



Ørsted
Annual report 2024

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

[Remuneration report](#), [Green finance impact report](#).
See our reports at orsted.com.

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



Sustainability statements*

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Management's review



"

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

Lene Skole
Chair

"

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

Rasmus Errboe
Group President and CEO



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

Overview

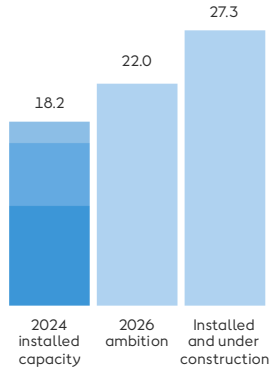
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→

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

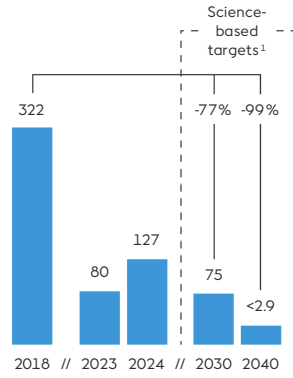


Strategic ambitions



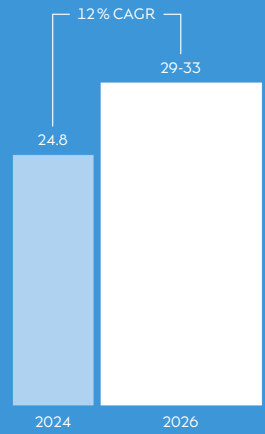
Installed renewable capacity
Gross capacity, GW

- Offshore
- Onshore
- Bioenergy



Science-based 2040 net-zero target, validated by SBTi
GHG emissions intensity, g CO₂e/kWh

- Scopes 1-3 (excl. gas sales)



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

~13%

Average ROCE
2024-2030

150-300 bps

Targeted range for spread to WACC² at time of bid/FID (whichever comes first) for individual projects

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

Performance highlights

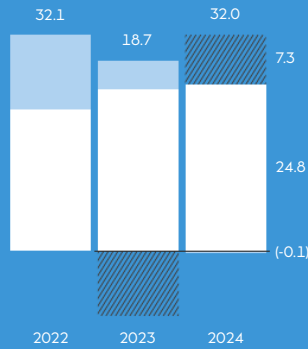
Profits and return

- Excl. new partnerships and cancellation fees
- New partnerships
- ▨ Excl. impairments and cancellation fees
- ▨ Cancellation fees

32.0

Operating profit (EBITDA) DKKbn

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

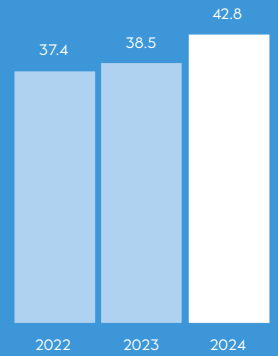


Cash flow and balance sheet

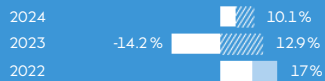
42.8

Gross investments DKKbn

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



Return on capital employed (ROCE) %



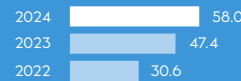
ROCE was 4.5% for the year. Adjusted for impairments and cancellation fees, ROCE amounted to 10.1% in 2024.

Profit for the year DKKbn



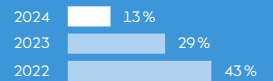
Profit for the year was DKK 0.0 billion. Profit for the year excluding cancellation fees (DKK 7.3 billion) and impairments after tax (DKK -13.7 billion) amounted to DKK 6.4 billion.

Interest-bearing net debt DKKbn



Our net debt increased to DKK 58.0 billion.

Credit metric (FFO/adjusted net debt) %



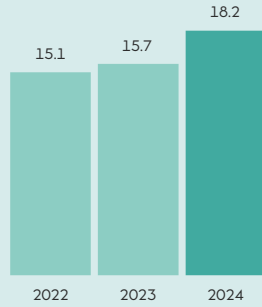
The credit metric funds from operations (FFO) relative to adjusted net debt amounted to 13% in 2024 (22% excluding cancellation fees).

Environment

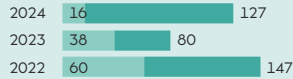
Installed renewable capacity GW

18.2

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



Greenhouse gas emissions intensity CO₂e/kWh



The greenhouse gas intensity from our heat and power generation and other operating activities (scopes 1 and 2) was 16 g CO₂e/kWh. Including scope 3 (excl. gas), the greenhouse gas intensity was 127 g CO₂e/kWh. The increase in GHG intensities was due to more projects reaching COD.

↓ See more in our 'Corporate governance' section.

Greenhouse gas emissions (scope 3), million tonnes, CO₂e

9.0

Our scope 3 greenhouse gas emissions were 9.0 million tonnes CO₂e. The increase in emissions was mainly a result of an additional 2.4 GW renewable asset capacity being commissioned in 2024.

Social

2.7

2.8 in 2023/3.1 in 2022

Safety

Total recordable injury rate (TRIR)

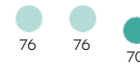
We saw a further improvement in our safety performance in 2024.

34:66

35:65 in 2023/33:67 in 2022

Gender balance (women:men)

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



Employee satisfaction

Index 0-100, 2022/2023/2024

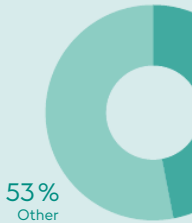
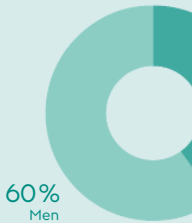
In 2024, we concluded our organisational efficiency programme, including redundancy rounds. Our employee satisfaction survey, People Matter, showed a decrease from last year, resulting in a satisfaction and motivation score of 70.

Governance

Nationality and gender

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

In 2024, we held our first general election for elected board members.



Navigating a challenging industry

Letter to our stakeholders

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

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

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

Our vision is to create a world that runs entirely on green energy, and we are ready to do our part. However, to unlock the full potential of renewables in the future, governments, private sector, and local

communities need to collaborate closely to facilitate the supply of renewable energy, set targets for a renewable build-out, and expand the grid infrastructure to handle it. This must be done in a way which ensures value creation for all parties, both in the short and long term.

We are adapting to the market development

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

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

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

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

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

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

First, we have advanced our revised project and operating model, which will create clearer accountability

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

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

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

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

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

Our partnership and divestment programme is on track, with several divestments initiated and concluded during the year. Total proceeds from the transactions make up

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

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

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



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

Operational earnings delivering as expected

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

Earnings from sites in operation in Offshore increased with almost 20% and amounted to DKK 23.8 billion in 2024, mainly due to ramp-up of generation at Greater



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

Sustainability is at the core of our business

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

In 2024, we saw strong progress on all three priorities. Among other things, we launched our 'Biodiversity measurement framework' to guide transparent measurement and reporting on our biodiversity impact. We also reached the last big milestone in transforming our energy production to renewable energy by shutting down our last coal-fired power station. With this, we are on track to reach our industry-leading

science-based target to reduce our scope 1 and 2 emissions intensity by 93% since 2018 and to reach our target of a 99% renewable share of energy generation by 2025.

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

Long-term safety efforts pays off

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

Concluding remarks

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

We have made substantial divestments and advanced our focused company-wide business priorities. We have done this to ensure the strongest possible platform to deliver consistent value in the years to come. We believe in the long-term fundamentals of the renewables industry and will continue to navigate existing and new market challenges as well as engage

Selected events

Executing on our business plan

2.4

GW renewable energy reaching COD in 2024

900 MW

Greater Changhua 1 and 2a

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

132 MW

South Fork

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

600 MW

Eleven Mile Solar Center

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

471 MW

Mockingbird

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

250 MW

Sparta Solar

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

73 MW

Old 300

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

7.6

GW renewable energy under construction by the end of 2024¹

253 MW

Code Wind 3

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

920 MW

Greater Changhua 2b and 4

In Taiwan, we expect completion of our two wind farms by the end of 2025.

924 MW

Sunrise Wind

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

704 MW

Revolution Wind

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

913 MW

Borkum Riffgrund 3

We expect construction of our German offshore wind farm to be completed in Q1 2026.

2,852 MW/300 MW

Hornsea 3

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

259 MW

Badger Wind

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

250 MW

Old 300 storage (BESS)

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

262 MW

Onshore Europe

Construction of our European onshore projects is on track.

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

Business development

Divestment program

In the UK, we divested a non-core asset, four operational UK offshore wind farms: Brookfield, and in Taiwan, our offshore wind farm Greater Changhua 1 and 2a. In the US, we divested four operational onshore wind farms: Stonepeak and three onshore wind farms: Energy Capital Partners (ECP), and we divested our onshore portfolio to Engie.

Hornsea 4 awarded

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

Deprioritising liquid e-fuels short term

We have deprioritised our liquid e-fuels project Flagship One for now. Consequently, we have committed to renewable energy as an important lever for offshore

Our business

How we create value

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

What we do

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

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

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

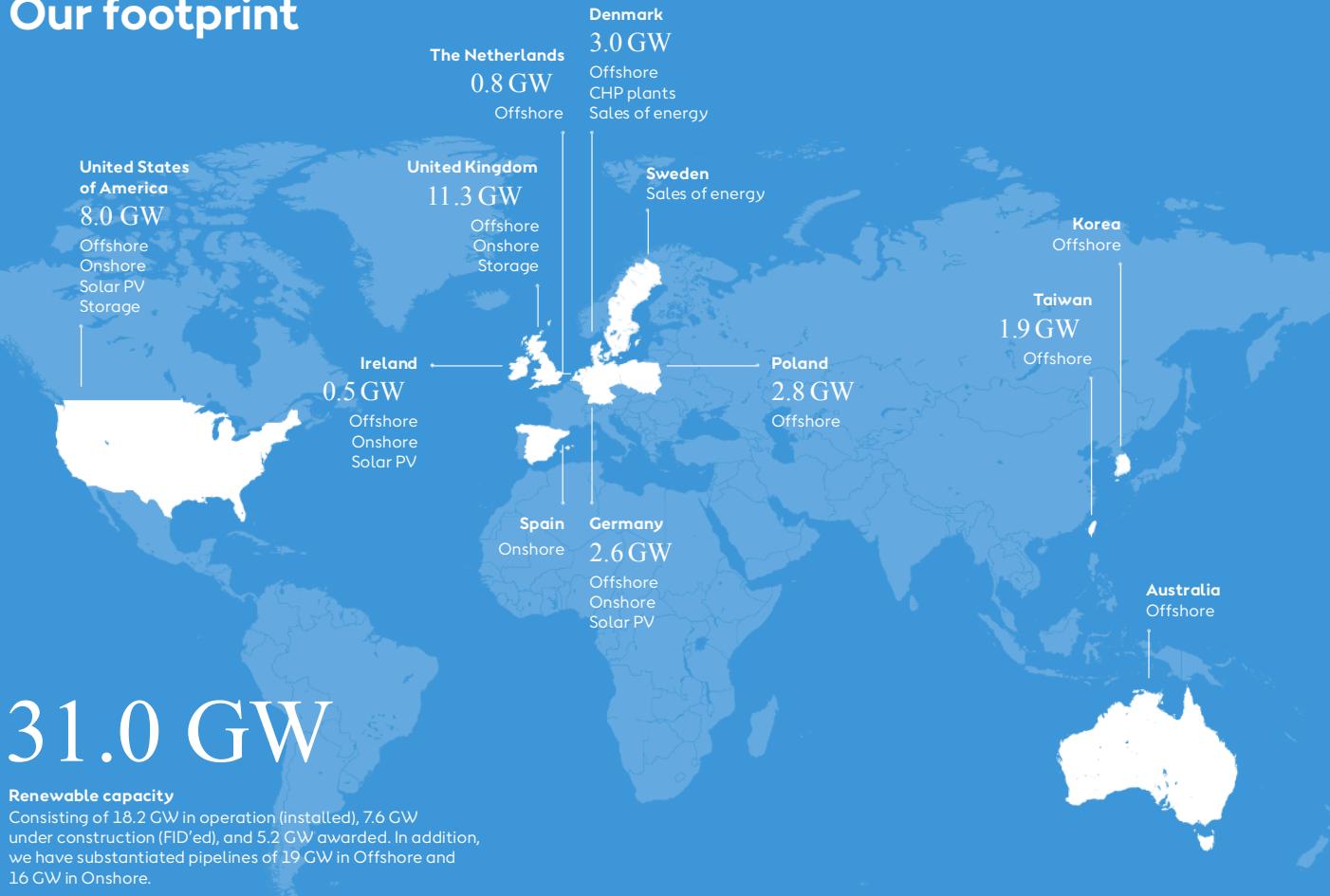
For more details on our business model, including key inputs, what we depend on, key outputs, and benefits created, please refer to pages 65-66.

A sustainable approach

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



Our footprint



31.0 GW

Renewable capacity

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

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

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Outlook

16 Financial and ESG outlook 2025

18 Financial targets and policies

→

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



Financial and ESG outlook 2025

Group EBITDA guidance

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

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

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

Offshore – higher

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

- ramp-up of generation from Greater Changhua 1 and 2a, Greater Changhua 2b and 4, South Fork, and Gode Wind 3, and compensation for grid delay related to Borkum Riffgrund 3
- higher expected availability

- inflation adjustments on ROC and CfD farms, partly offset by lower prices on merchant assets, a step down in subsidy level for our older German assets, and Anholt (DK) stepping out of subsidy
- partly offset by ramp-up of costs related to Revolution Wind and Sunrise Wind and slightly higher than normal wind speeds in 2024.

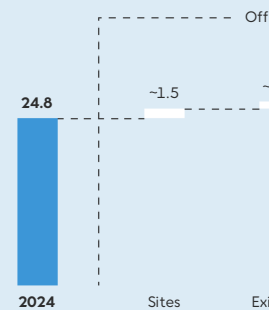
Earnings from existing partnerships are expected to increase compared to 2024, mainly driven by:

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

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

- higher expensed project development costs and fixed costs.

Guidance on 2025 EBITDA without DKKbn



Outlook 2025

DKK billion

EBITDA (without new partnerships, excl. Offshore)

Onshore

Bioenergy & Other

Gross investments

ESG outlook

Greenhouse gas emissions intensity (scope 1)

Greenhouse gas emissions intensity (scope 2)

Greenhouse gas emissions from gas sale

Gender balance – gender with lowest re

Our EBITDA guidance for the Group is the business segment (and component) series the business unit's earnings relative to

Onshore – higher

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

The positive impact on EBITDA in 2025 is driven by:

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

Bioenergy & Other – significantly higher

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

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

Gross investments

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

- Offshore (Sunrise Wind, Greater Changhua 2b and 4, Revolution Wind, Hornsea 3, Baltica 2, and Borkum Riffgrund 3)

- Onshore (Badger Wind, Old 300 BESS, and projects from our substantiated pipeline in both the US and Europe).

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

Uncertainties, prices, and hedges

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

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

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

In 2025, 80% of our expected revenue from our wind and solar PV assets is inflation-indexed or fixed nominal. The remaining 20% is exposed to fluctuations in power prices. Our hedging approach is to hedge up

to 70% of this remaining merchant exposure. For 2025 we have hedged approx. 45% of this, leaving Ørsted with an unhedged price exposure of 11% from generation from our wind and solar PV assets. See note 6.2 'Energy price risks'.

Greenhouse gas emissions

The greenhouse gas emissions intensity for scope 1 and 2 is expected to decrease in 2025 and meet our science-based target of 10 g CO₂e/kWh. The decrease is due to higher expected renewable generation, and as we ceased coal-based heat and power generation in 2024. We also expect the scope 1-3 emissions intensity to decrease as we will have fewer renewable assets reaching COD in 2025 than in 2024 and higher renewable generation.

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

Financial targets and policies

Financial targets

Spread to WACC on investments

Fully loaded unlevered life cycle spread to WACC at the time of bid/FID¹

150-300 bps
Continuous

EBITDA

Group EBITDA excluding new partnerships and cancellation fees

DKK 29-33 billion
2026

ROCE

Average return on capital employed

-13%
2024-2030

Financial policies

Rating

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

Capital structure

FFO/adjusted interest-bearing net debt above 30%

Dividend policy

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

Updated business plan

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

Financial targets

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

- spread to WACC on investments
- EBITDA
- ROCE.

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

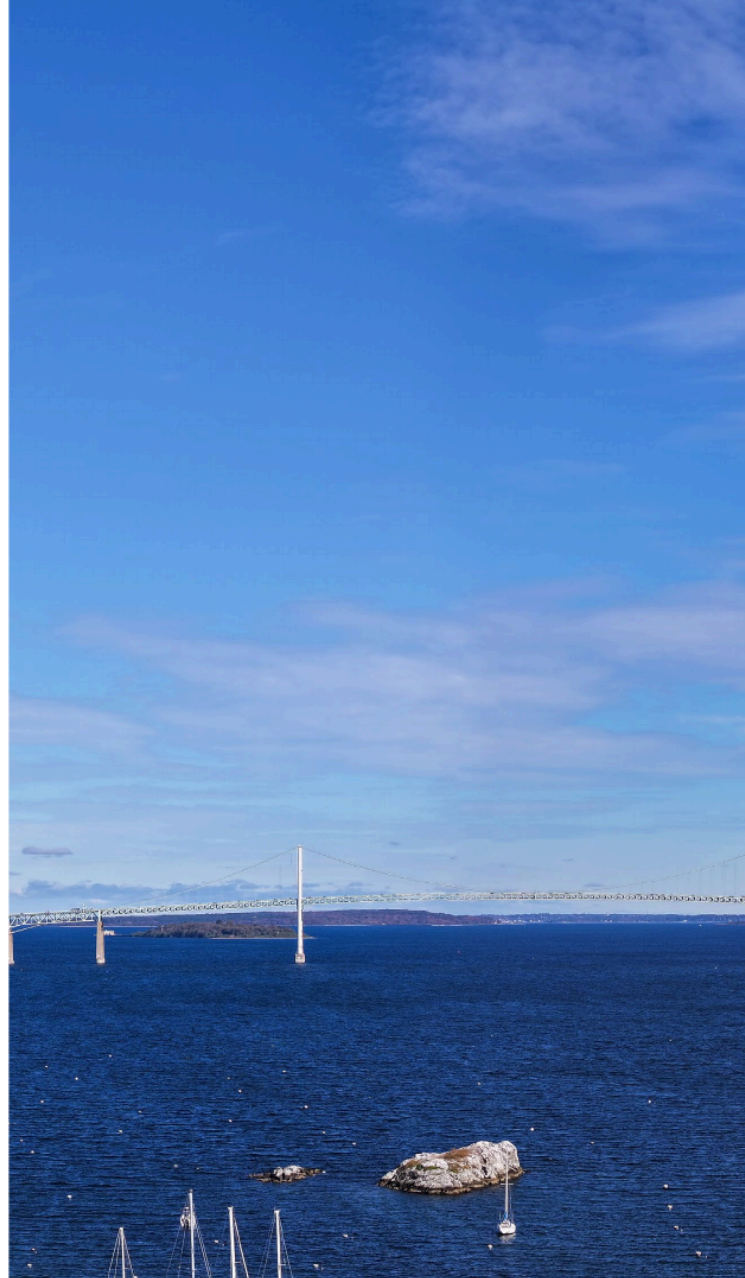
Forward-looking statements are described on page 17.

Strategy and business

- 20 The renewable energy market
- 21 Our strategy
- 23 Executing our strategy
- 27 Enterprise risk management

→

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



The renewable energy market

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

The renewable energy market

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

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

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

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

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

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

Offshore wind

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

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

Our strategy

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

// ESRS 2, SBM-1

Our strategic aspiration

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

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

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

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

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

The final pillar to delivering on our renewable energy ambitions is that we construct and operate in an environmentally and socially sustainable way. Our renewable energy projects require resources and space at land and at sea, all of which are constrained. They also require public support. As such, a sustainable approach that benefits nature and people is a

prerequisite for building renewable energy at the pace and scale needed. It is also an extraordinary opportunity to deliver additional positive value to society.

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

Our business platform

Technology and markets



Offshore wind, fixed-bottom

Selective in support of offshore wind: renewable hydrogen.

Invest-to-grow core business area in →

Europe, Americas, APAC



Onshore wind, solar, and storage

Invest-to-grow strategic area in →

Europe, Americas



Bioenergy and carbon capture and storage (CCS)

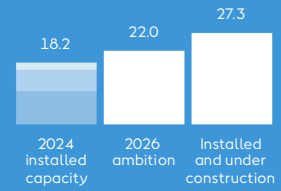
Steady business with opportunistic plays in →

Europe

Installed capacity ambition

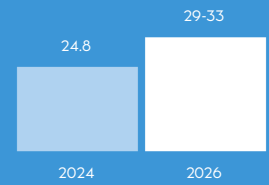
GW

● Offshore ● Onshore ● Bioenergy



EBITDA targets

Group EBITDA excl. new partnerships and cancellation fees DKKbn



Our three strategic sustainability priorities



Decarbonisation



Biodiversity



Community impact

Executing our strategy

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

Expanding our portfolio

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

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

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

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

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

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

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

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

Divestment programme on track

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

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

As part of our carbon capture and storage project 'Ørsted Kalundborg Hub', we have entered a new major agreement on carbon removal with Microsoft to sell a further one million tonnes of carbon removal over a ten-year period from Avedøre Power Station. This agreement builds on an existing commitment by Microsoft to buy 2.67 million tonnes. Additionally, we signed an agreement with Equinor to sell credits for the removal of 330,000 tonnes of CO₂ over a ten-year period.

Innovating the industry

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

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

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

We continue to lead in leveraging innovative technologies to enhance biodiversity monitoring across our

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

Delivering on sustainability

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

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

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

Build-out

Gross renewable capacity

18.2 GW

Installed capacity

2024

9.9 GW

Offshore wind

6.2 GW

Onshore renewables

2.1 GW

CHP plants

7.6 GW

Decided (FID)

2024 →

920 MW

Greater Changhua 2b and 4

Commercial operation date:
H2 2025

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

913 MW

Borkum Riffgrund 3

Commercial operation date:
Q1 2026

All foundations and turbines installed as planned.

253 MW

Gode Wind 3

Commercial operation date:
Q1 2025

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

704 MW

Revolution Wind

Commercial operation date:
2026

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

924 MW

Sunrise Wind

Commercial operation date:
H2 2027

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

2,852/300 MW

Hornsea 3/ storage (BESS)

Commercial operation date:
H2 2027

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

259 MW

Badger Wind

Commercial operation date:
2025

FID taken in October. Construction has commenced.

250 MW

Old 300 storage (BESS)

Commercial operation date:
2026

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

262 MW

Onshore Europe

Commercial operation date:
2025 – 2026

Construction of our onshore renewable assets is on track.

5.2 GW

Awarded

2024 →

1,498 MW

Baltica 2

Commercial operation date:
H2 2027

FID taken in January. Construction share of CAPEX completed.

1,255 MW¹

Baltica 3

Commercial operation date:
n.a.

Working collaboration on reconfiguration and schedule of Baltica 3 with our partner Pöyry.

2,400 MW

Hornsea 4

Commercial operation date:
Before end of 2025

Project in development.

¹ Capacity includes Baltica 3 (1,045 MW) awarded lease capacity. Baltica 2+ (210 MW) has not received a terms stated for Baltica 3.

Sustainable build-out

Selected 2024 actions across strategic sustainability priorities



Decarbonisation

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

Shut-down of our last coal-fired combined heat and power plant

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

Pioneering lower-emissions steel

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

Reuse and recycling of blades and towers

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

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



Biodiversity

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

Launching our 'Biodiversity measurement framework'

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

Business for Nature (BfN) approval of our nature strategy

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

Piloting net-positive solutions

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

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

Enterprise risk management

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

How we manage risk

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

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

We have continued to strengthen risk management in relation to the development and construction of assets during 2024, where we have seen substantial adverse impacts on our business risks in recent years. This includes the roll-out of the new operating model for offshore asset projects, including a revised stage gate model with independent project reviews, and a dedicated offshore project risk management

framework. The focus on contingency planning (including more proactive contracting for back-up supply chain capacity) and monitoring suppliers (including from site visits to tracking manufacturing progress) has continued during the year. Furthermore, the Board of Directors has established an Asset Project Committee, which has regular updates on project execution and monitoring of risks as its key focus. Risk reviews are being carried out for selected projects and reported to the Group Executive Team and the Board of Directors.

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

How we assess risk

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

In addition, we have performed an annual risk assessment with the overall objective of identifying and reporting on our most significant risks. This is carried out through an assessment of the main risks across all business segments, regions, and selected staff functions. An assessment is made of the potential financial impact of the main risks, which are then

consolidated and evaluated at Group level. Overall ownership for all mitigating actions for individual risks identified as part of the annual risk assessment rests with a member of the Group Executive Team.

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

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

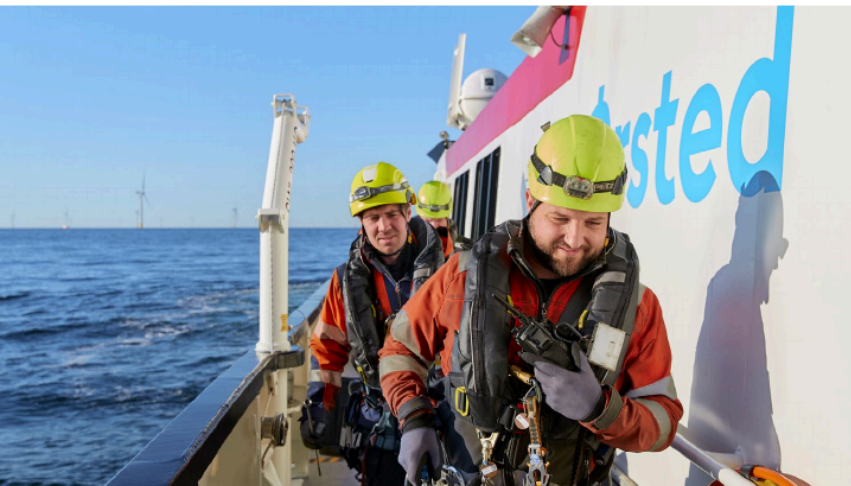
Development in enterprise risks in 2024

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

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

→

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



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

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

'Farm-downs and partnerships' is placed as our second-largest risk. Higher interest rates and increased global geopolitical uncertainty continue to negatively impact investor demand for renewable assets. There is an increasing number of renewable assets being put up for sale by companies who are looking to reduce their capital exposure or rebalance their investments

to assets where they can access higher returns. This greater competition for capital has led investors to be more selective in their choices.

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

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

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

// ESRS 2, IRO-1

Sustainability-related risks

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

1. Supply chain and cost inflation

Description

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

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

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

Potential impact

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

Mitigating actions

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

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

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

2. Farm-downs and partnerships

Description

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

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

Potential impact

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

Mitigating actions

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

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

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

3. Project execution

Description

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

Potential impact

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

Mitigating actions

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

5. Inflation, interest rate, and currency risks

Description

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

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

Potential impact

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

Mitigation initiatives

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

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

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

6. Power prices and energy markets

Description

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

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

Potential impact

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

Mitigating actions

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

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

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

7. US regulatory risks

Description

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

Potential impact

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

Mitigating actions

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

Performance

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→

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



Full-year results

Financial results

Revenue

Power generation from offshore and onshore assets increased by 9% and totalled 33.9 TWh in 2024.

The increase was due to ramp-up of generation from our offshore wind farms Greater Changhua 1 and 2a, South Fork, and Gode Wind 3, our onshore wind farm Sunflower, and our solar PV farms Sparta Solar (part of Helena Energy Center), Eleven Mile Solar Center, and Mockingbird. Furthermore, we had higher wind speeds across our portfolio. This was partly offset by lower availability at Hornsea 1 and 2 due to electrical infrastructure issues in the export transmission cables, resulting in periods with curtailment in H1 2024.

Further, bad weather conditions in the US in Q1 2024 affected our onshore assets, and the divestment of London Array in Q3 2023 impacted the year-on-year comparison.

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

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

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

EBITDA

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

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

EBITDA excluding new partnerships and cancellation fees DKKbn

| 2023 | 2024 |
|-----------------------|------|
| Sites | |
| Existing partnerships | |
| Other | |
| Sites | |
| Other | |
| CHP plants | |
| Gas & Other | |
| Other | |
| 2024 | |

Financial results

| DKKm |
|--|
| Revenue |
| EBITDA |
| New partnerships |
| Cancellation fees |
| EBITDA excl. new partnerships and cancellati |
| Depreciation and amortisation |
| Impairment (loss)/reversal |
| Operating profit (loss) (EBIT) |
| Gain (loss) on divestment of enterprises |
| Financial items, net |
| Profit before tax |
| Tax on profit (loss) for the year |
| Tax rate |
| Profit (loss) for the year |

EBITDA**DKK 32.0 bn**

Offshore 84%

Bioenergy
Onshore 13%
& Other 3%

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

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

EBITDA from existing partnerships decreased by DKK 1.9 billion and amounted to a loss of DKK 1.0 billion in 2024, which mainly related to updated

assumptions and increased provision related to operation and maintenance of offshore transmission assets in the UK, higher costs for Borkum Riffgrund 3, which reduced earnings under the construction agreement, and minor adjustments related to farm-downs completed in prior years.

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

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

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

Impairment

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

EBIT

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

Cash flows and net debt

Cash flows from operating activities

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

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

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

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

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

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

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

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

Cash flow and net debt

| DKKm | |
|---|---|
| Cash flows from operating activities | EBITDA |
| Reversal of gain (loss) on divestment of assets | Change in derivatives, excl. variation margin |
| Change in variation margin | Change in provisions |
| Other items | Interest expense, net |
| Paid tax | Change in work in progress |
| Change in tax equity liabilities | Change in other working capital |
| Gross investments | Divestments |
| Free cash flow | |
| Net interest-bearing debt at 1 January | Free cash flow |
| Dividends and hybrid coupons paid | Addition of leasing obligations, net |
| Repurchase of hybrid capital, net | Exchange rate adjustments, etc. |
| Net interest-bearing debt at 31 December | |

Gain (loss) on sale of assets is part of EBITDA but the EBITDA effect is thus reversed in the specification.

Key ratios

| |
|---|
| DKKm, % |
| ROCE, % |
| Adjusted interest-bearing net debt, DKKm |
| FFO/adjusted interest-bearing net debt, % |

ROCE and FFO/adjusted interest-bearing net debt and 5.1 'Interest-bearing net debt and FFO'.

Investments and divestments

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

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

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

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

Interest-bearing net debt

Interest-bearing net debt totalled DKK 58.0 billion at the end of 2024 against DKK 47.4 billion at the end

of 2023. The increase was mainly due to a negative free cash flow of DKK 8.8 billion, partly offset by net issuance of hybrid capital in 2024.

Equity and capital employed

Equity

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

Capital employed

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

Financial ratios

Return on capital employed (ROCE)

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

Credit metric (FFO/adjusted net debt)

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

ESG results

Renewable share of heat and power generation

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

Greenhouse gas emissions

Our greenhouse gas emissions from heat and power generation (scopes 1 and 2) decreased by 54% in 2024 compared to 2023, mainly due to a decrease in the use of fossil fuels, primarily coal, at our CHP plants. Our scope 1 and 2 greenhouse gas intensity decreased to 16 g CO₂e/kWh in 2024 against 38 g CO₂e/kWh in 2023, mainly due to a decrease in scope 1 emissions (numerator) together with an increase in total heat and power generation (denominator).

Our scope 1-3 greenhouse gas intensity (excluding gas sales) increased to 127 g CO₂e/kWh in 2024 against 80 g CO₂e/kWh in 2023, mainly due to scope 3 emissions from commissioned assets (capital goods). In 2024, we commissioned four major solar farms in the US and three offshore wind farms in Taiwan and the US, whereas we only commissioned four onshore wind farms in 2023.

Safety

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

Five-year summary

Financial statements

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

Business drivers

Offshore

Decided (FID'ed) and installed capacity, GW

Installed capacity, GW

Generation capacity, GW

Wind speed, m/s

Load factor, %

Availability, %

Power generation, GWh

Power sales, GWh

Onshore

Decided (FID'ed) and installed capacity, GW

Installed capacity, GW

Wind speed², m/s

Load factor²; wind, %

Load factor²; solar PV, %

Availability²; wind, %

Availability²; solar PV, %

Power generation, GWh

Power sales, GWh

Gas sales, GWh

Heat generation, GWh

Power generation, GWh

Power sales, GWh

Gas sales, GWh

Sustainability statements

Employees (FTE), end of year, number

Total recordable injury rate (TRIR)

Fatalities, number

Renewable share of energy generation, %

GHG emission (scopes 1 & 2), million tonnes

GHG intensity (scopes 1 & 2), g CO₂e/kWh

GHG intensity (scopes 1-3 excl. gas sales), g CO₂e/kWh

GHG emissions (scope 3), million tonnes

¹ In 2023, we changed our accounting policy on recognition of revenue. The change only impacts revenue and cost of sales with no impact on profit. Numbers have not been adjusted. The related power volumes in 2022 are also not adjusted.

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

Fourth quarter

Group financial performance

EBITDA

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

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

Impairment losses

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

Tax and tax rate

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

Cash flows from operating activities

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

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

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

EBITDA excluding new partnerships and cancellations DKKbn

Q4 2023

Sites
Existing partnerships
Other

Sites
Other

CHP plants
Gas & Other

Other

Q4 2024

Financial results DKKm

Revenue
EBITDA
New partnerships
Cancellation fees
EBITDA excl. new partnerships and cancellations
Depreciation and amortisation
Impairment (loss)/reversal
Operating profit (loss) (EBIT)
Gain (loss) on divestment of enterprises
Financial items, net
Profit (loss) before tax
Tax
Tax rate
Profit (loss) for the period

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

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

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

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

Offshore

Financial results for Q4 2024

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

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

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

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

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

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

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

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

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

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

| Results | |
|--|--|
| Business drivers | |
| Decided (FID'ed) and installed capacity, GW | |
| Installed capacity, GW | |
| Generation capacity, GW | |
| Wind speed, m/s | |
| Load factor, % | |
| Availability, % | |
| Power generation, GWh | |
| Denmark | |
| The United Kingdom | |
| Germany | |
| The Netherlands | |
| APAC | |
| The US | |
| Power sales, GWh | |
| Power price, LEBA UK | |
| British pound | |
| Financial performance, DKKm | |
| Revenue | |
| Sites, O&M, and PPAs | |
| Power sales | |
| Construction agreements | |
| Other | |
| EBITDA | |
| Sites, O&M, and PPAs | |
| Construction agreements and divestment gains | |
| Cancellation fees | |
| Other | |
| Depreciation | |
| Impairment losses | |
| EBIT | |
| Cash flow from operating activities | |
| Gross investments | |
| Divestments | |
| Free cash flow | |
| Capital employed | |

Onshore

Financial results for Q4 2024

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

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

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

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

Results

Business drivers

Decided (FID'ed) and installed capacity, GW
 Installed capacity, GW
 Wind speed, m/s
 Load factor, wind, %
 Load factor, solar PV, %
 Availability, wind, %
 Availability, solar PV, %
 Power generation, GWh
 The US, wind
 The US, solar PV
 Europe, wind and solar PV
 US dollar

Financial performance, DKKm

Revenue
 EBITDA
 Sites
 Tax credits and tax attributes
 Divestment gains/(loss)
 Other
 Depreciation
 Impairment losses
 EBIT
 Cash flow from operating activities
 Gross investments
 Divestments
 Free cash flow
 Capital employed

Bioenergy & Other

Financial results for Q4 2024

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

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

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

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

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

Results

Business drivers

Degree days
Heat generation, GWh
Power generation, GWh
Gas sales, GWh
Power sales, GWh
Gas price, TTF, EUR/MWh
Power price, DK, EUR/MWh
Green dark spread, DK, EUR/MWh
Wood pellet spread, DK, EUR/MWh

Financial performance, DKKm

Revenue
EBITDA
 CHP plants
 Gas Markets & Infrastructure
 Other
Depreciation
Impairment losses
EBIT
Cash flow from operating activities
Gross investments
Divestments
Free cash flow
Capital employed

Quarterly summary, 2023–2024

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

| Business drivers | Q4 | Q3 |
|---|-------|-------|
| Offshore | | |
| Decided (FID'ed) and installed capacity, GW | 16.8 | 16.8 |
| Installed capacity, GW | 9.9 | 9.9 |
| Generation capacity, GW | 5.3 | 5.2 |
| Wind speed, m/s | 11.1 | 8.4 |
| Load factor, % | 51 | 31 |
| Availability, % | 94 | 89 |
| Power generation, GWh | 5,740 | 3,522 |
| Power sales, GWh | 5,839 | 4,010 |
| Onshore | | |
| Decided (FID'ed) and installed capacity, GW | 7.0 | 6.4 |
| Installed capacity, GW | 6.2 | 5.7 |
| Wind speed, m/s | 7.5 | 6.2 |
| Load factor, wind, % | 40 | 26 |
| Load factor, solar PV, % | 20 | 31 |
| Availability, wind, % | 90 | 87 |
| Availability, solar PV, % | 98 | 97 |
| Power generation, GWh | 4,086 | 3,270 |
| Bioenergy & Other | | |
| Degree days, number | 846 | 79 |
| Heat generation, GWh | 2,367 | 332 |
| Power generation, GWh | 1,428 | 805 |
| Power sales, GWh | 635 | 577 |
| Gas sales, GWh | 4,016 | 4,138 |

| Sustainability statements | Q4 | Q3 |
|--|-------|-------|
| Employees (FTE), end of period, number | 8,278 | 8,377 |
| Total recordable injury rate (TRIR) | 2.7 | 2.3 |
| Fatalities, number | 0 | 0 |
| Renewable share of energy generation, % | 99 | 96 |
| GHG emissions (scopes 1 & 2), million tonnes | 0.1 | 0.3 |
| GHG intensity (scopes 1 & 2), g CO ₂ e/kWh | 5 | 40 |
| GHG intensity (scopes 1-3, excl. gas sales), g CO ₂ e/kWh | 65 | 194 |
| GHG emissions (scope 3), million tonnes | 1.7 | 2.2 |

Corporate governance

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- 54 Shareholder information

→

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



Governance framework

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

Compliance with corporate governance recommendations

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

Shareholders and general meetings

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

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

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

Board of Directors

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

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

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

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

operational issues. You can see the most important tasks in 2024 on the next page.

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

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

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

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

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

The numbers indicate how many meetings in 2024 the members have attended or not attended, respectively, during the year.

¹ Leticia joined the Board of Directors on 4 October 2024.

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

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

Board of Directors, which among other things included how to further strengthen the visibility of succession planning to the board.

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

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

Important tasks 2024 – managed by the Board of Directors

Investments, acquisitions, and

Final investment decisions on the wind project Sunrise Wind, the energy storage systems co-located with the Hornsea 3 Offshore Wind Farm, and the acquisition of the 50% share of the Sunrise Wind project from Eversource.

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

Divestment of 12.45% of four onshore wind farms to Stonepeak Energy Capital Partners, and a partial divestment of four onshore wind farms to Stonepeak Energy Capital Partners, and a partial divestment of the solar farm Mønså to Energy Capital Partners, and the battery storage project Solar Center to Energy Capital Partners, expected in 2025.

Decision to enter into partnership with Nordsøfonden and Equinor to explore the possibility of storing CO₂ in the North Sea.

Decision to cease development of e-fuels project FlagshipONE.

Board of Directors



Lene Skole
*1959, Denmark, she/her

Elected by the general meeting
Independent

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

// ESRs 2, GOV-1

Experience

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

Managerial functions in other enterprises

CEO Lundbeckfonden and Lundbeckfond Invest A/S
Chair LFI Equity A/S¹ Deputy Chair ALK-Abelló A/S¹, H. Lundbeck A/S¹, Falck A/S¹, and Nordea Bank Abp.

Board committee memberships in other enterprises

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

Management competences

General · Financial · Risk · Stakeholder

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

ESG competences

Environment Decarbonisation · Biodiversity
Social People management and equity, diversity & inclusion · Health & safety **Governance** Business conduct //

Other competences

Investor and capital market relationships

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



Annica Bresky
*1975, Sweden, she/her

Elected by the general meeting
Independent

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

// ESRS 2, GOV-1

Experience

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

Managerial functions in other enterprises

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

Board committee memberships in other enterprises

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

Other positions

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

Management competences

General · Financial · Risk · Project · Stakeholder

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

ESG competences

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

Other competences

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



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

Elected by the general meeting
Independent

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

// ESRS 2, GOV-1

Experience

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

Managerial functions in other enterprises

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

Board committee memberships in other enterprises

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

Other positions

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

Management competences

General · Financial · Project · Stakeholder

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

ESG competences

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

Other competences

IT, digitalisation & cybersecurity · Innovation



Peter Korsholm
*1971, Denmark, he/him

Elected by the general meeting
Independent

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

// ESRS 2, GOV-1

Experience

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

Managerial functions in other enterprises

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

Member DSVM Invest A/S and eight wholly-owned subsidiaries of DSVM Invest A/S, BCHG Holding A/S, Projektetselskabet Teglbuen A/S, and two-wholly owned subsidiaries of BCHG Holding A/S.

Board committee memberships in other enterprises

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

Management competences

General · Financial · Risk · Stakeholder

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

ESG competences

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

Other competences

Investor and capital market relationships



Benny Gøbel
*1967, Denmark, he/him

Elected by the employees
Not independent

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

// ESRS 2, GOV-1

Experience

Benny Gøbel has worked in Ørsted since 2005.

Position

Senior Mechanical Specialist, Commercial. //



Leticia Francisca Torres Mandiola
*1994, Chile, she/her

Elected by the employees
Not independent

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

// ESRS 2, GOV-1

Experience

Leticia Francisca Torres Mandiola has worked
in Ørsted since 2018.

Position

Lead Strategy Consultant, Commercial. //

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

ESG competences

Environment Decarbonisation **Social** People
management and equity, diversity & inclusion //

Other competences

IT, digitalisation & cybersecurity · Innovation



Ian McCalder
*1984, Canada, he/him

Elected by the employees
Not independent

2024 Joined
2026 Current election period expires

// ESRS 2, GOV-1

Experience

Ian McCalder has worked in Ørsted since 2014.

Position

Radio Communication Project Specialist, EPC //

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

ESG competences

Social People management and equity, diversity
& inclusion · Health & safety **Governance** Business
conduct //

Other competences

IT, digitalisation & cybersecurity · Innovation

Board committees

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

Audit & Risk Committee

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

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

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

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

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

// ESRS G1, GOV-1

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

Our employees and other associates may report serious offences, such as cases of bribery, fraud, and other inappropriate or illegal conduct, to our whistleblower scheme or through our management system. In 2024, 14 substantiated cases of inappropriate or unlawful behaviour were reported through our whistleblower scheme. A total of ten cases related to good business conduct policy violations, while three cases concerned the workplace environment, and one case was classified as 'other'. None of the reported cases were critical to our business, nor did they cause

adjustments to our financial results. Additionally, no cases required reporting to the police.

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

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

Nomination & Remuneration Committee

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

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

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

Group Executive Team

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

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

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

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

Management committees

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

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

Sustainability commitment

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

Internal controls environment

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

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

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

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

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

Management committees appointed by the Group Executive Team

QHSE Committee

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

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

Compliance Committee

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

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

Cybersecurity Committee

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

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



Rasmus Errboe
*1979, Denmark, he/him

Group President and Chief Executive Officer (CEO)

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

Education

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

// ESRS 2, GOV-1

Professional experience

2025:

Ørsted, Group President and CEO

2024:

Ørsted, Deputy CEO and Chief Commercial Officer (CCO)

2023:

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

2022:

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

2012 – 2022:

Ørsted, most recently Senior Vice President, Head of Continental Europe, Offshore

2006-2012:

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

Board committee memberships in other enterprises

Member of the Main Board of the Confederation of Danish Industries (DI). //

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

ESG competences

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



Trond Westlie
*1961, Norway, he/him

Executive Vice President and Group Chief Financial Officer (CFO)

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

Education

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

// ESRS 2, GOV-1

Professional experience

2024:

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

2017-2019:

VEON, Group CFO

2010-2016:

A.P. Møller-Maersk, Group CFO and member of the Executive Board

2004-2009:

Telenor, Group CFO and Executive Vice President

1997-2004:

Aker Group, most recently as Group CFO and Executive Vice President in Aker Kværner

Managerial functions in other enterprises

Chair: Arendals Fossekompagni //

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

ESG competences

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



Henriette Fenger Ellekrog
*1966, Denmark, she/her

Executive Vice President and Chief HR Officer (CHRO)

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

Education

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

// ESRS 2, GOV-1

Professional experience

2022:

Ørsted, member of the Executive Board

2019:

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

2014 – 2019:

Danske Bank A/S, most recently as Chief HR Officer

2007 – 2014:

SAS AB, most recently as Deputy CEO, Executive Vice President, HR & Communication

1998 – 2007:

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

1992 – 1998:

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

Managerial positions in other enterprises

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

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

ESG competences

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

Summary of our remuneration report

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

Remuneration policy (extract)

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

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

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

Remuneration of the Board of Directors

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

Remuneration of the Executive Board

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

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

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

Remuneration in 2024

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

For more information, please see the full [remuneration report](#).

Remuneration awarded (DKK '000)

| |
|---|
| Board of Directors |
| Fixed annual fee ¹ |
| Executive Board:² |
| Fixed remuneration |
| Fixed base salary |
| Benefits, incl. social security |
| Variable remuneration |
| Cash-based incentive scheme (STI) |
| Share-based incentive scheme (LTI) ³ |
| Ordinary remuneration |
| Garden leave period |
| Severance pay |
| Total remuneration |

Remuneration awarded

The table shows the total remuneration awarded from 2023 to 2024. For remuneration expensed,

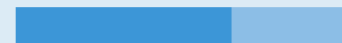
¹ Based on an ordinary board fee of DKK 0.4 million.

² In 2023, Executive Board members included fixed remuneration.

³ The remuneration from the share-based incentive scheme when it was granted.

STI

Short-term incentive scheme, components
25% ESG



LTI

Long-term incentive scheme, components
100% TSR performance vs industry peers



Shareholder information

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

Price development for the Ørsted share in 2024

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

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

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

Share capital

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

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

Composition of shareholders

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

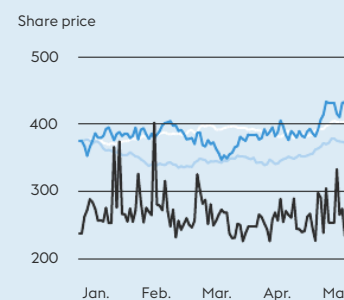
Annual general meeting and dividends

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

Share price development 2024

Ørsted share price compared to peers (in

● OMXC25 Index rebased ● Ørsted ●



Share data

Earnings per share, DKK
Proposed dividend per share, DKK
Dividend yield, %
Share price, year-end, DKK
Share price, high, DKK
Share price, low, DKK
Market capitalisation, year-end, DKKbn
Average trading per day, thousands of shares

Share information

ISIN
Share classes
Nominal value
Exchange
Ticker
Registered share
Number of shares
Number of treasury shares

Shareholders as of 31 December 2024

Share capital and/or voting share %

Danish State (majority shareholder) 50.1%

Equinor ASA 10%

Andel A.M.B.A 5%

Danish retail investors 2.4%

Remaining Danish owners 6.0%

United Kingdom 6.2%

United States 6.1%

Others 14.1%

Investor relations

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

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

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



Selected announcements

19 February

New Chair and Deputy Chair of the Board of Directors

27 February

Ørsted appoints new Group

13 March

Ørsted divests share of four wind farms to Stonepeak

21 March

Ørsted updates its executive structure and appoints Rasmus Deputy CEO

29 April

Ørsted to divest its French

29 August

Ørsted shuts down its last heat and power plant

3 September

Ørsted's Hornsea 3 and Hornsea capacity in UK allocation

30 October

Ørsted divests share of four farms to Brookfield

11 December

Ørsted brings in Cathay Life in Greater Changhua 4 OF

18 December

Ørsted divests shares in the battery storage projects to Partners

Sustainability statements



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→

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



Basis for preparation

// ESRs 2, BP-1

General basis for preparation of sustainability statements

Frameworks and data selection

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

// ESRs 2, BP-2

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

Consolidation

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

E1-6, data point 50. Consolidation of all data follows the principles above, unless otherwise specified in the accounting policies.

Value chain

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

Measurement basis

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

External review

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

// ESRs 2, BP-2

Disclosures related to specific circumstances

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

We make assessments and estimates for the reporting of some data points using indirect sources, including

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

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

Changes in preparation or presentation of sustainability information

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

ESRS disclosure requirements

Content index

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

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

Immaterial ESRS standards

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

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

Cross-cutting standards

ESRS 2 · General disclosures (incl. incorporation by reference)

BP-1

General basis for preparation of the sustainability statements

SUS · page 59

BP-2

Disclosures in relation to specific circumstances

SUS · pages 59-62

GOV-1

The role of the administrative, management, and supervisory bodies

MR · pages 46-48, 52
SUS · pages 63-64, 130, 134-135

GOV-2

Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

SUS · pages 63-64

GOV-3

Integration of sustainability-related performance in incentive schemes

REM · page 7 · Performance of the Executive Board

GOV-4

Statement on sustainability due diligence

SUS · page 77

GOV-5

Risk management and internal controls over sustainability reporting

SUS · page 64

| | | | |
|-----|-----------------------------------|-----|----------------|
| BP | Basis for preparation | MR | Management's |
| GOV | Governance | SUS | Sustainability |
| SBM | Strategy and business model | REM | Remuneration |
| IRO | Impacts, risks, and opportunities | | |

Structure of the ESRs topics in our report

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



Environmental standards

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

E1, GOV-3 (ESRS 2)

Integration of sustainability-related performance in incentive schemes

REM · page 7 · Performance of the Executive Board
SUS · pages 88, 134

E1-1

Transition plan for climate change mitigation

SUS · pages 83-85

E1, SBM-3 (ESRS 2)

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

SUS · pages 82, 85-88

E1, IRO-1 (ESRS 2)

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

SUS · pages 85-88

E1-2

Policies related to climate change mitigation and adaptation

SUS · page 88

E1-3

Actions and resources in relation to climate change policies

SUS · pages 88-90

E1-4

Targets related to climate change mitigation and adaptation

SUS · pages 91-92

E1-5

Energy consumption and mix

SUS · pages 93, 102

E1-6

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

SUS · pages 94-95

Entity-specific data points

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

SUS · pages 93-95, 97-102

Environmental standards

ESRS E4 · Biodiversity and ecosystems

E4-1

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

SUS · page 110

E4, SBM-3 (ESRS 2)

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

SUS · pages 111-112, 114

E4, IRO-1 (ESRS 2)

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

SUS · pages 110-111

E4-2

Policies related to biodiversity and ecosystems

SUS · pages 112-113

E4-3

Actions and resources related to biodiversity and ecosystems

SUS · page 113

Social standards

ESRS S1 · Own workforce

S1, SBM-2 (ESRS 2)

Interests and views of stakeholders

SUS · page 75

S1, SBM-3 (ESRS 2)

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

SUS · pages 125-126

S1-1

Policies related to own workforce

SUS · pages 126-129

S1-2

Processes for engaging with own workers and workers' representatives about impacts

SUS · pages 129-131

S1-3

Processes to remediate negative impacts and channels for own workers to raise concerns

SUS · page 131

S1-4

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

SUS · pages 128-129

S1-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SUS · pages 131-132

S1-6

Characteristics of the undertaking's employees

SUS · pages 133, 135

S1-9

Diversity metrics

SUS · page 135

S1-14

Health and safety metrics

SUS · page 136

S1-16

Compensation metrics (pay gap and total compensation)

SUS · pages 134-135

S1-17

Incidents, complaints, and severe human rights impacts

SUS · page 129

Entity-specific data points

- People
- Group Executive Team and Board of Directors
- Diversity and pay gap
- Safety

SUS · page 133-136

Social standards

ESRS S2 · Workers in the value chain

S2, SBM-2 (ESRS 2)

Interests and views of stakeholders

SUS · page 75

S2, SBM-3 (ESRS 2)

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

SUS · pages 138-139

S2-1

Policies related to value chain workers

SUS · pages 139-140

S2-2

Processes for engaging with value chain workers about impacts

SUS · pages 140-141

S2-3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

SUS · pages 141-142

S2-4

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

SUS · pages 140-143

S2-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SUS · page 143

Entity-specific data points

Supply chain due diligence

SUS · page 144

Social standards

ESRS S3 · Affected communities

S3, SBM-2 (ESRS 2)

Interests and views of stakeholders

SUS · page 75

S3, SBM-3 (ESRS 2)

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

SUS · pages 146-148

S3-1

Policies related to affected communities

SUS · pages 148-149

S3-2

Processes for engaging with affected communities about impacts

SUS · pages 149-150

S3-3

Processes to remediate negative impacts and channels for affected communities to raise concerns

SUS · page 150

Sustainability governance

// ESRS 2, GOV-1

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

Board of Directors

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

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

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

// ESRS 2, GOV-1

As a whole, the Board possesses expertise across our material sustainability IROs. Based on the seven ESRS topics that have been assessed as material to Ørsted through our DMA, we have mapped the Board's sustainability competences to ensure that

they have the relevant expertise to oversee material sustainability matters. For more details, see pages 46-48 in the management's review.

Audit & Risk Committee

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

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

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

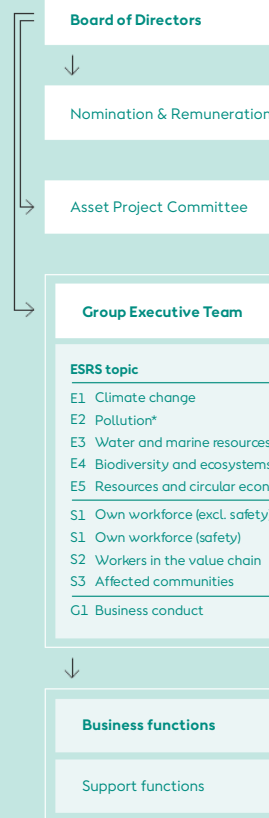
Group Executive Team

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

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

// ESRS 2, GOV-1

Our sustainability governance model



* The ESRS topics E2 and E3 are
 ** Responsibility delegated to overlaps with existing mand

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

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

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

// ESRS 2, GOV-1

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

Group Executive Team accountable persons

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

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

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

Supportive decision forums

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

We are in the process of establishing a human rights task force, specifically focused on strengthening our due diligence systems to ensure compliance with the upcoming EU Corporate Sustainability Due Diligence Directive (CSDDD). The task force will enable the

implementation of a human rights management system and oversee its integration into relevant business processes to reach compliance. The task force will kick off in 2025 and consist of the Group Executive Team accountable person as well as senior leaders representing Ørsted's value chain to ensure the value chain-wide approach of integrating human rights into management systems and processes. The task force will meet twice a year.

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

Business functions

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

Support functions

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

Our business model and how we create value

// ESRS 2, SBM-1

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

Key inputs and what we depend on

Natural resources

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

Human and financial capitals

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

Stakeholder relationships

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

Key outputs and benefits created

Customers

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

Communities

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

Shareholders

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

Employees

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

Our business model in relation to sustainability

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

Key inputs and what we depend on

- Natural resources
- Human capital
- Financial capital
- Stakeholder relationships



Our strategy and impact on sustainability matters

// ESRS 2, SBM-1

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

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

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

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

// ESRS 2, SBM-1

Key elements of our strategy that impact sustainability matters

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

↓ Main challenges

Resources

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

Land and sea space

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

↓ How we respond to these challenges

Strategic sustainability priorities

Decarbonisation (ESRS E1 and E5)

Optimise the use of resources and energy and reduce GHG emissions

- Collaboration with suppliers to decarbonise materials and processes
- Roadmaps to decarbonise key resources and processes
- Partnerships to improve recyclability of our renewable energy assets



Biodiversity (ESRS E4)

Protect and preserve nature and reduce direct impact drivers of biodiversity loss

- Application of our measurement framework and the mitigation hierarchy
- Site monitoring and action plans, including positive impact efforts

Foundational sustainability areas

Human rights (ESRS S1, S2, S3)

- Human rights due diligence
- Risk-based audits and supplier assessments



Health and safety (ESRS S1, S2)

- High focus on safety measures
- Recurring safety training and awareness campaigns



People management, diversity and inclusion (ESRS S1)

- Employee engagement
- Inclusive work environment
- Flexible work arrangements

Double materiality assessment

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

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

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

- R Risk
- O Opportunity
- + Positive impact
- Negative impact
- = Materiality threshold

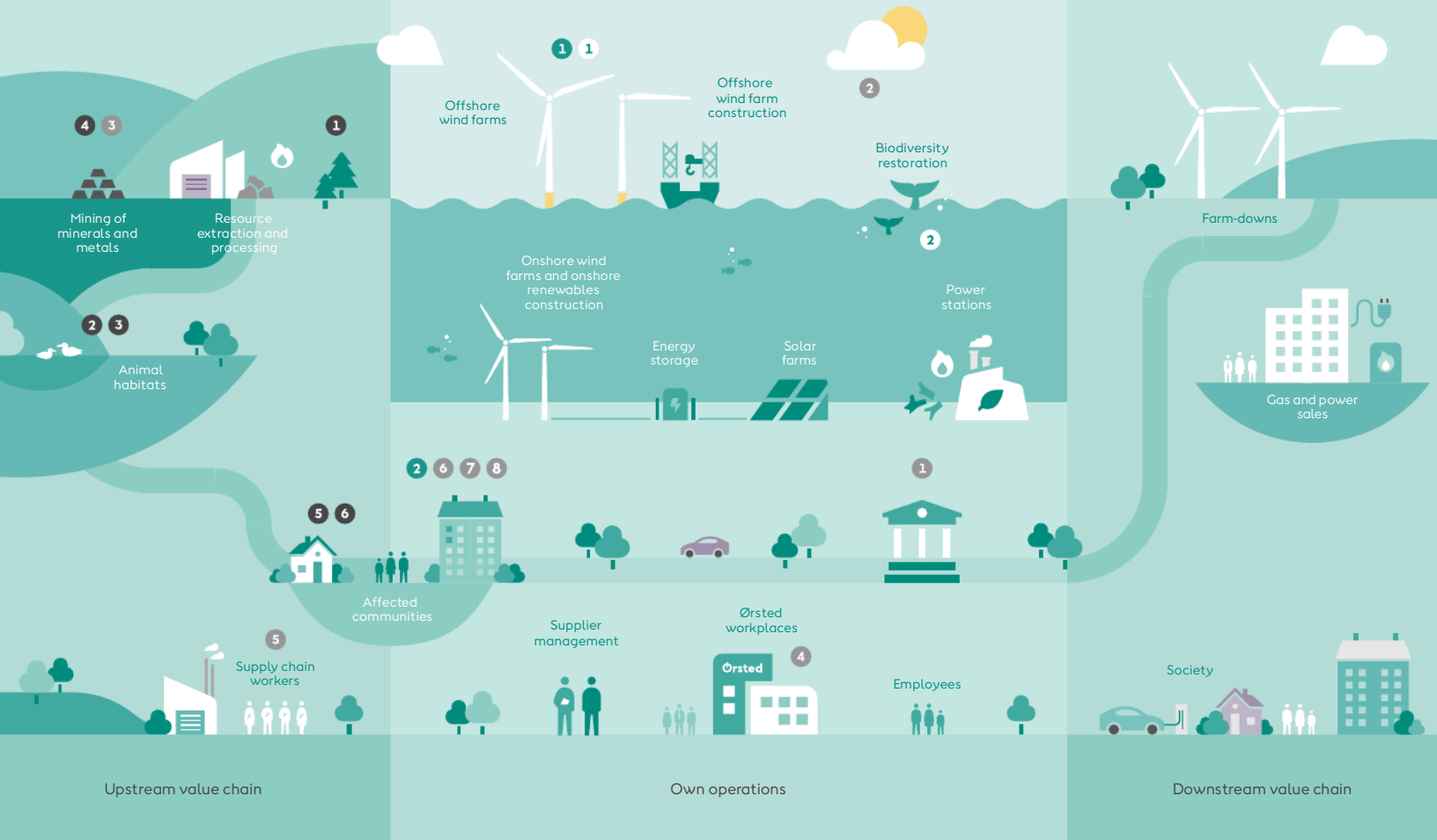
The highest-scoring IRO within a topic determines the placement of that topic in the matrix. 'E1 Climate change' is e.g. placed in the quadrant shown due to a positive impact and an opportunity scored as 'crucial'. However, this topic also has negative impacts and risks scored as 'significant', which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



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

Value chain overview

Our material sustainability-related impacts, risks, and opportunities (IROs¹) across our full value chain



Material impacts, risks, and opportunities (IROs)

Overview of our material IROs

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

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

Inherent risks and impacts

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

// ESRS 2, SBM-3



E1 Climate change

Ørsted impact, risk, and opportunity (IRO)

1 Climate change mitigation

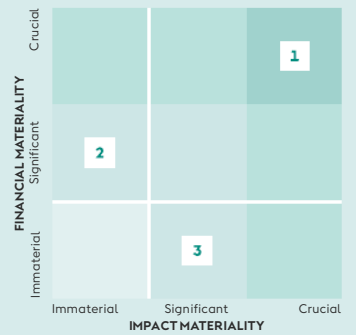
- Renewable energy deployment
- Renewable energy deployment
- Carbon removal through nature-based projects
- Scope 1 and 2 GHG emissions from our operations
- Scope 3 GHG emissions from the renewable energy supply chain
- Scope 3 GHG emissions from regular power sales and natural gas sales
- Climate-related transition risks due to changes in policy support for the renewable energy build-out

2 Climate change adaptation

- Climate-related physical risks (chronic and acute)

3 Energy

- Energy consumption, mainly at our CHP plants



The IROs with the potential to be material

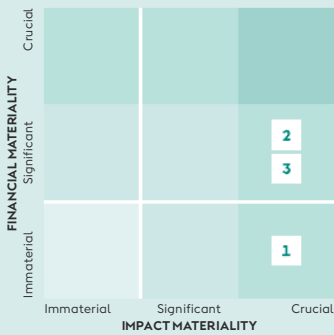
// ERS 2, SBM-3



E4 Biodiversity and ecosystems

| Ørsted impact, risk, and opportunity (IRO) | IRO | +/- | A/P | OO/VC | Materiality level |
|---|----------------|-----|-----|-------|-------------------|
| 1 Direct impact drivers of biodiversity loss | | | | | |
| Natural resources exploitation and land-use and freshwater-use change from mining | I | - | A | VC | Crucial |
| Ecotoxicity from mining | I | - | A | VC | Significant |
| Land-use and sea-use change from coal and gas extraction | I | - | A | VC | Significant |
| 2 Impacts on the extent and condition of ecosystems | | | | | |
| Habitat loss from land degradation from mining | I | - | A | VC | Crucial |
| Biodiversity restoration, research, and innovation initiatives | I ¹ | + | A | OO | Significant |
| Biodiversity restoration, research, and innovation initiatives | O ¹ | | | OO | Significant |
| Temporary disturbances to habitats during construction | I | - | A | OO | Significant |
| 3 Impacts on the state of species¹ | | | | | |
| Species population size decrease, and extinction risk increase due to mining | I | - | A | VC | Crucial |
| Temporary displacement or loss of species during construction | I | - | A | OO | Significant |

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



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

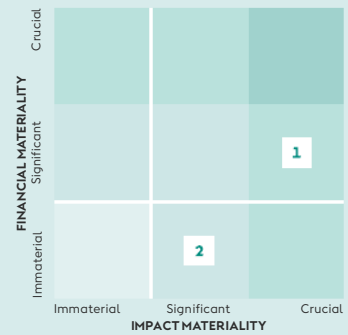
- I Impact
- R Risk
- O Opportunity
- + Positive
- Negative
- A Actual
- P Potential
- OO Own operations
- VC Value chain

// ERS 2, SBM-3



E5 Resource use and circular economy

| Ørsted impact, risk, and opportunity (IRO) |
|---|
| 1 Resource inflows, including resource use |
| Use and depletion of virgin materials |
| Increased demand for scarce critical raw materials and maturation of supply chains for lower-emissions alternatives |
| 2 Waste |
| Materials wasted during construction, operation, and decommissioning |

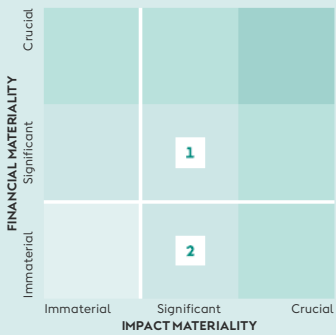


The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

// ERS 2, SBM-3

S1 Own workforce

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



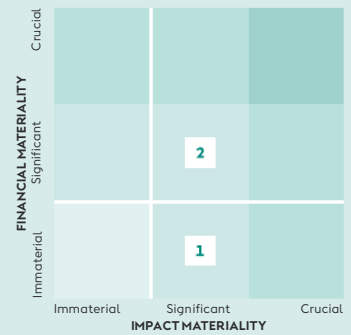
The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

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

// ERS 2, SBM-3

S2 Workers in the value chain

| Ørsted impact, risk, and opportunity (IRO) |
|---|
| 1 Working conditions |
| Excessive working hours for supply chain workers |
| Possible work-related injuries and fatalities for supply chain workers |
| 2 Other work-related rights |
| Debt bondage and withholding of passports |
| State-imposed forced labour in the solar PV supply chain |
| Forced labour allegations or misconduct in major supply chain for renewable energy materials and components |



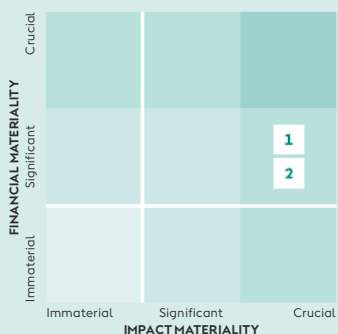
The highest-scoring IRO within a sub-topic determines the placement of that sub-topic (number) in the matrix.

// ESRs 2, SBM-3



S3 Affected communities

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



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

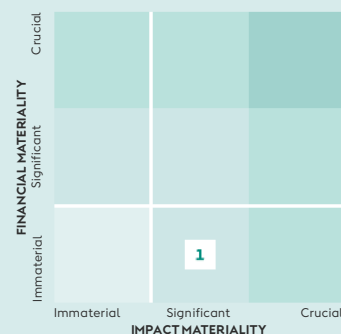
- I Impact
- R Risk
- O Opportunity
- + Positive
- Negative
- A Actual
- P Potential
- OO Own operations
- VC Value chain

// ESRs 2, SBM-3



G1 Business conduct

| Ørsted impact, risk, and opportunity (IRO) |
|---|
| 1 Political engagement and lobbying activities |
| Constructive political engagement through lobbying |



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

Methodology and process

// ESRS 2, IRO-1

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

Methodologies and assumptions

Scope

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

We considered activities within our own operations as well as from our business relationships and value chain. Our value chain assessment mainly focused on our first-tier suppliers, and beyond that, we relied on industry-wide value chain assessments, industry knowledge, and internal knowledge based on our engagement in various forums. We had particular focus on the

upstream value chain focusing on sourcing of materials and exposure to certain geographies that might give rise to a heightened risk of adverse human and labour rights and of environmental impacts due to the nature of our industry.

Stakeholder engagement

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

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

Scoring Impacts

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

- 1 When scoring 'scale', we assessed how great the impact is or could be on the environment or people.

For actual negative impacts, the scale depends on successful mitigation that has taken place before or during the event. Therefore, when scoring 'scale' the current mitigation actions were considered, including the 'license to operate' conditions required by authorities.

- 2 When scoring 'scope', we assessed how widespread the impact is based on parameters, such as the percentage of sites, employees, or financial spend that the impact relates to.
- 3 When scoring 'irremediable character', we assessed how difficult it is to reverse the damage in terms of cost and time horizon.

Double materiality approach

Planet and society

↑
Impact materiality
(inside-out)



Risks and opportunities

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

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

Time horizons

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

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

// ESRS 2, IRO-2

Thresholds

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

// ESRS 2, IRO-1

Process

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



1 Engagement of stakeholders

2 Scoping of IROs

3 Assessment of IROs

4 Validation of results and calibration

5 Final review and approval

1. Engagement of stakeholders

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

2. Scoping of IROs

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

3. Assessment of IROs

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

The experts were introduced to the assessment criteria at the workshops to ensure a consistent approach and understanding of the scoring methodology. Where relevant, additional experts were identified and consulted following the initial workshops to

Interests and views of stakeholders

// ESRS 2, SBM-2

Stakeholder engagement

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

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

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

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



// S1, SBM-2

Employees



// S2, SBM-2

Suppliers

How engagement is organised

- Employment relations and occupational health and safety representatives
- Inclusion and enterprise social networks
- Employee-elected board members
- Personal development dialogues
- Employee satisfaction surveys, workplace assessments, and town halls

- Interviews and assessments for due diligence
- Workshops and industry collaboration, e.g. DecomBlades

Purpose of engagements

- Understanding employees' perceptions, experiences, challenges, and suggestions for improvement
- Raising awareness of internal policies and changes
- Contributing to a sustainable workplace and working life, including physical and psychological health and safety
- Increasing employee retention and attraction

- Ensuring compliance with our due diligence
- Promoting responsible sourcing of minerals and metals
- Protecting human and labour rights
- Ensuring a respectful working environment
- Decarbonising our value chain through circular solutions for resources
- Understanding supplier needs

Examples of outcomes from the engagements

- Internal policy updates, e.g. labour and employment rights policy
- Global initiatives and campaigns for e.g. employee well-being

- Streamlined supplier expectations
- Supplier improvement plans and code of conduct
- Informed procurement decisions
- Investments in test pilots and agreements for low-carbon solutions



Corporate customers



Investors



Governments, policy-makers, and regulators



Civic and non-profit organisations

How engagement is organised

- Customer support inquiries
- Periodic reviews and meetings with account managers
- Assessments for business partner due diligence

- ESG ratings and assessments
- One-on-one investor relations meetings, questionnaires, and inquiries
- Quarterly earnings calls
- Capital market days and annual general meetings

- Participation in public hearings and regulatory processes
- Consultations and policy roundtables
- White papers, studies, and thought leadership related to renewable energy deployment

- Collaboration and consultation on community projects and impact assessments
- Contributions to research projects

Purpose of engagements

- Understanding customer needs and expectations
- Building trust and providing transparency
- Enabling customers to achieve their renewable energy targets

- Understanding investor concerns and addressing questions
- Building trust and demonstrating long-term value of renewable energy investments
- Discussing performance, risk management, and strategic direction

- Ensuring compliance with regulatory frameworks and standards
- Promoting a sustainable build-out of renewable energy
- Addressing climate-related transition risks and opportunities

- Contributing to local initiatives
- Ensuring transparency and responsiveness to public concerns
- Understanding our local licensees and public expectations
- Pooling efforts to address supply chain challenges, e.g. decarbonisation, human rights

Examples of outcomes from the engagements

- Product or service improvements for e.g. power purchase agreements (PPAs)
- Adaptation of marketing strategies, e.g. by providing ESG rating scorecards for customers

- Action plans to improve ESG performance
- Increased disclosure to ESG rating agencies
- Alignment of investment strategy with sustainable finance frameworks, e.g. the EU taxonomy

- Operational adjustments to ensure compliance
- Informed decisions for renewable energy deployment and financing

- Informed project planning and specific initiatives, e.g. for biodiversity conservation or community development
- Alignment of projects with local needs for community engagement

Sustainability due diligence

Our due diligence approach

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

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

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

Our processes

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

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

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

Governance

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

Next steps

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

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

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

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

// ESRS 2, IRO-2

ESRS data points from other EU legislation

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

Legislation

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

Other short forms

| | |
|----|--------------|
| NR | Not relevant |
| NS | Not stated |
| NM | Not material |

| Disclosure requirement | Data point | |
|------------------------|----------------|--|
| ESRS 2, GOV-1 | 21 (d) | Board's gender diversity |
| | 21 (e) | Percentage of board members w |
| ESRS 2, GOV-4 | 30 | Statement on due diligence |
| ESRS 2, SBM-1 | 40 (d) (i) | Involvement in activities related |
| | 40 (d) (ii) | Involvement in activities related |
| | 40 (d) (iii) | Involvement in activities related |
| | 40 (d) (iv) | Involvement in activities related and production of tobacco |
| ESRS E1-1 | 14 | Transition plan to reach climate |
| | 16 (g) | Undertakings excluded from Par |
| ESRS E1-4 | 34 | GHG emission reduction targets |
| ESRS E1-5 | 38 | Energy consumption from fossil by sources (only high climate imp |
| | 37 | Energy consumption and mix |
| | 40-43 | Energy intensity associated with climate impact sectors |
| ESRS E1-6 | 44 | Gross scope 1, 2, 3, and total GH |
| | 53-55 | Gross GHG emissions intensity |
| ESRS E1-7 | 56 | GHG removals and carbon credi |
| ESRS E1-9 | 66 | Exposure of the benchmark port related physical risks |
| | 66 (a); 66 (c) | Disaggregation of monetary am chronic physical risk; location of at material physical risk |
| | 67 (c) | Breakdown of the carrying value assets by energy-efficiency class |
| | 69 | Degree of exposure of the portfo related opportunities |
| ESRS E2-4 | 28 | Amount of each pollutant listed E-PRTR regulation emitted to air |

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

| Disclosure requirement | Data point | |
|-------------------------|------------|--|
| ESRS S2, SBM-3 (ESRS 2) | 11 (b) | Significant risk of child labour or in the value chain |
| ESRS S2-1 | 17 | Human rights policy commitment |
| | 18 | Policies related to value chain w |
| | 19 | Non-respect of UNGPs on Business ILO principles, or OECD guideline |
| | 19 | Due diligence policies on issues of International Labor Organisation |
| ESRS S2-4 | 36 | Human rights issues and incidents upstream and downstream valu |
| ESRS S3-1 | 16 | Human rights policy commitment |
| | 17 | Non-respect of UNGPs on Business ILO principles, or OECD guideline |
| ESRS S3-4 | 36 | Human rights issues and incidents |
| ESRS S4-1 | 16 | Policies related to consumers an |
| | 17 | Non-respect of UNGPs on Business Rights and OECD guidelines |
| ESRS S4-4 | 35 | Human rights issues and incidents |
| ESRS G1-1 | 10 (b) | United Nations Convention agai |
| | 10 (d) | Protection of whistleblowers |
| ESRS G1-4 | 24 (a) | Fines for violation of anti-corrup |
| | 24 (b) | Standards of anti-corruption an |

Environment

- 81 ESRS E1 Climate change
- 103 EU taxonomy for sustainable activities
- 108 ESRS E4 Biodiversity and ecosystems
- 116 ESRS E5 Resource use and circular economy

→

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

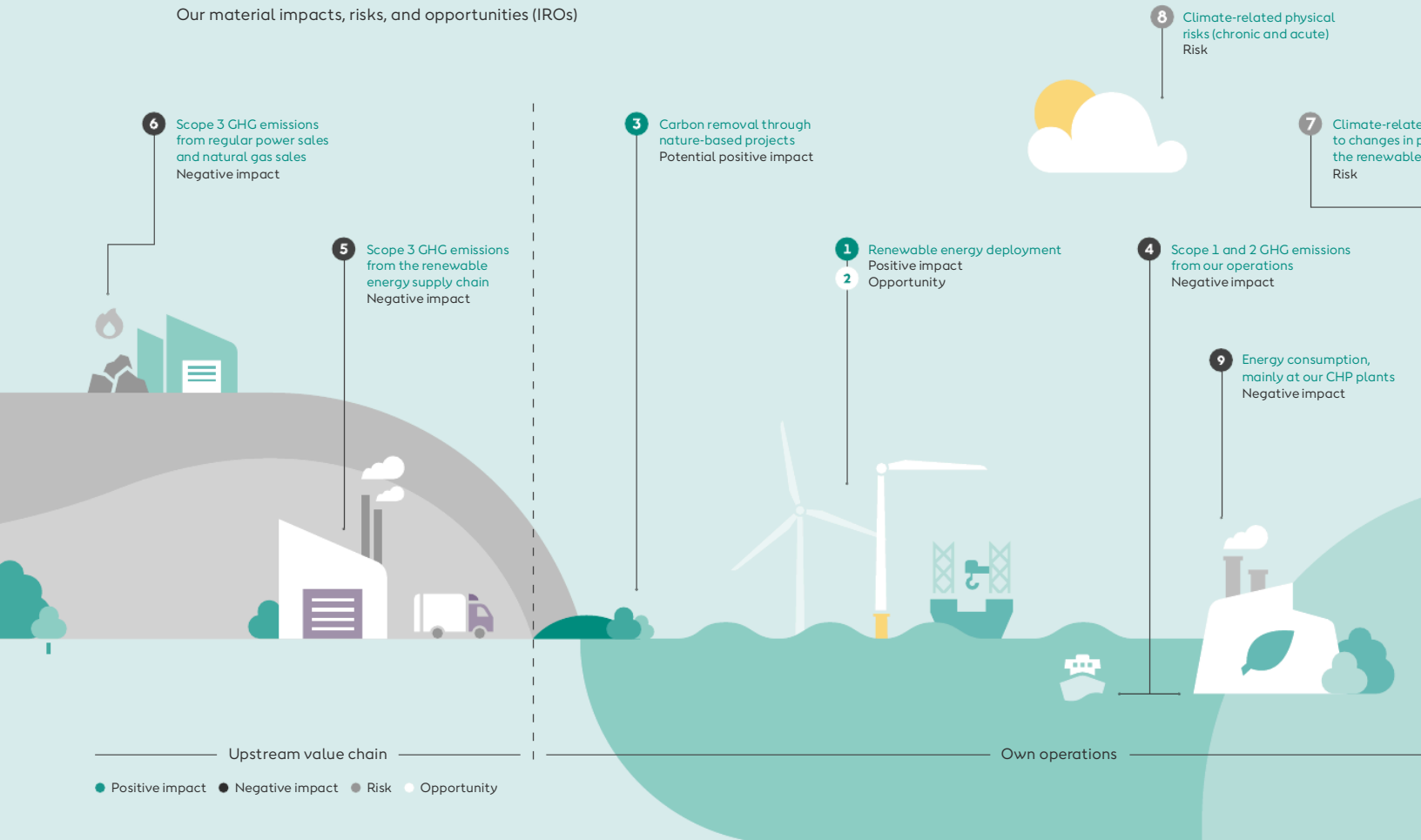




E1 Climate change

//ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)



// ESR5 2, SBM-3; E1, SBM-3

Our material impacts, risks, and opportunities (IROs)

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

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

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

The impacts are highly connected to our strategy and business model and occur through our construction and operation activities as well as through business relationships with suppliers.

The resilience of our business to potential negative impacts and risks is shaped by the broader political framework for renewable energy deployment as well as effective collaboration across the value chain to achieve our commercial and sustainability ambition.

While we continue to monitor developments and adapt as needed, our strategy and business model have been assessed as capable of addressing these challenges and leveraging climate-related opportunities.

Climate change mitigation

| Material IRO description | How do we manage the IRO? |
|---|--|
| <p>1 2 Renewable energy deployment Positive impact (own operations) Opportunity (own operations)</p> <p>The positive impact and opportunity arise from our deployment of renewable energy. Generally, risks associated with the transition to a low-carbon economy present opportunities for Ørsted, as our vision and long term ambitions are closely aligned with this transition.</p> <p>We create environmental and societal benefits by developing and operating renewable energy assets, which are critical technologies for decarbonising society and limiting global warming to 1.5 °C.</p> | <p>Deploying renewable energy is at the core of our business, and we address this material opportunity and positive impact through our business model and strategy.</p> |
| <p>3 Carbon removal through nature-based projects Potential positive impact (own operations)</p> <p>This potential positive impact arises from carbon removal achieved through our nature-based projects, which complement our efforts to reduce emissions by supporting climate action beyond our value chain and are not a substitute for direct emission reductions.</p> <p>Initiatives such as mangrove reforestation in the Gambia remove carbon dioxide from the atmosphere, supporting efforts to limit global warming to 1.5 °C.</p> <p>The impact is expected to materialise over a medium timescale of three to five years as mangrove forests mature.</p> | <p>We have taken several actions to pursue this positive impact related to carbon removal through nature-based projects, which support broader climate action and sustainability objectives.</p> |
| <p>4 Scope 1 and 2 GHG emissions from our operations Negative impact (own operations)</p> <p>This negative impact arises from our scope 1 and 2 GHG emissions. Scope 1 emissions primarily result from fossil fuel-based heat and power generation at our CHP plants, with a smaller contribution from operation and maintenance activities. Scope 2 emissions stem from the purchase and consumption of electricity and heat. We fully cover our electricity consumption with renewable energy certificates, effectively reducing our net scope 2 emissions.</p> <p>While our scope 1 and 2 emissions are relatively low compared to other industries, they still negatively impact the environment by contributing to global warming.</p> | <p>We have strategic targets aimed at reducing our scope 1 and 2 GHG emissions intensity.</p> <p>These are supported by actions such as transitioning away from fossil fuel-based power generation, increasing the use of renewable energy, and improving energy efficiency across our operations.</p> |

| Material IRO description |
|---|
| <p>5 6 Scope 3 GHG emissions from our operations Negative impact (upstream and downstream)</p> <p>Scope 3 GHG emissions from our operations Negative impact (upstream and downstream)</p> <p>These negative impacts relate to upstream and downstream emissions, contributing to global warming.</p> <p>(a) upstream emissions in our material extraction and manufacturing activities</p> <p>(b) upstream and downstream emissions from extraction, processing, and service operations, within the residual energy network</p> <p>(c) upstream and downstream emissions from biogas and natural gas (carbon capture and storage)</p> |
| <p>7 Climate-related transition risk for the renewable energy business Risk (own operations)</p> <p>This climate-related transition risk arises from changes in political and regulatory landscape, including the reduction of support for renewable energy through subsidies and incentives.</p> <p>This risk specifically concerns changes in government support and production subsidies (e.g., feed-in tariffs) that may impact our operations, potentially leading to increased costs and reduced revenue.</p> |

Climate change adaption

| Material IRO description | How do we manage the IRO? |
|---|--|
| <p>8</p> <p>Climate-related physical risks (chronic and acute) Risk (own operations)</p> <p>The chronic physical risks relate to the dependency of renewable energy generation on natural resources, such as wind patterns, and the acute physical risks relate to a potential increase in the severity and frequency of extreme weather events.</p> | <p>We assess the resilience of all new assets towards the occurrence of climate-related hazards.</p> |

Energy

| | |
|---|---|
| <p>9</p> <p>Energy consumption, mainly at our CHP plants Negative impact (own operations)</p> <p>We have identified a negative impact associated with energy consumption at our combined heat and power (CHP) plants, which includes the use of fossil-based fuels.</p> <p>The use of fossil-based fuels contributes to greenhouse gas emissions, which negatively affect the environment by contributing to global warming.</p> | <p>We target reductions in our scope 1 and 2 GHG emissions. In 2024, we closed Esbjerg Power Station, our last coal-fired CHP plant, advancing our decarbonisation efforts.</p> |
|---|---|

This section outlines our approach to managing climate-related impacts, risks, and opportunities, ensuring resilience and alignment with global sustainability goals. While the transition to a green economy offers significant growth opportunities, it also presents challenges, particularly in decarbonising supply chains.

We have already made substantial progress, transitioning from a fossil fuel-based utility to a global leader in renewable energy. Our policies, strategic actions, and other initiatives highlight our continued efforts towards a low-carbon economy.

For an overview of how we have structured this chapter please see page 61. Our IROs are highlighted in italics.

// E1-1

Transition plan

Ørsted’s transition plan outlines the company’s overall pathway to achieving net-zero emissions by 2040, aligned with the 1.5 °C goal of the Paris Agreement. The plan is substantiated by science-based targets, includes key decarbonisation levers, and identifies strategic actions that have driven the transformation of our business model towards renewable energy and will continue to shape our ongoing transition. The plan supports broader policy priorities, including the European Union’s 2050 climate neutrality goals formalised in the European Green Deal and associated regulations (e.g. the EU taxonomy and the EU Green Bonds Standard). These goals represent both an opportunity and a responsibility to align our business strategy with global decarbonisation efforts, contributing to the renewable energy transition and broader sustainability objectives.

technologies, and DKK 2,836 million for hydrogen, carbon capture and storage, and bioenergy activities.

- **A measurable performance:** We track and disclose progress of our renewable energy portfolio by monitoring progress towards our installed capacity ambition. In addition, we track and disclose progress towards our decarbonisation efforts through a suite of SBTi-validated climate targets, including near-term targets for 2025 and 2030 as well as long term targets for 2040. As part of the SBTi validation process of our interim targets, we updated the baseline year for our scope 1-2 emissions intensity target to 2018, replacing the original targets of reducing the scope 1-2 emissions intensity by 98% by 2025 and by 99% by 2030 from a 2006 baseline. From the updated 2018 baseline, we now aim to achieve a 93% reduction in scope 1 and 2 GHG emissions intensity by 2025 and progress towards a 96% reduction by 2030. Our interim scope 1-3 GHG emissions intensity target outlines a reduction trajectory of ~77% by 2030. These interim targets serve as critical waypoints that chart our overall pathway to achieving net-zero by 2040.
- **Climate advocacy:** As part of our efforts to advance policies and frameworks that accelerate the transition to renewable energy, we actively engage with policy-makers and industry peers.

Addressing transition risks from locked-in emissions

Locked-in emissions refer to future emissions resulting from existing or planned infrastructure and assets. In our case, such emissions are tied to our gas sales activities. This is primarily due to our

binding contractual obligations for offtake volumes of natural gas from the gas fields operated by the Danish Underground Consortium (DUC).

We recognise the importance of tackling the impacts of our legacy business, as locked-in emissions pose a significant transition challenge if left unaddressed. To guide progress toward our net-zero goals, we have set an absolute emissions reduction target for **scope 3 emissions from gas sales**, aiming to reduce emissions by ~67% by 2030 (baseline 2018) and by ~90% by 2040.

To mitigate potential risks associated with locked-in emissions, we focus on the following:

- **Measurable performance:** We track and disclose progress towards our absolute reduction targets for gas sales. The targets are aligned with the 1.5 °C pathway, and we aim to remain on track to deliver on our net-zero ambition.
- **Avoiding additional locked-in emissions:** We do not enter into new gas sourcing agreements that would contribute to additional locked-in emissions.

As a renewable energy company committed to driving the energy transition, we aim to address the challenges posed by our legacy business. These efforts reflect our commitment to achieving net-zero emissions by 2040 and making a meaningful contribution to the global renewable energy transition.

As of 31 December 2024, we are not excluded from the Paris-aligned Benchmark (PAB), providing further evidence for the successful transition away from fossil fuels.

Second transition wave:

Decarbonising our supply chains

Having shown substantial progress in transitioning away from fossil fuels to renewable energy generation, we are now entering the second wave of our transformation: addressing emissions from our value chains. Already today, power from offshore wind farms has 99% lower GHG emissions than power from coal. However, the large scale of renewable energy projects creates both a need and an opportunity to further decarbonise, particularly by addressing emissions, such as steel production, maritime fuels, and manufacturing processes. Achieving our 2040 net-zero target will require close collaboration with suppliers and industry peers.

This wave is characterised by the following:

- **Value chain decarbonisation road map:** We continuously revise and improve our company-wide decarbonisation roadmap to stay aligned with the latest developments and support informed decision-making.
- **Active supplier engagement:** We work closely with key suppliers to drive the integration of decarbonisation into their strategies and operations.
- **Partnerships:** We work to establish strong partnerships and collaborate with key suppliers to support the decarbonisation of our value chain. Strategic partnerships, such as our collaboration with Dillinger, play a vital role in securing access to lower-emission steel for critical components like offshore wind monopile foundations.

We continue to leverage advanced technologies and scalable solutions to optimise renewable energy integration and supply chain decarbonisation, as outlined in our [innovation report](#). Additionally, as highlighted in our first [climate advocacy report](#), we actively engage in shaping policies to align global energy needs with the 1.5 °C goal set by the Paris Agreement. The climate advocacy report includes an assessment of our most important industry associations in terms of their alignment with this goal.

Guided by our '[Just transition policy](#)', we are committed to inclusivity by safeguarding workers, supporting communities, and protecting ecosystems as we advance the global energy transformation. By collaborating closely with local communities, we strive to create opportunities, foster socio-economic growth, and ensure that the renewable energy transition is fair and brings meaningful benefits to all involved. Through innovation, advocacy, and a focus on equity, we aim to lead this transition responsibly. //

// ESR5 2, SBM-3; E1, SBM-3 and IRO-1

Resilience analysis

Scope of the resilience analysis

As a global leader in renewable energy, we employ a comprehensive approach to assessing and managing climate-related transition and physical risks, ensuring not only alignment with evolving regulatory requirements but also the resilience of our business model and strategy. Thus, identifying and addressing climate-related impacts, risks, and opportunities are at the core of our vision to create a world that runs entirely on green energy.

Our approach to resilience analysis consists of two main components:

1. Assessing and managing transition risks and opportunities, which include macroeconomic, political, technological, and market developments associated with the global shift to a low-carbon economy.
2. Conducting physical climate risk assessments to evaluate how climate-related hazards (chronic and acute), including extreme weather events and long-term climate changes, may impact our operations.

Transition risks and opportunities

Transition risks stem from a shift to a low-carbon economy and encompass factors such as new regulations, technological innovation, changing market dynamics, and shifting consumer preferences. Over the past decades, we have effectively mitigated these risks by transforming our business model from fossil fuels to renewable energy, aligning our operations with a 1.5 °C climate trajectory. This proactive shift has positioned us well to capitalise on the increasing demand for [renewable energy deployment](#). Nevertheless, we recognise that a key challenge to the overall industry is the [possibility of insufficient political support for a continued renewable energy build-out](#), which is critical to the global energy transition.

Insufficient political or regulatory support for renewable energy deployment has also been assessed as part of the financial part of our double materiality assessment. Transition risks are particularly relevant to our operations in the US, where changes in investment conditions, reductions in subsidies, or shifting policy priorities could increase uncertainty for future projects. This is why

Transition plan highlights



Vision

- To create a world that runs on green energy.



Strategy

- Renewable energy deployment aligned with global, regional, national level decarbonisation and a 1.5 °C pathway.



Governance

- Board level oversight of transition
- Executive incentives linked to performance indicators.



Scenario analysis

- Addressing climate-related and transition risks, such as weather events and climate and regulatory and political respectively.



Policy engagement

- Active engagement with industry stakeholders, and to support the renewable transition. Advocacy aligned with goal of the Paris Agreement.

monitoring changes to political and regulatory stability is critical for our long-term planning and investment.

Our approach to managing risks ensures that global trends – such as inflation, interest rate fluctuations, supply chain disruptions, and geopolitical uncertainties – are monitored and factored into our strategic planning and day-to-day operations. Please see the section 'Enterprise risk management' in this report for more details on how the most material enterprise risks for 2024 are impacted by global trends.

Physical climate risks

These risks arise from physical impacts of climate change, including acute events, such as extreme weather (e.g. hailstorms, typhoons, flooding, and heat- and coldwaves), and chronic changes (e.g. changing temperatures and wind patterns).

Physical climate risks for us include **chronic risks**, such as the dependency of renewable energy generation on natural resources like wind patterns, and **acute risks**, such as the increasing severity and frequency of extreme weather events. Chronic risks may lead to greater uncertainty in production estimates over time, while acute risks could result in, for example, extended temporary shutdowns and increased maintenance and repair requirements.

Therefore, we assess the resilience of our assets towards the occurrence of climate-related hazards. Our climate risk assessment links directly to our efforts to ensure fulfilment of the 'do no significant harm' requirements of the EU taxonomy for climate change adaptation while also focusing on design safeguards and business case risks.

Methodology of the resilience analysis

Transition risks and opportunities

Transition risks, including macroeconomic, business, and geopolitical risks, are managed through our 'Enterprise risk management (ERM) framework', supported by dedicated teams. This framework provides a high-level, principle-based structure for addressing all risks to which Ørsted may be exposed. The ERM framework sets the standards for individual risk frameworks across the organisation, ensuring that risks are identified and managed in line with the appetite for risk.

Complementing the ERM framework is the double materiality assessment (DMA), which serves as both an assessment methodology and a focused lens for driving sustainability-related matters. Risks are assessed on an ongoing basis as part of our day-to-day business. The derived insights, including the DMA outcomes, are synthesised to provide a comprehensive view of sustainability-related risks and opportunities, ensuring alignment with our strategy and business model.

Emerging risks, such as shifts in the political landscape, are part of the ERM framework and are monitored by dedicated, regionally split teams, which oversee region-specific developments.

Physical climate risks

In 2024, we extended our comprehensive analysis, conducted in 2023, to a number of assets that started generating in 2024. This process included mapping climate projections for new assets against 2023 data to identify and assess any significant differences in projected trends. A full reassessment of the portfolio

was deemed unnecessary, as the underlying projection data, sourced from CMIP (used in IPCC reports), is only updated every few years. Our latest assessment is based on CMIP6, which we will continue to use until CMIP7 is released. In addition, there have been no significant changes to either our business case assumptions for generating assets related to climate change risks or our internal methodology for assessing these risks, which would require a full reassessment.

We assess physical risks from two perspectives: design safeguards and business case impacts. The design safeguard evaluation ensures the structural integrity and resilience of assets against climate hazards using region-specific data. Our analysis focuses on offshore, onshore, and bioenergy assets that have reached final investment decision, representing critical components of our portfolio.

The business case impact assessment is conducted at a high-resolution, asset-by-asset level under the SSP5-8.5 worst-case scenario. This conservative approach ensures resilience measures address severe climate risks and protect long-term operational and financial stability. The scope includes offshore and onshore assets currently generating across our operating markets, representing the majority of our climate risk exposure.

Our physical climate risk assessment analyses data based on the remaining operational lifetimes of our assets, which extend up to 35 years. This period is considered medium term in climate projections, as significant climate changes are not typically observed in the short term. The long-term horizon, defined as 2060 onwards, is not applicable under our current

Physical climate risks

The results of the physical climate risk assessment show that all our assets are structurally protected against physical risks from climate change. This is achieved through a combination of design safeguards and mitigation measures, including active collaboration with wind turbine manufacturers to tailor designs to local conditions, and conducting stress tests for extreme scenarios during the design process. These measures are particularly effective in addressing acute physical risks such as heatwaves, coldwaves, frost, cyclone, and typhoons.

From a business case perspective, the most significant climate risks for our portfolio are changes in wind patterns and, to a lesser extent, air temperature, as these factors directly affect energy production. While our analysis indicates only minor deviations in asset values compared to projections based on historical climate data, we recognise the materiality of climate change risks due to their unique nature. These risks develop gradually over time, with impacts that can compound, and are characterised by a fat tail distribution – meaning they involve a low probability of extreme events with potentially severe consequences. This underscores the importance of continuous improvement in assessment methodologies to better capture these dynamics and their potential implications. We therefore acknowledge the need for further investigation going forward as we strive to reduce uncertainties associated with our assessments.

In addition, to mitigating risks through design safeguards and business case considerations, our risk management strategy incorporates estimated maximum loss (EML) assessments to quantify potential

financial exposures and ensure sufficient insurance protection and financial resilience against unforeseen extreme events.

The way forward
Balancing progress and challenges

We have demonstrated the ability to adapt our strategy and business model to address climate change by aligning projects and their associated financing with the EU taxonomy for sustainable activities. This approach ensures that financing is directed toward sustainable initiatives, supporting the transition to a low-carbon economy while maintaining access to affordable financing.

Additionally, we work closely with key stakeholders to support this alignment, reinforcing our capacity to redeploy resources and decommission assets effectively as part of our long-term strategy. We remain dedicated to a robust understanding of climate-related risks. To support this, we plan to re-run the full climate risk assessment for our asset portfolio in 2025, incorporating updated methodologies. This approach ensures our climate-related risk management practices remain thorough, efficient, and aligned with the observed level of risk.

While we are committed to driving a just transition towards renewables, we recognise that various factors, including macroeconomic conditions and technological advancements, influence the pace of progress. To mitigate these risks and capitalise on opportunities, we advocate for political support and initiatives that foster stable macroeconomic conditions, ensuring the continued deployment of renewable energy.

Classification of climate-related hazards and the EU taxonomy's Climate Delegated Regulation

| Relation | Chronic |
|--------------------|--|
| Temperature | <ul style="list-style-type: none"> ✓ Changing temperature (air, freshwater, sea) ✓ Heat stress ✓ Temperature variations ✗ Permafrost thaw |
| Water | <ul style="list-style-type: none"> ✓ Changing precipitation (rain, hail, snow) ✓ Precipitation or snowmelt runoff changes ✓ Ocean acidification ✓ Saline intrusion ✓ Sea level rise ✓ Water stress |
| Wind | <ul style="list-style-type: none"> ✓ Changing wind patterns |
| Solid mass | <ul style="list-style-type: none"> ✓ Coastal erosion ✓ Soil degradation ✓ Soil erosion ✓ Solifluction |

✓ Hazard included in assessment ✗

Adapting to a dynamic landscape

In addition to the above, we recognise that global transition-related events can alter the foundation for our assumptions. As the global renewable energy market continues to expand in the coming years, advancements in grid management, energy storage, and emerging technologies are expected to shape the renewable energy landscape. To adapt to this dynamic environment, we actively monitor political, legal, technological, market, and reputational developments to assess their potential effects on our business.

We will continue the ongoing integration of the DMA and our ERM framework to support a consistent and well-anchored assessment of risks across Ørsted. //

// E1-2

Policies related to climate change

To manage our impacts, risks, and opportunities related to climate change, we are guided by our vision to create a world that runs entirely on green energy. As such, climate change mitigation efforts have been at the core of our operations for many years, eliminating the necessity for a stand-alone climate policy.

We continue to focus on delivering measurable change through setting internal targets, milestones, and decision-making mechanisms, tracked through relevant KPIs. The need for the development of policies will be assessed continuously to ensure the effectiveness of our efforts.

While we do not have a stand-alone climate policy, our commitment to mitigating climate change, deploying renewable energy, and promoting efficient energy systems is embedded in our [sustainability commitment](#). Introduced in 2016, this commitment reflects a systems-based approach to addressing climate change, recognising that social and governance factors are critical to successfully delivering reliable and modern energy systems to society. This perspective is applied across our organisation and is also reflected in our '[Code of conduct for business partners](#)'. The sustainability commitment is overseen by the Group Executive Team.

While the sustainability commitment does not outline the specific steps required to address the identified IROs, it has effectively set the direction for our first transition wave: shifting away from fossil fuels. To ensure continued alignment with our strategy and vision, we have incorporated climate-related KPIs in the remuneration framework of the Group Executive Team. In 2024, the short-term bonus programme includes metrics linked to scope 1 and 2 emissions reductions and the external climate rating from the Carbon Disclosure Project (CDP). //

// E1, GOV-3

Incorporating climate-related considerations into the executive remuneration framework ensures that incentives are aligned with both financial performance and climate objectives. As a renewable energy company, our financial metrics inherently reflect climate performance, reinforcing the link between executive pay and our decarbonisation efforts.

A key financial metric linked to executive remuneration is EBITDA. The majority of EBITDA (91%)

is taxonomy-aligned, generated through activities that contribute to climate change mitigation under the EU taxonomy framework. This highlights the connection between executive remuneration and renewable energy growth, supporting our long-term decarbonisation ambition.

Beyond financial performance, a portion of executive remuneration is linked to climate-specific considerations including our scope 1-2 emissions intensity target. The proportion of recognised remuneration linked to these climate-specific considerations was 1.9% for the CEO, with corresponding figures for the Executive Board as follows: 1.6% for the CCO, 1.4% for the CFO, and 1.5% for the Chief HR Officer. Further details on the methodology, including how climate-related performance is factored into remuneration, can be found in our [remuneration report](#).

// E1-3

Actions related to climate change

Our actions, as outlined in our transition plan, are underpinned by our broader commitment to deploying renewable energy projects and directing capital towards economic activities classified as sustainable under the EU taxonomy. In 2024, we have allocated DKK 46,800 million in capital expenditures to taxonomy-aligned activities. Further, we have taken final investment decisions on 1.8 GW of new projects, demonstrating our commitment to growth within the EU sustainable framework.

Our actions are organised under key decarbonisation levers – strategic approaches designed to address climate change impacts, risks, and opportunities.

Decarbonisation lever 2:

Reducing emissions from operations

Our second decarbonisation lever includes a number of actions that each address the actual negative impacts on climate change from our own operations (fossil-based energy consumption at our CHP plants, and our scope 1 and 2 emissions).

The associated actions undertaken in 2024 are outlined below:

Key action 2.1

Phasing out coal

We achieved a significant milestone in our decarbonisation journey by shutting down our last coal-fired combined heat and power plant in Esbjerg, Denmark. This marks a major step in reducing fossil-based energy consumption at our CHP plants and lowering our scope 1 and 2 emissions from operations, which have already been significantly lowered. Between 2018 and 2024, we have reduced our scope 1 and 2 emissions intensity by 88% and remain on track to achieve our SBTi-validated target of 93% in 2025.

We continue to identify additional ways to drive down emissions within our operations. The following actions, although supplementary, are deemed relevant contributions towards our climate objective.

Action 2.1

Electric vehicles fleet

To support our target of achieving a fully electric vehicle fleet by the end of 2025, we transitioned additional fossil fuel-powered vehicles to electric vehicles in 2024. As a result, 73% of our vehicle fleet is now fully electric. This transition is underpinned by a strategic

decision to discontinue the acquisition or leasing of fossil fuel-powered vehicles, ensuring alignment with our decarbonisation objectives.

Action 2.2

Heavy-lift (cargo) drones for offshore maintenance

In 2024, we deployed heavy-lift (cargo) drones (HLCD) for the first time during an operational campaign at the Borssele 1 & 2 Offshore Wind Farm to enhance maintenance efficiency. This innovation delivers significant cost and time savings while reducing GHG emissions by minimising vessel journeys and optimising operations. The use of drones allows cargo to be delivered directly to the nacelle in just four minutes per wind turbine, compared to approximately six hours using conventional methods, enabling tasks to be completed 10-15 times faster. Additionally, this approach eliminates the need to shut down turbines during delivery, reducing work disturbances and further improving efficiency.

Decarbonisation lever 3:

Reducing emissions from our supply chain

Stakeholders, including regulators, investors, and customers, are increasingly attentive to emissions across the entire value chain, making it a key area of focus for organisations seeking to align with the evolving sustainability landscape.

For us, reducing [scope 3 emissions from the renewable energy supply chain](#) is an important step in supporting the global energy transition. It is the second wave of transition efforts towards delivering on our 2040 science-based net-zero target.

Addressing emissions in the value chain also offers opportunities to manage risks associated with

resource availability and supply chain disruptions. By working with suppliers to explore lower-emissions alternatives and support innovations like circular practices, we can make progress in reducing emissions while contributing to broader sustainability efforts.

Although eliminating value chain emissions will largely require systemic changes and long-term efforts by national and regional regulatory advancements, we are committed to making incremental progress in this area. This links directly to our broader decarbonisation strategy and aligns with global climate goals.

Key action 3.1

Continued improvement of our company-wide roadmap

In 2024, we initiated a project to update our company-wide decarbonisation roadmap to support our ambition of achieving net-zero emissions by 2040. This roadmap will continue to provide clear interim milestones and help identify potential new areas where immediate progress can be achieved. This approach ensures a solid foundation for long-term systematic change through measurable progress and targeted actions.

Key action 3.2

Offtake agreements for lower-emissions steel

Decarbonising our value chain requires close collaboration with key partners and suppliers. In 2024, we reinforced our partnership with Dillinger, Europe's largest heavy steel plate producer. Under this agreement, Dillinger will offer Ørsted access to the first production of lower-emission steel, contingent on availability and commercial terms and conditions. The steel plates are a critical component of the offshore wind monopile foundations.

also contribute to the resilience of supply chains. To embed sustainability matters into procurement practices, we have a dedicated organisational set-up that enables clear focus on driving sustainable procurement.

Action 3.1

Uniform methodology for product carbon footprint (PCF) for offshore assets

In 2024, we continued our collaboration with Carbon Trust to develop a standardised carbon footprint methodology for offshore assets across the full life cycle. The methodology provides sector-specific guidance for the application of international PCF and life cycle assessment standards.

Establishing an industry-wide uniform methodology will ensure a consistent approach to measuring the environmental impact of offshore wind projects throughout their entire life cycle, from material sourcing to decommissioning. By supporting such initiatives, we aim to enhance transparency and drive improvements across the industry.

Decarbonisation lever 4:

Beyond value chain mitigation

In addition to reducing our scope 1-3 emissions toward our 2040 net-zero target, we take further steps to finance and develop nature-based projects that contribute to climate action outside our value chain. These efforts are not a substitute for reducing our scope 1-3 emissions; rather, they complement and reinforce our commitment to achieving emissions reductions as part of our holistic approach to climate action. By supporting nature-based projects, we also advance our efforts to address a possible

positive impact: [carbon removal through nature-based projects](#), which supports broader climate action and sustainability objectives.

Action 4.1

Nature-based projects in the Gambia

In 2024, we have continued to advance our portfolio of nature-based carbon removal projects by planting approximately 40 million propagules in the Gambia, equivalent to around 4,000 hectares, thereby contributing further to the restoration of vital ecosystems and mitigating climate change. The project is in partnership with the Gambia Department of Parks & Wildlife Management and three local NGOs to restore mangrove populations.

To ensure carbon credits contribute meaningfully to climate action, they must meet additionality, i.e. that the project would not occur without financial support, and permanence, i.e. that the mangroves remain intact. We actively support the Gambia project with a dedicated team and financial backing. Though resource-intensive and time-consuming as mangroves mature, this approach ensures project integrity. //

Decarbonisation levers and

Decarbonisation lever 1: Deploying renewable energy

Key action 1.1. Installed renewable capacity
Expanded renewable energy portfolio of installed capacity in 2024.

Advanced our pipeline to a total of 7.8 GW of decided capacity (1.8 GW added in 2024).

Decarbonisation lever 2: Reducing emissions from operations

Key action 2.1. Phasing out coal
Shutting down our last coal-fired combined cycle power plant in Esbjerg, Denmark.

Action 2.1. Electric vehicle fleet
Achieved 73% electrification of our vehicle fleet.

Action 2.2. Heavy-lift (cargo) drones for offshore maintenance
Deployed heavy-lift drones at Borssele in 2024, boosting efficiency and cutting emissions.

// E1-4

Targets related to climate change

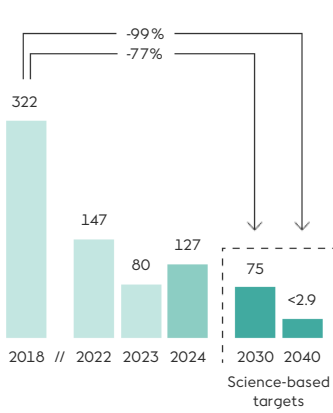
Delivering on our 2040 net-zero ambition

In 2021, we became the first energy company to set a science-based net-zero target covering scope 1-3 emissions by 2040. Since then, we have made measurable progress and remain on track to meet our near-term scope 1-2 emissions intensity target.

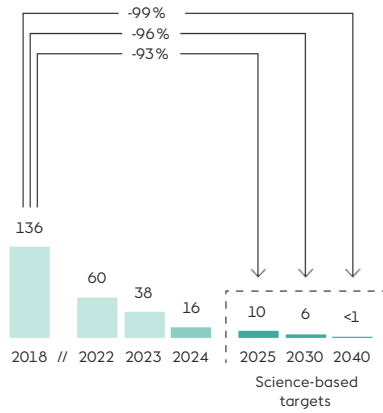
To provide a more detailed trajectory for our decarbonisation efforts, we developed a portfolio of new near-term targets for 2030, using the same KPIs as our 2040 targets. In 2024, the Science Based Targets initiative (SBTi) validated our interim 2030 targets.

The SBTi’s target validation team classified the ambition of these targets across scopes 1-3 as aligned with a 1.5 °C trajectory, reflecting alignment with the most ambitious goal of the Paris Agreement. This validation underscores the credibility of our approach and further reinforces our commitment to leading the energy transition towards a net-zero future.

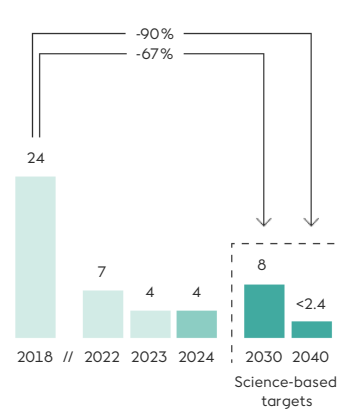
Our portfolio of climate targets outlines a clear pathway to reducing emissions across our value chain. It also includes a cap on emissions from natural gas sales, building on the reductions we have already achieved.



Scope 1-3 greenhouse gas emissions intensity (excl. gas sales)
g CO₂e/kWh



Scope 1-2 greenhouse gas emissions intensity
g CO₂e/kWh



Scope 3 greenhouse gas emissions from gas sales
Mt CO₂e

SBTi-validated climate targets 2018-2040

Delivering on our net-zero ambition
We remain committed to leading the energy transition towards a net-zero future.

15.1

2022

Instalment capacity (GW)

Climate-related targets

| ESRS ref. | SBTi and entity-specific climate targets | Unit | Scope | Target value | SBTi target value | Target |
|------------------|--|-------------------------|--------------------------------|--------------|-------------------|--------|
| | SBTi-validated climate targets | | | | | |
| // E1-4, 34(a-e) | Scope 1-2 GHG emissions intensity ¹ | g CO ₂ e/kWh | Own operations | 10 | 93% | |
| // E1-4, 34(a-e) | Scope 1-2 GHG emissions intensity ¹ | g CO ₂ e/kWh | Own operations | 6 | 96% | |
| // E1-4, 34(a-e) | Scope 1-2 GHG emissions intensity ¹ | g CO ₂ e/kWh | Own operations | 1 | 99% | |
| // E1-4, 34(a-e) | Scope 1-3 GHG emissions intensity (excl. gas sales) | g CO ₂ e/kWh | Own operations and value chain | 75 | 77% | |
| // E1-4, 34(a-e) | Scope 1-3 GHG emissions intensity (excl. gas sales) | g CO ₂ e/kWh | Own operations and value chain | <2.9 | 99% | |
| // E1-4, 34(a-e) | Scope 1-3 GHG emissions intensity (sold electricity) | g CO ₂ e/kWh | Own operations and value chain | 24 | 90% | |
| // E1-4, 34(a-e) | Scope 3 GHG emissions from gas sales | Mt CO ₂ e | Value chain | 8 | 67% | |
| // E1-4, 34(a-e) | Scope 3 GHG emissions from gas sales | Mt CO ₂ e | Value chain | <2.4 | 90% | |
| // E1-4, 34(a-e) | Scope 3 GHG emissions | Mt CO ₂ e | Value chain | 14 | 50% | |
| | Other climate targets | | | | | |
| Entity spec. | Share of renewable energy generation | % | Own operations | 99 | - | |
| Entity spec. | Coal and coal products used in thermal heat and power generation | ktonnes | Own operations | 0 | - | |
| Entity spec. | Share of electric vehicles in company vehicle fleet | % | Own operations | 100 | - | |
| | Business driver target | | | | | |
| Entity spec. | Installed renewable capacity ² | GW | Own operations | 22 | - | |

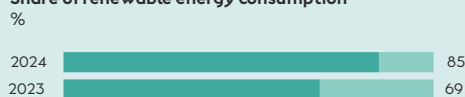
¹ As part of the SBTi validation process of our interim targets, we updated the baseline year for our scope 1-2 emissions intensity target from 2006 to 2018.

² Renewable capacity installed by Ørsted accumulated over time and not adjusted for divestments

Energy consumption

| ESRS ref. | Energy consumption | Unit | 2024 | 2023 | Δ |
|---------------------|--|-----------------|-------------------|-------------------|--------------|
| // E1-5, 37(a) | Total energy consumption from non-renewable sources | MWh | 2,384,997 | 4,850,134 | (51%) |
| Entity spec. | Non-renewable fuels used in thermal heat and power generation | MWh | 2,211,856 | 4,690,323 | (53%) |
| // E1-5, 38(a) | Fuel consumed from coal and coal products | MWh | 1,449,425 | 3,782,295 | (62%) |
| // E1-5, 38(c) | Fuel consumed from natural gas | MWh | 606,373 | 745,742 | (19%) |
| // E1-5, 38(b) | Fuel consumed from crude oil and petroleum products | MWh | 156,058 | 162,286 | (4%) |
| Entity spec. | Other fossil sources (oil, gas, and diesel for vessels and vehicles) | MWh | 168,062 | 155,309 | 8% |
| // E1-5, 38(e) | Consumption of purchased or acquired heat from fossil sources | MWh | 5,079 | 4,502 | 13% |
| // E1-5, 37(c) | Total energy consumption from renewable sources | MWh | 13,620,470 | 10,718,308 | 27% |
| Entity spec. | Renewable fuels used in thermal heat and power generation | MWh | 13,143,806 | 10,090,651 | 30% |
| // E1-5, 37(c)(i) | Fuel consumed from biomass | MWh | 13,131,089 | 10,074,047 | 30% |
| // E1-5, 37(c)(ii) | Fuel consumed from biogas | MWh | 12,717 | 16,604 | (23%) |
| // E1-5, 37(c)(iii) | Consumption of purchased or acquired electricity and heat from renewable sources | MWh | 476,664 | 627,657 | (24%) |
| // E1-5, 37 | Total energy consumption | MWh | 16,005,467 | 15,568,442 | 3% |
| // E1-5, AR34 | Share of non-renewable energy consumption | % | 15 | 31 | (16)p |
| // E1-5, AR34 | Share of renewable energy consumption | % | 85 | 69 | 16%p |
| // E1-5, 40 | Energy intensity from activities in high climate impact sectors | MWh/DKKm | 225 | 196 | 15% |
| Entity spec. | Electric vehicles in company vehicle fleet | % | 73 | 65 | 8%p |

Share of renewable energy consumption



Total energy consumption increased by 3% in 2024 compared to 2023.

Total energy consumption from non-renewable sources decreased by 51% in 2024 compared to 2023. This was mainly driven by 62% lower fuel consumption from coal at our CHP plants.

The lower consumption of coal compared to 2023 was mainly driven by the shut down of the coal-based Esbjerg Power Station from September 2024 as well as our other coal-based generation capacity in Q4 2024. In addition, we have resumed biomass usage at Studstrup Power Station, replacing coal consumption since April 2023.

Total energy consumption from renewable sources increased by 27% in 2024 compared to 2023. The increase was primarily driven by 30% higher fuel consumption from biomass at our CHP plants, driven by improved spreads from decreasing wood

pellet prices as well as increased biomass usage at Studstrup Power Station in 2024, as we have resumed using biomass after the fire in the wood pellet silo that lead to lower biomass usage in 2023.

The 15% increase in energy intensity from activities in high climate impact sectors is due to a 3% increase in total energy consumption (numerator) and a 10% reduction in revenue (denominator).

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

Scopes 1, 2, and 3

| ESRS ref. | Greenhouse gas (GHG emissions), tonnes CO ₂ e | 2024 | 2023 | Δ |
|------------------------------|---|------------------|------------------|--------------|
| // E1-6, 48(a), 50(a) | Direct GHG emissions (scope 1) | 733,299 | 1,584,822 | (54%) |
| // E1-6, 48(b) | Covered by the EU Emissions Trading System, % | 92 | 96 | (4%p) |
| // E1-6, 44(b), 49(a), 50(a) | Indirect GHG emissions (scope 2), location-based | 58,925 | 92,960 | (37%) |
| // E1-6, 44(b), 49(b), 50(a) | Indirect GHG emissions (scope 2), market-based¹ | 875 | 701 | 25% |
| // E1-6, 44(c) | Indirect GHG emissions (scope 3) | 9,043,386 | 5,631,417 | 61% |
| // E1-6, 51 | C1: purchased goods and services | 528,954 | 327,854 | 61% |
| // E1-6, 51 | C2: capital goods | 3,050,022 | 91,140 | 3,247% |
| // E1-6, 51 | C3: fuel- and energy-related activities | 1,390,869 | 1,314,390 | 6% |
| // E1-6, 51 | C4: upstream transportation and distribution | 630 | 234 | 169% |
| // E1-6, 51 | C5: waste generated in operations | 2,841 | 2,660 | 7% |
| // E1-6, 51 | C6: business travel ² | 22,972 | 18,111 | 27% |
| // E1-6, 51 | C7: employee commuting | 12,330 | 12,577 | (2%) |
| // E1-6, 51 | C9: downstream transport and distribution | 2,591 | 2,496 | 4% |
| // E1-6, 51 | C11: use of sold products | 4,032,177 | 3,861,955 | 4% |
| // E1-6, 52(a) | Total GHG emissions (location-based)³ | 9,835,610 | 7,309,199 | 35% |
| // E1-6, 52(b) | Total GHG emissions (market-based)³ | 9,777,560 | 7,216,940 | 35% |
| Entity spec. | Scopes 1, 2, and 3 (excl. gas sales) | 5,745,383 | 3,354,985 | 71% |
| Entity spec. | Scope 3 (excl. gas sales) | 5,011,209 | 1,769,462 | 183% |
| Entity spec. | GHG emissions outside of scopes 1-3⁴ | 4,626,264 | 3,584,996 | 29% |
| // E1-6, AR43(c) | Direct biogenic carbon emissions | 4,598,412 | 3,544,231 | 30% |
| // E1-6 AR45(e) | Indirect biogenic carbon emissions | 27,852 | 40,765 | (32%) |
| // E1-6, 50(b) | GHG emissions not accounted for under the consolidated group | | | |
| // E1-6, 50(b) | Scope 1 emissions | 30,635 | - | - |
| // E1-6, 50(b) | Scope 2 emissions (location-based) | 10,063 | - | - |
| // E1-6, 50(b) | Scope 2 emissions (market-based) ⁵ | 10,063 | - | - |

¹ We cover 100% of our own electricity consumption with unbundled renewable electricity certificates.

² We have obtained carbon dioxide emissions data directly from our air travel suppliers, which account for 0.2% of the total scope 3 emissions.

³ Total GHG emissions including scope 2 GHG emissions measured using the location-based and market-based method, respectively.

⁴ According to the GHG Protocol, emissions data for direct carbon emissions from biologically sequestered carbon (e.g. carbon dioxide from burning biomass) shall be reported separately from scopes 1-3.

⁵ We do not purchase renewable certificates for the scope 2 emissions not financially consolidated.

Scope 1

Scope 1 greenhouse gas (GHG) emissions decreased by 54% from 2023 to 2024. The main driver was the 53% decrease in the non-renewable fuels used in the heat and power generation, where coal consumption decreased by 62%.

In 2024, 92% of our scope 1 GHG emissions were covered by the EU Emissions Trading System.

Scope 2

Location-based scope 2 GHG emissions decreased by 37% from 2023 to 2024, primarily driven by less purchased power for the electric boilers at our CHP plants.

All electricity purchased and consumed by Ørsted is covered with certificates, ensuring it has been produced using renewable sources. Therefore, our market-based scope 2 GHG emissions from power consumption amounted to zero tonnes carbon dioxide equivalents. The remaining 875 tonnes carbon dioxide equivalents come from the fossil-based share of our heat consumption.

Scope 3

Scope 3 GHG emissions increased by 61% from 2023 to 2024. This increase was primarily driven by the increase in emissions from capital goods (category 2), as we commissioned four large solar farms in the US, two offshore wind farms in Taiwan, and one offshore wind farm in the US in 2024, whereas we only commissioned four onshore wind farms in 2023.

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

GHG emissions intensity

| ESRS ref. | GHG emissions intensity | Unit | 2024 | 2023 | Δ |
|---|--|-------------------------|------|------|-------|
| GHG emissions intensity (scopes 1 and 2) | | | | | |
| Entity spec. | GHG emissions intensity, energy generation | g CO ₂ e/kWh | 16 | 38 | (58%) |
| Entity spec. | Offshore | g CO ₂ e/kWh | 2 | 2 | 0% |
| Entity spec. | Onshore | g CO ₂ e/kWh | 0 | 0 | - |
| Entity spec. | Bioenergy & Other | g CO ₂ e/kWh | 61 | 141 | (57%) |
| Entity spec. | GHG emissions intensity, revenue | g CO ₂ e/DKK | 10 | 20 | (50%) |
| Entity spec. | GHG emissions intensity, EBITDA | g CO ₂ e/DKK | 23 | 85 | (73%) |
| GHG emissions intensity (scopes 1, 2, and 3) | | | | | |
| Entity spec. | GHG emissions intensity ¹ , energy generation | g CO ₂ e/kWh | 127 | 80 | 59% |
| // E1-6, 53 | GHG emissions intensity ² , revenue | g CO ₂ e/DKK | 138 | 92 | 50% |
| // E1-6, 53 | GHG emissions intensity ³ , revenue | g CO ₂ e/DKK | 138 | 91 | 52% |

¹ Excludes scope 3 emissions from gas sales. Calculated using market-based scope 2 emissions.

² Calculated using location-based scope 2 emissions.

³ Calculated using market-based scope 2 emissions.

GHG emissions intensity (scopes 1 and 2)

Our scope 1 and 2 GHG emissions intensity (energy generation), decreased by 58% in 2024 compared to 2023. The decrease was the result of a 54% decrease in scope 1 emissions due to lower non-renewable fuels used in thermal heat and power generation (numerator) and an 8% increase in total heat and power generation (denominator).

Our scope 1 and 2 GHG emissions intensity (revenue) was reduced by 50%, and our scope 1 and 2 GHG emissions intensity (EBITDA) was reduced by 73%, following the 58% reduction in GHG emissions (numerator), the 10% reduction in revenue, and the 71% increase in EBITDA (denominators).

GHG emissions intensity (scopes 1, 2, and 3)

Our scope 1, 2, and 3 (excluding gas sales) GHG emissions intensity (energy generation) increased by 59% from 2023 to 2024. The increase was mainly driven by the 183% increase in scope 3 (excluding emissions from gas sales), partially offset by 54% lower scope 1 emissions and an 8% increase in total heat and power generation (denominator).

Our scope 1, 2, and 3 GHG emissions intensity (revenue) increased by 50% (for intensity based on location-based scope 2 emissions) and 52% (for intensity based on market-based scope 2 emissions). The increase was mainly driven by a 61% increase in total scope 3 emissions and a 10% reduction in revenue, partially offset by 54% lower scope 1 emissions.

5 Accounting policies

Direct GHG emissions (scope 1)

Scope 1 emissions are reported based on the Greenhouse Gas (GHG) Protocol and cover emissions of greenhouse gases from direct combustion of fossil fuels, including carbon dioxide, methane, nitrous oxide, and hydrofluoride. The direct carbon emissions from combined heat and power plants are determined on the fuel quantities used in accordance with the EU Emissions Trading System (ETS). Other greenhouse gas emissions from the EU ETS scheme are primarily calculated as consumption multiplied by emission factors.

Indirect GHG emissions (scope 2)

Scope 2 emissions are reported based on the Greenhouse Gas (GHG) Protocol and include indirect GHG emissions from the generation of power, heat, and steam that is produced and consumed by Ørsted. Scope 2 emissions are primarily calculated as the power volume purchased multiplied by country-specific emission factors. Location-based emissions are calculated as average country-specific emission factors multiplied by location-based emissions take into account the power purchased and assume that the power is delivered as residual power.

Indirect GHG emissions (scope 3)

Scope 3 emissions are reported based on the Greenhouse Gas (GHG) Protocol, where the accounting for scope 3 is split into 15 subcategories (C1-C15).

C1 is categorised spend data multiplied by spend-category-specific emission factors.

C2 includes upstream GHG emissions from operations) from acquired and installed and storage assets in the month when commercial operation date (COD).

C3 is calculated based on actual fuel and power sales to end customers multiplied by relevant emission factors. We use specific emission factors for green and regular power.

C4 only includes fuel for helicopter operations. Emissions from other transport types are included in the emission factors we use for power and services.

C5 is calculated based on actual fuel multiplied by relevant emission factors.

C6 is calculated based on mileage for employee travel in own cars and GHG emissions from plane travel provided by our travel agency.

GHG emissions calculation factors

References for calculation factors used in the 2024 data set (page 94)

| Scope 1 emissions | Scope 2 emissions | Scope 3 emissions | | Biogenic emissions | |
|--|---|--|--|---|--|
| <p>Global warming potential of greenhouse gases</p> <ul style="list-style-type: none"> ◊ CH₄, N₂O, SF₆ <p>Intergovernmental Panel on Climate Change (IPCC): Climate Change 2021, The Physical Science Basis</p> <p>Carbon emissions from fossil fuels at CHP plants</p> <ul style="list-style-type: none"> ◊ Coal, oil, natural gas <p>Danish Energy Agency: Standard-faktorer for brændværdier og CO₂-emissioner (Standard factors for calorific value and carbon emissions), 2023</p> <p>Carbon emissions from fossil fuels outside CHP plants</p> <ul style="list-style-type: none"> ◊ Diesel, petrol, fuel oil, jet fuel <p>American Petroleum Institute (API): Compendium of greenhouse gas emission methodologies for the natural gas and oil industry, 2021</p> | <p>Carbon emissions from power purchased</p> <ul style="list-style-type: none"> ◊ In Denmark <p>EnerginetDK, 2023: Generel deklARATION og MiljødeklARATION, 2021 (General declaration and environmental declaration, 2022)</p> <p>Carbon emissions from power purchased</p> <ul style="list-style-type: none"> ◊ In other European countries <p>Association of Issuing Bodies (AIB): European Residual Mixes, 2023 (2022 data)</p> <p>Carbon emissions from power purchased</p> <ul style="list-style-type: none"> ◊ In countries outside Europe <p>Institute for Global Environmental Strategies (IGES): list of grid emission factors, 2023</p> <p>US Environmental Protection Agency (EPA): US EPA 2024 (eGRID2022 data)</p> | <p>Use of sold products (category 11)</p> <ul style="list-style-type: none"> ◊ Emissions from end-use of gas <p>UK Department for Environment, Food & Rural Affairs (DEFRA): UK government GHG conversion factors for company reporting, 2023</p> <p>Capital goods (category 2)</p> <ul style="list-style-type: none"> ◊ Wind farms, offshore <p>The model is based on the ISO 14040 Life cycle assessment standard (1) and applied in the openLCA software. The modelling is conducted using the Environmental Footprint 3.0 LCIA (life cycle impact assessment) method, and the impacts of each activity/material come from the ecoinvent environmental database, version 3.8.</p> <ul style="list-style-type: none"> ◊ Wind farms, onshore <p>Siemens, Environmental Product Declaration: a clean energy solution – from cradle to grave. Onshore wind power plant employing SWT-2.3-108</p> | <ul style="list-style-type: none"> ◊ Solar PV <p>CdTe: First Solar, Environmental Product Declaration: Series 6 Photovoltaic Module, NEPD-2993-1671, EPD-Norge, 2021</p> <p>Mono-si: NREL, An Updated Life Cycle Assessment of Utility-Scale Solar Photovoltaic Systems. National Renewable Energy Laboratory, 2021</p> <ul style="list-style-type: none"> ◊ Battery storage <p>Perala, M., & Barron, J., "Carbon footprint and energy payback of photovoltaic technologies: A review of trends and gaps." Journal of Cleaner Production, Vol. 426, 2024.</p> <p>Fuel- and energy-related activities (category 3)</p> <ul style="list-style-type: none"> ◊ Emissions from regular power sales and upstream supply chain for fuels <p>Association of Issuing Bodies (AIB): European Residual Mixes, 2023 (2022 data)</p> <p>UK Department for Environment, Food & Rural Affairs (DEFRA): UK government GHG conversion factors for company reporting, 2023</p> | <p>Purchased goods and services (category 1)</p> <ul style="list-style-type: none"> ◊ Supply chain emission factors depending on product categories <p>US Environmental Protection Agency (EPA): Supply Chain Greenhouse Gas Emission Factors, USD 2018</p> <p>Business travel (category 6)</p> <ul style="list-style-type: none"> ◊ Assumptions: 'average car', 'unknown fuel type' <p>UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2023</p> | <p>Biogenic emissions from combustion of biomass</p> <ul style="list-style-type: none"> ◊ GHG emissions outside of scopes 1-3, biomass and biogas <p>UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2023</p> |
| <p>◊ <i>Comment</i> <i>(Italic)</i> <i>Source</i></p> | | | | | |

Entity spec.

Overview by country

| Overview by country | Unit | Denmark | The UK | Germany | The Netherlands | The US | Taiwan | Poland | Other countries |
|--|---------------------------|--------------|---------------|--------------|-----------------|--------------|--------------|--------------|-----------------|
| Installed renewable capacity | MW | 3,061 | 5,795 | 1,387 | 752 | 5,825 | 945 | - | - |
| Offshore wind power | MW | 1,006 | 5,692 | 1,346 | 752 | 162 | 945 | - | - |
| Onshore wind power | MW | - | 83 | 27 | - | 3,215 | - | - | - |
| Solar PV power | MW | - | - | 14 | - | 2,108 | - | - | - |
| Battery storage | MW | 1 | 20 | - | - | 340 | - | - | - |
| Bioenergy | MW | 2,054 | - | - | - | - | - | - | - |
| Decided (FID'ed) renewable capacity | MW | - | 3,152 | 1,249 | - | 2,137 | 920 | - | - |
| Offshore wind power | MW | - | 2,852 | 1,166 | - | 1,628 | 920 | - | - |
| Onshore wind power | MW | - | - | 67 | - | 259 | - | - | - |
| Solar PV power | MW | - | - | 16 | - | - | - | - | - |
| Battery storage | MW | - | 300 | - | - | 250 | - | - | - |
| P2X | MW | - | - | - | - | - | - | - | - |
| Awarded and contracted renewable capacity | MW | - | 2,400 | - | - | - | - | 2,753 | - |
| Sum of installed, FID'ed, and awarded/contracted capacity | MW | 3,061 | 11,347 | 2,636 | 752 | 7,962 | 1,865 | 2,753 | - |
| Power generation capacity | MW | 2,658 | 2,908 | 837 | 376 | 5,172 | 598 | - | - |
| Offshore wind power | MW | 561 | 2,830 | 800 | 376 | 96 | 598 | - | - |
| Onshore wind power | MW | - | 78 | 22 | - | 3,215 | - | - | - |
| Solar PV power | MW | - | - | 15 | - | 1,861 | - | - | - |
| Thermal power | MW | 2,097 | - | - | - | - | - | - | - |
| Heat generation capacity, thermal | MW | 2,864 | - | - | - | - | - | - | - |
| Power generation | GWh | 6,583 | 10,519 | 2,414 | 1,333 | 14,556 | 2,220 | - | - |
| Heat generation | GWh | 6,919 | - | - | - | - | - | - | - |
| Share of renewable energy generation | % | 91 | 100 | 100 | 100 | 100 | 100 | - | - |
| Greenhouse gas emissions (scopes 1 and 2) | ktonnes CO ₂ e | 700 | 18 | 7 | 2 | 2 | 5 | - | - |
| Greenhouse gas intensity (scopes 1 and 2) | g CO ₂ e/kWh | 52 | 2 | 3 | 1 | 0 | 2 | - | - |

Entity spec.
















Renewable capacity

Business drivers

| Renewable capacity | Unit | 2024 | 2023 | Δ |
|--|-----------|---------------|---------------|--------------|
| Installed renewable capacity | MW | 18,170 | 15,731 | 2,439 |
| Offshore, wind power | MW | 9,903 | 8,871 | 1,032 |
| Onshore | MW | 6,193 | 4,785 | 1,407 |
| Wind power | MW | 3,726 | 3,717 | 9 |
| Solar PV power ¹ | MW | 2,127 | 1,028 | 1,098 |
| Battery storage ¹ | MW | 340 | 40 | 300 |
| Bioenergy ² | MW | 2,075 | 2,075 | - |
| Decided (FID'ed) renewable capacity | MW | 7,638 | 8,323 | (685) |
| Offshore | MW | 6,866 | 6,672 | 194 |
| Wind power | MW | 6,566 | 6,672 | (106) |
| Battery storage ¹ | MW | 300 | - | 300 |
| Onshore | MW | 772 | 1,579 | (807) |
| Wind power | MW | 370 | 100 | 270 |
| Solar PV power ¹ | MW | 152 | 1,179 | (1,027) |
| Battery storage ¹ | MW | 250 | 300 | (50) |
| P2X ³ | MW | - | 72 | (72) |
| Awarded and contracted renewable capacity | MW | 5,153 | 3,720 | 1,433 |
| Offshore, wind power | MW | 5,153 | 3,677 | 1,476 |
| Onshore, wind power | MW | - | 43 | (43) |
| Sum of installed and FID'ed renewable capacity | MW | 25,808 | 24,054 | 1,754 |
| Sum of installed, FID'ed, and awarded/contracted renewable capacity | MW | 30,961 | 27,774 | 3,187 |

Additions for the last 12 months

Installed capacity Decided (FID'ed) capacity (above 20 MW) Awarded (offshore) and contracted (onshore) capacity (above 20 MW)

| Q1 | Q2 | Q3 | Q4 |
|--|---|--|---|
| <ul style="list-style-type: none">  Delta Sèvre-Argent, Onshore wind (9 MW)  Sunrise Wind, Offshore wind (924 MW)  Farranrory, Onshore wind (43 MW) | <ul style="list-style-type: none">  Greater Changhua 1 and 2a, Offshore wind (900 MW)  Eleven Mile, Solar PV (300 MW) · Battery storage (300 MW)  Sparta Solar, Solar PV (250 MW)  Hornsea 3, Battery storage (300 MW) | <ul style="list-style-type: none">  South Fork, Offshore wind (132 MW)  Old 300, Solar PV (73 MW)  Amberg Süd, Solar PV (4 MW)  Hornsea 4, Offshore wind (4,200 MW) | <ul style="list-style-type: none">  Mockingbird, Solar PV (471 MW)  Badger Wind, Onshore wind (259 MW)  Ballinrea Solar Farm, Solar PV (55 MW)  Old 300 BESS, Battery storage (250 MW) |

In 2024, we added 2.4 GW of installed renewable energy capacity. We reached COD for the offshore wind farms Greater Changhua 1 and 2a (900 MW) and South Fork (132 MW), and we commissioned the onshore assets Mockingbird (471 MW), Sparta Solar (250 MW), the remaining part of Old 300 (73 MW), and the Eleven Mile Solar Center with a solar PV capacity of 300 MW and a battery storage capacity of 300 MW/1,200 MWh.

We took final investment decisions for the offshore wind farm Sunrise Wind (924 MW), the onshore wind farms Badger Wind (259 MW) and Farranrory (43 MW), and the solar farm Ballinrea (55 MW). Additionally, we took final investment decisions for two battery energy storage systems (BESS): a BESS collocated with Hornsea 3 (300 MW/600 MWh) and the BESS at Old 300 (250 MW/500 MWh).

¹ Both the solar PV and battery storage capacities are measured in megawatts of alternating current (MW_{ac}).

² Including thermal heat capacity from biomass and battery capacity not in Onshore (21 MW).

³ In Q2 2024, we took the decision to cease the development of our liquid e-fuels project FlagshipONE in Sweden.

Entity spec.

Generation capacity

Business drivers

| Generation capacity | Unit | 2024 | 2023 | Δ |
|---|-----------|---------------|---------------|--------------|
| Power generation capacity | MW | 12,899 | 12,511 | 388 |
| Offshore wind | MW | 5,260 | 4,986 | 274 |
| Denmark | MW | 561 | 561 | - |
| The UK | MW | 2,830 | 2,830 | - |
| Germany | MW | 799 | 673 | 126 |
| The Netherlands | MW | 376 | 376 | - |
| Taiwan | MW | 598 | 516 | 82 |
| The US | MW | 96 | 30 | 66 |
| Onshore wind | MW | 3,666 | 3,707 | (41) |
| The US | MW | 3,215 | 3,215 | - |
| Ireland | MW | 351 | 351 | - |
| The UK | MW | 78 | 78 | - |
| France | MW | - | 41 | (41) |
| Germany | MW | 22 | 22 | - |
| Solar PV | MW | 1,876 | 1,018 | 858 |
| The US | MW | 1,861 | 1,004 | 857 |
| France | MW | - | 4 | (4) |
| Germany | MW | 15 | 10 | 5 |
| Thermal, Denmark (CHP plants) | MW | 2,097 | 2,800 | (703) |
| Heat generation capacity, thermal | MW | 2,864 | 3,353 | (489) |
| Based on biomass | MW | 2,032 | 2,032 | - |
| Based on coal | MW | - | 1,300 | (1,300) |
| Based on natural gas | MW | 1,574 | 1,617 | (43) |
| Heat generation capacity, electric | MW | 249 | 225 | 24 |
| Power generation capacity, thermal | MW | 2,097 | 2,800 | (703) |
| Based on biomass | MW | 1,232 | 1,228 | 4 |
| Based on coal | MW | - | 991 | (991) |
| Based on natural gas | MW | 882 | 951 | (69) |
| Based on oil | MW | 474 | 734 | (260) |

Our power generation capacity increased by 3% to 12,899 MW in 2024. Offshore wind power generation capacity increased by 274 MW, primarily due to the ramp-up of Gode Wind 3 in Germany, Changhua 1 and 2a in Taiwan, and South Fork Wind in the US.

Onshore wind power generation capacity decreased slightly due to the divestment of the French assets in Q2 2024.

Solar PV generation capacity increased by 858 MW to 1,876 MW in 2024, mainly driven by the commissioning of Eleven Mile Solar Center, Sparta Solar, and Mockingbird in the US.

In 2024, thermal power generation capacity decreased by 703 MW, mainly due to the closure of the 373 MW power generation capacity at Esbjerg Power Station. We have also taken the 260 MW unit at Kyndby Peak Load Plant (based on oil) and part of the gas-based capacity at Avedøre Power Station out of operation in 2024.

Heat generation capacity (thermal) decreased by 489 MW, mainly due to the closure of Esbjerg Power Station and part of the gas-based capacity at Avedøre Power Station in 2024.

Entity spec.

Energy business drivers

Business drivers

| Energy business drivers | Unit | 2024 | 2023 | Δ |
|------------------------------|--------|-------|-------|-------|
| Offshore wind | | | | |
| Wind speed | m/s | 10.0 | 9.8 | 2% |
| Wind speed, normal wind year | m/s | 9.9 | 9.9 | 0% |
| Availability | % | 88 | 93 | (5%p) |
| Load factor | % | 42 | 43 | (1%p) |
| Onshore wind | | | | |
| Wind speed | m/s | 7.2 | 7.2 | 0% |
| Wind speed, normal wind year | m/s | 7.4 | 7.4 | 0% |
| Availability | % | 90 | 88 | 2%p |
| Load factor | % | 37 | 36 | 1%p |
| Solar PV | | | | |
| Availability | % | 98 | 98 | 0%p |
| Load factor | % | 25 | 24 | 1%p |
| Other | | | | |
| Degree days, Denmark | Number | 2,485 | 2,585 | (4%) |

Offshore wind

Offshore wind speeds in 2024 were 2% higher than in 2023 and 0.1 m/s higher than in a normal wind year. Availability was 5 percentage points lower in 2024 compared to 2023. The load factor decreased by 1 percentage point in 2024 compared to 2023.

Onshore wind

Onshore wind speeds in 2024 were at the same level as in 2023, which is 0.2 m/s lower than in a normal wind year. Availability was 2 percentage points higher in 2024 compared to 2023. The load factor increased by 1 percentage point in 2024 compared to 2023.

Solar PV

Availability in 2024 was at the same level as in 2023, but the load factor increased by 1 percentage point.

Other

The number of degree days in 2024 was 4% lower than in 2023, indicating that the weather in 2024 was slightly warmer than in 2023.

Entity spec.

Energy generation and sales

Business drivers

| Energy generation and sales | Unit | 2024 | 2023 | Δ |
|--|------------|---------------|---------------|-------------|
| Power generation | GWh | 38,436 | 35,572 | 8% |
| Offshore wind | GWh | 18,599 | 17,761 | 5% |
| Denmark | GWh | 2,061 | 1,970 | 5% |
| The UK | GWh | 10,357 | 10,887 | (5%) |
| Germany | GWh | 2,356 | 2,076 | 13% |
| The Netherlands | GWh | 1,333 | 1,449 | (8%) |
| The US | GWh | 272 | 88 | 209% |
| Taiwan | GWh | 2,220 | 1,291 | 72% |
| Onshore wind | GWh | 11,959 | 11,228 | 7% |
| The US | GWh | 10,939 | 10,124 | 8% |
| Ireland | GWh | 759 | 809 | (6%) |
| France | GWh | 51 | 89 | (43%) |
| Germany | GWh | 49 | 58 | (16%) |
| The UK | GWh | 161 | 148 | 9% |
| Solar PV | GWh | 3,356 | 2,146 | 56% |
| The US | GWh | 3,346 | 2,131 | 57% |
| Germany | GWh | 9 | 11 | (18%) |
| France | GWh | 1 | 4 | (75%) |
| Thermal | GWh | 4,522 | 4,437 | 2% |
| Heat generation | GWh | 6,919 | 6,587 | 5% |
| Total heat and power generation | GWh | 45,355 | 42,159 | 8% |
| Of which, thermal heat and power generation | % | 25 | 26 | (1%p) |
| Gas sales | GWh | 17,372 | 16,880 | 3% |
| Power sales | GWh | 19,967 | 21,448 | (7%) |
| Power from renewable sources to end customers ¹ | GWh | 813 | 881 | (8%) |
| Regular power to end customers ² | GWh | 1,639 | 1,567 | 5% |
| Power wholesale | GWh | 17,515 | 19,000 | (8%) |

¹ Power sold with renewable energy certificates (certificates ensuring it has been produced using renewable resources).

² Power sold without renewable energy certificates.

Offshore wind power generation increased by 5% to 18.6 TWh in 2024. The increase was primarily due to ramp-up capacity in Taiwan, Germany, and the US as well as higher wind speeds.

Onshore wind power generation was 12.0 TWh in 2024, an increase of 7% compared to 2023, mainly driven by higher generation from the US wind farm Sunflower Wind (passed COD in Q3 2023). Solar PV generation increased by 56% due to the commissioning of the US solar sites Sparta Solar, Eleven Mile, and Mockingbird.

Thermal power generation increased by 2% in 2024 compared to 2023. The increase was mainly driven by attractive wood pellet spreads and improved technical availability at the power plants compared to 2023. This was partially offset by lower power generation from the closed down Esbjerg Power Station as of August 2024. Heat generation was 5% higher in 2024 compared to 2023, mainly driven by the colder weather in the beginning of 2024.

Gas sales were 3% higher compared to 2023, mainly driven by higher offtake from DUC, due to ramp-up of production from the Tyra gas field (not owned by Ørsted), partly offset by the expiry of our contract with Equinor.

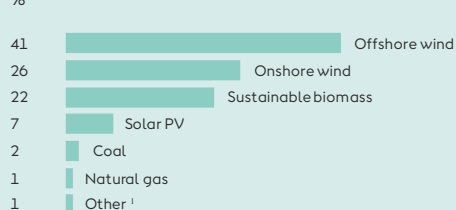
Power sales decreased by 7% to 20.0 TWh in 2024, partly due to lower volumes from ending third-party contracts for balancing activities in 2024.

Total heat and power generation by source

Business drivers

| ESRS ref. | Total heat and power generation by source | 2024 | 2023 | Δ |
|--------------|---|-------------------|-------------------|--------------|
| | Share of energy generation, % | | | |
| Entity spec. | From renewable sources | 97 | 93 | 4%p |
| Entity spec. | From offshore wind | 41 | 42 | (1%p) |
| Entity spec. | From onshore wind | 26 | 27 | (1%p) |
| Entity spec. | From solar PV | 7 | 5 | 2%p |
| Entity spec. | From sustainable biomass | 22 | 18 | 4%p |
| Entity spec. | From other renewable energy sources | 1 | 1 | 0%p |
| Entity spec. | From non-renewable sources | 3 | 7 | (4%p) |
| Entity spec. | From coal | 2 | 6 | (4%p) |
| Entity spec. | From natural gas | 1 | 1 | 0%p |
| Entity spec. | From other fossil energy sources | 0 | 0 | 0%p |
| Entity spec. | Total heat and power generation, MWh | 45,354,845 | 42,158,133 | 8% |
| // E1-5, 39 | From renewable sources | 44,141,989 | 39,217,892 | 13% |
| // E1-5, 39 | From non-renewable sources | 1,212,856 | 2,940,241 | (59%) |

Total heat and power generation by energy source 2024



Share of renewable energy generation



¹ Other renewable and fossil energy sources

The share of renewable heat and power generation increased by 4 percentage points to 97% in 2024. The increase was mainly due to a 4 percentage point reduction in coal-based generation and a 4 percentage point increase in biomass-based generation.

The coal-based generation decreased due to the shutdown of the coal-based Esbjerg Power Station and the subsequent declining coal usage from Q4 2024. In addition, there was lower coal-based generation at Studstrup Power Station due to the gradual switch back to biomass-based generation from April 2023.

The share of solar PV-based generation increased by 2 percentage points due to the new solar farms in the US. However, this was offset by a 2 percentage point decrease in the share of wind-based generation.

EU taxonomy for sustainable activities

EU taxonomy KPIs

| ESRS or EU ref. | EU taxonomy KPIs, % | 2024 | 2023 | Δ |
|--------------------|---|-----------|-----------------------|--------------|
| EU 2020/852 | Taxonomy-aligned revenue (turnover) | 91 | 86 | 5%p |
| EU 2020/852 | Electricity generation using solar PV (4.1) and storage of electricity (4.10) | 1 | 1 | 0%p |
| EU 2020/852 | Electricity generation from wind power (4.3) | 78 | 75 | 3%p |
| EU 2020/852 | Cogeneration of heat and power from bioenergy (4.20) | 12 | 10 | 2%p |
| EU 2020/852 | Taxonomy-eligible but not taxonomy-aligned revenue (turnover) | 0 | 1 | (1%p) |
| // SBM-1, 40(d)(i) | High-efficiency cogeneration of heat and power from fossil gas (4.30) | 0 | 1 | (1%p) |
| EU 2020/852 | Taxonomy-non-eligible revenue | 9 | 13¹ | (4%p) |
| // SBM-1, 40(d)(i) | Gas (sales) | 6 | 8 | (2%p) |
| // SBM-1, 40(d)(i) | Coal (generation) | 1 | 3 | (2%p) |
| // SBM-1, 40(d)(i) | Oil (generation and distribution) | 1 | 0 | 1%p |
| Entity spec. | Other activities ² | 1 | 2 | (1%p) |
| EU 2020/852 | Taxonomy-aligned revenue (turnover) adjusted for green bond financing | 88 | 82³ | 6%p |
| EU 2020/852 | Taxonomy-aligned CAPEX⁴ | 99 | 99 | 0%p |
| EU 2020/852 | Taxonomy-eligible but not taxonomy-aligned CAPEX | 0 | 0 | 0%p |
| EU 2020/852 | Taxonomy-non-eligible CAPEX | 1 | 1 | 0%p |
| EU 2020/852 | Taxonomy-aligned CAPEX adjusted for green bond financing⁵ | 69 | 49³ | 20%p |
| EU 2020/852 | Taxonomy-aligned OPEX | 86 | 79 | 7%p |
| EU 2020/852 | Taxonomy-eligible but not taxonomy-aligned OPEX | 1 | 1 | 0%p |
| EU 2020/852 | Taxonomy-non-eligible OPEX | 13 | 20¹ | (7%p) |
| Entity spec. | Taxonomy-aligned EBITDA | 99 | 95 | 4%p |
| Entity spec. | Electricity generation using solar PV (4.1) and storage of electricity (4.10) | 4 | 4 | 0%p |
| Entity spec. | Electricity generation from wind power (4.3) | 91 | 86 | 5%p |
| Entity spec. | Cogeneration of heat and power from bioenergy (4.20) | 4 | 5 | (1%p) |
| Entity spec. | Taxonomy-eligible but not taxonomy-aligned EBITDA | 0 | 0 | 0%p |
| Entity spec. | High-efficiency cogeneration of heat and power from fossil gas (4.30) | 0 | 0 | 0%p |
| Entity spec. | Taxonomy-non-eligible EBITDA | 1 | 5 | (4%p) |
| Entity spec. | Gas sales | 0 | 3 | (3%p) |
| Entity spec. | Coal- and oil-based generation | 0 | 1 | (1%p) |
| Entity spec. | Other activities ² | 1 | 1 | 0%p |

¹ This number has been restated due to an accounting policy update on taxonomy activity 4.30. See page 59 for more details.

² 'Other activities' primarily consist of trading and non-eligible power sales (incl. end customer sales).

³ This number has been restated due to an accounting policy update on the adjusted revenue/CAPEX KPIs. See page 59 for more details.

⁴ This ratio is applied to gross investments (DKK 42,808 in 2024) to calculate taxonomy-aligned gross investments (see page 35).

Taxonomy-aligned revenue (turnover)

The taxonomy-aligned share of revenue in 2024 was 91 %, an increase of 5 percentage points compared to 2023. This was primarily due to lower taxonomy non-eligible revenue from gas sales and coal-based generation.

Taxonomy-aligned CAPEX

Our taxonomy-aligned share of CAPEX in 2024 remained at 99 % and is primarily related to our wind and solar farms and our storage facilities.

Taxonomy-aligned OPEX

Our taxonomy-aligned OPEX was 86 %, an increase of 7 percentage points compared to 2023.

Taxonomy-aligned EBITDA

The taxonomy-aligned share of EBITDA in 2024 was 99 %, an increase of 4 percentage points compared to 2023, driven by higher contributions from wind power operations and a concurrent decrease in non-eligible EBITDA from gas sales and coal-based generation by our CHP plants.

⁵ This is our taxonomy-aligned CAPEX excluding funding from green bonds. The 2024 share implies that 30 % of our taxonomy-aligned CAPEX was financed through green bonds, and 69 % was financed through our operating cash flow and divestments proceeds.

Taxonomy-aligned turnover

| Economic activities (1) | Code (2) | Turnover 2024 (DKK)m (3) | Proportion of turnover 2024 (%) (4) | Substantial contribution | | | | | | Does not sig | | | |
|--|----------|--------------------------|-------------------------------------|-------------------------------|-------------------------------|-----------|---------------|----------------------|--------------------|--------------------------------|--------------------------------|------------|----------------|
| | | | | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Bio-diversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | |
| Electricity generation using solar PV technology | CCM 4.1 | 699 | 1% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | n.a. | n.a. |
| Electricity generation from wind power | CCM 4.3 | 55,093 | 78% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | n.a. |
| Storage of electricity | CCM 4.10 | 243 | 0% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | n.a. |
| Cogeneration of heat and power from bioenergy | CCM 4.20 | 8,348 | 12% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | Y |
| Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1) | | 64,383 | 91% | 91% | 0% | - | - | - | - | n.a. | Y | Y | Y |
| Of which, enabling | | 243 | 0% | 0% | 0% | - | - | - | - | n.a. | Y | Y | n.a. |
| Of which, transitional | | - | - | - | - | - | - | - | - | - | - | - | - |
| A.2 Taxonomy-eligible but not environmentally sustainable activities | | | | | | | | | | | | | |
| High-efficiency cogeneration of heat and power from fossil gaseous fuels ² | CCM 4.30 | 405 | 0% | EL | EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - |
| Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2) | | 405 | 0% | 0% | 0% | - | - | - | - | - | - | - | - |
| Turnover of taxonomy-eligible activities (A.1 + A.2) | | 64,788 | 91% | 91% | 0% | - | - | - | - | - | - | - | - |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | |
| Turnover of taxonomy-non-eligible activities (B) | | 6,246 | 9% | | | | | | | | | | |
| TOTAL (A + B) | | 71,034 | 100% | | | | | | | | | | |

CCM Climate change mitigation

Y Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL Eligible (taxonomy-eligible activity for the relevant environmental objective)

¹ We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

² We have not assessed our gas-based generation activities for alignment.

³ This number has been restated according to our updated accounting policy regarding taxonomy activity 4.30. See 'Basis for preparation' on page 59 for more details.

Quantitative breakdown of taxonomy-aligned turnover

The primary sources of turnover contributing to the numerator of the turnover KPI in 2024 are generation and sale of power (DKK 36,693 million), government grants (DKK 12,201 million), and the construction of offshore wind farms (DKK 7,029 million).

Taxonomy-aligned CAPEX

| Economic activities (1) | Code (2) | CAPEX 2024 (DKKm) (3) | Proportion of CAPEX 2024 (%) (4) | Substantial contribution | | | | | | Does not sig | | | |
|---|----------|-----------------------|----------------------------------|-------------------------------|-------------------------------|-----------|---------------|----------------------|--------------------|--------------------------------|--------------------------------|------------|----------------|
| | | | | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Bio-diversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | |
| Manufacture of hydrogen | CCM 3.10 | 746 | 2% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | Y |
| Electricity generation using solar PV technology | CCM 4.1 | 4,566 | 10% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | n.a. | n.a. |
| Electricity generation from wind power | CCM 4.3 | 37,867 | 80% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | n.a. |
| Storage of electricity | CCM 4.10 | 1,531 | 3% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | n.a. |
| Cogeneration of heat and power from bioenergy | CCM 4.20 | 2,090 | 4% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | Y |
| CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1) | | 46,800 | 99% | 99% | 0% | - | - | - | - | n.a. | Y | Y | Y |
| Of which, enabling | | 1,531 | 3% | 3% | 0% | - | - | - | - | n.a. | Y | Y | n.a. |
| Of which, transitional | | - | - | - | - | - | - | - | - | - | - | - | - |
| A.2 Taxonomy-eligible but not environmentally sustainable activities | | | | | | | | | | | | | |
| High-efficiency cogeneration of heat and power from fossil gaseous fuels ² | CCM 4.30 | 19 | 0% | EL | EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - |
| CAPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2) | | 19 | 0% | 0% | 0% | - | - | - | - | - | - | - | - |
| CAPEX of taxonomy-eligible activities (A.1 + A.2) | | 46,819 | 99% | 99% | 0% | - | - | - | - | - | - | - | - |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | |
| CAPEX of taxonomy-non-eligible activities (B) | | 268 | 1% | | | | | | | | | | |
| TOTAL (A + B) | | 47,087 | 100% | | | | | | | | | | |

CCM Climate change mitigation

Y Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL Eligible (taxonomy-eligible activity for the relevant environmental objective)

¹ We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

² We have not assessed our gas-based generation activities for alignment.

Quantitative breakdown of taxonomy-aligned CAPEX

The primary sources of CAPEX contributing to the numerator of the CAPEX KPI in 2024 are additions from property, plant, and equipment in Offshore, Onshore, and partly in Bioenergy (DKK 46,782 million)

Taxonomy-aligned OPEX

| Economic activities (1) | Code (2) | OPEX 2024 (DKKm) (3) | Proportion of OPEX 2024 (%) (4) | Substantial contribution | | | | | | Does not sig | | | |
|--|----------|----------------------|---------------------------------|-------------------------------|-------------------------------|-----------|---------------|----------------------|--------------------|--------------------------------|--------------------------------|------------|----------------|
| | | | | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Bio-diversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | |
| Electricity generation using solar PV technology | CCM 4.1 | 125 | 4% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | n.a. | n.a. |
| Electricity generation from wind power | CCM 4.3 | 2,157 | 70% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | n.a. |
| Storage of electricity | CCM 4.10 | 1 | 0% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | n.a. |
| Cogeneration of heat and power from bioenergy | CCM 4.20 | 373 | 12% | Y | N ¹ | N/EL | N/EL | N/EL | N/EL | n.a. | Y | Y | Y |
| OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1) | | 2,656 | 86% | 86% | 0% | - | - | - | - | n.a. | Y | Y | Y |
| Of which, enabling | | 1 | 0% | 0% | 0% | - | - | - | - | n.a. | Y | Y | n.a. |
| Of which, transitional | | - | - | - | - | - | - | - | - | - | - | - | - |
| A.2 Taxonomy-eligible but not environmentally sustainable activities | | | | | | | | | | | | | |
| High-efficiency cogeneration of heat and power from fossil gaseous fuels ² | CCM 4.30 | 17 | 1% | EL | EL | N/EL | N/EL | N/EL | N/EL | - | - | - | - |
| OPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2) | | 17 | 1% | 1% | 0% | - | - | - | - | - | - | - | - |
| OPEX of taxonomy-eligible activities (A.1 + A.2) | | 2,673 | 87% | 87% | 0% | - | - | - | - | - | - | - | - |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | |
| OPEX of taxonomy-non-eligible activities (B) | | 414 | 13% | | | | | | | | | | |
| TOTAL (A + B) | | 3,087 | 100% | | | | | | | | | | |

CCM Climate change mitigation

Y Yes (taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective)

N No (taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective)

N/EL Not eligible (taxonomy-non-eligible activity for the relevant environmental objective)

EL Eligible (taxonomy-eligible activity for the relevant environmental objective)

¹ We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

² We have not assessed our gas-based generation activities for alignment.

³ This number has been restated according to our updated accounting policy regarding taxonomy activity 4.30. See 'Basis for preparation' on page 59 for more details.

Quantitative breakdown of taxonomy-aligned OPEX

The sources of OPEX contributing to the numerator of the OPEX KPI in 2024 stem from the estimated maintenance and repair costs of 'other external expenses' in Offshore (DKK 1,720 million), in Onshore (DKK 563 million), and partly in Bioenergy (DKK 373 million).

5 Accounting policies

Taxonomy-eligible activities

We have identified our taxonomy-eligible activities by screening the economic activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

Six activities in the delegated acts have been identified as eligible for Ørsted:

- Manufacture of hydrogen (3.10).
- Electricity generation using solar PV technology (4.1).
- Electricity generation from wind power (4.3).
- Storage of electricity (4.10).
- Cogeneration of heat/cool and power from bioenergy (4.20).
- High-efficiency cogeneration of heat and power from fossil gaseous fuels (4.30).

Taxonomy-aligned activities

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

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

Taxonomy alignment of our eligible activities has subsequently been assessed against annex I of the Climate Delegated Act. The TSC for the environmental objectives have been assessed per activity. Minimum safeguards have been assessed on Group level.

However, we have not assessed our gas-based heat and power generation activities (4.30) for taxonomy-alignment.

Substantial contribution

Climate change mitigation

We have assessed and documented whether our taxonomy-eligible activities (3.10, 4.1, 4.3, 4.10, and 4.20) fulfil the substantial contribution criteria to climate change mitigation.

For activity 3.10, the future manufacturing process of hydrogen was calculated to meet the life cycle greenhouse gas (GHG) emission savings requirement in article 25(2) and annex V to Directive (EU) 2018/2001. The calculation of life cycle GHG emission savings follows the methodology referred to in article 28(5) of Directive (EU) 2018/2001, and the quantification methodology has been verified by an independent third party. The quantified life cycle GHG emission savings are subject to final verification by an independent third party upon an asset's operation.

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

For activity 4.20, the sustainable biomass used at our combined heat and power (CHP) plants complies with the criteria in article 29, paragraphs 2-7, of Directive (EU) 2018/2001 and with the GHG emission savings criteria.

Climate change adaptation

We have not assessed our taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, as the primary objective of our activities is to contribute to climate change mitigation.

Do no significant harm (DNSH)

Climate change adaptation

We have assessed and documented how asset resilience towards different chronic and extreme climate hazards and their future development, as projected by IPCC, is an integrated part of our project development and have confirmed that our assets are resilient and able to withstand projected climate changes during the assets' lifetimes.

It is assessed that all relevant eligible activities comply with the criteria set out in appendix A to annex I of the Climate Delegated Act.

Sustainable use and protection of water and marine resources

We are legally required to conduct environmental impact assessments (EIAs) as part of all our projects to ensure that potential impacts on water and marine resources are avoided, mitigated, and addressed appropriately. During this process, we consider environmental degradation risks related to preserving water quality and avoiding water stress. We have internal processes on legal compliance concerning water to ensure all assets live up to the requirements. In addition, we have a water policy, establishing our approach to responsible water management.

For activity 4.3, we work to ensure that construction of offshore wind does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, taking measures to prevent or mitigate impacts in relation to the directive's descriptor 11 (noise/energy).

It is assessed that all relevant eligible activities comply with the criteria set out in appendix B to annex I of the Climate Delegated Act.

Transition to a circular economy

Renewable assets are built of highly durable materials. To ensure reuse and recycling of

materials where feasible, we have a resource management policy and internal waste management processes in place. To ensure we further transition to a circular economy, we have implemented a strategic approach focused on: (i) using fewer virgin resources, (ii) using resources better and longer, and (iii) recirculating resources upon end of life. For all projects, we will develop decommissioning or waste management plans to ensure maximal reuse or recycling at end-of-life in accordance with the waste hierarchy.

Pollution prevention and control

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

For activities 3.10 and 4.20, it has been assessed that emissions are within or lower than the emission levels associated with the best-available-techniques (BAT-AEL) ranges set out in relevant best-available-techniques (BAT) conclusions. No significant cross-media effects have been identified.

It is assessed that all relevant eligible activities comply with the criteria set out in appendix C to annex I of the Climate Delegated Act.

Protection and restoration of biodiversity and ecosystems

We are legally required to conduct EIAs as part of all our projects to ensure potential impacts on biodiversity and ecosystems are avoided, mitigated, and addressed appropriately. Our biodiversity policy and internal processes ensure all our assets live up to the requirements. We have also committed to ensuring that all new renewable energy projects we commission from 2030 onwards deliver a net-positive biodiversity

impact, which we align with our biodiversity efforts.

For activity 4.3, we ensure that the construction of offshore wind farms does not hamper the achievement of good environmental status as set out in Directive 2000/60/EC, taking appropriate measures to avoid, mitigate or compensate for any adverse impacts in descriptors 1 (biodiversity and ecosystems).

It is assessed that all relevant eligible activities comply with the criteria set out in appendix D to annex I of the Climate Delegated Act.

Minimum safeguards

Our human rights policy is aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We are also a signatory to the Declaration of the Organization on Fundamental Rights at Work and the Declaration of the Organization on Human Rights, both of which are included in our supply chain requirements.

Together with our governance and policies, our supply chain approach ensures we have robust safeguards in place concerning human rights, labour, taxation, and fair competition.

Taxonomy KPIs

Our accounting policies for taxonomy-eligible activities are based on our internal taxonomy-eligible activities Disclosures Delegated Act, which is available on our website. The Delegated Regulation provides available guidelines for the Commission.

Linkage principle

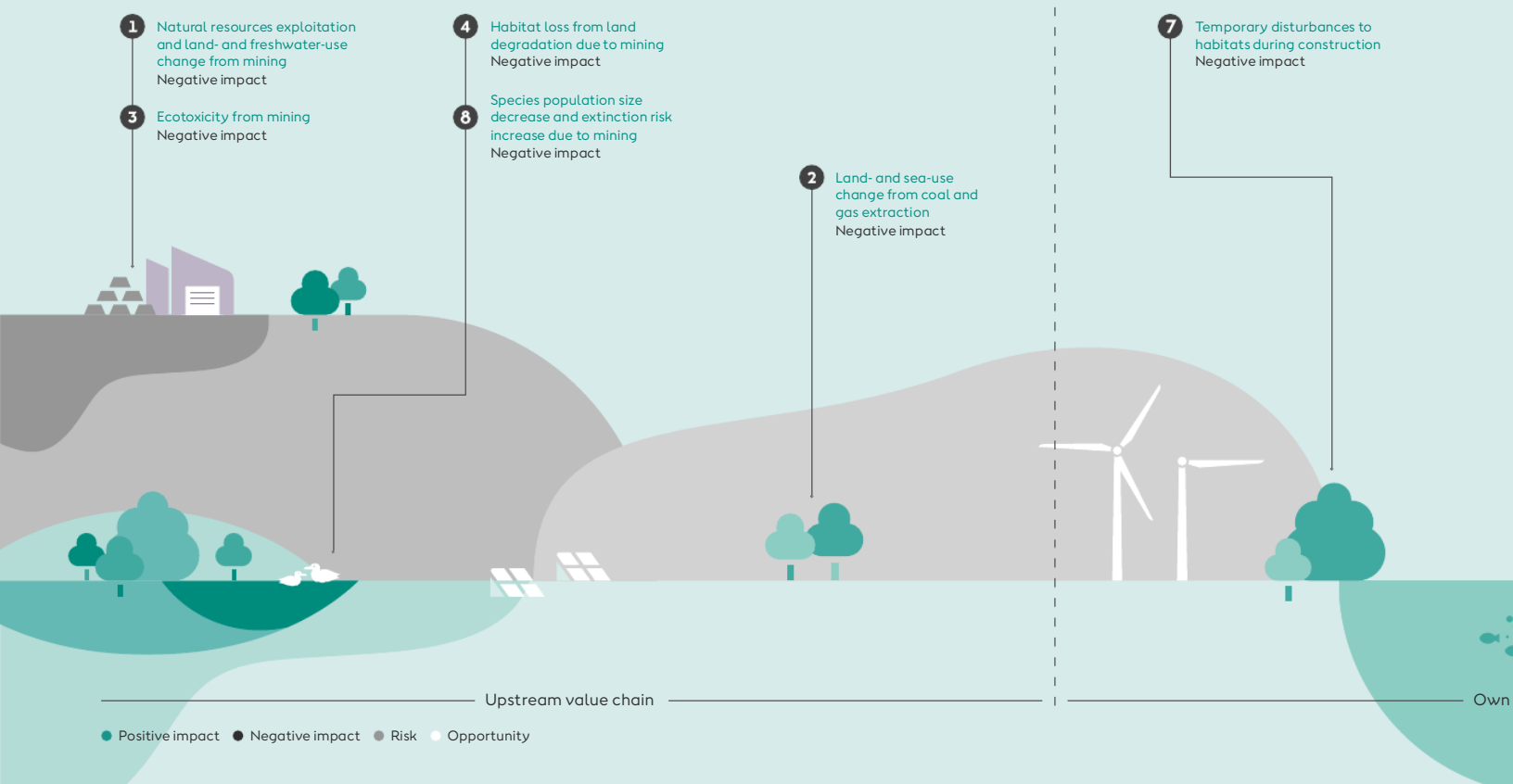
The revenue, CAPEX, and OPEX associated with our taxonomy-eligible activities have been disclosed in the financial numbers.



E4 Biodiversity and ecosystems

// ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)



// ESRs 2, SBM-3

Our material impacts, risks, and opportunities (IROs)

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

The impacts primarily originate from our renewable energy business activities but also partly from our legacy business relating to coal and gas.

These impacts occur both through our business relationships with suppliers and through our own activities of constructing our renewable assets.

Direct impact drivers of biodiversity loss

| Material IRO description | How do we manage the IRO? |
|---|---|
| <p>1</p> <p>Natural resources exploitation and land-use and freshwater-use change from mining Negative impact (upstream value chain)</p> | |
| <p>2</p> <p>Ecotoxicity from mining Negative impact (upstream value chain)</p> <p>These negative impacts concern natural resources exploitation in our supply chain related to mining and refining processes of metals and minerals.</p> <p>Mining of metals and minerals in our supply chain is a direct impact driver of biodiversity loss through land-use and freshwater-use change and ecotoxicity from run-off. It also impacts ecosystems through land degradation.</p> | <p>We have completed a mapping to help us understand potential negative impacts on biodiversity that we may have in our value chain. We continue to explore ways to identify and mitigate impacts across our value chain, including our first attempt at mapping impacts from high impact commodities (HICs) in our upstream value chain.</p> |
| <p>3</p> <p>Land-use and sea-use change from coal and gas extraction Negative impact (upstream value chain)</p> | |
| <p>This negative impact concerns natural resources exploitation in our supply chain related to coal and gas extraction.</p> <p>Our supply chain has adverse impacts on biodiversity through land-use change due to mining and refining processes of coal and through sea-use change from extraction and refining processes of gas that we primarily source from the North Sea.</p> | <p>We are working towards managing our biodiversity-related negative impacts in our value chain.</p> <p>In 2024, we closed our last coal-fired CHP plant, eliminating the impact from coal from 2025.</p> |

Impacts on the extent of biodiversity

| Material IRO description |
|---|
| <p>4</p> <p>Habitat loss from land degradation Negative impact (upstream value chain)</p> <p>For details related to this IRO, see page 107.</p> |
| <p>5 6</p> <p>Biodiversity restoration, rewilding and nature-based solutions Positive impact ¹ (own operations) / Opportunity ¹ (own operations)</p> <p>This positive impact relates to our restoration efforts, including wider supportive ecosystem services, species restoration efforts, e.g. rewilding. The impact positively affects species, ecosystems, and habitats.</p> <p>We also see this as an opportunity to attract investment and secure favourable conditions in capital markets or through other means.</p> |
| <p>7</p> <p>Temporary disturbances to habitats Negative impact (own operations)</p> <p>This negative impact concerns temporary disturbances to habitats during the construction of renewable energy infrastructure.</p> <p>Construction of renewable energy infrastructure can cause temporary disturbances to habitats due to the presence of infrastructure.</p> |

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

Impacts on the state of species

| Material IRO description | How do we manage the IRO? |
|--|---|
| <p>8 Species population size decrease and global extinction risk increase due to mining Negative impact (upstream value chain)</p> <p>This negative impact is linked to natural resources exploitation in our supply chain related to mining and refining processes of metals and minerals.</p> <p>Mining of metals and minerals in our supply chain impacts ecosystems through land degradation, which can lead to habitat loss and impacts species by causing a decrease in species population size and potentially extinction.</p> | <p>We have completed a mapping to help us understand potential negative impacts to biodiversity that we may have in our value chain. We continue to explore ways to identify and mitigate impacts across our value chain, including our first attempt at mapping impacts from high impact commodities (HICs) in our upstream value chain.</p> |
| <p>9 Temporary displacement or loss of species during construction Negative impact (own operations)</p> <p>This negative impact concerns the disturbances of species during the construction of our renewable energy assets.</p> <p>Construction of renewable energy projects causes temporary displacement of species, or, in some instances, loss of species through adverse impacts on foraging, breeding, and wintering areas.</p> | <p>At an asset level, we prefer to always have a biodiversity action plan in place, which helps us map out our negative impacts and plan out our mitigating actions accordingly. When we identify overlaps with e.g. an IUCN Red-listed species, an action plan is developed to ensure that we reduce harm to this species or any threatened species.</p> |

Transitioning away from fossil fuels to renewable energy is fundamental to solving the biodiversity crisis, as climate change is a main driver of biodiversity loss. The space required for the renewable energy transition is significant, and, with a nature in crisis, it is vital that we make sure our energy projects benefit nature. In 2024, we continued taking action to deliver on our ambition to achieve a net-positive biodiversity impact from all new renewable energy projects from 2030.

For an overview of how we have structured this chapter please see page 61. Our IROs are highlighted in italics.

// E4-1

Transition plan

At Ørsted, we believe that transitioning to renewable energy can be part of a solution to the biodiversity crisis, provided it is done correctly. As we continue our renewable energy build-out, we are determined to leave nature as a whole in a better state than we found it. Therefore, our ambition is to take direct action to be able to achieve a net-positive biodiversity impact from projects commissioned from 2030 onwards. In 2024, we took the first steps towards this by launching our 'Biodiversity measurement framework' further aligning our efforts with global public policy targets like the Global Biodiversity Framework.

When developing renewable energy projects, we always adhere to local and national regulations and policies, including those related to biodiversity. This helps ensure that we are also taking our local stakeholders and their interests into consideration.

We have not identified any material dependencies on biodiversity and ecosystems, although soil stability at our sites constitutes the most significant dependency. Regarding our transitional and physical risks, we have mapped out our exposure and have not found significant risks from biodiversity and ecosystems that are not already covered in our mitigation processes and biodiversity action plans.

Additionally, we have not identified any systemic risks to our business model that are not addressed through our established practices or the implementation of measures to reach our biodiversity ambition. A key outcome of our biodiversity programme has been the development of our 'Biodiversity measurement framework', which will ensure that we can capture all potential impacts and risks to biodiversity and ecosystems when developing new renewable energy projects starting from 2024 and thus avoid the majority of impacts and risks to our operations.

We have not completed an assessment of how systemic risks to society have been considered in the assessment of biodiversity and ecosystems-related risks yet. However, we have begun the work of understanding the correlation of these risks, how they impact our projects, and what we can do to mitigate them.

The assessment of our upstream value chain that was completed in 2022 using the Global Biodiversity Score tool is still relevant today. The results provided an overview of impacts based on our most used materials (incl. minerals and metals) and how each material impacts the environment, focusing on biodiversity. The assessment did not include an

assessment of how the biodiversity impacts from our upstream value chain affect local communities, but it did provide an essential first step in our work with the Science Based Targets Network (SBTN) framework and our progress towards being ready to set science-based targets for nature.

Our continuous work to identify and mitigate potential impacts and risks of our assets to biodiversity and ecosystems continues to inform our DMA. In this process, we base the identification and scoring of IROs on the knowledge gathered across all our offshore and onshore assets, enabling a cross-business assessment of impacts, risks, dependencies, and opportunities.

Management of impacts in our own operations

At Ørsted, we have sites located in or near biodiversity-sensitive areas. However, our activities at these sites only have **temporary negative impacts during the construction phase**, with no material impacts during operations, cf. the outcome of our DMA.

By following the steps of our new measurement framework, conducting environmental assessments, implementing appropriate mitigation measures, and applying our 'Biodiversity policy', we will be able to avoid any impacts related to the deterioration of biodiversity or natural habitats within our own operations.

We adhere to the mitigation hierarchy in the development of new projects, prioritising to avoid biodiversity impacts wherever feasible. For impacts that cannot be entirely avoided, we focus on minimising and mitigating them to the extent possible. An example of

this is avoiding sensitive habitats during the routing of and installation of cables for offshore projects. Post construction, any residual impacts that could not be fully mitigated are addressed through species-specific or habitat-specific restoration. These efforts aim to restore biodiversity and habitat functioning to at least pre-construction baseline levels and are our measures towards achieving a net-positive impact.

This means that the majority of our impacts on biodiversity occur during the construction phase, and are appropriately mitigated, while during the operational phase, we have very limited impact on biodiversity that we are not able to mitigate.

One example of an impact that we are sometimes unable to mitigate during the operational phase of an offshore wind farm, which we have assessed as immaterial, is the collision of airborne mobile species, such as birds or bats, with wind turbine blades. In cases where this impact cannot be mitigated through location or design, operational management plans are put in place, for example through enhanced monitoring campaigns, often in conjunction with local stakeholder groups.

Vulnerable species and critical habitat types are identified during the early screening phase of a project, allowing us to plan our project development around these factors, implementing the mitigation hierarchy and ensuring we are undertaking the actions needed to avoid and mitigate impacts on biodiversity. //

Site locations without material impacts

In total, we have 63 operational sites across our portfolio of renewable energy assets (i.e. offshore and onshore wind, solar PV, and power stations) that currently overlap with or are adjacent to protected areas or KBAs. This is the majority of our assets and is connected to the fact that a buffer zone has been applied (25 km for offshore assets, 10 km for onshore assets), increasing the amount of overlaps with both protected areas and KBAs. Through our mitigation planning and restoration of impacts, we have found that we have no negative impacts on biodiversity and ecosystems at these sites.

Site locations with temporary material impacts

In addition to the operational sites, we had 12 assets under construction in 2024, which were identified as material sites that temporarily have activities negatively affecting biodiversity-sensitive areas. These sites are listed in the table on page 114 and include nine offshore wind and three solar PV projects. At the offshore construction sites, biodiversity impacts were primarily associated with monopile piling, which generates noise pollution, and cable laying, which disrupts benthic and intertidal habitats. Additionally, the increased vessel traffic during construction caused further disruption to the ecosystem through noise pollution.

For the solar PV assets under construction, biodiversity impacts were primarily due to land clearing and cable laying, which caused temporary habitat disruption and species displacement. Additionally, the operation of machinery contributed to noise pollution. All these impacts are appropriately managed or mitigated through implementation of measures agreed through impact assessment and permitting processes.

We have found no negative impacts related to land degradation during the operational phase of our projects, including desertification or soil sealing. Any potential impacts on land degradation are mitigated during the construction phase.

Material impacts in our value chain

We have identified material negative impacts in our upstream value chain. These impacts are primarily **direct impact drivers of biodiversity loss due to extraction of natural resources and mining activities**. Furthermore, **mining also has negative impacts on the extent and condition of ecosystems and thus impacts species diversity**. As mentioned previously, we used the Global Biodiversity Score tool to obtain an overview of biodiversity- and ecosystems-related impacts in our upstream value chain, using global average data for our industry. We are dependent on mining of metals and minerals to expand the capacity of renewable energy assets, just as our peers in the industry. However, we acknowledge the trade-offs of mining in the value chain, which we actively work towards managing. As mentioned before, we are actively engaging with our tier 1 suppliers on their impacts on biodiversity, and we also continuously work towards gathering location-specific data on our upstream value chain. //

// E4-2

Policies related to biodiversity and ecosystems

Policy scope

In 2024, we updated our ['Biodiversity policy'](#), which applies to all sites owned and operated by Ørsted, including sites in or near biodiversity-sensitive areas.

The policy addresses the direct impacts from our operations on biodiversity, ecosystem protection, and sustainable ocean practices.

The scope of the policy covers all of Ørsted's renewable energy assets, both offshore and onshore, and includes our initial steps towards addressing biodiversity in our value chain and the associated dependencies. More specifically, we engage with some of our tier 1 suppliers on their progress on working with biodiversity, similar to our approach with decarbonisation.

Our biodiversity policy does not currently cover the impacts on biodiversity and ecosystems from e.g. raw material extraction in our upstream value chain. However, we are committed to working with our suppliers through our 'Supply chain sustainability programme' on mitigating their impacts on biodiversity, where we are currently engaging with our tier 1 suppliers.

Further tiers down in the value chain, it becomes more challenging to mitigate the inherent impacts on biodiversity and, on a broader scale, nature. Through our supplier dialogues and continued work towards a more sustainable supply chain, we aim to implement mitigating actions for biodiversity in our supply chain in the future.

The objective of our policy is to outline the importance of biodiversity to Ørsted and how we believe that biodiversity is a key part of a sustainable project life cycle. The policy also explains the steps we take to protect biodiversity throughout an asset's life cycle, aiming to avoid potential impacts and risks to biodiversity – from planning and development, through construction, over operation and maintenance, and finally to the decommissioning and potential repowering phases.

To understand and manage our impacts, we follow the mitigation hierarchy. This means we aim to avoid harmful action at the outset of an activity, minimise impacts, and take restorative measures where impacts cannot be avoided. We also compensate for any residual adverse impacts that cannot be restored – while recognising that certain environmental features are irreplaceable and therefore cannot be compensated. //

// E4-3

Actions related to biodiversity and ecosystems

During 2024, we have taken several steps towards meeting our ambition of net-positive energy projects from 2030 and pursuing our material opportunity and positive impact related to [biodiversity restoration, research, and innovation](#).

For several of our biodiversity pilot projects, we engage with local communities in our biodiversity- and ecosystems-related actions. This was for example the case with our Humber Estuary restoration project in the UK, which we completed in collaboration with the Yorkshire Wildlife Trust and Lincolnshire Wildlife Trust. The restoration of the Humber Estuary is an example of coastal ecosystem restoration, a nature-based solution that contributes to the sequestration of carbon, while also restoring the natural habitat to improve biodiversity. We have not yet incorporated indigenous knowledge into our actions; however, this is integrated in our new 'Biodiversity measurement framework' and will be done going forward. As of 2024, we have not incorporated biodiversity offsets

in our actions for any of our assets or across other operations.

Key actions

Launching our biodiversity measurement framework

In 2024, we publicly launched our biodiversity measurement framework. This science-based framework contributes to the achievement of our biodiversity ambition by taking the first steps to ensure that we can measure, track, and report both the positive and negative impacts on biodiversity. The scope covers our biodiversity activities for our own operations across all geographies.

Building on the momentum of the launch of our framework, we have worked with the World Economic Forum (WEF) to launch the Responsible Renewables Infrastructure initiative (RRI). This initiative aims to bring together the renewable energy industry to build a collective approach for assessing the industry's impacts on biodiversity and local communities.

The first version of these impact pathway initiatives are expected to be completed in 2025, which will prompt further development of the measurement frameworks that are to be developed. Going forward, we will continue to work with the WEF RRI coalition on building an approach to measure impacts on biodiversity from renewable energy projects.

Piloting net-positive solutions

Firstly, we have also progressed on the continuous monitoring across our biodiversity pilot projects. Our global portfolio of innovative projects contributes with learnings to enhance nature and thereby to achieve our net-positive ambition. In Taiwan, for

example, we have cultivated corals in labs since 2021 with the purpose of growing them on offshore wind turbines, and we finalised preparations in 2024 and are ready to deploy the first ones as pilots on some of the foundations at the Greater Changhua 1 Offshore Wind Farm in 2025.

Secondly, at our offshore wind site Borssele in the Netherlands, we placed cod pipes to simulate reefs in 2022. This year, we published a paper based on 2023 research (together with Wageningen University) which found the cod pipes to be highly successful in improving the local cod population. These monitoring activities provide valuable learnings and proof of the effectiveness of our initiatives.

Thirdly, we have developed a new method to install offshore wind foundations, reducing noise levels by up to 99%. It represents one of the greatest advancements yet in protective measures for marine life and thereby significantly contributes to bringing down the temporary negative impact during construction activities. The new technology has been successfully tested in Germany at the offshore wind farm Gode Wind 3. Once industrialised, expectedly in 2030, it can also provide a more efficient and cost-effective installation.

Other actions

Science Based Targets Network (SBTN)

We have also completed the first two of the five steps of SBTN's methodology to better understand how to prioritise our efforts in managing our impacts on nature, including biodiversity. The steps are based on locating impacts on nature, including biodiversity, across our upstream value chain and on locating

// E4, SBM-3; E4-5

Site locations with temporary material impacts

| Country | Asset | Asset type | Area (hectare) | Applied buffer zone (km) | Overlap with KBAs (number) | Overlap with protected areas (number) | Impacts during construction | |
|---------|---------------------|---------------|----------------|--------------------------|----------------------------|---------------------------------------|--|---|
| Germany | Borkum Riffgrund 3 | Offshore wind | 7,500 | 25 | 0 | 4 | Piling, cable laying, vessel traffic, noise pollution, sedimentation, temporary displacement of species, and temporary disturbances to habitats. | |
| | Gode Wind 3 | Offshore wind | 1,800 | 25 | 1 | 7 | | |
| The US | Revolution Wind | Offshore wind | 33,500 | 25 | 1 | 52 | | |
| | South Fork Wind | Offshore wind | 5,500 | 25 | 0 | 1 | | |
| Taiwan | Greater Changhua 1 | Offshore wind | 10,900 | 25 | 0 | 0 | | |
| | Greater Changhua 2a | Offshore wind | 5,900 | 25 | 0 | 0 | | |
| | Greater Changhua 2b | Offshore wind | 6,700 | 25 | 0 | 0 | | |
| | Greater Changhua 4 | Offshore wind | 11,700 | 25 | 0 | 0 | | |
| The US | Sparta Solar | Onshore solar | 1,051 | 10 | 0 | 0 | | Land clearing, temporary disturbances to habitats, temporary displacement of species, cable laying, operating machinery, and noise pollution. |
| | Mockingbird | Onshore solar | 2,086 | 10 | 0 | 3 | | |
| | Old 300 | Onshore solar | 1,410 | 10 | 0 | 3 | | |
| | Badger Wind | Onshore wind | 12,600 | 10 | 0 | 4 | | |

As described in the overview with our material impacts, risks, and opportunities (IROs), we have two material impacts within our own operations, both related to assets under construction during 2024. We temporarily impact protected areas negatively and risk disturbance to habitats and displacement or loss of species. The name of the sites, the size of them, including the buffer zones, and the number of protected areas are listed in the table.

Alignment with TNFD recommendations

Recommended disclosures

Governance

a)
Describe the board's oversight of nature-related dependencies, impacts, risks, and opportunities.

MR

Corporate governance · pages 44-52

b)

Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.

MR

Corporate governance · pages 44-52

c)

Describe the organisation's human rights policies and engagement activities as well as oversight by the board and management, with respect to Indigenous Peoples, local communities, affected and other stakeholders in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks, and opportunities.

SUS

Interests and views of stakeholders · pages 75-76

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

Affected communities · pages 145-151

Strategy

a)
Describe the nature-related dependencies, impacts, risks, and opportunities the organisation has identified over the short, medium, and long term.

SUS

Double materiality assessment · pages 67-74

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

b)

Describe the effect that nature-related dependencies, impacts, risks, and opportunities have had on the organisation's business model, value chain, strategy, and financial planning as well as any transition plans or analysis in place.

SUS

Our business model and how we create value · page 65

Our strategy and impact on sustainability matters · page 66

Biodiversity and ecosystems · pages 109-110

Resource use and circular economy · pages 117

c)

Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.

MR

Enterprise risk management · pages 27-30

SUS

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

d)

Disclose the locations of assets or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

MR

Our footprint · page 14

SUS

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

Risk and impact

a)

i. Describe the organisation's processes for identifying, assessing, and managing nature-related dependencies, impacts, risks, and opportunities.

ii. Describe the organisation's processes for identifying, assessing, and managing nature-related dependencies, impacts, risks, and opportunities downstream value chain(s).

MR

Enterprise risk management · pages 27-30

SUS

Double materiality assessment · pages 67-74

b)

Describe the organisation's processes for monitoring nature-related dependencies, impacts, risks, and opportunities.

MR

Enterprise risk management · pages 27-30

SUS

Double materiality assessment · pages 67-74

Biodiversity and ecosystems · pages 108-114

Resource use and circular economy · pages 116-122

c)

Describe how the organisation assesses, prioritises, and manages nature-related dependencies, impacts, risks, and opportunities, and inform the organisation's strategy and management plans.

MR

Enterprise risk management · pages 27-30

SUS

Double materiality assessment · pages 67-74

MR Management's review

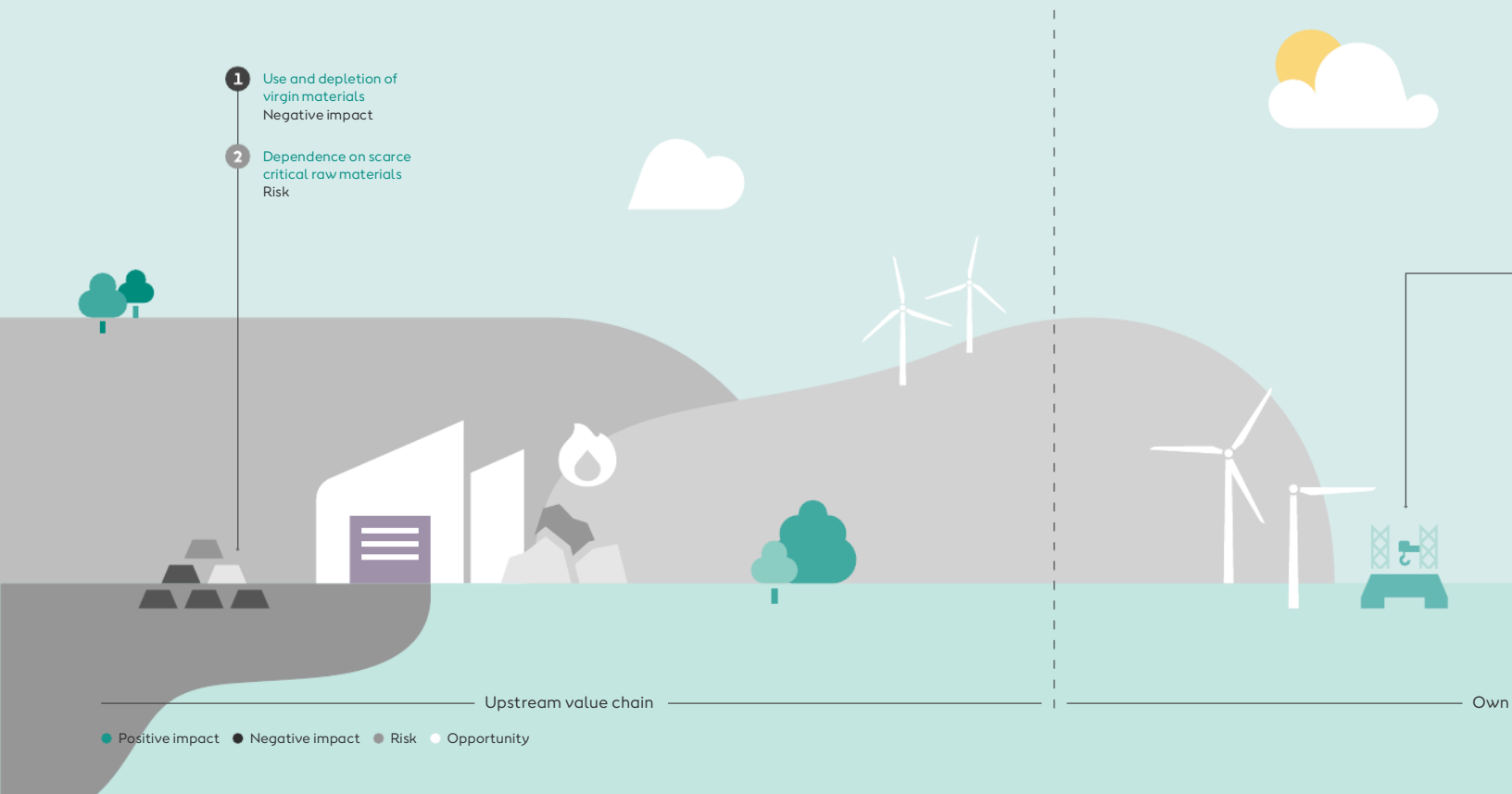
SUS Sustainability statements



E5 Resource use and circular economy

//ESRS 2, SBM-3

Our material impacts, risks, and opportunities (IROs)



// ESR5 2, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right are descriptions of our material IROs related to resource use and circular economy, including how we manage them.

The impacts are directly linked to our business model, as constructing and operating renewable energy assets and products require materials, and waste is generated during the construction, operation, and decommissioning phases.

These impacts occur through our business relationships with suppliers and contractors, who are involved in manufacturing and extraction activities, and also through our own waste-generating activities.

Resource inflows, including resource use

| Material IRO description | How do we manage the IRO? |
|--|--|
| <p>1 Use and depletion of virgin material Negative impact (upstream value chain)</p> | |
| <p>2 Increased demand for scarce critical raw materials and necessary maturation of supply chains for lower-emissions alternatives Risk (upstream value chain)</p> <p>Nearly all resources sourced from our supply chain and embedded in our renewable energy assets are virgin materials, many of which are scarce. This reliance increases our exposure to risks related to resource depletion and reduced material availability.</p> <p>Additionally, the growing demand for renewable energy is driving increased extraction and processing of virgin raw materials, exacerbating the scarcity and depletion of these critical resources.</p> | <p>We are exploring ways to reduce our reliance on scarce, virgin materials, including improved design and maintenance strategies.</p> <p>We are working with key suppliers on the use of recycled materials in our assets, e.g. we have early offtake agreements for lower-emissions steel through industry-wide initiatives (e.g. SteelZero), gradually lowering our need for scarce critical materials.</p> |

Waste

| | |
|---|--|
| <p>3 Materials wasted during construction, operation, and decommissioning Negative impact (own operations)</p> <p>This negative impact occurs as materials are wasted during construction, operation, and decommissioning of assets by being sent to landfill or incineration.</p> <p>Disposal through landfill or incineration leads to environmental degradation, including pollution and resource loss.</p> | <p>We are constantly investigating opportunities and partnerships that will help us improve the degree of recyclability of our assets while working on actions that allow for the replacement of non-recyclable content in our assets, ensuring a minimal amount of waste goes to landfill and incineration.</p> |
|---|--|

// E5, IRO-1

Processes to identify and assess material impacts, risks, and opportunities

Screening of assets

As part of our DMA, we frequently screen our assets and activities to understand their impacts, risks, and opportunities across our value chain. However, as also noted in the DMA methodology and due to the nature of our assets, we have not undertaken direct consultations with affected communities as part of the screening performed to understand our IROs related to resource use and circularity.

Going forward, we will increasingly apply our methodology for life cycle assessments (LCAs), providing enhanced insights into our impacts related to the [use and depletion of virgin materials](#) when constructing our assets.

Furthermore, we have calculated the recyclability rate of materials embedded in a representative sample of our offshore wind farms, to understand which materials and components we can process for recycling upon retirement of the wind farms. The underlying calculations, prepared in collaboration with the digital ReWind tool facilitated by DNV, are important for our further understanding of the negative impact of [materials wasted during construction, operation, and decommissioning](#). Additionally, the information gathered helps us identify how we can turn used materials, such as steel and copper, into reusable components, improving our wider resource efficiency.

These methodologies, alongside the data available to understand our resource dependencies, also allow for enhanced mitigation of our risk related to the [increasing demand for scarce materials and resources globally](#). As outlined throughout this section, we are continuously working on initiatives that will enhance our resilience towards this risk. Assuming a business-as-usual scenario, i.e. a scenario where we do not manage, or pursue, the transition away from the use of scarce virgin materials, the probability of this risk materialising is inherently higher. //

// E5-1

Policies related to resource use and circular economy

Resource management policy

To govern the identified risk and negative value chain impact from using virgin materials, we have adopted a '[Resource management policy](#)', covering all of our activities and locations. The policy's objective is to ensure that we minimise the use and depletion of virgin resources by developing circular value chains together with our suppliers, where feasible, and guide our efforts on sustainable sourcing. It further addresses our adherence to the waste hierarchy, prioritising waste avoidance by reducing and reusing before recycling. Responsibility for the resource management policy lies with our senior vice president for the QHSE department.

Sustainable forest biomass policy

We are committed to continuously improving our practices to mitigate any potential negative impacts related to our use of biomass. All biomass sourced for our CHP plants must comply with our internal

'Sustainable forest biomass policy'. This policy mandates sourcing of certified biomass under internationally recognised schemes, such as SBP, FSC, or PEFC, ensuring the origination from well-managed production forests with an ongoing reforestation effort and adherence to sustainability standards through independent audits.

In addition to biomass, we use Danish straw at our CHP plants at Studstrup and Avedøre. The straw we use is a residue from cereal production and has been used for bioenergy in Denmark for decades. All straw complies with EU and national sustainability criteria addressing soil quality, soil carbon storage, and biodiversity. We are audited yearly by an independent third party to document that our straw complies with relevant sustainability criteria.

Waste management policy

To address our negative impact of materials wasted, we have a '[Waste management policy](#)', covering all our activities and locations. The policy outlines our waste management processes and provides detailed definitions of key aspects of waste management assurance. Our QHSE department is responsible for its ongoing implementation. As the policy is the steering document for our internal way of working with waste and thus contains detailed guidance on waste handling and data reporting for our global waste operations, the policy is only accessible internally.

Together, these policies address our identified impacts and risks, relating both to the upstream and downstream part of our value chain and operations. //

Resource inflows for an average offshore wind farm



Illustrative example of the material composition for an average Ørsted offshore wind farm

¹ 3% copper and 1% other materials.

procurement strategy. In 2024, we have extended these engagements to also include resource use and circularity matters. These two topics naturally overlap as we are looking for opportunities to, for example, source more scrap steel as a means of increasing our usage of lower-emissions steel. As our negative impact occurs outside our own operations, we are dependent on continuous collaboration to make meaningful progress that will mitigate both the material negative impact as well as the risk related to our reliance on virgin scarce resources, when constructing our renewable energy assets.

As an example of the supplier engagement programme development, we initiated a collaboration with wind turbine manufacturer Siemens Gamesa to use recycled glass fibres for certain new wind turbine blades at our Greater Changhua 2b and 4 offshore wind farms in Taiwan.

The intended outcome of our supplier engagement and procurement strategy is to have a firm set of circularity-related supplier requirements in place within the next four to five years. For selected components, recycled materials have already been introduced as a sourcing evaluation criterion, ensuring our gradual transition away from the use of virgin resources.

Repairing and refurbishing spare parts for our wind farms during the operational phase

In alignment with our resource management policy objective, we continuously work to reduce, reuse, and recycle resources for our assets. As we have a large portfolio of offshore wind farms in operation, our ability to increase the reuse and refurbishment of spare parts during the life time of the assets can both

lower our use of virgin materials, extend the lifetime of the assets, and reduce our operational costs.

In 2024, we have progressed on this action by ordering more than 300 refurbished yaw brake calipers on our East and West Coast hubs in the UK. Calipers are used to hold the nacelle in place when the brakes are applied and are a part of the hydraulic system. For each caliper we reuse, we also lower the cost of our wind farm maintenance. In addition, we have set up refurbishment loops for several other minor components with a long leadtime to reduce the risk of lost production.

By 2030, we intend to establish fully commercial, technically approved refurbishment loops for more than 100 of our key minor components, reducing our overall need for virgin materials during the operational phase of our renewable assets. This is further a mitigation measure towards our identified risk related to [the global increase in demand for various scarce critical materials](#).

Furthermore, to increase the reuse of minor components and spare parts, we have successfully conducted a trial on re-selling surplus spare parts from our warehouse in the UK into the second-hand market via our partner Wind Cluster. With this trial, we now have a blueprint set-up to scale our efforts to other locations and markets – ensuring the reuse of spare parts as well as the generation of revenue. At the same time, we are addressing the occurrence of surplus stock in warehouses by improving our forecasting and planning.

a full cradle-to-grave solution that reduces landfill waste, displaces virgin material, and thus increases the recyclability rates of our wind farms.

The new TP covers have been thoroughly tested, including recycling tests of both the PP material and a full TP cover to document its feasibility at end-of-life. As both tests have confirmed the mechanical feasibility of the new material, the next step in 2025 will be offshore testing of the new design in a pilot project while continuing to work with TME on setting up a take-back system for the TP covers as well as documenting the environmental impacts of the new design.

With the purpose of increasing the recyclability rates of our wind farms, this project was born out of an internal innovation competition in Ørsted in 2022 to address the challenge of the hard-to-recycle soft PVC material.

End-of-life management of wind turbine blades and solar panels

In 2024, we completed the decommissioning of our onshore wind farm Owenreagh 1 in Northern Ireland, which had been in operation since 1997 and consisted of 10 wind turbines with a total capacity of 5 MW. We did so in collaboration with Plaswire, with whom we entered into a partnership in 2023. Plaswire enables the recycling of wind blades, as they specialise in the shredding, granulating, and re-moulding required to turn the blade material into, for example, durable polymer. Durable polymer is typically used in the construction industry, and as a result, some of the retired blades may end up being used to produce road marking poles for some of our

new onshore wind farms in Ireland, replacing the use of virgin plastics in our own projects. Similarly, we work with the US solar recycling company SOLARCYCLE on the treatment of defective and retired solar panels. With the installation of various solar assets in the US in 2024, we have, where necessary, sent damaged panels to SOLARCYCLE for recycling, demonstrating our ambition to recycle retired solar panels.

Our collaborations with Plaswire and SOLARCYCLE are examples of how we engage with partners on our material resource-related impacts. Over the past few years, we have successfully carried out several small-scale recycling pilots in the US and the UK and will continue to leverage retired blades and panels from our assets to help accelerate the maturation of promising, innovative, recycling technologies and solutions in our markets going forward. //

// E5-3

Targets related to resource use and circular economy

Tracking our transition away from virgin materials

Based on our identified impacts and risk related to the matter of resource use and circularity, we have revisited our ways of tracking the effectiveness of our policies and actions in 2024. Our location in the value chain of renewable energy assets implies that we rely heavily on upstream value chain partners to understand and quantify the impact we have, which challenges the foundation for setting measurable, outcome-oriented, and time-bound targets. Consequently, we have not yet adopted a formal target related to our impacts on and risk from resource use and circularity.

On the next page, we disclose a range of new indicators related to the resource inflows to our business, which provides a first foundation for developing relevant targets. As a result, we continue to work on establishing one or more measurable reportable targets going forward and expect to communicate targets within the next two years.

Tracking effectiveness of policies and actions

While we are not communicating any formal targets, we are committed to ensuring that we mitigate the negative impacts as well as the risk we have related to resource use and circular economy through both our policies and actions.

Sustainable biomass and residual straw

As outlined in the 'Policies related to resource use and circular economy' section of this chapter, we are committed to sourcing only certified sustainable wooden biomass for use as fuel at our CHP plants. We have tracked our performance on sustainable biomass since 2016 when our baseline value was 61% of total wooden biomass.

In 2024, 100% of our wooden biomass was certified sustainable wooden biomass. In addition to wooden biomass, we use residual straw sourced from Danish agriculture. While straw biomass lacks a specific certification scheme, our supplied straw is sourced as a waste product from local farms, preventing the disposal of the resource.

Blades and panels diverted from landfill

In 2021, we made a commitment to not send any of our retired blades to landfill, which was extended to also include our solar panels in 2023.

Resource inflows

| ESRS ref. | Resource inflows, tonnes | 2024 |
|--|--------------------------|------------------|
| Technical materials for construction of new assets | | |
| // E5-4, 31(a) | Steel | 296,200 |
| // E5-4, 31(a) | Copper | 6,900 |
| // E5-4, 31(a) | Aluminium | 5,600 |
| // E5-4, 31(a) | Plastics | 9,700 |
| // E5-4, 31(a) | Glass fibre | 5,900 |
| // E5-4, 31(a) | Rare earth elements | 300 |
| // E5-4, 31(a) | Concrete | 6,800 |
| // E5-4, 31(a) | Glass | 26,600 |
| Technical materials, scrap steel used in steel production | | |
| // E5-4, 31(c) | In absolute value | 59,200 - 103,700 |
| // E5-4, 31(c) | In percentage, % | 20 - 35 |

Understanding our use of resources

We have identified key materials fundamental to the construction of our global portfolio of renewable energy projects across offshore and onshore wind, solar, and battery energy storage systems (BESS).

To enhance our understanding and management of resource inflows, we are actively working with suppliers to explore lower-emissions alternatives and aim to establish closer collaboration for obtaining data on the composition of their products, including the percentage of reused or recycled materials. Steel is a primary focus at this stage, given its significant role in renewable energy infrastructure and its high potential for recyclability.

The use of scrap steel is a norm in steel production, with its content varying across geographies and reflecting established industry practices. Approximately 80% of the steel we source used in the production of steel

plates for foundations comes from Europe, where supplier data indicates that, on average, 35% of the material used in these plates derive from scrap. While we account for geographic variability in our presentation, reflected in a range of 20 - 35%, our current estimates place us at the upper end.

Lower-emissions steel offers a dual benefit: It minimises greenhouse gas emissions and, depending on the production method, can reduce reliance on virgin iron ore. Steel produced via electric arc furnaces (EAFs), which use scrap steel as feedstock, significantly lowers the need for virgin iron ore compared to traditional blast furnace-basic oxygen furnace (BF-BOF) methods that rely heavily on it. Even though recycled content is widely used in steel production, low-emissions steel still has a limited market availability. Closing this gap is key to cutting emissions, reducing reliance on virgin materials, and advancing a more circular steel industry. Thus, our focus is on sourcing lower-emissions steel,

as it represents the most impactful opportunity to drive meaningful progress in reducing the environmental footprint of steel production.

In addition to steel, critical raw materials, such as copper, aluminium, and rare earth elements (REEs), are essential for renewable energy technologies but present negative impacts and risks related to the depletion of virgin materials and the scarcity of supply. Improving the recyclability of materials such as plastics and glass fibres, including composites used in wind turbine blades, is a priority to reduce reliance on finite resources and ensure sustainable material use.

Addressing these challenges involves implementing design changes to optimise resource use, increasing the adoption of recycled and recyclable materials where feasible, and prioritising the maintenance and extension of the lifespan of existing assets and components wherever possible.

Resource outflows

| ESRS ref. | Waste, tonnes | 2024 | 2023 | Δ |
|---------------------|--|----------------|----------------|-------------|
| // E5-5, 37(b) | Hazardous waste | 2,283 | 2,381 | (4%) |
| // E5-5, 37(b) | Diverted from disposal | 526 | 679 | (23%) |
| // E5-5, 37(b)(i) | Preparation for reuse | 2 | 37 | (95%) |
| // E5-5, 37(b)(iii) | Recycling | 476 | 570 | (16%) |
| // E5-5, 37(b)(iii) | Other recovery operations ¹ | 48 | 72 | (33%) |
| // E5-5, 37(c) | Directed to disposal by waste treatment type | 1,757 | 1,703 | 3% |
| // E5-5, 37(c)(i) | Incineration | 1,527 | 1,399 | 9% |
| // E5-5, 37(c)(ii) | Landfill | - | 33 | (100%) |
| // E5-5, 37(c)(iii) | Other disposal operations ² | 230 | 271 | (15%) |
| // E5-5, 37(b) | Non-hazardous waste | 123,821 | 118,260 | 5% |
| // E5-5, 37(b) | Diverted from disposal | 110,634 | 100,740 | 10% |
| // E5-5, 37(b)(i) | Preparation for reuse | 107,180 | 97,351 | 10% |
| // E5-5, 37(b)(ii) | Recycling | 2,806 | 3,086 | (9%) |
| // E5-5, 37(b)(iii) | Other recovery operations ¹ | 648 | 303 | 114% |
| // E5-5, 37(c) | Directed to disposal by waste treatment type | 13,187 | 17,520 | (25%) |
| // E5-5, 37(c)(i) | Incineration | 63 | 79 | (20%) |
| // E5-5, 37(c)(ii) | Landfill | 317 | 178 | 78% |
| // E5-5, 37(c)(iii) | Other disposal operations ² | 12,807 | 17,263 | (26%) |
| // E5-5, 37(a) | Total waste | 126,104 | 120,641 | 5% |
| Entity spec. | Diverted from disposal, % | 88 | 84 | 4%p |
| Entity spec. | Directed to disposal, % | 12 | 16 | (4%p) |
| | Total amount of non-recycled waste | | | |
| // E5-5, 37(d) | In absolute value | 14,944 | 19,223 | (22%) |
| // E5-5, 37(d) | In percentage, % | 12 | 16 | (4%p) |

¹ Composting and recovery.

² Energy recovery.

Our total waste increased by 5% in 2024 compared to 2023. This was mainly driven by an increase in non-hazardous waste of 5% due to increased amounts of ashes at our CHP plants from the increased use of biomass.

Total amount of waste diverted from disposal %



Social

- 124 ESRS S1 Own workforce
- 137 ESRS E2 Workers in the value chain
- 145 ESRS E3 Affected communities

→

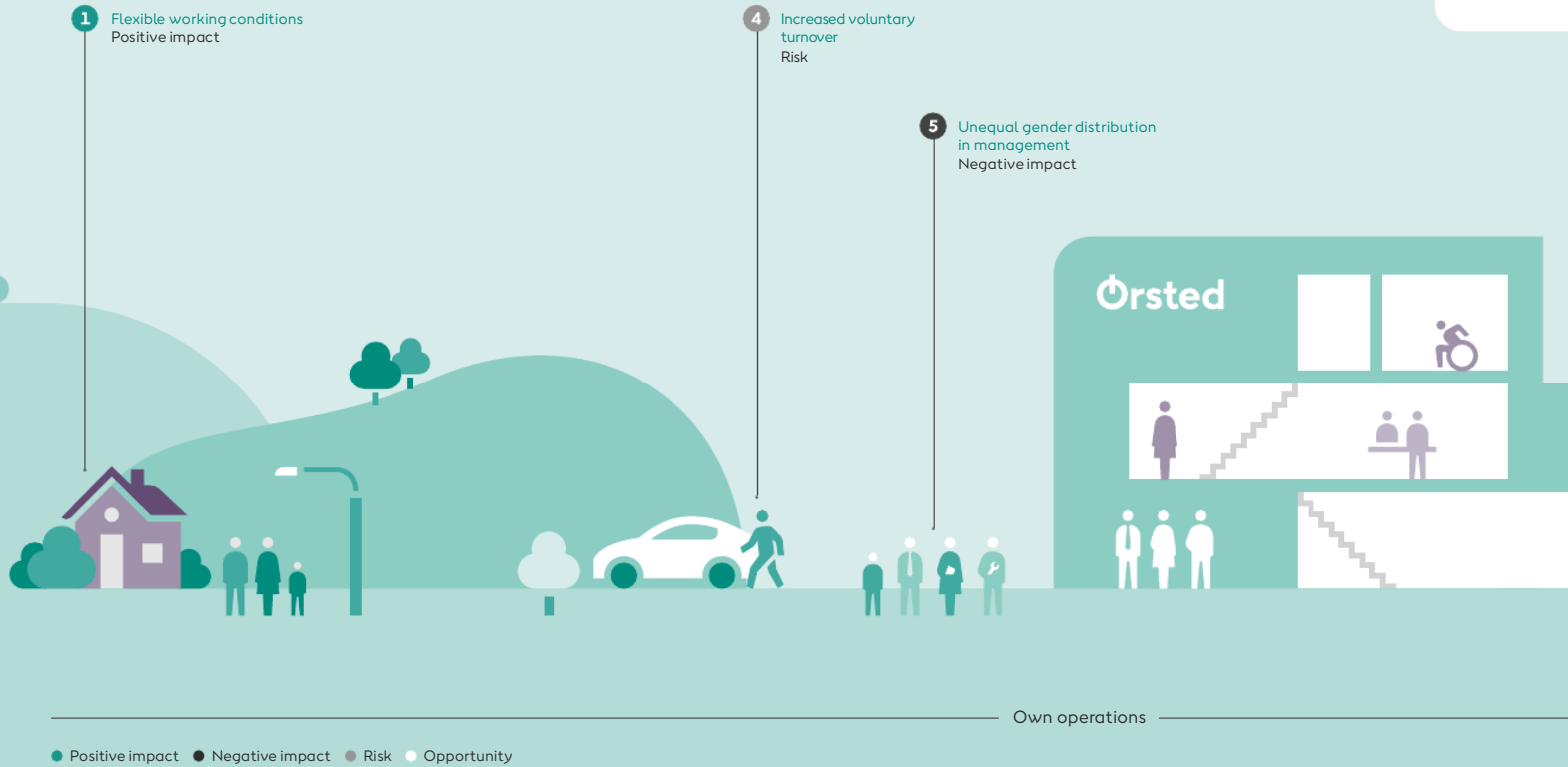
Beside Knockawarriga Onshore Wind Farm, County Limerick, Ireland, stands a local football club with facilities used by 170 competitive players. With funding from Ørsted over the last three years, the club has installed an electricity supply, invested in energy efficient floodlights, bought a robotic lawnmower, and set up solar panels on the clubhouse roof. Sports clubs play an important role in rural communities like this one, where 120 children play football every week.





S1 Own workforce

Our material impacts, risks, and opportunities (IROs)



// ESRs 2, SBM-3; S1, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right are descriptions of our material IROs related to our own workforce, including how we manage them.

The impacts are connected to our vision to create a world that runs entirely on green energy, as human capital is a key resource in our business model in order to achieve our vision. It requires that our employees have the possibility to thrive, perform, and grow.

We are involved with these impacts through our own activities, in all stages of our operating model, and across all support functions.

Working conditions

| Material IRO description | How do we manage the IRO? |
|---|---|
| <p>1 Flexible working conditions Positive impact (own operations)</p> <p>This positive impact relates to our flexible working culture, creating additionality within the many markets where we operate and particularly in the US and APAC, as our global standards go beyond the norm in many countries outside of Northern Europe.</p> <p>A flexible working culture, with initiatives to continuously enhance it, is anchored in a strategic decision to keep Ørsted a great place to work. This has a positive impact on our own workforce as it gives employees the agency/autonomy to make the work-life balance decisions that work best for them, their team, and their people leader.</p> | <p>We work continually to make Ørsted an increasingly flexible workplace.</p> <p>This is part of our ambition to power and create a working environment where everyone can thrive, perform, and grow. This is implemented globally and governed by our internal guidelines on flexible workplace.</p> |
| <p>2 Work-induced stress Negative impact (own operations)</p> <p>This negative impact relates to employees experiencing stress at work because they are requested to perform working hours beyond the contractual terms or in other ways experience anxiety and unbalances at work.</p> <p>Work-induced stress can cause medical treatment and months away from the job.</p> | <p>We monitor work-induced stress on an ongoing basis and have several measures in place to mitigate this impact. We have a 'Global working hour commitment', describing our position on working hours.</p> |
| <p>3 Possible work-related injuries and fatalities Potential negative impact (own operations)</p> <p>This potential negative impact relates to physical work-related injuries and fatalities. Due to the nature of the utility industry, we recognise this potential impact to our employees. It concerns all employees and contractors working at our sites.</p> <p>Injuries can cause medical treatment and days or months away from the job. This potential negative impact can occur across the short, medium, and long term.</p> | <p>We have a robust health and safety management system, which is fundamental to us and covers all of our employees and contractors working at our sites. We have a strong safety culture, monitor safety performance on a monthly basis, and include safety targets in bonus schemes.</p> |

| Material IRO description |
|---|
| <p>4 Increased voluntary turnover Risk (own operations)</p> <p>This risk is a specific 2024 risk where employees potentially leaving in uncertainties following our transition process, such large organisational uncertainty and job insecurity leading the company pre-emptively in the voluntary turnover rate to pursue other opportunities.</p> |

Equal treatment and opportunity

| |
|---|
| <p>5 Unequal gender distribution Negative impact (own operations)</p> <p>This negative impact relates to the gender diversity we have in leadership roles, 40:60 (women:men). The impact is particularly linked to the transition process.</p> <p>If we do not succeed in meeting our succession planning, promotion of men and women in leadership roles, it may impact our gender diversity targets.</p> |
|---|

At Ørsted, we work actively to ensure a safe and inclusive workplace where all employees can thrive. We engage with the employees through various channels and have an open and transparent culture. We are focused on development of our employees' skills and competences and follow up on the general well-being of employees through performance dialogues at individual level and other measures.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in italics.

// S1, SBM-3

Material impacts and risks related to own workforce

At Ørsted, all employees are part of a safe working environment where impacts are identified and managed, including impacts related to physical injuries and well-being of employees. Due to the nature of our industry, we recognise the impact to employees of *potential injuries and fatalities*, primarily during the construction and operation phases of our assets. Furthermore, we recognise the present impact of *work-related stress and anxiety experienced among employees* on a global level.

Ensuring transparent and fair working conditions are rooted in our employer value proposition, where fair and competitive rewards and employment terms as well as a flexible working culture, are foundational factors. Our *flexible working culture* is creating additionality within many of the markets where we operate, and particularly in our US and APAC regions, as our global policies go beyond the norm.

Our 'Global parental leave policy' goes far beyond the US and APAC norm. For instance, according to a report by New America's Better Life Lab, the median length of leave for fathers in the US is just one week, compared to 11 weeks for mothers. This disproportionate leave highlights the need for more equitable policies, and our approach seeks to address that imbalance by offering substantial leave for all parents, aligning more closely with global best practices.

For our employees in APAC, entitlements such as industry-leading leave and flexible working hours go beyond labour and similar companies' standards. As a testament to this, Ørsted Taiwan has received a special recognition in the form of the 2024 Work-Life Balance Award presented by Taiwan's Ministry of Labor, specifically in consideration of our wide-ranging and industry-leading policies, supporting the work-life balance of our employees. This award is one of the highest Taiwanese recognitions from the Ministry, and it honours Ørsted among 251 other companies, where Ørsted is the only energy company to receive the award twice, with special recognition of our mission to create a greener future, whilst also creating a positive impact for society and employees.

In 2024, Ørsted navigated a rapidly evolving industry landscape, necessitating organisational adjustments, including redundancies, to maintain our competitive edge. While both satisfaction and motivation levels as well as voluntary turnover remain healthy compared to industry benchmarks, the changes have had a noticeable impact on employee satisfaction and motivation and our voluntary turnover trend. This poses a short-term risk of *increased voluntary turnover* and lower morale, satisfaction, and heightened stress.

To address these challenges, we are focused on our internal communication and change management, strengthening our focus on good leadership and mental health and reaffirming our commitment to transparency and the well-being of our workforce.

All employees in our own workforce are included in the scope of our disclosures. Our own workforce does not include self-employed people or people provided by third-party undertakings, primarily engaged in employment activities. Lastly, due to the nature of our operations and the jurisdictions covering our workforce, we are not at risk of either forced labour incidents or child labour incidents. //

// S1-1

Policies

Our commitments to our own workforce as well as employee obligations are outlined via global employee policies, country-specific policies, and employee handbooks.

Through the adopted policies, we describe our commitments and positions in place for our employees as well as obligations expected from employees. The objective and key content per policy is unfolded below. These policies are owned by the People & Culture organisation, with our Chief HR Officer being overall accountable for them. All our policies have been approved by the Board of Directors. They are available for all employees on our intranet, and many of these policies are available at orsted.com.

Labour and employment rights

With the aim to enhance transparency for our employees within labour and employment rights, we have adopted a 'Global labour and employment rights policy'.

The policy articulates our commitments to actively safeguard labour, employment, and human rights standards within our own workforce, as described in relevant legislation as well as in the International Bill of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. We work to ensure fair labour and employment standards for our employees across all the markets where we operate.

The policy also articulates our commitment to social dialogue and collective bargaining agreements. We respect our employees' rights to freedom of association and to join or refrain from joining labour unions and workers' councils without fear of discrimination, harassment, intimidation, retaliation, or violence in accordance with national laws. Where the right to freedom of association and collective bargaining is restricted or prohibited under national law, we will not hinder employees from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment.

We do not seek to influence mechanisms or activities of employee representatives while they carry out their functions in ways that are not disruptive to regular company operations.

Working time

We see respect for our employees' labour and employment rights as core to protecting our employees' human rights but also as the foundation of our company culture with respect for people. We actively work to ensure a sustainable, responsible, and inclusive working environment with fair labour and employment standards across all the markets where we operate. We have therefore adopted and implemented a '[Global working hour commitment](#)' describing maximum working hours across jurisdictions with inspiration from UN's Global Compact guidelines.

Moreover, when entering countries, we have a high focus on and a standard process for ensuring that local employee handbooks are compliant with local legislation, including within the areas of working hours, overtime, and overtime payment.

Flexible working conditions

Striving to make Ørsted an increasingly flexible workplace is part of our ambition to power and connect a working environment where everyone can thrive, perform, and grow. In our double materiality assessment (DMA), we assessed that our [flexible working conditions](#) are creating additionality within many of the markets where we operate, and particularly in the US and APAC.

Our flexible working approach is anchored in our strategic focus to ensure that Ørsted is experienced as a great place to work. The Group Executive Team provides direction and support to work in a flexible and inclusive manner, and people leaders and employees are empowered to successfully manage flexible working plans. Our flexible working approach is implemented globally in our internal 'Global guidelines

on flexible workplace' and supplemented by country-specific guidelines to comply with local requirements and regulation.

Another initiative to support this flexible working culture is within parental leave. We have implemented a 'Global parental leave policy', which introduces global minimum standards on parental leave entitlement for all our employees. Our policy is 18 weeks for primary caregivers and 12 weeks for secondary caregivers.

We ensure that the topics 'flexibility' and 'work-life balance' are a focus in the ongoing dialogues between people leader and employee with the purpose of finding ideal solutions and adjustments for what works best for both the employee, the people leader, and the team as a whole.

Furthermore, when entering new countries, we have a high focus on ensuring that local employee handbooks are compliant with local legislation as a minimum, and that, in general, we strive to follow market practice on employment terms in markets and even go above and beyond within the areas of flexibility and work-life balance. This could include employment terms such as parental leave, sick leave, annual leave, and child sick leave.

Approach to rights of own workforce

Furthermore, we have the responsibility to safeguard the labour conditions of our employees through social protection. This encompasses support for circumstances such as sickness, unemployment, employment injury, parental leave, and retirement.

on individuals, workers, and communities that we have caused or contributed to. //

// S1-1

Policies related to health and safety

At Ørsted, we prioritise and protect the physical, social, and psychological safety of everyone in the workplace. We believe that personal health and well-being are fundamental drivers for living a balanced life where people can realise their potential. Through our robust health and safety management system, which is fundamental to our operations and to secure a safe system of work, we foster a culture that promotes our employees' health and safety. All (100%) of our employees are covered by our health and safety management system.

We have established a 'Global policy for quality, health, safety, and environment (QHSE)', setting the standards for how we protect and ensure the well-being of our employees and the sustainability of our operations. The policy covers all our employees and facilities, with accountability resting with our Head of QHSE. We aim to incorporate quality, health, safety, and environment in all our decisions and actions, and we have implemented workplace accident prevention procedures to ensure the safety and well-being of our employees.

We comply with various ISO standards, including ISO 9001 (quality management system), ISO 14001 (environmental management system), and ISO 45001 (occupational health and safety management system), to maintain a robust management system that aligns with international best practices.

Additionally, we have an internal policy on mental well-being for all employees, with a focus on enhancing the mental well-being of our workforce, mitigating mental strain, such as work-related stress and anxiety, and providing guidance to employees and leaders on addressing these concerns. We have a range of support systems and offer our employees a health insurance, including access to psychologists and other mental health professionals and crisis counsellors as well as support on topics such as stress, relationships, family issues, and lifestyle management. Accountability for our well-being rests with our Chief HR Officer. //

// S1-4

Actions for health and safety

Key actions

Prevention of injuries and fatalities

In 2024, we conducted a large campaign called Ørsted Safety Days with the objective of implementing Ørsted's life-saving rules. The scope of the campaign was for sites, fabrication yards, and offices across all regions. All employees and contractors on sites were asked to join one of the Safety Day sessions, which were facilitated by different people leaders, including all Group Executive Team members.

Ørsted's life-saving rules have been developed in collaboration with G+, the Global Offshore Wind Health and Safety Organisation, to protect our employees, contractors working at our sites, and suppliers from serious incidents. The implementation of similar life-saving rules has led to a stronger safety culture and better general safety performance in other industries – the same outcome is expected in Ørsted.

Processes to identify actions

Health and safety is an integral part of the way we do business, and health and safety performance is being discussed frequently at all levels of the organisation, including within the Board of Directors, Group Executive Team, QHSE Committee, and by local work councils and cooperation committees.

As health and safety performance is part of the discussion on most managerial levels, we are able to react quickly to negative trends and sub-standard performance and initiate mitigating or preventive actions. To support the discussions and decisions, frequent health and safety reports are shared internally, weekly incident updates are communicated, and dashboards are constantly updated. Finally, a list of top QHSE enterprise risks and a dynamic risk register are ongoingly updated and monitored.

Other actions

Preventing stress among employees

We measure the percentage of employees experiencing stress and have several measures in place to obtain our policy objectives.

To mitigate that employees are requested to perform working hours beyond the contractual terms, potentially leading to worker fatigue, increased stress levels, and a higher risk of accidents and health issues, we initiated activities in 2024 to support people leaders with enhanced and easier accessible data and analytics to promote ongoing monitoring of sustainable working hours in compliance with individual employment terms, local laws, and our 'Global working hour commitment'.

historically marginalised or disadvantaged (protected characteristics). By embedding these principles in the way we do business, we promote an environment where all employees can thrive and contribute to our collective success.

The key contents of the policy are: 'Women in management' as we work towards increasing the share of women in executive and managerial positions; 'Sexual orientation and gender identity' where Ørsted among other things has adopted the UN's LGBTI Standards of Conduct for Business in 2018; 'Nationality' where we aim to create an inclusive environment that attracts and retains talented people from all backgrounds and cultures; and 'Recruitment' where all people leaders are equipped with non-discriminatory tools and guidelines for objective recruitment to mitigate unconscious bias.

Bullying, harassment, and discrimination

We have a '[Global bullying, harassment, and discrimination policy](#)', supplemented by country-specific guidelines, which often include mandatory training. Furthermore, to support its implementation, we have both a global employee guide and a global people leader guide on how to create an inclusive culture, which outline proactive measures to prevent bullying, discrimination, and harassment.

The policy covers a potential situation where an employee feels subject to bullying, discrimination, or harassment from another employee. This policy also covers experiences that an employee has with an external consultant working under Ørsted supervision. The policy describes acts of bullying, discrimination, and harassment in the workplace and

covers the following grounds for discrimination: sex, race, nationality, sexual orientation, gender identity, religion, size, ability status, pregnancy status, age, ethnic origin, belief, and marital status. We also have a statement on non-retaliation: Many employees may be afraid to speak up, start a conflict, and share their experiences because they are afraid of retaliation. //

// S1-4 (and Danish FSA § 107 d)

Actions related to equity, diversity, and inclusion

Key actions

Unequal gender distribution in management

To mitigate the negative impact of [unequal gender distribution in leadership roles](#), we have implemented and will continue to implement several key actions. We have a dedicated talent management team to ensure diversity and equity are considered during the organisational review process. This team is crucial for promoting diversity considerations into our succession planning and promoting a balanced representation of men and women in leadership positions. Additionally, we are being more cognisant of our demographic data, incorporating this awareness into our strategic planning for accountability and continuous improvement. This involves enhancing KPIs and metrics, many of which are currently in development and will be implemented in 2025.

Additionally, we will target departments with lower representation of women and adopt an intersectional approach to our data, considering factors such as gender and age in promotions and other parts of the employee life cycle. Our strategic planning

incorporates awareness by integrating and monitoring the gender balance of major talent processes, such as promotions, new hires, and redundancies.

Tracking effectiveness of actions

With regards to gender diversity, we report to the Board of Directors on our metrics related to gender on a bi-annual basis. This includes the three levels we have under the gender balance target of at least 40% women across the Ørsted group and a variety of supporting metrics within equity, diversity, and inclusion. Our HR business partners and talent acquisition partners instruct and inform leaders on talent decisions within the context of our gender ambition.

Other actions

Enhanced procedures to prevent discrimination

Our policies include specific commitments related to inclusion. To address the exclusion of historically marginalised groups, our global talent acquisition process was redesigned and launched in 2024, with equity, diversity, and inclusion embedded as key priorities. The redesign of this recruitment process mitigates bias by removing outdated assessments and broadening our hiring criteria to value alternative skills and experiences. This enables us to attract candidates from diverse backgrounds who bring unique perspectives and talent to our organisation.

To ensure fairness and consistency, we introduced tailored interview guides and business cases, aligned with our career framework and assessment standards in 2024. Candidates are evaluated on functional, behavioural, and leadership competences, moving away from subjective impressions. Importantly, we now hire for 'culture add' rather than 'culture fit,'

Global satisfaction survey

Our annual global People Matter survey aims at retrieving employees' perspectives and opinions on satisfaction and motivation across almost 70 questions. The themes assessed within this anonymous survey include the degree of trust, openness, and transparency felt by our employees with regards to collaboration and the management bodies and the level of satisfaction within several aspects of the employees' work life and conditions, e.g. job content, physical working conditions, compensation and employment terms, development opportunities, workload, stress, inclusion and diversity, and potential harassment at the workplace.

The results are shared with the Group Executive Team for their strategic planning of priorities, activities, and follow-up actions. People leaders use the results within their respective teams to enable dialogues about potential improvement initiatives, ensuring a safe and inclusive working environment where everyone can thrive, perform, and grow.

Pulse surveys

Another activity deployed during 2024 for gathering perspectives of own workforce has been using pulse surveys, especially within the areas of equality, diversity, and inclusion (ED&I) and well-being. Pulse surveys are initiated by people leaders as a way to ensure that recurring surveys aiming to check how the team is doing in regard to different matters are carried out. Results are used as a springboard for further dialogue on important themes such as physical and mental well-being, workload, harassment in the workplace, trust, transparency, etc. As an example, the Group Executive Team has carried out global surveys

during 2024 to check the temperature throughout the organisation during periods with organisational changes and to take the result into account when planning strategies, priorities, and communication going forward.

Other types of engagement

Additionally, we have established an easily accessible site on our company intranet that outlines various options for employee representation on both global and local levels. These include various channels for employees to voice their opinions and engage both with other colleagues and with management.

Such options include HR business partners, occupational health and safety representatives, different local works councils, cooperation committees, employment relations representatives, and personal development dialogues. Engagement and employee representation through more formal bodies, such as work councils and employment relations representatives, are generally regulated by local legislation or locally agreed with the respective employee representation body. The frequency of engagement is both regularly recurring meetings and extraordinary ones, summoned to discuss important topics related to the workforce.

In addition, we have the Ørsted IN networks (employee resource groups), which collectively create an online hub, supporting an inclusive culture within the organisation. The inclusion networks represent different groups across our organisation, e.g. within race and ethnicity, gender, LGBTQ+, age, and disability. They are for anyone who identifies with one of the groups, and who supports the equality and inclusion of that

group. Allies are encouraged to join networks to show their support and to expand their knowledge about inclusion of diversity.

Moreover, different Viva Engage channels are made available to our employees, serving the purpose of creating global informal dialogues across our organisation on different topics related to our own workforce. Employees can freely comment and ask direct questions to our management via the Viva Engage channels, hosted by different management representatives or by other employees.

// ESRs 2, GOV-1

Finally, we successfully completed our first-ever global employee election for the employee-elected members to the Board of Directors of Ørsted A/S in Q1 2024, with participation of employees across our global footprint. For more information about representation of employees in the Board of Directors, see page 48 in the 'Management's review'. //

Accountability

The overall accountability for the People Matter survey, Ørsted IN networks, and HR business partners' engagement rests with the Chief HR Officer. In regard to engagement via our formal representation bodies, such as works councils, it depends on the specific country in scope with whom the operational responsibility rests. However, in general, this responsibility rests with our Chief HR Officer together with the country manager of the respective country. For other representative bodies, such as occupational health and safety representatives, the operational responsibility rests with our Head of QHSE.

Additionally, when we focus on advancing, promoting, and retaining underrepresented or marginalised groups, the impact goes beyond our organisation. In a global company like ours, ensuring that these groups have access to significant roles creates a social benefit by ensuring that diverse voices are present in decision-making processes, particularly those that influence communities worldwide, such as in renewable energy.

Internally, it means we are creating equitable access to management, which is often difficult to achieve without a targeted and intentional approach. This also allows employees to see themselves reflected in leadership, fostering a sense of inclusion and belonging. We are considering this in our recruitment, organisational review, and people review processes to ensure that our actions create both internal and external value. //

// S1-3

Remedy of negative impacts and channels to raise concerns

Approach and processes for providing remedy

We work actively to ensure a safe and inclusive working environment as all employees deserve to be treated with dignity and respect. Employees can report grievances and complaints via the designated mechanisms, depending on the nature of the incident. Regardless of the reporting mechanisms and its severity level, we take all incidents seriously and handle all cases in a professional and confidential manner where all parties' needs are taken into consideration.

Access to remedy helps ensure fairness, justice, and protection for individuals and communities. It allows people to seek recourse and find a solution when they feel that their rights have been violated, promoting a more equitable and fairer workplace. If any employee feels they have experienced an instance of bullying, discrimination, or harassment, they are encouraged to seek support.

We have established various grievance and complaint mechanisms for our employees, which are described on our intranet and summarised below.

Channels for own employees to raise concerns

We are dedicated to ensuring that our employees not only have access to grievance channels but also have the knowledge, confidence, and psychological safety to utilise them when necessary. Ørsted as an organisation has the responsibility to take all reported cases seriously and provide fair outcomes for investigated cases that take all parties' needs into consideration. We also maintain secure and confidential records of reports and outcomes.

All employees have the right to make a complaint or raise a grievance without fear of retaliation. All concerns and complaints raised to People & Culture are taken seriously and handled confidentially to the extent possible.

Employees can use various mechanisms for raising their concerns or complaints. Firstly, an employee can always go to their direct people leader for support. Secondly, employees can reach out to the People & Culture organisation if they have a question or a concern via either an HR business partner or a local

People & Culture colleague. Thirdly, the employees can raise their concerns on an anonymous basis in the annual People Matter survey.

Lastly, our Whistleblower Hotline can be used by our employees and external stakeholders. Through the Whistleblower Hotline, employees are able to file a confidential report on inappropriate or illegal conduct and can remain anonymous. For more information on how we protect whistleblowers against retaliation, see ESRs 'G1 Business conduct'.

Awareness and trust in our grievance mechanisms

We take proactive steps to ensure that our employees are aware of and reminded about the grievance mechanisms available. This awareness is built into various aspects of our employee experience, including:

1) code of conduct training:

As part of our mandatory e-learning, we include guidance on our grievance and complaints handling policy.

2) policy:

The employees' rights and options for support are further described in the 'Grievance and complaints' section in our 'Global labour and employment rights policy'.

3) internal information campaigns:

We regularly communicate with our employees through various internal channels, including emails, newsletters, and our intranet, to remind them about the availability of grievance channels and to encourage their use. //

women as a broad group, but without the ability to track these additional layers, we risk overlooking the unique challenges faced by women and individuals with intersecting identities. This gap highlights that while we may be making progress in some areas, there is more work to do to ensure we are not leaving anyone behind.

Safety

Ørsted uses the total recordable injury rate (TRIR), which means incidents requiring some kind of medical treatment per 1,000,000 working hours, as a metric to monitor safety performance in order to reduce the negative impact on our own workforce and the contractors working at our sites.

TRIR is monitored and reported monthly. This includes safety presentations on construction projects to the Group Executive Team and the Board of Directors. Updated TRIR targets are established every year in Q4, based on past performance, expected impact of improvement initiatives, and expected level and complexity of activities in the coming year.

The TRIR targets are proposed by the different business areas, validated by the QHSE department, and then discussed and approved by the Group Executive Team.

Senior management is consequently fully involved in monitoring safety performance and establishing future targets. If safety performance for a specific entity deteriorates, the Group Executive Team is also very clear and visible in formulating their expectations for improvement and allocating relevant and competent resources.

Satisfaction

The Group Executive Team has decided our ambition for employee satisfaction and motivation, which supports one of our four strategic pillars of being the leading talent platform in renewable energy. Employee satisfaction and motivation should be in the top tier (top 25%).

Our ambition is unchanged, even though 2024 has been a year where we have seen a significant drop in satisfaction and motivation, due to the changes Ørsted has undergone. It is the responsibility of our people leaders to create action plans that focus on increasing satisfaction and motivation and getting it back to the desired level. //

// S1-5

Targets

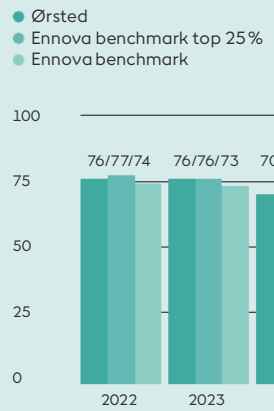
Gender balance, total workforce
%, women/men



Gender balance, people leaders
%, women/men



Employee satisfaction in top 25 compared to external benchmark
(Index 0-100)



People

| ESRS ref. | Number of employees | Unit | 2024 | 2023 | Δ |
|-----------------------------------|---|-------------------|--------------|--------------|----------------|
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Total number of employees (as of 31 December) | Head count | 8,407 | 9,073 | (7%) |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Denmark | Head count | 3,984 | 4,486 | (11%) |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | The UK | Head count | 1,272 | 1,324 | (4%) |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Malaysia | Head count | 792 | 770 | 3% |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Poland | Head count | 783 | 779 | 1% |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | The US | Head count | 720 | 747 | (4%) |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Germany | Head count | 390 | 398 | (2%) |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Taiwan | Head count | 199 | 197 | 1% |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | The Netherlands | Head count | 105 | 115 | (9%) |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Ireland | Head count | 100 | 105 | (5%) |
| // S1-6, 50(a); SBM-1, 40(a)(iii) | Other ¹ | Head count | 62 | 152 | (59%) |
| Entity spec. | Number of employees (as of 31 December) | FTE | 8,278 | 8,905 | (7%) |
| Entity spec. | Average number of employees during the year | FTE | 8,496 | 8,666 | (2%) |
| Entity spec. | Sickness absence | % | 2.1 | 2.1 | (0.0%p) |
| | Turnover | | | | |
| // S1-6, 50(c) | Number of employees who left the company | Head count | 1,190 | 797 | 49% |
| // S1-6, 50(c) | Employee turnover rate | % | 14.3 | 9.6 | 4.7%p |
| Entity spec. | Number of employees who left the company voluntarily | Head count | 723 | 600 | 21% |
| Entity spec. | Voluntary employee turnover rate | % | 8.7 | 7.2 | 1.5%p |
| | Employee satisfaction survey results | | | | |
| Entity spec. | Employee satisfaction ² | Index 0-100 | 70 | 76 | (6) |
| Entity spec. | Employee loyalty | Index 0-100 | 80 | 84 | (4) |
| Entity spec. | Employees experiencing stress | % | 18.8 | 13.7 | 5.1%p |
| Entity spec. | Employees experiencing bullying, harassment, threats, or violence | % | 2.6 | 2.7 | (0.1%p) |

¹ Distribution in other countries in 2024:

Singapore (18)
Korea (14)
Spain (9)
Vietnam (9)
Sweden (7)
Norway (4)
Japan (1)

² Our target is to have an employee satisfaction survey result in the top 25 percentile compared to an external benchmark group.

The number of employees was 7% lower at the end of 2024 compared to 2023.

Ørsted's voluntary turnover increased by 1.5 percentage points in 2024, whereas the total turnover increased by 4.7 percentage points.

The reduction in the total number of employees and increased total turnover for 2024 are related to organisational adjustments, including redundancies, that we have undergone to maintain our competitive edge.

The score for employee satisfaction in the annual employee survey was 70, which is 6 index points lower than 2023. While satisfaction and motivation levels remain healthy compared to industry benchmarks, the score is below the Ennova benchmark index of 73 and below our target of being in the top 25% percentile of an Ennova benchmark group.

Group Executive Team and Board of Directors

| ESRS ref. | Group Executive Team and Board of Directors | Unit | 2024 | 2023 | Δ |
|------------------|---|--------------|-------|-------|-------|
| | Group Executive Team | | | | |
| Entity spec. | Members | Head count | 5 | 10 | (5) |
| // GOV-1, 21(a) | Executives | Head count | 4 | 3 | 1 |
| // GOV-1, 21(a) | Non-executives | Head count | 1 | 7 | (6) |
| Entity spec. | Average age | Years | 54 | 50 | 4 |
| Entity spec. | Average seniority | Years | 2 | 1 | 1 |
| S1-16, 97(b) | CEO pay ratio ¹ | Ratio | 28 | - | - |
| Entity spec. | Remuneration of the Group Executive Team ² | DKK million | 64 | 134 | (52%) |
| // E1, GOV-3, 13 | CEO pay ascribed to climate-related KPIs ³ | % | 1.9 | - | - |
| | Board of Directors | | | | |
| Entity spec. | Members | Head count | 6 | 8 | (2) |
| // GOV-1, 21(a) | Executives | Head count | 0 | 0 | 0 |
| // GOV-1, 21(a) | Non-executives | Head count | 6 | 8 | (2) |
| // GOV-1, 21(d) | Average age | Years | 61 | 61 | 0 |
| // GOV-1, 21(d) | Average seniority | Years | 5 | 4 | 1 |
| // GOV-1, 21(e) | Independent board members | % | 83 | 88 | (5%p) |
| Entity spec. | Board meetings | Number | 15 | 16 | (1) |
| Entity spec. | Attendance | % | 96 | 94 | 2%p |
| Entity spec. | Remuneration of the Board of Directors ² | DKK thousand | 6,430 | 6,907 | (7%) |
| | Nomination & Remuneration Committee | | | | |
| Entity spec. | Members | Head count | 3 | 3 | 0 |
| Entity spec. | Meetings | Number | 4 | 3 | 1 |
| Entity spec. | Attendance | % | 100 | 100 | 0%p |
| | Audit & Risk Committee | | | | |
| Entity spec. | Members | Head count | 3 | 3 | 0 |
| Entity spec. | Meetings | Number | 6 | 10 | (4) |
| Entity spec. | Attendance | % | 94 | 100 | (6%p) |
| | Asset Project Committee | | | | |
| Entity spec. | Members | Head count | 3 | - | - |
| Entity spec. | Meetings | Number | 8 | - | - |
| Entity spec. | Attendance | % | 96 | - | - |

¹ CEO pay ratio shown is based on awarded remuneration and median employee base salary. More information on the CEO pay ratio based on average employee salary can be found in the remuneration report for 2024.

² For more information on the remuneration of the Group Executive Team and the Board of Directors, see note 2.7 'Employee costs' in the financial statements.

³ Part of the remuneration paid to the CEO is based on climate-related KPIs. For more information, please see the ESRs 'E1 Climate Change'.

As per 31 December 2024, the number of members in the Group Executive Team was five compared to ten in 2023. As per 1 February 2025, the number of members in the Group Executive Team was reduced to four as Mads Nipper stepped down as CEO.

The CEO pay ratio was 28 in 2024. In 2024, the methodology for calculating the ratio has changed slightly to better align with the requirements under the ESRS, implying that the ratio relies on the median annual base remuneration of our employees.

With regards to the board and its committees, we established the Asset Project Committee in 2024, overseeing the planning and execution of asset projects. The committee met eight times during 2024.

For additional information on the work of the Board of Directors during 2024, please see the section on 'Corporate governance' in the 'Management's review'.

Diversity and pay gap

| ESRS ref. | Diversity, head count | 2024 | 2023 | Δ | | |
|--|--|--------------------|--------------------|------------------------|---------------|--------------|
| Entity spec. // GOV-1, 21(d) | Board of Directors, Ørsted A/S, members Gender with lowest representation, % | 6 50 | 8 38 | (25%) 12%p | | |
| Entity spec. // S1-9, 66(a) | Group Executive Team, members Gender with lowest representation (female), % | 5 20 | 10 30 | (50%) (10%p) | | |
| Entity spec. Entity spec. | Senior directors and above Gender with lowest representation (female), % | 187 24 | 175 22 | 7% 2%p | | |
| Entity spec. Entity spec. | People leaders Gender with lowest representation (female), % | 1,032 33 | 1,054 33 | (2%) 0%p | | |
| Entity spec. Entity spec. | All employees Gender with lowest representation (female), % | 8,407 34 | 9,073 35 | (7%) (1%p) | | |
| All employees per age group, head count | | | | | | |
| // S1-9, 66(b) | Under 30 years | 1,183 | - | - | | |
| // S1-9, 66(b) | 30-50 years | 5,624 | - | - | | |
| // S1-9, 66(b) | Above 50 years | 1,600 | - | - | | |
| Gender pay gap, % | | | | | | |
| // S1-16, 97(a) | Gender pay gap, average | | | 14 | | |
| ESRS ref. | Contract type, head count, 2024 | Female | Male | Other ¹ | Not disclosed | Total |
| // S1-6, 50(a)(b) | Number of employees | 2,854 | 5,553 | - | - | 8,407 |
| // S1-6, 50(b)(i) | Permanent employees | 2,760 | 5,452 | - | - | 8,212 |
| // S1-6, 50(b)(ii) | Temporary employees | 94 | 101 | - | - | 195 |
| // S1-6, 50(b)(iii) | Non-guaranteed hours employees | - | - | - | - | - |

¹ The gender data presented in this report reflects the binary options of 'male' and 'female' as captured by our data systems. Many of these options are based on sex as recorded in official documents and do not fully represent the diversity of gender identities.

The changes made to the Board of Directors in 2024 means that we now have equal gender representation in the Board. However, the reduction of the Group Executive Team in 2024 to five members resulted in a female representation of 20%.

We have a gender diversity target of 40% women across Ørsted by 2030. The target is tracked at three levels: senior directors and above, people leaders, and all employees.

We are committed to equal pay and have a constant focus on ensuring equal pay for equal positions and competences in relation to all aspects of the salary-relevant processes from hiring to promotion. In 2024, we have changed our methodology on the gender pay gap calculations to reflect the requirements of the ESRS. This implies that we report a pay gap based on data from nine of the countries where we operate, that being Denmark (49%), Germany (5%), Ireland (1%), Malaysia (9%), the Netherlands (1%), Poland (9%), the UK (15%), Taiwan (2%), and the US (9%).

The gender pay gap of 14% consists of individual gender pay gaps across the countries where we operate, and reflects that the differences in pay between men and women are impacted by differences in gender mix across the career levels in the organisation. The share of women in higher-level leadership positions are significantly lower than in the remaining part of the organisation, resulting in average pay for women being lower than average pay for men in most countries.

This year, we have included a breakdown of our employees as per their contract type and gender. In 2024, 98% of our employees were employed on a permanent basis.

Safety

| ESRS ref. | Safety | Unit | 2024 | 2023 | Δ |
|-----------------|--|--|-------------|-------------|-------------|
| Entity spec. | Total recordable injuries (TRIs) | Number | 85 | 73 | 16% |
| // S1-14, 88(c) | Own employees | Number | 19 | 23 | (17%) |
| Entity spec. | Contractor employees | Number | 66 | 50 | 32% |
| Entity spec. | Lost-time injuries (LTIs) | Number | 45 | 36 | 25% |
| Entity spec. | Own employees | Number | 11 | 12 | (8%) |
| Entity spec. | Contractor employees | Number | 34 | 24 | 42% |
| Entity spec. | Hours worked | Million hours worked | 30.9 | 25.8 | 20% |
| Entity spec. | Own employees | Million hours worked | 14.1 | 14.5 | (3%) |
| Entity spec. | Contractor employees | Million hours worked | 16.8 | 11.3 | 49% |
| Entity spec. | Total recordable injury rate (TRIR) | Injuries per million hours worked | 2.7 | 2.8 | (4%) |
| // S1-14, 88(c) | Own employees | Injuries per million hours worked | 1.3 | 1.6 | (19%) |
| Entity spec. | Contractor employees | Injuries per million hours worked | 3.9 | 4.4 | (11%) |
| Entity spec. | Lost-time injury frequency (LTIF) | Injuries per million hours worked | 1.5 | 1.4 | 7% |
| Entity spec. | Own employees | Injuries per million hours worked | 0.8 | 0.8 | 0% |
| Entity spec. | Contractor employees | Injuries per million hours worked | 2.0 | 2.1 | (5%) |
| // S1-14, 88(b) | Fatalities | Number | 0 | 0 | 0% |
| Entity spec. | Permanent disability cases | Number | 0 | 0 | 0% |

The total recordable injury rate (TRIR) decreased by 4%, while the lost time injury frequency (LTIF) increased by 7%.

In 2024, our total number of recordable injuries increased by 12 injuries, driven by 16 additional injuries recorded among contractor employees compared to 2023. The increase in recordable injuries among contractor employees is associated with the 49% increase in the number of hours worked among contractor employees.

The total number of lost-time injuries (LTIs) increased by nine injuries, as the number of lost-time injuries increased by ten among our contractor employees, while it decreased by 1 for our own employees.

The total amount of hours worked in 2024 was 20% higher than in 2023 due to the higher number of projects under construction compared to last year.

To ensure the health and safety of our employees and contractors, we continue to constantly monitor our safety performance and implement relevant and effective actions where and when needed.



S2 Workers in the value chain

Our material impacts, risks, and opportunities (IROs)



// ESRs 2, SBM-3; S2, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the tables to the right are descriptions of our material IROs related to workers in the value chain, including how we manage them.

The impacts are linked to our strategic decision to build out our renewable capacity and operations, in which our value chain is dependent on manufacturing in less regulated countries.

These impacts occur through our relationships with suppliers and contractors in the manufacturing of components and extraction of materials in our supply chain.

Working conditions

| Material IRO description | How do we manage the IRO? |
|--|--|
| <p>1</p> <p>Excessive working hours for supply chain workers Negative impact (upstream value chain)</p> | |
| <p>2</p> <p>Possible work-related injuries and fatalities for supply chain workers Potential negative impact (upstream value chain)</p> <p>Our supply chain workers can be subject to excessive working hours and be denied adequate breaks. Furthermore, their work can result in injuries which might be fatal in rare situations.</p> <p>Within our industry, there are regions with weak labour protections where workers face a higher risk of significant negative physical and mental health impacts due to long working hours and poor working conditions.</p> <p>The potential negative impact related to injuries and fatalities spans across the short, medium, and long term.</p> | <p>We focus on promoting responsible sourcing and respect for labour rights.</p> <p>We conduct regular supplier assessments, risk-based audits, and stakeholder engagements, enabling us to monitor and evaluate performance relating to working hours across the supply chain and ensure fair working conditions.</p> |

Other work-related risks

| Material IRO description |
|---|
| <p>3</p> <p>Debt bondage Negative impact (upstream value chain)</p> |
| <p>4</p> <p>State-imposed forced labour Potential negative impact (upstream value chain)</p> |
| <p>5</p> <p>Forced labour allegations for renewable energy materials Risk (upstream value chain)</p> <p>Supply chain workers can be forced to pay recruitment fees. Such fees may occur with our suppliers, as well as allegations of supply chain labour in major supply chains.</p> <p>In regions with weak labour protections, there is a risk of debt bondage and forced labour, which can impact them and their families.</p> <p>The potential negative impact related to forced labour in the solar PV supply chain spans across the short, medium, and long term.</p> |

The green energy build-out impacts the lives of many, including people working across renewable energy supply chains. To support a just energy transition, we expect the companies we work with to run their business and supply chains in compliance with national laws and with respect for international labour and human rights standards. We need to make sure that we respect labour and human rights in everything we do, and that we reduce the risk of people in our value chain being adversely impacted.

At Ørsted, we want to support a just transition through the creation of decent jobs in the renewable energy industry. This means jobs providing workers with decent wages, secure employment, safe working conditions, and a working environment where they are free to express their concerns, and where their right to organise in trade unions is protected.

For an overview of how we have structured this chapter, please see page 61. Our IROs are highlighted in italics.

// S2, SBM-3

Material impacts and risks related to workers in the value chain

We have assessed IROs related to workers in our value chain, focusing primarily on our first-tier suppliers' workers but also workers further out in our supply chain, by using industry knowledge and internal knowledge based on our engagement in various forums. Workers in our value chain who are likely to be materially impacted by our operations and business relationships are included in the scope of our disclosures.

Types of impacted value chain workers

Our projects involve a diverse range of workers across the value chain, including those in upstream activities (such as refining, manufacturing, logistics, transportation, and mining and extraction of minerals and metals) and on-site construction, particularly in offshore operations. The latter includes workers at our project sites who are not part of our own workforce, such as subcontracted or temporary workers. These workers are materially impacted by our activities due to the nature of their work.

Certain workers within these categories are especially vulnerable, such as migrant workers, women, young workers, minority ethnic groups, or those in unsafe work conditions. As part of our due diligence process, we conduct detailed assessments, including interviews, to understand how these vulnerable worker groups may face increased harm within our value chain. Based on our double materiality assessment (DMA), we have identified that workers in high-risk sectors like logistics, maritime operations, and mining, and in particular those working under vulnerable conditions, are more likely to experience issues related to unsafe employment practices.

Material impacts

Negative impacts

Our material negative impacts on our suppliers' and sub-contractors' workers primarily relate to work-related rights violations, including *excessive working hours*, as well as *concerns over safety for all workers engaged in our supply chain*. There have also been known issues related to *debt bondage*, and *state-imposed forced labour may occur in the solar PV supply chain*.

These impacts are often widespread or systemic in contexts where we, or our direct suppliers, have sourcing or business relationships. This is also relevant in commodity supply chains in Africa, Asia, and Latin America for essential materials and components required for our renewable energy projects, such as minerals and metals used in wind turbines, cables, and solar panels.

In regions with weak labour protections, workers involved in the extraction and mining of these materials face significant health impacts due to long working hours, poor working conditions, and heightened vulnerability to exploitation. Our material negative impacts on value chain workers are linked to the transition to renewable operations, where our value chain is dependent on manufacturing in less regulated countries.

Positive impacts

While we do not directly create a material positive impact on workers in the value chain, we focus on strengthening practices that address our negative impacts, enhancing conditions for workers within the areas of our operations and supply chain.

Material financial risks

We are aware of a material risk related to *forced labour allegations of inadequate labour protections and oversight in our supply chain for critical components*. These include minerals and metals, such as rare earth elements for wind turbine magnets, copper for export or array cables, lithium for batteries, and silica for solar panels. These materials are often sourced from countries and areas in Africa, Asia, and Latin America, where enforcement of labour protections is weaker, increasing the risk of forced and child labour.

These policies are adopted to ensure ethical practices, respect human rights, and promote sustainable employment conditions across our value chain. They address key material impacts and risks related to working conditions and other work-related rights.

Policy scope

The scope of these policies covers all workers across our value chain, including those employed by our suppliers, contractors, and business partners globally. In regions or industries considered high-risk, such as Asia, these policies are particularly relevant and applicable.

Policy governance

Our Chief Operating Officer (COO) is accountable for and oversees the implementation of our 'Global human rights policy', and our Chief Commercial Officer (CCO) is accountable for the implementation of our 'Just transition' and 'Stakeholder engagement' policies. In practice, these policies are executed by several functions across our Global Stakeholder Relations organisation, including our Global Sustainability and Regulatory & Public Affairs departments, regional Corporate Affairs functions, and onsite project staff. Moving forward, we aim to strengthen our governance by designating senior management accountability for these policies.

Policy monitoring is generally conducted through external risk ratings, controversy reports, and adherence to the minimum safeguards of the EU taxonomy for sustainable activities, which are also subject to limited assurance by our external auditors.

Alignment with international standards

We align our policies with relevant internationally recognised guidelines and standards. Our 'Global human rights policy' aligns with the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our 'Just transition policy' is aligned with the UN Global Compact (UNGC) and the ILO Declaration on Fundamental Principles and Rights at Work. Our code of conduct for business partners adheres to several standards and conventions, including the OECD Due Diligence Guidance, the Maritime Labour Convention, IFC Performance Standards and the previously mentioned guidelines.

Interests of key stakeholders

Whenever applicable, we shape our policies with input from industry experts and leading organisations, including the Business and Human Rights Resource Centre, which provided valuable insights for our 'Global human rights policy'. However, we have not engaged directly with value chain workers or their representatives when developing our policies.

As we revisit and update our global policies, we aim to address this by enhancing our outreach and dialogue. Incorporating the perspectives of these key stakeholders will enable us to better consider and address the interests of those most impacted by our operations going forward.

Availability of policies

To promote transparency and inclusivity, we make these policies publicly available and share them directly with stakeholders affected by our activities or involved in their implementation, including business partners. We also ensure that they are easily accessible through our website and other engagement platforms.

Approach to respecting rights of value chain workers

We ensure the respect of human rights, including labour rights, across our value chain by conducting regular supplier assessments. These assessments evaluate labour conditions and the implementation of management systems by our suppliers to safeguard workers' rights. Our engagement is designed to detect, prevent, and address impacts and risks related to human rights violations, with a focus on ensuring fair treatment, safe working environments, and compliance with international labour standards.

We engage with value chain workers during our assessments to gather insights into their working conditions. We also collaborate with suppliers to enhance transparency and accountability, ensuring that workers' voices are heard, and their concerns are addressed.

Through our policies, we commit to provide and enable remedies for potential human rights impacts by implementing accessible grievance mechanisms. These allow value chain workers to report concerns or violations, ensuring these channels are user-friendly, confidential, and culturally appropriate. Upon receiving a grievance, we must promptly investigate the issue.

dignified, and inclusive work environments across our operations and partnerships.

As part of our due diligence process, we engage directly with workers or, where needed, through credible proxies, such as labour unions with insight into local working conditions. These proxies help provide important insights into the workers' situations and help ensure our efforts are aligned with their needs. This engagement involves regular dialogues and consultations to understand their concerns. This approach also gives us an understanding and insights into perspectives of the workers who may be particularly vulnerable, especially migrant workers.

While we do not currently have global framework agreements with global union federations, we prioritise collective worker representation wherever possible to promote open communication and advocate for fair conditions across our value chain.

Engagement with suppliers

Our supplier engagement is guided by the OECD due diligence principles and a deep understanding of potential sustainability impacts and risks within our supply chain. We work closely with key suppliers to ensure that our supply chain impacts and risks are identified and addressed. Feedback from value chain workers is crucial in shaping our risk assessments and informing our supplier engagement strategies.

Our work is based on a systematic and risk-based due diligence process used to assess partners' and suppliers' adherence to our 'Code of conduct for business partners'. We believe in collaborative partnerships, expecting business partners to actively

participate in risk assessments, inspections, monitoring, and reporting.

To evaluate the performance of our suppliers and business partners and identify any gaps or adverse impacts, we employ a combination of risk screenings, extended risk screenings, and code of conduct assessments (conducted either via desktop analysis or onsite assessment), which may occur both before and after contract signing.

This process evaluates suppliers' adherence to our code of conduct and integrates with our global procurement system, encompassing four key steps for real progress and continuous improvement:

1. **Commitment:** Upon entering a contract with Ørsted, suppliers sign and thereby commit to our code of conduct.
2. **Risk screening:** Based on country risk, category risk, and spend, we prioritise business partners for further engagement.
3. **Assessment:** We evaluate whether business partners adhere to the expectations in our code of conduct, reviewing relevant management systems and practices. Our engagement typically occurs as desktop reviews and interviews during the assessment of high-risk suppliers, either conducted by our internal assessment team or by external auditors with local language and cultural expertise. Our supplier assessments are structured to occur either prior to or after contract signing and are supplemented by follow-up engagements as necessary.

4. **Improvement:** In cases where gaps are identified, our Sustainability Due Diligence & Compliance team engages and collaborates with suppliers and business partners on improving their adherence to our social, environmental, and ethical expectations followed by regular touch points to ensure effective implementation of the improvement plan. In cases where we identify that business partners intentionally fail or repeatedly neglect the improvement plans, we reserve the right to terminate business relationships with the partner in question.

Effectiveness of engagement activities

To measure the effectiveness of our engagements, we assess outcomes of our assessments on an ongoing basis, including any agreements or remedial actions implemented as a result. We continuously work to improve our approach and, ultimately, value chain worker conditions. The senior operational responsibility for overseeing these engagements rests with our Chief Procurement Officer, ensuring that results are integrated into our broader due diligence processes.

In 2024, we have improved the evaluation of our due diligence process and are working on optimising it alongside relevant internal teams, such as our QHSE team. In 2025, we aim to implement the new process in the organisation as well as mature the monitoring of contracted suppliers.

The commitment to continuous improvement is underscored by regular updates to our due diligence process, methodology, and incorporation of evolving standards into our screening tools. As we navigate the dynamic landscape of upcoming legislations within

We are actively working to establish and implement additional mechanisms to provide or enable remedy for human rights impacts on our value chain workers. These mechanisms will be specifically designed for value chain workers to raise concerns about labour or human rights issues.

Once in place, they will allow value chain workers to have better access to reporting any violations, which will be promptly reviewed and addressed by our compliance and internal audit teams. Additionally, we will collaborate with suppliers to support corrective actions, offering guidance and resources to address identified issues in alignment with our policies.

Through our 'Code of conduct for business partners', we actively support and require all suppliers to establish accessible grievance mechanisms for their workers, rights holders, and stakeholders. These mechanisms must allow for safe and confidential reporting of any concerns related to the scope of the code of conduct, ensuring that individuals can report issues without fear of retaliation.

Monitoring and effectiveness of grievance channels

We work closely with key suppliers to monitor issues raised and addressed while also assessing the effectiveness of these grievance channels, ensuring they are consistently available and trustworthy resources for value chain workers. However, currently we do not have a formal process in place to assess the effectiveness of our mechanisms and communication channels specifically for value chain workers.

We are working to establish a global methodology for aggregating feedback and grievance management, which will also enable us to systematically track and monitor the effectiveness of our efforts. Specifically, we aim to implement a standardised process for receiving, addressing, resolving, and providing remedies to value chain workers where necessary. We plan to pilot a grievance reporting channel for a select supplier to collect workers' grievances via a digital solution by 2025.

Awareness and trust in our grievance mechanisms

As part of our ongoing commitment to transparency and accountability, we assess whether value chain workers are aware of and trust the grievance mechanisms available to them during our onsite supplier assessments where we conduct interviews with workers. However, our assessments in this area are still a work in progress. While we can evaluate workers' awareness during these interviews, we do not yet have sufficient comprehensive assessments to fully assess their trust in these channels. We are actively working to strengthen our approach to ensure greater transparency regarding value chain workers' grievances.

Further to this, it is our aim to ensure that our Whistleblower Hotline is widely available to value chain workers, although we cannot be certain that all value chain workers are aware of this channel and know how to access it. However, we ensure individuals who use these grievance mechanisms are protected from retaliation, and that all whistleblower reports are handled confidentially, in line with our '[Good business conduct policy](#)' and '[Whistleblower policy](#)'. For more information on how we protect whistleblowers against retaliation, see ESRS 'G1 Business conduct'. //

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Actions related to workers in the value chain

We work to ensure the health, safety, and well-being of all workers in our supply chains while actively mitigating negative impacts and risks related to working conditions and labour rights. We have identified several key areas of concern, including excessive working hours, injuries, fatalities, debt bondage, withholding of passports, and forced labour. Our actions are focused on both preventing and addressing these negative impacts and risks throughout our value chain.

Key actions

In 2024, we took steps to address work-related issues and improve working conditions within our supply chains to help prevent and mitigate our negative impacts and risks.

Human rights training

We identified several key areas requiring attention to safeguard workers' rights within our supply chains. One major concern was the issue of [excessive working hours](#), prompting us to introduce a series of initiatives. We have provided human rights training for our Marine Inspection team, emphasising the importance of appropriate working conditions and addressing matters such as bullying, discrimination, harassment, and excessive hours.

These efforts aim to guarantee that workers are not subjected to undue stress, and that violations are promptly detected and rectified. We aim to expand this initiative by 2025 to include QHSE site

Partnership with the Worker Welfare Group

During the year, we have also taken steps to address critical work-related rights impacts, including **debt bondage and forced labour**. For instance, we are working with industry peers through the Worker Welfare Group, a partnership focused on labour rights and worker welfare requirements within the marine construction sector.

The Worker Welfare Group has developed a set of principles and guidelines to support, in the first instance, the Singapore marine construction sector, enabling it to meet international standards for worker rights and worker welfare, particularly focusing on responsible recruitment, improved accommodation, better transport, and improved access to grievance mechanisms. We have engaged with key stakeholders to advocate for systemic improvements and are also working with local organisations to facilitate access to remedy for workers.

Going forward, we aim to build on our initial learnings from the Worker Welfare Group and implement the principles for fair treatment of migrant workers throughout 2025. This will further strengthen our dedication to labour rights and worker welfare.

Other actions

Participation in the Initiative for Responsible Mining Assurance (IRMA)

We actively participate in the Initiative for Responsible Mining Assurance (IRMA) to promote responsible practices in sourcing critical minerals and third-party verification of responsible practices in the minerals supply chain. Our collaboration with the IRMA Buyers Group will be supported by ongoing discussions

with suppliers, aiming to enhance traceability and accountability across our supply chain.

Engagement in the International Responsible Business Conduct (IRBC) Agreement

In 2024, we also focused on reinforcing our commitment to ethical sourcing and ensuring the well-being of workers involved in our projects. Our engagement in the International Responsible Business Conduct (IRBC) Agreement for the Renewable Energy Sector has been important in this regard. We collaborated with other wind developers and industry partners to address risks and impacts tied to workers' rights, e.g. in the minerals and metals supply chains.

As part of the IRBC, we conducted a maturity assessment against the OECD guidelines. Our efforts led to Ørsted being recognised as an industry leader, underscoring our dedication to responsible business conduct.

Supplier selection criteria

During 2024, our procurement process has been updated to ensure that all relevant offshore supplier categories (excluding EU tenders) will go through a pre-qualification process that will include an early screening and evaluation of our code of conduct and QHSE requirements. This will ensure that there is an early evaluation and approval of suppliers on social and environmental criteria before the sourcing process starts.

In addition to the principles of our code of conduct, we have commenced the incorporation of climate requirements into contractual agreements with key suppliers, which entails reporting to the Carbon

Disclosure Project (CDP), setting science-based climate targets, and covering electricity consumption with renewable electricity. //

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Targets related to workers in the value chain

Currently, we have not set time-bound and outcome-oriented targets that meet the criteria for effectively reducing negative impacts, advancing positive impacts, or managing material risks and opportunities related to value chain workers. However, we recognise the importance of establishing robust targets to drive meaningful progress in these areas.

We are working to establish a clear process that will involve engaging directly with value chain workers, their representatives, or credible proxies. In the meantime, we are focused on gathering data and assessing current practices to ensure that future targets are effective and aligned with stakeholder needs. We are not yet fully able to monitor how effectively our policies and actions address our material sustainability-related impacts and risks for workers in the value chain. //

Entity spec.

Supply chain due diligence

| Supply chain due diligence, number | 2024 | 2023 | Δ |
|---|------|-------|-------|
| Risk screenings | | | |
| Risk screenings (all contracts above DKK 3 million) | 344 | 363 | (5%) |
| Extended risk screenings | 42 | 62 | (32%) |
| Know-your-counterparty (KYC) screenings | 884 | 1,456 | (39%) |
| Due diligence activities conducted | | | |
| Code of conduct (CoC) desktop assessments | 19 | 54 | (65%) |
| Code of conduct (CoC) site assessments | 5 | 9 | (44%) |
| Health, safety, and environment (HSE) desktop assessments | 114 | 130 | (12%) |
| Health, safety, and environment (HSE) site assessments | 58 | 117 | (50%) |
| Desktop vessel inspections | 71 | 61 | 16% |
| Physical vessel inspections | 429 | 404 | 6% |

Risk screenings

The number of screenings and due diligence activities conducted is determined by the time schedule of the individual construction project and the procurement priorities from year to year.

There was a 5% decrease in the number of risk screenings performed based on country and category risk compared to 2023. Based on the risk screenings performed, 42 extended risk screenings were carried out with additional risk parameters, including labour characteristics related to e.g. migrant workers and seafarers' rights. The reduction in extended risk screenings is driven by a high number of recurring suppliers assessed previously from a code of conduct (CoC) perspective.

The number of know-your-counterparty (KYC) screenings, focusing on suppliers' integrity and legal compliance, decreased by 39%. The decrease is linked to a system clean-up led by the Business Ethics Compliance team in 2024.

Due diligence activities

The number of CoC desktop assessments decreased by 65% in 2024 compared to 2023. The decrease is due to an update of our assessment methodology within selected business areas. There was also a 12% decrease in the number of health, safety, and environment (HSE) desktop assessments performed in 2024 compared to 2023 due to the implementation of new sourcing processes and processes for selecting suppliers.

The number of CoC site assessments decreased to a total of 5 in 2024 from 9 in 2023 due to a lower number of suppliers in high-risk markets. The number of HSE site assessments decreased by 50% in 2024 compared to 2023 due to reduced project activities on-site during 2024.

The number of desktop vessel inspections increased by 16% and the number of physical vessel inspections increased by 6% in 2024 compared to 2023. The change is due to an increase in the execution of offshore projects which has led to an increased number of vessels relevant for inspection.

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



S3 Affected communities

Our material impacts, risks, and opportunities (IROs)



// ESR5 2, SBM-3; S3, SBM-3

Our material impacts, risks, and opportunities (IROs)

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

The material impacts that we have identified on affected communities are linked to our strategic decision to build out our renewable capacity and operations, which includes increased construction activities in our own operations as well as manufacturing and mining activities in our value chain that are necessary for the sustainable economy.

These impacts occur through our relationships with suppliers and contractors in manufacturing of components and extraction of materials in our supply chain and in our own construction and operation activities.

Communities' economic, social, and cultural rights

| Material IRO description | How do we manage the IRO? |
|--|---|
| <p>1 Pollution from mining may affect communities' health Potential negative impact (upstream value chain)</p> <p>Air, soil, and water contamination from mining of minerals and metals may have adverse health effects on local communities living close to manufacturing or mining sites.</p> <p>Particularly in regions where critical materials are sourced for the technologies we use, communities may face significant negative health impacts from pollution.</p> <p>This potential negative impact can occur across the short, medium, and long term.</p> | <p>We engage directly with impacted communities, listen to their concerns, and provide appropriate remedies to support their well-being and resilience.</p> <p>We continuously work to strengthen our processes for providing or contributing to appropriate remediation to affected communities.</p> |
| <p>2 Local jobs and educational opportunities Positive impact (own operations)</p> | |
| <p>3 Public infrastructure improving living standards Positive impact (own operations)</p> <p>We provide education and upskilling programmes to develop competences in renewable energy technologies, which enable community members who may be situated next to our operating sites to gain employment in our projects. We also invest in community infrastructure to enhance public facilities, e.g. ports, roads, and community buildings.</p> <p>Communities can benefit from socio-economic impacts in terms of the creation of local jobs and educational opportunities as well as an improved standard of living through improvements to public infrastructure when renewable energy assets are constructed near them.</p> | <p>We actively work to implement initiatives that foster community development in consultation with communities to best address local needs.</p> |

| Material IRO description |
|---|
| <p>4 Local communities' resistance Risk (own operations)</p> <p>Local community resistance if not proactively addressed can lead to project delays, increased costs from potential legal costs from political or reputational risks.</p> |
| <p>5 Increasing local content Risk (own operations)</p> <p>Increasing preferences of local communities as opposed to overall social norms can pose a risk, as meeting significant engagement and a worst case scenario, lead to business cases for renewable energy.</p> |

Rights of Indigenous Peoples

| Material IRO description | How do we manage the IRO? |
|--|---|
| <p>6</p> <p>Indigenous Peoples' rights and livelihoods possibly disrespected or disrupted by suppliers Potential negative impact (upstream value chain)</p> | |
| <p>7</p> <p>Indigenous Peoples' rights and livelihoods disrespected or disrupted during development and construction Negative impact (own operations)</p> <p>Suppliers and other actors further up in the value chain (e.g. in mining) may disrespect Indigenous Peoples' rights and disrupt their livelihoods. Furthermore, Indigenous Peoples are or can be affected by our development and construction activities or by our suppliers operating on or near Indigenous lands.</p> <p>Some Native American tribes with traditional or cultural connections to the seabed have expressed dissatisfaction with the consultation process utilised by the federal government.</p> <p>The potential negative impact in our upstream value chain can occur across the short, medium, and long term.</p> | <p>We work to minimise these negative impacts, recognising the importance of protecting Indigenous rights, and we are engaging with affected Indigenous Peoples.</p> <p>This e.g. takes place through our community liaison officers and project staff, employing different types of interaction, such as public meetings and consultations to facilitate open communication.</p> |
| <p>8</p> <p>Consent of indigenous communities Risk (own operations)</p> <p>Failure to ensure consent from Indigenous communities through an adequate free, prior, and informed consent (FPIC) process, which can arise from insufficient engagement by authorities, business partners, or prior stakeholders, amongst others.</p> <p>Securing the FPIC of Indigenous communities presents a risk, particularly in regions like the US and Australia, where Indigenous Peoples maintain strong cultural and ownership ties to their lands. It can result in project delays, added costs, and strained relationships that may limit future opportunities in these areas.</p> | <p>We build trust with Indigenous communities by upholding their rights, committing to FPIC, addressing concerns early, ensuring meaningful engagement, and promoting shared benefits through co-ownership and inclusivity.</p> |

Transitioning to a world powered entirely by green energy presents a great opportunity for positive change on a local and global scale. It has the potential to unlock opportunities and create significant value for the communities where we operate. However, to realise this potential and ensure the pace and scale needed for a successful and just renewable energy transition, gaining the trust and support of the local communities where we build is essential.

To get there, we are committed to working together with communities and strive to not only avoid or mitigate negative impacts but also seek ways to create a positive, lasting impact which ensures that the benefits of this transformation are shared equitably. This includes a strong commitment to respecting human rights, promoting an inclusive and diverse industry, and delivering tangible economic and social benefits, providing long-term value to those affected by our projects.

For an overview of how we have structured this chapter please see page 61. Our IROs are highlighted in italics.

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Material impacts and risks related to affected communities

All affected communities likely to be materially impacted by our operations and throughout our value chain are included in the scope of our disclosures. This includes not only impacts directly connected to our own operations but also those throughout our value chain, including our business relationships.

In general, our material impacts are widespread and systemic, particularly in regions where we develop renewable energy projects, or where critical materials are sourced for the technologies we use. They arise as part of the transition to greener and renewable operations. This transition includes challenges associated with innovation and restructuring, such as the increased demand for minerals and metals that are essential for renewable technologies.

Positive impacts

We actively work to implement initiatives that foster community development in consultation with communities to best address local needs. Involving local communities in the planning and development phases of renewable energy projects allows us to address their concerns, align our activities with community interests, and promote shared benefits, such as job creation, economic development, and enhanced community well-being.

For instance, we provide [education and upskilling programmes to develop competences in renewable energy technologies](#) through community benefit funds. This enables community members to gain employment in our projects or the wider renewable energy industry, [generating local jobs and fostering innovation](#). Additionally, we [invest in community infrastructure to enhance public facilities and improve living standards](#), such as the Grimsby Youth Zone in the UK.

Material financial risks

We have identified three key material financial risks in our operations that arise from our interactions with and dependencies on affected communities. First, [local](#)

[community resistance to renewable energy projects](#) – if not proactively addressed – may lead to delays in project timelines, increased costs from operational disruptions, potential legal costs from community lawsuits, and political or reputational risks. This risk is especially significant for communities in industrialised or rural areas that depend on the same natural resources, such as land or water, or infrastructure that our operations may impact. For instance, for wind or solar projects, disputes over reduced access to land or sea space or environmental concerns, including biodiversity impacts, can hinder progress.

Second, [increasing requirements for local content and social impact in tender processes](#) pose a risk, as meeting these expectations requires significant engagement and resources to ensure local communities benefit from our projects.

Third, [securing the free, prior, and informed consent \(FPIC\) of Indigenous communities](#) presents a risk, particularly in regions like the US and Australia, where Indigenous Peoples maintain strong cultural and ownership ties to their lands. Failure to ensure consent through an adequate FPIC process – due to insufficient engagement by authorities, business partners, or previous stakeholders – can result in project delays, added costs, and strained relationships that may limit future opportunities in these areas.

Two of our material risks relate specifically to distinct groups rather than to all affected communities. First, not securing FPIC is a unique risk for Indigenous communities, particularly in regions such as the US and Australia. Secondly, in areas where local communities

rely on the same natural resources – such as land or water – used by our operations, there is a heightened risk of local resistance. These risks are distinct to these specific groups, as their unique connections to the land and resources set them apart from broader affected communities. //

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Policies related to affected communities

Policy key contents

Our commitment to respect human rights and engage with communities is outlined in our '[Global human rights policy](#)', '[Stakeholder engagement policy](#)', '[Just transition policy](#)', and '[Code of conduct for business partners](#)'.

Our 'Global Human rights policy' includes specific provisions to respect Indigenous land rights, cultures, and traditional practices, and it commits us to engaging with Indigenous communities early in the planning process of our renewable energy projects, ensuring their input is considered and incorporated into project design and implementation. This includes honouring the principles of FPIC as fundamental to our engagement strategy.

These policies are adopted to prevent, mitigate, and remediate potential negative impacts on local communities near our operations and value chain. The policies address key material impacts and risks related to Indigenous Peoples' rights and local communities' economic, social, and cultural rights.

Approach to respecting rights of affected communities

Overall, our 'Code of conduct for business partners' and policies on human rights and stakeholder engagement describe our approach to:

- respecting Indigenous Peoples, minorities, and other vulnerable groups in line with international law and standards as described in the UN Declaration on the Rights of Indigenous Peoples, including the principles of FPIC
- respecting land rights of legitimate tenure rights holders as set out in the UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests
- ensuring the safety and protection of defenders of human rights, the environment, or Indigenous Peoples
- mandating that our business partners take measures to protect environmental and human rights defenders and other interested parties who lawfully exercise their freedom of speech.

We engage in early and ongoing dialogue with local communities and Indigenous Peoples by hosting e.g. consultation sessions, attending community meetings, and conducting surveys. This approach helps us gather insights to better understand their external perspectives on our projects and the local impacts. We aim to build an approach based on transparent communication, co-creation of mitigation measures, and on ensuring that feedback is integrated into project planning and execution.

Through our policies, we commit to provide and enable remedies for potential human rights impacts by implementing accessible grievance mechanisms that allow affected individuals and communities to report concerns or violations, ensuring these channels are user-friendly, confidential, and culturally appropriate. Upon receiving a grievance, we must promptly investigate the issue and engage with the affected parties to gather information and consider their perspectives.

If human rights impacts are identified, we strive to take immediate action and provide appropriate remedies, which may include compensation, restoration of rights, or preventive measures. We also invest in training of our employees and business partners to raise awareness of human rights issues, e.g. related to bullying and discrimination. //

// S3-1 and S3-4

We are currently not able to fully assess our full value chain for instances of non-respect for these principles, besides the indications from our external risk ratings and controversy reports, which have not identified any material incidents. We aim to maintain transparency by documenting any reported cases that come to our attention related to human rights impacts involving affected communities, whether in our operations or within our upstream and downstream value chain. //

// S3-2

Processes for engaging with affected communities about impacts

Engagement with affected communities

We aim to go above the minimum regulatory requirements regarding engagement with affected communities, as we believe these engagements are essential for securing and sustaining the social license necessary for advancing renewable energy development. To ensure that our decisions reflect the perspectives of affected communities, we engage proactively with community stakeholders and local organisations and seek ongoing dialogue with them, ensuring their voices are heard and considered in our decision-making processes. This approach is being integrated across our business functions, markets, and asset projects.

The outcome of this engagement directly informs our strategies for identifying, assessing, and addressing actual and potential impacts on affected communities. The collaboration also helps us to identify opportunities for community investment and support, ensuring that the benefits of our projects are aligned with local communities' interests and needs.

It is our responsibility to ensure that affected communities, whether directly or indirectly impacted, are considered, and that their voices are integrated into the project planning. Depending on the specific context of a project, we engage either directly with affected communities, their legitimate representatives, or credible proxies, such as local NGOs or government representatives, to gain insights into their needs and concerns.

through regular follow-up meetings with community representatives, we are able to collect feedback on the processes. Where applicable, we document agreements and outcomes resulting from these engagements. //

// S3-3 and S3-4

Remedy of negative impacts and channels to raise concerns

Approach and processes for providing remedy

Our approach to managing our negative impacts on affected communities and our processes for identifying what is needed and appropriate to respond to these impacts help us to avoid, mitigate, and remedy negative impacts while creating lasting positive impacts for these communities.

To effectively remediate material negative impacts, including those that may affect Indigenous rights or disrupt local livelihoods within our value chain or operations, we engage directly with impacted communities, listen to their concerns, and provide appropriate remedies to support their well-being and resilience. We continuously work to strengthen our processes for providing or contributing to appropriate remediation to affected communities where we have identified that we have caused or contributed to a negative impact. //

// S3-3

Channels for affected communities to raise concern

To facilitate our ability to address negative impacts on affected communities, we often employ community liaison officers who engage with local stakeholders to gather feedback and address grievances related to our projects, particularly during the planning

and execution phases. We use various methods and channels to collect community input, including hosting informational town halls and open forums, telephone lines, emails, and social media as well as designated drop-off boxes in locations to allow residents to submit concerns anonymously.

Additionally, our Whistleblower Hotline enables individuals in affected communities to report any inappropriate or illegal conduct confidentially.

Furthermore, we actively encourage our business partners and contractors to adopt similar channels for community engagement through our 'Code of conduct for business partners' and associated due diligence processes, ensuring that our collective operations support the needs and concerns of the communities we impact.

Monitoring and effectiveness of grievance channels

We work closely with materially affected communities to monitor issues raised and addressed while also assessing the effectiveness of these grievance channels. We currently assess the effectiveness of our mechanisms and communication channels through our ongoing dialogue with local stakeholders.

We want to further improve our process of assessing the effectiveness of these efforts and are working to establish a global methodology for aggregating community feedback and grievance management. This will allow us to systematically track and monitor the effectiveness of our efforts. Specifically, we aim to implement a standardised process for receiving, addressing, resolving, and providing remedies to affected communities when necessary. We plan to pilot a grievance

reporting channel for a select supplier to collect workers' grievances via a digital solution by 2025.

Awareness and trust in our grievance mechanisms

As part of our ongoing commitment to transparency and accountability, we assess whether affected communities are aware of and trust the grievance mechanisms available to them through ongoing community engagements. However, our assessments in this area are still a work in progress. While we can evaluate communities' awareness during engagements, we do not yet have sufficient comprehensive assessments to fully measure their trust in these channels. We are actively working to strengthen our approach to ensure greater transparency regarding affected communities' grievances.

Further to this, it is our aim to ensure that our whistleblower hotline is widely available to affected communities, although we cannot be certain that all affected communities are aware of this channel and know how to access it. However, we ensure individuals who use these grievance mechanisms are protected from retaliation, and that all whistleblower reports are handled confidentially, in line with our '[Good business conduct policy](#)' and '[Whistleblower policy](#)'. For more information on how we protect whistleblowers against retaliation, see ESRS 'G1 Business conduct'. //

// S3-4

Actions related to affected communities

We are working to prevent, mitigate, and remediate the actual and potential negative impacts on affected communities and Indigenous Peoples. Our approach

One of our major accomplishments this year was launching the Hornsea 3 Community Fund to support local groups and organisations in North Norfolk and parts of Suffolk in the UK who work with community facilities or activities, skills and education, or environmental projects. In September 2024, the fund announced its first round of awards, as a total of GBP 249,000 was distributed to 21 local organisations selected for their potential to strengthen community well-being and resilience.

These projects include educational initiatives to enhance skills, environmental conservation efforts, and programmes aimed at improving public health and social well-being. Among the funded projects are community centres, youth initiatives, and environmental programmes focused on boosting local biodiversity. The fund is made available as part of our project to create the world's single largest offshore wind farm, Hornsea 3, and will award a total of GBP 7 million over a targeted ten-year period.

Our efforts with the Choczewo Community Benefit Fund have also progressed, as we moved into the third round of awards, aimed at establishing a sustainable community investment model to support local groups and organisations in the Choczewo Municipality in Poland. The funds are granted to projects across various areas, including community development, safety, local councils, cultural heritage, environmental protection, youth engagement, local well-being, and infrastructure. The fund is connected to the development of our offshore wind farms in the Baltic Sea, Baltica 2 and 3, and through it, we will award a total of PLN 1 million in grants over three years (2023-2025).

Other actions

Global guidelines and grievance management system

In 2024, we laid the foundation for many of the initiatives currently in progress for managing our negative impact and risks associated with [failing to respect Indigenous Peoples' rights](#) and [ensuring FPIC in our own operations](#). We began by developing a global guidance for social and human rights impact assessments, which will allow us to proactively manage these risks and impacts before the construction of new projects.

Furthermore, we finalised our internal guidelines for free, prior, and informed consent (FPIC), a framework designed to ensure respectful and transparent engagement with Indigenous communities. These guidelines guarantee that we secure consent from Indigenous communities before initiating projects that might impact their lands or cultural heritage.

Going forward, we will be conducting specific assessments on how projects might affect Indigenous communities. This will involve engaging with these communities early in the planning phase to ensure that their needs and concerns are adequately addressed.

We also initiated the creation of a company-wide methodology for systematically addressing community grievances. This system aims to learn from previous incidents to improve future community engagements. By 2025, we aim to fully implement both the global guidance for social and human rights impact assessments and the comprehensive grievance management system.

Initiatives to support Indigenous communities

In 2024, we took several steps to address negative impacts related to Indigenous Peoples' rights and

livelihoods near offshore wind projects in the US. Local Indigenous communities have raised concerns about our projects' effects on cultural viewsheds and marine wildlife. To mitigate their concerns, we have provided local habitat restorations, granted scholarships for local Indigenous youth, and supported cultural projects in local parks and museums. To mitigate the viewshed impact, we implemented a lighting system that minimises light pollution.

Enhancing local content in tender processes

To address the risk of [potential local resistance to renewable energy projects](#), we strengthened our strategy for early and transparent engagement with local communities. This included enhancing local content in our tender processes to align more closely with community needs and regulatory expectations.

Pilot initiatives measuring effectiveness of our community and biodiversity efforts

Additionally, we completed three pilot initiatives during the year to measure the effectiveness of our community and biodiversity efforts in delivering local social value. These pilots focused on evaluating social returns on investment, creating natural, human, and social capital, and assessing overall impacts on community well-being indicators. Also, the knowledge built from these initiatives will constitute the building blocks for our future ability to monitor how effectively our policies and actions address our material impacts and risks related to affected communities.

Our goal is to further refine how we measure the social, economic, and cultural impacts of our projects, thereby improving the allocation of investments to areas that provide the greatest benefit. Going forward,

Governance

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→

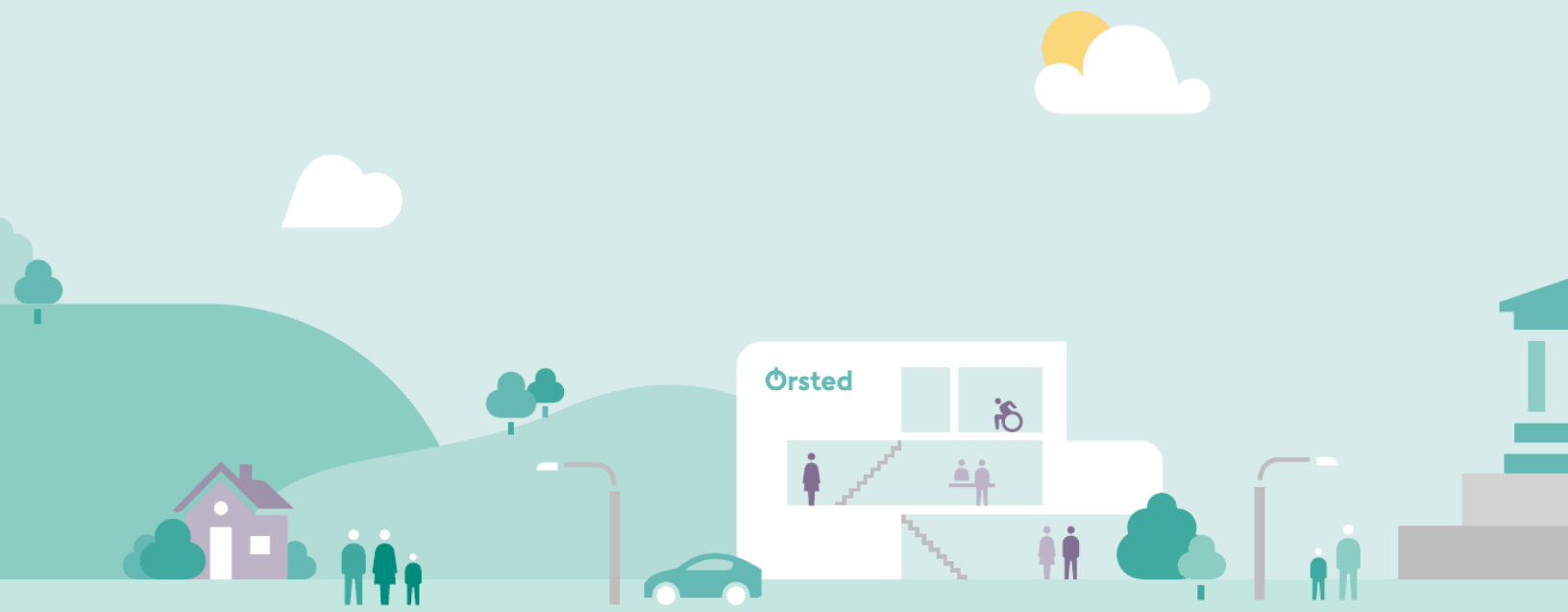
Foundations are one of the largest sources of carbon emissions in an offshore wind farm's life cycle. In March 2024, we signed a memorandum of understanding with German steel producer Dillinger, securing access to the company's first production of lower-emissions heavy plate steel for offshore wind foundations. In return, we offer our support to accelerate investment in the plant used to produce it.





G1 Business conduct

Our material impacts, risks, and opportunities (IROs)



Own operations

● Positive impact ● Negative impact ● Risk ● Opportunity

// ESRs 2, SBM-3

Our material impacts, risks, and opportunities (IROs)

In the table below is a description of our material IRO related to business conduct, including how we manage it.

The positive impact is linked to our strategic decision to build out our renewable capacity and operations. It occurs through our lobbying activities that primarily

concern regulation of the energy sector with a view to accelerating the deployment of renewable energy in a way that underpins urgent climate action, security of supply, competitiveness, and nature enhancement.

Political engagement and lobbying activities

| Material IRO description | How do we manage the IRO? |
|---|--|
| <p>1 Constructive political engagement through lobbying Positive impact (own operations)</p> <p>This positive impact relates to our lobbying activities and other means of political influence that enable us to contribute to the development of policies and legislation relating to the build-out of renewable energy and the ambition of industry-wide decarbonisation (climate advocacy).</p> <p>We positively impact the environment and society through our lobbying activities that promote the accelerated build-out of renewable energy, which is a key technology needed to decarbonise society and succeed in limiting global warming to 1.5 °C.</p> | <p>Our global Regulatory & Public Affairs team and regional teams perform constructive political engagement through lobbying and climate advocacy efforts.</p> |

At Ørsted, our approach to business conduct is steered by integrity, one of our key guiding principles. We commit to transparent and ethical practices across our business and operate in compliance with laws and regulations, fostering trust and respect among our employees and other stakeholders.

We have several key policies to support our corporate culture, including our 'Good business conduct (GBC) policy' and 'Code of conduct for business partners', which present the rules to be adhered to by our own employees and business partners.

Our double materiality assessment (DMA) identified several impacts and financial risks related to business conduct. A positive impact related to our political influence and lobbying activities was assessed as material. However, due to the preventative measures that we have in place at Ørsted, risks related to corruption and bribery were not assessed as material.

The following section describes our business conduct activities and risk mitigation strategies, which are integral to our business practices and fundamental to the way we work at Ørsted.

Business conduct matters

Corporate culture

We are committed to fostering a robust corporate culture. This is achieved through a strong leadership commitment, targeted communication, and periodic global awareness campaigns that make business ethics and compliance a visible priority within the organisation.

Furthermore, we monitor all activities related to sponsorships, donations, gifts, and entertainment to ensure strict compliance with our GBC policy and only support initiatives with sponsorships and donations that are subject to high transparency and accountability and are aligned with our overall vision.

Our Internal Audit team conducts regular audits to ensure the effectiveness of our GBC policy and that all allegations or incidents of corruption and bribery are investigated. In 2024, we experienced no convictions and no fines for violation of anti-corruption and anti-bribery laws.

Employees who fail to adhere to our GBC policy may face disciplinary actions, including immediate termination of employment. It may also result in legal sanctions and reporting to the police. We work proactively with people leaders to clarify policies and prevent serious non-compliance issues.

At-risk functions

In our organisation, certain functions are more susceptible to corruption and bribery due to their involvement in critical financial transactions, interactions with key business partners and public officials, and geographic location. There is also a higher risk when entering new markets, particularly in countries with higher corruption risks and lower levels of transparency. To address this, our compliance monitoring processes ensure the highest standards of integrity and adherence to regulations.

Business conduct training

All new employees are required to participate in an e-learning course on business conduct as part of their onboarding process, and the course must be repeated

by all employees every second year. The training covers a wide range of topics, including anti-corruption, anti-bribery, and ethical guidelines, and addresses various scenarios and ethical dilemmas.

Our Business Ethics Compliance team oversees the completion of the e-learning and conducts additional ad-hoc training for at-risk functions. The training aims to translate our zero tolerance towards bribery, corruption, and inappropriate business conduct into everyday work and ensure employees are well equipped to understand what good business conduct means and how to comply with our GBC policy.

Whistleblowers

Our commitment to business integrity and transparency is upheld through the [Whistleblower Hotline](#), where both employees and external stakeholders can raise concerns about unethical behaviour or wrongdoings. It is used for reporting and handling all investigations and for liaising with affected areas and stakeholders. For more details on the handling of whistleblower reports and management of the whistleblower scheme, please see the 'Management's review', page 49.

We outline our commitment to protecting whistleblowers against retaliation in our '[Good business conduct policy](#)' and our '[Whistleblower policy](#)'. Our system complies with applicable laws and regulations designed to protect the rights and freedom of persons with respect to the reporting of cases and the associated processing of personal data. Whistleblowers who choose to remain anonymous cannot be tracked or identified.

// G1, IRO-1

Processes to identify and assess material impacts, risks, and opportunities

The starting point of our DMA for ESRs 'G1 Business conduct' identified and assessed several impacts and financial risks related to business conduct that we recognise are related to our global operations. Through our DMA, one positive impact related to our [political influence and lobbying activities](#) was assessed as material.

Our DMA also identified and assessed bribery and corruption risks related to our own conduct regarding misuse of influence, asset misappropriation, and financial reporting fraud as well as bribery and corruption risks related to our suppliers and other business partners. However, due to the preventative measures that we have in place at Ørsted, these risks were not assessed as material. We mitigate our business conduct-related risks to an acceptable level through risk management, as described in the text above. //

// G1-5

Political influence and lobbying activities

To promote the accelerated build-out of renewable energy and the goals of the Paris Agreement, our global and local Regulatory & Public Affairs teams perform constructive political engagement through lobbying and advocacy efforts. Our Chief Commercial Officer (CCO) is accountable for these activities, with

// G1-5, 29(b)

Political influence and lobbying activities

| Political influence, DKK million | 2024 |
|---|-----------|
| The US | 23 |
| Political institutions | - |
| Lobbying firms | 12 |
| NGOs and advocacy groups | 3 |
| Trade associations and industry organisations | 8 |
| Think tanks | - |
| Europe | 21 |
| Political institutions | - |
| Lobbying firms | 3 |
| NGOs and advocacy groups | - |
| Trade associations and industry organisations | 17 |
| Think tanks | 1 |
| APAC | 0 |
| Global | 2 |
| Political institutions | - |
| Lobbying firms | 1 |
| NGOs and advocacy groups | 1 |
| Trade associations and industry organisations | 0 |
| Think tanks | - |
| Total | 46 |

Entity spec.

Whistleblower cases

| Whistleblower cases, number | 2024 | 2023 | Δ |
|--|-----------|-----------|------------|
| Substantiated whistleblower cases | 14 | 18 | (4) |
| Cases transferred to the police | 0 | 1 | (1) |

In 2024, our main advocacy activities took place in Europe and the US. We contributed to the European industry associations WindEurope and Green Power Denmark, both significant industry representatives for the renewable energy sector towards policymakers who are important in our climate advocacy. Outside Denmark, the main advocacy activities for the wind energy sector took place through contributions to industry associations in the UK, Germany, and the Netherlands. In the US, we primarily contributed to the trade association American Clean Power. In addition, our political influence and advocacy activities in the US took place through several lobbying firms in the different states where we promote the accelerated build-out of renewable energy.

In 2024, 14 substantiated cases of inappropriate or unlawful behaviour were reported through our whistleblower scheme. Ten cases related to good business conduct policy violations, while three cases concerned the workplace environment, and one case was classified as 'other'. None of the reported cases were critical to our business, nor caused adjustments to our financial results. Additionally, no cases required reporting to the police.

Consolidated financial statements

1 January – 31 December 2024



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Consolidated statement of income

1 January – 31 December

| Note | DKKm | 2024 | 2023 |
|----------|--|---------------|-----------------|
| 2.2, 2.4 | Revenue | 71,034 | 79,255 |
| 2.3 | Cost of sales | (35,963) | (46,624) |
| | Other external expenses | (8,697) | (7,406) |
| 2.7, 2.8 | Employee costs | (6,532) | (6,374) |
| | Share of profit (loss) in associates and joint ventures | (68) | (55) |
| 2.6 | Other operating income | 5,298 | 10,329 |
| 2.6 | Other operating expenses | 6,887 | (10,408) |
| | Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA) | 31,959 | 18,717 |
| 3.1 | Amortisation and depreciation on intangible assets, and property, plant, and equipment | (10,225) | (9,795) |
| 3.1, 3.2 | Impairment losses on intangible assets, and property, plant, and equipment | (15,563) | (26,775) |
| | Operating profit (loss) (EBIT) | 6,171 | (17,853) |
| | Gain (loss) on divestment of enterprises | (11) | 234 |
| | Share of profit (loss) in associates and joint ventures | 37 | 36 |
| 5.6 | Financial income | 8,590 | 12,379 |
| 5.6 | Financial expenses | (12,181) | (13,822) |
| | Profit (loss) before tax | 2,606 | (19,026) |
| 4.2 | Tax on profit (loss) for the year | (2,590) | (1,156) |
| | Profit (loss) for the year | 16 | (20,182) |
| | Profit (loss) for the year is attributable to | | |
| | Shareholders in Ørsted A/S | (923) | (21,059) |
| | Interests and costs, hybrid capital owners of Ørsted A/S | 717 | 553 |
| | Non-controlling interests | 222 | 324 |
| 5.2 | Earnings per share (DKK) | (2.2) | (50.1) |
| 5.2 | Diluted earnings per share (DKK) | (2.2) | (50.1) |

Consolidated statement of comprehensive income

1 January – 31 December

| Note | DKKm |
|------|--|
| | Profit (loss) for the year |
| | Other comprehensive income |
| | Cash flow hedging |
| 6 | Value adjustments for the year |
| 5.2 | Value adjustments transferred to income statement |
| | Exchange rate adjustments |
| 6.4 | Exchange rate adjustments relating to net investments in foreign operations |
| 5.2 | Value adjustment of net investment hedges |
| 5.2 | Value adjustments and hedges transferred to income statement |
| | Tax |
| | Tax on hedging instruments |
| | Tax on exchange rate adjustments |
| | Other |
| | Share of other comprehensive income from associated companies |
| | Other comprehensive income |
| | Total comprehensive income |
| | Comprehensive income for the year is attributable to |
| | Shareholders in Ørsted A/S |
| | Interest payments and costs, hybrid capital owners of Ørsted A/S |
| | Non-controlling interests |
| | Total comprehensive income |
| | Other comprehensive income |
| | All items in 'Other comprehensive income' may be recycled to the income statement. |
| | Cash flow hedging |
| | Value adjustments for the year for cash flow hedging amounting to DKK 3,426 million mainly consist of gains related to the hedging of power, partly countered by losses related to the hedging of GBP. In 2023, gains related to the hedging of power was primarily attributable to value adjustments amounting to DKK 25,017 million. The gain of DKK 1,269 million transferred to the income statement mainly consists of gains related to the hedging of power. |

Consolidated statement of financial position

31 December

| Assets | | 2024 | 2023 |
|---------------|---|----------------|----------------|
| Note | DKKm | | |
| 3.1 | Intangible assets | 2,611 | 3,426 |
| 3.1 | Land and buildings | 7,977 | 7,777 |
| 3.1 | Production assets | 138,477 | 121,643 |
| 3.1 | Fixtures and fittings, tools, and equipment | 2,122 | 2,042 |
| 3.1 | Property, plant, and equipment under construction | 53,118 | 48,307 |
| 3.1 | Property, plant, and equipment | 201,694 | 179,769 |
| | Investments in associates and joint ventures | 870 | 960 |
| | Receivables from associates and joint ventures | 200 | 77 |
| | Other securities and equity investments | 344 | 167 |
| 6 | Derivatives | 960 | 1,356 |
| 4.3 | Deferred tax | 9,250 | 8,192 |
| 3.7 | Other receivables | 3,218 | 3,134 |
| | Other non-current assets | 14,842 | 13,886 |
| | Non-current assets | 219,147 | 197,081 |
| 3.3 | Inventories | 17,448 | 10,539 |
| 6 | Derivatives | 4,617 | 10,473 |
| 3.4 | Contract assets | 324 | 802 |
| 3.5 | Trade receivables | 9,045 | 11,107 |
| 3.7 | Other receivables | 9,936 | 10,530 |
| | Receivables from associates and joint ventures | 41 | 74 |
| | Income tax | 570 | 483 |
| 5.4 | Securities | 14,532 | 29,902 |
| 5.4 | Cash | 23,126 | 10,145 |
| | Current assets | 79,639 | 84,055 |
| | Assets | 298,786 | 281,136 |

| Equity and liabilities | |
|-------------------------------|--|
| Note | DKKm |
| 5.2 | Share capital |
| 5.2 | Reserves |
| | Retained earnings |
| 5.2 | Equity attributable to shareholders in Ørsted A/S |
| 5.3 | Hybrid capital |
| 3.10 | Non-controlling interests |
| | Equity |
| 4.3 | Deferred tax |
| 3.9 | Provisions |
| 5.5 | Lease liabilities |
| 5.1 | Bond and bank debt |
| 6 | Derivatives |
| 3.4 | Contract liabilities |
| 3.8 | Tax equity liabilities |
| 3.7 | Other payables |
| | Non-current liabilities |
| 3.9 | Provisions |
| 5.5 | Lease liabilities |
| 5.1 | Bond and bank debt |
| 6 | Derivatives |
| 3.4 | Contract liabilities |
| | Trade payables |
| 3.8 | Tax equity liabilities |
| 3.7 | Other payables |
| | Income tax |
| | Current liabilities |
| | Liabilities |
| | Equity and liabilities |

Consolidated statement of shareholders' equity

1 January – 31 December

| | 2024 | | | | | | | | | | |
|--|---------------|-----------------------|-------------------|--------------------|----------------------------|----------------|---------------------------|---------------|---------------|-----------------------|-------------------|
| DKKm | Share capital | Reserves ¹ | Retained earnings | Proposed dividends | Shareholders in Ørsted A/S | Hybrid capital | Non-controlling interests | Total Group | Share capital | Reserves ¹ | Retained earnings |
| Equity at 1 January | 4,204 | (10,251) | 62,829 | - | 56,782 | 19,103 | 1,906 | 77,791 | 4,204 | (26,467) | 88,331 |
| Comprehensive income for the year: | | | | | | | | | | | |
| Profit (loss) for the year | - | - | (923) | - | (923) | 717 | 222 | 16 | - | - | (21,059) |
| Other comprehensive income: | | | | | | | | | | | |
| Cash flow hedging | - | 2,129 | - | - | 2,129 | - | 28 | 2,157 | - | 20,874 | - |
| Exchange rate adjustments | - | 2,181 | - | - | 2,181 | - | 174 | 2,355 | - | (92) | - |
| Tax on other comprehensive income | - | 360 | - | - | 360 | - | 47 | 407 | - | (4,566) | - |
| Share of other comprehensive income of associated companies, after tax | - | - | 5 | - | 5 | - | - | 5 | - | - | 6 |
| Total comprehensive income | - | 4,670 | (918) | - | 3,752 | 717 | 471 | 4,940 | - | 16,216 | (21,053) |
| Cash flow hedging of property, plant, and equipment under construction | - | (181) | - | - | (181) | - | - | (181) | - | - | - |
| Coupon payments, hybrid capital | - | - | - | - | - | (687) | - | (687) | - | - | - |
| Tax | - | 40 | - | - | 40 | 9 | - | 49 | - | - | - |
| Additions, hybrid capital | - | - | - | - | - | 5,520 | - | 5,520 | - | - | - |
| Disposals, hybrid capital | - | - | - | - | - | (3,707) | - | (3,707) | - | - | - |
| Dividends paid | - | - | - | - | - | - | (369) | (369) | - | - | 2 |
| Additions, non-controlling interests | - | 558 | 1,143 | - | 1,701 | - | 8,383 | 10,084 | - | - | - |
| Disposals, non-controlling interests | - | - | - | - | - | - | - | - | - | - | (4,477) |
| Other changes | - | - | 44 | - | 44 | - | - | 44 | - | - | 26 |
| Equity at 31 December | 4,204 | (5,164) | 63,098 | - | 62,138 | 20,955 | 10,391 | 93,484 | 4,204 | (10,251) | 62,829 |

¹ See note 5.2 'Equity' for more information on reserves.

In addition to the total reserves of DKK -5,164 million, a loss of DKK 513 million is recognised as part of non-controlling interests. The loss is related to the hedging of revenue belonging to the non controlling interests.

Consolidated statement of cash flows

1 January – 31 December

| Note | DKKkm | 2024 | 2023 | |
|------|-------|---|-----------------|-----------------|
| | | Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA) | 31,959 | 18,717 |
| | | Reversal of gain (loss) on divestment of assets | (349) | (5,745) |
| | | Change in derivatives | 648 | 4,274 |
| | | Change in provisions | (13,057) | 8,454 |
| | | Other items | (129) | 287 |
| | | Change in inventories | (6,534) | 3,656 |
| | | Change in contract assets and liabilities | 6,154 | 461 |
| | | Change in trade receivables | 2,142 | 1,522 |
| | | Change in other receivables | 1,008 | 3,834 |
| | | Change in trade payables | 2,821 | (5,309) |
| | | Change in tax equity liabilities | 1,458 | 374 |
| | | Change in other payables | (964) | (660) |
| | | Interest received and similar items | 6,820 | 8,278 |
| | | Interest paid and similar items | (7,294) | (6,894) |
| 4.4 | | Income tax paid | (6,327) | (2,717) |
| | | Cash flows from operating activities | 18,356 | 28,532 |
| | | Purchase of intangible assets, and property, plant, and equipment | (42,654) | (38,203) |
| | | Sale of intangible assets, and property, plant, and equipment | 4,471 | 8,189 |
| | | Divestment of enterprises | 942 | (3) |
| | | Purchase of other equity investments | (163) | (124) |
| | | Purchase of securities | (11,588) | (18,285) |
| | | Sale/maturation of securities | 27,318 | 13,935 |
| | | Change in other non-current assets | (134) | (13) |
| | | Transactions with associates and joint ventures | 22 | (247) |
| | | Dividends received and capital reductions | 27 | 19 |
| | | Cash flows from investing activities | (21,759) | (34,732) |

| Note | DKKkm | 2024 | 2023 | |
|------|-------|---|---------------|----------------|
| | | Proceeds from raising loans | 9,990 | 17,584 |
| | | Instalments on loans | (3,407) | (1,580) |
| | | Instalments on leases | (736) | (712) |
| | | Coupon payments on hybrid capital | (687) | (546) |
| | | Repurchase of hybrid capital | (3,707) | (699) |
| | | Proceeds from issuance of hybrid capital | 5,520 | - |
| | | Dividends paid to shareholders in Ørsted A/S | - | (5,673) |
| 3.10 | | Transactions with non-controlling interests | 9,863 | (7,061) |
| | | Net proceeds from tax equity partners | 78 | (182) |
| | | Collateral posted in relation to trading of derivatives | (13,400) | (21,829) |
| | | Collateral released in relation to trading of derivatives | 12,166 | 19,515 |
| | | Restricted cash and other changes | 163 | 1,448 |
| | | Cash flows from financing activities | 15,843 | 265 |
| | | Total net change in cash and cash equivalents | 12,440 | (5,935) |
| 5.4 | | Cash and cash equivalents at 1 January | 10,144 | 16,175 |
| | | Total net change in cash and cash equivalents | 12,440 | (5,935) |
| | | Exchange rate adjustments of cash and cash equivalents | 540 | (96) |
| 5.4 | | Cash and cash equivalents at 31 December | 23,124 | 10,144 |

Supplementary statements

Our supplementary statements of gross and net investment appear from note 3.0 'Capital employed' and free cash flows (FCF) from note 2.1 'Segment information'.

Basis of reporting

Note 1

Significant changes and events

Note 1.1

The financial position and performance of Ørsted was particularly affected by the following events and transactions during 2024.

Impairments

During 2024, we have recognised a net impairment loss of DKK 15.6 billion. The main contributors to the net impairment loss were construction delay and higher expected costs due to higher risk assessments for Sunrise Wind (DKK 4.3 billion) and Revolution Wind (DKK 3.8 billion), lower valuation of our seabed leases (DKK 4.1 billion), an increase in the US long-dated interest rate (DKK 2.7 billion) across our US portfolio, and our decision to cease execution of FlagshipONE (DKK 1.5 billion). This was partly offset by a reversal on our Sunrise Wind project (DKK 1.8 billion) due to its award of a higher OREC by the State of New York.

See note 3.2 'Impairments'.

Onerous contracts and cancellation fees

Onerous contracts for FlagshipONE

In Q2 2024, we decided to cease execution of FlagshipONE and deprioritise our immediate efforts within the liquids e-fuel market. In addition to the impairment loss recognised on FlagshipONE, we have recognised a provision relating to the expected contract cancellation fees not already covered by the impairment loss. The remaining provision was DKK 0.3 billion at the end of 2024.

See note 3.9 'Provisions and contingent liabilities'.

Onerous contracts for Ocean Wind 1

At the end of 2023, we recognised a provision of DKK 15.0 billion related to contract cancellation fees for Ocean Wind 1. During 2024, we have finalised negotiation of several supplier contracts with a better outcome than assumed, leading to a partly reversal through EBITDA. In combination with payments and other adjustments, the remaining provision for 'Onerous contracts' has been reduced to DKK 1.6 billion at the end of 2024.

See note 3.9 'Provisions and contingent liabilities'.

Divestments

Divestment of

Four operating

In June, we completed an 80% onshore wind action resulting in a net cash inflow of DKK 3.1 billion.

Ostwind France

In May, we completed the divestment of our Ostwind France. The transaction resulted in a net cash inflow of DKK 1 billion.

See note 3.1 'Divestments' for details on the property, plant and equipment.

Mockingbird

In November, we completed the divestment of a 50% interest in our solar farm Mockingbird. The transaction resulted in a net cash inflow of DKK 1.1 billion.

See note 2.6 'Divestments' for details on 'Divestment expenses' and 'Divestment proceeds'.

Greater Char

In December, we completed the divestment of a 50% interest in Greater Char offshore wind farm in Taiwan. The transaction resulted in a net cash inflow of DKK 1.1 billion.

For a detailed discussion on Ørsted's performance and financial position, please refer to the 'Management's review and discussion of performance' section of the Annual Report. ¹ As these divestments are with non-controlling interests, it is not included in 'Cash flow from investing activities' but

Basis of preparation

Note 1.2

This section provides an overall description of the accounting policies applied in our consolidated financial statements as well as the European Single Electronic Format (ESEF) reporting requirements. We provide a more detailed description of the accounting policies applied in the specific notes. Key accounting estimates and judgements as well as new and amended IFRS standards and interpretations are discussed in detail later in this note.

Accounting policies

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act (Årsregnskabsloven).

The accounting policies have been applied consistently in the financial year and for comparative figures.

Measurement basis

The consolidated financial statements have been prepared on historical cost basis, except for derivatives, gas in non-Danish storage facilities, financial instruments in the trading portfolio, and carbon emission allowances in the trading portfolio, which are measured at market value.

Consolidation

The consolidated financial statements comprise the financial statements of Ørsted A/S (the parent

company) and subsidiaries controlled by Ørsted A/S. See more in note 7.4 'Company overview'.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which have been prepared in accordance with the Group's accounting policies.

Intra-group income, expenses, shareholdings, balances, and dividends as well as realised and unrealised gains and losses arising from intra-group transactions are eliminated in our consolidated financial statements.

Unrealised gains and losses resulting from transactions with associates and joint ventures are eliminated to the extent of our ownership interest.

Entities are accounted for as associates if we hold or have the ability to exercise, directly or indirectly, 20-50% of the voting rights and do not exercise control. However, we carry out a specific assessment of our ability to exercise influence, including our ability to influence financial and operational decisions and thus our return. Entities that satisfy the criteria for joint control are accounted for as investments in joint ventures, unless the nature of the joint arrangement is considered a joint operation.

Our shares in joint operations are recognised in the consolidated balance sheet through recognition of the

Group's own assets, liabilities, income, and expenses. The proportionate share of realised and unrealised gains and losses arising from intra-group transactions between fully consolidated enterprises and joint operations is eliminated.

Foreign currency translation

The financial statements are presented in million Danish kroner (DKK_m), unless otherwise stated.

Exchange differences arising between the exchange rate on the transaction date and on the date of payment are recognised in profit (loss) for the year as financial income or expenses.

Foreign currency transactions are translated into the functional currency defined for each entity, using the exchange rates prevailing at the transaction date. Receivables, payables, and other monetary items in foreign currencies are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and on the date at which the receivable or payable arose is recognised in profit (loss) for the year as financial income or expenses.

Financial statements of foreign subsidiaries, joint operations, associates, and joint ventures are translated into DKK at monthly average exchange rates insofar as these do not deviate materially from the actual exchange rates at the transaction dates.

Basis of preparation

Note 1.2 – continued

On full or partial divestment of the net investment, the accumulated exchange rate adjustments are recognised as follows:

- Disposal resulting in loss of control:
The accumulated exchange rate adjustments, including any associated hedges, are recognised in the profit (loss) for the year if a foreign exchange gain (loss) is realised by the selling entity. Any foreign exchange gain (loss) is transferred to the item in which the gain (loss) from the disposal is recognised. The part of the foreign currency translation reserve that relates to non-controlling interests is not transferred to profit (loss) for the year.
- Disposal not resulting in loss of control:
A proportionate share of the foreign currency translation reserve is transferred from the parent company shareholders' share of equity to the minority shareholders' share of equity.

Repayment of balances that are considered part of the net investment does not constitute a partial disposal of the subsidiary.

iXBRL reporting

We are required to file our annual report in the European Single Electronic Format ('ESEF') using the XHTML format and to tag the consolidated

financial statements, including notes, using the Inline eXtensible Business Reporting Language (iXBRL).

The iXBRL tags comply with the ESEF taxonomy.

Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created.

The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a ZIP file named Orsted-2024-12-31-en.zip.

Non-IFRS financial measures

We present financial measures in the consolidated financial statements to describe the Group's financial performance, financial position, and cash flows. We use these financial measures as we believe they provide valuable information to our stakeholders and management.

The financial measures should not be considered a replacement for the performance measures as defined under IFRS, but rather as supplementary information.

The financial measures may not be comparable to similar titled measures presented by other companies, as the definitions and calculations may be different.

The financial measures most commonly presented in the Ørsted annual report are:

- EBITDA and EBITDA excluding new partnerships and cancellation fees
- funds from operations (FFO)
- FFO/adjusted interest-bearing net debt
- interest-bearing net debt (NIBD)
- adjusted interest-bearing net debt
- free cash flow (FCF)
- return on capital employed (ROCE)
- capital employed
- gross investments
- net investments.

Our definitions of the financial measures are included in note 7.3 'Non-IFRS financial measures'.

Basis of preparation

Note 1.2 – continued

| Note | Key accounting estimates and judgements | Estimate/judgement | Potential impact from accounting es |
|------|---|--|-------------------------------------|
| 2.4 | Government grants | Classification of contract for difference (CID) agreements | Judgement |
| 2.6 | Other operating income and expenses | Variable selling prices related to divestments of offshore wind farms and offshore transmission assets | Estimate |
| | | Consolidation method for partnerships | Judgement |
| 3.2 | Impairments | Key assumptions in impairment tests | Estimate |
| 3.8 | Tax equity liabilities | Recognition of tax equity partnerships | Estimate/judgement |
| 3.9 | Provisions and contingent liabilities | Assumptions for provisions | Estimate |
| 4.2 | Tax on profit (loss) for the year | Recognition of income taxes | Estimate |
| 6.1 | Risk framework | Valuation of long-term power purchase agreements | Estimate/judgement |
| | | Hedge accounting | Estimate/judgement |

Implementation of new and changed accounting standards and interpretations

The International Accounting Standards Board (IASB) has issued amended standards that are effective for the first time in 2024. None of them required a change in our accounting policies or had any material impact on our consolidated financial statements.

New standards and interpretations

IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the consolidated financial statements for 2024. Ørsted expects to adopt the accounting standards and interpretations as they become mandatory. In 2024, IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements' which replaces

IAS 1 'Presentation of Financial Statements'. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. Besides that, the new or amended standards or interpretations are not expected to have a significant impact on our consolidated financial statements.

Key accounting estimates and judgements

The use of reasonable estimates and judgements is an essential part of the preparation of the consolidated financial statements.

Given the uncertainties inherent in our business activities, we make a number of estimates and judgements. The estimates and judgements are based on assumptions concerning future developments, which affect

our application of accounting policies and the reported amounts of our assets, liabilities, sales, costs, cash flows, hedge reserves, and related disclosures. Actual amounts may differ from the amounts estimated and judgement made, as more detailed information becomes available.

We regularly reassess these estimates and judgements based on, among other things, historical experience, the current situation in the financial markets, and a number of other relevant factors, e.g. the updates on annual estimated production. Changes in estimates are recognised in the period in which the estimate in question is revised.

Accounting estimates, judgements, and assumptions which may entail a risk of material adjustments in subsequent years are listed in the table above.

Return on capital employed

Note 2

Return on capital employed (ROCE) is a key ratio, showing how profitable our business activities are. Our target is an average ROCE of approx. 13% for the Group for the 2024-2030 period.

ROCE was 4.5% in 2024. Adjusted for impairment losses and cancellation fees, ROCE amounted to 10.1% in 2024.

See note 2.1 'Segment information'.

EBIT

DKKm

Impairment losses DKK -15,563 million

Cancellation fees DKK 7,335 million



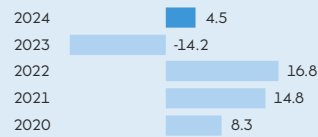
EBIT of DKK 6,171 million in 2024

Return on capital employed

%

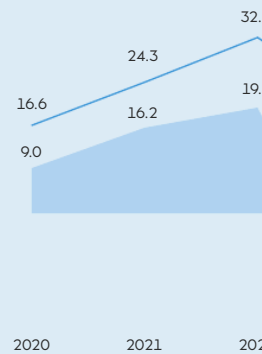
Return on capital employed was 4.5% in 2024 against -14.2% in 2023.

4.5%



EBITDA and EBIT

DKKbn



Segment information

Note 2.1

| Offshore | |
|-------------------|--------|
| DKKm | |
| Revenue | 53,808 |
| EBITDA | 26,470 |
| Gross investments | 33,023 |

| Primary activities | |
|--------------------|--------|
| DKKm | |
| Revenue | 53,808 |
| EBITDA | 26,470 |
| Gross investments | 33,023 |

| Bioenergy & Other | |
|-------------------|-------|
| DKKm | |
| Revenue | 1,549 |
| EBITDA | 1,092 |
| Gross investments | 2,250 |

| Primary activities | |
|--|--|
| Generation of heat and power and delivery of ancillary services from CHP plants in Denmark, optimisation of our gas portfolio, as well as management of our Danish and Swedish B2B business. | |

Geographical distribution

Geographical revenue is broken down, as far as possible, by the customer's geographical location based on supply point.

A significant part of our sales takes place via power exchanges and gas hubs in Europe, whose physical locations do not reflect the geographical locations of our customers. When breaking down these sales by geographical location, we use the physical locations of the exchange or hub since we do not know the physical location of our customers in all cases.

No single customer accounted for more than 10% of our consolidated revenue in 2024 or 2023.

Non-current assets are broken down geographically, based on the physical locations of the assets.

Revenue

DKKm 2024 (2023)

Total 71,034 (79,255)

| | | |
|-------|--------|----------|
| GB | 32,468 | (45,694) |
| DK | 17,108 | (17,149) |
| DE | 11,534 | (7,516) |
| TW | 3,079 | (1,042) |
| US | 2,958 | (2,192) |
| NL | 2,555 | (4,093) |
| Other | 791 | (910) |
| IR | 541 | (659) |

Intangible assets and property, plant, and equipment

DKKm 2024 (2023)

Total 204,305 (183,195)

| | | |
|-------|--------|----------|
| US | 77,474 | (69,144) |
| GB | 45,450 | (43,747) |
| TW | 33,175 | (28,755) |
| DE | 23,465 | (16,996) |
| DK | 11,749 | (11,137) |
| IR | 4,693 | (4,451) |
| PL | 4,234 | (2,297) |
| NL | 3,978 | (4,335) |
| Other | 87 | (739) |
| FR | 0 | (1,594) |

Revenue, intangible assets, and property, plant, and equipment are presented based on the locations of our customers and assets as well as the exchanges on which we trade.

Segment information

Note 2.1 – continued

| 2024 income statement | | | Bioenergy | Reportable | Other | |
|---|----------------|-----------------|---------------|-----------------|-----------------------------|-----------------|
| | Offshore | Onshore | & Other | segments | activities/ eliminations | Total |
| DKKm | | | | | | |
| External revenue | 52,528 | 2,732 | 15,642 | 70,902 | 132 | 71,034 |
| Intra-group revenue | 1,280 | (12) | (537) | 731 | (731) ¹ | - |
| Revenue | 53,808 | 2,720 | 15,105 | 71,633 | (599) | 71,034 |
| Cost of sales | (24,628) | (97) | (11,316) | (36,041) | 78 | (35,963) |
| Employee costs and other external expenses | (11,287) | (2,432) | (2,656) | (16,375) | 1,146 | (15,229) |
| Gain (loss) on disposal of non-current assets | 215 | 141 | (7) | 349 | - | 349 |
| Additional other operating income and expenses | 8,421 | 3,541 | (45) | 11,917 | (81) | 11,836 |
| Share of profit (loss) in associates and joint ventures | (59) | (10) | 1 | (68) | - | (68) |
| EBITDA | 26,470 | 3,863 | 1,082 | 31,415 | 544 | 31,959 |
| Depreciation and amortisation | (7,091) | (2,190) | (667) | (9,948) | (277) | (10,225) |
| Impairment losses | (14,242) | (1,321) | - | (15,563) | - | (15,563) |
| Operating profit (loss) (EBIT) | 5,137 | 352 | 415 | 5,904 | 267 | 6,171 |
| Key ratios | | | | | | |
| Intangible assets and property, plant, and equipment | 127,821 | 66,359 | 8,919 | 203,099 | 1,206 | 204,305 |
| Equity investments and non-current receivables | 507 | 444 | 264 | 1,215 | 180 | 1,395 |
| Net working capital, capital expenditures | (7,005) | (297) | (148) | (7,450) | (4) | (7,454) |
| Net working capital, work in progress | 5,798 | - | - | 5,798 | - | 5,798 |
| Net working capital, tax equity | (1,205) | (17,509) | - | (18,714) | - | (18,714) |
| Net working capital, other items | (5,783) | 389 | 40 | (5,354) | 4,663 | (691) |
| Derivatives, net | (5,470) | (3,325) | (858) | (9,653) | (661) | (10,314) |
| Decommissioning obligations | (9,347) | (2,293) | (2,204) | (13,844) | - | (13,844) |
| Other provisions | (4,037) | - | (619) | (4,656) | (2,035) | (6,691) |
| Tax, net | 6,286 | (4,295) | 285 | 2,276 | 934 | 3,210 |
| Other receivables and other payables, net | (3,966) | (30) | - | (3,996) | (1,493) | (5,489) |
| Capital employed at 31 December | 103,599 | 39,443 | 5,679 | 148,721 | 2,790 | 151,511 |
| Return on capital employed (ROCE), % | | | | | | 4.5 |
| Cash flows from operating activities | 12,931 | 4,459 | 1,939 | 19,329 | (973) | 18,356 |
| Gross investments | (33,023) | (7,391) | (2,250) | (42,664) | (144) | (42,808) |
| Divestments | 11,293 | 4,430 | - | 15,723 | (43) | 15,680 |
| Free cash flow (FCF) | (8,799) | 1,498 | (311) | (7,612) | (1,160) | (8,772) |

The column 'Other activities/eliminations' represents the elimination of inter-segment transactions and costs, assets and liabilities, handled at Group level.

¹ Including the elimination of intra-group revenue amounting to 731 DKKm, which primarily relates to our Shared Services business activities.

Segment information

Note 2.1 – continued

| 2023 income statement | | | Bioenergy | Reportable | Other | Total |
|---|-----------------|-----------------|---------------|-----------------|-----------------------------|-----------------|
| | Offshore | Onshore | & Other | segments | activities/ eliminations | |
| DKKm | | | | | | |
| External revenue | 57,062 | 2,643 | 19,525 | 79,230 | 25 | 79,255 |
| Intra-group revenue | 1,365 | (23) | (295) | 1,047 | (1,047) ¹ | - |
| Revenue | 58,427 | 2,620 | 19,230 | 80,277 | (1,022) | 79,255 |
| Cost of sales | (31,773) | (129) | (15,024) | (46,926) | 302 | (46,624) |
| Employee costs and other external expenses | (9,712) | (2,460) | (2,730) | (14,902) | 1,122 | (13,780) |
| Gain (loss) on disposal of non-current assets | 5,751 | - | (6) | 5,745 | - | 5,745 |
| Additional other operating income and expenses | (8,829) | 2,948 | 52 | (5,829) | 5 | (5,824) |
| Share of profit (loss) in associates and joint ventures | (47) | (9) | 1 | (55) | - | (55) |
| EBITDA | 13,817 | 2,970 | 1,523 | 18,310 | 407 | 18,717 |
| Depreciation and amortisation | (6,815) | (1,957) | (759) | (9,531) | (264) | (9,795) |
| Impairment losses | (25,526) | (927) | (322) | (26,775) | - | (26,775) |
| Operating profit (loss) (EBIT) | (18,524) | 86 | 442 | (17,996) | 143 | (17,853) |
| Key ratios | | | | | | |
| Intangible assets and property, plant, and equipment | 111,188 | 62,626 | 8,132 | 181,946 | 1,249 | 183,195 |
| Equity investments and non-current receivables | 770 | 143 | 92 | 1,005 | 167 | 1,172 |
| Net working capital, capital expenditures | (3,285) | (1,001) | (256) | (4,542) | - | (4,542) |
| Net working capital, work in progress | 1,705 | - | - | 1,705 | - | 1,705 |
| Net working capital, tax equity | (1,365) | (14,446) | - | (15,811) | - | (15,811) |
| Net working capital, other items | 4,513 | 461 | 870 | 5,844 | 1,950 | 7,794 |
| Derivatives, net | (3,645) | (6,311) | (738) | (10,694) | 311 | (10,383) |
| Decommissioning obligations | (8,840) | (2,062) | (2,075) | (12,977) | - | (12,977) |
| Other provisions | (16,865) | (2) | (1,022) | (17,889) | (1,997) | (19,886) |
| Tax, net | 2,187 | (3,787) | (348) | (1,948) | 901 | (1,047) |
| Other receivables and other payables, net | (2,789) | 13 | - | (2,776) | (1,274) | (4,050) |
| Capital employed at 31 December | 83,574 | 35,634 | 4,655 | 123,863 | 1,307 | 125,170 |
| Return on capital employed (ROCE), % | | | | | | (14.2) |
| Cash flows from operating activities | 21,209 | 609 | 2,550 | 24,368 | 4,164 | 28,532 |
| Gross investments | (28,613) | (9,069) | (727) | (38,409) | (100) | (38,509) |
| Divestments | 1,500 | 5 | 61 | 1,566 | (24) | 1,542 |
| Free cash flow (FCF) | (5,904) | (8,455) | 1,884 | (12,475) | 4,040 | (8,435) |

The column 'Other activities/eliminations' represents the elimination of inter-segment transactions and costs, assets and liabilities, handled at Group level.

¹ Including the elimination of intra-group revenue amounting to 1,047 million DKK, which primarily relates to our Share of profit (loss) in associates and joint ventures business activities.

Revenue

Note 2.2

| Revenue | | | | | 2024 | | 2023 | | | | |
|---|---------------|--------------|----------------------|--------------------------------------|---------------|---------------|----------------------|--------------------------------------|----------------|---------------|-------------------------------|
| | Offshore | Onshore | Bioenergy & Other | Other activities/ eliminations | Offshore | Onshore | Bioenergy & Other | Other activities/ eliminations | 2023 | | |
| DKKm | | | | | | | | | | | |
| Generation of power | 11,935 | 2,275 | 5,315 | - | 19,525 | 10,585 | 2,171 | 6,306 | - | 19,062 | |
| Sale of power | 17,832 | 3 | 225 | (18) | 18,042 | 25,329 | 3 | 395 | (288) | 25,439 | |
| Revenue from construction of wind farms and transmission assets | 6,991 | 38 | - | - | 7,029 | 6,589 | -148 | - | - | 6,737 | |
| Generation and sale of heat and steam | - | - | 3,380 | - | 3,380 | - | - | 3,776 | - | 3,776 | |
| Sale of gas | - | - | 4,520 | (30) | 4,490 | - | - | 6,296 | - | 6,296 | |
| Distribution and transmission | - | - | 373 | (2) | 371 | - | - | 309 | (1) | 308 | |
| O&M and other services | 4,464 | 324 | 378 | (549) | 4,617 | 4,045 | 163 | 942 | (733) | 4,417 | |
| Total revenue from customers | 41,222 | 2,640 | 14,191 | (599) | 57,454 | 46,548 | 2,485 | 18,024 | (1,022) | 66,035 | |
| Government grants | 11,637 | 103 | 461 | - | 12,201 | 9,518 | 296 | 364 | - | 10,178 | |
| Miscellaneous revenue | 949 | (23) | 453 | - | 1,379 | 2,361 | (161) | 842 | - | 3,042 | |
| Total revenue | 53,808 | 2,720 | 15,105 | (599) | 71,034 | 58,427 | 2,620 | 19,230 | (1,022) | 79,255 | |
| Timing of revenue recognition from customers | | | | | | | | | | | |
| At a point in time | 21,900 | 2,640 | 6,204 | (599) | 30,145 | 34,657 | 2,485 | 10,722 | (1,022) | 46,842 | |
| Over time | 19,322 | - | 7,987 | - | 27,309 | 11,891 | - | 7,302 | - | 19,193 | |
| Total revenue from customers | 41,222 | 2,640 | 14,191 | (599) | 57,454 | 46,548 | 2,485 | 18,024 | (1,022) | 66,035 | Order backlog DKKm |
| Revenue from sale of goods and services | | | | | | | | | | | |
| Revenue from sale of goods | 49,777 | 2,091 | 14,609 | (72) | 67,005 | 54,802 | 2,585 | 18,736 | (303) | 75,620 | 31 December |
| Revenue from sale of services | 4,031 | 29 | 496 | (527) | 4,029 | 3,825 | 35 | 494 | (719) | 3,635 | Within one year |
| Total revenue | 53,808 | 2,720 | 15,105 | (599) | 71,034 | 58,427 | 2,620 | 19,230 | (1,022) | 79,255 | In more than one year |

Revenue for the year decreased by 10% to DKK 71,034 million in 2024. The decrease was mainly due to a lower 'Sale of power', driven by lower power prices across markets and lower volumes sold on third-party contracts, and due to a lower 'Sale of gas', mainly because of lower gas prices.

Revenue from construction agreements was DKK 7,029 million, mainly relating to the construction of Borkum Riffgrund 3 and Gode Wind 3 for partners.

In 2023, revenue from construction agreements mainly related to the construction of Borkum Riffgrund 3 for partners and the divestment of the Hornsea 2 offshore transmission asset.

Income from government grants increased in 2024 due to Hornsea 2 entering the UK subsidy regime (CfD), combined with lower power prices, leading to a higher subsidy per MWh produced.

Revenue

Note 2.2 – continued

5 Accounting policies

Revenue is measured based on the consideration specified in a contract with a customer (transaction price) and excludes amounts collected on behalf of third parties, i.e. VAT. We recognise revenue when we transfer control over a product or service to a customer or a partner.

If a part of the transaction price is variable, i.e. bonus payments, incentive payments for unmissed deadlines, etc., the variable consideration is recognised in revenue when it is highly probable that the revenue will not be reversed in subsequent periods.

We adjust the transaction price for the time value of money if the payments exceed twelve months.

Generation of power

Generation of power is the sale of power produced at our own wind farms, solar farms, and power stations as well as the sale of ancillary services. We recognise revenue as the power is produced, since this is when delivery to the customers occurs.

Fees for having CPH plants on standby or ready to increase or decrease the generation of power to balance the demand and supply in the system are considered one performance obligation fulfilled over time.

The consideration for the power is due when the actual power is delivered to the customer.

Sale of power

Sale of power includes revenue from the sale of power sourced from other producers. This includes the sale of power sourced from investor power purchase agreements, third-party balancing contracts, exchanges, and

other sales contracts. The sale is recognised when the power is delivered to the grid.

Sales contracts for a fixed amount of power at a variable price, or where we are exclusive suppliers to the customer at a variable price, are considered one performance obligation with multiple deliveries to be satisfied over time. For such contracts and for long-term agreements on selling power at a fixed price, we recognise revenue in the amount up to which we have a right to invoice.

The consideration for the power is due when the actual power is delivered to the customer.

Revenue from failed own-use power contracts are recognised on a net basis. These are contracts settled with delivery of physical power where the purpose of entering into them are hedging or optimisation of our revenue

Revenue from construction of wind farms

Revenue from construction of wind farms includes development and construction. The construction agreements cover the construction phase from design to delivery of an operational asset. The agreement consists of two performance obligations:

- Wind farms.
- Offshore transmission assets, if applicable.

The construction agreements cover our partners' shares of the construction of the wind farm and offshore transmission assets, if applicable. If our contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly

observable, they are estimated based on the expected cost-plus margin.

We recognise revenue over time, using an input method to measure progress towards complete satisfaction of the performance obligation because the customer gains control of the wind farm during the construction process. The input method reflects the ongoing transfer of control.

The consideration for the construction of an offshore wind farm consists of a fixed fee and a relatively minor variable fee, depending on when the wind farm can be put into operation. The consideration for an offshore transmission asset is a fixed fee.

After signing the construction agreement, we carry out an assessment determining when the wind farm is expected to be completed. We calculate the size of the variable payment on this basis. We only recognise the variable fee when it is highly probable that a subsequent reversal will not take place.

Our partner pays the fixed consideration based on a payment schedule. The payment schedule is determined and based on the expected progress of the construction and transfer of control to the customer.

Generation and sale of heat and steam

Heat is sold under long-term heat contracts and recognised when the heat is delivered to our customer.

The individual heat customer has made a prepayment to finance the majority of our CAPEX associated with the biomass conversion of the CHP plant. The prepayment is recognised as a contract liability, and it is

also recognised as revenue in step with the transfer of heat to the customer.

Payment for the sale of heat consists of fixed costs associated with operations and maintenance of a CHP plant, fuel costs for the generation of heat, and a financial return. The consideration is due when delivered.

Sale of gas

Sale of gas is our gas sourced from other producers, and it is recognised when the gas is transferred to our buyer. The transfer of control occurs either when the gas is injected into the distribution system or delivered to the customer.

Sales contracts for a fixed amount of gas at a variable price, or where we are exclusive suppliers to the customer at a variable price, are considered one performance obligation with multiple deliveries to be satisfied over time. For such contracts, we recognise revenue in the amount up to which we have a right to invoice.

The consideration for the gas is due when the gas is injected into the distribution system or delivered to the customer.

Distribution and transmission

Fees for distribution and transmission of oil and gas is recognised when the product is delivered to the buyer, or when the capacity is made available.

Revenue is calculated as the amount to which we are entitled when the service is delivered to the customer, and consideration is payable when invoiced.

O&M and other services
Revenue from provision of O&M services is recognised over time, simultaneously recognised with the benefits provided.

For fixed-price contracts, revenue is recognised based on the amount rendered at the end of the period as a proportion of the total labour hours rendered. This is determined as the ratio of actual labour hours to total labour hours.

Fixed-price contracts are recognised on a monthly basis, and when invoiced. Variations are recognised after the services are provided.

Cost of sales

Note 2.3

| Cost of sales DKKm | | | | | 2024 | | | | | 2023 |
|---|---------------|-----------|----------------------|--------------------------------------|---------------|---------------|------------|----------------------|--------------------------------------|---------------|
| | Offshore | Onshore | Bioenergy & Other | Other activities/ eliminations | | Offshore | Onshore | Bioenergy & Other | Other activities/ eliminations | |
| Power including certificates | 15,901 | 5 | 463 | 3 | 16,372 | 23,500 | - | 686 | (134) | 24,052 |
| Costs of constructing wind farms and transmission assets | 6,971 | 35 | - | - | 7,006 | 6,527 | 53 | - | - | 6,580 |
| Biomass | - | - | 4,386 | - | 4,386 | - | - | 3,753 | - | 3,753 |
| Coal | - | - | 585 | - | 585 | - | - | 2,017 | (7) | 2,010 |
| Gas | - | - | 4,361 | (5) | 4,356 | - | - | 5,640 | (1) | 5,639 |
| Distribution and transmission costs | 1,501 | 33 | 795 | (2) | 2,327 | 1,527 | 37 | 1,408 | (59) | 2,913 |
| Other cost of sales | 255 | 24 | 726 | (74) | 931 | 219 | 39 | 1,520 | (101) | 1,677 |
| Total | 24,628 | 97 | 11,316 | (78) | 35,963 | 31,773 | 129 | 15,024 | (302) | 46,624 |

Cost of sales decreased by 23 % to DKK 35,963 million in 2024. The decrease was primarily due to the lower power and gas prices across all markets.

'Costs of construction of wind farms and transmission assets' was DKK 7,006 million, mainly related to the construction of Borkum Riffgrund 3 and Gode Wind 3 for partners.

In 2023, 'Costs of construction of wind farms and transmission assets' was DKK 6,580 million, mainly related to the construction of Borkum Riffgrund 3 for partners and the divestment of the remaining 50% of the Hornsea 2 offshore transmission asset to an Ofgem-appointed buyer.

Government grants

Note 2.4

| Government grants DKKm | 2024 | 2023 |
|---|---------------|---------------|
| Government grants recognised in profit (loss) for the year under revenue | 12,201 | 10,178 |
| Government grants recognised in profit (loss) for the year under other operating income | 23 | 26 |
| Government grants recognised in the balance sheet | (23) | (26) |
| Government grants recognised for the year | 12,201 | 10,178 |

Energinet, the transmission system operator in Denmark, administers subsidies for environmentally sustainable power generation, including biomass and offshore wind farms. We treat the subsidies as a government grant, as it is paid by the Danish state.

In the UK, we receive subsidies under two schemes: contracts for difference (CfD) and the Renewable Obligation scheme (renewable obligation certificate (ROC) regime). We treat the payments from the schemes as government grants.

Feed-in tariffs from our Irish, Dutch, and German wind farms are also recognised as government grants.

For subsidies in the US, see note 3.8 'Tax equity liabilities'.

Income from government grants increased in 2024 compared to 2023 due to lower power prices, leading to a higher subsidy per MWh produced.

§ Accounting policies

Government grants comprise environmentally sustainable power generation, the funding of development projects, grants, etc.

Government grants are recognised when there is reasonable assurance that the grants will be received.

As grants for power generation are recognised as compensation for the price of power, we do not recognise the grants as revenue. Instead, we recognise the grants as revenue with the power generation and revenue.

When we enter into contracts for difference with governments, we assess the classification at inception as either a government grant or a derivative (within the scope of the assessment, we consider the contract's duration, flexibility in the start and end terms, etc. In this assessment, we place emphasis on the price levels being set, which are attractive, making it unlikely that the contract would result in us becoming a liability.

If the contract is deemed to be a liability, we classify the contract as a financial liability.

If the contracts are more attractive than a government grant, we classify the contract as a government grant.

To the extent the CfD contains a liability component, we apply the same assessment as described above for the host contract.

The settlement payment for the CfD is recognised as a government grant, which is included in revenue.

Research and development expenditures

[Note 2.5](#)

| Expensed research and development expenditures 2024 | | | | |
|---|-----------------------|------------|----------------------|--------------|
| DKKm | Offshore ¹ | Onshore | Bioenergy & Other | Total |
| Research | 130 | - | - | 130 |
| Development | 995 | 430 | - | 1,425 |
| Total | 1,125 | 430 | - | 1,555 |
| Expensed research and development expenditures 2023 | | | | |
| DKKm | Offshore ¹ | Onshore | Bioenergy & Other | Total |
| Research | 239 | - | - | 239 |
| Development | 1,606 | 460 | 1 | 2,067 |
| Total | 1,845 | 460 | 1 | 2,306 |

¹ In 2024, development expenditures in Offshore include P2X development costs of DKK 103 million (2023: DKK 338 million).

Other operating income and expenses

Note 2.6

| Other operating income | | | Other operating expenses | | |
|-----------------------------------|--------------|---------------|----------------------------------|----------------|---------------|
| DKKm | 2024 | 2023 | DKKm | 2024 | 2023 |
| Gain on divestment of assets | 605 | 5,895 | Cancellation fees | (7,335) | 9,621 |
| US tax credits and tax attributes | 3,547 | 2,577 | Ineffective hedges, etc. | (137) | 512 |
| Compensations | 847 | 916 | Loss on divestment of assets | 256 | 150 |
| Miscellaneous operating income | 299 | 941 | Miscellaneous operating expenses | 329 | 125 |
| Total | 5,298 | 10,329 | Total | (6,887) | 10,408 |

Other operating income

In 2024, 'Other operating income' was DKK 5,298 million, which was DKK 5,031 million lower than in 2023.

In 2024, 'Gain on divestment of assets' primarily related to effects from minor adjustments from farm-downs completed in prior years. In 2023, 'Gain on divestments of assets' related to the divestment of London Array and the 50% farm-down of Gode Wind 3.

The increase in 'US tax credits and tax attributes' was mainly driven by the continuous commissioning of new onshore assets having full impact.

'Compensations' was primarily compensations regarding outages and curtailments from TenneT, the German grid operator, and compensations from US operating asset performance guarantees.

'Miscellaneous operating income' primarily related to adjustment of provisions toward partners.

Other operating expenses

In 2024, 'Cancellation fees' was an income of DKK 7,335 million and primarily related to adjustments to the provision for onerous contracts for Ocean Wind as well as the decision to cease execution of FlagshipONE. For Ocean Wind, we have finalised the negotiation of several contracts with a better outcome than expected, leading to a net-positive impact. This was partly offset by costs related to fulfilling and cancelling contracts for FlagshipONE.

In 2023, 'Cancellation fees' related to the decision to cease the development of Ocean Wind.

See note 3.9 'Provisions and contingent liabilities' for more information about the cancellation fees and provisions made in relation to this.

5 Accounting policies

Gains from farm-downs of onshore wind farms are recognised on the balance sheet as other operating income.

Gains from future construction of onshore wind farm are recognised on the balance sheet as other operating income in step with the income statement in step with the construction progress.

Divestment of ownership interests in offshore wind farms

When we divest an ownership interest in an offshore wind farm to a partner, we enter into agreements on the future operation of the offshore wind farm.

Contracts in connection with a divestment typically agreements on:

- the sale of shares (divestment) to as a share purchase agreement
- the future construction of the offshore wind farm (construction agreement)
- management agreements, if applicable
- the future operation of the offshore wind farm (O&M agreements).

The partnerships are typically joint operations with shared control. The partner obtains a non-controlling interest in the partnership controlled by Ørsted, and the transaction with a non-controlling interest in a transaction comprises both a purchase of shares and other arrangements, such as management agreements, proceeds are allocated to the elements on a relative fair value.

Key accounting estimate

Variable selling prices related to onshore wind farms and offshore wind farms

When we divest an ownership interest in an offshore wind farm and an onshore wind farm asset to a partner, we consider the variable activities in the contracts in order to determine the transaction price.

If the consideration includes a variable element, we estimate the consideration based on the value of the element entitled in exchange for transfers.

Employee costs

Note 2.7

| Employee costs | 2024 | 2023 |
|---|--------------|--------------|
| DKKm | | |
| Wages, salaries, and remuneration | 6,707 | 6,550 |
| Pensions | 563 | 536 |
| Other social security costs | 286 | 268 |
| Share-based payment | 43 | 32 |
| Other employee costs | 174 | 185 |
| Employee costs before transfer to assets | 7,773 | 7,571 |
| Transfer to assets | (1,241) | (1,197) |
| Total employee costs | 6,532 | 6,374 |

| Salaries and remuneration for the Group Executive Team and the Board of Directors | Executive Board ¹ | | Other members of the Group Executive Team ² | | Board of Directors | | Total | |
|---|------------------------------|--------------------|--|---------------|--------------------|--------------|---------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| DKK 000 | | | | | | | | |
| Fixed salary | 37,969 | 27,049 | 12,136 | 36,278 | 6,430 | 6,907 | 56,535 | 71,054 |
| Short-term cash-based incentive scheme | 4,676 | 3,711 | 1,729 | 5,046 | - | - | 6,405 | 8,757 |
| Share-based payment | 2,787 | 6,270 ³ | 1,110 | 4,622 | - | - | 3,897 | 10,892 |
| Pension, social security, and benefits | 704 | 858 | 2,890 | 7,650 | - | - | 3,594 | 8,508 |
| Salary in notice period | - | 8,443 | - | 12,850 | - | - | - | 21,293 |
| Severance payment | - | 6,210 | - | 14,309 | - | - | - | 20,519 |
| Total | 46,136 | 53,341 | 17,865 | 80,755 | 6,430 | 6,907 | 70,431 | 141,003 |

¹ In 2024, the Executive Board consisted of Mads Nipper, Rasmus Errboe, Trond Westlie (joined on 1 April 2024), and Henriette Fenger Ellekrog.

² Ørsted updated its executive management structure effective 1 April 2024. The Group Executive Team was reduced to five members (the Executive Board members and Patrick Harnett). Salaries and remuneration for 'Other members of the Group Executive Team' in 2024 include compensation of Patrick Harnett for the period April - December 2024 and compensation for the first quarter of 2024 for Olivia Breese, Andrew Brown, Anders Zoëga Hansen, David Hardy, Per Mejnert Kristensen, Ingrid Reumert, and Varun Sivaram.

³ Mads Nipper's 2023 remuneration includes a DKK 4.5 million expense due to the cancellation of two LTI grants. These grants were canceled because the increase in his shareholding was not sufficient to satisfy the requirements of the share programme.

The decrease in total remuneration is due to the change in composition of the Group Executive Board.

Share-based payment

Note 2.8

| Market value of PSUs and key assumptions for valuation in executive share programme | Time of granting 2024 | Time of granting 2023 | Time of granting 2022 |
|---|-----------------------|--------------------------|-----------------------|
| Market value of 1 PSU | 487 | 729 | 909 |
| Key assumptions | | | |
| Share price | 384 | 583 | 835 |
| Average volatility rate, peers | 25.9% | 30.6% | 30.2% |
| Volatility rate, Ørsted | 38.4% | 36.2% | 34.8% |
| Risk-free interest rate | 2.3% | 2.5% | 0.9% |
| Expected term at time of granting | 3 years | 3 years | 3 years |
| Required number of locked-up shares relative to fixed salary | | | |
| CEO | | 75% of fixed salary | |
| CFO, COO, CCO, Chief HR Officer | | 50% of fixed salary | |
| Other participants | | 0% - 25% of fixed salary | |

The figure shows the shareholding requirement in percentage of the participants' fixed salary. A build-up period of up to five years is allowed.

Executive share programme

The Group Executive Team and a number of other senior executives participate in the share programme (approx. 160). As a condition for the granting of performance share units (PSUs), the participant must own a number of shares in Ørsted corresponding to a portion of the individual participant's annual fixed salary. The portion depends on the employee category, and it makes up 75% of our CEO's fixed salary. See the table above for more information. The participants in the programme must invest in Ørsted shares prior to the first granting. A build-up period for the shareholding requirement of up to five years is allowed. If the participants fulfil the shareholding requirement at the time of granting, they will be granted a number of PSUs each year,

representing a value of 15-20% (15-40% in the US) of the annual fixed salary on the date of granting.

The granted PSUs have a vesting period of approximately three years. Then, each PSU entitles the holder, without payment, to receive a number of shares corresponding to 0-200% of the number of PSUs granted. The vesting is conditional upon continued employment. Assuming no share price development since the grant, the value would correspond to 0-30% or 0-40% (0-80% in the US) of the fixed salary on the date of grant. The final number of shares for each participant will be determined on the basis of the total shareholder return delivered by Ørsted, benchmarked against ten comparable European energy companies.

The highest rate (200%) will be triggered if Ørsted's results, measured as the total return to shareholders, outperform those of the comparable companies. For each lower ranking, the number of shares granted will fall by 20 percentage points. If, for example, Ørsted ranks third, the participants will be entitled to 160% of the target.

If Ørsted ranks 11 in the comparison, no shares will be granted to the participants. The right to shares is conditional upon continued employment.

Retention share programme

The target group for the share-based retention agreements will typically be employees responsible for vital, long-term projects. The use of these share-based retention agreements will be limited to 25 concurrent agreements with an individual time frame of up to five years. Executive Board members are not eligible for these retention agreements.

The number of retention share units (RSUs) to be granted will be determined on the basis of the price of Ørsted's shares at the time of the grant and will be limited to an amount corresponding to a maximum of six months' base pay for the employee in question. At vesting, each RSU will entitle the employee to one Ørsted share free of charge. However, the total value of the shares to be received at vesting will be capped at a maximum of twelve months' base pay for the employee in question.

Share-based payment

Note 2.8 – continued

| Maximum number of outstanding shares at 31 December '000 | Other members | | | | 2024 | 2023 | 2024 in % of share capital | Market value of shares at granting DKKm | Years until expiry as of 2024 |
|---|--------------------|---|----------------------|--------------------|------------|------------|----------------------------------|--|-------------------------------------|
| | Executive Board | of the Group Executive Team ² | Senior executives | Other employees | | | | | |
| Time of granting | | | | | | | | | |
| 1 April 2021 | - | - | - | - | - | 47 | - | - | - |
| 1 April 2022 | 4 | 1 | 74 | - | 79 | 89 | 0.02 % | 72 | 0.3 |
| 1 April 2023 | 7 | 1 | 113 | - | 121 | 136 | 0.03 % | 88 | 1.3 |
| 1 April 2024 | 21 | - | 220 | - | 241 | - | 0.06 % | 117 | 2.3 |
| Share retention programme | - | - | 15 | - | 15 | 8 | 0.00 % | 7 | - |
| Maximum number of outstanding shares at 31 December | 32 | 2 | 422 | - | 456 | 280 | 0.11 % | 284 | |
| Development in maximum number of outstanding shares | | | | | | | | | |
| '000 | | | | | | | | | |
| Maximum number of outstanding shares at 1 January | 14 | 25 | 234 | 7 | 280 | 233 | | | |
| Compensation for dividends paid (2020, 2021, and 2022 programmes) | - | - | - | - | - | 5 | | | |
| Transfer between categories | - | (22) | 22 | - | - | - | | | |
| Vested (2021 and 2020 programmes) ¹ | (2) | - | (43) | - | (45) | (65) | | | |
| Granted (2024 and 2023 programmes) | 20 | - | 265 | - | 285 | 167 | | | |
| Cancelled (2021, 2022, 2023, and 2024 programmes) | - | - | (71) | - | (71) | (53) | | | |
| Share retention programme | - | (1) | 15 | (7) | 7 | (7) | | | |
| Maximum number of outstanding shares at 31 December | 32 | 2 | 422 | - | 456 | 280 | | | |
| DKKm | | | | | | | | | |
| Market value of share programme at the time of granting | 19 | 2 | 263 | - | 284 | 125 | | | |
| Maximum market value of share programme at 31 December | 10 | 1 | 137 | - | 148 | 105 | | | |

¹ At vesting in 2023 and 2024, Ørsted did not outperform any of the ten competitors, and, as a result, the participants did not receive any shares.

² Members as of 31 December 2024 are included in this category.

Capital employed

Note 3

Our capital employed primarily relates to production assets, including assets under construction.

We monitor investment projects closely, as a large part of our value is created in the development and construction phases.

¹ Capital employed by segment is based on capital employed for reportable segments of DKK 148,721 million.

² Gross investments by segment is based on gross investments for reportable segments of DKK 42,664 million.

³ 'Net working capital, work in progress' consists of inventories related to transmission assets, construction agreements, and construction management agreements in connection with the construction of transmission assets and offshore wind farms for partners as well as related trade payables.

Capital employed by segment ¹

% 2024

Offshore 70%

Gross investments by segment ²

% 2024

Offshore 78%

| Capital employed DKKm | 2024 | 2023 | Gross and net DKKm |
|---|----------------|----------------|--------------------------|
| Intangible assets, and property, plant, and equipment | 204,305 | 183,195 | Cash flows from |
| Equity investments and non-current receivables | 1,395 | 1,172 | Dividends received |
| Net working capital, capital expenditures | (7,454) | (4,542) | Purchase and sale |
| Net working capital, work in progress ³ | 5,798 | 1,705 | Loans to associates |
| Net working capital, tax equity | (18,714) | (15,811) | Sale of non-current |
| Net working capital, other items | (691) | 7,794 | Gross investments |
| Derivatives, net | (10,314) | (10,383) | Transactions with |
| Decommissioning obligations | (13,844) | (12,977) | interests in con- |
| Other provisions | (6,691) | (19,886) | acquisitions |
| Tax, net | 3,210 | (1,047) | Sale of non-current |
| Other receivables and other payables, net | (5,489) | (4,050) | Divestments |
| Total capital employed | 151,511 | 125,170 | Net investments |

Intangible assets, and property, plant, and equipment

Note 3.1

| Intangible assets, and property, plant, and equipment | Intangible | Land and | Production | Fixtures and | Property, plant, | Property, plant, |
|--|----------------|----------------|-----------------|-----------------------------------|--------------------|------------------|
| DKKm | assets | buildings | assets | fittings, tools, and equipment | under construction | and equipment |
| Cost at 1 January 2024 | 5,177 | 11,153 | 189,104 | 4,040 | 69,197 | 273,494 |
| Exchange rate adjustments | 17 | 483 | 6,944 | 21 | 3,425 | 10,873 |
| Additions | 355 | 555 | 8,504 | 562 | 37,364 | 46,985 |
| Disposals | (1,139) | (289) | (2,857) | (29) | (4,205) | (7,380) |
| Adjustment of decommissioning obligations | - | - | (206) | - | 439 | 233 |
| Reclassified assets | - | 188 | 17,143 | 60 | (17,391) | - |
| Cost at 31 December 2024 | 4,410 | 12,090 | 218,632 | 4,654 | 88,829 | 324,205 |
| Depreciation and amortisation at 1 January 2024 | (1,048) | (3,346) | (65,639) | (1,994) | - | (70,979) |
| Exchange rate adjustments | (1) | (105) | (1,752) | 11 | (1) | (1,847) |
| Depreciation and amortisation | (131) | (625) | (8,921) | (548) | - | (10,094) |
| Disposals | 88 | 24 | 396 | 3 | 55 | 478 |
| Depreciation and amortisation at 31 December 2024 | (1,092) | (4,052) | (75,916) | (2,528) | 54 | (82,442) |
| Impairment losses at 1 January 2024 | (703) | (30) | (1,822) | (4) | (20,890) | (22,746) |
| Exchange rate adjustments | (4) | (1) | (1,49) | - | (1,610) | (1,760) |
| Impairment losses and reversals | - | (30) | (1,713) | - | (13,820) | (15,563) |
| Reclassified assets | - | - | (555) | - | 555 | - |
| Impairment losses at 31 December 2024 | (707) | (61) | (4,239) | (4) | (35,765) | (40,069) |
| Carrying amount at 31 December 2024 | 2,611 | 7,977 | 136,477 | 2,122 | 53,118 | 201,694 |

Intangible assets

Intangible assets consist of goodwill of DKK 1,713 million (2023: DKK 1,847 million), carbon emission allowances of DKK 306 million (2023: DKK 871 million), other rights of DKK 463 million (2023: DKK 626 million), completed development projects of DKK 41 million (2023: DKK 61 million), and development projects in progress of DKK 88 million (2023: DKK 21 million). Recognised goodwill primarily relates to Onshore Europe.

Intangible assets, and property, plant, and equipment

Note 3.1 – continued

| Intangible assets, and property, plant, and equipment | Intangible assets | Land and buildings | Production assets | Fixtures and fittings, tools, and equipment | Property, plant, and equipment under construction | Property, plant, and equipment |
|--|-------------------|--------------------|-------------------|---|---|--------------------------------|
| DKKm | | | | | | |
| Cost at 1 January 2023 | 5,707 | 10,747 | 179,094 | 3,076 | 52,088 | 245,005 |
| Exchange rate adjustments | 9 | (47) | 159 | (23) | (1,551) | (1,462) |
| Additions | 19 | 551 | 349 | 889 | 36,164 | 37,953 |
| Disposals | (580) | (114) | (5,125) | - | (1,477) | (6,716) |
| Adjustment of decommissioning obligations | - | - | (1,803) | - | 539 | (1,264) |
| Reclassified assets | 22 | 16 | 16,430 | 98 | (16,566) | (22) |
| Cost at 31 December 2023 | 5,177 | 11,153 | 189,104 | 4,040 | 69,197 | 273,494 |
| Depreciation and amortisation at 1 January 2023 | (973) | (2,767) | (59,102) | (1,533) | - | (63,402) |
| Exchange rate adjustments | - | (6) | (586) | (2) | - | (594) |
| Depreciation and amortisation | (59) | (614) | (8,661) | (459) | - | (9,734) |
| Disposals | (16) | 41 | 2,710 | - | - | 2,751 |
| Depreciation and amortisation at 31 December 2023 | (1,048) | (3,346) | (65,639) | (1,994) | - | (70,979) |
| Impairment losses at 1 January 2023 | (705) | - | (781) | - | (3,157) | (3,938) |
| Exchange rate adjustments | 2 | - | 17 | - | 438 | 455 |
| Impairment losses and reversals | - | (30) | (1,058) | (4) | (18,190) | (19,282) ¹ |
| Disposals | - | - | - | - | 19 | 19 |
| Impairment losses at 31 December 2023 | (703) | (30) | (1,822) | (4) | (20,890) | (22,746) |
| Carrying amount at 31 December 2023 | 3,426 | 7,777 | 121,643 | 2,042 | 48,307 | 179,769 |

¹ We recognised total impairment losses of DKK 26,775 million for the year. Of that amount, DKK 19,282 million are recognised under 'Property, plant, and equipment' and DKK 7,493 million under 'Provisions' as 'Onerous contracts'. See notes 3.2 'Impairments' and 3.9 'Provisions and contingent liabilities' for more information.

Intangible assets, and property, plant, and equipment

Note 3.1 – continued

| Lease assets DKKm | Fixtures and fittings, tools, and equipment | | | Property, plant, and equipment | |
|--|---|-------------------|-------------------|--------------------------------|---------------|
| | Land and buildings | Production assets | Equipment | | |
| Carrying amount at 1 January 2024 | 5,881 | 27 | 1,567 | 7,475 | |
| Exchange rate adjustments | 496 | 1 | 18 | 515 | |
| Additions | 584 | - | 514 | 1,098 | |
| Disposals | (217) | - | (24) | (241) | |
| Impairment | (30) | - | - | (30) | |
| Depreciation | (540) | (3) | (453) | (996) | |
| Carrying amount at 31 December 2024 | 6,174 | 25 | 1,622 | 7,821 | |
| Lease assets | | | | | |
| DKKm | | | | | |
| Carrying amount at 1 January 2023 | 6,409 | 43 | 1,157 | 7,609 | |
| Exchange rate adjustments | (45) | 1 | (32) | (76) | |
| Additions | 137 | 4 | 814 | 955 | |
| Disposals | (67) | - | - | (67) | |
| Impairment | (30) | - | - | (30) | |
| Depreciation | (523) | (21) | (372) | (916) | |
| Carrying amount at 31 December 2023 | 5,881 | 27 | 1,567 | 7,475 | |
| Contractual obligations by segment | | | | | |
| DKKm | | | | | |
| | 0-1 year | 1-5 years | 5-10 years | 2024 | 2023 |
| Offshore | 46,774 | 43,804 | 6 | 90,584 | 86,015 |
| Onshore | 9,588 | 2,056 | 2 | 11,646 | 10,937 |
| Bioenergy & Other | 1,558 | 137 | - | 1,695 | 2,274 |
| Total | 57,920 | 45,997 | 8 | 103,925 | 99,226 |

Overview of contracts entered into where delivery had not taken place at 31 December 2024. The obligations are measured at nominal value.

Leases

We mainly lease office buildings, service and installation vessels, seabeds related to offshore wind farms, and plots of land related to onshore wind farms, solar farms, and battery storage facilities.

Seabed leases include variable lease payments, which depend on the number of megawatt hours generated. However, we have typically agreed on minimum lease payments for the seabed leases. These minimum payments are included in the lease liabilities.

Expenses for the year relating to variable lease payments not included in lease liabilities were DKK 1,132 million in 2024 (2023: DKK 992 million). Interests on lease debt expenses in profit (loss) were DKK 301 million in 2024 (2023: DKK 308 million).

Total cash outflow for leases were DKK 2,171 million in 2024 (2023: DKK 2,012 million).

During 2024, we have entered into lease contracts for vessels which we will not take delivery of until 2027. Consequently, those have not yet commenced as per 31 December 2024 and therefore not been included in the balance sheet.

For a maturity analysis of lease liabilities, we refer to note 5.5 'Maturity analysis of financial liabilities'.

Intangible assets, and property, plant, and equipment

Note 3.1 – continued

5 Accounting policies

Intangible assets

Rights are measured at cost less accumulated amortisation and impairment losses. Rights are amortised on a straight-line basis over their estimated future useful lives, which are 5-20 years.

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company. The carrying amount of goodwill is allocated to the Group's cash-generating units, which are the operating segments at the acquisition date. Goodwill is not tax deductible.

Annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives.

Property, plant, and equipment

Property, plant, and equipment which is not a lease is measured at cost less accumulated depreciation and impairment losses. Cost of property, plant, and equipment is depreciated by using the straight-line method, the diminishing-balance method, or the reducing-fraction method. The diminishing-balance method and the reducing-fraction method result in decreasing depreciation over the useful life. These methods are used for some of our offshore wind farms.

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Costs comprise purchase price and any costs directly attributable to the acquisition until the date the asset is available for use.

The costs of self-constructed assets comprise direct and indirect costs of materials, components, sub-suppliers, and labour. Borrowing costs relating to both specific and general borrowing directly attributable to assets under construction with a lengthy construction period are recognised in costs during the construction period. Costs are increased by the present value of the estimated obligations for demolition and decommissioning of assets to the extent that the obligations are recognised as provisions.

Subsequent costs, for example in connection with replacement of parts of an item of property, plant, and equipment, are recognised in the carrying amount of the asset in question when it is probable that future economic benefits will flow to the Group from the expenses incurred. Any residual value of the replaced parts is recognised in the income statement as loss on disposal of non-current assets. Other repair and maintenance expenses are recognised in profit (loss) for the year as incurred.

Leases

Our lease assets are classified alongside our owned assets of similar type under property, plant, and equipment. Initially, we measure a lease asset at cost, being the initial amount of the lease liability. We depreciate our lease assets over the lease term. The depreciation method used is the straight-line method for all our lease assets, except for seabed leases where the depreciation method is aligned with the depreciation method for the related offshore wind farm. Therefore, seabed lease assets are depreciated using either the straight-line method or the reducing-fraction method.

Our lease liabilities are initially measured at the net present value of the in-substance fixed lease payments for the use of a lease asset. If, at inception of the lease, we are reasonably certain that we will exercise an option to extend a lease, we will include the lease payments in the option period when calculating the lease liability. We measure the lease asset to the value of the lease liability at initial recognition.

Contracts may contain both lease and non-lease components. We allocate the consideration in a contract to the lease and non-lease components based on their relative stand-alone prices. We account for non-lease components in accordance with the accounting policy applicable for such items. Non-lease components comprise building services and operating costs of leased vessels, etc.

Variable lease expenses are recognised in other external expenses in the period when the condition triggering those payments occurs. Interests of lease liabilities are recognised in financial expenses.

Each lease payment is separated into repayment of the lease liability and payment of interests of the lease liability. Debt repayments are classified as cash flows from financing activities, and payment of interests are classified as cash flows from operating activities.

Impairments

Note 3.2

| Impairment losses on segment level DKKm | 2024 | 2023 | WACC Levels % | 2024 | 2023 |
|--|---------------|---------------|--|--------------|--------------|
| Offshore | 14,242 | 25,526 | Base discount rate applied for the US | 6.00 – 7.75% | 5.50 – 7.00% |
| Onshore | 1,321 | 927 | | | |
| Bioenergy & Other | - | 322 | | | |
| Total impairment losses | 15,563 | 26,775 | | | |

The base discount rate after tax applied for the value-in-use calculation is determined per CGU.

We have updated our impairment calculations as of 31 December 2024. When estimating the future cash flows for the value-in-use calculations of our cash-generating units (CGUs), management has assessed relevant assumptions and estimates and taken other related risks and inherent uncertainties into consideration.

Following this, we have recognised net impairment losses of DKK 15.6 billion in 2024. The main contributors to the net impairment loss were construction delay and higher expected costs due to a higher risk assessment for Sunrise Wind and Revolution Wind, a lower valuation of our seabed leases, an increase in the US long-dated interest rate across our US portfolio, and our decision to cease execution of FlagshipONE. This was partly offset by a reversal on our Sunrise Wind project due to its award of a higher OREC level by the State of New York. In 2023, we recognised impairment losses of DKK 26.8 billion, of which DKK 20 billion related to the termination of Ocean Wind 1.

Impairment test

When performing impairment calculations, we have reassessed assumptions and estimates in relation to relevant risks identified for the individual projects. These risks primarily relate to the construction schedule, the supply chain, and the ability to qualify for the additional 10% ITC bonus credits. The risks could create potential further cost increases, schedule delays, delayed revenue, knock-on effects, and other business case implications. Our impairment tests are based on a probability-weighted assessment of the likelihood of these risks. While uncertainties are inherent in the assumptions used, the assumptions reflect management's best estimate.

The projects with the most significant impairment impact and high involvement of estimates and uncertainties are described in the following sections, along with more general sections.

Sunrise Wind

In 2024, we have recognised a net impairment loss of DKK 3.8 billion for Sunrise Wind. The impairment loss was primarily driven by the following circumstances:

- A negative effect from construction delays and increased costs and contingencies due to a higher risk assessment (DKK 4.3 billion).
- A negative effect from the increase in the long-dated US interest rate (DKK 1.2 billion).
- A positive effect from the award of a higher offshore wind renewable energy certificate (OREC) level by the State of New York (DKK 1.8 billion).
- A negative effect from updated assumptions for the expected market prices was offset by the impact of acquiring Eversource's 50% share of the project at a price below the recoverable amount of our 50% share of the project at the end of Q2 2024.

Impairments

Note 3.2 – continued

| | 2024 | | 2023 | | ITC bonus credits assumed in impairment tests | | | Sensitivity impact DKK billion | | |
|------------------------------|-------------------|--------------------|-------------------|--------------------|---|-----------------------|----------------------|---|--------------|--------------|
| | Impairment losses | Recoverable amount | Impairment losses | Recoverable amount | ITC bonus credits | Probability weighting | No ITC bonus credits | 40% ITC bonus credits, 100% probability | +50 bps WACC | -50 bps WACC |
| CGUs | | | | | | | | | | |
| DKKm | | | | | | | | | | |
| Ocean Wind 1 | - | n.a. | 19,875 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Ocean Wind seabeds | 2,584 | n.a. | - | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Skipjack Wind seabed | 1,502 | n.a. | - | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Sunrise Wind | 3,787 | 6,511 | 2,069 | 2,006 | 10% | 95% | (4.0) | 0.2 | (1.4) | 1.4 |
| Revolution Wind | 4,463 | 5,579 | 2,706 | 3,723 | 10% | 95% | (1.3) | 0.1 | (0.5) | 0.5 |
| South Fork | 437 | 2,871 | 554 | 2,993 | n.a. | n.a. | n.a. | n.a. | (0.1) | 0.1 |
| Block Island | (46) | 1,384 | 322 | 1,304 | n.a. | n.a. | n.a. | n.a. | 0.0 | 0.0 |
| Flagship ONE | 1,515 | n.a. | - | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Offshore | 14,242 | 16,345 | 25,526 | 10,026 | | | | | | |
| Onshore | 1,321 | 11,501 | 927 | 2,667 | n.a. | n.a. | n.a. | n.a. | (0.7) | 0.5 |
| Bioenergy & Other | - | - | 322 | n.a. | | | | | | |
| Total | 15,563 | 27,846 | 26,775 | 12,693 | | | | | | |

Revolution Wind

In 2024, we have recognised a net impairment loss of DKK 4.5 billion for Revolution Wind. The impairment loss was primarily driven by the following circumstances:

- A negative effect from the construction delay of the onshore substation, which has pushed the commercial operation date (COD) from 2025 to 2026, including knock-on impacts on costs and progress (DKK 2.1 billion).
- Challenges related to the piling of one of the offshore substation monopiles and a reassessment of the risks related to the offshore scope of the project (DKK 1.7 billion).
- A negative effect from the increase in the long-dated US interest rate (DKK 0.5 billion).

Seabed value of Ocean Wind and Skipjack Wind

When estimating the recoverable amount of the seabeds related to Ocean Wind and Skipjack Wind, we use the approach 'fair value less costs of disposal'

(FVLCD) to determine if the carrying amounts exceed the recoverable amounts. Our valuation indications have led to an impairment of DKK 4.1 billion in 2024, which has substantially reduced the carrying amount.

The valuation is based on market-informed valuation indications, which among other things are based on the price development seen in the latest seabed lease auctions. Despite the currently lower valuation, we continue to see a strategic optionality in these seabeds.

Impairments

Note 3.2 – continued

Other US assets

In 2024, updated market price assumptions have resulted in impairment losses of DKK 0.6 billion on South Fork, Block Island, and our US onshore assets, exclusive of the impact from higher interest rates.

Interest rates

The long-dated US interest rate increased from 31 December 2023 to 31 December 2024, leading to higher WACC levels. The effect from increasing interest rates led to an impairment of DKK 2.7 billion across our US portfolio.

Ceasing execution of FlagshipONE

In 2024, we took the decision to cease execution of FlagshipONE and deprioritised our immediate efforts within the liquid e-fuels market. This resulted in an impairment loss of DKK 1.5 billion.

Impairment losses relating to intangible assets

We have not recognised any material impairment losses to goodwill or other intangible assets in 2024.

Goodwill primarily relates to Onshore Europe.

5 Accounting policies

For the purpose of assessing impairment, identifiable intangible assets, and 'Property, plant, and equipment' are grouped at the level for which there are identifiable cash flows (cash-generating units).

CGUs including goodwill are assessed for impairment annually or whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If any indication of impairment exists, an estimate of the asset's or CGU's recoverable amount is made.

The value of a CGU is impaired if the carrying amount exceeds the recoverable amount, which is the maximum of the estimated value-in-use and the fair value less costs of disposal. Value-in-use calculations are based on management's expectations to future cash flows from financial forecasts and business plans. For seabed assets, a number of assumptions and estimates are used, and the costs of disposal is used for seabed assets. Multiple analyses and discounted cash flows are used if a business case is available.

Estimating expected cash flows involves significant assumptions and estimates. In the US, the discount rate and assumptions for the forecast period are based on inflation, terms of conditions in new production sharing agreements, eligibility for bonus ITCs and PTCs, and other arrangements or alternative ways of obtaining ITCs and PTCs. All these key estimates are determined specifically for each asset. These estimates are based on current legislation and do not take into account practices effective by the end of the forecast period.

The discount rate applied when calculating the recoverable amount takes general risks into account and is based on the post-tax nominal weighted average cost of capital (WACC), whereas the estimated future cash flows are adjusted for risks specific to the asset.

Impairment losses are recognised in the income statement and, except in the case of goodwill, are reversed if there has been a change in circumstances that led to the impairment. Reversal of an impairment loss is recognised in the income statement net of depreciation and amortisation. An impairment loss had been recognised

Inventories

Note 3.3

| Inventories | 2024 | 2023 |
|---|---------------|---------------|
| DKKm | | |
| Offshore transmission assets | 10,476 | 3,944 |
| Biomass | 581 | 928 |
| Coal | 268 | 566 |
| Gas | 2,915 | 2,167 |
| Oil | 272 | 339 |
| Renewable certificates | 2,775 | 2,371 |
| Carbon emission allowances | 147 | 213 |
| Other | 14 | 11 |
| Total inventories | 17,448 | 10,539 |
| Inventories recognised as an expense in 'Cost of sales' during the year | 16,152 | 9,626 |
| | | |
| | | |
| | | |

'Offshore transmission assets' relate to the Hornsea 3 and Hornsea 4 transmission assets.

'Gas' primarily relates to our gas trade activities.

'Renewable certificates' are primarily renewable obligation certificates (ROCs), which are issued to renewable energy power generators in the UK.

Inventories measured at fair value are disclosed in note 6.6 'Fair value measurement'.

Contract assets and liabilities

Note 3.4

| Revenue from contracts with customers | | |
|---|---------------|--------------|
| DKKm | 2024 | 2023 |
| Revenue included in contract liabilities at the beginning of the year | (6) | (6) |
| Revenue from performance obligations satisfied in previous years | (21) | (592) |
| Contract balances | | |
| DKKm | | |
| Contract assets | | |
| Current contract assets | 324 | 802 |
| Total contract assets | 324 | 802 |
| Contract liabilities | | |
| Non-current contract liabilities | 8,834 | 3,297 |
| Current contract liabilities | 2,578 | 2,785 |
| Total contract liabilities | 11,412 | 6,082 |

The table shows the amount of our revenue relating to contract liabilities carried forward (as prepayments and deferred revenue) and the amount relating to performance obligations satisfied in a prior year (e.g. re-negotiations or constraints on variable considerations that are not recognised until they are highly probable).

Contract assets and contract liabilities primarily related to:

- the construction of offshore wind farms with partners, with each party typically owning 50% of the offshore wind farm
- prepayments from heat customers.

Our contract assets primarily related to the construction of Greater Changhua 4.

At the end of 2024, current contract liabilities primarily related to the farm-down of Greater Changhua 4.

At the end of 2023, current contract liabilities related to the construction of Borkum Riffgrund 3 and Gode Wind 3.

Non-current contract liabilities related to prepayment of power related to the divestment of an equity ownership share in a portfolio of four UK offshore wind farms and prepayments from heat customers.

Trade receivables

Note 3.5

| Trade receivables | 2024 | 2023 |
|--|--------------|---------------|
| DKKm | | |
| Trade receivables, not due | 7,848 | 10,480 |
| Trade receivables, 1-30 days overdue | 563 | 291 |
| Trade receivables, more than 30 days overdue | 647 | 358 |
| Trade receivables, write-downs | (13) | (22) |
| Total trade receivables | 9,045 | 11,107 |

Supply chain finance

Note 3.6

| | 2024 |
|--|-------|
| Supply chain finance – liabilities paid by supplier finance banks | |
| Recognised in balance sheet | 3,256 |
| Of which, paid by supplier finance banks | 2,985 |

We continuously perform credit ratings of our customers. For customers with a general credit risk, a write-down of 0-1 % is carried out on initial recognition.

In 2023, we wrote down a loan given to support US suppliers in the amount of DKK 571 million related to Ocean Wind 1 and 2. Except for this, we have not made any write-downs of receivables in 2024 or 2023.

Reversal of write-downs was DKK 5 million.

§ Accounting policies

We keep our receivables until maturity, and therefore, they are measured at amortised cost.

Write-downs are carried out from initial recognition of our receivables. The write-down is calculated as the difference between the carrying amount of the receivable and the net present value of expected future cash flows from the receivable. The discount rate used is the effective interest rate for the individual receivable or the individual portfolio.

We apply the simplified approach to the write-down of trade receivables, which permits calculating the write-down as the full loss during the entire term of the receivable.

We have entered into supply chain finance agreements with a limited number of suppliers. This provides the supplier with the possibility of requesting the participating banks to pay the invoice before our due date.

We expect that more of our suppliers will make use of supply chain financing in the future.

Other receivables and other payables

Note 3.7

| Other receivables | 2024 | 2023 |
|--|---------------|---------------|
| DKK/m | | |
| Receivables from the divestment of assets and enterprises | 513 | 1,472 |
| Receivables from the divestment of equity investments to non-controlling interests | 747 | 735 |
| Collateral provided in connection with hedging activities (receivable from banks) | 5,533 | 4,773 |
| Cash, not available for use | 317 | 481 |
| VAT and other indirect tax receivables | 1,580 | 1,640 |
| Prepayments | 1,429 | 1,265 |
| Deposits | 215 | 308 |
| Other | 2,820 | 2,990 |
| Total other receivables | 13,154 | 13,664 |
| Of which, working capital | 6,400 | 6,739 |
| Of which, other capital employed | 817 | 1,847 |
| Of which, interest-bearing net debt | 5,937 | 5,078 |
| Other payables | | |
| DKK/m | | |
| M&A related liabilities | 2,477 | 2,753 |
| Payables related to the divestment of assets ¹ | 3,234 | 2,900 |
| Accrued interest | 3,589 | 3,097 |
| Collateral received in connection with hedging activities (payable to banks) | 76 | 287 |
| Salary-related items, payable | 905 | 844 |
| VAT and other indirect taxes, payable | 501 | 535 |
| Other deferred income | 361 | 104 |
| Other | 1,788 | 1,978 |
| Total other payables | 12,931 | 12,498 |
| Of which, working capital | 3,364 | 3,306 |
| Of which, other capital employed | 6,126 | 5,854 |
| Of which, interest-bearing net debt | 3,441 | 3,338 |

¹ Mainly related to the divestment of a portfolio of four onshore projects in 2022.

Tax equity liabilities

Note 3.8

| Tax equity liabilities DKKm | 2024 | 2023 |
|---|---------------|---------------|
| Balance at 1 January | 17,007 | 16,393 |
| Contribution received from tax equity partners | 5,200 | 2,942 |
| Disposal related to divestment | (587) | - |
| Tax attributes and PTCs/ITCs recognised in other operating income | (3,434) | (2,531) |
| Cash paid to tax equity partners | (230) | (219) |
| Tax equity partners' contractual return | 1,275 | 965 |
| Exchange rate adjustments | 1,247 | (543) |
| Balance at 31 December | 20,478 | 17,007 |
| Of which, working capital | 18,714 | 15,811 |
| Of which, interest-bearing debt | 1,764 | 1,196 |

During 2024, we commissioned four solar projects, Mockingbird, Eleven Mile Solar Center, Sparta Solar, and Old 300, and we received a tax equity contribution from our partner for these projects. In November 2024, we divested a 50% ownership share of our solar farm Mockingbird.

§ Accounting policies

Due to the operational and financial characteristics of tax equity partnerships, we normally do not have a controlling interest in these projects as the managing partner in the partnership. Therefore, we normally fully consolidate these projects as tax equity partners.

The tax equity contribution generally has the characteristics of a liability as the initial contribution is repaid, including an agreed return, and the partner does not share in the risks of the project in the same way as a shareholder.

As such, the contribution is accounted for as a liability and measured at amortised cost. The contribution is divided into:

- a net working capital element to be repaid through PTCs or ITCs and other tax attributes
- an interest-bearing debt element to be repaid through cash distributions

The partner's agreed return is expensed as an operating expense and is recognised as an accrual liability. PTCs, ITCs, and other tax attributes are transferred to the tax equity partner as other operating income. PTCs are recognised over the periods earned, while ITCs and other tax attributes are recognised on a straight-line basis over the estimated contractual length of the project.

In addition to the above, we recognise the expected purchase price for the partner's rights to cash distributions. This liability is measured at fair value, and adjustments are recognised as a financial item. This recognition reflects the uncertainty and high likelihood that we will purchase the partner's post-flip rights, and they are recognised as financial costs of the arrangement.

Provisions and contingent liabilities

Note 3.9

| | 2024 | | | | 2023 | | | |
|---|-----------------------------|-------------------|--------------------|-----------------------|-----------------------------|-------------------|------------------|---------------|
| Provisions | Decommissioning obligations | Onerous contracts | Other provisions | Total | Decommissioning obligations | Onerous contracts | Other provisions | Total |
| DKKm | | | | | | | | |
| Provisions at 1 January | 12,977 | 15,654 | 4,232 | 32,863 | 14,076 | 280 | 5,350 | 19,706 |
| Exchange rate adjustments | 382 | 214 | 12 | 608 | 62 | (675) | 11 | (602) |
| Used during the year | (34) | (8,074) | (1,036) | (9,144) | (30) | (4,206) | (824) | (5,060) |
| Provisions reversed during the year | (88) | (7,663) | (260) | (8,011) | - | - | (1,447) | (1,447) |
| Provisions made during the year | 504 | 2,531 | 1,070 | 4,105 | 526 | 20,246 | 1,150 | 21,922 |
| Disposals | (86) | - | - | (86) | (349) | - | (12) | (361) |
| Divestment of enterprises | (7) | - | (1) | (8) | - | - | - | - |
| Change in estimates | (125) | - | - | (125) | (1,790) | - | - | (1,790) |
| Interest element of provisions | 321 | 12 | - | 333 | 482 | 9 | 4 | 495 |
| Total provisions at 31 December | 13,844 | 2,674 | 4,017 | 20,535 | 12,977 | 15,654 | 4,232 | 32,863 |
| Falling due as follows | | | | | | | | |
| In 0-1 year | 344 | 2,031 | 425 | 2,800 | 250 | 15,007 | 698 | 15,955 |
| In 1-5 years | 634 | 266 | 3,282 | 4,182 | 1,499 | 536 | 3,350 | 5,385 |
| After 5 years | 12,866 | 377 | 310 | 13,553 | 11,228 | 111 | 184 | 11,523 |
| Decommissioning obligations by segment | | | | | | | | |
| DKKm | 0-5 years | 5-10 years | 10-20 years | After 20 years | 2024 | 2023 | | |
| Offshore | 545 | 1,853 | 4,646 | 2,303 | 9,347 | 8,840 | | |
| Onshore | 1 | - | 37 | 2,255 | 2,293 | 2,062 | | |
| Bioenergy & Other | 432 | 65 | 1,352 | 355 | 2,204 | 2,075 | | |
| Total | 978 | 1,918 | 6,035 | 4,913 | 13,844 | 12,977 | | |

Provisions and contingent liabilities

Note 3.9 – continued

Onerous contracts

Onerous contracts primarily related to ceasing the development of Ocean Wind 1 where we have a provision of DKK 1.6 billion at the end of 2024 (2023: DKK 1.5 billion) as well as onerous contracts in relation to our decision to cease execution of FlagshipONE. The provision relates to cancellation fees on contracts.

In 2024, 'Provisions reversed during the year' related to Ocean Wind 1, where we have finalised the negotiation of several contracts with a better outcome than assumed.

In 2024, 'Used during the year' primarily related to payments to fulfilling and cancelling contracts for Ocean Wind 1 and FlagshipONE.

In 2023, 'Used during the year' primarily related to CAPEX spent on construction of Ocean Wind 1 until the termination of the project and other costs associated with terminating the project. 'Used during the year' also related to CAPEX spent on the construction of Sunrise Wind.

In 2024, 'Provisions made during the year' primarily related to updated assumptions related to operations and maintenance contracts for offshore transmission assets in the UK, higher costs related the construction agreement for Borkum Riffgrund 3, and costs related to ceasing the Ocean Wind 1 and FlagshipONE projects.

Contingent liabilities

Liability to pay compensation

In case of any environmental accidents or other types of damage caused by our gas and oil transport, the companies Ørsted Salg & Service A/S and Danish Oil Pipe A/S are liable to pay compensation according to legislation. This also applies if there is no proof of negligence (strict liability). We have taken out insurance to cover any such claims.

Secondary liability

As part of the divestment of our oil and gas business in 2017, we assumed a secondary liability regarding the decommissioning of offshore installations.

Litigation

We are party to a number of court cases and legal disputes. In our assessment, none of these will significantly impact Ørsted's financial position, neither individually nor collectively.

We have been party to cases relating to the Danish competition authorities' claim that the former Elsam A/S and Elsam Kraft A/S ('Elsam'), now part of Ørsted, charged excessive prices in the Danish wholesale power market in the period 1 July 2003 to 31 December 2006.

These cases have been resolved in Ørsted's favour. However, in connection with the former cases, some energy trading companies, some of their customers, and others have filed claims for damages, which are still pending. The biggest claim was filed in 2007

§ Accounting policies

Provisions are recognised when the criteria are fulfilled:

- We have a legal or constructive obligation as a result of an earlier event.
- The settlement of the obligation is probable to result in an outflow of resources.
- The obligation can be measured reliably.

Decommissioning obligations are recognised at the present value of the future cash outflows of decommissioning as expected at the reporting sheet date. The present value is calculated using a discount rate and changes in estimate are recognised in the period of the cost of property, plant, and equipment, depreciated together with the asset. The addition of interest on provisions is recognised in the income statement under 'Finance costs'.

For onerous contracts, a provision is recognised when the expected income to be derived from the contract is lower than the unavoidable costs of meeting the obligations under the contract.

Provisions concerning carbon emissions are recognised when our actual emissions exceed the allowance of carbon emission allowances.

Provisions and contingent liabilities

Note 3.9 – continued

before the Copenhagen Maritime & Commercial Court, amounting to approx. DKK 4.4 billion with addition of litigation interest. The case is at the moment under preparation for the Maritime & Commercial Court.

Ørsted is involved in ongoing transfer pricing disputes. For further information, we refer to section 4.1 'Approach to taxes'.

Change of control

Some of our activities are subject to consents, permits, and licences granted by public authorities. We may be faced with a claim for acceptance of any transfer, possibly with additional terms and conditions, if the Danish state holds less than 50% of the share capital or voting rights in Ørsted A/S. Read more in note 5.1 'Interest-bearing net debt and FFO'.

Non-controlling interests

Note 3.10

| Non-controlling interests ¹ | Brookfield partnership, the UK Offshore ¹ | | OONA Energy Partners, the US Onshore ² | | Other ³ | |
|--|---|----------------|--|----------|--------------------|------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Non-controlling interests¹ | | | | | | |
| DKKm | | | | | | |
| Statement of comprehensive income | | | | | | |
| Revenue | 8,733 | - | 418 | - | 2,241 | 2,146 |
| EBITDA | 6,694 | - | 935 | - | 1,247 | 1,131 |
| Profit (loss) for the year | 1,799 | - | 226 | - | 403 | 290 |
| Total comprehensive income | 1,817 | - | 514 | - | 573 | 401 |
| Profit (loss) for the year attributable to non-controlling interests | - | - | 226 | - | 191 | 138 |
| Balance sheet | | | | | | |
| Non-current assets | 22,919 | - | 9,878 | - | 4,782 | 5,219 |
| Current assets | 4,572 | - | 415 | - | 1,008 | 895 |
| Non-current liabilities | 1,677 | - | 5,250 | - | 1,581 | 1,610 |
| Current liabilities | 1,205 | - | 1,920 | - | 526 | 589 |
| Carrying amount of non-controlling interests | 6,128 | - | 2,498 | - | 1,765 | 1,906 |
| Statement of cash flows | | | | | | |
| Cash flows from operating activities | 4,982 | - | 121 | - | 950 | 983 |
| Cash flows from investing activities | 6,903 | - | (60) | - | (175) | (110) |
| Cash flows from financing activities | (12,011) | - | (20) | - | (821) | (902) |
| - of which, dividends paid to non-controlling interests | - | - | - | - | (369) | (413) |
| Transactions with non-controlling interests | | | | | | |
| DKKm | | | | | | |
| Transactions with non-controlling interests | | | | | | |
| Dividends paid to non-controlling interests | (369) | (413) | | | | |
| Acquisition of non-controlling interests ⁴ | - | (7,032) | | | | |
| Divestment of equity investments to non-controlling interests | 10,347 | (153) | | | | |
| Other capital transactions with non-controlling interests | (115) | 537 | | | | |
| Total transactions, cf. statement of cash flows | 9,863 | (7,061) | | | | |
| Divestment of equity investments to non-controlling interests | | | | | | |
| Changes in receivables relating to the acquisition and divestment of non-controlling interests | 10,347 | (7,185) | | | | |
| Cash selling price, total | 10,347 | (7,185) | | | | |

In the table, we provide financial information for subsidiaries with significant non-controlling interests. The amounts stated are the consolidated accounting figures of the individual enterprises or groups, determined according to our accounting policies. Amounts are stated before intra-group eliminations.

¹ In December 2024, we divested a 24.9% equity stake of our 50% share (equivalent to a 12.45% share) in four UK offshore assets: Hornsea 1, Hornsea 2, Burbo Bank Extension, and Walney Extension, each represented by an individual holding company taking in Brookfield as non-controlling owner. We retain a 37.55% equity ownership stake in these wind farms.

² In June 2024, we divested an 80% equity stake in four of our US onshore assets: Ford Ridge Wind, Sunflower Wind, Helena Wind, and Western Trail Wind to Stonepeak. We retain a 20% equity ownership stake.

³ Primarily related to UK assets: Walney and Gunfleet Sands.

⁴ A complete list of all non-controlling interests, their company legal names, and country of registration can be found here: orsted.com/company-overview

⁵ During 2023, we acquired the remaining equity in Ocean Wind, Bay State Wind, and Lease Area 500.

Tax

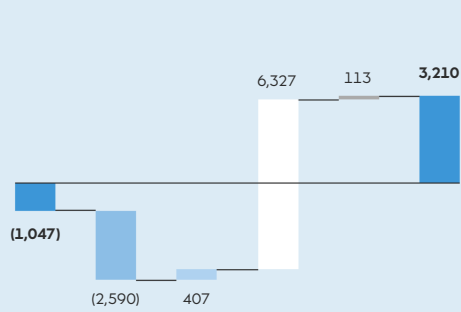
Note 4

The Group's taxes reflect our business operations and applicable tax legislation in the countries where we operate.

Development in current and deferred tax asset and liabilities (tax, net), 2023-2024

DKKm

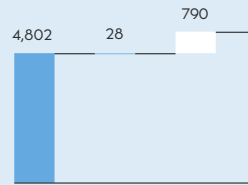
- Tax, net
- Tax on profit (loss) for the year
- Tax on other comprehensive income
- Corporate taxes paid
- Other effects



Corporate income tax paid by segment, 2024

DKKm

- Offshore
- Onshore
- Bioenergy & Other
- Ørsted A/S and other activities
- Total



| 2024 | Profit (loss) | |
|---|---------------|----------------|
| DKKm | before tax | |
| Tax equity, deferred tax liability | - | (1,047) |
| Gain (loss) on divestment of enterprises and assets | (88) | |
| Impairment for the year | (15,563) | 1,047 |
| Cancellation fees | 7,335 | |
| Other adjustments | - | (1,047) |
| Remaining business | 10,922 | (2,606) |
| Effective tax for the year | 2,606 | (2,606) |

'Other adjustments' include changes in tax rates, movements in uncertain tax positions, tax concerning previous years, and unrecognised tax losses. See more regarding Impairments in note 3.2 'Impairments'.

Approach to taxes

Note 4.1

At Ørsted, we provide user-friendly and transparent information about our global tax positions.

We are committed to paying the right amount of tax, at the right time, in the right place, and in accordance with the tax laws of the countries where we operate. We seek to comply not only with the letter of the law but also with the underlying tax policy intent.

We believe that taxes are a core part of our corporate social responsibility.

For more details on our approach to taxes, we refer to our tax policy, which can be found here: orsted.com/tax-policy.

Transparency and sustainability

We believe that by providing user-friendly information about our tax positions, we contribute to promoting public trust in the corporate tax system.

We continue to report our key tax figures with inspiration from the Global Reporting Initiative (GRI) 207: Tax standard when presenting our approach to and reporting of tax.

The purpose of our transparency initiatives is to create certainty about our tax positions for our stakeholders, such as our investors and the local communities where we pay our taxes, and where we operate.

Our tax reporting according to our transparency initiatives includes country-by-country key figures and total tax contribution figures, which can be found here: orsted.com/tax-transparency.

In line with our tax policy, we engage constructively in national and international dialogue with governments, business groups, and civil society to support the development of effective tax systems, legislation, and administration. We believe that by providing relevant and constructive input, we can contribute to an informed discussion on taxes and tax policy. The purpose of our engagement is to promote the development of future tax legislation and practice that supports the green transformation.

During 2024, we have provided our responses to several public consultations in the US pertaining to the implementation of, and guidance on, the Inflation Reduction Act, to ensure the green transformation objectives are met also from a tax perspective. To promote responsible tax practices, we are engaging with CSR Europe to develop a European index for responsible tax practices. We participated in several panel debates with a view to promoting responsible tax practices.

Pillar 2 – minimum effective tax rate of 15 %

In December 2021, OECD released the Pillar 2 model rules to reform international corporate taxation.

We continue to work with the Pillar 2 rules as they continuously come into effect in the individual countries. Based on our figures, we expect to benefit from the temporary safe harbour rules in all of the jurisdictions where we operate if the Pillar 2 effective tax rate is less than 15%. The only exception is Singapore because of the technical set up of the safe harbour rule; however, no Pillar 2 tax is expected when calculating the full-scope top-up tax.

Approach to taxes

Note 4.1 – continued

Tax governance

Taxes are overseen by the Board of Directors, and within the Board, the Chair of the Audit & Risk Committee is accountable for our tax policy. The responsibility for tax risk management lies with the CFO and is overseen by the Audit & Risk Committee. The day-to-day tax management is handled by a centralised global tax team.

Our tax function is involved in the planning, implementation, and documentation of all significant business decisions and processes to ensure a coordinated assessment of all tax compliance and risks. The tax function also monitors and regularly updates tax risks and related controls.

Complying with tax rules can be complex, as the interpretation of legislation and case law may not always be clear-cut and may change over time, giving rise to tax risks. Our tax governance and control framework ensures appropriate processes and organisational structures to identify, assess, monitor, and manage tax risks at different levels of the Group. We manage our tax risks by preventing unnecessary disputes, which we strive to achieve through strong technical positions, thorough documentation and explanations of our positions, robust compliance procedures, and by engaging in up-front dialogues with tax authorities.

We define a tax risk as any consequence relating to the application of our tax policy, day-to-day operations, compliance, or external reporting that

impacts the business in the form of cash liabilities, financial reporting misstatements, or reputational damage. We continuously update our tax governance and control framework to ensure that we are aligned with business objectives and stakeholder expectations.

We have a standardised review process in place, and our controls are continuously reviewed, assessed, and, where applicable, substituted by automated processes. Tax decisions in relation to matters which are subject to approval by the Group Executive Team or the Board of Directors are approved by the Head of Tax.

Our tax risk management work includes considering uncertain tax positions, e.g. when we have taken a position where there is an uncertainty created by a comparison of the wording of the law with the expressed policy intent or lack thereof or fluctuating or divergent application by tax authorities or judicial systems in the countries where we operate.

Occasionally, a multinational enterprise like Ørsted faces potential double taxation. This occurs when two or more tax jurisdictions seek to tax the same business income. We believe that profit should only be taxed once, and where the value is created, in line with the position of the OECD.

In response to the tax risks connected to our activities, including the controversies described in this section, we have made tax-related provisions in accordance

with IAS 12, IAS 37, and relevant interpretation, such as IFRIC 23. The provisions have been calculated based on differences in tax rates and statistical risks of suffering economic or legal double taxation.

Tax planning and use of tax incentives

To remain competitive, we make use of incentives and tax relief implemented by governments where we have commercial substance, and our business activities are the intended beneficiaries of such incentives and relief. We benefit from the R&D tax credit regimes in the US, Poland, and Denmark as well as the investment and production tax credit regimes in the US.

We only use business structures that are driven by commercial considerations and aligned with our business activities. We do not use so-called secrecy jurisdictions or tax havens to avoid taxes. If we establish an entity in a low or nil-rate jurisdiction, it will be for substantive and commercial reasons. This is the case with our Isle of Man entity, which holds a licence to develop and build a local offshore wind farm, providing renewable energy to the Isle of Man, and with our Singapore entity, which provides technical and administrative services to wind farm projects.

Approach to taxes

Note 4.1 – continued

Tax controversies

During 2024, the Danish Tax Agency has opened further enquiries on development services in relation to non-Danish wind farms.

To date, Ørsted Wind Power A/S has received final administrative decisions from the Danish Tax Agency in relation to the development services for the offshore wind farms Hornsea 1, Walney Extension, Race Bank, Borssele 1 & 2, and Hornsea 2. We have also received an information request in relation to the development services provided for the offshore wind farms Greater Changhua 1 and 2a. In all its decisions, the Danish Tax Agency claims that Ørsted Wind Power A/S has not acted at arm’s length terms when charging fees for development services provided to the project companies. The Danish Tax Agency claims that the full value of expected, future cash flows related to the offshore wind farms should be taxed in Denmark.

to Denmark with DKK 10.8 billion for the income years 2015-2018. The amount, which is excluding any interest, is detailed per wind farm in the table below.

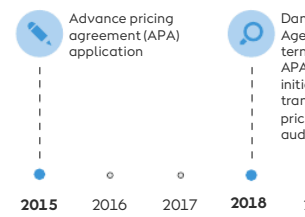
The table illustrates the payable tax to Denmark per wind farm, should the Danish Tax Agency’s position prevail, and the expected corresponding adjustments. The Danish tax, plus interests, would be payable upfront, and the corresponding adjustments would crystallise over the remaining lifetimes of the wind farms.

As described in our key accounting estimates on page 202, we have made provisions for uncertain tax positions according to IFRIC 23. In relation to these transfer pricing disputes, we have used a weighted average of several different scenarios, where the base case is that we will win the cases, but a number of scenarios include different adjustments, resulting in increased tax payable to Denmark. The scenarios with additional tax payable to Denmark assumes corresponding adjustments.

| Decisions made by the Danish Tax Agency | Walney Extension | Hornsea 1 | Race Bank | Borssele 1 & 2 | Hornsea 2 | Total |
|---|------------------|------------------|------------------|------------------|------------------|--------|
| Up until 31 December 2024, the Danish Tax Agency has increased Ørsted Wind Power A/S’s tax payments | 2,949 | 2,337 | 2,488 | 1,088 | 1,950 | 10,812 |
| Potential additional Danish tax payment excluding any interest | 2,949 | 2,337 | 2,488 | 1,088 | 1,950 | 10,812 |
| Tax value of potential corresponding adjustment | 2,951 | 2,294 | 2,239 | 1,268 | 1,881 | 10,042 |
| Likely timing of settlement of potential tax in Denmark, if the Danish Tax Agency prevails | 2nd half of 2025 | 2nd half of 2025 | TBD ¹ | TBD ¹ | TBD ¹ | |

¹ Timing of settlement is likely to follow the same process and timeline as for Walney Extension and Hornsea 1.

Hornsea 1 and Walney Extension tax audit timeline



Tax controversies timeline

Tax controversies related to the development services provided from Danish entities to our projects in Denmark take multiple years to settle. The tax controversies concerning Hornsea 1 and Walney Extension have been ongoing for more than nine years from the time of the APA application. In 2024, the Danish Tax Agency chose to terminate the APA with the British tax authorities (HM Revenue and Customs) and instead initiated an audit. The next steps are expected to be settled in arbitration, which we expect to happen in the latter half of 2025. We have summarised the timeline for Hornsea 1 and Walney Extension. Also, we have included a status of projects where a transfer pricing case has been initiated.

Race Bank

We have appealed the administrative decision from the Danish Tax Tribunal and submitted a MAP application in November 2024. We continue to consider further options in light of the ongoing arbitration regarding Hornsea 1 and Walney Extension. We have also elaborated an appeal to the Danish Tax Tribunal, a direct appeal to the court system, or the MAP under the double tax treaty between Denmark and the UK.

Tax on profit (loss) for the year

Note 4.2

| | 2024 | | 2023 | |
|--|----------------|-----------|----------------|------------|
| | DKK million | % | DKK million | % |
| Effective tax rate | | | | |
| DKKm, % | | | | |
| Tax on profit (loss) for the year can be explained as follows | | | | |
| Calculated 22% tax on profit (loss) before tax | (573) | 22 | 4,186 | 22 |
| Adjustments of calculated tax in foreign subsidiaries in relation to 22% | (257) | 10 | 825 | 4 |
| Tax effect of | | | | |
| Non-taxable income and non-deductible costs, net | 202 | (8) | 1,519 | 8 |
| Unrecognised tax assets | (858) | 33 | (8,084) | (43) |
| Tax equity contributions | (1,013) | 39 | 874 | 5 |
| Movements in uncertain tax positions | (31) | 1 | (251) | (1) |
| Changes in tax rates | 178 | (7) | (21) | - |
| Adjustment of tax concerning previous years | (238) | 9 | (204) | (1) |
| Effective tax for the year | (2,590) | 99 | (1,156) | (6) |





Income tax

Tax on profit (loss) was DKK 2,590 million in 2024 against DKK 1,156 million in 2023. The effective tax rate was 99% in 2024 against -6% in 2023.

The effective tax rate in 2024 was primarily affected by:

- The non-recognition of a deferred tax liability in connection with the reversal of the Ocean Wind 1 cancellation fee.
- The non-recognition of deferred tax assets in connection with the cancellation of FlagshipONE.

- The non-recognition of deferred tax assets in connection with the impairment of projects in the US and FlagshipONE.
- The recognition of deferred tax liabilities in connection with the capitalisation of project costs in the US where we have entered into tax equity agreements on the following projects:

-   Eleven Mile Solar Center
-  Mockingbird
-  Sparta Solar

The tax equity contribution excludes the Mockingbird farm-down impact, which is included in non-taxable income and non-deductible costs, net.

The changes in tax rates primarily relate to state tax rates in the US. The adjustment of tax concerning previous years primarily relates to expected adjustments to final tax returns regarding previous years.

The effective tax rate in 2023 was primarily affected by the largely tax-exempt divestments of the offshore wind farms Gode Wind 3 and London Array, the non-recognition of deferred tax assets in connection with the termination of the Ocean Wind 1 project, and the recognition of deferred tax liabilities in connection with capitalisation of project costs in the US where we have entered into tax equity agreements on Sunflower Wind, Sparta Solar, and Old 300, and by the final build-up recognition of deferred tax liabilities on South Fork Wind.

Further, the deferred tax liability previously recognised on Ocean Wind 1 was reversed in connection with the ceasing of that project.

Tax on profit (loss) for the year

Note 4.2 – continued

| Income tax DKKm | 2024 | 2023 |
|---|----------------|----------------|
| Tax on profit (loss) for the year | (2,590) | (1,156) |
| Tax on other comprehensive income | 407 | (4,566) |
| Tax on cash flow hedging of property, plant, and equipment under construction | 40 | - |
| Tax on hybrid capital related to equity | 9 | 2 |
| Total tax for the year | (2,134) | (5,720) |
| Tax on profit (loss) for the year can be broken down as follows | | |
| Current tax | (5,990) | (2,876) |
| Deferred tax | 4,355 | 1,207 |
| Changes in tax rates | 178 | (21) |
| Uncertain tax positions | (31) | (251) |
| Tax on hybrid capital | 149 | 115 |
| Tax equity | (1,013) | 874 |
| Adjustment of tax concerning previous years | (238) | (204) |
| Tax on profit (loss) for the year | (2,590) | (1,156) |
| Tax on other comprehensive income can be broken down as follows | | |
| Current tax | 1,104 | (1,262) |
| Deferred tax | (657) | (3,304) |
| Tax on other comprehensive income | 447 | (4,566) |

Tax on profit (loss) for the year and other comprehensive income

In 2024, total tax for the year was DKK 2,134 million, consisting of tax on profit (loss) for the year, tax on other comprehensive income, tax on cash flow hedging of property, plant, and equipment under construction, and tax on hybrid capital related to equity.

Current tax

Current tax is the tax incurred by Ørsted on profit for the year. This differs from taxes paid because of payments or refunds regarding prior years and residual payments for the current year.

Because of the high level of investments and the subsequent deferrals of payable tax as a consequence of accelerated tax depreciation, our current tax is generally lower than the statutory corporate tax rates during construction and the initial years after first power from a wind farm.

However, as we use the realisation principle on certain financial instruments and exchange rate adjustments on bonds, losses on these are deferred.

Pillar 2

We expect to benefit from the temporary safe harbour rules in all of the jurisdictions where we operate if the Pillar 2 effective tax rate is less than 15%. The only exception is Singapore because of the technical set up of the safe harbour rule; however, no Pillar 2 tax is expected when calculating the full-scope top-up tax.

Deferred tax

Note 4.3

| Net deferred tax for 2024 primarily consist of | Offshore | Onshore | Bioenergy & Other | Other activities/ eliminations | |
|--|----------|---------|-------------------|--------------------------------|-----------------------------|
| Assets | | | | | |
| Recognition of impairments and tax loss carryforwards | | | | | |
| Financial instruments | | | | | |
| Liabilities | | | | | |
| Tax equity structures | | | | | |
| Accelerated tax depreciation compared to accounting depreciation | | | | | |
| Acquisitions | | | | | |
| Deferred tax 2024 | | | | | |
| DKKm | Offshore | Onshore | Bioenergy & Other | Other activities/ eliminations | Deferred tax at 31 December |
| Deferred tax, assets | 9,935 | 44 | 702 | (1,521) | 9,250 |
| Deferred tax, liabilities | | 4,306 | 193 | (2,156) | 2,433 |
| Unrecognised tax assets | 11,374 | 426 | 833 | 385 | 13,018 |
| Deferred tax 2023 | | | | | |
| DKKm | | | | | |
| Deferred tax, assets | 10,038 | 64 | 41 | (1,951) | 8,192 |
| Deferred tax, liabilities | 1,748 | 3,760 | 148 | (2,217) | 3,439 |
| Unrecognised tax assets | 9,691 | 109 | 33 | 40 | 9,873 |

The table shows the reconciliation of deferred tax to the balance sheet by segment. The unrecognised tax asset is primarily due to ring-fenced tax losses and other losses not meeting the criteria for recognition under IAS 12. These primarily relate to losses in connection with the termination of the Ocean Wind 1 project.

There is no expiry of our unrecognised tax assets. No provision for withholding tax on dividends has been included as the amounts where a concrete dividend distribution is planned are considered immaterial in 2024. 'Other activities/eliminations' primarily consist of eliminations between segments.

Deferred tax

Note 4.3 – continued

| Development in deferred tax assets and liabilities, 2024 DKKm | Deferred tax balances | | Deferred tax balances | | |
|--|--------------------------|----------------|--------------------------|--------------|--------------|
| | at 1 January, net | Movements | at 31 December, net | Assets | Liabilities |
| Intangible assets | (188) | 187 | (1) | 16 | 17 |
| Property, plant, and equipment | (1,649) | 311 | (1,338) | 5,135 | 6,473 |
| Other non-current assets | (302) | 274 | (28) | - | 28 |
| Current assets | (1) | 9 | 8 | 8 | - |
| Decommissioning obligations | 2,206 | 191 | 2,397 | 2,544 | 147 |
| Other non-current liabilities | 381 | 1,113 | 1,494 | 1,734 | 240 |
| Current liabilities | (369) | 456 | 87 | 87 | - |
| Tax loss carryforwards | 4,675 | (477) | 4,198 | 4,198 | - |
| Offset | - | - | - | (4,472) | (4,472) |
| Total | 4,753 | 2,064 | 6,817 | 9,250 | 2,433 |
| Development in deferred tax assets and liabilities, 2023 | | | | | |
| DKKm | | | | | |
| Intangible assets | (38) | (150) | (188) | 18 | 206 |
| Property, plant, and equipment | (6,134) | 4,485 | (1,649) | 4,709 | 6,358 |
| Other non-current assets | 16 | (318) | (302) | 5 | 307 |
| Current assets | - | (1) | (1) | 1 | 2 |
| Decommissioning obligations | 2,101 | 105 | 2,206 | 2,212 | 6 |
| Other non-current liabilities | 415 | (34) | 381 | 625 | 244 |
| Current liabilities | 3,373 | (3,742) | (369) | 3 | 372 |
| Tax loss carryforwards | 6,572 | (1,897) | 4,675 | 4,675 | - |
| Offset | - | - | - | (4,056) | (4,056) |
| Total | 6,305 | (1,552) | 4,753 | 8,192 | 3,439 |

The difference in tax and accounting treatment on:

- provisions, decommissioning, impairment, depreciations, and our tax equity partnerships impact the development of the deferred tax balance on property, plant, and equipment
- financial instruments and exchange rate adjustments impact the development in non-current liabilities.

§ Accounting policies

Deferred tax is recognised in relation to temporary differences arising between the carrying amounts of assets and liabilities and their tax base.

Deferred tax is not recognised for temporary differences relating to:

- the acquisition of joint operation licence interests
- other items where the difference arises from the acquisition, affecting neither the year nor the taxable income, and does not include differences with company acquisitions, use assets, lease liabilities, decommissioning, restoration, and similar liabilities, where corresponding amounts are recognised in the costs of the related asset.

Differences arising in connection with the acquisition of joint operations are recognised.

Deferred tax is measured based on the expected future tax plan to use the assets and settle the liabilities. We offset tax assets and liabilities only if they relate to the same tax assets and can be offset against each other in the year in which the deferred tax assets are expected to be used. Intragroup tax assets and liabilities are eliminated when calculating the net deferred tax. In countries where taxes can be offset, the deferred tax of companies due to joint taxation is recognised netted within a tax jurisdiction where the possibility is feasible, the deferred tax is recognised on the gross amount on a company-by-company basis.

Tax losses carried forward in jurisdictions where we have a history of losses are recognised as deferred tax assets on other convincing evidence of future taxable income. The other convincing evidence includes the long-term forecast model approved by the Board of Directors.

Our tax footprint

Note 4.4

Our tax footprint is an effect of how and where we conduct our business.

Local corporate taxes paid

We are continuously making significant investments in offshore wind farms in the UK, Germany, the Netherlands, the US, and Taiwan (see also our global footprint in the 'Management's review'), resulting in the accumulation of large tax assets in recent years and a deferral in paid tax, until our assets are commissioned and put into operation. Once the deferral ends, the taxable income related to our assets will exceed the accounting profit.

For this reason, the applicable corporate tax rate and the cash tax paid will always differ, but accumulated over the lifetime of the wind farm, they will generally be similar, unless the project is subsidised.

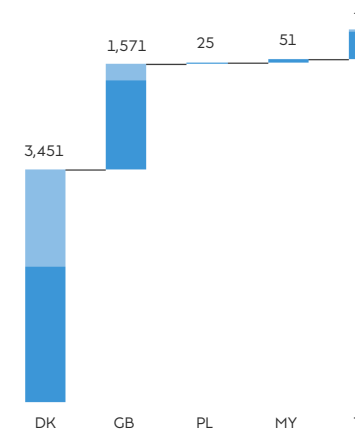
Compared to a few years ago, we have an accelerated volume of assets being commissioned and put into operation, and positive taxable income is generated. Even in jurisdictions with large tax loss carryforwards, the application of tax loss carryforward limitation rules, e.g. where a minimum share of any positive taxable income will always be taxed as well as limitations in joint taxation, may result in payable taxes.

The US is the exception to this development in corporate taxes, due to the tax equity set-up in the US and the significant amount of tax assets not recognised in connection with the termination of the Ocean Wind 1 project. The funding in the US is carried out applying the US tax equity set-up, which effectively means that tax attributes are transferred to the tax equity partner as repayment and return on investment. See more regarding tax equity partnerships in note 3.8 'Tax equity liabilities'.

More information regarding our tax footprint can be found here: orsted.com/tax-transparency.

Payments, corporate taxes DKKm

- Current year
- Previous years



As our business matures, we start to incur corporate taxes.

Capital structure

Note 5

An appropriate capital structure is important to ensure we have the ability to raise new debt with attractive terms.

In February 2024, following the release of our annual report for 2023, S&P downgraded us from BBB+ to BBB. In January 2025, S&P and Fitch changed their rating outlook from stable to negative. If our ratings should be downgraded by one notch, it will not impact Ørsted's business activities.

In March 2024, we issued a EUR 750 million (DKK 5,593 million) green hybrid bond. Simultaneously, we redeemed EUR 250 million (DKK 1,864 million) in principal amount of our hybrid bond due in November 3017.

In September 2024, we redeemed the remaining EUR 250 million (DKK 1,864 million) in principal amount of our hybrid bond due in November 3017.

Equity and interest-bearing net debt

DKKbn

- Interest-bearing asset
- Interest-bearing debt
- Hybrid capital
- Equity attributable to shareholders in Ørsted A/S
- Non-controlling interests



Capital structure

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

To support a solid investment grade, we have taken a number of initiatives. We have e.g. decided to pause dividends for the financial years 2023-2025, and we will accelerate our divestment programme.

Financing policy

The aim of our financing policy is to minimise liquidity and refinancing risks while minimising financing costs and matching the currency composition of our debt with our revenue.

We obtain funding in different maturities with different maturities. Our debt is consolidated in the parent company and cash resources are made available to companies via an internal bank.

Cash management and liquidity

A group-wide cash management strategy ensures optimal allocation of cash in relation to day-to-day operations and investment. We target a liquidity reserve that provides adequate coverage of our use of liquidity on a 12 month forward-looking basis, taking into account the company's sensitivity to unforeseen circumstances, including unrest in the financial markets.

Interest-bearing net debt and FFO

Note 5.1

| Interest-bearing debt and interest-bearing assets | | | Funds from operations (FFO) |
|--|----------------|---------------|---|
| DKKm | 2024 | 2023 | DKKm |
| Interest-bearing debt | | | EBITDA |
| Bond debt | 72,028 | 70,589 | Change in provisions and other adjustments |
| Bank debt | 15,680 | 9,031 | Change in derivatives |
| Total bond and bank debt | 87,708 | 79,620 | Variation margin, add back |
| Tax equity liability (see note 3.8) | 1,764 | 1,196 | Reversal of gain (loss) on divestment of assets |
| Lease liability | 8,910 | 8,426 | Income tax paid |
| Other interest-bearing debt | | | Interest and similar items, received/paid |
| Debt in connection with divestments | 3,234 | 2,900 | Reversal of interest expenses transferred to assets |
| Debt from receiving collateral under credit support annexes | 71 | 286 | 50% of coupon payments on hybrid capital |
| Other interest-bearing debt | 137 | 153 | Dividends received and capital reductions |
| Total interest-bearing debt | 101,824 | 92,581 | Funds from operations (FFO) |
| Interest-bearing assets | | | |
| Securities | 14,532 | 29,902 | |
| Cash | 23,126 | 10,145 | |
| Receivables from associates and joint ventures | 202 | 77 | Funds from operations (FFO)/adjusted interest-bearing net debt |
| Cash, not available for use | 317 | 481 | DKKm |
| Other interest-bearing receivables | | | |
| Receivables from placing collateral under credit support annexes | 4,873 | 3,854 | Funds from operations (FFO) |
| Receivables in connection with divestments | 747 | 735 | Total adjusted interest-bearing net debt |
| Other receivables | - | 8 | |
| Total interest-bearing assets | 43,797 | 45,202 | Funds from operations (FFO)/adjusted interest-bearing net debt |
| Total interest-bearing net debt at 31 December | 58,027 | 47,379 | |
| 50% of hybrid capital | 10,477 | 9,552 | |
| Other interest-bearing debt, add back | (3,442) | (3,339) | |
| Other interest-bearing receivables, add back | 5,620 | 4,597 | |
| Cash and securities not available for distribution, excluding repo loans | 710 | 867 | |
| Total adjusted interest-bearing net debt | 71,392 | 59,056 | |

FFO/adjusted interest-bearing net debt was 13.2%. The decrease compared to 2023 was primarily due to an increase in adjusted interest-bearing net debt related to Ocean Wind 1 and an increase in adjusted interest-bearing net debt. 'Interest-bearing net debt' totalled DKK 58,027 million compared with DKK 47,379 million in 2023.

Interest-bearing net debt and FFO

Note 5.1 – continued

Interest-bearing net debt

Interest-bearing net debt totalled DKK 58,027 million at the end of 2024, an increase of DKK 10,648 million relative to 2023. The increase in interest-bearing net debt consists of an increase in interest-bearing debt of DKK 9,243 million and a decrease in interest-bearing assets of DKK 1,405 million.

In June 2024, we obtained a GBP 240 million (DKK 2,104 million) loan from Eksfin, the Norwegian Export Credit Agency.

Rating

We have a corporate credit rating from all major rating agencies.

| Rating | Outlook |
|-------------------|-----------------------|
| Baa1 ¹ | Negative |
| BBB+ ¹ | Negative ² |

¹ Baa1 and BBB+ are the same rating.
² Announced in January 2025.

If our ratings should be downgraded by one notch to BBB-/Baa2/BBB, it will not significantly impact Ørsted's business activities.

Market value of bond and bank debt

The market value of our bond and bank debt amounted to DKK 69,104 million and DKK 20,203 million, respectively, at 31 December 2024 (2023: DKK 68,671 million and DKK 8,711 million, respectively). The market value of issued bonds has been determined as the market value at 31 December (level 1 – quoted prices).

The market value of bank loans has been determined as the present value of expected future instalments and interest payments using the Group's current interest rate on loans as the discount rate (level 2 – observable inputs).

Due to the level of interest rates on average being lower at the time of issuance, the market value of our bond and bank debt is below the carrying amount.

Loan arrangements and credit facilities

At 31 December 2024, we had bank loan obligations totalling DKK 7,533 million (2023: DKK 5,030 million) and undrawn loan agreements for an aggregate amount of DKK 7,117 million (2023: DKK 6,597 million) to the European Investment Bank, Nordic Investment Bank, and Eksfin. The loans offered by these multilateral financial institutions cofund

Changes in interest-bearing debt

| DKK m | |
|--|-------------|
| Interest-bearing debt at 1 January | DKK 14,890 |
| Changes in cash transactions | DKK 1,890 |
| Expected financing loans | DKK 1,890 |
| Instalments on Loans | (DKK 1,890) |
| Instalments on Leases | (DKK 1,890) |
| Non-cash transactions | (DKK 1,890) |
| Non-cash transactions | (DKK 1,890) |
| Raising lease debt, etc. | (DKK 1,890) |
| December adjustments, amortisation, etc. | (DKK 1,890) |
| Interest-bearing debt at 31 December | DKK 14,890 |

specific energy projects with maturities exceeding those normally available in the commercial banking market. In the event of two of the rating agencies downgrading our rating to BBB- or Baa3, we may be met with cancellation and repayment of these loan agreements. In addition, in case of a downgrade to a level below investment grade, we may be met with demands for cancellation and repayment of any drawn amount on our NTD 25 billion credit facility in Taiwan as well as demands for replacing existing parent company guarantees of an estimated range of up to DKK 1.5-2.0 billion by either bank guarantees or cash.

Interest-bearing net debt and FFO

Note 5.1 – continued

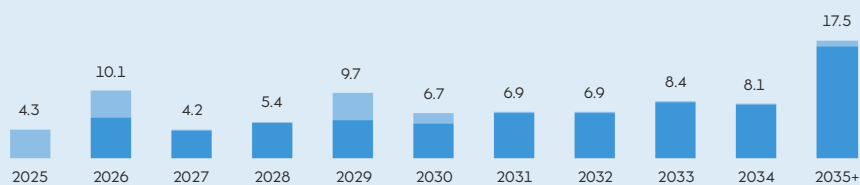
| Senior bonds issued at 31 December 2024 | | Outstanding amount | | | | | |
|---|-------------------|--------------------|------------------|------------------|----------------------|----------------------|-----------------------|
| Million, currency | Type of financing | Currency | DKK | Coupon (%) | Time of issue | Maturing | Quoted in |
| EUR | Green | 600 | 4,474 | 2.250 | June 2022 | June 2028 | Luxembourg |
| EUR | Green | 750 | 5,593 | 1.500 | Nov. 2017 | Nov. 2029 | London |
| EUR | Green | 900 | 6,712 | 3.250 | Sep. 2022 | Sep. 2031 | Luxembourg |
| EUR | Green | 750 | 5,593 | 2.875 | June 2022 | June 2033 | Luxembourg |
| EUR | Green | 700 | 5,220 | 3.625 | Feb. 2023 | March 2026 | Luxembourg |
| EUR | Blue | 100 | 746 | 3.625 | June 2023 | June 2028 | Luxembourg |
| EUR | Green | 600 | 4,474 | 3.750 | Feb. 2023 | March 2030 | Luxembourg |
| EUR | Green | 700 | 5,220 | 4.125 | Feb. 2023 | March 2035 | Luxembourg |
| GBP | Green | 350 | 3,157 | 2.125 | May 2019 | May 2027 | Luxembourg |
| GBP | - | 750 | 6,764 | 4.875 | Jan. 2012 | Jan. 2032 | London |
| GBP | Green | 300 | 2,706 | 2.500 | May 2019 | May 2033 | Luxembourg |
| GBP | Green | 250 | 2,255 | CPI+0.375 | May 2019 | May 2034 | Luxembourg |
| GBP | Green | 375 | 3,382 | 5.125 | Sep. 2022 | Sep. 2034 | Luxembourg |
| GBP | - | 500 | 4,510 | 5.750 | Apr. 2010 | Apr. 2040 | London |
| GBP | Green | 575 | 5,186 | 5.375 | Sep. 2022 | Sep. 2042 | Luxembourg |
| NTD | Green | 4,000 | 879 | 0.920 | Nov. 2019 | Nov. 2026 | Taipei |
| NTD | Green | 4,000 | 879 | 0.600 | Nov. 2020 | Nov. 2027 | Taipei |
| NTD | Green | 3,000 | 659 | 0.700 | Nov. 2020 | Nov. 2030 | Taipei |
| NTD | Green | 8,000 | 1,757 | 1.500 | Nov. 2019 | Nov. 2034 | Taipei |
| NTD | Green | 8,000 | 1,757 | 0.980 | Nov. 2020 | Nov. 2040 | Taipei |

¹ Issued principal is indexed to an outstanding amount of GBP 316 million corresponding to DKK 2,846 million at 31 December 2024. In addition to senior bonds, we have issued a number of hybrid bonds accounted for as equity, see note 5.3 'Hybrid capital'.

Maturity profile of issued senior bonds and bank debt

DKK billion

● Issued bonds ● Bank debt



Equity

Note 5.2

| Earnings per share | 2024 | 2023 |
|---|----------------|-----------------|
| DKKm | | |
| Profit (loss) for the year | 16 | (20,182) |
| Interest and costs, hybrid capital owners of Ørsted A/S | (717) | (553) |
| Non-controlling interests | (222) | (324) |
| Ørsted's share of profit (loss) for the year | (923) | (21,059) |
| ('000) | | |
| Average number of outstanding shares | 420,233 | 420,227 |
| Dilutive effect of share programme | 397 | 280 |
| Average number of outstanding shares, diluted | 420,630 | 420,507 |
| (DKK) | | |
| Earnings per share | (2.2) | (50.1) |
| Diluted earnings per share | (2.2) | (50.1) |

Share capital

Ørsted's share capital is DKK 4,203,810,800 (2023: 4,204 million), divided into shares of DKK 10. The share capital is unchanged from last year. No shares are subject to special rights or restrictions on voting rights. All shares are fully paid up.

Treasury shares

To secure our share programme, we have acquired treasury shares in accordance with the authorisation approved by the general meeting. The total portfolio of treasury shares consists of 146,317 shares at 31 December 2024 (2023: 150,784), corresponding to less than 0.1% of the share capital.

Dividends

As communicated in the Capital Markets Update on 7 February 2024, Ørsted has paused dividends for the financial years 2023-2025. Consequently, the Board of Directors proposes that no dividend be paid out to the shareholders for the financial year 2024.

Equity

Note 5.2 – continued

| | | | | | | Hedging reserve ¹ | |
|---|--------------------------------------|----------------------------|--------------------|------------------------|---------------------|--|-----------------|
| | Foreign currency translation reserve | Hedging of net investments | Hedging of revenue | Hedging of divestments | Hedging of interest | Hedging of property, plant, and equipment under construction | Total reserves |
| Reserves 2024 | | | | | | | |
| DKKm | | | | | | | |
| Reserves at 1 January | (384) | (1,601) | (8,615) | (65) | 414 | - | (10,251) |
| Exchange rate adjustments | 5,867 | - | - | - | - | - | 5,867 |
| Value adjustments of hedging | - | (3,698) | 2,821 | 284 | 293 | (181) | (481) |
| Value adjustments transferred to | | | | | | | |
| Revenue | - | - | (403) | - | - | - | (403) |
| Other operating income | 5 | - | - | (199) | - | - | (194) |
| Other operating expenses | 7 | - | (642) | - | - | - | (635) |
| Financial income and expenses | - | - | - | - | (25) | - | (25) |
| Tax | | | | | | | |
| Tax on hedging and currency adjustments | (683) | 814 | 309 | (20) | (60) | 40 | 400 |
| Movements for the year | 5,196 | (2,884) | 2,085 | 65 | 208 | (141) | 4,529 |
| Additions, non-controlling interests | - | - | 558 | - | - | - | 558 |
| Total reserves including tax at 31 December | 4,812 | (4,485) | (5,972) | - | 622 | (141) | (5,164) |
| Total reserves excluding tax at 31 December | 4,795 | (5,753) | (7,358) | - | 798 | (181) | (7,699) |
| Reserves 2023 | | | | | | | |
| DKKm | | | | | | | |
| Reserves at 1 January | (725) | (1,178) | (26,694) | - | 2,130 | - | (26,467) |
| Exchange rate adjustments | 531 | - | - | - | - | - | 531 |
| Value adjustments of hedging | - | (328) | 24,950 | (41) | 108 | - | 24,689 |
| Value adjustments transferred to | | | | | | | |
| Revenue | - | - | (2,437) | - | - | - | (2,437) |
| Other operating income – gain on divestment of assets | (80) | 21 | - | (44) | - | - | (103) |
| Other operating expenses | - | - | 512 | - | - | - | 512 |
| Financial income and expenses | - | (236) | 134 | - | (2,308) | - | (2,410) |
| Tax | | | | | | | |
| Tax on hedging and currency adjustments | (110) | 120 | (5,080) | 20 | 484 | - | (4,566) |
| Movement for the year | 341 | (423) | 18,079 | (65) | (1,716) | - | 16,216 |
| Total reserves including tax at 31 December | (384) | (1,601) | (8,615) | (65) | 414 | - | (10,251) |
| Total reserves excluding tax at 31 December | (1,093) | (2,053) | (9,827) | (85) | 530 | - | (12,528) |

Hybrid capital

Note 5.3

| Hybrid bonds | Green due in 2019 | Green due in 2021 | Green due in 2022 | Green due in 2024 | Green due in 2025 |
|---|--|---|--|---|---|
| Type | Subordinated | Subordinated | Subordinated | Subordinated | Subordinated |
| Carrying amount | DKK 4,416 million | DKK 3,697 million | DKK 3,692 million | DKK 5,520 million | DKK 3,630 million |
| Financial classification | Equity | Equity | Equity | Equity | Equity |
| Notional amount | EUR 600 million (DKK 4,474 million) | EUR 500 million (DKK 3,729 million) | EUR 500 million (DKK 3,729 million) | EUR 750 million (DKK 5,593 million) | GBP 425 million |
| Issued | December 2019 | February 2021 | December 2022 | March 2024 | February 2021 |
| Maturing | December 2019 | February 2021 | December 2022 | March 2024 | February 2021 |
| Quoted in | Luxembourg | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| First redemption at par | 9 December 2027 | 18 February 2031 | 8 December 2028 | 14 September 2029 | 18 February 2031 |
| Coupon for the first | Eight years fixed at 1.750% p.a. | Ten years fixed at 1.500% p.a. | Six years fixed at 5.250% p.a. | 5 years and 9 months fixed at 5.125% p.a. | 12 years fixed at 5.125% p.a. |
| Coupon in subsequent period is adjusted every five years with the five-year euro swap | +1.952% points from 2027, +2.020% points from 2032, and +2.952% points from 2047 | +1.860% points from 2031 and +2.610% points from 2051 | +2.619% points from 2028, +2.869% points from 2033, and +3.619% points from 2048 | +2.590% points from 2029, + 2.840% points from 2034, and +3.590% points from 2049 | Adjusted every five years with the five-year euro swap benchmark gilt +2.866% points from 2031 and +2.866% points from 2051 |
| Deferral of interest payment | Optional | Optional | Optional | Optional | Optional |

We have issued hybrid capital which is subordinate to our other creditors. The purpose of issuing hybrid capital is to strengthen our capital base and fund our investments. We have issued EUR hybrid bonds with a total nominal value of EUR 2,350 million and GBP 425 million, respectively, equivalent to DKK 21,358 million (2023: EUR 2,100 million and GBP 425 million, respectively, equivalent to DKK 19,310 million).

For all our hybrid bonds, we have the right to defer coupon payments and ultimately decide not to pay them at maturity. Deferred coupon payments become payable, however, if we decide to pay dividends to our shareholders or pay coupon payments on other hybrid bonds.

As a consequence of the special terms regarding the hybrid bonds, these are classified as equity, and therefore coupon payments are recognised in equity.

§ Accounting policies

Hybrid capital comprises issued bonds that qualify for treatment in accordance with the rules on compound financial instruments due to the special characteristics of the bonds. The notional amount, which constitutes a liability, is recognised at present value, and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability. The carrying amount of the liability component amounted to nil on initial recognition as the only payment obligation is the repayment of the nominal value in 1,000 years.

Coupon payments are accounted for as dividends, which are recognised directly in equity at the time the payment obligation is settled.

Liquidity reserve

Note 5.4

| Cash and cash equivalents, securities DKKm | 2024 | 2023 |
|--|---------------|---------------|
| Cash, cf. balance sheet | 23,126 | 10,145 |
| Bank overdrafts that are part of the ongoing cash management | (2) | (1) |
| Total cash and cash equivalents at 31 December, cf. statement of cash flows | 23,124 | 10,144 |
| Cash can be specified as follows | | |
| Cash cf. balance sheet | 23,126 | 10,145 |
| Cash, not available for use | 317 | 481 |
| Securities can be specified as follows | | |
| Securities, available | 10,129 | 29,515 |
| Securities, not available for use | 4,403 | 387 |
| Total securities at 31 December | 14,532 | 29,902 |

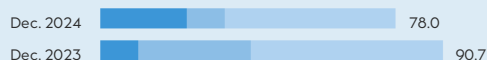
| Overview of securities DKKm | Fixed rate | Floating rate | 2024 | Fixed rate | Floating rate | 2023 |
|--------------------------------|--------------------|---------------|---------------|--------------|---------------|---------------|
| Maturities | | | | | | |
| 0-2 years | (376) ¹ | 3,383 | 3,007 | 3,064 | 12,032 | 15,096 |
| 2-5 years | 710 | 4,734 | 5,444 | 371 | 8,287 | 8,658 |
| After 5 years | 5,511 | 570 | 6,081 | 2,583 | 3,565 | 6,148 |
| Total carrying amount | 5,845 | 8,687 | 14,532 | 6,018 | 23,884 | 29,902 |

The table shows our securities split into maturities and fixed or floating interest rates. The overview includes the interest rate swaps used to manage the interest rate risk of the securities.

¹ For securities maturing within 2 years, the negative value of the interest rate swaps exceeds the value of the securities.

Liquidity reserve, DKKbn

- Cash
- Securities, available
- Undrawn, non-cancellable credit facilities



The change in liquidity reserve is due to a decrease in available securities and undrawn credit facilities of DKK 19,386 million and DKK 6,269 million, respectively, partly countered by an increase in cash of DKK 12,981 million. The decrease in undrawn credit facilities is a consequence of a lower exposure to trades requiring the exchange of collateral.

Liquidity reserve

Liquidity reserve at 31 December 2024 amounted to DKK 78.0 billion (31 December 2023: DKK 90.7 billion).

Collateral and margin postings

When we trade derivatives to execute our hedging strategy, we can trade with daily settlement of the market value or with settlement at maturity.

To reduce the risk of having to pay large amounts for negative market values, we actively manage the share of trading with daily settlement. As of 31 December 2024, 12% (2023: 12%) of our power and gas trades and 92% (2023: 88%) of our currency, inflation, and interest rate hedges were settled daily.

Cash, cash equivalents, and securities

Securities are a key element in our liquidity reserve, and therefore, investments are mainly made in liquid AAA-rated Danish mortgage bonds and, to a lesser extent, in other bonds. Most of the securities qualify for repo transactions with the Danish central bank, 'Danmarks Nationalbank'.

'Securities not available for use' comprise securities pledged as collateral for:

- short-term repo loans: DKK 4,011 million at 31 December 2024 (2023: DKK 0 million)
- insurance-related provisions: DKK 392 million at 31 December 2024 (2023: DKK 387 million).

Maturity analysis of financial liabilities

Note 5.5

| Maturity analysis of financial liabilities 2024 | | | | | |
|--|---------------|---------------|---------------|----------------|----------------|
| DKKm | 2025 | 2026 | 2027-2028 | After 2028 | Total |
| Bank loans and issued bonds | | | | | |
| Notional amount | 4,260 | 10,122 | 9,543 | 64,225 | 88,150 |
| Interest payments | 2,611 | 2,604 | 4,731 | 13,931 | 23,877 |
| Trade payables | 20,827 | - | - | - | 20,827 |
| Lease liabilities | 1,163 | 975 | 1,787 | 11,903 | 15,828 |
| Tax equity debt | 234 | 259 | 519 | 968 | 1,980 |
| Other non-derivative payables | 3,222 | 1,871 | 1,206 | 11,498 | 17,797 |
| Derivatives | 6,531 | 2,848 | 4,327 | 5,775 | 19,481 |
| Total payment obligations | 38,848 | 18,679 | 22,113 | 108,300 | 187,940 |
| Maturity analysis of financial liabilities 2023 | | | | | |
| DKKm | 2024 | 2025 | 2026-2027 | After 2027 | Total |
| Bank loans and issued bonds | | | | | |
| Notional amount | 408 | - | 13,388 | 66,165 | 79,961 |
| Interest payments | 2,485 | 2,480 | 4,762 | 15,380 | 25,107 |
| Trade payables | 14,915 | - | - | - | 14,915 |
| Lease liabilities | 1,009 | 844 | 1,552 | 8,634 | 12,039 |
| Tax equity debt | 153 | 213 | 443 | 681 | 1,490 |
| Other non-derivative payables | 4,090 | 1,730 | 808 | 11,390 | 18,018 |
| Derivatives | 7,611 | 3,445 | 4,015 | 7,404 | 22,475 |
| Total payment obligations | 30,671 | 8,712 | 24,968 | 109,654 | 174,005 |

The Group's cash needs in respect of its financial loans and borrowings are shown in the table. The maturity analysis was determined on 31 December.

The maturity analysis is based on undiscounted cash flows, including estimated interest payments. Interest payments are based on market conditions and interest rate hedging entered into as of 31 December. The maturity analysis does not include hybrid capital classified as equity. At 31 December 2024, we had issued hybrid capital with a notional amount totalling DKK 21,358 million due after 2028.

Financial income and expenses

Note 5.6

| Net financial income and expenses ¹ | 2024 | 2023 |
|--|-----------------|-----------------|
| DKKm | | |
| Interest expenses, net | (1,739) | (1,764) |
| Interest expenses, leasing | (301) | (308) |
| Interest element of provisions, etc. | (502) | (662) |
| Tax equity partner's contractual return | (1,275) | (965) |
| Value adjustments of derivatives, net | 541 | 1,850 |
| Capital gains/losses on securities at market value, net | 434 | 489 |
| Exchange rate adjustments, net | (750) | (140) |
| Other financial income and expenses | 1 | 57 |
| Net financial income and expenses | (3,591) | (1,443) |
| Financial income and expenses: | 2024 | 2023 |
| DKKm | | |
| Interest income from cash, etc. | 843 | 926 |
| Interest income from securities at market value | 710 | 716 |
| Capital gains on securities at market value | 783 | 489 |
| Foreign exchange gains | 3,854 | 4,674 |
| Value adjustments of derivatives | 2,372 | 5,548 |
| Other financial income | 28 | 26 |
| Total financial income | 8,590 | 12,379 |
| Interest expenses relating to loans and borrowings, etc. | (4,604) | (4,167) |
| Interest expenses transferred to assets | 1,011 | 453 |
| Interest expenses, leasing | (301) | (308) |
| Interest element of provisions | (113) | (257) |
| Tax equity partner's contractual returns | (1,275) | (965) |
| Capital losses on securities at market value | (349) | - |
| Foreign exchange losses | (4,538) | (5,042) |
| Value adjustments of derivatives | (1,897) | (3,470) |
| Other financial expenses | (115) | (66) |
| Total financial expenses | (12,181) | (13,822) |
| Net financial income and expenses | (3,591) | (1,443) |

¹ The table shows net financial income and expenses, corresponding to our internal reporting.

The gain in 'Value adjustments of derivatives, net' in 2024 mainly consisted of the gains on interest rate swaps, which are not hedge accounted. The gain was mostly driven by the increase in interest rates. In 2023, 'Value adjustments of derivatives, net' included a gain of DKK 2,399 million due to hedge ineffectiveness driven by reduced funding needs in US.

'Exchange rate adjustments, net' are mainly affected by inter-company balances between entities with different functional currencies and do not impact the statement of cash flows or interest-bearing net debt. The negative 'Exchange rate adjustments, net' in 2024 were mostly driven by the increase in the GBP/DKK exchange rate.

² Exchange rate adjustments of currency hedging are recognised in revenue and cost of sales with a loss of DKK 569 million (2023: a loss of DKK 451 million).

Borrowing costs transferred to property, plant, and equipment under construction are calculated as the weighted average effective interest rate for general borrowing. This amounted to 3.4% in 2024 (2023: 3.4%).

Risk management

Note 6

We are exposed to financial and revenue risks in the form of energy price and volume risks, inflation and interest rate risks, commodity price risks, currency risks, credit risks, and liquidity risks as part of our business, hedging, and trading activities. Through our risk management, we monitor and proactively manage the risks according to our risk appetite.

In this note, we describe the origination as well as our governance and management of all these financial and revenue risks, excluding liquidity risks, which are covered in note 5.

For the period 2025-2030, approximately 85% of our expected revenue from our wind, solar PV, and battery storage assets are fixed-price inflation-indexed or fixed nominal. The remaining 15% is exposed to fluctuations in power prices.

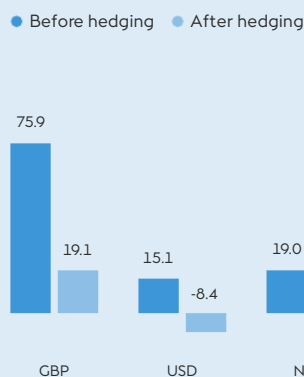
Furthermore, our cash flows denominated in foreign currencies are exposed to changes in the value of foreign currencies against Danish kroner.

Revenue composition of offshore and onshore assets 2025-2030

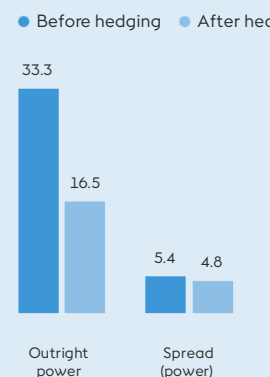


For the period 2025-2030, approximately 85% of our expected revenue from our wind, solar PV, and battery storage assets are fixed-price inflation-indexed or fixed nominal. The remaining 15% are exposed to fluctuations in power prices.

Currency exposure 2025-2029 ¹
DKKbn



Energy exposure 2025-2027 ²
DKKbn



¹ In 2024, our currency exposure and hedges have been updated with our latest view of the expected proceeds from and timing of our divestment programme. For USD and NTD, we manage our risk to a natural time spread between front-end capital expenditures relating to construction projects and long-term revenue. In the five year horizon, we are therefore seeing that our hedges increase our net exposure, but our hedges reduce the risk in the longer horizon.

We deem EUR to constitute an insignificant risk as we expect Denmark to maintain its fixed exchange-rate policy.

² Energy exposure before hedging do not contain any energy exposure from inflation-indexed and fixed nominal revenue.

Risk framework

Note 6.1

The overall objective of our financial and revenue risk management is to:

- increase the predictability of our short-term income and construction costs
- protect our current and future investment capacity by stabilising key rating metrics, such as FFO/adjusted interest-bearing net debt
- protect the long-term real value of the shareholders' investment in Ørsted.

The governance for managing market, credit, and liquidity risks are based on the three-lines-of-defence model:

- The first line of defence is responsible for our ongoing risk management and control, including necessary mitigating actions for all risks we take on through our business, hedging, and trading activities.
- The second line of defence is Group Risk Management, which is responsible for challenging decisions made by the first line of defence, including providing independent risk views and advice, as well as monitoring and controlling that risks are being managed appropriately.
- The third line of defence is Internal Audit.

The mandates for first line of defence are established during the business planning processes and evaluated according to our risk appetite. An example is deciding on the target hedge level for price exposures from intermittent power generation as described in note 6.2 'Energy price risks'.

In our risk management processes, financial and revenue risks are quantified and assessed against our risk appetite – alongside decisions on suitable risk mitigation measures. Our biggest enterprise risks and associated risk mitigation measures are presented in the 'Enterprise risk management' section in the 'Management's review'.

The Board of Directors oversees our risk management through the Audit & Risk Committee and approves associated frameworks, mandates, and limits per risk factor. See the 'Corporate governance' section in the 'Management's review' for governance regarding our committees.

We govern the accounting treatment and effectiveness of hedges by applying hedge accounting on energy, commodity, currency, interest rate, and inflation hedging.

5 Accounting policies

Hedge accounting

We apply hedge accounting to commodity, currency, interest, and

Almost all of the hedging instruments match the market risk of the exposure. The UK power exposure, for example, using UK power swaps or futures contracts. A source of ineffectiveness is related to the timing of the actual production and settlement of the hedge. This is referred to as volume risk and is detailed on the next page.

To the extent that a risk needs to be hedged if there is no fully effective instrument in the market, analyses are performed to assess the expected effectiveness of the hedge before the hedging transaction. In some cases, the ratio between the hedge and the hedged exposure may deviate from one principle and will be determined based on which most effectively hedges the risk.

When we conclude a hedging transaction, at the time we present financial statements, we assess the correlation between the hedged exposure and the hedging instrument. A change in market value of the hedged exposure is recognised as a hedge of future comprehensive income in the financial statements.

If the hedged cash flows are not expected to be realised, the in-full or partial value change is transferred to profit or loss for the year. Ineffective hedges related to commodity exposures are recognised as expenses. Ineffectiveness related to interest rate hedges is recognised in financial income or expense.

On realisation of the hedged exposure, any gains or losses are transferred to profit or loss and recognised in the same item as the underlying exposure. However, on interest rate and commodity hedges, the gain or loss proceeds from future loans, the gain or loss is transferred from equity over time.

For currency swaps, the basis spread is recognised according to the cost of the swap.

Energy price risks

Note 6.2

Our main energy price risk stems from our intermittent power generation from wind and solar PV assets. By nature, this is exposed to volume uncertainty, price uncertainty, and the often negative correlation between the two. We are also exposed to other energy price risks through our combined heat and power plants.

Intermittent Offshore and Onshore power generation

Around 15% of the revenue from our power generation in Offshore and Onshore in 2025-2027 is exposed to power price uncertainty.

Most of our Offshore assets receive government subsidies, which provide a high degree of revenue certainty for pre-determined periods of time. The majority of the offshore subsidies that we receive in the UK, Central Europe, the US, and Taiwan provide us with either floor prices or fixed prices per MWh for the power produced. Our UK ROC assets receive a fixed subsidy per MWh in addition to the revenue generated from selling the power generation in the market. Furthermore, some of our Offshore assets in Germany will see their floor price subsidies drop from EUR 184-194 per MWh to EUR 39 per MWh over the next three years. For a very small number of our assets in the UK, the government subsidies have expired or will expire by the end of 2027. From early 2025, all Danish assets will be without subsidy. We manage some of the revenue risks in Offshore using corporate power purchase agreements (CPPAs), which have fixed prices and floor prices. These CPPAs cover approx. 10% of the expected Offshore revenue for the period 2025-2027.

A large part of our income in Onshore comes from production tax credits (PTCs) or investment tax credits (ITCs) related to power generation or investments in the US (see note 3.8 "Tax equity liabilities"). The tax credits are not exposed to a power price risk. However, there is a price risk associated with the power produced by these assets. In Europe, we have a mixture of subsidised and subsidy-free Onshore assets. Like in Offshore, we manage some of the Onshore revenue risks using CPPAs. The current Onshore CPPAs cover approx. 62% of the expected Onshore revenue for the period 2025-2027. In general, these CPPAs are structured with a minimum price per MWh and a mechanism where we retain most of the upside from high power prices.

To mitigate our residual exposure to revenue risks, we use fixed-volume hedges. There can be mismatches between these hedges and the production profiles of our assets. In addition, there tends to be a negative correlation between power prices and generation volumes, which is driven by the periods when solar and wind generation exceeds demand. These risks are accounted for in our hedging strategy and policies. For example, the maximum hedge ratio is 70% when using fixed-volume hedges within the two-year horizon we actively manage. This maximum hedging level ensures a low probability for not having physical power generation behind fixed-volume hedges while also providing an adequate level of risk reduction.

We may hedge beyond the two-year horizon if the price level is commercially attractive.

Composition of r

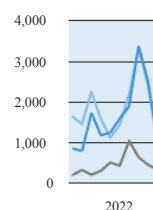
- Fixed-price sub
- Guaranteed m
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- Fixed-volume h
- Merchant expo

2025

The graph shows the and Onshore in 2025 the three darkest b inflation-indexed or

Development in

- DK¹
- UK
-



The graph shows the the past three years. The graph covers ou

¹ Average of DK1 and

² Average of north a

Energy price risks

Note 6.2 – continued

Power generation at our CHP plants

Our portfolio of CHP plants primarily consists of biomass-fuelled units in Denmark. The profitability of power generation is determined by the difference between the selling price of power and the purchase price of biomass. If the spreads are attractive, we provide condensing power generation in addition to CHP generation. The total net price risk associated with power from CHP generation for the period 2025-2027 is DKK 4.8 billion after hedging, covering both heat-bound and condensing-based generation. We are not exposed to price risks related to heat generation.

Risk after hedging

Our energy exposure after hedging for the years 2025-2027 can be summarised as shown in the table.

| | Effect of price change | |
|---------------------------|------------------------|------|
| | +10% | -10% |
| DKKbn | | |
| Power: 16.5 sell position | +1.7 | -1.7 |
| Spread (power): 4.8 | +0.5 | -0.5 |

A 10% increase in the power price will result in a gain of DKK 1.7 billion over the period 2025-2027, all else remaining unchanged. Gas and oil activities have a limited risk after hedging of DKK 0.0 billion for the period 2025-2027.

Power price exposure for 2025-2027, spread DKKbn

The UK 16.5

The US 7.1

Other 9.7

The graph shows our exposure to power price risk in the markets before hedging.

§ Principles for estimating exposure

Exposure is calculated as the net purchase/sale of power in the respective years.

Energy price risks

Note 6.2 – continued

| Energy price cash flow hedge accounting 2024 DKKm | Contractual principal amount | Maturity analysis | | | Asset | Market value | | Recognised in comprehensive income | 2025 |
|---|---|-------------------------|---|-------------------------|-------|--------------|---------|---------------------------------------|------|
| | | 2025 | 2026 | After 2026 | | Liability | | | |
| EBITDA impact | | | | | | | | | |
| Power purchase agreements (sell pos.) | 9,771 | 2,001 | 2,022 | 5,748 | 867 | (5,413) | (3,795) | (72) | |
| Power swaps and futures (sell position) | 3,750 | 2,277 | 1,473 | - | 897 | (1,155) | 287 | 79 | |
| Gas swaps and options (sell position) | 768 | 723 | 45 | - | 87 | (206) | 128 | 98 | |
| Energy price cash flow hedge accounting 2023 DKKm | | 2024 | 2025 | After 2025 | | | | 2024 | |
| EBITDA impact | | | | | | | | | |
| Power purchase agreements (sell pos.) | 5,378 | 1,288 | 973 | 3,117 | 135 | (7,883) | (6,973) | (852) | |
| Power swaps and futures (sell position) | 7,545 | 3,617 | 2,715 | 1,213 | 3,476 | (6,465) | 1,861 | 1,614 | |
| Power options (buy position) | 171 | - | 171 | - | - | - | (72) | (71) | |
| Gas swaps and options (sell position) | 1,165 | 456 | 648 | 61 | 172 | (314) | (896) | (761) | |
| Oil futures (buy position) | 8 | 8 | - | - | - | - | (1) | (1) | |
| Contracts accounted for at fair value through profit or loss (EBITDA) DKKm | | 2024 | | 2023 | | | | | |
| | Contractual principal amount | Market value | Contractual principal amount | Market value | | | | | |
| Energy | | | | | | | | | |
| Power swaps (buy position) | 3,071 | (409) | 245 | 2,126 | | | | | |
| Power options (sell position) | 830 | (23) | 2,279 | (67) | | | | | |
| Power purchase agreements (sell pos.) | 237 | (94) | - | - | | | | | |
| Gas swaps and options (sell position) | 2,734 | 406 | 1,528 | 2,395 | | | | | |
| Oil swaps and options (buy position) | 169 | (147) | 166 | (492) | | | | | |
| Other (buy position) | 740 | - | 175 | - | | | | | |

Inflation and interest rate risks

Note 6.3

Approximately 85% of our revenue from Offshore and Onshore assets for the period 2025-2030 stem from either fixed nominal or inflation-indexed contracts. The long duration of these cash flows exposes us towards changes in interest rates and inflation, particularly for assets where the fixed nominal price received is constant regardless of interest rate, inflation, or merchant price level.

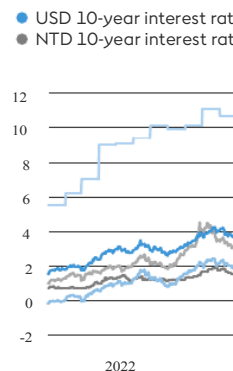
Our risk management builds on the important central assumption that shareholders prefer exposure to inflation-indexed cash flows over nominal cash flows, as this protects the real value of their investment. We apply an asset and liability management principle for handling interest rate and inflation risks.

Inflation risk

We prefer to invest in assets with inflation-linked revenue to mitigate our cost inflation risks. Our cost inflation mainly stems from OPEX, COGS, DEVEX, and CAPEX, which, to a large extent, increase with inflation. Operational costs are assessed together with the inflation-indexed revenue to reduce the net risk.

In addition, CAPEX is exposed to the price development in a number of commodities, most significantly steel and copper for wind turbine, foundation, and cable contracts. Commodity price risks are first and foremost reduced by negotiating fixed-price CAPEX contracts and secondly by negotiating CAPEX price-linked to indexes or similar that can be hedged in the financial markets. The net commodity risk in CAPEX is hedged asset by asset following project FID.

Development in inflation and interest rates, %



The graph shows the historic development in inflation and interest rates. The graph covers our main markets.

Inflation-indexed revenue and hedges by inflation-indexed operational costs



¹ Operational costs are comprised of OPEX, COGS, DEVEX, and CAPEX. The net result is the deduction of income from PTC.

Inflation and interest rate risks

Note 6.3 – continued

| Cash flow hedge accounting 2024 DKKm | Contractual principal amount | Maturity analysis | | | Market value | | Recognised in comprehensive income | Expected |
|---|---|-------------------------|---|-------------------------|--------------|-----------|--|-------------|
| | | 2025-28 | 2029-34 | After 2034 | Asset | Liability | | |
| EBITDA impact | | | | | | | | |
| Inflation swap (pay variable/receive fixed – UK), revenue | 22,503 | 5,231 | 13,439 | 3,833 | - | (3,024) | (3,513) | (216) |
| Financial items impact | | | | | | | | |
| Interest rate swap (pay fixed/receive variable – USD), future loan issuance | 2,989 | - | - | 2,989 | 26 | - | 702 | - |
| Interest rate swap (pay fixed/receive variable – NTD), future loan issuance | - | - | - | - | - | - | 96 | 5 |
| Property, plant, and equipment under construction | | | | | | | | |
| Metals | 1,456 | 1,456 | - | - | - | (181) | n/a | n/a |
| Cash flow hedge accounting 2023 | | | | | | | | |
| DKKm | | 2024-27 | 2028-33 | After 2033 | | | | 2024 |
| EBITDA impact | | | | | | | | |
| Inflation swap (pay variable/receive fixed – UK), revenue | 22,883 | 6,409 | 12,818 | 3,656 | - | (3,125) | (3,414) | (202) |
| Interest rate swap (pay fixed/receive variable – NTD), divestment | 4,776 | 4,776 | - | - | - | (85) | (85) | (85) |
| Financial items impact | | | | | | | | |
| Interest rate swap (pay fixed/receive variable – USD), future loan issuance | 3,036 | - | - | 3,036 | - | (142) | 530 | - |
| Interest rate swap (pay fixed/receive variable – NTD), future loan issuance | 2,639 | - | - | 2,639 | - | (6) | - | - |
| | | 2024 | | 2023 | | | | |
| Contracts accounted for at fair value through profit or loss (financial items) | Contractual principal amount | Market value | Contractual principal amount | Market value | | | | |
| DKKm | | | | | | | | |
| Interest rate swaps (pay fixed/receive variable) | 13,822 | 200 | 21,806 | (369) | | | | |

Interest rate swaps are used to adjust the maturity of our bond portfolio. For 2023, this includes ineffective USD interest rate swaps with a contractual principal amount of DKK 12,148 million.

Currency risks

Note 6.4

Our cash flows consist of multiple different currencies, which expose us to fluctuations in currency exchange rates. Our main currency exposures are GBP, USD, and NTD. While our exposure to EUR is also significant, we deem EUR an insignificant risk as we expect Denmark to maintain its fixed exchange-rate policy.

For GBP, our significant earnings from assets in operation and expected farm-downs are larger than our planned CAPEX, resulting in a net-positive GBP exposure, both in the short and long term. A 10% increase in the GBP/DKK exchange rate will result in a gain of DKK 1.9 billion over the period 2025-2029, all else remaining unchanged.

For USD, our portfolio of offshore and onshore development assets, operating assets, and expected farm-downs translate to a both short- and long-term net-positive USD exposure.

We primarily manage currency risk by using structural risk management tools, such as using local currency sourcing contracts, netting income and expenses in the same currency, and issuing local currency debt to naturally balance our portfolio.

More specifically, the currency denomination of new debt issuances is aimed at optimising the currency composition of net debt with that of forecasted FFO to ensure stability in FFO/adjusted interest-bearing net debt against adverse movements in exchange rates. Debt can be particularly effective in new markets

to mitigate the time-spread risk since the proceeds from the debt issuance can be used to fund and hedge construction costs, while the debt repayment profile can be sculpted to match future revenue.

The residual currency risk after debt and netting of exposures are managed via financial derivatives according to our desired risk appetite. Our overall hedge horizon is five years, covering only highly certain cash flows to reduce the risk of hedge ineffectiveness. For energy price risks in foreign currencies, we do not hedge the exchange rate risk until the energy exposure has been hedged. For cash flows that relate to subsidised GBP income from our UK offshore wind farms less operating expenses, we hedge on a declining level over a five-year rolling horizon. The target is to hedge 100% of highly certain cash flows in year 1, declining by 20 percentage points each year to 20% in year 5.

Our currency exposure from production, sales, investment, and divestment after hedging for the years 2025-2029 can be summarised as shown in the table.

| Risk after hedging DKKbn | Effect of price change |
|-----------------------------|------------------------|
| GBP: 19.1 sell position | +10% |
| GBP: 8.4 buy position | -10% |
| NTD: 1.8 sell position | +1.8 |
| | -1.8 |

GBP exposures¹ DKKbn

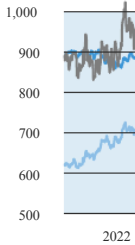
● Before hedging



2025

Development in

● GBP/DKK ● USD/DKK



¹ The graph shows the forward rates of green certificates, and

² The graph shows the forward rates of the forward rates of

Currency risks

Note 6.4 – continued

| Currency cash flow hedge accounting 2024 DKKm | Contractual principal amount | Maturity analysis | | | Asset | Market value | | Expected |
|---|------------------------------|-------------------|-------------|-------------------|-------|--------------|------------------------------------|-------------|
| | | 2025 | 2026 | After 2026 | | Liability | Recognised in comprehensive income | |
| EBITDA impact | | | | | | | | |
| GBP forwards and cross-currency swaps | 22,864 | 5,980 | 5,691 | 11,193 | - | (885) | (942) | (387) |
| Currency cash flow hedge accounting 2023 DKKm | | 2024 | 2025 | After 2025 | | | | 2024 |
| EBITDA impact | | | | | | | | |
| GBP forwards and cross-currency swaps | 24,191 | 5,961 | 6,115 | 12,115 | 131 | (481) | (331) | (218) |
| USD forwards | 3 | 3 | - | - | - | - | - | - |

The GBP exchange rates for hedges impacting EBITDA in 2025 and 2024 are hedged at an average of GBP/DKK 9.6 and 8.5, respectively. Effectiveness from currency cash flow hedges in 2024 amounts to a loss of DKK -82 million (2023: DKK -134 million), recognised in

| Contracts accounted for at fair value through profit or loss (financial items) DKKm | Contractual principal amount | Market value | Contractual principal amount | Market value |
|--|------------------------------|--------------|------------------------------|--------------|
| Currency | | | | |
| Forward exchange contracts | 21,180 | 1 | 24,504 | (54) |

The table shows cash management positions which are not hedge accounted.

Currency risks

Note 6.4 – continued

| Hedging of net investments in foreign subsidiaries | | Of which, | | Hedged | Accumulated exchange | |
|--|--------------------|----------------|-----------------|-------------------|----------------------|------------------|
| DKKm | | Net | non-controlling | amount | rate adjustments | |
| | | investment | interests | in currency | Net position | in equity |
| Currency 2024 | | | | | | |
| GBP | | 62,675 | (7,859) | (46,688) | 8,128 | (1,877) |
| EUR | | 31,702 | - | - | 31,702 | 30 |
| USD | | 43,840 | (2,498) | (27,282) | 14,060 | 619 |
| NTD | | 27,821 | - | (10,324) | 17,497 | 102 |
| Other | | 5,704 | - | - | 5,704 | 154 |
| Total | | 171,742 | (10,357) | (84,294) | 77,091 | (972) |
| Currency 2023 | | | | | | |
| GBP | | 70,682 | (1,876) | (31,197) | 37,609 | (3,075) |
| EUR | | 37,602 | - | - | 37,602 | 9 |
| USD | | 22,809 | - | (20,045) | 2,764 | (301) |
| NTD | | 25,778 | - | (5,937) | 19,841 | 131 |
| Other | | 3,853 | - | - | 3,853 | 90 |
| Total | | 160,724 | (1,876) | (57,179) | 101,669 | (3,146) |
| Maturity analysis | | | | | | |
| | | | | | Market value | |
| Net investment hedges 2024 | Contractual | 2025 | 2026 | After 2026 | Asset | Liability |
| DKKm | principal amount | | | | | |
| GBP issued senior bonds | 27,960 | - | - | 27,960 | - | - |
| GBP forwards and cross-currency swaps | 18,728 | 4,162 | 3,247 | 11,319 | 142 | (604) |
| USD bank loans | 5,368 | - | - | 5,368 | - | - |
| USD forwards and cross-currency swaps | 21,914 | 4,919 | 10,370 | 6,625 | 194 | (997) |
| NTD issued senior bonds | 5,931 | - | 879 | 5,052 | - | - |
| NTD forwards and cross-currency swaps | 4,393 | 4,393 | - | - | 4 | - |
| Net investment hedges 2023 | | 2024 | 2025 | After 2025 | | |
| DKKm | | | | | | |
| GBP issued senior bonds | 26,669 | - | - | 26,669 | - | - |
| GBP forwards and cross-currency swaps | 4,528 | 774 | 1,131 | 2,623 | 7 | - |
| USD bank loans | 1,332 | - | - | 1,332 | - | - |
| USD forwards and cross-currency swaps | 18,713 | 4,926 | 3,934 | 9,853 | 657 | - |
| NTD issued senior bonds | 5,937 | - | - | 5,937 | - | - |

No ineffectiveness from the GBP/DKK exchange rate adjustments was recognised with a gain of DKK 1,000.

The net position on the GBP/DKK exchange rate adjustments in equity would have increased to 10% of DKK 8,128.

Hedging of net investments

Our foreign subsidiaries are exposed to these currency risks, which are managed and by entering into currency swaps.

On 31 December 2024, the net position on the rate adjustments in equity was DKK -3,146 million. The net position on the rate adjustments in equity was DKK -1,000 million (2023: DKK -1,000 million) and DKK -5,763 million.

§ Accounting

Hedging of net investments
Changes in the currency adjustments on net investments are recognised directly in equity translation reserves.

Credit risks

Note 6.5

| Offsetting of financial assets | | Trade receivables | | Trade receivables | | |
|--|--------------|-------------------|---------------|-------------------|---------------|--|
| DKKm | Derivatives | | 2024 | Derivatives | 2023 | |
| Financial assets | 6,795 | 9,614 | 16,409 | 17,775 | 39,503 | |
| Financial liabilities, offset | (2,402) | (4,916) | (7,318) | (6,911) | (23,760) | |
| Financial assets in the balance sheet | 4,393 | 4,698 | 9,091 | 10,864 | 15,743 | |
| Amounts not offset in the balance sheet | | | | | | |
| Liabilities with offsetting rights | (1,543) | - | (1,543) | (2,529) | (2,529) | |
| Collateral received | (139) | - | (139) | (468) | (468) | |
| Net | 2,711 | 4,698 | 7,409 | 7,867 | 12,746 | |
| Offsetting of financial liabilities | | | | | | |
| DKKm | | | | | | |
| Financial liabilities | 11,153 | 9,246 | 20,399 | 17,864 | 38,845 | |
| Financial assets, offset | (2,402) | (4,916) | (7,318) | (6,911) | (23,760) | |
| Financial liabilities in the balance sheet | 8,751 | 4,330 | 13,081 | 10,953 | 15,085 | |
| Amounts not offset in the balance sheet | | | | | | |
| Assets with offsetting rights | (1,543) | - | (1,543) | (2,529) | (2,529) | |
| Collateral provided | (5,082) | - | (5,082) | (4,214) | (4,214) | |
| Net | 2,126 | 4,330 | 6,456 | 4,210 | 8,342 | |
| Credit quality of the Group's counterparties¹ | | | | | | |
| DKKm | | | 2024 | | 2023 | |
| A large part of the gross assets and liabilities can be offset due to the nature in trading activities where energy is both purchased and sold | | | | | | |
| AA/Aa | | | 12,485 | | 27,301 | |
| with a limited number of participants in the energy markets. | | | | | | |
| AA/Ao | | | 17,623 | | 7,518 | |
| A/A | | | 10,262 | | 10,501 | |
| BBB/Baa | | | 4,583 | | 9,020 | |
| Other | | | 7,962 | | 9,198 | |
| Total credit exposure | | | 52,915 | | 63,538 | |

¹ The figures do not reflect our actual credit exposure, as the positions are calculated before offsetting our debt to such counterparties. At December 31, 2024 Ørsted considered its maximum credit risk to be DKK 52,915 million (2023: DKK 63,538 million).

We are exposed to credit risks from our hedging activities, construction activities, and all other activities where a counterparty's failure to meet their obligations may cause a loss. A large part of our credit risk is towards major international energy companies, suppliers, and banks.

Our key credit risk management objective is to secure that credit decisions are well informed and takes into consideration potential future changes to relevant risk factors, and to monitor our counterparties closely. Our credit policy is to accept unsecured credit exposures to investment grade counterparties while we have limited or no credit appetite to lower rating classes. Some of our main methods for mitigating the credit risks are by having minimum rating requirements in our contracts, monitoring credit worthiness indicators closely to be able to react in due time, and requiring guarantees or other credit-risk reducing measures if needed and deemed necessary. Where mitigation in accordance with our policies and principle is not commercially possible, credit risk can be accepted if deemed necessary and balanced.

For the most significant counterparties, an internal rating is assigned in connection with establishing credit limits. The rating is based on information from external credit rating agencies, publicly available information, credit risk information systems, and our own analyses.

We have not experienced any losses from a major counterparty in 2024. In 2023, we wrote down a loan to a US supplier amounting to DKK 571 million.

Fair value measurement

Note 6.6

Fair value hierarchy of financial instruments

| DKKm | Observable | | | 2024 | Observable | | | 2023 |
|-------------------------------------|----------------------------|--------------------|--------------------------------------|---------------|----------------------------|--------------------|--------------------------------------|---------------|
| | Quoted prices (level 1) | input (level 2) | Non-observable input (level 3) | | Quoted prices (level 1) | input (level 2) | Non-observable input (level 3) | |
| Assets | | | | | | | | |
| Gas inventory | 2,735 | - | - | 2,735 | 1,513 | - | - | 1,513 |
| Total inventory | 2,735 | - | - | 2,735 | 1,513 | - | - | 1,513 |
| Bonds | - | 14,532 | - | 14,532 | - | 29,902 | - | 29,902 |
| Total securities | - | 14,532 | - | 14,532 | - | 29,902 | - | 29,902 |
| Energy derivatives | 2,943 | 559 | 1,243 | 4,745 | 7,485 | 2,700 | 559 | 10,744 |
| Currency derivatives | - | 361 | - | 361 | - | 749 | - | 749 |
| Interest and inflation derivatives | - | 471 | - | 471 | - | 336 | - | 336 |
| Total derivative assets | 2,943 | 1,391 | 1,243 | 5,577 | 7,485 | 3,785 | 559 | 11,829 |
| Liabilities | | | | | | | | |
| Energy derivatives | 2,784 | 752 | 6,399 | 9,935 | 5,397 | 4,176 | 8,087 | 17,660 |
| Currency derivatives | - | 2,506 | - | 2,506 | - | 489 | - | 489 |
| Interest and inflation derivatives | - | 3,269 | - | 3,269 | - | 4,063 | - | 4,063 |
| Commodity derivatives | - | 181 | - | 181 | - | - | - | - |
| Total derivative liabilities | 2,784 | 6,708 | 6,399 | 15,891 | 5,397 | 8,728 | 8,087 | 22,212 |

All assets and liabilities measured at market value are measured on a recurring basis.

We measure our securities and derivatives at fair value. A number of our derivatives, mainly power purchase agreements, are measured based on unobservable inputs due to the long duration of the contracts.

Valuation principles and process

In order to minimise the use of subjective estimates or modifications of parameters and calculation models, it is our policy to determine fair value based on the external information that most accurately

reflects the market values. We use pricing services and benchmark services to increase the data quality. Market values are determined by the Risk Management function.

We use external price providers to ensure a high quality of our price curves. Where prices are not available, we model the prices based on our prior experience and best estimates. Where relevant and possible, we validate our price curves against third-party data.

Fair value hierarchy

Market values based on quoted prices comprise quoted securities and derivatives that are traded in active markets. The market values of derivatives traded in an active market is often settled on a daily basis, thereby minimising the market value presented on the balance sheet.

Market values based on observable inputs comprise derivatives where valuation models with observable inputs are used to measure fair value.

Fair value measurement

Note 6.6 – continued

| Derivatives valued on the basis of unobservable input | | | | | |
|--|------------------|-----------------------|-----------------|--------------------|-------|
| DKKm | | | | | |
| | 2024 | | 2023 | | |
| Market value at 1 January | | (7,528) | | (14,687) | |
| Value adjustments through profit or loss | | (4) | | (31) | |
| Value adjustments through other comprehensive income | | 3,501 | | 3,766 | |
| Sales/redemptions | | (516) | | 1,366 | |
| Purchases/issues | | (294) | | 750 | |
| Transferred from quoted prices and observable input | | (35) | | - | |
| Transferred to quoted prices and observable input | | (280) | | 1,308 | |
| Market value at 31 December | | (5,156) | | (7,528) | |
| Unobservable input per commodity price | | | | | |
| DKKm | | | | | |
| US ERCOT power prices | | (2,375) | | (5,261) | |
| German power prices | | (1,406) | | (1,484) | |
| US MISO power prices | | (487) | | (737) | |
| Other power prices | | (735) | | (37) | |
| Gas prices | | (153) | | (9) | |
| Total | | (5,156) | | (7,528) | |
| Overview of significant unobservable inputs and sensitivities | | | | | |
| Intermittency-adjusted power price | Weighted average | Power price (DKK/MWh) | | Sensitivity (DKKm) | |
| | | Monthly minimum | Monthly maximum | +25 % | -25 % |
| US ERCOT (2025-2033) | 195 | 69 | 541 | (2,577) | 2,928 |
| Germany (2026-2035) | 420 | 320 | 622 | (1,200) | 1,200 |
| US MISO (2025-2033) | 282 | 183 | 460 | (399) | 595 |
| US SPP (2025-2035) | 232 | 93 | 419 | (436) | 683 |
| Ireland (2025-2042) | 493 | 408 | 842 | (228) | 228 |

The table shows the significant unobservable inputs used in the fair value measurements categorised as level 3 of the fair value hierarchy, together with a sensitivity analysis as at 31 December 2024. The asymmetric sensitivity on the US price areas is due to some US PPAs being structured with a minimum price per MWh and a mechanism where we retain most of the upside from high power prices.

If intermittency-adjusted power prices in Germany as of 31 December 2024 increased/decreased by 25%, the market value would decrease/increase by DKK 1,200 million.

Valuation techniques and significant unobservable inputs

We use a discounted cash flow model for the valuation of power derivatives.

The US power purchase agreements give exposure to the long-term US power prices, mainly in the ERCOT, SPP, and MISO regions. The power price is observable for the first four to six years. For the following four to six years, the power price is estimated based on observable inputs (gas prices and heat rates). For the subsequent period, the power price is non-observable and estimated by extrapolating the power price towards the U.S. Energy Information Administration's long-term power price forecast, assuming similar seasonality as in previous periods. As the majority of the remaining contract period is within the period when power prices are non-observable, we classify the contracts as based on non-observable input.

In Germany and other countries where we have long-term PPA contracts, the power price is observable for up to five years. When power prices are no longer observable in the market, we have estimated the power price by extrapolating the last year with an observable power price, taking expected inflation and seasonality into account.

Energy trading portfolio

Note 6.7

| Overview of the Group's energy trading portfolio DKKm | 2024 | | 2023 | |
|--|------------------------------|------------------------|------------------------------|------------------------|
| | Contractual principal amount | Unrealised gain (loss) | Contractual principal amount | Unrealised gain/(loss) |
| Power swaps (sell position) | 4,389 | 229 | 3,305 | (492) |
| Power options (buy position) | 3,778 | 972 | 5,906 | 1,406 |
| Gas swaps and options (sell position) | 3,477 | (704) | 2,138 | (312) |
| Oil swaps and options (buy position) | 169 | (20) | 156 | (137) |
| Other (sell position) | 741 | 12 | 175 | 13 |

| Trading mandates: | | |
|---|--|--|
| VaR limit in 2024: DKK 100 million | Stress limit in 2024: DKK 400 million | Maximum open positions in trading portfolio |
| VaR indicates the largest loss in one trading day at a probability of 95%. VaR is based on data for the past 45 trading days, with the heaviest weighting being assigned to the most recent trading days. | Stress indicates the largest daily loss we risk sustaining with the given portfolio. Stress is based on data from 1 January 2006 to the present day. | <ul style="list-style-type: none"> • Max. 6 TWh of power • Max. 9.5 TWh of gas • Max. 1 million BOE • Max. 1.5 million tonnes of carbon emissions • Max. 0.5 million tonnes of coal and biomass |

¹ The contractual principal amount has been determined as the net position per derivative type. The risks associated with our options are smaller than for our swaps. The unrealised gain/loss consists of both the received exposure from our assets with settlement at maturity and the external trades settled on a daily basis, including the settled margin.

² Trading activities are carried out under mandates approved by the Board of Directors. The mandates comprise a value-at-risk (VaR) mandate and a stress mandate as well as a limit for the maximum positions measured in energy units per product (power, gas, etc.).

Trading portfolio

The purpose of our trading portfolio is to:

- optimise hedging execution
- contribute to increased market insight
- profit from short-term fluctuations in energy prices.

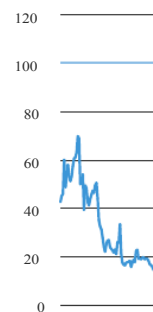
The energy trading portfolio receives the exposure from our assets and takes that exposure into the external market in the most efficient way possible, given the mandates shown above. The overview of the Group's energy trading portfolio above is the net of the internal exposures received from the assets and the external trades in line with internal risk management.

The trading portfolio primarily consists of positions in power and gas.

The trading portfolio constitutes a smaller part of our total portfolio of derivatives, and the associated risk is limited.

Daily positions in DKKm

● Value at risk (VaR)



Accounting policies

Market value adjustments for contracts relating to the purpose of generating cash flows are recognized as follows:

Categories of financial instruments

Note 6.8

| Categories of financial instruments | 2024 | 2023 |
|---|----------------|----------------|
| DKKm | | |
| Energy, currency, and interest derivatives | 3,360 | 7,251 |
| Securities | 14,532 | 29,902 |
| Financial assets measured at fair value via the income statement | 17,892 | 37,153 |
| Energy derivatives | 1,851 | 3,783 |
| Currency derivatives | 340 | 795 |
| Interest and inflation derivatives | 26 | - |
| Derivatives (assets) measured at fair value and used as hedging instruments | 2,217 | 4,578 |
| Trade receivables | 9,045 | 11,107 |
| Other accounts receivable | 8,004 | 7,200 |
| Cash | 23,444 | 10,626 |
| Financial assets measured at amortised cost | 40,493 | 28,933 |
| Energy, currency, and interest derivatives | 3,426 | 3,712 |
| Financial liabilities measured at fair value via the income statement | 3,426 | 3,712 |
| Energy derivatives | 6,774 | 14,661 |
| Currency derivatives | 2,486 | 481 |
| Interest and inflation derivatives | 3,024 | 3,358 |
| Commodity derivatives | 181 | - |
| Derivatives (liabilities) measured at fair value and used as hedging instruments | 12,465 | 18,500 |
| Bank loans and issued bonds | 87,708 | 79,620 |
| Trade payables | 20,827 | 14,915 |
| Other accounts payable | 8,380 | 8,591 |
| Financial liabilities measured at amortised cost | 116,915 | 103,126 |

The table shows our financial instruments divided into categories.
The categories indicate how the financial instruments are recognised in the financial statement.

Financial instruments are used for various purposes. The purpose determines the category, and whether the value adjustment of the instrument should be recognised in the profit (loss) for the year or as part of the hedging reserve in equity.

The fair value of financial instruments measured at amortised cost is identical to the carrying amount with the exception of bank loans and issued bonds where the market value is stated in note 5.1 'Interest-bearing net debt and FFO'.

Sensitivity analysis of financial instruments

Note 6.9

| Sensitivity analysis of financial instruments DKKm | Price change | 31 December 2024 | | 31 December 2023 | |
|---|--------------|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| | | Effect on profit (loss) before tax | Effect on equity before tax | Effect on profit (loss) before tax | Effect on equity before tax |
| Power | +25% | (187) | (6,736) | (277) | (8,119) |
| | -25% | 438 | 7,247 | 562 | 8,263 |
| Gas | +25% | (741) | 152 | (588) | (127) |
| | -25% | 741 | (152) | 588 | 127 |
| Oil | +25% | (112) | - | (360) | 260 |
| | -25% | 112 | - | 360 | (158) |
| GBP | +10% | (541) | (2,636) | 817 | (2,965) |
| | -10% | 541 | 2,636 | (817) | 2,965 |
| USD | +10% | (1,279) | (259) | (2,070) | (662) |
| | -10% | 1,279 | 259 | 2,070 | 662 |
| NTD | +10% | 155 | - | (386) | (9) |
| | -10% | (155) | - | 386 | 9 |
| EUR | +1% | 11 | (13) | (212) | (15) |
| | -1% | (11) | 13 | 212 | 15 |
| Inflation | +1%p | - | (1,795) | - | (2,059) |
| Interest | +1%p | 266 | 258 | 620 | 920 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

The sensitivity analysis in the table shows the effect of market value changes, assuming a relative price change at 31 December.

The effect on profit (loss) before tax comprises financial instruments that remained open at the balance sheet date, and which have an effect on profit (loss) in the current financial year.

Effect on equity before tax comprises financial instruments that remained open at the balance sheet date, and which are value-adjusted directly in equity.

Financial instruments include derivatives as well as receivables and payables in foreign currencies.

The illustrated sensitivities only comprise the impact of our financial instruments.

Other notes

Note 7

Related-party transactions

Note 7.1

| Joint ventures DKKkm | | | Associates DKKkm | | |
|-----------------------------|------|-------|--------------------------------|------|-------|
| | 2024 | 2023 | | 2024 | 2023 |
| Dividends received | 99 | 86 | Capital transactions, net | (47) | (54) |
| Capital transactions, net | 94 | (222) | Sale of goods and services | 6 | - |
| Sales of goods and services | 26 | 64 | Purchase of goods and services | 181 | (186) |
| Receivables | 109 | 9 | Payables | (20) | (25) |

Related parties that have control over the Group comprise the Danish state, represented by the Danish Ministry of Finance.

Other related parties are the Group's associates and joint ventures, members of the Board of Directors and the Executive Board, and other senior executives.

See note 7.4 'Company overview' for an overview of our joint ventures and associates.

Related-party transactions are made on arm's length terms. Intra-group transactions have been eliminated in the consolidated financial statements.

The remuneration and share-based payments to the Group Executive Team and the Board of Directors are described in notes 2.7 'Employment' and 2.8 'Share-based payment'.

We use the exemption set out in the Danish Accounting Act for entities in which the Danish state is the sole shareholder, and therefore transactions with these companies are not disclosed.

There were no other related-party transactions during the period.

Auditor's fees

Note 7.2

PwC is Ørsted's auditor appointed by the annual general meeting. PwC audits the consolidated financial statements of Ørsted and our subsidiaries' statutory financial statements in all the countries where we are represented, and an audit is required.

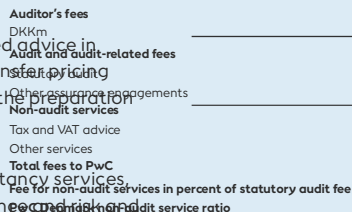
It is our policy that the annual fee for non-audit services provided by our statutory auditor cannot exceed the annual fee for statutory audit services measured at Group level. The cap may be exceeded subject to approval by the Audit & Risk Committee.

'Other assurance engagements' primarily included limited assurance over the sustainability statements, assurance services related to the issuance of bonds, audit of special regulatory financial statements, and assurance services related to other reporting to third parties.

'Tax and VAT advice' primarily included advice in connection with tax due diligence, transfer pricing advice, and advice in connection with the preparation and review of tax returns.

'Other services' included other consultancy services primarily related to vendor due diligence, risk and performance management advice.

Fees for services other than the statutory audit supplied by PwC Denmark to Ørsted amounted to DKK 12 million (2023: DKK 8 million) and consisted of assurance services related to the issuance of bonds, due diligence, risk and performance management advice, limited assurance over the sustainability statements, and other general accounting, tax, and transfer pricing advice.



The non-audit services provided by the Group auditor in Denmark cannot exceed 70%. The 'PwC Denmark non-audit service ratio' in 2023 includes an assurance service related to a contemplated bond issuance for which we have received an exemption from the Danish Business Authorities. The 'PwC Denmark non-audit service ratio', excluding this exempted service, constitutes 55% for 2023.

Non-IFRS financial measures

Note 7.3

We present financial measures in the consolidated financial statements to describe the Group's financial performance and cash flows. We use these financial measures as we believe they provide valuable information to our stakeholders and management.

The financial measures should not be considered a replacement for the performance measures as defined under IFRS but rather as supplementary information.

The financial ratios are an overview of our financial performance and operational efficiency based on common ratio types relevant to Ørsted.

Our definitions of the financial measures and reasoning for using them are shown in the table.

| | Description | Reason for t |
|---|---|--|
| EBITDA | Reflecting 'Earnings before interest, taxes, depreciation, amortisation, and impairments'. | Measuremen folio of asset financing cos |
| EBITDA adjusted for new partner- ships and cancellation fees | EBITDA exclusive of the impact from changes in provisions for cancellation fees related to ceased development or construction of projects, and exclusive of the impact from partial or full divestment of ownership interests in assets in the year a transaction closes, covering both the initial gain/loss on the divestment and any subsequent earnings under a construction (management) agreement. | Because can extraordinary ship interests to track the |
| Gross investments | Gross investments reflect our total investments in assets and enterprises. It comprises cash flows from investing activities, excluding dividends received from associates, joint ventures, and equity investments, purchase and sale of securities, loans to joint ventures and joint operations, and divestments of assets and enterprises. To this is added acquired debt and restricted cash in connection with acquisitions. | Measuremen activities in Ørsted guide |
| Net investments | Net investments are gross investments less divestments of assets and enterprises, the selling price for non-controlling interests, and subsequent capital injections from non-controlling interests. Furthermore, interest-bearing debt transferred in connection with a divestment is deducted. | Measuremen in assets and |
| Funds from operations (FFO) | EBITDA adjusted for gain (loss) on divestment of assets; variation margin, change in provisions and other adjustments; income tax paid; interest and similar items, received or paid, including capitalised interest expenses; 50% of coupon payments on hybrid capital; dividends received; and capital reductions. | Measuremen operations. Funds from o |
| Net interest-bearing debt (NIBD) | Equals interest-bearing debt to be repaid in cash, including issued bonds, bank debt, and lease liabilities, less securities, cash, and other interest-bearing assets. | Measuremen Thus, import |
| Adjusted interest-bearing net debt | Adjusted interest-bearing net debt is interest-bearing net debt plus: <ul style="list-style-type: none"> • cash and securities not available for distribution (excluding repo loans) • 50% of hybrid capital • Other interest-bearing debt (add back) • Other interest-bearing receivables (add back) | Measuremen ble to the on Net interest- |
| FFO to adjusted interest-bearing net debt | $\frac{\text{FFO}}{\text{Adjusted interest-bearing net debt}}$ | Measuremen serve our int It is the metr |
| Free cash flow (FCF) | Free cash flows are cash flows from operating activities and divestments less gross investments. | Measuremen |

Non-IFRS financial measures

Note 7.3 – continued

| | Description | Reason for t |
|---|--|---------------------------|
| Return on capital employed (ROCE) | $\frac{\text{EBIT}}{\text{Average capital employed}}$ | Common me the company |
| Proposed dividend per share (DPS) | $\frac{\text{Total proposed dividend}}{\text{Number of shares at year end}}$ | Common for |
| Dividend yield | $\frac{\text{Dividend per share (proposed)}}{\text{Share price on the last trading day of the year}}$ | Measuremen |
| Average number of shares | $\frac{1}{\text{Number of days}} \times \sum_{i=1}^{\text{Number of days}} \text{Number of days} = X1$ | Common for |
| Net working capital | Net working capital is inventories, contract assets (net), trade receivables, and other current operating assets, less trade payables, other current operating liabilities, and working capital elements of tax equity balances. | Common me |
| Capital employed | Capital employed are all assets and liabilities, except for equity and interest-bearing net debt. | Measuremen the primary |
| Other definitions (IFRS financial measure) | | |
| Profit (loss) per share | $\frac{\text{Shareholder's share of the profit (loss) for the period}}{\text{Average number of shares}}$ | Common me |
| Diluted profit (loss) per share | $\frac{\text{Shareholder's share of the profit (loss) for the period}}{\text{Average number of shares, including dilutive effect of free shares}}$ | Common me any dilutive |

Company overview

Note 7.4

| Segment/company | Country | Type ¹ | Ownership interest | Segment/company | Country |
|---|-----------------|-------------------|--------------------|---|---------|
| Parent company | | | | | |
| Ørsted A/S | Denmark | | | West of Duddon Sands | The UK |
| | | | | Ørsted Horns Rev 2 A/S | Denmark |
| | | | | Ørsted Wind Power A/S | Denmark |
| Offshore | | | | Ørsted Wind Power Holding A/S ¹ | Denmark |
| Anholt Havvindmøllepark I/S ⁴ | Denmark | JO | 50% | Onshore | |
| Borkum Riffgrund 1 Windpark A/S GmbH & Co. oHG | Germany | JO | 50% | 2W Permian Solar, LLC | The US |
| Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG | Germany | JO | 50% | Badger Wind, LLC | The US |
| Borkum Riffgrund 3 GmbH & Co. oHG | Germany | JO | 50% | Eleven Mile Solar Center, LLC ¹ | The US |
| Borssele Windfarm C.V. ² | The Netherlands | JO | 50% | Haystack Wind Project, LLC | The US |
| Breesea Ltd ² | The UK | JO | 38% | Helena Wind, LLC ² | The US |
| Burbo Extension PSC Limited | The UK | S | 75% | Lincoln Land, LLC | The US |
| Elektrownia Wiatrowa Baltica 2 sp. z o.o | Poland | JO | 50% | Mackingbird Solar Center, LLC ² | The US |
| Gode Wind 1 Offshore Wind Farm GmbH & Co. oHG | Germany | JO | 50% | Muscle Shoals Solar, LLC | The US |
| Gode Wind 2 Offshore Wind Farm P/S GmbH | Germany | JO | 50% | Old 300 Solar Center, LLC | The US |
| Gode Wind 3 GmbH & Co. oHG ² | Germany | JO | 50% | Orsted Onshore Ireland Green Energy Limited | Ireland |
| Greater Changhua Offshore Wind Farm NW Ltd ² | Taiwan | JO | 50% | Plum Creek Wind, LLC | The US |
| Greater Changhua Offshore Wind Farm SE Ltd ² | Taiwan | JO | 50% | Sage Draw Wind, LLC | The US |
| Greater Changhua Offshore Wind Farm SW Ltd | Taiwan | S | 100% | Sparta Solar, LLC | The US |
| Hornsea 1 Limited ² | The UK | JO | 38% | Sunflower Energy, LLC ² | The US |
| Hornsea 1 PSC Limited | The UK | S | 75% | Tahoka Wind, LLC | The US |
| Hornsea Two PSC Limited | The UK | S | 75% | Western Trail Wind, LLC ² | The US |
| Ocean Wind LLC | The US | S | 100% | Ørsted Onshore Holding A/S ¹ | Denmark |
| Ørsted Borssele Holding BV | The Netherlands | S | 100% | Bioenergy & Other | |
| Ørsted Greater Changhua SE Holdings Ltd. | Taiwan | S | 100% | Ørsted Bioenergy & Thermal Power A/S ¹ | Denmark |
| Ørsted Hornsea Project Three (UK) Limited | The UK | S | 100% | Ørsted Salg & Service A/S ¹ | Denmark |
| Ørsted North America Inc | The US | S | 100% | Shared Functions | |
| Ørsted Power (UK) Ltd | The UK | S | 100% | Ørsted North America Holding A/S | Denmark |
| Ørsted Race Bank (Holding) Ltd | The UK | S | 100% | Ørsted Wind Power TW Holding A/S | Denmark |
| Ørsted Taiwan Ltd | Taiwan | S | 100% | | |
| Ørsted West of Duddon Sands (UK) Ltd | The UK | S | 100% | | |
| Race Bank Wind Farm Limited ² | The UK | JO | 50% | | |
| Revolution Wind, LLC ² | The US | JO | 50% | | |
| Sonningmay Wind Limited ² | The UK | JO | 38% | | |
| Soundmark Wind Limited ² | The UK | JO | 38% | | |
| South Fork, LLC ² | The US | JO | 50% | | |
| Sunrise Wind, LLC | The US | S | 100% | | |
| Walney (UK) Offshore Windfarms Limited ² | The UK | S | 50% | | |
| Walney Extension Wind | The UK | JO | 38% | | |
| Walney Extension Limited | The UK | JO | 38% | | |
| Walney Extension PSC Limited | The UK | S | 75% | | |

¹ S = subsidiary, JO = joint operation.

² The company is owned through a company which is not owned 100% by Ørsted. The disclosed ownership interest is Ørsted's ultimate ownership interest in the company.

³ Subsidiaries owned directly by Ørsted A/S.

⁴ The company applies the provision in section 5 or section 6 of the Danish Financial Statements Act to omit presenting a separate annual report.

Parent company financial statements

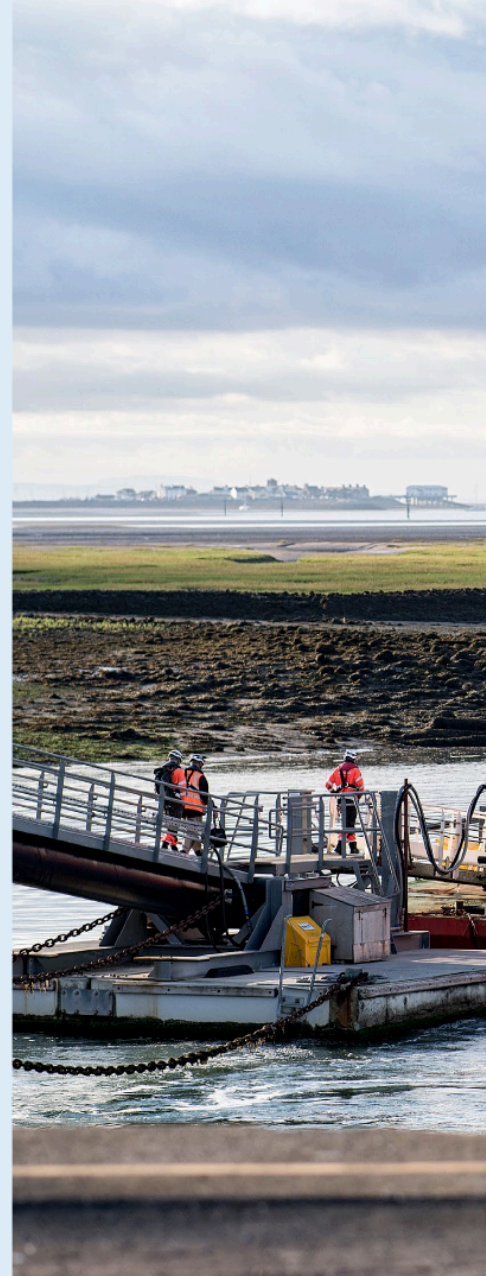
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- 7 Receivables from subsidiaries
- 8 Derivatives
- 9 Securities
- 10 Loans and borrowings
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→

Offshore wind workers in Barrow-in-Furness, the UK, board a boat bound for Walney Extension. A 12.45% stake in this wind farm and in Hornsea 1, Hornsea 2, and Burbo Bank Extension, has been divested to Brookfield. This marks significant progress in our farm-down programme announced in February 2024, unlocking capital while ensuring a high level of value retention.



Income statement

1 January – 31 December

| Income statement | | | |
|------------------|--|--------------|--------------|
| Note | DKKm | 2024 | 2023 |
| | Revenue | 311 | 259 |
| 2 | Employee costs | (52) | (59) |
| | External expenses | (282) | (172) |
| | Operating profit (loss) before depreciation, amortisation, and impairment losses (EBITDA) | (23) | 28 |
| | Amortisation, depreciation, and impairment losses on property, plant, and equipment | (110) | (113) |
| | Operating profit (loss) (EBIT) | (133) | (85) |
| | Gain (loss) on divestment of enterprises | (66) | 791 |
| 3 | Financial income | 21,300 | 21,262 |
| 3 | Financial expenses | (17,505) | (15,114) |
| | Profit (loss) before tax | 3,596 | 6,854 |
| 4 | Tax on profit (loss) for the year | (318) | (1,240) |
| | Profit (loss) for the year | 3,278 | 5,614 |
| | Profit (loss) for the year is attributable to | | |
| | Shareholders in Ørsted A/S, proposed dividends for the financial year | - | - |
| | Shareholders in Ørsted A/S, retained earnings | 2,561 | 5,061 |
| | Interest and costs, hybrid capital owners of Ørsted A/S | 717 | 553 |
| | Profit (loss) for the year | 3,278 | 5,614 |

Statement of financial position

31 December

| Assets | | | | Equity and liabilities | |
|--------|---------------------------------------|----------------|----------------|------------------------|--|
| Note | DKKm | 2024 | 2023 | Note | DKKm |
| 5 | Land and buildings | 459 | 569 | | Share capital |
| 5 | Property, plant, and equipment | 459 | 569 | | Reserves |
| 6 | Investments in subsidiaries | 100,813 | 50,864 | | Retained earnings |
| 7 | Receivables from subsidiaries | 124,228 | 194,064 | | Proposed dividends |
| 4 | Deferred tax | 579 | 246 | | Equity attributable to shareholders |
| | Other receivables | 13 | 13 | 10 | Hybrid capital |
| | Financial assets | 225,633 | 245,187 | | Equity |
| | Non-current assets | 226,092 | 245,756 | 11 | Other provisions |
| | Receivables from subsidiaries | 23,064 | 42,635 | 10 | Lease liabilities |
| 8 | Derivatives | 6,600 | 5,092 | 10 | Bond and bank liabilities |
| | Other receivables | 5,176 | 4,379 | | Non-current liabilities |
| | Income tax | 1,352 | - | 11 | Other provisions |
| | Receivables | 36,192 | 52,106 | | Lease liabilities |
| 9 | Securities | 14,140 | 29,514 | 8 | Derivatives |
| | Cash | 1,318 | 4,324 | | Trade payables |
| | Current assets | 51,650 | 85,944 | | Payables to suppliers |
| | Assets | 277,742 | 331,700 | | Other payables |
| | | | | | Income tax |
| | | | | | Current liabilities |
| | | | | | Liabilities |
| | | | | | Equity and liabilities |

Statement of changes in equity

1 January – 31 December

| Statement of changes in equity DKKm | Share capital | Hedging reserve | Retained earnings | Proposed dividends | Shareholders in Ørsted A/S | Hybrid capital | Total |
|--|---------------|--------------------|----------------------|-----------------------|-------------------------------|----------------|----------------|
| Equity at 1 January 2024 | 4,204 | 414 | 51,597 | - | 56,215 | 19,103 | 75,318 |
| Profit (loss) for the year | - | - | 2,561 | - | 2,561 | 717 | 3,278 |
| Dividends paid | - | - | - | - | - | - | - |
| Value adjustments of hedging instruments | - | 293 | - | - | 293 | - | 293 |
| Value adjustments transferred to financial income and expenses | - | (25) | - | - | (25) | - | (25) |
| Tax on changes in equity | - | (60) | - | - | (60) | 9 | (51) |
| Coupon payments, hybrid capital | - | - | - | - | - | (687) | (687) |
| Additions, hybrid capital | - | - | - | - | - | 5,520 | 5,520 |
| Disposals, hybrid capital | - | - | - | - | - | (3,707) | (3,707) |
| Share-based payments | - | - | 3 | - | 3 | - | 3 |
| Changes in equity in 2024 | - | 208 | 2,564 | - | 2,772 | 1,852 | 4,624 |
| Equity at 31 December 2024 | 4,204 | 622 | 54,161 | - | 58,987 | 20,955 | 79,942 |
| Equity at 1 January 2023 | 4,204 | 2,130 | 46,530 | 5,675 | 58,539 | 19,793 | 78,332 |
| Profit (loss) for the year | - | - | 5,061 | - | 5,061 | 553 | 5,614 |
| Dividends paid | - | - | 2 | (5,675) | (5,673) | - | (5,673) |
| Value adjustments of hedging instruments | - | 108 | - | - | 108 | - | 108 |
| Value adjustments transferred to financial income and expenses | - | (2,308) | - | - | (2,308) | - | (2,308) |
| Tax on changes in equity | - | 484 | - | - | 484 | 2 | 486 |
| Coupon payments, hybrid capital | - | - | - | - | - | (546) | (546) |
| Disposals, hybrid capital | - | - | - | - | - | (699) | (699) |
| Share-based payments | - | - | 4 | - | 4 | - | 4 |
| Changes in equity in 2023 | - | (1,716) | 5,067 | (5,675) | (2,324) | (690) | (3,014) |
| Equity at 31 December 2023 | 4,204 | 414 | 51,597 | - | 56,215 | 19,103 | 75,318 |

Basis of reporting

Note 1

Accounting policies

The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Statements Act ('Årsregnskabsloven') (reporting class D).

The accounting policies remain unchanged from the previous year.

Unless otherwise stated, the financial statements are presented in Danish kroner (DKK).

The parent company accounting policies are consistent with the accounting policies described for the consolidated financial statements, with the following exceptions.

Foreign currency translation

We recognise exchange rate adjustments of receivables from and payables to subsidiaries as financial income and expenses in the income statement when the balances are accounted for as part of the total net investment in foreign enterprises. Likewise, we recognise foreign exchange gains and losses on loans and derivatives in the income statement as financial income and expenses when they have been entered into hedge net investment in the foreign enterprises.

Revenue

Rental income comprises income from commercial leases and is recognised over the term of the lease. Income from services is recognised when delivery has taken place.

Dividends from investments

Dividends from subsidiaries and associates are recognised in the income statement for the financial year in which the dividends are approved at the annual general meeting. If the dividends exceed the total income after acquisition, the dividends are recognised as a reduction of the cost of the investment under assets.

Investments

We measure our investments in subsidiaries and associates at cost. If there is any indication that the value of a company is lower than our future earnings in the company, impairment testing of the company is carried out as described in the consolidated financial statements. The carrying amount is written down to the recoverable amount whenever the carrying amount exceeds the future earnings in the company (recoverable amount).

If we have a legal or constructive obligation to cover a deficit in subsidiaries and associates, we recognise a provision for this.

Tax

Ørsted A/S is taxed jointly with its Danish subsidiaries. The jointly taxed companies are part of joint taxation with the parent company as the management company.

Subsidiaries are included in the joint taxation from the date they are consolidated in the consolidated financial statements and up to the date on which they are no longer consolidated.

Current tax for 2024 is recognised by the individual, jointly taxed companies.

Statement of cash flows

We do not prepare a separate statement of cash flows for the parent company. Reference is made to the consolidated statement of cash flows on page 162.

Employee costs

Note 2

| Employee costs DKK m | 2024 | 2023 |
|---|---------------|---------------|
| Wages and salaries | 43 | 47 |
| Share-based payment | 2 | 4 |
| Pensions and social costs | 1 | 1 |
| Remuneration | 6 | 7 |
| Total employee costs | 52 | 59 |
| Salaries and remuneration of the Executive Board | | |
| DKK '000 | | |
| Fixed salary | 37,969 | 27,849 |
| Cash-based incentive scheme | 4,676 | 3,711 |
| Share-based payment | 2,787 | 6,270 |
| Pension, incl. social security and benefits | 704 | 858 |
| Salary in notice period | - | 8,443 |
| Severance payment | - | 6,210 |
| Total | 46,136 | 53,341 |

Notes 2.7 'Employee costs' and 2.8 'Share-based payment' to the consolidated financial statements describe the remuneration of the Executive Board and the Board of Directors as well as the share-based payment, termination, and bonus scheme for the Executive Board and details on the remuneration of the Board of Directors.

The parent company had an average of eleven employees in 2024 (2023: nine employees).

Remuneration of the Board of Directors totals DKK 6 million (2023: DKK 7 million).

Financial income and expenses

Note 3

| Financial income and expenses DKK m |
|--|
| Interest income from cash, etc. |
| Interest income from subsidiaries |
| Interest income from securities at market value |
| Foreign exchange gains |
| Value adjustments of derivatives |
| Dividends received |
| Total financial income |
| Interest expenses relating to loans and borrowings |
| Interest expenses, leases |
| Interest expenses to subsidiaries |
| Impairment of investments in subsidiaries |
| Capital losses on securities at market value |
| Foreign exchange losses |
| Value adjustments of derivatives |
| Other financial expenses |
| Total financial expenses |
| Net financial income and expenses |

Tax on profit (loss) for the year and deferred tax

Note 4

| Income tax DKKm | 2024 | 2023 |
|--|--------------|----------------|
| Tax on profit (loss) for the year | (318) | (1,240) |
| Tax on changes in equity | (51) | 486 |
| Total tax for the year | (369) | (754) |
| Tax on profit (loss) for the year can be broken down as follows | | |
| Current tax | (680) | (1,261) |
| Adjustments to deferred tax | 383 | 39 |
| Adjustments to current tax in respect of prior years | 29 | (192) |
| Adjustments to deferred tax in respect of prior years | (50) | 174 |
| Tax on profit (loss) for the year | (318) | (1,240) |
| Development in deferred tax | | |
| DKKm | | |
| Deferred tax at 1 January | (246) | (33) |
| Adjustments for the year recognised in profit (loss) for the year | (383) | (39) |
| Adjustments to deferred tax in respect of prior years | 50 | (174) |
| Deferred tax at 31 December | (579) | (246) |
| Specification of deferred tax | | |
| DKKm | | |
| Property, plant and equipment | 101 | 125 |
| Other current assets | - | (1) |
| Current liabilities | (2) | - |
| Non-current liabilities | (678) | (301) |
| Tax loss carryforwards | - | (69) |
| Deferred tax, asset | 579 | 246 |
| Deferred tax, liability | - | - |

Property, plant, and equipment

Note 5

| Property, plant, and equipment: Land and buildings DKKm |
|--|
| Cost at 1 January |
| Additions |
| Disposals |
| Cost at 31 December |
| Depreciation and amortisation at 1 January |
| Depreciation and amortisation |
| Disposals |
| Depreciation and amortisation at 31 December |
| Carrying amount at 31 December |
| Value of leased assets |

We have entered into leases for office premises, primarily in Gentofte, Denmark (expiring in 2028).

We have entered into operating leases with subsidiaries for sublease of office premises.

In 2024, an amount of DKK 133 million was recognised (2023: DKK 147 million) in profit (loss) for the year in respect of rental income.

Investments in subsidiaries

Note 6

| Investments in subsidiaries DKKm | 2024 | 2023 |
|---|----------------|---------------|
| Cost at 1 January | 51,397 | 51,809 |
| Reductions | (8,356) | - |
| Additions | 58,323 | - |
| Disposals | - | (412) |
| Cost at 31 December | 101,364 | 51,397 |
| Value adjustments at 1 January | (533) | (533) |
| Impairment losses/reversals | (18) | - |
| Value adjustments at 31 December | (551) | (533) |
| Carrying amount at 31 December | 100,813 | 50,864 |

Note 7.4 'Company overview of the consolidated financial statements' contains an overview of subsidiaries, etc.

We have tested investments in subsidiaries for impairment by comparing the expected future income from the individual subsidiaries with their carrying amounts.

Based on the impairment test in 2024, an impairment has been recognised on the investment in Ørsted Ventures Europe A/S.

In 2024, 'Additions' mainly related to capital injections in Ørsted Wind Power Holding A/S and Ørsted Onshore Holding A/S.

In 2024, Ørsted A/S received dividend from Ørsted Salg & Service A/S. The dividends exceeded the total income after acquisition, and therefore the cost of the investment has been reduced.

Receivables from subsidiaries

Note 7

| Non-current receivables from subsidiaries DKKm |
|---|
| Cost at 1 January |
| Additions |
| Disposals |
| Cost at 31 December |

Derivatives

Note 8

| Overview of derivative positions | | 2024 | | 2023 | |
|----------------------------------|------------------------------|----------------|------------------------------|----------------|--|
| DKK m | | | | | |
| | Contractual principal amount | Market value | Contractual principal amount | Market value | |
| Interest derivatives | 12,696 | 238 | 25,141 | (517) | |
| Currency derivatives | 61,205 | (898) | 39,213 | 828 | |
| Total | 73,901 | (660) | 64,354 | 311 | |
| Assets | | 6,600 | | 5,092 | |
| Equity and liabilities | | (7,260) | | (4,781) | |

See note 6.1 'Risk framework' to the consolidated financial statements and the chapter on 'Enterprise risk management' in the 'Management's review' on pages 27-30 for more details on risk and risk management.

Ørsted A/S has assumed the subsidiaries' currency risks via forward exchange contracts, which have subsequently been hedged in the market. Furthermore, hedging contracts have been concluded to hedge the currency risk associated with investments in subsidiaries in foreign currencies.

We have also entered into a number of interest rate swaps to manage our interest rate risk.

Derivatives at the end of December 2024 mature as follows: 2025: DKK -344 million, 2026: DKK -389 million, after 2026: DKK 73 million (2023: 2024: DKK 177 million, 2025: DKK 370 million, after 2025: DKK -236 million).

All derivatives are classified based on observable inputs in the 'fair value' hierarchy.

Securities

Note 9

| Securities | | |
|-------------------------------|---------------|---------------|
| DKK m | | |
| | 2024 | 2023 |
| Securities, available for use | 14,140 | 29,514 |
| Total securities | 14,140 | 29,514 |

Securities are a key element in our financial resources, and therefore investments are primarily made in liquid AAA-rated Danish mortgage bonds and, to a lesser extent, in other bonds. Most of the securities qualify for repo transactions in the Danish central bank, 'Danmarks Nationalbank'.

All securities are classified based on observable inputs in the fair value hierarchy.

Other provisions

[Note 11](#)

We have made provisions for non-current liabilities totalling DKK 1,808 million (2023: DKK 1,779 million), of which DKK 1,808 million fall due in 1-5 years.

The provisions concern the divestment of our oil and gas business in 2017.

Related-party transactions

[Note 12](#)

Related parties are the Board of Directors, the Executive Board, Ørsted A/S's subsidiaries, and the Danish state.

Remuneration of the Board of Directors and the Executive Board is disclosed in notes 2.7 'Employee costs' and 2.8 'Share-based payment' in the consolidated financial statements.

Our related-party transactions are made on arm's length terms.

Contingent liabilities

[Note 13](#)

Guarantees

Ørsted A/S has provided guarantees in connection with participation by subsidiaries and subsidiaries' joint operations and joint ventures in the construction and operation of offshore wind farms and natural gas installations as well as guarantees in respect of leases, energy trading activities, purchase, sale, and supply agreements, decommissioning obligations, farm-downs and other M&A transactions as well as secondary liability on decommissioning of offshore installations related to the divestment of the oil and gas business, etc.

Ørsted A/S acts as guarantor or surety provider with primary liability for bank liabilities in certain subsidiaries, including guarantees in favour of banks and investors, covering credit facilities established and bonds issued in Taiwan.

Furthermore, in support of the ratings of Ørsted Salg & Service A/S by Moody's and Ørsted Wind Power TW Holding A/S by Taiwan Ratings, Ørsted A/S has provided general guarantees covering all obligations and liabilities undertaken in the ordinary course of business by these two entities.

Auditor's fees

[Note 14](#)

| Auditor's fees DKKm | 2024 | 2023 |
|-----------------------------|----------|----------|
| Statutory audit | 5 | 4 |
| Other assurance engagements | 1 | 3 |
| Total fees to PwC | 6 | 7 |

'Other assurance engagements' primarily included assurance services related to the issuance of bonds.

Ownership information

[Note 15](#)

Ownership information 31 December 2024

The Danish state represented by the Danish Ministry of Finance
Equinor ASA
Andel A.M.B.A.

The table shows the shareholders with ownership interests and voting shares is because voting rights of Ørsted's treasury shares cannot

Management's statement, auditor's reports, and glossary

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→

The twelve wind turbines that make up South Fork Wind, off the coast of New York, the US, are the product of hundreds of skilled US workers from across the Northeast. They completed construction in March 2024. The offshore wind farm is the first in the Empire State, and America's first at commercial scale, generating enough renewable energy to power around 70,000 homes.



Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and adopted the annual report of Ørsted A/S for the financial year 1 January – 31 December 2024.

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. The Management's Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Company, of the results of the Group's and the Parent Company's operations, and of the consolidated cash flows for 2024.

In our opinion, the Management's Report includes a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year, and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

Additionally, the Sustainability Statements, which are part of the Management's Report, have been prepared, in all material respects, in accordance with paragraph 99a of the Danish Financial Statements Act. This includes

compliance with the European Sustainability Reporting Standards (ESRS), including that the process undertaken by management to identify the reported information (the 'Process') is in accordance with the description set out in the section 'Double materiality assessment'. Furthermore, disclosures within EU taxonomy for sustainable activities within the environmental section of the Sustainability Statements are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the 'Taxonomy Regulation').

The year 2024 marks the initial implementation of paragraph 99a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the Sustainability Statements include forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the annual report of Ørsted A/S for the financial year 1 January – 31 December 2024 with the file name: Orsted-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF regulation.

We recommend that the annual report is adopted at the annual general meeting.

Skærbæk, 6 February 2025

Executive Board:

Rasmus Errboe
Group President and CEO

Trond
CFO

Board of Directors:

Lene Skole
Chair

Andre
Deputy

**Julia King, the Baroness
Brown of Cambridge**

Peter

Benny Gøbel*

**Leticia
Torres**

Anne Cathrine Collet Yde*

* Employee-elected board member

Independent Auditor's Reports

To the shareholders of Ørsted A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit & Risk Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements of Ørsted A/S for the financial year 1 January to 31 December 2024, pages 157-237 and 248-249, comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated

statement of shareholders' equity, the consolidated statement of cash flows, and the notes to the consolidated financial statements, including material accounting policy information.

The Parent Company Financial Statements of Ørsted A/S for the financial year 1 January to 31 December 2024, pages 238-249, comprise the income statement, the statement of financial position, the statement of changes in equity, and the notes, including material accounting policy information.

Collectively referred to as the 'Financial Statements'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board

for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Ørsted A/S on 19 April 2010 for the financial year 2010. We have been reappointed annually by shareholder resolution for a total uninterrupted period of engagement of 15 years, including the financial year 2024. At the annual general meeting on 2 March 2020, we were reappointed following a tendering procedure.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of non-current assets

Key audit matter

During 2024, Management identified impairment indicators for a number of production and development assets (non-current assets) due to, amongst others, construction delays, increased CAPEX, updated assumptions regarding market prices and costs as well as ceased execution of FlagshipONE. Furthermore, Management identified impairment indicators due to increased interest rates in the US.

On this basis, Management has prepared impairment tests resulting in impairment losses recognised for certain production and development assets; mainly related to the US offshore and onshore wind farm portfolio and FlagshipONE.

The impairment tests are based on Management's assumptions and probability weighting of expected cash inflows and outflows for the individual cash-generating units (CGUs), and these cash flows are discounted using the relevant discount rates (value-in-use impairment models). This requires significant estimates and judgements, amongst others related to the future power prices, expected government subsidy schemes, impact of the construction delays, market prices and costs, and discount rates (WACC).

For impairment tests related to the seabeds for Ocean Wind and Skipjack Wind, Management has applied fair value less cost of disposal models, which are based on development in prices seen in the latest seabed lease auctions, etc.

We focused on this area because the impact on the profit for the year is significant, and because the impairment tests of non-current assets are considered complex non-routine transactions and require significant judgements in determining the assumptions, etc., applied in the significant estimates.

Refer to notes 1.2 and 3.1-3.2 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

As part of our audit, we challenged the impairment indicator assessments performed by Management. We considered the appropriateness of the CGUs defined by Management and the methodology used by Management to assess the carrying amount of non-current assets assigned to the CGUs.

We carried out risk assessment procedures in order to obtain an understanding of IT systems, business processes, and relevant controls regarding data and assumptions used in the impairment tests. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to rely on, we tested whether they were performed on a consistent basis.

We challenged the impairment models prepared by Management and tested the mathematical accuracy of the relevant value-in-use and fair value less costs of disposal models, and we challenged the data and significant assumptions, including the probability weight of scenarios applied, future power prices, expected government subsidy schemes, impact of construction delays, market prices and costs, as well as discount rates (WACC). Also, we reconciled the carrying amounts to the accounting records.

In assessing the discounting rates (WACCs) and the overall methodology applied, we involved our valuation specialists.

We assessed the appropriateness and tested the related disclosures provided in the Consolidated Financial Statements, including the sensitivity analysis, expressing the significant estimation uncertainty related to the valuation of the CGUs.

Partnership agreements

Key audit matter

Divestment of ownership interests in solar and wind farms to a partner (farm-downs) in a joint operation or as a non-controlling interest, including assessment of the consolidation method for the retained interests, calculation and recognition of the divestment gains or losses, as well as subsequent recognition of any construction agreements, are considered complex non-routine transactions.

As part of farm-downs, compensation mechanisms are often agreed with the partners, e.g. regarding sales price, potential wake and blockage effect compensations, and warranties.

We focused on this area because farm-downs and the related matters are considered complex non-routine transactions, and because the assessment of the consolidation method, the recognition and measurement of the divestment gain or loss, and the recognition of any subsequent construction agreements with the partners, the compensation mechanisms, and warranties are based on significant judgements and estimates.

Refer to notes 1.2, 2.6 and 3.10 in the Consolidated financial Statements.

Valuation of derivative financial instruments and documentation of hedge accounting

Key audit matter

Ørsted applies hedge accounting for derivative financial instruments used for hedging of:

- energy price, currency, and inflation risks associated with revenue (energy hedges)
- commodity price and currency risks associated with the construction of wind farms
- interest rate risk associated with loans and divestments.

We focused on this area because the valuation of the derivative financial instruments (including hedging instruments) and the assessments of hedge relationships and hedge effectiveness are complex and require significant judgements and estimates.

On this basis, the valuation of the derivative financial instruments and the application of hedge accounting were a matter of most significance in our audit.

Refer to notes 1.2 and 6.1-6.9 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

We carried out risk assessment procedures in order to obtain an understanding of IT systems, business processes, and relevant controls regarding derivative financial instruments and hedge accounting. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to rely on, we tested whether they were performed on a consistent basis.

We assessed and obtained an understanding of the exposures subject to hedging, the hedging instruments applied, the hedge relationships, including the methods, data, and assumptions applied for documentation of the fair value of hedging instruments, and hedge effectiveness.

We challenged the accounting treatment applied by Management, including in relation to the hedging instruments used and the hedge reserve recognised in the consolidated statement of comprehensive income by reviewing Management's IFRS 9 hedge documentation, including underlying memos and calculations.

We challenged the significant data, assumptions, and models applied by Management when assessing the value of the hedging instruments, the hedge relationships, and the hedge effectiveness by assessing and testing the main data, significant assumptions, and models applied.

As part of our audit, we tested, on a sample basis, the valuation of the derivative financial instruments and the documentation of hedge effectiveness of energy, commodity, interest rate, inflation, and related foreign exchange risk hedges.

In assessing the valuation of the derivative financial instruments and application of hedge accounting, we involved our financial instrument specialists.

We assessed the appropriateness and tested the related disclosures provided in the Consolidated Financial Statements.

Income taxes

Key audit matter

Ørsted is subject to income taxes in the countries where they operate. Significant judgements and estimates are required in determining the income taxes and in measuring income tax assets and liabilities, including uncertain tax positions.

Additionally, Ørsted is a party in tax and transfer pricing disputes where Management assesses the possible outcomes and consequently recognises provisions for these uncertain tax positions. Ørsted has received administrative decisions from the Danish Tax Agency entailing additional tax payments and related interests, which Management disputes and has appealed to the relevant authorities. Furthermore, tax cases are ongoing impacting corresponding tax adjustments.

We focused on this area because Management makes significant judgments and estimates when calculating and assessing the income taxes due to the complex nature of the tax rules related to the business activities conducted in different tax jurisdictions. Furthermore, Management makes estimates when measuring the tax assets, including when and to which extent these can be utilised in the future, and when measuring tax liabilities, including assessing deferred taxes in tax equity partnerships.

On this basis, income taxes were a matter of most significance in our audit.

Refer to notes 1.2 and 4.1-4.3 in the Consolidated Financial Statements.

Statement on Management's Report

Management is responsible for Management's Report, pages 3-156.

Our opinion on the Financial Statements does not cover Management's Report, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Report and, in doing so, consider whether Management's Report is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Report includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99a related to the Sustainability Statements covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's Report is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99a related to the Sustainability Statements, cf. above. We did not identify any material misstatement in Management's Report.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true

and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements, we performed procedures to express an opinion on whether the annual report of Ørsted A/S for the financial year 1 January to 31 December 2024 with the filename Orsted-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements, including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- the preparing of the annual report in XHTML format
- the selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged, using judgement where necessary
- ensuring consistency between iXBRL-tagged data and the Consolidated Financial Statements presented in human-readable format
- for such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing, and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- testing whether the annual report is prepared in XHTML format
- obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process
- evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements, including notes
- evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified

- evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy
- reconciling the iXBRL-tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Ørsted A/S for the financial year 1 January to 31 December 2024 with the file name Orsted-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 6 February 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Anders Stig Lauritsen

State Authorised Public Accountant
mne32800

Thomas Wraae Holm

State Authorised Public Accountant
mne30141

Independent Auditor's Limited Assurance Report on the Sustainability Statements

To the stakeholders of Ørsted A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the Sustainability Statements of Ørsted A/S (the 'Group') included in the Management's Report (the 'Sustainability Statement'), pages 56-156 and 248-249, for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Management to identify the information reported in the Sustainability Statement (the 'Process') is in accordance with the description set out in the section 'Double materiality assessment'; and
- compliance of the disclosures in the subsection EU taxonomy for sustainable activities within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the 'Taxonomy Regulation').

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ('ISAE 3000 (Revised)'), Assurance engagements other than audits or reviews of historical financial information ('ISAE 3000 (Revised)'), and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also

fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Management's responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in the section 'Double materiality assessment' of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impact (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect,

is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and

- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the section 'Double materiality assessment'.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are

likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group's was consistent with the description of the Process set out in the section 'Double materiality assessment'.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes, and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;

Glossary

Availability

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

Awarded capacity

Offshore capacity that we have been awarded in auctions and tenders, but where we have yet to sign a PPA and take final investment decision.

Blockage effect

The blockage effect arises from the wind slowing down as it approaches the wind turbines.

Carbon emission allowances

Carbon emission allowances subject to the European Union Emissions Trading Scheme (EU ETS).

CfD

A contract for difference is a subsidy that guarantees the difference between the market reference price and the exercise price won.

Commissioning/COD

When our assets are in operation, and the legal liability has been transferred from the supplier to us.

Contracted capacity

Onshore capacity where we have signed PPAs covering more than 50% of the asset's capacity, but where we have not yet taken final investment decision.

CSRD

Corporate Sustainability Reporting Directive.

Decided (FID) and installed capacity

Installed generation capacity plus capacity for assets where a final investment decision has been made.

Degree days

Number of degrees in absolute figures in difference between the average temperature and the official Danish indoor temperature of 17 °C.

DMA

Double materiality assessment.

EPC

Engineering, procurement, and construction. The part of our business which handles the construction and installation of assets.

ESRS

European Sustainability Reporting Standards.

FID

Final investment decision. When the Board of Directors approves major investments for construction assets.

Generation capacity

Capacity to generate power or heat. Generation capacity for an offshore wind farm is calculated and included from TOC of the individual wind turbines. TOC stands for 'take over certificate', which is the document signifying transfer of ownership from the contractor to the owner or operator of the asset. Onshore capacities are included after COD of the entire asset. Generation capacity is financially consolidated.

Green certificates

Certificate awarded to producers of environment-friendly power as a supplement to the market price of power in the given price area.

Wood pellet spread (WPS)

Represents the contribution margin per MWh of power generated at a wood pellet-fired CHP plant with a given efficiency. It is determined as the difference between the market price of power and the cost of the wood pellets (including associated freight costs).

Ineffective hedges

When we hedge our exposure with an instrument that is not 100% correlated with the exposure, we may see ineffectiveness in our hedging. The value of ineffective hedges should be recognised in profit and loss immediately.

Installed capacity

Installed capacity where the asset has been completed and has passed a final test.

Investment tax credits (ITCs)

US federal tax credit based on qualifying renewable investment costs.

Load factor

The load factor is calculated as the ratio between actual generation over a period relative to potential generation, which is possible by continuously exploiting the maximum capacity over the same period. The load factor is commercially adjusted.

Offshore transmission assets

Connect offshore generation to the grid and typically include the offshore transmission infrastructure, an onshore substation, and the electrical equipment relating to the operation of the substation.

OREC

Offshore renewable energy certificate issued on the state level in the US. For each MWh that an offshore wind farm produces, the developer earns one OREC. OREC developers sell the ORECs to utility companies. The income from these sales funds the construction and operation of wind farms.

Partnership income

Income originating from our partnership purchase of ownership interests in wind assets. Includes both the gain in construction with the farm-down and the subsequent construction of the wind farm.

Power purchase agreement (PPA)

An agreement between us and a third party to purchase/sell the power we generate. Includes all commercial terms (prices, volumes, etc.).

Production tax credit (PTC)

US federal tax credit based on eligible generation in the US.

ROCs

Renewable obligation certificates issued by Ofgem in the UK to operators of offshore generating stations for the eligible energy they generate. Operators trade ROCs with other parties.

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