, due diligence, risk and performance management advice, limited assurance over the sustainability statements, and other general accounting, tax, and transfer pricing advice.

Auditor's fees

DKKm	2024	2023
Audit and audit-related fees		
Statutory audit	38	43
Other assurance engagements	5	5
Non-audit services		
Tax and VAT advice	1	2
Other services	7	4
Total fees to PwC	**51**	**54**
Fee for non-audit services in percent of statutory audit fee	**24%**	**24%**
PwC Denmark non-audit service ratio	**57%**	**74%**

The non-audit services provided by the Group auditor in Denmark cannot exceed 70%. The 'PwC Denmark non-audit service ratio' in 2023 includes an assurance service related to a contemplated bond issuance for which we have received an exemption from the Danish Business Authorities. The 'PwC Denmark non-audit service ratio', excluding this exempted service, constitues 55% for 2023.

Non-IFRS financial measures

Note 7.3

We present financial measures in the consolidated financial statements to describe the Group's financial performance and cash flows. We use these financial measures as we believe they provide valuable information to our stakeholders and management.

The financial measures should not be considered a replacement for the performance measures as defined under IFRS but rather as supplementary information.

The financial ratios are an overview of our financial performance and operational efficiency based on common ratio types relevant to Ørsted.

Our definitions of the financial measures and reasoning for using them are shown in the table.

	Description	Reason for the use of the measurement
EBITDA	Reflecting 'Earnings before interest, taxes, depreciation, amortisation, and impairments'.	Measurement for our core operational performance. Given our capital-intensitive portfolio of assets, our primary operations are best measured by excluding depreciation and financing costs. Ørsted guides externally on this non-IFRS measure.
EBITDA adjusted for new partnerships and cancellation fees	EBITDA exclusive of the impact from changes in provisions for cancellation fees related to ceased development or construction of projects, and exclusive of the impact from partial or full divestment of ownership interests in assets in the year a transaction closes, covering both the initial gain/loss on the divestment and any subsequent earnings under a construction (management) agreement.	Because cancellation fees related to ceased development or construction of projects are extraordinary by nature, and because the impact from partial or full divestment of ownership interests in our assets is uncertain and fluctuate between periods, we use this measure to track the underlying operational performance.
Gross investments	Gross investments reflect our total investments in assets and enterprises. It comprises cash flows from investing activities, excluding dividends received from associates, joint ventures, and equity investments, purchase and sale of securities, loans to joint ventures and joint operations, and divestments of assets and enterprises. To this is added acquired debt and restricted cash in connection with acquisitions.	Measurement used to monitor the net interest-bearing debt impact of our investment activities in assets and enterprises. Ørsted guides externally on this non-IFRS measure.
Net investments	Net investments are gross investments less divestments of assets and enterprises, the selling price for non-controlling interests, and subsequent capital injections from non-controlling interests. Furthermore, interest-bearing debt transferred in connection with a divestment is deducted.	Measurement to monitor the net interest-bearing debt impact of our investment activities in assets and enterprises, net of divestments.
Funds from operations (FFO)	EBITDA adjusted for gain (loss) on divestment of assets; variation margin, change in provisions and other adjustments; income tax paid; interest and similar items, received or paid, including capitalised interest expenses; 50 % of coupon payments on hybrid capital; dividends received; and capital reductions.	Measurement used to monitor our funds, directly and indirectly, generated from our operations. Funds from operations is the numerator in our rating metric.
Net interest-bearing debt (NIBD)	Equals interest-bearing debt to be repaid in cash, including issued bonds, bank debt, and lease liabilities, less securities, cash, and other interest-bearing assets.	Measurement of the sum of our interest-bearing assets and liabilites. Thus, important for mangement to monitor in order to ensure adequate debt levels.
Adjusted interest-bearing net debt	Adjusted interest-bearing net debt is interest-bearing net debt plus: • cash and securities not available for distribution (excluding repo loans) • 50 % of hybrid capital • Other interest-bearing debt (add back) • Other interest-bearing receivables (add back)	Measurement used as an indicator of our interest-bearing net debt in a format comparable to the ones used by rating agencies. Net interest-bearing debt is the denominator in our rating metric.
FFO to adjusted interest-bearing net debt	$\frac{\text{FFO}}{\text{Adjusted interest-bearing net debt}}$	Measurement used to monitor our ability to generate funds from our operations which can serve our interest-bearing debt. It is the metric used by rating agencies when assessing their rating of Ørsted.
Free cash flow (FCF)	Free cash flows are cash flows from operating activities and divestments less gross investments.	Measurement used as an indicator to see if we can self-fund our growth.

Non-IFRS financial measures

Note 7.3 – continued

	Description	Reason for the use of the measurements
Return on capital employed (ROCE)	$\frac{\text{EBIT}}{\text{Average capital employed}}$	Common measurement to monitor the return generated on the capital invested within the company over the duration of the past year.
Proposed dividend per share (DPS)	$\frac{\text{Total proposed dividend}}{\text{Number of shares at year end}}$	Common formula to monitor the proposed dividend per share issued.
Dividend yield	$\frac{\text{Dividend per share (proposed)}}{\text{Share price on the last trading day of the year}}$	Measurement to indicate the return obtained solely from dividends.
Average number of shares	$\frac{1}{\text{Number of days}} \times \sum_{i=1}^{\text{Number of days}} = X1$	Common formula to calculate the average number of shares issued during the year.
Net working capital	Net working capital is inventories, contract assets (net), trade receivables, and other current operating assets, less trade payables, other current operating liabilities, and working capital elements of tax equity balances.	Common measurement to monitor the capital invested in short-term operating facilities.
Capital employed	Capital employed are all assets and liabilities, except for equity and interest-bearing net debt.	Measurement used to monitor the capital tied within the business which is utilised for the primary activities of generating profits.
Other definitions (IFRS financial measure)		
Profit (loss) per share	$\frac{\text{Shareholder's share of the profit (loss) for the period}}{\text{Average number of shares}}$	Common measurement to indicate the profit to which each share is entitled.
Diluted profit (loss) per share	$\frac{\text{Shareholder's share of the profit (loss) for the period}}{\text{Average number of shares, including dilutive effect of free shares}}$	Common measurement to indicate the profit to which each share is entitled, including any dilutive effects arising from free shares.

Company overview

Note 7.4

Segment/company	Country	Type[1]	Ownership interest
Parent company			
Ørsted A/S	Denmark		
Offshore			
Anholt Havvindmøllepark I/S[4]	Denmark	JO	50%
Borkum Riffgrund 1 Windpark A/S GmbH & Co. oHG	Germany	JO	50%
Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG	Germany	JO	50%
Borkum Riffgrund 3 GmbH & Co. oHG	Germany	JO	50%
Borssele Windfarm C.V.[2]	The Netherlands	JO	50%
Breesea Ltd[2]	The UK	JO	38%
Burbo Extension PSC Limited	The UK	S	75%
Elektrownia Wiatrowa Baltica 2 sp. z o.o	Poland	JO	50%
Gode Wind 1 Offshore Wind Farm GmbH & Co. oHG	Germany	JO	50%
Gode Wind 2 Offshore Wind Farm P/S GmbH	Germany	JO	50%
Gode Wind 3 GmbH & Co. oHG[2]	Germany	JO	50%
Greater Changhua Offshore Wind Farm NW Ltd[2]	Taiwan	JO	50%
Greater Changhua Offshore Wind Farm SE Ltd[2]	Taiwan	JO	50%
Greater Changhua Offshore Wind Farm SW Ltd	Taiwan	S	100%
Hornsea 1 Limited[2]	The UK	JO	38 %
Hornsea 1 PSC Limited	The UK	S	75%
Hornsea Two PSC Limited	The UK	S	75%
Ocean Wind LLC	The US	S	100%
Orsted Borssele Holding B.V.	The Netherlands	S	100%
Orsted Greater Changhua SE Holdings Ltd.	Taiwan	S	100%
Orsted Hornsea Project Three (UK) Limited	The UK	S	100%
Orsted North America Inc	The US	S	100%
Orsted Power (UK) Ltd	The UK	S	100%
Orsted Race Bank (Holding) Ltd	The UK	S	100%
Orsted Taiwan Ltd	Taiwan	S	100%
Orsted West of Duddon Sands (UK) Ltd	The UK	S	100%
Race Bank Wind Farm Limited[2]	The UK	JO	50%
Revolution Wind, LLC[2]	The US	JO	50%
Sonningmay Wind Limited[2]	The UK	JO	38%
Soundmark Wind Limited[2]	The UK	JO	38%
South Fork, LLC[2]	The US	JO	50%
Sunrise Wind, LLC	The US	S	100%
Walney (UK) Offshore Windfarms Limited[2]	The UK	S	50%
Walney Extension Limited	The UK	JO	38%
Walney Extension PSC Limited	The UK	S	75%
West of Duddon Sands	The UK	JO	50%
Ørsted Horns Rev 2 A/S	Denmark	S	100%
Ørsted Wind Power A/S	Denmark	S	100%
Ørsted Wind Power Holding A/S[3]	Denmark	S	100%
Onshore			
2W Permian Solar, LLC	The US	S	100%
Badger Wind, LLC	The US	S	100%
Eleven Mile Solar Center, LLC[5]	The US	S	100%
Haystack Wind Project, LLC	The US	S	100%
Helena Wind, LLC[2]	The US	S	20%
Lincoln Land, LLC	The US	S	100%
Mockingbird Solar Center, LLC[2]	The US	JO	50%
Muscle Shoals Solar, LLC	The US	S	100%
Old 300 Solar Center, LLC	The US	S	100%
Orsted Onshore Ireland Green Energy Limited	Ireland	S	100%
Plum Creek Wind, LLC	The US	S	100%
Sage Draw Wind, LLC	The US	S	100%
Sparta Solar, LLC	The US	S	100%
Sunflower Energy, LLC[2]	The US	S	20%
Tahoka Wind, LLC	The US	S	100%
Western Trail Wind, LLC[2]	The US	S	20%
Ørsted Onshore Holding A/S[3]	Denmark	S	100%
Bioenergy & Other			
Ørsted Bioenergy & Thermal Power A/S[3]	Denmark	S	100%
Ørsted Salg & Service A/S[3]	Denmark	S	100%
Shared Functions			
Ørsted North America Holding A/S	Denmark	S	100%
Ørsted Wind Power TW Holding A/S	Denmark	S	100%

[1] S = subsidiary, JO = joint operation.
[2] The company is owned through a company which is not owned 100% by Ørsted. The disclosed ownership interest is Ørsted's ultimate ownership interest in the company.
[3] Subsidiaries owned directly by Ørsted A/S.
[4] The company applies the provision in section 5 or section 6 of the Danish Financial Statements Act to omit presenting a separate annual report.
[5] One or more tax equity partners own an insignificant share of the company. See note 3.8 'Tax equity liabilities'.

Companies without significant activities are not included in the list. A full comprehensive list of companies is available at: orsted.com/company-overview

Parent company financial statements

→

Offshore wind workers in Barrow-in-Furness, the UK, board a boat bound for Walney Extension. A 12.45 % stake in this wind farm and in Hornsea 1, Hornsea 2, and Burbo Bank Extension, has been divested to Brookfield. This marks significant progress in our farm-down programme announced in February 2024, unlocking capital while ensuring a high level of value retention.

Income statement

1 January – 31 December

Note	Income statement DKKm	2024	2023
	Revenue	311	259
2	Employee costs	(52)	(59)
	External expenses	(282)	(172)
	Operating profit (loss) before depreciation, amortisation, and impaiment losses (EBITDA)	**(23)**	**28**
	Amortisation, depreciation, and impairment losses on property, plant, and equipment	(110)	(113)
	Operating profit (loss) (EBIT)	**(133)**	**(85)**
	Gain (loss) on divestment of enterprises	(66)	791
3	Financial income	21,300	21,262
3	Financial expenses	(17,505)	(15,114)
	Profit (loss) before tax	**3,596**	**6,854**
4	Tax on profit (loss) for the year	(318)	(1,240)
	Profit (loss) for the year	**3,278**	**5,614**
	Profit (loss) for the year is attributable to		
	Shareholders in Ørsted A/S, proposed dividends for the financial year	-	-
	Shareholders in Ørsted A/S, retained earnings	2,561	5,061
	Interest and costs, hybrid capital owners of Ørsted A/S	717	553
	Profit (loss) for the year	**3,278**	**5,614**

Statement of financial position

31 December

Note	Assets DKKm	2024	2023
5	Land and buildings	459	569
5	**Property, plant, and equipment**	**459**	**569**
6	Investments in subsidiaries	100,813	50,864
7	Receivables from subsidiaries	124,228	194,064
4	Deferred tax	579	246
	Other receivables	13	13
	Financial assets	**225,633**	**245,187**
	Non-current assets	**226,092**	**245,756**
	Receivables from subsidiaries	23,064	42,635
8	Derivatives	6,600	5,092
	Other receivables	5,176	4,379
	Income tax	1,352	-
	Receivables	**36,192**	**52,106**
9	Securities	14,140	29,514
	Cash	1,318	4,324
	Current assets	**51,650**	**85,944**
	Assets	**277,742**	**331,700**

Note	Equity and liabilities DKKm	2024	2023
	Share capital	4,204	4,204
	Reserves	622	414
	Retained earnings	54,161	51,597
	Proposed dividends	-	-
	Equity attributable to shareholders in Ørsted A/S	**58,987**	**56,215**
10	Hybrid capital	20,955	19,103
	Equity	**79,942**	**75,318**
11	Other provisions	1,808	1,771
10	Lease liabilities	396	514
10	Bond and bank debt	73,641	69,695
	Non-current liabilities	**75,845**	**71,980**
11	Other provisions	-	8
	Lease liabilities	118	115
	Bond and bank debt	7,141	1,281
8	Derivatives	7,260	4,781
	Trade payables	50	107
	Payables to subsidiaries	105,703	175,457
	Other payables	1,683	1,887
	Income tax	-	766
	Current liabilities	**121,955**	**184,402**
	Liabilities	**197,800**	**256,382**
	Equity and liabilities	**277,742**	**331,700**

Statement of changes in equity

1 January – 31 December

Statement of changes in equity DKKm	Share capital	Hedging reserve	Retained earnings	Proposed dividends	Shareholders in Ørsted A/S	Hybrid capital	Total
Equity at 1 January 2024	4,204	414	51,597	-	56,215	19,103	75,318
Profit (loss) for the year	-	-	2,561	-	2,561	717	3,278
Dividends paid	-	-	-	-	-	-	-
Value adjustments of hedging instruments	-	293	-	-	293	-	293
Value adjustments transferred to financial income and expenses	-	(25)	-	-	(25)	-	(25)
Tax on changes in equity	-	(60)	-	-	(60)	9	(51)
Coupon payments, hybrid capital	-	-	-	-	-	(687)	(687)
Additions, hybrid capital	-	-	-	-	-	5,520	5,520
Disposals, hybrid capital	-	-	-	-	-	(3,707)	(3,707)
Share-based payments	-	-	3	-	3	-	3
Changes in equity in 2024	**-**	**208**	**2,564**	**-**	**2,772**	**1,852**	**4,624**
Equity at 31 December 2024	**4,204**	**622**	**54,161**	**-**	**58,987**	**20,955**	**79,942**
Equity at 1 January 2023	4,204	2,130	46,530	5,675	58,539	19,793	78,332
Profit (loss) for the year	-	-	5,061	-	5,061	553	5,614
Dividends paid	-	-	2	(5,675)	(5,673)	-	(5,673)
Value adjustments of hedging instruments	-	108	-	-	108	-	108
Value adjustments transferred to financial income and expenses	-	(2,308)	-	-	(2,308)	-	(2,308)
Tax on changes in equity	-	484	-	-	484	2	486
Coupon payments, hybrid capital	-	-	-	-	-	(546)	(546)
Disposals, hybrid capital	-	-	-	-	-	(699)	(699)
Share-based payments	-	-	4	-	4	-	4
Changes in equity in 2023	**-**	**(1,716)**	**5,067**	**(5,675)**	**(2,324)**	**(690)**	**(3,014)**
Equity at 31 December 2023	**4,204**	**414**	**51,597**	**-**	**56,215**	**19,103**	**75,318**

Basis of reporting

Note 1

Accounting policies

The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Statements Act ('Årsregnskabsloven') (reporting class D).

The accounting policies remain unchanged from the previous year.

Unless otherwise stated, the financial statements are presented in Danish kroner (DKK).

The parent company accounting policies are consistent with the accounting policies described for the consolidated financial statements, with the following exceptions.

Foreign currency translation

We recognise exchange rate adjustments of receivables from and payables to subsidiaries as financial income and expenses in the income statement when the balances are accounted for as part of the total net investment in foreign enterprises. Likewise, we recognise foreign exchange gains and losses on loans and derivatives in the income statement as financial income and expenses when they have been entered into hedge net investment in the foreign enterprises.

Revenue

Rental income comprises income from commercial leases and is recognised over the term of the lease. Income from services is recognised when delivery has taken place.

Dividends from investments

Dividends from subsidiaries and associates are recognised in the income statement for the financial year in which the dividends are approved at the annual general meeting. If the dividends exceed the total income after acquisition, the dividends are recognised as a reduction of the cost of the investment under assets.

Investments

We measure our investments in subsidiaries and associates at cost. If there is any indication that the value of a company is lower than our future earnings in the company, impairment testing of the company is carried out as described in the consolidated financial statements. The carrying amount is written down to the recoverable amount whenever the carrying amount exceeds the future earnings in the company (recoverable amount).

If we have a legal or constructive obligation to cover a deficit in subsidiaries and associates, we recognise a provision for this.

Tax

Ørsted A/S is taxed jointly with its Danish subsidiaries. The jointly taxed companies are part of joint taxation with the parent company as the management company.

Subsidiaries are included in the joint taxation from the date they are consolidated in the consolidated financial statements and up to the date on which they are no longer consolidated.

Current tax for 2024 is recognised by the individual, jointly taxed companies.

Statement of cash flows

We do not prepare a separate statement of cash flows for the parent company. Reference is made to the consolidated statement of cash flows on page 162.

Key accounting estimate

In connection with the preparation of the financial statements, a number of accounting estimates have been made that affect the profit (loss) and balance sheet. Estimates are regularly reassessed by the management on the basis of historical experience and other relevant factors.

Impairment test
If there is any indication that the carrying amount is lower than our future earnings in a company, we test for impairment as described in the consolidated financial statements. The future earnings of the company (recoverable amount) are calculated based on assumptions concerning significant estimates.

Employee costs

Note 2

Employee costs DKKm	2024	2023
Wages and salaries	43	47
Share-based payment	2	4
Pensions and social costs	1	1
Remuneration	6	7
Total employee costs	**52**	**59**

Salaries and remuneration of the Executive Board DKK '000		
Fixed salary	37,969	27,849
Cash-based incentive scheme	4,676	3,711
Share-based payment	2,787	6,270
Pension, incl. social security and benefits	704	858
Salary in notice period	-	8,443
Severance payment	-	6,210
Total	**46,136**	**53,341**

Notes 2.7 'Employee costs' and 2.8 'Share-based payment' to the consolidated financial statements describe the remuneration of the Executive Board and the Board of Directors as well as the share-based payment, termination, and bonus scheme for the Executive Board and details on the remuneration of the Board of Directors.

The parent company had an average of eleven employees in 2024 (2023: nine employees).

Remuneration of the Board of Directors totals DKK 6 million (2023: DKK 7 million).

Financial income and expenses

Note 3

Financial income and expenses DKKm	2024	2023
Interest income from cash, etc.	395	528
Interest income from subsidiaries	11,486	10,516
Interest income from securities at market value	702	707
Foreign exchange gains	2,216	1,356
Value adjustments of derivatives	4,837	8,142
Dividends received	1,664	13
Total financial income	**21,300**	**21,262**
Interest expenses relating to loans and borrowings	(3,066)	(2,759)
Interest expenses, leases	(14)	(18)
Interest expenses to subsidiaries	(6,469)	(5,413)
Impairment of investments in subsidiaries	(18)	-
Capital losses on securities at market value	(356)	-
Foreign exchange losses	(1,819)	(1,427)
Value adjustments of derivatives	(5,636)	(5,321)
Other financial expenses	(127)	(176)
Total financial expenses	**(17,505)**	**(15,114)**
Net financial income and expenses	**3,795**	**6,148**

Tax on profit (loss) for the year and deferred tax

Note 4

Income tax DKKm	2024	2023
Tax on profit (loss) for the year	(318)	(1,240)
Tax on changes in equity	(51)	486
Total tax for the year	**(369)**	**(754)**
Tax on profit (loss) for the year can be broken down as follows		
Current tax	(680)	(1,261)
Adjustments to deferred tax	383	39
Adjustments to current tax in respect of prior years	29	(192)
Adjustments to deferred tax in respect of prior years	(50)	174
Tax on profit (loss) for the year	**(318)**	**(1,240)**

Development in deferred tax DKKm		
Deferred tax at 1 January	(246)	(33)
Adjustments for the year recognised in profit (loss) for the year	(383)	(39)
Adjustments to deferred tax in respect of prior years	50	(174)
Deferred tax at 31 December	**(579)**	**(246)**

Specification of deferred tax DKKm		
Property, plant and equipment	101	125
Other current assets	-	(1)
Current liabilities	(2)	-
Non-current liabilities	(678)	(301)
Tax loss carryforwards	-	(69)
Deferred tax, asset	**579**	**246**
Deferred tax, liability	**-**	**-**

Property, plant, and equipment

Note 5

Property, plant, and equipment: Land and buildings DKKm	2024	2023
Cost at 1 January	1,114	1,153
Additions	-	-
Disposals	-	(39)
Cost at 31 December	**1,114**	**1,114**
Depreciation and amortisation at 1 January	(545)	(441)
Depreciation and amortisation	(110)	(113)
Disposals	-	9
Depreciation and amortisation at 31 December	**(655)**	**(545)**
Carrying amount at 31 December	**459**	**569**
Value of leased assets	**459**	**569**

We have entered into leases for office premises, primarily in Gentofte, Denmark (expiring in 2028).

We have entered into operating leases with subsidiaries for sublease of office premises.

In 2024, an amount of DKK 133 million was recognised (2023: DKK 147 million) in profit (loss) for the year in respect of rental income.

Investments in subsidiaries

Note 6

Investments in subsidiaries DKKm	2024	2023
Cost at 1 January	51,397	51,809
Reductions	(8,356)	-
Additions	58,323	-
Disposals	-	(412)
Cost at 31 December	**101,364**	**51,397**
Value adjustments at 1 January	(533)	(533)
Impairment losses/reversals	(18)	-
Value adjustments at 31 December	**(551)**	**(533)**
Carrying amount at 31 December	**100,813**	**50,864**

Note 7.4 'Company overview of the consolidated financial statements' contains an overview of subsidiaries, etc.

We have tested investments in subsidiaries for impairment by comparing the expected future income from the individual subsidiaries with their carrying amounts.

Based on the impairment test in 2024, an impairment has been recognised on the investment in Ørsted Ventures Europe A/S.

In 2024, 'Additions' mainly related to capital injections in Ørsted Wind Power Holding A/S and Ørsted Onshore Holding A/S.

In 2024, Ørsted A/S received dividend from Ørsted Salg & Service A/S. The dividends exceeded the total income after acquisition, and therefore the cost of the investment has been reduced.

Receivables from subsidiaries

Note 7

Non-current receivables from subsidiaries DKKm		2023
Cost at 1 January	194,064	163,616
Additions	28,533	50,485
Disposals	(98,369)	(20,037)
Cost at 31 December	**124,228**	**194,064**

Derivatives

Note 8

Overview of derivative positions

DKKm	2024		2023	
	Contractual principal amount	**Market value**	**Contractual principal amount**	**Market value**
Interest derivatives	12,696	238	25,141	(517)
Currency derivatives	61,205	(898)	39,213	828
Total	**73,901**	**(660)**	**64,354**	**311**
Assets		**6,600**		**5,092**
Equity and liabilities		**(7,260)**		**(4,781)**

See note 6.1 'Risk framework' to the consolidated financial statements and the chapter on 'Enterprise risk management' in the 'Management's review' on pages 27-30 for more details on risk and risk management.

Ørsted A/S has assumed the subsidiaries' currency risks via forward exchange contracts, which have subsequently been hedged in the market. Furthermore, hedging contracts have been concluded to hedge the currency risk associated with investments in subsidiaries in foreign currencies.

We have also entered into a number of interest rate swaps to manage our interest rate risk.

Derivatives at the end of December 2024 mature as follows: 2025: DKK -344 million, 2026: DKK -389 million, after 2026: DKK 73 million (2023: 2024: DKK 177 million, 2025: DKK 370 million, after 2025: DKK -236 million).

All derivatives are classified based on observable inputs in the 'fair value' hierarchy.

Securities

Note 9

Securities

DKKm	2024	2023
Securities, available for use	14,140	29,514
Total securities	**14,140**	**29,514**

Securities are a key element in our financial resources, and therefore investments are primarily made in liquid AAA-rated Danish mortgage bonds and, to a lesser extent, in other bonds. Most of the securities qualify for repo transactions in the Danish central bank, 'Danmarks Nationalbank'.

All securities are classified based on observable inputs in the fair value hierarchy.

Loans and borrowings

Note 10

As of 31 December 2024, we had issued hybrid capital with a total notional amount of DKK 21,358 million (2023: DKK 19,310 million). The hybrid bonds have a 1,000-year term and expire as follows: DKK 4,474 million in 3019, DKK 7,562 million in 3021, DKK 3,729 million in 3022, and DKK 5,593 million in 3024, respectively. For further information, see note 5.3 'Hybrid capital' to the consolidated financial statements.

The long-term portion of lease debt amounted to DKK 396 million at 31 December 2024 (2023: DKK 514 million), of which DKK 24 million (2023: DKK 28 million) fall due in more than five years.

The long-term portion of bank loans and issued bonds amounted to DKK 73,641 million at 31 December 2024 (2023: DKK 69,695 million), of which DKK 50,377 million (2023: DKK 56,769 million) fall due in more than five years.

Other provisions
Note 11

We have made provisions for non-current liabilities totalling DKK 1,808 million (2023: DKK 1,779 million), of which DKK 1,808 million fall due in 1-5 years.

The provisions concern the divestment of our oil and gas business in 2017.

Related-party transactions
Note 12

Related parties are the Board of Directors, the Executive Board, Ørsted A/S's subsidiaries, and the Danish state.

Remuneration of the Board of Directors and the Executive Board is disclosed in notes 2.7 'Employee costs' and 2.8 'Share-based payment' in the consolidated financial statements.

Our related-party transactions are made on arm's length terms.

Contingent liabilities
Note 13

Guarantees
Ørsted A/S has provided guarantees in connection with participation by subsidiaries and subsidiaries' joint operations and joint ventures in the construction and operation of offshore wind farms and natural gas installations as well as guarantees in respect of leases, energy trading activities, purchase, sale, and supply agreements, decommissioning obligations, farm-downs and other M&A transactions as well as secondary liability on decommissioning of offshore installations related to the divestment of the oil and gas business, etc.

Ørsted A/S acts as guarantor or surety provider with primary liability for bank liabilities in certain subsidiaries, including guarantees in favour of banks and investors, covering credit facilities established and bonds issued in Taiwan.

Furthermore, in support of the ratings of Ørsted Salg & Service A/S by Moody's and Ørsted Wind Power TW Holding A/S by Taiwan Ratings, Ørsted A/S has provided general guarantees covering all obligations and liabilities undertaken in the ordinary course of business by these two entities.

Indemnities
Ørsted A/S is taxed jointly with the Danish companies in the Ørsted Group. As management company, Ørsted A/S has unlimited as well as joint and several liability together with the other jointly taxed companies for Danish income taxes and withholding taxes on dividends, interest, and royalties related to the jointly taxed companies.

Litigation
Ørsted is involved in ongoing transfer pricing disputes. For further information, see section 4.1 'Approach to taxes' to the consolidated financial statements. Ørsted A/S is not a party to any litigation proceedings or legal disputes that could have an effect on the company's financial position, either individually or collectively.

Auditor's fees

Note 14

Auditor's fees DKKm	2024	2023
Statutory audit	5	4
Other assurance engangements	1	3
Total fees to PwC	**6**	**7**

'Other assurance engagements' primarily included assurance services related to the issuance of bonds.

Ownership information

Note 15

Ownership information 31 December 2024	Registered office	Ownership interests	Voting share
The Danish state represented by the Danish Ministry of Finance	Copenhagen K, Denmark	50.12%	50.14%
Equinor ASA	Stavanger, Norway	10.00%	10.00%
Andel A.M.B.A.	Svinninge, Denmark	5.01%	5.01%

The table shows the shareholders with ownership interests and voting shares of at least 5%. The difference between ownership interests and voting shares is because voting rights of Ørsted's treasury shares cannot be exercised.

Management's statement, auditor's reports, and glossary

→

The twelve wind turbines that make up South Fork Wind, off the coast of New York, the US, are the product of hundreds of skilled US workers from across the Northeast. They completed construction in March 2024. The offshore wind farm is the first in the Empire State, and America's first at commercial scale, generating enough renewable energy to power around 70,000 homes.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and adopted the annual report of Ørsted A/S for the financial year 1 January – 31 December 2024.

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. The Management's Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Company, of the results of the Group's and the Parent Company's operations, and of the consolidated cash flows for 2024.

In our opinion, the Management's Report includes a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year, and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

Additionally, the Sustainability Statements, which are part of the Management's Report, have been prepared, in all material respects, in accordance with paragraph 99a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS), including that the process undertaken by management to identify the reported information (the 'Process') is in accordance with the description set out in the section 'Double materiality assessment'. Furthermore, disclosures within EU taxonomy for sustainable activities within the environmental section of the Sustainability Statements are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the 'Taxonomy Regulation').

The year 2024 marks the initial implementation of paragraph 99a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the Sustainability Statements include forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the annual report of Ørsted A/S for the financial year 1 January – 31 December 2024 with the file name: Orsted-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF regulation.

We recommend that the annual report is adopted at the annual general meeting.

Skærbæk, 6 February 2025

Executive Board:

Rasmus Errboe
Group President and CEO

Trond Westlie
CFO

Henriette Fenger Ellekrog
Chief HR Officer

Board of Directors:

Lene Skole
Chair

Andrew Brown
Deputy Chair

Annica Bresky

Julia King, the Baroness Brown of Cambridge

Peter Korsholm

Dieter Wemmer

Benny Gøbel*

Leticia Francisca Torres Mandiola*

Ian MacCalder*

Anne Cathrine Collet Yde*

* Employee-elected board member

Independent Auditor's Reports

To the shareholders of Ørsted A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit & Risk Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements of Ørsted A/S for the financial year 1 January to 31 December 2024, pages 157-237 and 248-249, comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of shareholders' equity, the consolidated statement of cash flows, and the notes to the consolidated financial statements, including material accounting policy information.

The Parent Company Financial Statements of Ørsted A/S for the financial year 1 January to 31 December 2024, pages 238-249, comprise the income statement, the statement of financial position, the statement of changes in equity, and the notes, including material accounting policy information.

Collectively referred to as the 'Financial Statements'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Ørsted A/S on 19 April 2010 for the financial year 2010. We have been reappointed annually by shareholder resolution for a total uninterrupted period of engagement of 15 years, including the financial year 2024. At the annual general meeting on 2 March 2020, we were reappointed following a tendering procedure.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of non-current assets

Key audit matter

During 2024, Management identified impairment indicators for a number of production and development assets (non-current assets) due to, amongst others, construction delays, increased CAPEX, updated assumptions regarding market prices and costs as well as ceased execution of FlagshipONE. Furthermore, Management identified impairment indicators due to increased interest rates in the US.

On this basis, Management has prepared impairment tests resulting in impairment losses recognised for certain production and development assets; mainly related to the US offshore and onshore wind farm portfolio and FlagshipONE.

The impairment tests are based on Management's assumptions and probability weighting of expected cash inflows and outflows for the individual cash-generating units (CGUs), and these cash flows are discounted using the relevant discount rates (value-in-use impairment models). This requires significant estimates and judgements, amongst others related to the future power prices, expected government subsidy schemes, impact of the construction delays, market prices and costs, and discount rates (WACC).

For impairment tests related to the seabeds for Ocean Wind and Skipjack Wind, Management has applied fair value less cost of disposal models, which are based on development in prices seen in the latest seabed lease auctions, etc.

We focused on this area because the impact on the profit for the year is significant, and because the impairment tests of non-current assets are considered complex non-routine transactions and require significant judgements in determining the assumptions, etc., applied in the significant estimates.

Refer to notes 1.2 and 3.1-3.2 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

As part of our audit, we challenged the impairment indicator assessments performed by Management. We considered the appropriateness of the CGUs defined by Management and the methodology used by Management to assess the carrying amount of non-current assets assigned to the CGUs.

We carried out risk assessment procedures in order to obtain an understanding of IT systems, business processes, and relevant controls regarding data and assumptions used in the impairment tests. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to rely on, we tested whether they were performed on a consistent basis.

We challenged the impairment models prepared by Management and tested the mathematical accuracy of the relevant value-in-use and fair value less costs of disposal models, and we challenged the data and significant assumptions, including the probability weight of scenarios applied, future power prices, expected government subsidy schemes, impact of construction delays, market prices and costs, as well as discount rates (WACC). Also, we reconciled the carrying amounts to the accounting records.

In assessing the discounting rates (WACCs) and the overall methodology applied, we involved our valuation specialists.

We assessed the appropriateness and tested the related disclosures provided in the Consolidated Financial Statements, including the sensitivity analysis, expressing the significant estimation uncertainty related to the valuation of the CGUs.

Partnership agreements

Key audit matter

Divestment of ownership interests in solar and wind farms to a partner (farm-downs) in a joint operation or as a non-controlling interest, including assessment of the consolidation method for the retained interests, calculation and recognition of the divestment gains or losses, as well as subsequent recognition of any construction agreements, are considered complex non-routine transactions.

As part of farm-downs, compensation mechanisms are often agreed with the partners, e.g. regarding sales price, potential wake and blockage effect compensations, and warranties.

We focused on this area because farm-downs and the related matters are considered complex non-routine transactions, and because the assessment of the consolidation method, the recognition and measurement of the divestment gain or loss, and the recognition of any subsequent construction agreements with the partners, the compensation mechanisms, and warranties are based on significant judgements and estimates.

Refer to notes 1.2, 2.6 and 3.10 in the Consolidated financial Statements.

How our audit addressed the key audit matter

As part of our audit, we read share purchase agreements for farm-downs to a partner in a joint operation or as a non-controlling interest.

We challenged the accounting treatment, including the consolidation method for the retained interest in solar and wind farms and the judgements applied as well as the gain or loss statements prepared.

We obtained an understanding of the compensation mechanisms and warranties agreed in farm-downs and of any settlements.

We challenged the significant estimates prepared by Management for measuring compensation mechanisms and warranties, hereunder by assessing and testing the main data, significant assumptions, and models applied, and by evaluating the outcome of previous estimates prepared by Management.

We assessed the appropriateness and tested the related disclosures provided in the Consolidated Financial Statements.

Valuation of derivative financial instruments and documentation of hedge accounting

Key audit matter

Ørsted applies hedge accounting for derivative financial instruments used for hedging of:

- energy price, currency, and inflation risks associated with revenue (energy hedges)
- commodity price and currency risks associated with the construction of wind farms
- interest rate risk associated with loans and divestments.

We focused on this area because the valuation of the derivative financial instruments (including hedging instruments) and the assessments of hedge relationships and hedge effectiveness are complex and require significant judgements and estimates.

On this basis, the valuation of the derivative financial instruments and the application of hedge accounting were a matter of most significance in our audit.

Refer to notes 1.2 and 6.1-6.9 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

We carried out risk assessment procedures in order to obtain an understanding of IT systems, business processes, and relevant controls regarding derivative financial instruments and hedge accounting. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to rely on, we tested whether they were performed on a consistent basis.

We assessed and obtained an understanding of the exposures subject to hedging, the hedging instruments applied, the hedge relationships, including the methods, data, and assumptions applied for documentation of the fair value of hedging instruments, and hedge effectiveness.

We challenged the accounting treatment applied by Management, including in relation to the hedging instruments used and the hedge reserve recognised in the consolidated statement of comprehensive income by reviewing Management's IFRS 9 hedge documentation, including underlying memos and calculations.

We challenged the significant data, assumptions, and models applied by Management when assessing the value of the hedging instruments, the hedge relationships, and the hedge effectiveness by assessing and testing the main data, significant assumptions, and models applied.

As part of our audit, we tested, on a sample basis, the valuation of the derivative financial instruments and the documentation of hedge effectiveness of energy, commodity, interest rate, inflation, and related foreign exchange risk hedges.

In assessing the valuation of the derivative financial instruments and application of hedge accounting, we involved our financial instrument specialists.

We assessed the appropriateness and tested the related disclosures provided in the Consolidated Financial Statements.

Income taxes

Key audit matter

Ørsted is subject to income taxes in the countries where they operate. Significant judgements and estimates are required in determining the income taxes and in measuring income tax assets and liabilities, including uncertain tax positions.

Additionally, Ørsted is a party in tax and transfer pricing disputes where Management assesses the possible outcomes and consequently recognises provisions for these uncertain tax positions. Ørsted has received administrative decisions from the Danish Tax Agency entailing additional tax payments and related interests, which Management disputes and has appealed to the relevant authorities. Furthermore, tax cases are ongoing impacting corresponding tax adjustments.

We focused on this area because Management makes significant judgments and estimates when calculating and assessing the income taxes due to the complex nature of the tax rules related to the business activities conducted in different tax jurisdictions. Furthermore, Management makes estimates when measuring the tax assets, including when and to which extent these can be utilised in the future, and when measuring tax liabilities, including assessing deferred taxes in tax equity partnerships.

On this basis, income taxes were a matter of most significance in our audit.

Refer to notes 1.2 and 4.1-4.3 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

As part of our audit, we evaluated the assumptions applied by Management in determining the recognition and measurement of income taxes and deferred taxes, including those related to tax equity partnerships, while taking into account relevant correspondence with tax authorities and external advisors.

We assessed Management's judgements and estimates of tax balances and carrying amounts as well as the related applied tax rates when calculating these. We also assessed the reasonableness of the main data and assumptions used to calculate the taxable income forecasts underlying the recognition and recoverability of the deferred tax assets relating to tax losses carried forward.

We evaluated and tested Ørsted's processes for recording, assessing, and continually reassessing provisions for uncertain tax positions.

During our audit of uncertain tax positions, we obtained and reviewed correspondence with relevant tax authorities to consider the completeness of the tax disputes and the related provisions.

We assessed the measurement of the provisions and challenged the assumptions used, including the possibility of obtaining corresponding tax adjustments, compensations from partners, and the likelihood of different outcomes. In addition, we assessed relevant opinions obtained by Management from third parties related to the tax disputes.

In assessing income taxes, we involved our tax specialists.

We assessed the appropriateness and tested the related disclosures provided in the Consolidated Financial Statements.

Statement on Management's Report

Management is responsible for Management's Report, pages 3-156.

Our opinion on the Financial Statements does not cover Management's Report, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Report and, in doing so, consider whether Management's Report is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Report includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99a related to the Sustainability Statements covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's Report is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99a related to the Sustainability Statements, cf. above. We did not identify any material misstatement in Management's Report.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management

- conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern

- evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements, we performed procedures to express an opinion on whether the annual report of Ørsted A/S for the financial year 1 January to 31 December 2024 with the filename Orsted-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements, including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- the preparing of the annual report in XHTML format
- the selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged, using judgement where necessary
- ensuring consistency between iXBRL-tagged data and the Consolidated Financial Statements presented in human-readable format
- for such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing, and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- testing whether the annual report is prepared in XHTML format
- obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process
- evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements, including notes
- evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified
- evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy
- reconciling the iXBRL-tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Ørsted A/S for the financial year 1 January to 31 December 2024 with the file name Orsted-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 6 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Anders Stig Lauritsen
State Authorised Public Accountant
mne32800

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Independent Auditor's Limited Assurance Report on the Sustainability Statements

To the stakeholders of Ørsted A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the Sustainability Statements of Ørsted A/S (the 'Group') included in the Management's Report (the 'Sustainability Statement'), pages 56-156 and 248-249, for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Management to identify the information reported in the Sustainability Statement (the 'Process') is in accordance with the description set out in the section 'Double materiality assessment'; and
- compliance of the disclosures in the subsection EU taxonomy for sustainable activities within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the 'Taxonomy Regulation').

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ('ISAE 3000 (Revised)'), Assurance engagements other than audits or reviews of historical financial information ('ISAE 3000 (Revised)'), and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 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.

Management's responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in the section 'Double materiality assessment' of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- the assessment of the materiality of the identified impacts, risks, and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99a, including:

- compliance with the ESRS;
- preparing the disclosures as included in the subsection EU taxonomy for sustainable activities within the environmental section of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing, and maintaining such internal control that Management determines

is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and

- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the section 'Double materiality assessment'.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group's was consistent with the description of the Process set out in the section 'Double materiality assessment'.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes, and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the Financial Statements and Management's review;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Hellerup, 6 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

Anders Stig Lauritsen
State Authorised Public Accountant
mne32800

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Glossary

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.

Awarded capacity
Offshore capacity that we have been awarded in auctions and tenders, but where we have yet to sign a PPA and take final investment decision.

Blockage effect
The blockage effect arises from the wind slowing down as it approaches the wind turbines.

Carbon emission allowances
Carbon emission allowances subject to the European Union Emissions Trading Scheme (EU ETS).

CfD
A contract for difference is a subsidy that guarantees the difference between the market reference price and the exercise price won.

Commissioning/COD
When our assets are in operation, and the legal liability has been transferred from the supplier to us.

Contracted capacity
Onshore capacity where we have signed PPAs covering more than 50% of the asset's capacity, but where we have not yet taken final investment decision.

CSRD
Corporate Sustainability Reporting Directive.

Decided (FID) and installed capacity
Installed generation capacity plus capacity for assets where a final investment decision has been made.

Degree days
Number of degrees in absolute figures in difference between the average temperature and the official Danish indoor temperature of 17 °C.

DMA
Double materiality assessment.

EPC
Engineering, procurement, and construction. The part of our business which handles the construction and installation of assets.

ESRS
European Sustainability Reporting Standards.

FID
Final investment decision. When the Board of Directors approves major investments for construction assets.

Generation capacity
Capacity to generate power or heat. Generation capacity for an offshore wind farm is calculated and included from TOC of the individual wind turbines. TOC stands for 'take over certificate', which is the document signifying transfer of ownership from the contractor to the owner or operator of the asset. Onshore capacities are included after COD of the entire asset. Generation capacity is financially consolidated.

Green certificates
Certificate awarded to producers of environment-friendly power as a supplement to the market price of power in the given price area.

Wood pellet spread (WPS)
Represents the contribution margin per MWh of power generated at a wood pellet-fired CHP plant with a given efficiency. It is determined as the difference between the market price of power and the cost of the wood pellets (including associated freight costs).

Ineffective hedges
When we hedge our exposure with an instrument that is not 100% correlated with the exposure, we may see ineffectiveness in our hedging. The value of ineffective hedges should be recognised in profit and loss immediately.

Installed capacity
Installed capacity where the asset has been completed and has passed a final test.

Investment tax credits (ITCs)
US federal tax credit based on qualifying renewable investment costs.

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.

Offshore transmission assets
Connect offshore generation to the onshore grid and typically include the offshore power transmission infrastructure, an onshore substation, and the electrical equipment relating to the operation of the substation.

OREC
Offshore renewable energy certificates are issued on the state level in the US. For every MWh that an offshore wind farm produces, the developer earns one OREC. Offshore wind developers sell the ORECs to utilities or other companies. The income from these sales helps fund the construction and operation of the wind farms.

Partnership income
Income originating from our partners' purchase of ownership interests in renewable assets. Includes both the gain in connection with the farm-down and the subsequent construction of the wind farm.

Power purchase agreement (PPA)
An agreement between us and a buyer/seller to purchase/sell the power we generate, which includes all commercial terms (price, delivery, volumes, etc.).

Production tax credit (PTC)
US federal tax credit based on eligible power generation in the US.

ROCs
Renewable obligation certificates issued by Ofgem in the UK to operators of accredited generating stations for the eligible renewable energy they generate. Operators can trade ROCs with other parties.

Tax equity
An arrangement where an investor obtains rights to federal tax credits and other tax attributes in exchange for a cash contribution.

TCFD
Task Force on Climate-Related Financial Disclosures.

Transmission network system of use (TNUoS) tariffs
Costs related to the use of the transmission networks in the UK based on maximum contractual level of transmission access in MW (TEC).

TRIR
In addition to lost-time injuries, the total recordable injury rate (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.

Wake effect
Wake within wind farms and between neighbouring wind farms. There is a wake after each wind turbine where the wind slows down. As the wind flow continues, the wake spreads, and the wind speed recovers.

Wind speed
Shows the wind speed at Ørsted's wind farms. The wind measurements are weighted on the basis of our generation capacity and can be compared to a normal wind period.

Ørsted A/S
Kraftværksvej 53
DK-7000 Fredericia
Tel.: +45 99 55 11 11
CVR no. 36213728

orsted.com

Media Relations
Lina Danstrup
Tel.: +45 99 55 76 96

Investor Relations
Rasmus Keglberg Hærvig
Tel.: +45 99 55 90 95

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Ørsted
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