

A person in a black wetsuit and helmet is kitesurfing on the ocean. They are holding onto the control bar of a kite, which is pulling them across the water. The background shows several white wind turbines on the horizon under a clear blue sky. The water is dark blue with white splashes around the kitesurfer.

Ørsted

Our ESG journey

DIRFdagen 2021

23 September 2021

Today's speakers

Marianne Wiinholt – Group CFO



Marianne Wiinholt has considerable executive management experience. Since 2013, Marianne Wiinholt has acted as CFO in Ørsted A/S. Marianne Wiinholt has extensive experience within finance and accounting and considerable knowledge and experience in leading, driving and delivering a sustainability agenda on a global scale.

Allan Bødskov Andersen – CFO Onshore & Head of IR



Allan Bødskov Andersen is CFO Onshore & Head of Investor Relations. He joined Ørsted in 2006 and has extensive experience with funding & capital structure, corporate rating, treasury and financial risk management. Before joining Ørsted Allan was Advisor in Denmark's Central Bank and was external associate professor at Copenhagen Business School and Copenhagen University 2000-2010.

Our vision

**Let's create a
world that
runs entirely on
green energy**



Ørsted at a glance



Offshore

- Global market leader
- Develops, constructs, owns, build and operates offshore wind farms
- Growing renewable hydrogen pipeline



Onshore

- Onshore wind farms, Solar PV and energy storage
- Presence in US and Europe



Bioenergy & Other

- Power and heat
- Energy products for customers

Headquarter:

Denmark

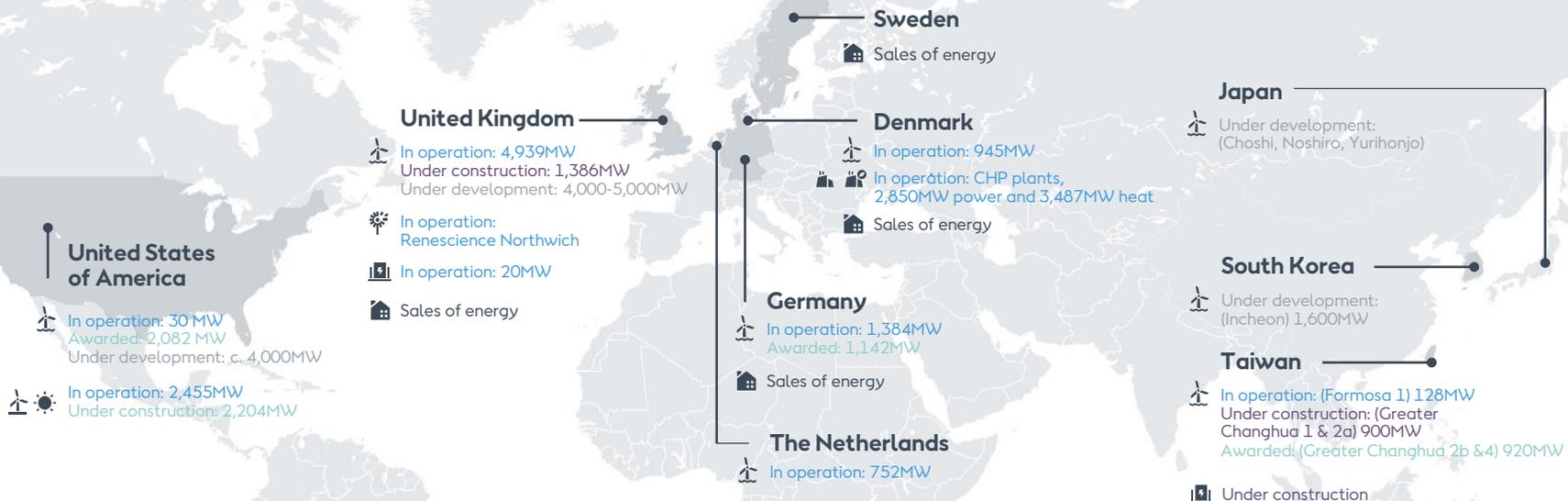
Number of employees:

6,500

EBITDA 2020:

DKK 18.1bn

Our global footprint



Activities

- 🌬️ Offshore wind
- 🌬️ Onshore wind
- 🌞 Solar
- 🏠 Biomass-fired power plant

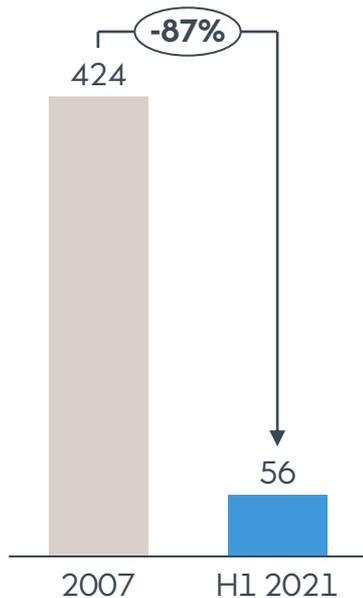
Status

- 🏠 Fossil-fueled power plant
- 🌱 Bio plant
- 🏠 Storage
- 🏠 Sales of energy
- 🟦 In operation
- 🟪 Under construction (FID)
- 🟩 Awarded
- 🟤 Under development

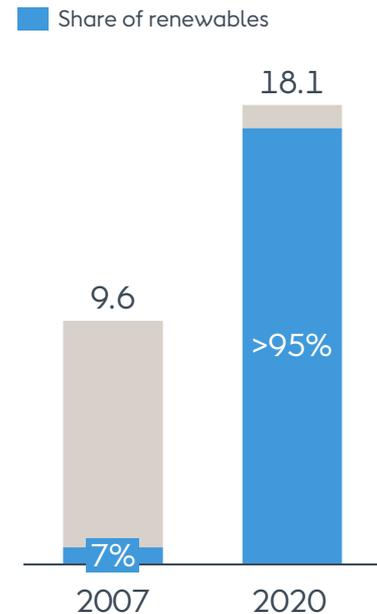
MW: Total gross capacity (even if Ørsted's share is < 100 %). The MW for the wind farms in operation illustrates the operational capacity. The map shows selected Ørsted assets.

Our transformation: From fossil-based to green in a decade

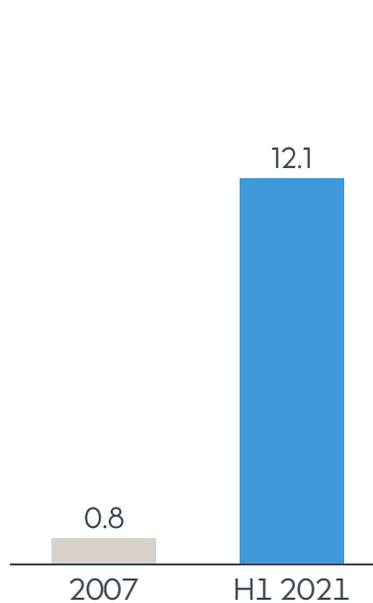
CO₂ reduction
g CO₂e/kWh



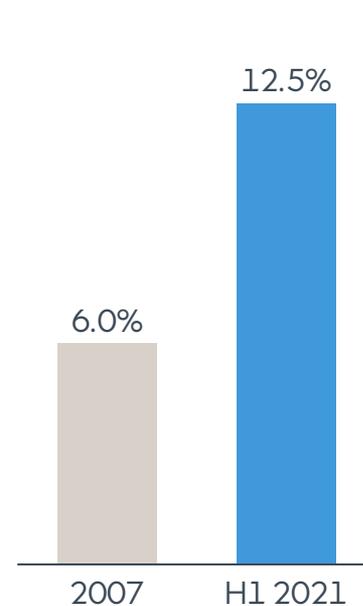
Business transformation
EBITDA, DKKbn



Renewable capacity
Installed, GW



Profitability
ROCE, %



Transforming Ørsted

1

Dismantle fossil fuels and utility business

- 40% of conventional power plant capacity closed
- Remaining plants converted to sustainable biomass
- Upstream oil and gas business divested
- Power distribution and retail businesses divested
- LNG business divested

2

Build global renewable energy business

- Offshore wind market leadership established in Europe
- Globalisation through market entry in APAC and US
- US and UK onshore wind, solar PV, and storage business established through acquisitions
- Promising green hydrogen pipeline

Ørsted's transformation ranks among the world's top business transformations of the decade

Harvard Business Review, 'Top 20 Business Transformations of the Last Decade'

No	Company name, HQ	No	Company name, HQ
1	 Netflix, US	11	 A.O. Smith, US
2	 Adobe, US	12	 Neste, Finland
3	 Amazon, US	13	 Siemens, Germany
4	 Tencent, China	14	 Schneider Electric, France
5	 Microsoft, US	15	 Cisco, US
6	 Alibaba, China	16	 Ecolab, US
7	 Ørsted, Denmark	17	 Fujifilm, Japan
8	 Intuit, US	18	 AIA Group, China
9	 Ping An, China	19	 Dell, US
10	 DBS Group, Singapore	20	 Philips, Netherlands

Going further: Our 2030 aspiration

Become the world's leading green energy major



One of the world's largest **green electricity producers**

Global no. 1
in offshore



Global top 10
in onshore



A global leader in renewable H₂ & green fuels



One of the world's largest and most value creating **deployers of capital** into the green transformation



The world's **leading talent platform** in renewable energy



A **globally recognised sustainability leader**



A core contributor and **catalyst for change** towards a world running entirely on green energy

On track to become carbon-neutral in scopes 1, 2 and 3



2025

Carbon-neutral company



Phase-out coal in 2023



Renewable energy build-out



Green operations

Scopes 1 & 2
-98 %

2040

Carbon-neutral company



Decarbonise supply chain



Wholesale buying and selling of natural gas

Scopes 1, 2 & 3
-100 %

#1

World's most sustainable
energy company
– three years in a row



The elements of solid foundation for sustainability leadership

Strategic radar

Process to monitor emerging sustainability themes and stakeholder priorities

Programmatic approach

Methodology for translating sustainability themes into programmatic action

Data foundation

Solid ESG data foundation to credibly baseline, track and report on progress

Performance monitoring

A systematic approach to managing sustainability performance

Governance

Clear, effective and cross-organisational sustainability governance

Engagement and communication

Active sustainability and ESG engagement and communication

Our sustainability governance

Board of Directors

Sets the strategic direction for sustainability at Ørsted.

Approves the sustainability targets in our corporate strategy and monitors that they are achieved. Approves our top sustainability themes and our annual sustainability report.

Chair

Thomas Thune Andersen, Chairman of the Board

Audit & Risk Committee

A board committee appointed by the Board of Directors.

Supervises the integrity of the sustainability reporting, its presentation hereof in the annual report, and the internal control system for ESG data. Approves the ESG performance report.

Chair

Dieter Wemmer, member of the Board

Internal Audit

Verifies the effectiveness of our sustainability programmes with particular focus on compliance and validity of data.

Executive Committee

Accountable for the implementation of our sustainability programmes.

Approves portfolio of sustainability programmes. Assigns accountability for programmes at executive level. Proposes the sustainability programme targets that are part of our corporate strategy to the Board and monitors that they are achieved.

Chair

Mads Nipper, CEO

Compliance Committee

Monitors our compliance with laws, rules, standards, and internal codes of conduct that apply to our business areas, including the field of sustainability.

Chair

Mads Nipper
CEO

Sustainability Committee

Approves our sustainability themes analysis, reviews our sustainability strategy, provides recommendations for programme portfolio, monitors performance of programmes, and approves our ESG data set.

Chair

Marianne Wiinholt
CFO

QHSE Committee

Oversees that we live up to our strategic priorities in terms of quality, health, safety, and environment (QHSE), reviews our QHSE strategy, and monitors performance of QHSE programmes.

Chair

Lisbeth Frømling
VP QHSE

A full sustainability programme consists of...



Understanding of the key challenges within the theme



Targets and indicators



Concrete actions towards targets



Governance structure and policies



Continued reporting on progress

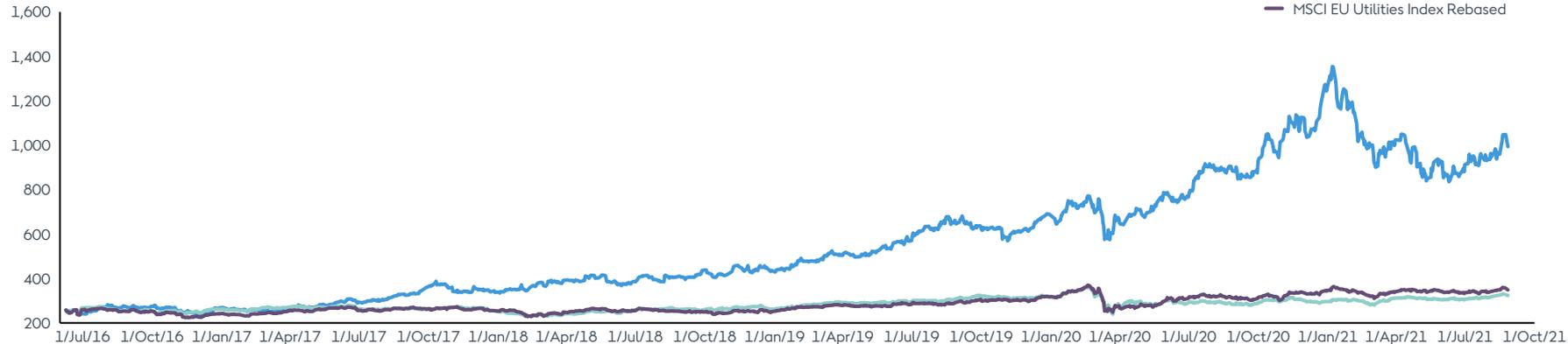


Defined desired impact on SDGs

Share price development impacted by Clean Energy ETF's...

Share price

DKK



Volume traded of iShares Global Clean Energy ETF¹



¹The iShares Global Clean Energy EFT (ICLN) is an exchange-traded fund that tracks the performance of the S&P Global Clean Energy Index; As of 27 Aug 2021, Ørsted's weight in the fund was 7.74%
Source: Tickers from Bloomberg as of 27 August 2021; Original currency EUR excl. Ørsted in DKK

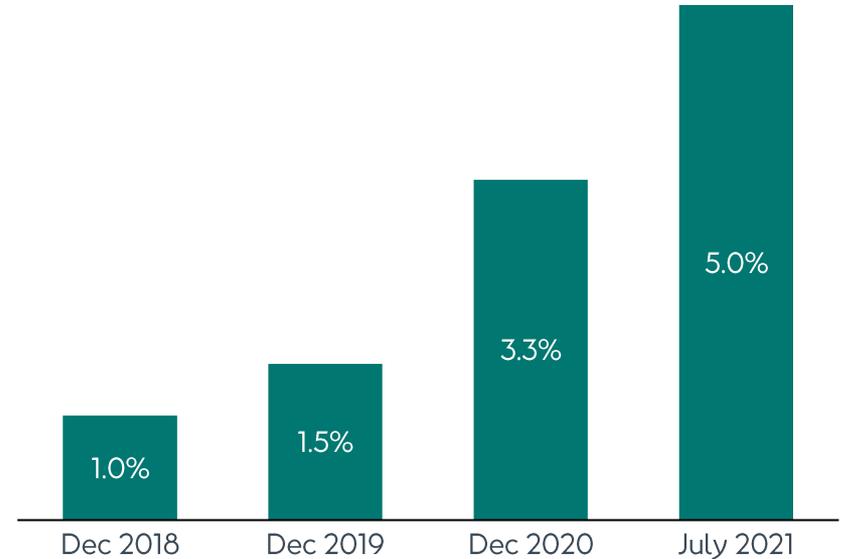
...but also significant increase in active investor engagements

Direct engagement from investors on ESG

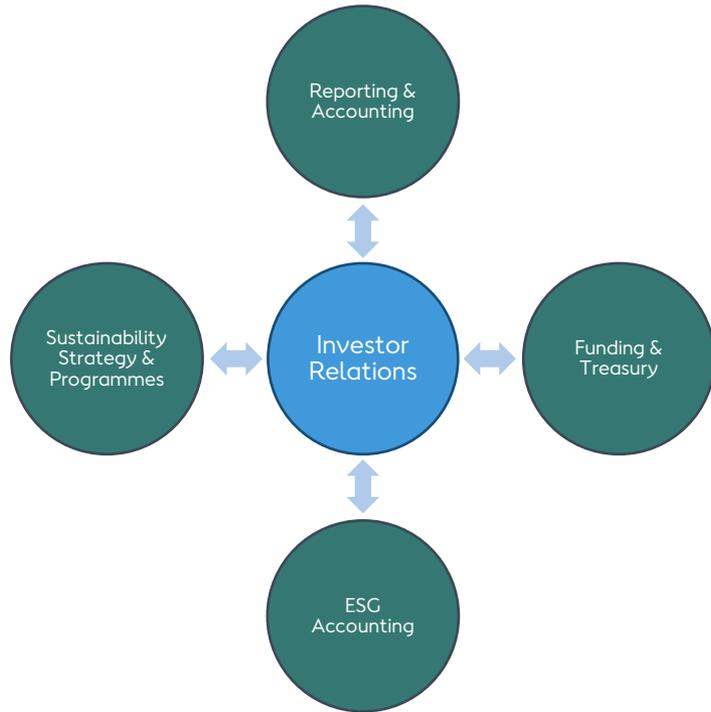
- Board composition and nomination policy (addressed to Chairman)
- Work-force diversity
- Supply chain audits during Covid-19
- Waste-water questionnaire
- Biodiversity framework
- Ocean impact
- Blade recycling and landfill
- Biomass for combined heat and power plants
- Employee churn rate
- Greenhouse gas intensity

Significant increased in dedicated 'ESG shareholders'

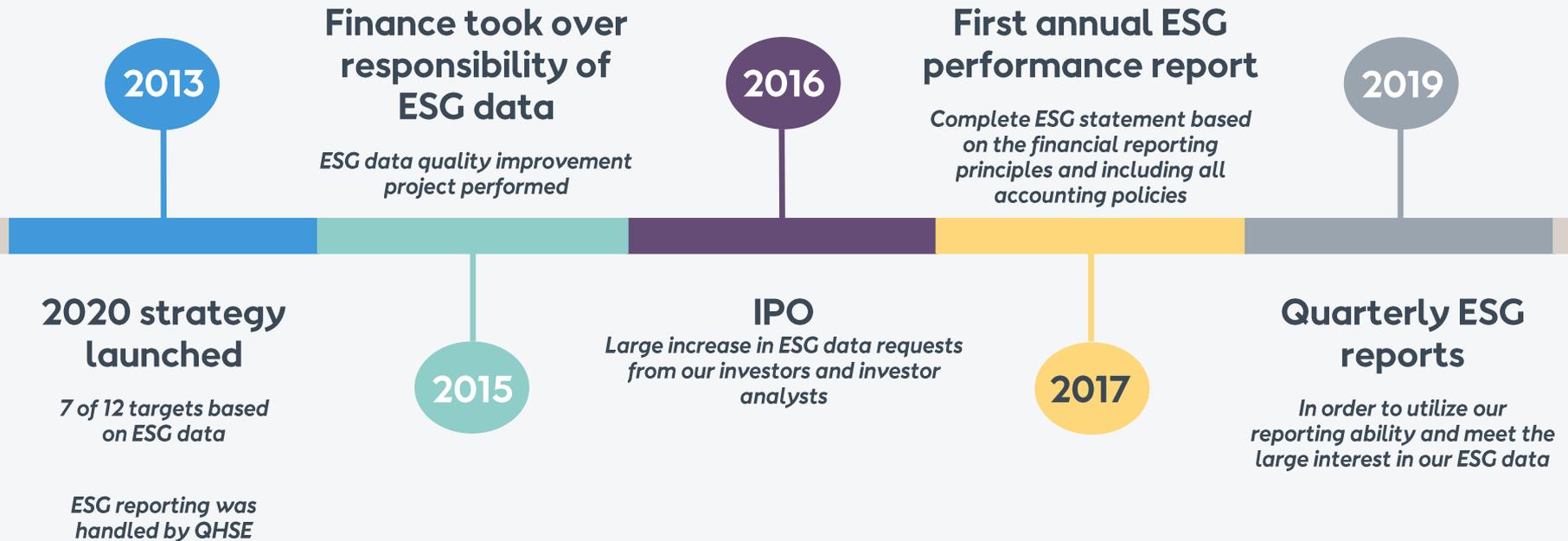
% of total shares



IR collaborate with numerous stakeholders on ESG-efforts



Building a solid data foundation



Using ESG rankings to monitor performance



Systematic approach to improving ESG ratings

We have established a systematic approach to close gaps that arise from our work with prioritized ESG ratings:

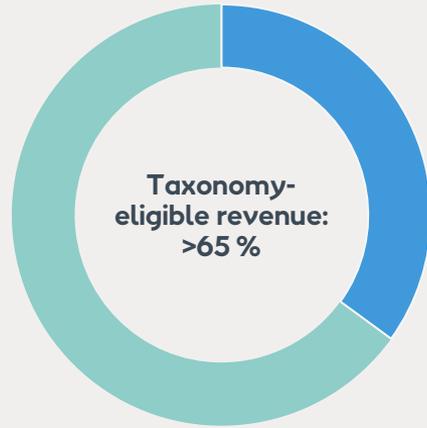
1. Systematically map the main gap to achieve top scores
2. Extract the gaps with the highest frequency
3. Priority gaps added to our ESG rating action plan
4. New action items aligned with business and implemented
5. Annually
 - ESG action plan discussed in the Sustainability Committee
 - Sustainability programmes and ESG reporting is updated

Current focus and recent initiatives:

- Ban on landfill of blades
- Net positive biodiversity impact from 2030
- Focus on gender diversity

Rating agency	2020 score	Scale	Benchmark
	A	D- to A	Awarded highest possible rating for two consecutive years. Recognised as global leader on climate action
	AAA	CCC to AAA	Ørsted awarded the highest possible rating by MSCI for four consecutive years
	20.5	0-40+	Ørsted rated as 'medium' risk and placed in the 4 th percentile in the electric utilities subindustry
	80	0-100	Ørsted awarded a Platinum Medal for being among the top 1 % of companies assessed by EcoVadis
	B+	D- to A+	Ørsted placed as no. 1 among all utilities rated by ISS ESG and awarded 'Prime' status
	64	0-100	Ørsted in top 2% (no. 71 of 4,842 companies) in V.E.'s rating universe

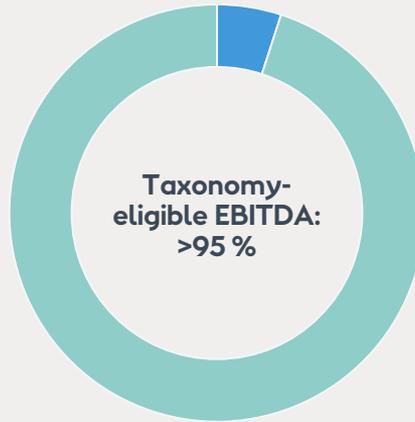
The EU is defining 'green' - Implementation of the EU taxonomy



Revenue

Taxonomy-eligible: Offshore, onshore, and bioenergy-based heat and power generation; renewable certificates/grants; partner revenue from construction, O&M, and power sales agreements

Non-eligible: Legacy natural gas activities; fossil-based heat and power generation; power sales to end customers



EBITDA

Taxonomy-eligible: Offshore, onshore, and bioenergy heat and power generation; renewable certificates/grants; construction agreements and divestment gains

Non-eligible: Fossil-based part of our CHP activities and gas sales business



CAPEX

Taxonomy-eligible: Mainly related to the construction of offshore and onshore wind farms and solar PV assets

■ Taxonomy-non-eligible ■ Taxonomy-eligible

Financing climate action

Green bond framework

- Since 2017, all new Ørsted bonds have been issued in a green format, and we will continue to deploy green financing going forward
- Outstanding green bonds currently account for more than half of Ørsted's total bond portfolio
- Our 'Green finance framework' has received the highest possible grading – a dark green shading – from CICERO Shades of Green
- We have issued 11 green bonds with a total value of DKK 27.1bn
- With our green financing, we support progress towards the Paris Agreement and aspire to have a transformative impact on the UN Sustainable Development Goals #7 on affordable and clean energy and #13 on climate action



15.5 million people

can be powered annually by the seven green bond projects in operation and under construction¹



2.7 million tonnes CO₂

avoided emissions potential from allocated green bond proceeds annually²

113 tonnes CO₂

avoided emissions potential per DKK 1 million allocated proceeds annually²

Questions?

