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Ratings

Powered by Shades of Green

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Second Party Opinion

Ørsted Green Finance Framework

May 7, 2025

Location: Denmark **Sector:** Power Generator

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

See Alignment Assessment for more detail.

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Dark green

Activities that correspond to the long-term vision of a low-carbon climate resilient future.

Our Shades of Green Analytical Approach >

Strengths

Ørsted's investments support the deployment and integration of renewable energy technologies, including offshore and onshore wind, solar PV, and battery energy storage systems. These technologies are essential for achieving a net-zero future and are aligned with the long-term climate objectives of the Paris Agreement.

Weaknesses

No weaknesses to report.

Areas to watch

A portion of the energy from Ørsted's renewable projects may be sold via power purchase agreements (PPAs) to companies in various sectors, including hard-to-abate industries. Supporting the electrification of customers in hard-to-abate sectors with low-carbon energy aligns with Ørsted's decarbonization goals. However, while PPAs represent less than 10% of revenue, a small share may involve offtakers linked to oil and gas, resulting in limited residual exposure to fossil fuel-related activities.

Shades of Green Projects Assessment Summary

Over the three years following issuance of the financing, Ørsted expects to allocate approximately 70%-90% of proceeds to offshore wind, 10%-15% to onshore wind, and 5%-10% to solar PV, with the remaining share potentially directed toward battery energy storage systems.

The issuer expects 100% of proceeds to be allocated to financing new projects.

Based on the project category's Shades of Green detailed below, the expected allocation of proceeds, and considering the environmental ambitions reflected in Ørsted's Green Finance Framework we assess the framework as Dark green.

Renewable energy	**Dark green**
Offshore wind	
Onshore wind	
Solar PV	
Battery energy storage systems (BESS)	

See Analysis Of Eligible Projects for more detail.

EU Taxonomy Assessment Summary

Economic activity	Technical screening criteria (TSC)		Minimum safeguards (Issuer level)	Overall alignment
	Substantial contribution	Do no significant harm		
4.3 Electricity Generation from wind power - NACE code: D35.11, F42.22	✓	✓		✓
4.1 Electricity generation using solar PV technology - NACE code: D35.11, F42.22	✓	✓	✓	✓
4.10 Storage of electricity	✓	✓		✓

Aligned = ✓ Not aligned = ✗ Not covered by the technical screening criteria = —

See EU Taxonomy Assessment for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Company Description

Ørsted A/S, together with its subsidiaries, owns, develops, constructs, and operates offshore and onshore wind farms, solar farms, battery storage, and bioenergy plants. As of Dec. 31, 2024, the company had total installed renewable energy capacity of 18,170 megawatts (MW), comprising offshore wind (55%), onshore wind (21%), Solar PV (12%), Battery storage (2%), and bioenergy (11%). Its total revenue was Danish Krone (DKK) 71.03 billion (about $9.97 billion). Ørsted was incorporated in 1972 and is based in Fredericia, Denmark.

The Danish state holds a majority stake in Ørsted (50.1%). Other shareholders include Equinor ASA (10%), the U.K. (6.2%), the U.S. (6.1%), Danish retail investors (2.4%), Andel A.M.B.A (5%), while the remaining shares are owned by various other investors. It has been listed on Nasdaq Copenhagen since 2016.

Material Sustainability Factors

Climate transition risks

Power generation is the largest direct source of greenhouse gas emissions globally, making this sector highly susceptible to the growing public, political, legal, and regulatory pressure to accelerate climate goals. Public awareness of the urgency for climate action has reached a turning point. In turn, policymakers and regulators are increasingly pushing for a faster transition to lower carbon energy, especially as these technologies become more mature and cost competitive. Over the past decade, there have been multibillion-dollar impairments for the most polluting assets, reflecting their weaker economics as taxes increase and they are displaced by new, cleaner technologies. In addition, more stringent decarbonization rules may sometimes restrict their license to operate. The number of countries announcing pledges to achieve net zero emissions over the coming decades continues to grow. With no direct emissions, renewable energy technologies have a vital role to play in reducing emissions associated with power and heat, which will be vital for limiting the global temperature rise to 1.5C.

Physical climate risks

Given their fixed assets, generators are relatively more exposed to physical climate risks compared with other sectors. For stakeholders, extreme weather events, including wildfires, hurricanes, and storms, are becoming more frequent and severe and can result in power outages for large populations of users. Physical climate risks generally involve significant financial losses for operators due to repairs, but more importantly from exposure to extreme power price spikes and claims due to business disruption. We expect these risks to continue but to vary regionally depending on regulatory responses. According to the World Bank, many of the countries where Ørsted operates are highly vulnerable to physical risks such as rising sea levels, storms, heatwaves, extreme precipitation, wildfires, and water scarcity. The relevance of these risks may vary depending on whether assets are offshore or onshore.

Biodiversity

Renewable power projects, which are essential for meeting climate goals, often require large areas of land. They can be disruptive to sensitive habitats, impact species, and compete with agricultural land. Offshore wind farms, in particular, introduce risks to the marine ecosystem including habitat loss, collision mortality for birds and marine mammals, noise and electromagnetic disturbances, and the potential introduction of invasive species. Local regulations typically mandate environmental impact assessments to identify and mitigate biodiversity risks. Beyond siting concerns, the construction,

operation, and maintenance of renewable energy infrastructure can disrupt ecosystems and pose biodiversity risks if not properly managed.

Impact on communities

Plants located near communities can be difficult to develop and operate, creating regulatory and reputational risks for power generators. Sites with high potential for renewable projects are often in or near communities unaccustomed to power infrastructure and near indigenous groups, which can prompt strong local opposition. Offshore developments may impact fishermen and other stakeholders who derive their livelihoods from the sea, such as those in the tourism sector. The rapid acceleration of renewable energy investments is driving a significant increase in demand for minerals like graphite, lithium, and cobalt. The extraction of these minerals often leads to severe human rights issues. Companies must enhance their visibility and accountability within complex supply chains to identify, prevent, and mitigate these risks, thereby avoiding operational, financial, and legal repercussions.

Issuer And Context Analysis

Through its framework, Ørsted aims to address climate transition risk, which is one of the most material factors for the company. The financing of renewable energy projects--such as solar PV and onshore and offshore wind--is expected to support emissions reductions and contribute to the green energy transition. The inclusion of battery energy storage projects partially addresses physical climate risks, as stored energy can help maintain electricity supply during periods when adverse weather conditions limit renewable generation. At the same time, the framework introduces potential risks, including physical climate risks, biodiversity impacts, and risks related to local communities; however, we view positively that the company has put in place robust mitigating measures.

Ørsted's business strategy is guided by its goal to achieve net-zero emissions across its value chain by 2040. The company had 18.2 gigawatts (GW) of installed capacity in 2024 across Europe, the Americas, and APAC, with a target of reaching 22 GW by 2026 and increasing renewable energy generation to 99% by 2025. Ørsted's transition from one of the most coal-intensive utilities in Europe to a global leader in renewable energy within a decade is a clear strength. Its near-term climate targets, validated by the Science Based Targets initiative, include a 77% reduction in total greenhouse gas emissions intensity (excluding use of sold products) and a 96% reduction in Scope 1 and 2 emissions intensity by 2030, both against a 2018 baseline. Scope 3 emissions accounted for 92% of Ørsted's total emissions in 2024. We understand that the 61% increase in emissions compared to 2023 was largely due to capital goods emissions associated with the commissioning of major renewable projects in the U.S. and Taiwan. According to the issuer, the rise in scope 3 emissions for 2024 does not reflect a broader trend, but rather the direct result of commissioning 2.4 GW of capacity during the year. To address this, Ørsted is engaging with suppliers to reduce emissions, is exploring long-term offtake agreement for lower-emissions steel, and is improving its life cycle assessment capabilities. On the operational side, the company has phased out coal, is transitioning to electric vehicles, and is deploying electric heavy-lift drones for offshore maintenance. These efforts have contributed to a 58% reduction in scope 1 and 2 emissions intensity compared to 2023. However, the company retains some residual exposure to fossil fuels, primarily through natural gas and coal, which together represent 3% of its total heat and power generation in 2024.

Management of physical climate risk is a key consideration for Ørsted, and it has developed a robust approach reflecting its geographical diversity and the fixed nature of its assets. Ørsted has operating assets in eight countries—Denmark, the U.K., the U.S., Germany, the Netherlands, Ireland, Taiwan, and assets under construction in Poland—many of which have high exposure to physical climate risks such as heavy precipitation, rising sea levels, and storms. To mitigate these risks, Ørsted conducts a physical climate risk assessment focused on implementing design safeguards during asset development to enhance resilience and evaluate the potential effects on financial operations. Additionally, the company currently assesses risk based on the SSP5-8.5 worst-case scenario. This analysis is conducted at asset level and incorporates estimated

maximum loss assessments in its risk management strategy to quantify financial exposures and ensure adequate insurance protection. S&P Global Ratings also views as positive Ørsted's plans to extend its scenario analysis to include additional climate pathways, as that should enhance the robustness of its risk assessments.

While the construction, development, and maintenance of offshore wind farms can pose risks to marine ecosystems, Ørsted identifies their management as a key priority. Offshore wind operations may adversely affect marine life through activities such as piling, cable laying, and due to sedimentation, temporary species displacement, and vessel-related traffic and noise pollution. To mitigate these impacts, Ørsted implements measures such as avoiding sensitive habitats during cable routing and installation, and restoring habitats to pre-construction baseline levels. While many impacts can be minimized, Ørsted acknowledges that certain effects--such as collisions between airborne species and wind turbine blades--cannot be fully prevented. In such cases, the company adopts operational management plans, including enhanced monitoring campaigns often conducted in collaboration with local stakeholder groups. Ørsted has also committed to delivering a net-positive biodiversity impact from all new renewable energy projects commissioned from 2030 at the latest. To support this, the company is piloting several projects at its assets and has launched an improved framework to better measure and report the impact of its activities on nature.

Ørsted places an emphasis on maintaining strong relationships with local communities, proactively managing potential risks that may arise during the construction and development of renewable energy assets. The company has established a global Free, Prior, and Informed Consent framework to ensure indigenous communities are consulted and their consent is obtained prior to project development. To foster strong relationships, the company employs local community liaison officers and offers training programs to communities to enhance skills in renewable energy. Additionally, Ørsted has implemented global guidelines and a grievance management system to address negative impacts on communities. To manage social risks related to human rights within the supply chain, Ørsted has robust procurement policies that include supplier due diligence based on Organization for Economic Co-operation and Development (OECD) guidelines. These policies also involve regular audits and the implementation of development programs for suppliers.

Alignment Assessment

This section provides an analysis of the framework's alignment to Green Bond/Loan principles.

Alignment Summary

Aligned = ✓ Conceptually aligned = o Not aligned = ×

- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

✓ Use of proceeds

We assess all the framework's green project categories as having a Dark green shade, and the issuer commits to allocating the net proceeds issued under the framework exclusively to eligible green projects--refer to the Analysis Of Eligible Projects section for more information on our analysis of the environmental benefits of the expected use of proceeds. The project category consists of renewable energy with the objective of contributing towards climate change mitigation. The issuer can both finance and refinance eligible projects, although Ørsted does not expect to carry out any refinancing and therefore has not specified a lookback period. Commercial papers (CP) and hybrid securities (subordinated green hybrid securities) are eligible under the framework; however, according to the issuer, convertible bonds to equity are not eligible.

✓ Process for project evaluation and selection

The framework outlines the process for selecting and evaluating eligible projects. Eligible projects are identified in collaboration with the global sustainability team, group treasury, and group finance departments. Once identified, these projects will be submitted to the CFO for final approval. The projects' perceived environmental and social risks are assessed through Ørsted's broader enterprise risk framework. Other sustainability-related risks are managed through internal policies such as code of conduct for business partners, global human rights policy, and biodiversity policy.

✓ Management of proceeds

Ørsted's Group treasury manages the allocation and tracking of net proceeds via a dedicated green account. It ensures that the balance of the green account is periodically adjusted to track the allocation of proceeds, which are approved annually by the CFO. If projects no longer meet the framework's eligibility criteria, Ørsted will replace them with eligible projects. Pending allocation, unallocated proceeds will be invested in liquidity reserve and managed in accordance with Ørsted's cash management policies and investment mandates.

✓ Reporting

Ørsted commits to annually report the allocation of proceeds and the impact of the green financing instruments within its Green Finance Impact Report, until full allocation. Allocation reporting includes the list of eligible projects (including a description and allocated amounts), total amount of eligible green projects, and the balance of unallocated proceeds. For hybrid securities, Ørsted said it will continue allocation reporting while the bond is outstanding, including up to any early redemption at the first call date (typically five to 12 years from issuance), and will reallocate proceeds if a project becomes ineligible, in line with its Framework. Ørsted will also report on the actual environmental impact of the eligible projects. We view as positive the issuer's alignment of its impact reporting with the ICMA Harmonised Framework for Impact Reporting and its transparency on the calculation method. Another strength is that Ørsted will, annually, obtain a limited assurance report on the allocation of the proceeds, the internal tracking method, and the impact indicators. The report will be published as part of the green finance impact report. Ørsted said it will include information on green commercial papers in the Green Finance Impact Report, providing a detailed list of CP issuances, including the issue date, maturity date, amount, currency, and any outstanding balances during the reporting period. In our opinion, this approach mitigates the reporting challenges associated with these instruments.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments".

Overall Shades of Green assessment

Based on the project category Shades of Green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in Ørsted Green Finance Framework, we assess the framework dark green.

Activities that correspond to the long-term vision of a low-carbon climate resilient future.

Our Shades of Green Analytical Approach >

Green project categories

Renewable energy

Assessment	Description
Dark green	Offshore wind
	Onshore wind
	Solar PV
	Battery energy storage systems (BESS)

Analytical considerations

- Renewable energy projects such as solar photovoltaic (PV), wind, and battery energy storage systems are key elements in limiting global warming to well-below 2°C, provided their negative impacts on the local environment, and physical risks are sufficiently mitigated.
- We consider Ørsted's investments in offshore and onshore wind, solar PV, and BESS to be aligned with a dark green shading, as they contribute to a long-term energy system dominated by zero- and low-carbon electricity sources in line with well-below 2°C climate scenarios.
- While the projects themselves are aligned with long-term decarbonization goals, we note that a small share of electricity generated may be sold through PPAs to companies involved in high-emitting sectors, including oil and gas. While Ørsted's PPAs are mainly signed with companies in sectors such as technology, manufacturing, and consumer goods, there remains a residual risk that some offtakers may be linked to oil and gas-related activities. According to the issuer, PPAs are expected to represent less than 10% of total revenue between 2025 and 2027, based on current PPA value, and only a small fraction of these is anticipated to involve oil and gas counterparties. Most of these PPAs are expected to be physical. Ørsted notes that its renewable energy assets under physical PPAs typically deliver electricity via the grid rather than being directly connected to customers' operations, and that after the end of the contract, these assets continue to supply power to the grid for the remainder of their operational lifetime. However, this does not fully eliminate the risk of indirect exposure to high-emitting value chains. Given that this would represent a very limited portion of Ørsted's total revenue--and that the PPAs are

expected to be physical, with electricity delivered via the grid rather than through direct connection to counterparties--we still consider the category to be aligned with the criteria for a Dark green shading.

- Renewable energies like offshore wind, onshore wind, and solar PV can have a negative impact on local biodiversity. For all projects included in the category, Ørsted conducts Environmental Impact Assessments (EIAs) or EIA screenings, as required by law, to assess and mitigate potential impacts on biodiversity. These assessments are supported by internal processes, including a biodiversity policy and procedures to manage flora and fauna, with site-specific mitigation or compensation measures developed based on the outcome of the assessments.
- There are carbon emissions associated with the life cycle of renewable energy assets, including material sourcing, manufacturing, transport, and end-of-life management. Ørsted aims to advance circular-economy practices across its wind and solar projects by promoting eco design, extending asset lifespan, and improving reusability and recyclability, including through engagement with suppliers. For wind turbines, the estimated operational lifespan is up to 30 years.
- Ørsted integrates physical climate risk assessments into the development of new assets to ensure long-term resilience. These assessments currently cover both acute and chronic risks from asset design to end-of-life. The methodology is based on downscaled climate data from the Intergovernmental Panel on Climate Change (IPCC) CMIP6 ensemble and evaluates exposure to relevant climate hazards under the SSP5–8.5 scenario. The issuer states that, from 2025, the analysis will be expanded to include SSP1–2.6, SSP2–4.5, and SSP3–7.0. The company is also in the process of developing a more granular methodology to improve data resolution and refine financial impact estimates. The assessments are used to identify necessary design adaptations and ensure assets remain robust under future climate conditions. To date, no significant physical climate risks have been identified across the assessed projects.

S&P Global Ratings' Shades of Green

Assessments	Dark green	Medium green	Light green	Yellow	Orange	Red
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Solar power plants	Energy efficient buildings	Hybrid road vehicles	Health care services	Conventional steel production	New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

EU Taxonomy Assessment

In our EU Taxonomy assessment, we opine on whether an eligible project to be financed aligns with the EU Taxonomy in cases when the economic activity is covered by technical screening criteria (TSC), which is incorporated into European law via delegated acts. (see "Analytical Approach: EU Taxonomy Assessment").

We believe Ørsted 's project categories listed in the framework meet both the substantial contribution and do no significant harm (DNSH) criteria and its procedures are aligned with the minimum safeguards. EU Taxonomy activities that the issuer will finance are primarily focused on renewable energy, including electricity generation from wind power and solar PV technology, as well as the storage of electricity.

Regarding the minimum safeguards, Ørsted has policies and due diligence processes in place to address human rights and labor rights across its operations and value chain. The company has procedures to prevent and monitor risks related to corruption, including screening of business partners. On taxation, Ørsted follows a responsible approach, with oversight structures in place and transparent reporting practices. Measures are also in place to support compliance with competition law through internal policies and guidance.

EU Taxonomy – Detailed analysis

4.3 Electricity Generation from wind power - NACE code: D35.11, F42.22

Ørsted aims to finance both onshore and offshore wind projects.

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
✓	• We consider the issuer's activity of electricity generation from wind power as aligned with the TSC for substantial contribution to the EU's climate change mitigation objective.
Do no significant harm (DNSH): Technical screening criteria assessment	
✓	According to the TSC this activity must not harm climate adaptation, water, circular economy, and biodiversity. Pollution prevention is not applicable for this eligible economic activity. • Ørsted conducts a physical risk screening assessment for all activities financed under the framework, see 'Analysis of the generic DNSH criteria' for more details. • For DNSH on biodiversity and ecosystems, we conclude that the issuer aligns with the criteria. It is noted that Ørsted applies group-wide environmental and social standards to its non-EU assets, including in cases where EU regulations do not apply. Ørsted complies with relevant EU Directives, and environmental impact assessments are required for onshore and offshore wind projects to identify, avoid, and mitigate potential impacts on biodiversity. For offshore wind, this includes compliance with legal requirements and permit processes specific to the marine environment. The company has internal processes in place to manage biodiversity risks, and its sustainability program includes a commitment to achieving net-positive impacts on biodiversity by 2030. • For DNSH on the circular economy, we conclude that the issuer aligns with the criteria. It is noted that Ørsted applies group-wide resource management and waste handling standards to its non-EU assets, including in cases where EU regulations do not apply. Both onshore and offshore wind projects are built using durable materials, and Ørsted has a strategic approach to circularity that includes activity-specific initiatives to promote recycling and reuse. For example, Ørsted has implemented a ban on landfilling turbine blades, with decommissioned components such as towers reused and blades sent for recycling, as seen in the Owenreagh 1 wind farm in Northern Ireland. The company is also piloting the use of turbine blades manufactured with recycled glass fibers. Projects are subject to Ørsted's resource management policy and its Quality, Health, Safety, and Environment

(QHSE) processes embedded in the company's management system, Way We Work, to ensure responsible waste management throughout the project lifecycle.

- For DNSH on water, we conclude that the issuer aligns with the criteria. Only offshore wind projects are subject to water-related DNSH considerations, and environmental impact assessments are legally required to identify, avoid, and mitigate potential impacts on water and marine resources. Ørsted complies with relevant legal and permitting requirements and has internal processes in place to ensure appropriate management of these risks. The activity is also subject to Ørsted's water policy, and noise mitigation measures are implemented to limit disruption to marine ecosystems. These practices are applied across geographies, including non-EU jurisdictions, where Ørsted enforces its group-wide environmental and social standards even in the absence of EU regulatory requirements.

4.1 Electricity generation using solar PV technology - NACE code: D35.11, F42.22

Ørsted aims to finance electricity generation using solar photovoltaic technology.

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
✓	• We consider the issuer's activity of electricity generation using solar PV technology as aligned with the TSC for substantial contribution to the EU's climate change mitigation objective.
Do no significant harm (DNSH): Technical screening criteria assessment	
✓	According to the TSC, this activity must not harm climate adaptation, circular economy, or biodiversity. Water and pollution are not applicable for this eligible economic activity. • Ørsted conducts a physical risk screening assessment for all activities financed under the framework, see Analysis of the generic DNSH criteria for more details. • For DNSH on biodiversity, we conclude that the issuer aligns with the criteria. Ørsted is required to conduct Environmental Impact Assessments (EIAs) for all solar PV projects, ensuring that potential adverse impacts on biodiversity are identified, avoided, and mitigated in accordance with applicable regulations. We note that Ørsted applies group-wide environmental and social standards to its non-EU assets, including in cases where EU regulations do not apply. Biodiversity-specific considerations are integrated into project planning and permitting processes. In addition, Ørsted's sustainability program includes a commitment to achieving a net-positive biodiversity impact by 2030, which further supports the integration of nature-positive practices across its solar PV developments. • For DNSH on circular economy, we conclude that the issuer aligns with the criteria. Ørsted applies a strategic approach to circularity across its solar PV projects, including activity-specific initiatives aimed at promoting reuse and recycling of materials. The company has committed to reusing and recycling all solar PV panels, supported by partnerships with First Solar and SolarCycle, who will offtake damaged panels for recycling. We note that Ørsted applies group-wide environmental and social standards to its non-EU assets, including in cases where EU regulations do not apply. Solar PV installations are built using highly durable materials, and resource efficiency is further supported through the company's resource management policy and QHSE processes, which govern responsible waste handling and end-of-life management.

4.10 Storage of electricity

Ørsted aims to allocate a minor portion of the proceeds to battery energy storage systems (BESS).

Opinion	Key findings
Substantial contribution: Technical screening criteria assessment	
✓	• We consider the issuer's activity of electricity storage as aligned with the TSC for substantial contribution to the EU's climate change mitigation objective. This assessment applies to battery storage systems and does not extend to other forms of storage such as pumped hydropower or chemical storage, including hydrogen.

Do no significant harm (DNSH): Technical screening criteria assessment	
	According to the TSC, this activity must not harm climate adaptation, circular economy, or biodiversity. pollution prevention and water are not applicable for this eligible economic activity.
✓	• Ørsted conducts a biodiversity impact assessment and integrates climate risk and vulnerability assessments into project development to meet DNSH criteria, including adaptation considerations; see 'Analysis of the generic DNSH criteria' for more details. • For DNSH on circular economy, we conclude that the issuer aligns with the criteria. Ørsted has a strategic approach to circularity, supported by activity-specific initiatives for battery storage. We note that Ørsted applies group-wide environmental and social standards to its non-EU assets, including in cases where EU regulations do not apply. All battery storage assets are subject to the company's resource management policy and QHSE processes, which include responsible waste management practices and the implementation of waste management plans to support reuse and recycling.

Aligned = ✓ Not aligned = ✗

Analysis of the generic DNSH criteria

Opinion	Environmental objective	Key findings
✓	Climate adaptation	To meet the climate adaptation DNSH requirements, Ørsted begins with a screening of climate hazards as outlined in Section II of Appendix A, followed by a climate risk and vulnerability assessment. This assessment is integrated into project development and covers both design resilience and potential business impacts. It uses downscaled IPCC data under the SSP5–8.5 scenario to evaluate asset vulnerability and guide adaptation measures. Assets above 30 MW are included in this process, which considers impacts on structural integrity, revenue, and operating costs. From 2025, Ørsted plans to expand its scenario analysis to include four climate pathways: SSP1–2.6, SSP2–4.5, SSP3–7.0, and SSP5–8.5. Ørsted has described the engineering design processes in place to mitigate risks for relevant climate hazards.
✓	Biodiversity protection	The EIAs carried out by Ørsted include assessments of biodiversity risks, along with appropriate mitigation and compensation measures, in line with the requirements set out in Appendix D of the Delegated Act. These processes apply to assets located in or near biodiversity-sensitive areas, ensuring that potential impacts are properly managed. The issuer has confirmed that these assessments and measures will continue to apply to all future projects financed under the framework. It is noted that Ørsted applies group-wide environmental and social standards to its non-EU assets, including in cases where EU regulations do not apply.

Aligned = ✓ Not aligned = ✗

Minimum safeguards assessment at issuer level

Opinion	Key findings
✓	Regarding the minimum safeguards, Ørsted has integrated respect for human rights into its policies, value chain, and operational processes. This is reflected in policies such as the Sustainability Commitment, the Global Human Rights Policy, the Global Labour and Employment Rights Policy, the Stakeholder Engagement Policy, and the Just Transition Policy. Human rights due diligence is carried out through regular impact assessments and supplier engagement. This process includes identifying and assessing actual or potential adverse impacts, integrating findings into decision-making and mitigation plans, and tracking performance through continuous supplier engagement and annual reporting. These efforts are guided by strategic sustainability focus areas, identified through an annual double materiality assessment. Ørsted is also developing asset-level social and human rights impact assessments, alongside a global community feedback mechanism expected to be implemented in 2025. These actions are undertaken in alignment with the OECD Guidelines for Multinational Enterprises and the U.N. Guiding Principles on Business and Human Rights. The company's anti-corruption compliance program is governed by its Good Business Conduct policy. This includes clear rules on engagements with public officials and business partners, with a firm prohibition on all forms of bribery and corruption. Ørsted

performs due diligence on third parties, particularly in high-risk engagements such as mergers and acquisitions and joint ventures. Internal controls cover donations, gifts, and sponsorships, and the legal department reviews any flagged cases. A whistle-blower hotline is available at all times, with anonymous reporting enabled. The hotline is open to all employees, business partners, suppliers, customers, and other individuals affiliated with Ørsted. Reported cases are handled by Internal Audit and disclosed annually.

On taxation, Ørsted state they are committed to responsible and transparent tax practices. Its Tax Policy outlines governance structures, with oversight by the Board and Audit & Risk Committee. Day-to-day tax matters are handled by a centralized global tax team, which is involved in major business decisions. Risk management processes are aligned with OECD guidelines and include regular documentation and proactive engagement with tax authorities.

With respect to competition law, Ørsted maintains a formal policy supported by training for employees in risk-exposed positions and ad hoc sessions for senior management. The Compliance Committee oversees the program, with biannual reporting from the legal department and regular internal audits to monitor compliance.

Ørsted has confirmed that, to date, it has not been convicted of violations related to human rights, corruption, taxation, or competition law.

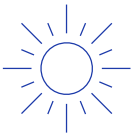
Based on external sources, following the European Commission's Platform on Sustainable Finance's recommendations on minimum safeguards, and the issuer's confirmation, we have not seen the issuer being convicted on any of the four minimum safeguards regarding competitive practices.

Aligned = ✓ Not aligned = ✗

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs
Renewable Energy	 **7. Affordable and clean energy***  **13. Climate action**

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- Analytical Approach: Second Party Opinions, Mar. 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, Mar. 6, 2025
- Analytical Approach: Shades Of Green Assessments, Jul. 27, 2023
- Analytical Approach: EU Taxonomy Assessment, Oct. 31, 2024
- S&P Global Ratings ESG Materiality Maps, July 20, 2022

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