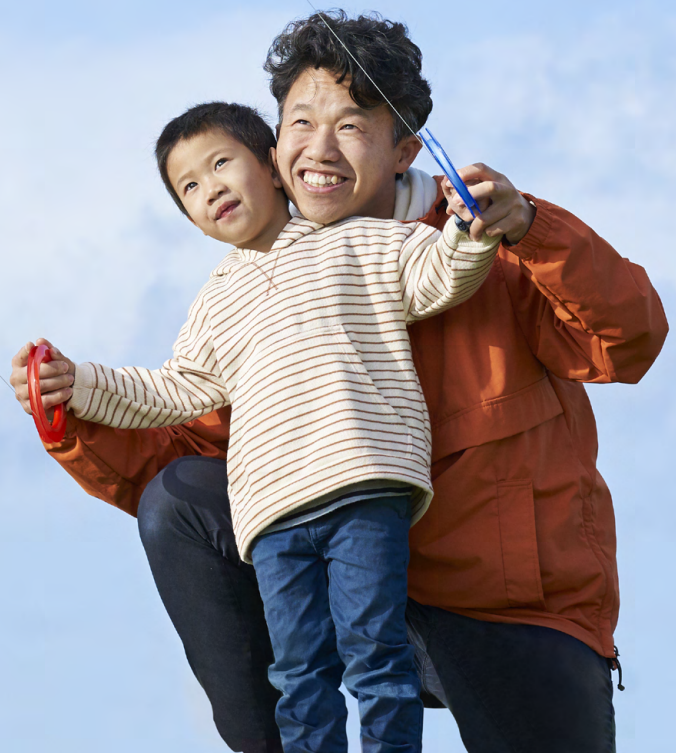
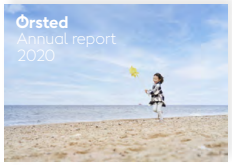
Ørsted

ESG performance report 2020



Contents



Other reports 2020
Annual report
Remuneration
Sustainability

1. Introduction

1.1 CFO's review

Increased renewable capacity and green energy generation in 2020:

- Our installed renewable capacity increased by 14 % to 11.3 GW in 2020.
- Green share of energy increased by 4 percentage points to 90 % in 2020.
- Scope 1 and 2 greenhouse gas intensity decreased by 11 % to 58 g CO_2e/kWh.
- Scope 3 greenhouse gas emissions decreased by 27 %.

COVID-19

Since the outbreak of COVID-19, our Corporate Crisis Management Organisation (CCMO) has met regularly, focusing on the health and safety of our employees and on ensuring business continuity. During 2020, we had 146 confirmed infected colleagues and fortunately no casualties from COVID-19. We continue to do our utmost to keep our colleagues safe across our locations and ensure business continuity.

Renewable energy capacity

Our installed renewable capacity increased by 14 % to 11.3 GW in 2020.

In December 2020, we commissioned the 752 MW Dutch offshore wind farm Borssele 1 & 2. The wind farm deploys 94 Siemens Gamesa wind turbines, making it the largest ever built in the Netherlands, and will supply renewable energy to 1 million Dutch households.

In 2020, we commisioned three new onshore wind farms in the US with a total capacity of 671 MW. Sage Draw (338 MW) was commissioned in March, Plum Creek (230 MW) in June, and Willow Creek (103 MW) in September.

Energy generation

Offshore power generation increased by 27 % to 15.2 TWh in 2020. The increase was primarily due to new power generation capacity at Borssele 1 & 2 and full-year effect from Hornsea 1, commissioned in December 2019. Onshore power generation increased by 64 % to 5.7 TWh in 2020, due to the three new onshore wind farms commissioned during 2020.

Heat generation decreased by 20 % to 6.7 TWh, primarily due to the warm weather in Q1 2020.

Thermal power generation decreased by 4 % to 4.4 TWh in 2020 compared to 2019. The decrease was due to lower combined heat and power generation, offset by higher coal-based power generation at Esbjerg and Studstrup power stations because they delivered automatic frequency restoration reserves (aFFR), a type of ancillary services, to the Danish grid.

We are legally obliged to make our generation capacity available for aFFR and other ancillary services based on the lowest marginal cost which historically has typically been coal-based. We utilise our sustainable biomass-based power plants, electric boilers, and wind capacity in our ancillary services supply whenever possible, based on fuel prices, heat and power demand, and other factors.

Green share of energy generation

Our green share of generation increased by 4 percentage points to 90 % compared with 2019. The increase was driven by higher wind-based generation and the full-year effect of the bioconversion of Asnæs Power Station in late 2019, partly offset by higher coal-based thermal power generation associated with ancillary services.

Greenhouse gas emissions

Our scope 1 and 2 greenhouse gas intensity was reduced by 11 % to 58 g CO_2e/kWh in 2020 compared with 2019 for the same reasons as for the increase in the green share of generation.

Our scope 3 emissions decreased by 27 % in 2020 compared with 2019, mainly due to a 28 % decrease in natural gas sales.

ESG reporting frameworks

Users of ESG data in the financial community increasingly ask for standardised, high-quality ESG reporting. We fully support that request and believe that alignment towards an international ESG reporting standard using financial reporting principles is fundamental in achieving this. We are doing our best to be front runners in this area, having built our ESG reporting on our financial reporting platform and reporting against several international ESG frameworks, e.g. the Greenhouse Gas Protocol and the TCFD recommendations.

We actively follow the many ongoing initiatives, including sustainable finance in the EU, the intention of the 'big five' (CDP, CDSB, GRI, IIRC, and SASB) to align their ESG reporting, the World Economic Forum's common ESG metrics, and the IFRS Foundation's recent consultation to identify the demand for a global standard for ESG reporting.

In this year's report, we have added an overview of our current use of ESG reporting frameworks. We look forward to report our green revenue, EBITDA, and capital investments as soon as the EU green taxonomy and reporting guidelines are finalised, expectedly in 2021.

Marianne Wiinholt, CFO

1.2 ESG target overview

Review	Note	Indicator	Unit	Target	2020	2019	Δ	2018
		Strategic targets						
◎	2.1	Installed renewable capacity	MW	+30 GW (2030)	11,297	9,870	14 %	8,303
◎	2.1	Installed offshore wind capacity	MW	15 GW (2025)	7,572	6,820	11 %	5,602
◎	2.1	Installed onshore wind and solar PV capacity	MW	5 GW (2025)	1,668	997	67 %	813
◎	2.4	Green share of energy generation	%	95 (2023), 99 (2025)	90	86	4 %p	75
◎	2.7	Scope 1 and 2 greenhouse gas (GHG) intensity	g CO_2e/kWh	20 (2023), 10 (2025)[1]	58	65	(11 %)	131
◎	2.8	Scope 3 greenhouse gas emissions	Million tonnes CO_2e	50 % (2032)[2]	25.3	34.6	(27 %)	36.2
◎	3.1	Employee satisfaction	Index 0-100	Top 10 % (2020)[3]	78	77	1	76
◎	3.4	Total recordable injury rate (TRIR)	Per million hours worked	2.9 (2025)	3.6	4.9	(27 %)	4.7
		Additional sustainability targets						
◎	2.10	Certified sustainable wooden biomass sourced	%	100 (2020)	100	96	4 %p	83
◎	2.10	Coal consumption	Thousand tonnes	0 (2023)	629	588	7 %	1,206
◎	2.10	Green share of power for own consumption	%	100 (2020)[4]	100	100	0 %p	86
◎	2.10	Internal energy savings, accumulated from 2018	GWh	15 (2023)	10.3	8.8	17 %	0.9
◎	2.10	Share of electric vehicles	%	100 (2025)	38	21	17 %	-
◎	3.1	Learning and development indicator (annual employee survey)	Index 0-100	80 (2020)	77	77	0	76
◎	3.2	Women in leadership positions, Leadership Conference	% female	22 (2023)	20	13	7 %p	10
◎	3.2	Women in leadership positions, middle management	% female	30 (2023)	26	25	1 %p	25

[1] In addition to the emission reduction targets, we have a target of being carbon-neutral in 2025. We will continue to investigate solutions for the remaining emissions which could also include investing in certified carbon-removal projects.
[2] A 50 % reduction in total scope 3 emissions from the base year 2018. In addition, we want our scope 3 emissions to be carbon-neutral by 2040. We have adjusted the 2018 base year emissions following the divestment of the LNG business in 2020 which constituted 20 % of the base year emissions in 2018.
[3] Our target is to have an employee satisfaction survey result in the top ten percentile every year compared to an external benchmark group.
[4] Our target is to use 100 % green power for our own consumption every year.

1.3 Overview by business unit

Review	Note	Indicator	Unit	Offshore	Onshore	Markets & Bioenergy	Other activities/ eliminations	Total 2020	Total 2019	Δ
◉	AR 2.1	Revenue	DKK million	34,533	733	21,420	(4,085)	52,601	67,842	(22 %)
◉	AR 2.1	EBITDA	DKK million	14,750	1,131	2,136	107	18,124	17,484	4 %
◉	2.1	Installed renewable capacity	MW	7,572	1,668	2,057	-	11,297	9,870	14 %
◉	2.1	Decided (FID) renewable capacity (not installed yet)	MW	2,286	1,742	-	-	4,028	4,129	(2 %)
◉	2.1	Awarded and contracted renewable capacity (no FID yet)	MW	4,996	-	-	-	4,996	4,996	0 %
◉	2.1	Total renewable capacity (installed, FID, and awarded/contracted)	MW	14,854	3,410	2,057	-	20,321	18,995	7 %
◉	2.2	Power generation capacity	MW	4,379	1,658	2,847	-	8,884	7,489	19 %
◉	2.2	Heat generation capacity, thermal	MW	-	-	3,487	-	3,487	3,560	(2 %)
◉	2.3	Power generation	GWh	15,248	5,738	4,438	-	25,424	20,118	26 %
◉	2.3	Heat generation	GWh	-	-	6,671	-	6,671	8,312	(20 %)
◉	2.7	Scope 1 and 2 greenhouse gas (GHG) emissions	Thousand tonnes CO_2e	25	0	1,827	1	1,853	1,850	0 %
◉	2.8	Scope 3 GHG emissions	Thousand tonnes CO_2e	576	253	24,474	30	25,333	34,604	(27 %)
◉	2.7	Greenhouse gas intensity	g CO_2e/kWh	2	0	164	-	58	65	(11 %)
◉	2.4	Green share of energy generation	%	100	100	71	-	90	86	4 %p
◉	3.1	Number of employees (as of 31 December)	Number of FTEs	3,078	140	1,009	1,952	6,179	6,526	(5 %)
◉	3.4	Total recordable injury rate (TRIR)	Injuries per million hours worked	3.5	2.2	7.5	0.5	3.6	4.9	(27 %)

◉ This indicator has been audited as part of the financial statements in the 2020 annual report.

1.4 Overview by country

Review	Note	Indicator	Unit	Denmark	The UK	Germany	The Netherlands	The US	Taiwan	Other countries	Total 2020	Total 2019	Δ
	2.1	Installed renewable capacity	MW	3,060	4,403	1,384	752	1,698	-	-	11,297	9,870	14 %
	2.1	– Of which, offshore wind power	MW	1,006	4,400	1,384	752	30	-	-	7,572	6,820	11 %
	2.1	– Of which, onshore wind power	MW	-	-	-	-	1,658	-	-	1,658	987	68 %
	2.1	– Of which, solar PV power	MW	-	-	-	-	10	-	-	10	10	0 %
	2.1	– Of which, biogas power (Renescience)	MW	-	3	-	-	-	-	-	3	-	-
	2.1	– Of which, thermal biomass-based heat	MW	2,054	-	-	-	-	-	-	2,054	2,053	0 %
	2.1	Decided (FID) renewable capacity (not installed yet)	MW	-	1,386	-	-	1,742	900	-	4,028	4,129	(2 %)
	2.1	Awarded and contracted renewable capacity (no FID yet)	MW	-	-	1,142	-	2,934	920	-	4,996	4,996	0 %
	2.1	Total renewable capacity (installed, FID, and awarded/contracted)	MW	3,060	5,789	2,526	752	6,374	1,820	-	20,321	18,995	7 %
	2.2	Power generation capacity	MW	3,407	2,345	692	752	1,688	-	-	8,884	7,489	19 %
	2.2	– Of which, offshore wind	MW	563	2,342	692	752	30	-	-	4,379	3,627	21 %
	2.2	– Of which, onshore wind	MW	-	-	-	-	1,658	-	-	1,658	987	68 %
	2.2	– Of which, solar PV	MW	-	-	-	-	-	-	-	-	10	(100 %)
	2.2	– Of which, thermal	MW	2,844	3	-	-	-	-	-	2,847	2,865	(1 %)
	2.2	Heat generation capacity, thermal	MW	3,487	-	-	-	-	-	-	3,487	3,560	(2 %)
	2.3	Power generation	GWh	6,602	9,457	2,300	1,207	5,858	-	-	25,424	20,118	26 %
	2.3	Heat generation	GWh	6,671	-	-	-	-	-	-	6,671	8,312	(20 %)
	2.4	Green share of energy generation	%	76	100	100	100	100	-	-	90	86	4 %p
	2.7	Greenhouse gas intensity	g CO_2e/kWh	138	1	3	1	0	-	-	58	65	(11 %)
	2.7	Scope 1 and 2 GHG emissions	Thousand tonnes CO_2e	1,832	14	6	1	0	-	-	1,853	1,850	0 %
	3.1	Number of employees (as of 31 December)	Number of FTEs	3,854	1,057	219	45	314	126	564[1]	6,179	6,526	(5 %)

[1] FTE distribution in other countries: Malaysia (274), Poland (233), Singapore (30), South Korea (13), Japan (10), and Sweden (4).

1.5 Basis of reporting

About this report

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

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

- annual report 2020, consolidated ESG statements
- sustainability report 2020.

This report contains Ørsted's statement on the underrepresented gender in accordance with section 99 b of the Danish Financial Statements Act (Årsregnskabsloven). See note 3.2 'Gender diversity'.

ESG data quality and consolidation

All our ESG data are reported to the same consolidation system, and we apply the same processes and tools to our ESG reporting as to our financial reporting. The data is consolidated according to the same principles as the financial statements. Thus, the consolidated ESG performance data comprises the parent company Ørsted A/S and subsidiaries controlled by Ørsted A/S.

Data from associates and joint ventures is not included in the consolidated ESG performance data.

The scoping and consolidation of health, safety, and environment (HSE) incidents deviate from the above-described principles. HSE incident data is collected using an operational scope. This means that irrespective of our ownership share, we include 100 % of injuries, environmental incidents, hours worked, etc., from all operations where Ørsted is responsible for HSE, including safety for our external suppliers.

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

ESG data selection and frameworks

We aim to develop our ESG data set in order to support our business and to disclose relevant and transparent information to our stakeholders. Several international ESG reporting frameworks are used as guidance in the data selection process (see notes 5.2-5.5 for more details).

Business changes impacting ESG data

In August 2020, we concluded the divestment of the Danish power distribution, residential customer, and city light businesses.

In December 2020, we concluded the divestment of the LNG business.

Discontinued ESG indicators

- GHG intensity, CHP plants only (replaced by a business unit breakdown of GHG intensity to include the heat boilers and generation from the Renescience plant).
- Indicators related to the divested distribution business:
  - System average interruption index (SAIFI).
  - System average interruption duration index (SAIDI).
  - Power distribution.
  - Avoided emissions from allocated green bond proceeds (data can be found in the 'green bond impact report 2020').

Revised ESG indicators

- Our suppplier assessment reporting has been expanded to include all types of supplier assessments performed.
- Waste reporting terminology has been updated to align with the recent update of the Global Reporting Initiative (GRI) standard for waste reporting. We have also expanded the scope to include fly ash from power plants.
- Seawater and surface water consumption for cooling at our power plants has been added to the reporting of water consumption.

Financial scope

We use a financial scope for our data collection. Thus, the consolidated ESG performance data comprises data from the parent company Ørsted A/S and subsidiaries controlled by Ørsted A/S.

Financial consolidation

We use the same consolidation method and consolidation application for our ESG data as for our financial data.

External review

All ESG data in both Ørsted's annual and sustainability reports has been reviewed by PwC. All data in this report covered by the ESG review is marked with a ' ' in the tables. See the auditor's limited assurance report on page 38 for information about the external review.

2. Environment

2.1 Renewable capacity

Review	Indicator	Unit	Target	2020	2019	Δ	2018
◎	**Installed renewable capacity**	**MW**	**+30 GW (2030)**	**11,297**	**9,870**	**1,427**	**8,303**
◎	Offshore wind power	MW	15 GW (2025)	7,572	6,820	752[2]	5,602
◎	– Denmark	MW		1,006	1,006	0	1,006
◎	– The UK	MW		4,400	4,400	0	3,182
◎	– Germany	MW		1,384	1,384	0	1,384
◎	– The Netherlands	MW		752	-	-	-
◎	– The US	MW		30	30	0	30
◎	Onshore wind power	MW	5 GW (2025)[1]	1,658	987	671[3]	803
◎	Solar PV power	MW	Note[1]	10	10	0	10
◎	Biogas power	MW		3	-	3[4]	-
◎	Thermal heat, biomass	MW		2,054	2,053	1	1,888
◎	**Decided (FID) renewable capacity (not installed yet)**	**MW**		**4,028**	**4,129**	**(101)**	**3,665**
◎	Offshore wind power	MW		2,286	3,038	(752)	3,356
◎	– The UK	MW		1,386	1,386	0	2,604
◎	– The Netherlands	MW		-	752	(752)	752
◎	– Taiwan	MW		900	900	0	-
◎	Onshore wind power	MW		665	671	(6)	184
◎	Solar PV power	MW		1,077	420	657	-
◎	Thermal heat, biomass	MW		-	-	-	125
◎	**Awarded and contracted (no FID yet) renewable capacity**	**MW**		**4,996**	**4,996**	**0**	**4,796**
◎	Offshore wind power	MW		4,996	4,996	0	3,916
◎	– Germany	MW		1,142	1,142	0	1,142
◎	– The US	MW		2,934	2,934	0	954
◎	– Taiwan	MW		920	920	0	1,820
◎	Onshore wind power	MW		-	-	-	530
◎	Solar PV power	MW		-	-	-	350
◎	**Sum of installed and FID capacity**	**MW**		**15,325**	**13,999**	**1,326**	**11,968**
◎	**Sum of installed, FID, and awarded/contracted capacity**	**MW**		**20,321**	**18,995**	**1,326**	**16,764**
◎	**Installed storage capacity**	**MWac**		**21**	**21**	**0**	**1**

[1] The 5 GW (2025) target is for onshore wind and solar power combined.
[2] Borssele 1 & 2 (752 MW).
[3] Sage Draw (338 MW), Plum Creek (230 MW), and Willow Creek (103 MW).
[4] Renescience Northwich (3 MW).

Accounting policies

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

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

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

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

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

2.2 Generation capacity

Review	Indicator	Unit	2020	2019	Δ	2018
◉	**Power generation capacity**	**MW**	**8,884**	**7,489**	**1,395**	**6,673**
◉	Offshore wind	MW	4,379	3,627	752	3,018
◉	– Denmark	MW	563	563	0	563
◉	– The UK	MW	2,342	2,342	0	1,733
◉	– Germany	MW	692	692	0	692
◉	– The Netherlands	MW	752	-	752	-
◉	– The US	MW	30	30	0	30
◉	Onshore wind, the US	MW	1,658	987	671	803
◉	Solar PV, the US	MW	-	10	(10)	10
◉	Thermal	MW	2,847	2,865	(18)	2,842
◉	– Denmark (power plants)	MW	2,844	2,865	(21)	2,842
◉	– The UK (Renescience)	MW	3	-	3	-
◉	**Heat generation capacity, thermal**[1]	**MW**	**3,487**	**3,560**	**(73)**	**3,425**
◉	Based on biomass	MW	2,022	2,053	(31)	1,888
◉	Based on coal	MW	1,300	1,385	(85)	1,384
◉	Based on natural gas	MW	1,761	1774	(13)	1774
◉	**Heat generation capacity, electric**	**MW**	**25**	**25**	**0**	**25**
◉	**Power generation capacity, thermal**[1]	**MW**	**2,847**	**2,865**	**(18)**	**2,842**
◉	Based on biomass	MW	1,228	1,216	12	1,190
◉	Based on coal	MW	991	1,019	(28)	1,016
◉	Based on natural gas	MW	995	1,010	(15)	1,012
◉	Based on biogas (Renescience)	MW	3	-	3	-

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

Accounting policies

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

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

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

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

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

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

Our power generation capacity increased by 19 % to 8,884 MW in 2020.

Offshore wind power generation capacity increased by 752 MW in December 2020 when the Dutch wind farm Borssele 1 & 2 was commissioned.

Onshore wind power generation capacity increased by 671 MW due to the commissioning of three new onshore wind farms in the US in 2020: Sage Draw (338 MW) in March, Plum Creek (230 MW) in in June, and Willow Creek (103 MW) in September.

Solar PV power generation capacity was reduced by 10 MW due to the divestment of Oak Solar in June 2020.

2.3 Energy generation

Review	Indicator	Unit	2020	2019	Δ	2018
◎	**Power generation**	**GWh**	**25,424**	**20,118**	**26 %**	**17,245**
◎	Offshore wind	GWh	15,248	11,965	27 %	10,042
◎	– Denmark	GWh	2,165	2,209	(2 %)	2,197
◎	– The UK	GWh	9,456	7,416	28 %	6,116
◎	– Germany	GWh	2,300	2,220	4 %	1,706
◎	– The Netherlands	GWh	1,207	-	-	-
◎	– The US	GWh	120	120	0 %	23
◎	Onshore wind, the US	GWh	5,731	3,498	64 %	549
◎	Solar PV, the US	GWh	7	15	(53 %)	3
◎	Thermal	GWh	4,438	4,640	(4 %)	6,652
◎	**Heat generation**	**GWh**	**6,671**	**8,312**	**(20 %)**	**8,768**
◎	**Total heat and power generation**	**GWh**	**32,095**	**28,430**	**13 %**	**26,013**

Accounting policies

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

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

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

Offshore power generation increased by 27 % in 2020 relative to 2019. The increase was primarily due to the full-year effect from Hornsea 1 (commissioned in Q4 2019), generation from Borssele 1 & 2 (commissoned in Q4 2020), and higher wind speeds.

Generation in Onshore increased by 64 % in 2020 relative to 2019. The increase was primarily due to additional generation from Lockett (commissioned in July 2019), Sage Draw (commissioned in March 2020), Plum Creek (commissioned June 2020), and Willow Creek (commissioned in September 2020).

Heat generation was 20 % lower in 2020 relative to 2019, primarily due to the warm weather in Q1 2020.

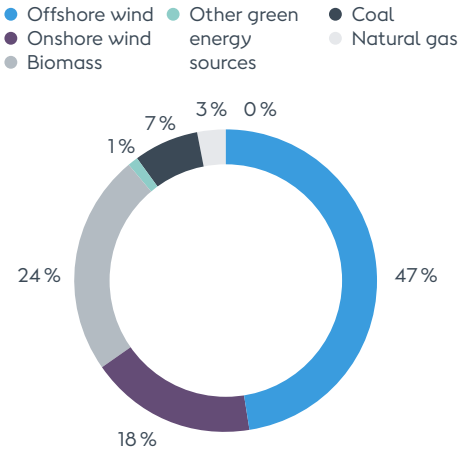
Thermal power generation was 4 % lower in 2020 compared with 2019 due to lower combined heat and power generation, partly offset by increased power generation from delivery of ancillary services by our coal-fired units at Esbjerg and Studstrup power stations.

2.4 Green energy share

Review	Indicator	Unit	Target	2020	2019	Δ	2018
◎	**Total heat and power generation**	**%**		**100**	**100**	**0 %p**	**100**
◎	– From offshore wind	%		47	42	5 %p	39
◎	– From onshore wind	%		18	13	5 %p	2
◎	– From sustainable biomass	%		24	31	(7 %p)	34
◎	– From other green energy sources	%		1	0	1 %p	0
◎	– From coal	%		7	9	(2 %p)	17
◎	– From natural gas	%		3	5	(2 %p)	8
◎	– From other fossil energy sources	%		0	0	0 %p	0
◎	**Green energy share**	**%**	**99 (2025)**[1]	**90**	**86**	**4 %p**	**75**
◎	– Offshore	%		100	100	0 %p	100
◎	– Onshore	%		100	100	0 %p	100
◎	– Markets & Bioenergy	%		71	68	3 %p	58

[1] Additional target is 95 % in 2023.

Total heat and power generation 2020 by energy source



The green share of our heat and power generation was 90 % in 2020, up 4 percentage points relative to 2019.

The share of generation from offshore and onshore wind increased by 10 percentage points as a result of new offshore generation capacity in the Netherlands (Borssele 1 & 2), new onshore generation capacity in the US (Sage Draw, Plum Creek, and Willow Creek), and higher offshore wind speeds.

The share of generation based on sustainable biomass decreased by 7 percentage points at Ørsted level. However, the green share of energy in Markets & Bioenergy, i.e. thermal heat and power generation, increased by 3 percentage points to 71 %.

The green share of our generation increased from 86 % in 2019 to 90 % in 2020. The category 'Other green energy sources' includes solar PV, biogas, and power sourced with green certificates.

Accounting policies

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

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

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

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

2.5 Energy business drivers

Review	Indicator	Unit	2020	2019	Δ	2018
	Offshore wind					
◉	Availability	%	94	93	1 %p	93
◉	Load factor	%	45	42	3 %p	42
◉	Wind speed	m/s	9.7	9.2	0.5	9.1
◉	Wind speed, normal wind year	m/s	9.3	9.2	0.1	9.2
	Onshore wind					
◉	Availability	%	96	98	(2 %p)	98
◉	Load factor	%	45	45	0 %p	41
	Wind speed	m/s	7.6	7.3	0.3	7.3
◉	Wind speed, normal wind year	m/s	7.5	7.5	0	-
	Other					
◉	Degree days, Denmark	Number	2,432	2,399	1 %	2,526
◉	Energy efficiency, thermal generation	%	71	77	(6 %p)	71

Offshore wind

The availability in 2020 was 1 percentage point higher than in 2019. In 2020, wind speeds were 0.5 m/s higher than in 2019 and also higher than for a normal wind year due to high wind speeds in Q1 2020.

The higher wind speeds and availability resulted in a 3 percentage point increase of the load factor in 2020 compared with 2019.

Normal wind speed for the portfolio increased by 0.1 m/s due to the new wind farms Hornsea 1 (commissioned in December 2019) and Borssele 1 & 2 (commissioned in December 2020) which are located in areas with higher than average wind speeds.

Onshore wind

In 2020, wind speeds were 0.3 m/s higher than in 2019. Availability was 2 percentage points lower than 2019, primarily due to outages at Lockett. In combination with the higher wind speeds, this led to a load factor in 2020 at the same level as in 2019.

Other

In 2020, the number of degree days was 1 % higher than in 2019, indicating that the weather in 2020 was slightly colder than in 2019. However, Q1 was relatively warm.

Energy efficiency decreased by 6 % because of the increased ancillary services-driven power generation at Esbjerg and Studstrup power stations and a reduced combined heat and power generation.

Accounting policies

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

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

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

Wind speed
Wind speeds for the areas where Ørsted's offshore and onshore wind farms are located are provided to Ørsted by an external supplier. Wind speeds are weighted on the basis of the capacity of the individual wind farms and consolidated to an Ørsted total for offshore and onshore, respectively. 'Normal wind speed' is a 20-year historical wind speed average.

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

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

2.6 Energy sales

Review	Indicator	Unit	2020	2019	Δ	2018
	Gas sales					
◉	Gas sales	TWh	90.3	125.0	(28 %)	131.1
	Power sales					
◉	Power sales	TWh	29.2	27.6	6 %	27.3
◉	– Green power to end customers[1]	TWh	7.5	8.9	(16 %)	7.6
◉	– Regular power to end customers[2]	TWh	2.9	4.2	(31 %)	4.3
◉	– Power wholesale	TWh	18.8	14.5	30 %	15.4

[1] Power sold with renewable certificates.
[2] Power sold without renewable certificates.

Accounting policies

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

Gas sales decreased by 28 % to 90.3 TWh in 2020 compared to 2019. This was primarily driven by the temporary, but long-term shut-down of the Tyra oil and gas field in the North Sea in September 2019 continuing throughout 2020 and a decrease in LNG sourcing, partly attributable to the sale of the LNG business on 1 December 2020.

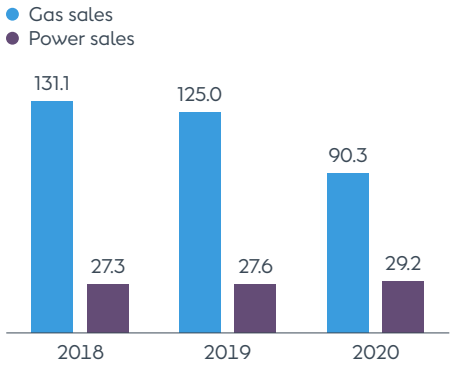
Power sales were up by 6 % at 29.2 TWh in 2020 compared to 2019. The overall increase in power sales was due to a 30 % increase in power wholesale to 18.8 TWh in 2020, primarily driven by an increase in sale of our partners' share of generation from our wind farms, in particular Hornsea 1 and Borssele 1.

The increase in wholesale was partly offset by a 16 % decrease in green power to end customers to 7.5 TWh in 2020 and a 31 % decrease in regular power to end customers to 2.9 TWh.

The decrease in green power to end customers was primarily driven by a reduction in the number of large B2B customers in Denmark and partially by the divestment of the residential customer business at the end of August.

Lower consumption in 2020 by B2B customers in Denmark and the UK due to COVID-19 has also partially contributed to the respective decreases in green and regular power sales to end customers.

Gas and power sales, TWh

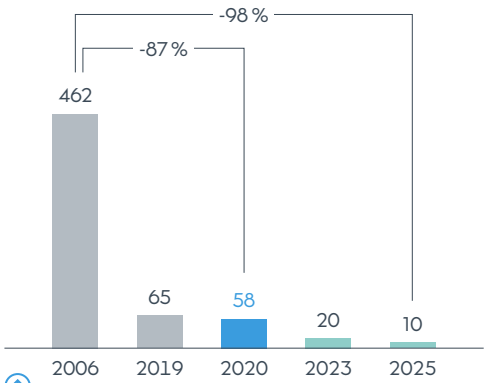


2.7 Greenhouse gas emissions, scopes 1 and 2

Review	Indicator	Unit	Target	2020	2019	Δ	2018
	Direct GHG emissions (scope 1)						
◉	Total scope 1 GHG emissions	Thousand tonnes CO_2e		1,851	1,846	0 %	3,483
◉	– Covered by the EU Emissions Trading System	%		97	96	1 %p	98
	Indirect GHG emissions (scope 2)						
◉	Location-based	Thousand tonnes CO_2e		111	123	(10 %)	151
◉	Market-based	Thousand tonnes CO_2e		2	4	(50 %)	45
	Greenhouse gas (GHG) emission intensity						
◉	GHG intensity, energy generation	g CO_2e/kWh	10 (2025)[1]	58	65	(11 %)	131
◉	– Offshore	g CO_2e/kWh		2	3	(33 %)	4
◉	– Onshore	g CO_2e/kWh		0	0	0 %	0
◉	– Markets & Bioenergy	g CO_2e/kWh		164	140	17 %	226
◉	GHG intensity, revenue	g CO_2e/DKK		35	27	30 %	46
◉	GHG intensity, EBITDA	g CO_2e/DKK		102	106	(4 %)	117

[1] Additional target 20 (2023).

Greenhouse gas emissions, scopes 1 and 2,
g CO_2e/kWh



Our greenhouse gas intensity was reduced by 11 % in 2020. We are well on track to meet our targets of a greenhouse gas emission intensity of no more than 20 g CO_2e/ kWh in 2023 and 10 g CO_2e/kWh in 2025.

Scope 1 greenhouse gas (GHG) emissions increased marginally from 2019 to 2020. The main driver was the increase in the use of coal at Esbjerg and Studstrup power stations due to the delivery of ancillary services, offset by a decrease in the use of natural gas.

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

The main source of location-based scope 2 emissions was power purchased to cover grid losses from distribution. In 2020, grid losses accounted for 35 % of the total locationbased scope 2 emissions. The rest of the location-based scope 2 emissions originated from power purchased for the generation of heat in boilers at the CHP plants, power consumption during standstill and shutdown periods at the CHP plants and wind farms, and heat and power for office buildings.

All power purchased and consumed by Ørsted was certified green power, and therefore, our market-based scope 2 greenhouse gas emissions from the power consumption amounted to zero. Heat consumption accounted for 2000 tonnes of scope 2 market-based greenhouse gas emissions.

Ørsted's greenhouse gas emission intensity for energy generation decreased by 11 % to 58 g CO_2e/kWh, primarily due to increased wind-based generation and reduced thermal generation.

Accounting policies

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

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

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

2.8 Greenhouse gas emissions, scope 3

Review	Indicator	Primary source of emission	Unit	Target	2020	2019	Δ	2018
◎	**Greenhouse gas emissions, scope 3**		Thousand tonnes CO_2e	**50 % (2032)[1]**	**25,333**	**34,604**	**(27 %)**	**36,234**
◎	C1: Purchased goods and services		Thousand tonnes CO_2e		242	244	(1 %)	226
◎	C2: Capital goods	New wind farms	Thousand tonnes CO_2e		657	740	(11 %)	1,032
◎	C3: Fuel- and energy-related activities	Regular power sales	Thousand tonnes CO_2e		2,437	3,217	(24 %)	3,570
◎	C4: Upstream transportation and distribution		Thousand tonnes CO_2e		1	1	0 %	0
◎	C5: Waste generated in operations		Thousand tonnes CO_2e		1	0	-	0
◎	C6: Business travel		Thousand tonnes CO_2e		3	13	(77 %)	10
◎	C7: Employee commuting		Thousand tonnes CO_2e		9	9	0 %	10
◎	C9: Downstream transport and distribution		Thousand tonnes CO_2e		3	3	0 %	3
◎	C11: Use of sold products	Natural gas sales	Thousand tonnes CO_2e		21,980	30,377	(28 %)	31,383

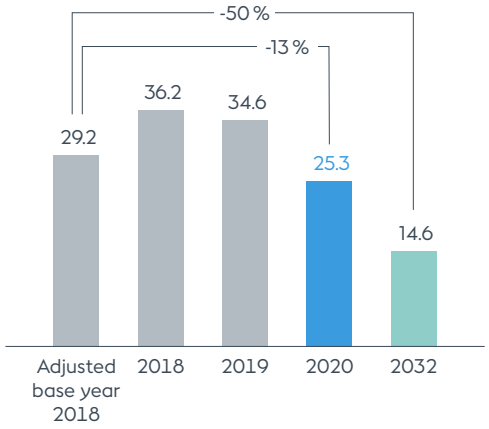
[1] 50 % reduction from base year 2018.

Scope 3 greenhouse gas emissions decreased by 27 % from 2019 to 2020. The main driver for this was the 28 % reduction in gas sales which accounted for 87 % of the total scope 3 emissions in 2020.

Scope 3 emissions from fuel- and energy-related activities decreased by 24 %, primarily driven by the a reduction in the sale of regular power to business end customers.

Scope 3 emissions from capital goods amounted to 0.7 million tonnes in 2020 and related to the carbon footprint of the new wind farms commissioned in 2020 (the offshore wind farm Borssele 1 & 2 and the three new onshore wind farms in the US).

Scope 3 greenhouse gas emissions,
million tonnes CO_2e



Our scope 3 greenhouse gas emissions were reduced by 27 % in 2020. We are on track to meeting our target of a 50 % reduction in the period 2018 to 2032.

Update of the 2018 base year emissions

We have updated our 2018 base year scope 3 emissions in accordance with our policy for baseline adjustments for scope 3.

We divested the LNG business in 2020. The gas sales related to the LNG business accounted for 20 % of the total 2018 base year scope 3 emissions. Therefore, we have reduced the scope 3 base year emissions and target emissions in 2032 by 20 %.

Accounting policies

Greenhouse gas emissions, scope 3
The scope 3 greenhouse gas emissions are reported based on the Greenhouse Gas Protocol which divides the scope 3 inventory into 15 subcategories (C1-C15).

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

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

2.9 Avoided carbon emissions

Review	Indicator	Unit	2020	2019	Δ	2018
◉	**Avoided carbon emissions**	**Million tonnes CO_2e**	**13.1**	**11.3**	**16 %**	**8.1**
◉	– From wind generation, offshore	Million tonnes CO_2e	8.1	7.6	7 %	6.3
◉	– From wind generation, onshore	Million tonnes CO_2e	3.5	2.3	52 %	0.4
◉	– From biomass-converted generation	Million tonnes CO_2e	1.5	1.4	7 %	1.4
	Accumulated avoided carbon emissions from 2006 to present year	**Million tonnes CO_2e**	**58.6**	**45.5**	**29 %**	**34.2**
	– From offshore wind generation	Million tonnes CO_2e	46.3	38.2	21 %	30.6
	– From onshore wind generation	Million tonnes CO_2e	6.2	2.7	130 %	0.4
	– From biomass-converted generation	Million tonnes CO_2e	6.1	4.6	33 %	3.2
	Carbon emissions from heat and power generation					
◉	Carbon emissions from heat and power generation	Million tonnes CO_2e	1.8	1.8	0 %	3.4
	Accumulated (2006 to present year) carbon emissions from heat and power generation	Million tonnes CO_2e	125	123	2 %	121

Avoided carbon emissions are the result of installed wind farms and conversions of CHP plants to using sustainable biomass as fuel. If these projects had not been undertaken, other sources would have provided the power generated.

The avoided carbon emissions increased by 16 % due to the increase in wind-based power generation. The avoided emissions from biomass-converted generation increased by 7 % in 2020 compared with 2019 due to the 2020 full-year effect of the bioconversion of Asnæs Power Station in late 2019.

By 2020, we have avoided an accumulated total of 59 million tonnes carbon emissions since 2006. This is the result of our wind-based and biomass-converted energy generation and corresponds to 47 % of the accumulated carbon emissions from thermal energy generation at Ørsted since 2006.

Accounting policies

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

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

It is assumed that the use of 1 GJ of biomass fuel avoids the use of 1 GJ of fossil fuels. The upstream carbon emissions (from production, manufacture, and transport of biomass) are included in the calculation.

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

Carbon emissions
Carbon emissions include scope 1 greenhouse gas emissions from thermal heat and power generation. For more details, see '2.7 Greenhouse gas emissions, scopes 1 and 2'.

2.10 Energy consumption

Review	Indicator	Unit	Target	2020	2019	Δ	2018
◎	**Direct energy consumption (GHG scope 1)**	GWh		**15,452**	**16,889**	**(9 %)**	**22,054**
◎	Fuels used in thermal heat and power generation	GWh		15,306	16,668	(8 %)	21,827
◎	– Sustainable biomass	GWh		9,440	10,628	(11 %)	10,675
◎	– Coal	GWh	0 (2023)	4,444	3,929	13 %	8,201
◎	– Natural gas	GWh		1,229	1,960	(37 %)	2,770
◎	– Oil	GWh		193	151	28 %	181
◎	Other energy usage (oil, gas, and diesel for vessels and cars)	GWh		146	221	(34 %)	227
◎	Coal used in thermal heat and power generation	Thousand tonnes	0 (2023)	629	588	7 %	1,206
◎	Certified sustainable wooden biomass sourced	%	100 (2020)	100	96	4 %p	83
◎	**Indirect energy consumption (GHG scope 2)**	GWh		**554**	**669**	**(17 %)**	**618**
◎	Power sourced for own consumption	GWh		534	648	(18 %)	597
◎	– Green power	GWh		534	648	(18 %)	512
◎	– Regular power	GWh		-	-	-	85
◎	Green share of power for own consumption	%	100 (2020)	100	100	0 %p	86
◎	Heat consumption	GWh		20	21	(5 %)	21
◎	**Total direct and indirect energy consumption**	**GWh**		**16,006**	**17, 558**	**(9 %)**	**22,672**
◎	**Green share of total direct and indirect energy consumption**	**%**		**62**	**64**	**(2 %p)**	**49**
◎	**Internal energy savings, accumulated from 2018**	**GWh**	**15 (2023)**	**10.3**	**8.8**	**17 %**	**0.9**
◎	**Electric vehicles in the company vehicle fleet**	**%**	**100 (2025)**	**38**	**21**	**17 %p**	**-**

The total fuel consumption used in thermal heat and power generation was 8 % lower in 2020 compared to 2019, driven by a 14 % decrease in total thermal energy generation. Thermal power generation decreased by 4 % and thermal heat generation by 20 % (see note 2.3).

The consumption of sustainable biomass was 11 % lower in 2020 than in 2019. The total consumption of fossil fuels decreased by 4 %, driven by a 37 % reduction in the consumption of natural gas, offset by a 13 % increase in the consumption of coal. Coal consumption increased due to the increased power generation at Esbjerg and Studstrup power stations, associated with ancillary services.

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

The power purchased and consumed by Ørsted decreased by 18 % in 2020 and was 100 % sourced as certified green power.

Accounting policies

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

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

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

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

Internal energy savings
In 2018, Ørsted A/S signed a five-year climate partnership agreement with a target of 15 GWh energy savings. The scope of the energy savings covers both heat and power consumption. Projects are included when they are fully implemented and operational.

Electric vehicles in the company vehicle fleet
Ørsted has joined the global EV100 initiative. The statement is prepared on the basis of the EV100 guidelines. The data excludes vehicles from our power distribution, residential customer, and city light businesses which were divested in 2020.

2.11 Water

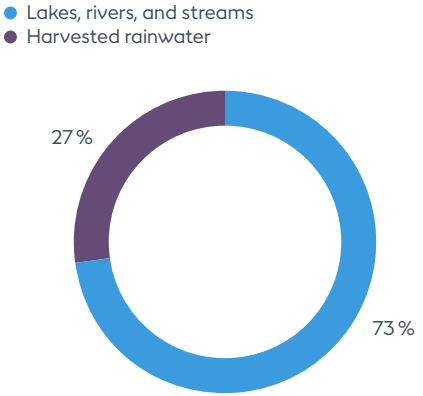
Indicator	Unit	2020	2019	Δ	2018
Water withdrawal					
Total volume of water withdrawn	Thousand m³	822,474	1,164	-	1,380
– Third-party water	Thousand m³	412	381	8 %	461
– Ground water	Thousand m³	867	783	11 %	919
– Surface water	Thousand m³	844	-	-	-
– Seawater	Thousand m³	820,351	-	-	-
Water withdrawal from water-stressed areas					
Water withdrawal from areas with low stress levels	%	1	76	(75 %p)	74
Water withdrawal from areas with low to medium stress levels	%	47	24	23 %p	26
Water withdrawal from areas with medium to high stress levels	%	52	0	52 %p	0
Water withdrawal from areas with high stress levels	%	0	0	0 %p	0
Water withdrawal from areas with extremely high stress levels	%	0	0	0 %p	0
Wastewater discharge					
Wastewater discharge directly to recipient	Thousand m³	219	321	(32 %)	362
Wastewater discharge to recipient after own treatment	Thousand m³	176	130	35 %	163
Wastewater discharge to water treatment facility	Thousand m³	570	391	46 %	388
Wastewater discharge to facility after own treatment	Thousand m³	30	40	(25 %)	32

The large increase in water withdrawal is because we have added reporting of surface and seawater to the statement.

Seawater is used for cooling water in the power plants. It is circulated in a closed system and returned to the sea with no other impact than a slight increase in temperature. We also use seawater as process water at one power plant to reduce our consumption of ground-water from the municipality.

The changes to water withdrawal from water-stressed areas was mainly due to an updated classification of the water stress of the areas in which we withdraw groundwater.

Surface water withdrawal 2020



Accounting policies

Water withdrawal
Water withdrawal includes all water resources that Ørsted either withdraw directly from groundwater or consume from waterworks. This includes:
– water withdrawal for process use (boilers, flue gas cleaning, fly ash management, etc.)
– water withdrawal converted to steam or hot water and resold to business partners
– water withdrawal for use in offices and other buildings.

The total volume of water withdrawal is measured based on meter readings or invoices from suppliers. Using a corporate standard value, an estimated consumption is calculated in cases where exact data is not available.

Surface water and seawater has been included from 2020. Surface water and seawater is used for cooling at the power plants.

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

Wastewater discharge
Wastewater includes all planned and unplanned discharges of water from Ørsted, except cooling water from CHP plants.

For facilities, wastewater discharges are recorded based on meter readings. Where wastewater is removed by road tanker, discharges are based on invoices. For offices and warehouses, wastewater discharges are presumed to be equivalent to water consumption.

2.12 Waste

Review	Indicator	Unit	2020	2019	Δ	2018
◉	**Hazardous waste**	**Thousand tonnes**	**20**	**127**	**(84 %)**	**193**
◉	Diverted from disposal[1]	Thousand tonnes	19	126	(85 %)	193
◉	Directed to disposal[2]	Thousand tonnes	1	1	0 %	0
◉	**Non-hazardous waste**	**Thousand tonnes**	**51**	**11**	**364 %**	**9**
◉	Diverted from disposal	Thousand tonnes	40	9	344 %	7
◉	Directed to disposal	Thousand tonnes	11	2	450 %	2
◉	**Total waste**	**Thousand tonnes**	**71**	**138**	**(49 %)**	**202**
◉	– Of which, diverted from disposal	%	83	98	(15 %p)	99
◉	Wastewater from the oil pipeline	Thousand tonnes	20	127	(84 %)	192
◉	– Of which, diverted from disposal	%	92	99	(7 %p)	100
◉	Other waste from production and administration	Thousand tonnes	51	11	364 %	10
◉	– Of which, diverted from disposal	%	78	84	(6 %p)	77

[1] Reuse, recycling, composting, and recovery.
[2] Energy recovery, incineration, and landfill.

The total volume of waste decreased by 49 % from 2019 to 2020. The primary driver was a reduction in the amount of oil-containing wastewater from the oil terminal in Fredericia, as we have installed a full-scale cleaning facility, which reduced the amount of hazardous waste by 84%.

The oil-containing wastewater had to be treated as waste similar to the previous years because of a high content of pollutants.

The significant increase in non-hazardous waste is waste from biomass ashes from power production which is not sold as products and therefore is classified as waste as well as waste from the new Renescience plant, commissioned in 2020.

Accounting policies

Waste by type and disposal method

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

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

Oil-contaminated wastewater from the oil pipeline from the North Sea is treated as waste and therefore reported as waste and not wastewater.

Waste generated from the Renescience plant commisioned in 2020 is included.

We have added ashes from the power plants to the waste reporting from 2020 and adjusted the historic data accordingly. Residual products, e.g. gypsym from the CHP plants, which are not handled as waste, but sold as products, are not included.

Soil from excavation projects is not included.

2.13 Environmental incidents, NO_x, and SO_2

Indicator	Unit	2020	2019	Δ	2018
Environmental incidents					
Massive environmental incidents	Number	0	0	0	1
Major environmental incidents	Number	2	4	(2)	7
Other air emissions: nitrogen oxides (NO_x) and sulfur dioxide (SO_2)					
Nitrogen oxide emissions	Tonnes NO_X	1,584	1,910	(17 %)	2,670
Sulphur dioxide emissions	Tonnes SO_2	491	517	(5 %)	654
Nitrogen oxide emission intensity	g NO_X/kWh	0.14	0.15	(7 %)	0.17
Sulphur dioxide emission intensity	g SO_2/kWh	0.04	0.04	0 %	0.04

In 2020, Ørsted registered two major incidents.

One incident was a 200-litre oil spill from a leakage at the oil terminal in Fredericia. All the contaminated soil has been removed and cleaned.

The other incident was a SF_6 gas leakage from a defect sealing at Asnæs Power Station.

The reduction in absolute NO_x and SO_2 air emissions was due to a lower thermal heat and power generation in 2020.

Accounting policies

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

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

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

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

Other air emissions: nitrogen oxides (NO_X) and sulfur dioxide (SO_2)
Nitrogen oxides and sulphur dioxide emissions are only reported for combined heat and power plants. Nitrogen oxides and sulphur dioxide emissions from other combustions are not included. Nitrogen oxides and sulphur dioxide are primarily measured by continuous measurement, but may also be based on plant-specific emission factors.

2.14 Biodiversity – protected areas

Review	Indicator	Unit	Affected length or area	Position in relation to protected area	Type of protection[1]
	The United Kingdom				
◉	Wind farms and substations	km²	147	Inside	MPA, SPA, SAC, MCZ
◉	Wind farms and substations	km²	151	Partially inside	MPA, SPA, SAC, MCZ
◉	Cable route	km	24	Inside	MPA, SPA
◉	Cable route	km	157	Partially inside	MPA, Ramsar, SAC, SPA, SSSI
	The US				
◉	Wind farms and substations	km²	2	Inside	Closure Area, State Trap/Pot Waters Area, Trap/Pot Waters Area, Gillnet Waters Area

[1] MPA: marine protected area (OSPAR); SPA: special protection area (Birds Directive); SAC: special area of conservation; MCZ: marine conservation zone; SSSI: site of special scientific interest; Ramsar (Ramsar Convention on Wetlands).

Our wind farms in European waters and in APAC do not currently overlap with any protected areas for nature conservation.

Compared with 2019, the wind farm Borssele 1 & 2 in the Netherlands is the only addition to our portfolio of offshore wind farms in operation. Borssele 1 & 2 is neither inside nor partly located inside a protected area since the closest Natura 2000 area is 16 km away from the border of the wind farm. However, the export cable runs through this Natura 2000 area, but is not Ørsted-owned and has thus not been included.

Accounting policies

Biodiversity data only covers offshore wind farms.

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

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

Protected areas
Protected areas and areas of high biodiversity value follow the Global Reporting Initiative (GRI) standards, disclosure 304-1. This includes the list of protected areas described, such as IUCN Protected Area Management Categories, the Ramsar Convention, and national legislation.

The indicators are the cumulative square kilometres or length of cables in kilometres covered by our operational sites. The areas reported represent Ørsted's ownership share by year end. Data is initially recognised from the commercial operation date (COD).

2.15 Biodiversity – endangered species

Review	Indicator	Unit	Critically endangered	Endangered	Vulnerable	Near threatened	Least concern
◎	**Total, all countries, all species in 2020**	**Species, total**	**1**	**0**	**6**	**8**	**55**
◎	**The United Kingdom, red-list species, total**	**Species, total**	**0**	**0**	**5**	**8**	**54**
◎	– Birds	Species, total	0	0	5	7	39
◎	– Fish	Species, total	0	0	0	0	7
◎	– Mammals	Species, total	0	0	0	1	7
◎	– Amphibians	Species, total	0	0	0	0	1
◎	**The US, red-list species, total**	**Species, total**	**1**	**0**	**1**	**0**	**1**
◎	– Mammals	Species, total	1	0	1	0	1

Our wind farms in European waters and in APAC do not currently overlap with any protected or known areas of critical importance for vulnerable species.

As outlined in our 'offshore wind biodiversity policy', we carry out detailed environmental consenting processes and ongoing environmental monitoring in compliance with local regulations on protection of nature conservation to ensure such species are considered carefully.

The United Kingdom
Since Hornsea 1 went into operation, the overall number of potentially impacted vulnerable and near-threatened bird species has increased. The kittiwake, a designated feature of the Flamborough and Filey Coast SPA, is one such additional vulnerable species with the offshore wind farm Hornsea 1 being located within their mean-maximum foraging range from the SPA.

At Hornsea 1, we completed a comprehensive Habitat Regulations Assessment that fully assessed the potential impact on kittiwakes, and it was concluded by the Secretary of State in consenting the project that there was no adverse effect on the species.

Although the Atlantic puffin is another designated species of this area, it is an assemblage feature, and it was concluded by the Secretary of State that Hornsea 1 would have no adverse effect on this vulnerable seabird species.

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

Additionally, we work closely with relevant local interest organisations, authorities, and other stakeholders as well as the academic community, for instance the Ecosystem and Passive Acoustic Monitoring (ECO-PAM) project to better understand the presence, distribution, and seasonality of North Atlantic right whales. We also contribute to the characterisation of their habitat in offshore wind areas and ensure we use best available evidence and knowledge to employ appropriate monitoring and mitigation techniques in our operations. Read more in our sustainability report 2020 (pages 22-23).

Accounting policies

Biodiversity data only covers offshore wind farms and only the protected areas described in note 2.14 'Biodiversity – protected areas'.

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

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

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

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

3. Social

3.1 Human capital

Review	Indicator	Unit	Target	2020	2019	Δ	2018
	Number of employees						
◉	Total number of employees (as of 31 December)	Number of FTEs		6,179	6,526	(5 %)	6,080
◉	– Denmark	Number of FTEs		3,854	4,547	(15 %)	4,454
◉	– The UK	Number of FTEs		1,057	1,029	3 %	964
◉	– The US	Number of FTEs		314	216	45 %	115
◉	– Malaysia	Number of FTEs		274	190	44 %	135
◉	– Poland	Number of FTEs		233	202	15 %	158
◉	– Germany	Number of FTEs		219	205	7 %	202
◉	– Taiwan	Number of FTEs		126	89	42 %	35
◉	– Other	Number of FTEs		102[1]	48	113 %	17
◉	Average number of employees during the year	Number of FTEs		6,429	6,329	2 %	5,796
	Sickness absence	%		1.9	2.4	(0.5 %p)	2.4
	Turnover						
	Total employee turnover rate	%		8.4	11.6	(3.2 %p)	11.2
	Voluntary employee turnover rate	%		5.0	7.2	(2.2 %p)	7.1
	Employee satisfaction survey results						
◉	Employee satisfaction	Index 0-100	Top 10 % (2020)[2]	78	77	1	76
◉	Employee loyalty	Index 0-100		86	85	1	84
◉	Learning and development indicator	Index 0-100	80 (2020)	77	77	0	76
◉	Employees experiencing stress	%		11.0	9.4	1.6 %p	9.7
◉	Employees experiencing bullying, harassment, threats, or violence	%		2.0	2.0	0 %p	2.5

[1] Other countries are the Netherlands (45), Singapore (30), South Korea (13), Japan (10), and Sweden (4).
[2] Our target is to have an employee satisfaction survey result that lies in the top ten percentile every year compared to an external benchmark group.

Accounting policies

Number of employees, sickness absence, and turnover
Employee data is recognised based on records from the Group's ordinary registration systems. The number of employees is determined as the number of employees at the end of each month converted to full-time equivalents (FTEs). Employees who have been made redundant are recognised until the expiry of their notice period, regardless of whether they have been released from all or some of their duties during their notice period. Sickness absence is calculated as the ratio between the number of sick days and the planned number of annual working days. The employee turnover rate is calculated as the number of permanent employees who have left the company relative to the average number of permanent employees in the financial year.

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

The number of employees was 5 % lower at the end of 2020 compared to 2019. This was primarily due to the divestment of the Danish power distribution (Radius), residential customer, and city light businesses to SEAS-NVE on 31 August 2020. Approximately 750 employees were transferred to SEAS-NVE as part of the transaction. FTEs outside of continental Europe increased by 19 % (287 FTEs).

At the end of 2020, the total turnover rate decreased by 3.2 percentage points to 8.4 %, and the voluntary turnover rate decreased by 2.2 percentage points to 5.0 % compared to 2019. The lower turnover rates were likely due to a decrease in the number of employees resigning their positions during the COVID-19 pandemic in 2020. The scores for employee satisfaction increased to 78 and was within the top 10 % target compared with our external benchmark group. We missed our 2020 target for learning and development despite significant 2019 and 2020 investments in learning resources and programmes, and in enabling managers to develop their talents. We have, however, seen an improvement in employee perception of opportunities to develop: from 77 % in 2019 to 78 % in 2020.

The satisfaction survey focuses primarily on the embedding of learning and development in the organisational culture, and we appreciate that cultural change takes time. In 2021, we will continue our determined efforts to develop our learning culture and resources, to build manager capability, and to ensure all employees understand how they can be accountable for their own development and the opportunities available.

3.2 Gender diversity

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

Review	Indicator	Unit	Target	2020	2019	Δ	2018
◎	**Board of Directors, Ørsted A/S**	**Number**		**6**	**6**	**0**	**8**
◎	Female	Number		2	2	0	3
◎	Male	Number		4	4	0	5
◎	Gender with lowest representation (female)	%		33	33	0 %p	38
◎	**Executive Committee**	**Number**		**7**	**7**	**0**	**7**
◎	Gender with lowest representation (female)	%		29	29	0 %p	14
◎	**Leadership Conference**	**Number**		**132**	**121**	**9 %**	**98**
◎	Gender with lowest representation (female)	%	22 (2023)	20	13	7 %p	10
◎	**Middle management**	**Number**		**912**	**900**	**1 %**	**823**
◎	Gender with lowest representation (female)	%	30 (2023)	26	25	1 %p	25
◎	**All employees**	**Number**		**6,179**	**6,526**	**(5 %)**	**6,080**
◎	Gender with lowest representation (female)	%		30	31	(1 %p)	31

We seek to ensure everyone at Ørsted globally, regardless of their demography or location, has equal opportunity to help deliver our vision. We have defined our 2023 goals around gender balance in senior leadership. Since 2018, we have progressed from 90/10 (male/female ratio) to 80/20 at senior leadership levels (Leadership Conference) due to a focus on gender diversity in promotions and recruitment at senior levels.

To support our gender diversity goals, we have a 66/34 gender balance among participants in our 2020 high-potential development programmes. By 2023, we aim for this balance to be 60/40. We have trained managers to reduce unconscious bias during people review meetings and job interviews, and our senior leaders are building more diversity in our talent pipelines. We have also introduced an inclusion index into our 2020 annual employee satisfaction survey to help all managers understand the sense of inclusion in their team. We conducted an inclusion survey which had a 60 % response rate and have set a goal of encouraging a multi-cultural mix at leadership levels globally.

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

High-potential diverse talent are identified in the annual People Review process and have a structured dialogue about development wishes and possibilities in the following People Development Dialogue.

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

Accounting policies

Board of Directors
Consists of members elected at general assemblies; the employee representatives on the Board of Directors are, however, not included in the data.

Executive Committee
Consists of the CEO, the CFO, and the executive vice presidents (EVPs).

Leadership Conference
Consists of the CEO, the CFO, the executive vice presidents, the senior vice presidents, the vice presidents, and the senior directors.

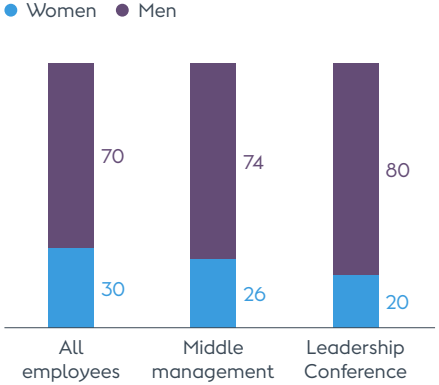
Middle management
Consists of directors, senior managers, managers, and team leads.

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

3.3 Gender pay gap

Indicator	Unit	2020	2019	Δ	2018
Gender pay gap					
Gender pay gap, median	%	14	14	0 %p	16
Gender bonus pay gap, median	%	37	43	(6 %p)	49
Gender bonus distribution					
Proportion of women receiving bonus	%	20	19	1 %p	15
Proportion of men receiving bonus	%	23	21	2 %p	21

Gender distribution, management levels, 2020, %



The decreasing share of women towards higher management levels explains the salary and bonus pay gap between women and men.

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

The presented 2020 gender pay data are based on data from Denmark (76 %), the UK (17 %), and the US (7 %) as there were more than 250 employees in each of these countries by 31 May 2020 when the annual salary review was finished. The US was not included in the 2019 results as there was less than 250 FTEs.

The differences in pay between men and women are caused by differences in gender mix across levels in the organisation.

There is a trend towards women comprising a smaller part of the population in higher salary pay quartiles, which relates to the lower percentage of women in higher management positions.

Accounting policies

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

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

The annual general salary adjustment is finished by 31 May. Countries with more than 250 FTE's on that day are included in the year's reporting.

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

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

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

Pay quartiles: The percentage of men and women on the employer's payroll for each quartile.

3.4 Safety

Review	Indicator	Unit	Target	2020	2019	Δ	2018
◉	**Total recordable injuries (TRIs)**	**Number**		**77**	**106**	**(27 %)**	**98**
◉	– Own employees	Number		19	35	(46 %)	37
◉	– Contractor employees	Number		58	71	(18 %)	61
◉	**Lost-time injuries (LTIs)**	**Number**		**36**	**45**	**(20 %)**	**31**
◉	– Own employees	Number		10	17	(41 %)	12
◉	– Contractor employees	Number		26	28	(7 %)	19
◉	**Hours worked**	**Million hours worked**		**21.5**	**21.7**	**(1 %)**	**21.0**
◉	– Own employees	Million hours worked		10.8	10.6	2 %	9.7
◉	– Contractor employees	Million hours worked		10.7	11.1	(4 %)	11.3
◉	**Total recordable injury rate (TRIR)**	**Per million hours worked**	**2.9 (2025)**	**3.6**	**4.9**	**(27 %)**	**4.7**
◉	TRIR, own employees	Per million hours worked		1.8	3.3	(45 %)	3.8
◉	TRIR, contractor employees	Per million hours worked		5.4	6.4	(16 %)	5.4
◉	**Lost-time injury frequency (LTIF)**	**Per million hours worked**		**1.7**	**2.1**	**(19 %)**	**1.5**
◉	LTIF, own employees	Per million hours worked		0.9	1.6	(44 %)	1.2
◉	LTIF, contractor employees	Per million hours worked		2.4	2.5	(4 %)	1.7
◉	**Fatalities**	**Number**		**0**	**1**	**(1)**	**0**
	Permanent disability cases	**Number**		**0**	**0**	**0**	**0**

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

Total recordable injuries in 2020 decreased by 27 % (29 recordable injuries less), and the lost-time injuries decreased by 20 % (nine lost-time injuries less) compared with 2019.

The total number of hours worked in 2020 was 1 % lower than in 2019.

The total recordable injury rate (TRIR) was 27 % lower than in 2019, and the lost-time injury frequency (LTIF) was 19 % lower than in 2019.

We continue to have a strong focus on safety. Our target is a TRIR of 2.9 or below in 2025.

Accounting policies

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

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

LTIF includes lost-time injuries defined as injuries that result in incapacity to work for one or more calendar days in addition to the day of the incident.

In addition to lost-time injuries, 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.

Fatalities are the number of people who lost their lives as a result of a work-related incident.

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

3.5 Job creation and people powered

Review	Indicator	Unit	2020	2019	Δ	2018
	Job years created by offshore wind farm value chain					
◉	Based on installed capacity[1]	Thousand job years	152	137	11 %	112
◉	Based on installed and FID capacity[1]	Thousand job years	197	197	0 %	179
◉	Based on installed, FID, and awarded/contracted capacity[1]	Thousand job years	297	297	0 %	258
	People powered by renewable capacity					
◉	Based on installed capacity	Million people	19.3	15.2	27 %	12.2
◉	Based on installed and FID capacity	Million people	25.1	23.7	6 %	21.3
◉	Based on installed, FID, and awarded/contracted capacity	Million people	34.4	32.8	5 %	30.1

[1] Over total asset lifespan (25 years).

Through our green energy investments, we have stimulated local growth and job creation.

In a lifecycle perspective, our own and our partners' investments in deploying green offshore energy have created 197 thousand job years from the installed and decided projects.

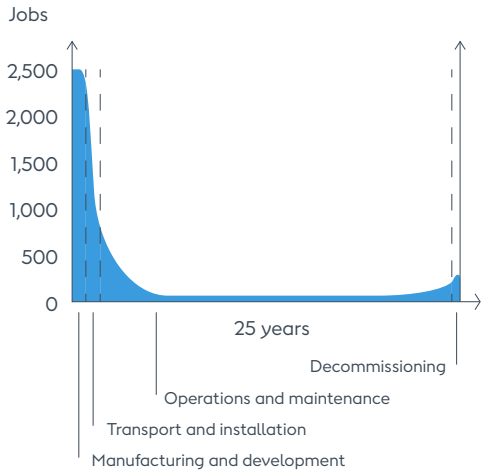
In the period 2019-2025, we plan to invest DKK 200 billion in renewables, adding significantly to further local economic growth and job creation, not least in our new markets.

The main part of the jobs created in the value chain of offshore wind farms are jobs related to manufacturing, construction, and installation.

The 11 % increase in job years from 2019 to 2020 based on installed capacity was mainly related to the offshore wind farm Borssele 1 & 2, commissioned in 2020.

People powered based on installed capacity increased by 27 % to 19.3 million people in 2020 compared to 2019, due to Borssele 1 & 2 and the three new onshore wind farms commissioned in 2020.

Job years, lifespan



Accounting policies

Job creation
The number of job years is calculated on the basis of a factor for job years per megawatt installed provided by the International Renewable Energy Agency, IRENA. The job year creation factor is based on a 500 MW offshore wind farm. The factor is not adjusted for other details, such as when the wind farm was constructed, wind turbine size, and wind farm size-specific parameters beyond a simple scaling of capacity size or geographical position (i.e. water depths and distance to shore).

The number of job years created relates to the value chain from procurement and manufacturing, over installation, operations and maintenance, to decommissioning. This means that job years related to, for example, mining and manufacturing of steel and concrete as well as local jobs, such as hotels and dining for people working on local sites, are not included. A lifetime of 25 years for all wind farms is used.

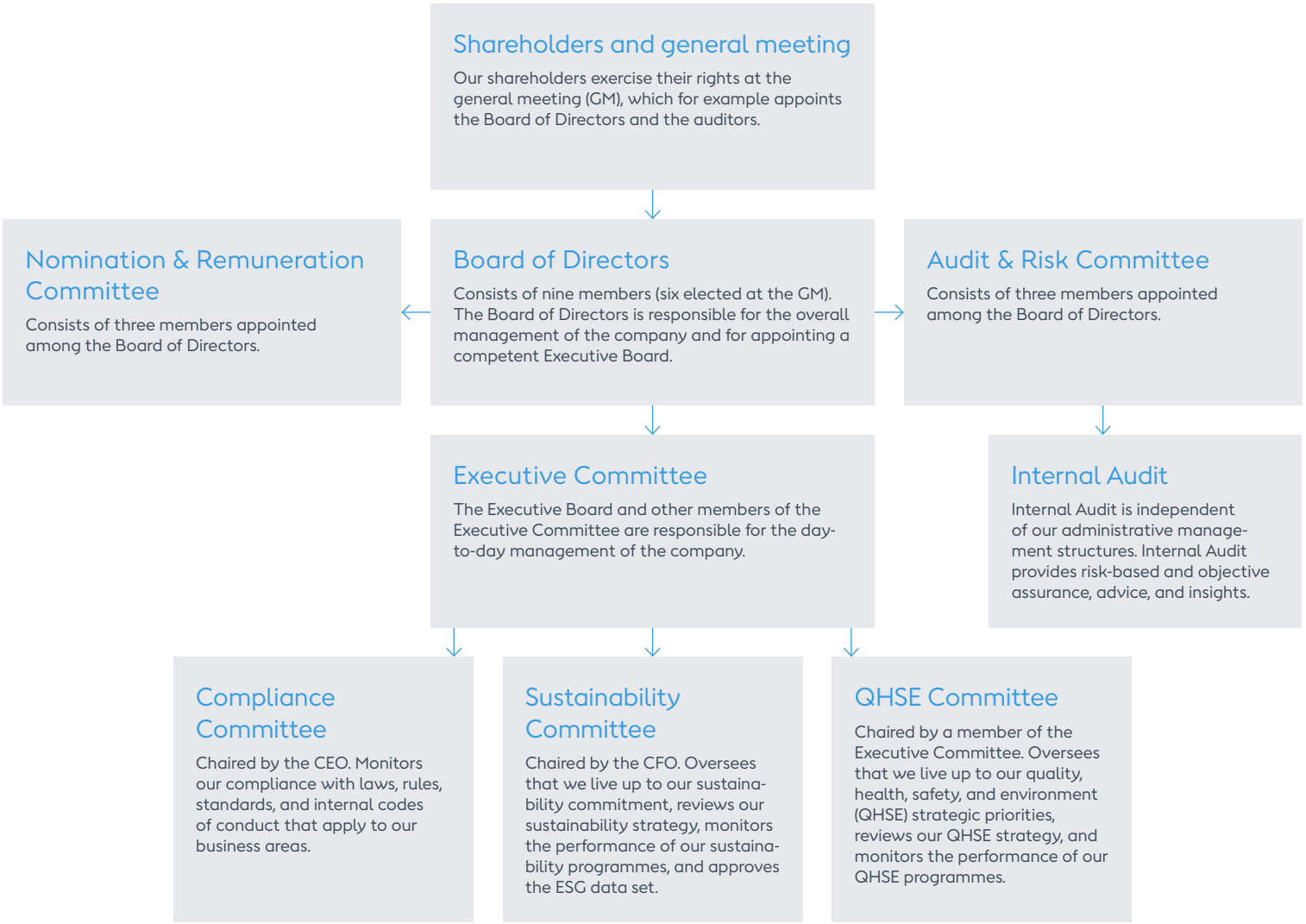
The number of job years relates to the installed capacity and not Ørsted's ownership share of the wind farm. The number of job years varies during the lifespan, and most of the jobs are created in the beginning during construction and installation.

People powered
The figure for people powered based on installed capacity is calculated using the installed capacity, the actual load factor, and the country-specific power consumption per person (state-specific consumption factors are used in the US).

People powered based on FID and awarded capacity is calculated on the basis of capacity and an average load factor based from business cases for offshore wind, onshore wind, and solar PV power. Consumption is country-specific consumption per person (state-specific consumption factors are used in the US).

4. Governance

4.1 Our governance model



The governance model to the left combines the high-level governance model from the annual report (p. 63 'Corporate governance') with the governance model focused on sustainability in the sustainability report (p. 44 'Sustainability governance').

In notes 4.2 and 4.3, you can find additional information about the Board of Directors, the Executive Committee, and other committees on criteria such as gender, age, nationality composition, number of meetings, and descriptions of responsibilities.

4.2 Board of Directors

Review	Indicator	Unit	2020	2019	Δ	2018
	Board of Directors, Ørsted A/S					
◉	Members	Number	6	6	0	8
◉	– Female	Number	2	2	0	3
◉	– Male	Number	4	4	0	5
◉	Gender with lowest representation (female)	%	33	33	0 %p	38
	Average age	Years	61	60	1	58
	Average seniority	Years	4	3	1	3
	Nationality					
◉	Danish	Number	3	3	0	5
◉	Non-Danish	Number	3	3	0	3
◉	Independent board members	%	100	100	0 %p	100
	Board meetings	Number	17	13	4	11
	– Attendance	%	99	97	2 %p	92
	Remuneration for the Board of Directors	DKK thousand	4,593	4,779	(4 %)	5,134
	Nomination & Remuneration Committee					
	Members	Number	3	3	0	3
	Meetings	Number	5	3	2	3
	Attendance	%	100	100	0 %p	100
	Audit & Risk Committee					
◉	Members	Number	3	3	0	3
◉	Meetings	Number	8	6	2	7
◉	Attendance	%	100	100	0 %p	91

Accounting policies

Board of Directors
In this section, the Board of Directors only covers the members elected at the general meeting (GM), apart from remuneration for the Board of Directors which also includes employee representatives.

For independents, we follow the Recommendations on Corporate Governance.

Gender with lowest representation is reported under 3.2 'Gender diversity'.

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

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

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

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

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

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

4.3 Executive Committee

Review	Indicator	Unit	2020	2019	Δ	2018
	Executive Committee					
◉	Members	Number	7	7	0	7
◉	– Female	Number	2	2	0	1
◉	– Male	Number	5	5	0	6
◉	Gender with lowest representation	%	29	29	0 %p	14
	Average age	Years	52	51	1	50
	Average seniority	Years	4	3	1	3
	Nationality					
◉	– Danish	Number	3	3	0	4
◉	– Non-Danish	Number	4	4	0	3
	Remuneration					
	CEO pay ratio[1]	Ratio	21	21	0 %	23
	Remuneration of the Executive Committee	DKK million	74	77	(4 %)	63
	Incentivised pay directly ascribed to ESG targets (safety)	%	10[2]	10	0 %p	10

[1] Henrik Poulsen stepped down as CEO at the end of 2020 and has been replaced by Mads Nipper as of 1 January 2021. However, CEO pay ratio for 2020 is calculated based on Henrik Poulsen's salary, excluding resignation reversal.

[2] In addition to the safety target for all the Executive Committee members, our CEO and CFO also have targets for delivering on our path towards our 2025 targets for the green share of energy and greenhouse gas reductions as part of their personal targets. You can find more details in our 2020 remuneration report.

Accounting policies

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

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

The Executive Board consisting of our CEO and CFO undertakes the day-to-day management of Ørsted through the Executive Committee which consists of an additional five members.

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

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

In addition to the safety target that makes up 10 % of the cash-based bonus target for the Executive Board, climate-related performance indicators are part of the Executive Board's individual business targets and leadership targets which in total make up 60 % of the cash-based bonus target. The indicators focus on the green energy share of our generation and our greenhouse gas emission reductions. Furthermore, climate-related indicators are rewarded indirectly through our green energy build-out targets.

You can find information about the members of the Executive Board, including their previous employment and other executive functions, in our annual report on page 69 and in our remuneration report.

4.4 Good business conduct, green bonds, and tax

Review	Indicator	Unit	2020	2019	Δ	2018
	Whistle-blower cases					
◉	Substantiated whistle-blower cases	Number	4	3	1	2
◉	– Cases transferred to the police	Number	1	0	1	1
	Good business conduct					
	Employees who have completed a course in good business conduct	%	70	96	(26 %p)	97
	Green bonds					
◉	Total green bond proceeds allocated to offshore wind projects	DKK million	24,068	17,855	35 %	7,699
◉	Proceeds allocated to offshore wind projects during the year	DKK million	6,213	10,156	(39 %)	6,099
	Avoided emissions from green bond proceeds					
◉	Avoided emissions from wind farms in operation	Million tonnes CO_2e	1.6	0.6	167 %	-
◉	Avoided emission potential from wind farms under construction	Million tonnes CO_2e	1.1	1.5	(27 %)	1.0
	Tax					
◉	Global income tax paid, total	DKK million	1,118	4,800	(77 %)	3,367
◉	– Income tax paid, Denmark	DKK million	1,034	4,741	(78 %)	3,330
◉	– Income tax paid, foreign[1]	DKK million	84	59	42 %	37

◉ This indicator has been audited as part of the financial statements in the 2020 annual report.
[1] For a full picture of current and paid taxes per country, we refer to the annual report, section 5 'Tax'.

In 2020, four substantiated cases of inappropriate or unlawful behaviour were reported through our whistle-blower scheme. Three cases concerned violation of good business conduct policies, and one case concerned violation of administrative procedures. The four cases had consequences for the individuals involved. None of the reported cases were critical to our business or impacted our financial results.

The share of employees who have completed a course in good business conduct decreased to 70 %. The reason was that in December 2020, it was decided that everyone needs to take the course every second year, so we are in the middle of implementing the two-year update in the entire organisation. We expect to be at 96-97 % again next year.

In 2020, green bond proceeds were allocated to four offshore wind projects: Hornsea 1 and Hornsea 2 in the UK, Borssele 1 & 2 in the Netherlands, and Changhua 1 & 2a in Taiwan.

The reduction in taxes paid in Denmark relative to 2019 is primarily due to the large payment made in 2019 regarding the construction agreement on Hornsea 1.

We have made significant investments in offshore wind farms in the UK, Germany, the Netherlands, the US, and Taiwan, resulting in the accumulation of large tax assets in recent years. Accordingly, we have not paid significant taxes in these countries historically. This is changing as the offshore wind farms are being commissioned and generating positive taxable income, resulting currently in paid taxes in the UK and Taiwan. We expect to start paying corporate tax in the Netherlands in 2021 and in Germany in 2022. We are also continuously investing in the US; however, we do expect to pay tax in the US in 2022-2024, due to the commercial structural set-up in the US.

Accounting policies

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

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

Green bonds and avoided emissions
The net proceeds from green financing instruments can be allocated to the financing, or re-financing (up to 2 years after COD), of a pool of eligible projects, including the acquisition, development, and construction of eligible projects. Avoided emissions from allocated green bond proceeds are calculated using the same assumptions and calculations as for avoided emsissions from our total energy generation (see note 2.9) except that the green bond calculations are made using the full capacity of the wind farm before divestments. Wind farms are included as 'in operation' after one full year of operation. Note that avoided emission potential from wind farms under construction are calculated as if they were in operation in the current reporting year.

Tax
Accounting policy can be found in section 5 'Tax' in our annual report 2020.

4.5 Supplier due diligence

Review	Indicator	Unit	2020
	Risk screenings		
◉	RIsk screenings (all contracts above DKK 3 million)	Number	303
◉	Extended risk screenings	Number	81
◉	Procurement spend that is risk-screened	%	86
◉	Know-your-counterparty (KYC) screenings	Number	843
◉	Procurement spend that is KYC-screened	%	92
	Due diligence activities conducted		
◉	Code of conduct (CoC) desktop assessments	Number	45
◉	Code of conduct (CoC) site assessments	Number	6
◉	HSE desktop assessments	Number	290
◉	HSE site assessments	Number	21
◉	Desktop vessel inspections	Number	58
◉	Physical vessel inspections	Number	339

The number of 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.

In 2020, 303 risk screenings were conducted. Based on the results of the risk screenings, an additional 81 extended risk screenings were carried out with additional risk parameters. Furthermore, 843 know-your-counterparty (KYC) screenings were conducted, focusing on suppliers' integrity and legal compliance. This amounted to 86 % and 92 % of the total procurement spend being risk-screened and KYC-screened, respectively.

Implementation of supplier assessments has been impacted by COVID-19, and it has not been possible to conduct the planned number of site assessments in 2020, in particular code of conduct (CoC), and health, safety, and environment (HSE) site assessments. Instead, more desktop assessments have been conducted. However, for vessel inspections, more physical inspections than desktop inspections have taken place, with 339 conducted in total. Physical vessel inspections have not been impacted to the same degree as the CoC and HSE site assessments as local inspectors and virtual inspections have been used.

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

New reporting scope

To capture the full scope of Ørsted's ESG supply chain due diligence activities, the reporting framework has been updated to better reflect all our supplier-facing activities. These activities are carried out by our Health, Safety, and Environment (HSE) Supplier Qualification department, and our Marine Inspection, Business Ethics Compliance (BEC), and Responsible Business Partner Programme (RPP) teams. Data is compiled from HSE supplier assessments, vessel inspections, know-your-counterparty (KYC) supplier screenings, and code of conduct (CoC) screenings and assessments. Through the new reporting framework, we are now able to report more comprehensively on all environmental, social, and governance parameters across our supplier base.

Accounting policies

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

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

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

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

Procurement spend that is risk-screened and procurement spend that is KYC-screened are both calculated on an annual basis for the reporting year.

Due diligence activities conducted
Due diligence activities are carried out by the RPP, HSE, and Marine Inspection teams, based on the results from individual screening and risk assessments.

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

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

5. Auditor's report, TCFD overview, ESG frameworks, and calculation factors

5.1 Limited assurance report on the selected ESG data

To the stakeholders of Ørsted A/S
Ørsted A/S engaged us to provide limited assurance on the selected ESG data described below for the period 1 January to 31 December 2020 set out in the Company's ESG performance report 2020.

Our conclusion
Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the selected ESG data marked with a '◎' in the ESG performance report 2020 are free of material misstatements and prepared, in all material respects, in accordance with the accounting policies as stated on pages 5-36.

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

What we are assuring
The scope of our work was limited to assurance over ESG data marked with a '◎' in the ESG performance report 2020 for the period 1 January to 31 December 2020.

Professional standards applied and level of assurance
We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', and, in respect of the reported greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control
We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent multi-disciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies
The selected ESG data marked with a '◎' need to be read and understood together with the accounting policies on pages 5-36 which management are solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure ESG allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The quantification of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emission factors and the values needed to combine emissions of different gasses.

Work performed
We are required to plan and perform our work in order to consider the risk of material misstatement of the data in scope of our assurance engagement. In doing so and based on our professional judgement, we:
- conducted interviews with Group functions to assess consolidation processes and the use of company-wide systems and controls performed at Group level
- performed an assessment of materiality and the selection of topics for the ESG performance report 2020 for the period 1 January to 31 December 2020
- conducted an analytical review of the selected data and trend explanations submitted by all business units for consolidation at Group level
- evaluated the evidence obtained.

Management's responsibilities
Management of Ørsted A/S is responsible for:
- designing, implementing, and maintaining internal control over information relevant to the preparation of data in the ESG performance report 2020 that are free from material misstatement, whether due to fraud or error
- establishing objective accounting policies for preparing the selected data
- measuring and reporting data in the ESG performance report 2020 based on the accounting policies
- developing the content of the ESG performance report 2020 for the period 1 January to 31 December 2020.

Our responsibility
We are responsible for:
- planning and performing the engagement to obtain limited assurance about whether the selected ESG data marked with a '◎' for the period 1 January to 31 December 2020 is free from material misstatements and is prepared, in all material respects, in accordance with the accounting policies
- forming an independent conclusion, based on the procedures performed and the evidence obtained
- reporting our conclusion to the stakeholders of Ørsted A/S.

Hellerup, 3 February 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

Lars Baungaard
State Authorised Public Accountant
mne23331

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

5.2 ESG data selection and framework approach

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

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

Approach to using sustainability frameworks
Part of the process for data selection involves using international sustainability frameworks and reporting standards as guidance. There are several frameworks with which we align partially (i.e. we use the framework as a starting point from which to develop accounting practices) or fully (i.e. we fully comply with the framework requirements).

Task Force on Climate-related Financial Disclosures (TCFD)
We are aware of the transitional and physical impacts of climate change on the resilience of our business as recommended by the TCFD. By endorsing and aligning our practices and reporting with the TCFD recommendations over the past three years, we have crystallised our understanding and disclosure of climate-related risks and opportunities. Our TCFD implementation is integrated in our strategy, risk management, governance practices, and reporting. This year, we have expanded our reporting to include a one-page overview with references to our TCFD alignment (see p. 40 for details).

Sustainability Accounting Standards Board (SASB)
Currently, we do not report in accordance with SASB, but we have conducted a cross-referencing exercise to identify where our current reporting aligns with topics and metrics from the 'Electric Utilities and Power Generators' Standard relevant for Ørsted (see p. 41 for details).

Greenhouse Gas (GHG) Protocol
We are in full compliance with the corporate accounting and reporting standards of the GHG Protocol for scopes 1, 2, and 3.

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

Sustainable Development Goals (SDGs)
Ørsted's 20 sustainability programmes address the most important sustainability challenges affecting our business and stakeholders and contribute to several of the SDGs. Our SDG cross-reference overview on page 42 focuses on those SDGs on which we aspire to have a transformative impact on namely SDGs 7 and 13. For more information regarding our work with the SDGs, see Ørsted's sustainability report 2020 (p. 16).

Global Reporting Initiative (GRI)
We use the GRI Standard as foundation for some of our ESG data. We do not strive for full GRI-based disclosure (see p. 42 for details).

Other ESG frameworks
There are numerous other ESG frameworks whose developments we will also continue to monitor closely, such as the World Economic Forum's (WEF) set of universal, material ESG metrics and disclosures. Furthermore, we will keenly await the outcome from EFRAG's recent global consultation paper on sustainability reporting, aimed at determining the need for global sustainability standards, and whether the IFRS Foundation should be a part of this.

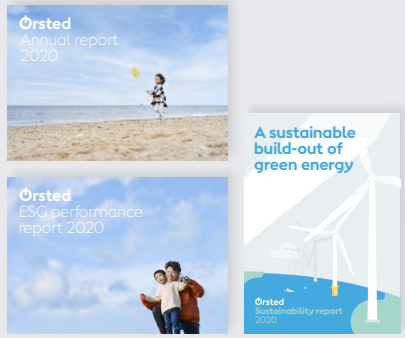
We endeavour to grow our use of international ESG frameworks as they continue to harmonise their work into a comprehensive, global platform for corporate sustainability reporting.

Ørsted's annual ESG reporting

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

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

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



5.3 Alignment with TCFD recommendations

Theme	Recommended disclosures	Ørsted report	Section	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities	Annual report 2020 Sustainability report 2020	Corporate governance Sustainability governance	pp 63-64 p 44
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Sustainability report 2020 Remuneration report 2020	Sustainability governance Summary of remuneration policy; Remuneration of the Executive Board	p 44 pp 4-5; pp 6-7
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term	Annual report 2020 Sustainability report 2020	Our business Key industry challenges to a sustainable green energy build-out	pp 18-37 p 16
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Annual report 2020 Sustainability report 2020	Our business Decarbonising our total carbon footprint; Our response to three decisive sustainability challenges	pp 18-37 pp 3-4; pp 18-25
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario	Annual report 2020 Sustainability report 2020	A catalyst for change How we transition to a world that runs entirely on green energy	pp 19-21 pp 6-9
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks	Annual report 2020 Sustainability report 2020	Risk and risk management A systematic and programmatic approach to sustainability	pp 70-73 pp 12-14
	b) Describe the organisation's processes for managing climate-related risks	Annual report 2020 Sustainability report 2020	Risk and risk management A systematic and programmatic approach to sustainability	pp 70-73 pp 12-14
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Annual report 2020 Sustainability report 2020	Risk and risk management A systematic and programmatic approach to sustainability	pp 70-73 pp 12-14
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Annual report 2020	Our markets and strategy Our strategic targets Risk and risk management	pp 23-28 pp 33-34 pp 70-73
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks	Annual report 2020 ESG performance report 2020 Sustainability report 2020	Performance highlights Greenhouse gas emissions, scopes 1 and 2; Greenhouse gas emissions, scope 3 Decarbonising our total carbon footprint	p 12 pp 16-17 pp 3-4
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Annual report 2020 ESG performance report 2020 Sustainability report 2020	Our strategic targets ESG target overview Decarbonising our total carbon footprint; How we transition to a world that runs entirely on green energy	pp 33-34 p 5 pp 3-4; pp 6-9

5.4 Alignment with SASB Standards

The SASB's industry Standard 'Electric Utilities and Power Generators' is the primary SASB standard relevant for Ørsted. The tables on this page contain the data points in Ørsted's current ESG reporting that align with this standard. In addition, we have identified five codes in the standard for which it could also be relevant for Ørsted to disclose data, but they are not included in our current reporting (IF-EU-110a.2, IF-EU-140a.2, IF-EU-140a.3, IF-EU-150a.1, and IF-EU-000.E). All other codes are omitted due to lack of applicability.

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

Topic	Code	Metric	Unit	2020	Comments	Ørsted report & page
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.1	Gross global scope 1 emissions	Thousand tonnes CO_2e	1,851	Our scope 1 emissions are covered by the EU Emissions Trading System (EU ETS)	ESG report p 16
		Percentage covered under emission-limiting regulations	%	97		
		Percentage covered under emission-reporting regulations	%	97		
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n.a.	n.a.	See 'A catalyst for change' and 'Our strategic targets' See 'Decarbonising our total carbon footprint' See '1.2 ESG target overview'	Annual report pp 19-21; p 34 Sustainability report pp 3-4 ESG report p 5
Air Quality	IF-EU-120a.1	NO_x (excluding N_2O) emissions	Tonnes	1,584	We do not disclose SO_x, only SO_2. We do not disclose particulate matter, lead, and mercury, nor percentage of each in or near areas of dense population	ESG report p 22
		SO_x emissions	Tonnes	491		
Water Management	IF-EU-140a.1	Total water withdrawn	Thousand m^3	822,474	We do not disclose total water consumed (only withdrawn and discharged)	ESG report p 20
		Percentage in regions with high or extremely high baseline water stress	%	0		
Workforce Health & Safety	IF-EU-320a.1	Total recordable incident rate (TRIR)	Per million hours worked	3.6	We use per million hours worked as the rate for TRIR, and we disclose the number of fatalities. We do not disclose the near-miss frequency rate	Annual report p 13 & p 172 ESG report p 29
		Fatality rate	Number	0		

Electric utilities and power generators: activity metrics

	IF-EU-000.B	Total electricity delivered to residential customers, commercial customers, industrial customers, and all other retail customers	TWh	10.4	We disclose sales to end customers, but not split into the specific categories listed	ESG report p 15
		Total electricity delivered to wholesale customers	TWh	18.8		
	IF-EU-000.D	Total electricity generated	GWh	25,424	We include heat generation when we calculate the breakdown by energy source. Other major energy sources listed in the standard (nuclear, petroleum, hydropower, and other gases) are not applicable for Ørsted. We do not disclose percentage of total electricity generated in regulated electricity markets	ESG report pp 12-13
		Percentage by major energy source:				
		– Wind (offshore and onshore)	%	65		
		– Solar PV	%	0		
		– Other renewables	%	25		
		– Coal	%	7		
		– Natural gas	%	3		

5.5 Alignment with the SDGs and GRI Standards

Framework	Details	Approach	Ørsted report	Section	Page
Sustainable Development Goals (SDGs)	 Goal 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services	Significant contribution	ESG performance report 2020	4.4 Good business conduct, green bonds, and tax	p 36
			Sustainability report 2020	Programme 6: green energy utilisation and integration	p 34
				Programme 7: financing green	p 35
	 Goal 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix	Significant contribution	ESG performance report 2020	2.8 Greenhouse gas emissions, scope 3	p 17
			Sustainability report 2020	Programme 3: deployment of offshore wind	p 33
				Programme 4: deployment of onshore renewables	p 33
				Programme 5: greener combined heat and power plants	p 34
	 Goal 13: Take urgent action to combat climate change and its impacts	Significant contribution	ESG performance report 2020	2.7 Greenhouse gas emissions, scopes 1 and 2	p 16
			Sustainability report 2020	Programme 1: decarbonisation of energy generation and operations	p 32
				Programme 2: decarbonisation of supply chain and wholesale buying and selling of natural gas	p 32
Global Reporting Initiative (GRI)	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Full alignment	ESG performance report 2020	2.14 Biodiversity – protected areas	p 23
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	Full alignment	ESG performance report 2020	2.15 Biodiversity – endangered species	p 24
	306-3: Waste generated	Partial alignment	ESG performance report 2020	2.12 Waste	p 21
	306-4: Waste diverted from disposal	Partial alignment	ESG performance report 2020	2.12 Waste	p 21
	306-5: Waste directed to disposal	Partial alignment	ESG performance report 2020	2.12 Waste	p 21

5.6 Calculation factors

Table reference	Indicator	Factor	Comment	Reference	Publication
Table 2.7	Scope 1 emissions	Global warming potential of greenhouse gases	CO_2, CH_4, N_2O, SF_6	Intergovernmental Panel on Climate Change (IPCC), 2013	Fifth Assessment Report, The Physical Science Basis
Table 2.7	Scope 1 emissions	Carbon emissions from fossil fuels at CHP plants	Coal, oil, natural gas	Danish Energy Agency, 2019	Standardfaktorer for brændværdier og CO_2-emissioner (Standard factors for calorific value and carbon emissions)
Table 2.7	Scope 1 emissions	Carbon emissions from fossil fuels outside CHP plants	Diesel, petrol, fuel oil, jet fuel	American Petroleum Institute (API), 2009	Compendium of greenhouse gas emission methodologies for the oil and natural gas industry
Table 2.7	Scope 2 emissions	Carbon emissions from power purchased	In Denmark	EnerginetDK, 2019	Generel deklaration og Miljødeklaration (Generic declaration and environmental declaration)
Table 2.7	Scope 2 emissions	Carbon emissions from power purchased	In other European countries	Association of Issuing Bodies (AIB), 2019	European Residual Mixes
Table 2.7	Scope 2 emissions	Carbon emissions from power purchased	In countries outside Europe	Institute for Global Environmental Strategies (IGES), 2019	List of grid emission factors
Table 2.8	Scope 3 emissions	Use of sold products. Fuel- and energy-related activities	Emissions from end use of gas. Upstream supply chain of fuels	UK Department for Environment, Food & Rural Affairs (DEFRA), 2019	UK government GHG conversion factors for company reporting
Table 2.8	Scope 3 emissions	Capital goods	Wind farm suppliers	Siemens, 2016 and 2017	Environmental Product Declaration, swt-6-0-154 and swt-7.0-154
Table 2.8	Scope 3 emissions	Purchased goods and services	Supply chain emission factors depend on product categories	UK Department for Environment, Food & Rural Affairs (DEFRA), 2014	Indirect emissions from the supply chain
Table 2.8	Scope 3 emissions	Business travel in private car	Assumption: 'average car', 'unknow fuel type'	UK Department for Environment, Food & Rural Affairs (DEFRA), 2019	UK government GHG conversion factors for company reporting
Table 2.9	Avoided emissions	Carbon emissions from average fossil-fuel mix	Average of coal, gas, and oil	International Energy Agency (IEA), 2018	Emissions Factors & CO_2 Emissions from Fuel Combustion
Table 2.11	Water stress	Baseline water stress	Measured at site level, baseline water stress is the ratio of total water withdrawals to available renewable supply	World Resources Institute (WRI), 2019, Aqueduct Water Risk Atlas v3.0	Aqueduct Water Risk Atlas
Table 3.5	People powered	Average power consumption of households per capita	For all countries, excluding the US	Enerdata, 2017	Global Energy & CO_2 Data
Table 3.5	People powered	Residential power consumption by state	For the US	US Energy Information Administration (EIA), 2018	Sales to ultimate customers by state
Table 3.5	People powered	Numbers of residents and households by state	For the US	US Census Bureau, 2018	Annual Estimates of the Resident Population for the United States; Households ACS 5-year estimates
Table 3.5	Jobs created	Average work-in-person-days per MW offshore wind	Includes only jobs in offshore wind value chain	International Renewable Energy Agency (IRENA), 2018	Renewable energy benefits – leveraging local capacity for offshore wind

Note: The table shows references for calculation factors used in the 2020 data set.

Ørsted A/S
Kraftværksvej 53
DK-7000 Fredericia
Tel.: +45 99 55 11 11
CVR no. 36213728

orsted.com

Group Communication
Martin Barlebo
Tel.: +45 99 55 95 52

Investor Relations
Allan Bødskov Andersen
Tel.: +45 99 55 79 96

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Ørsted
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