

The Ørsted Way
Let's create a
world that runs
entirely on
green energy



ESG performance report 2018

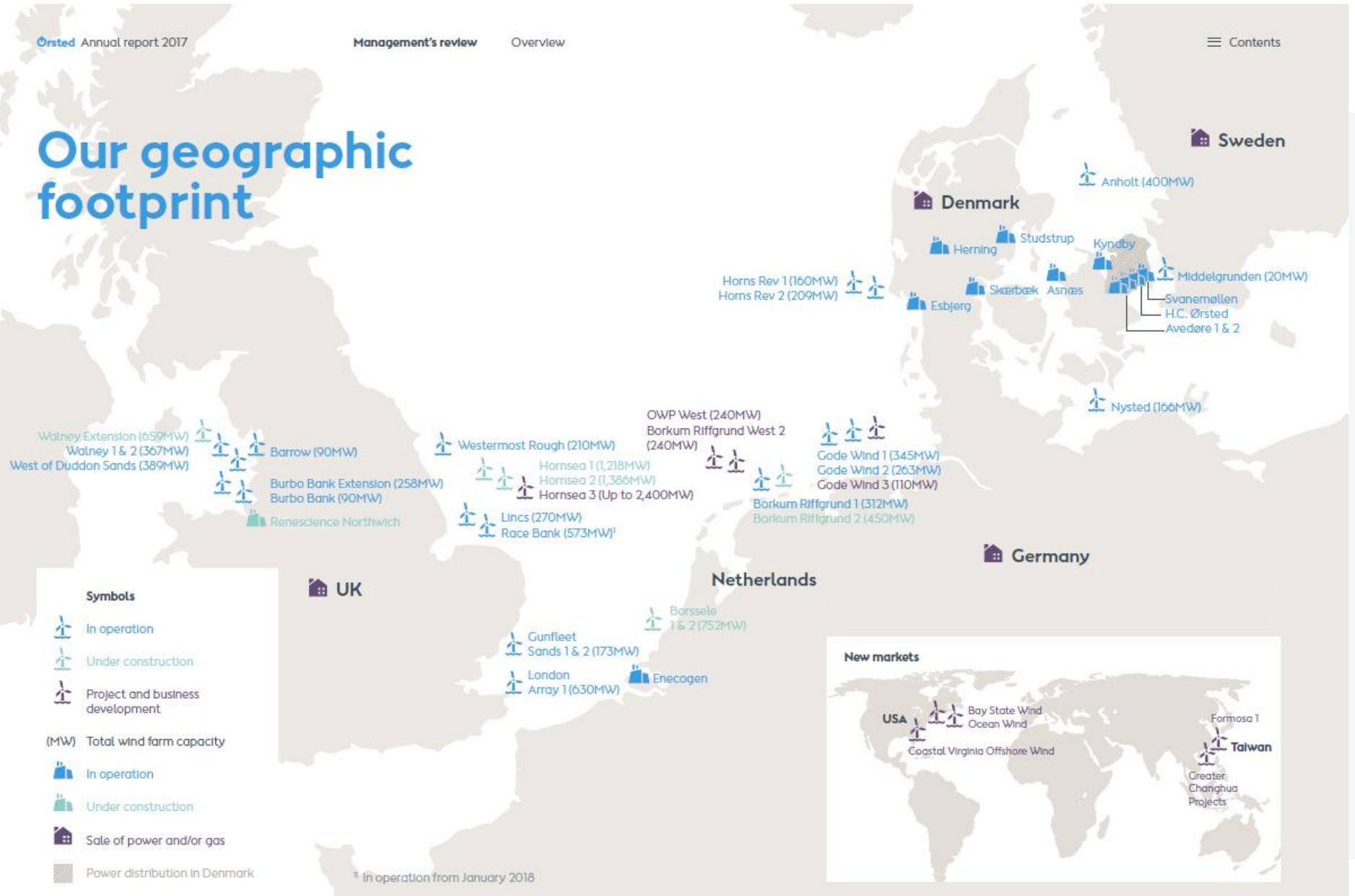
Background, process and results



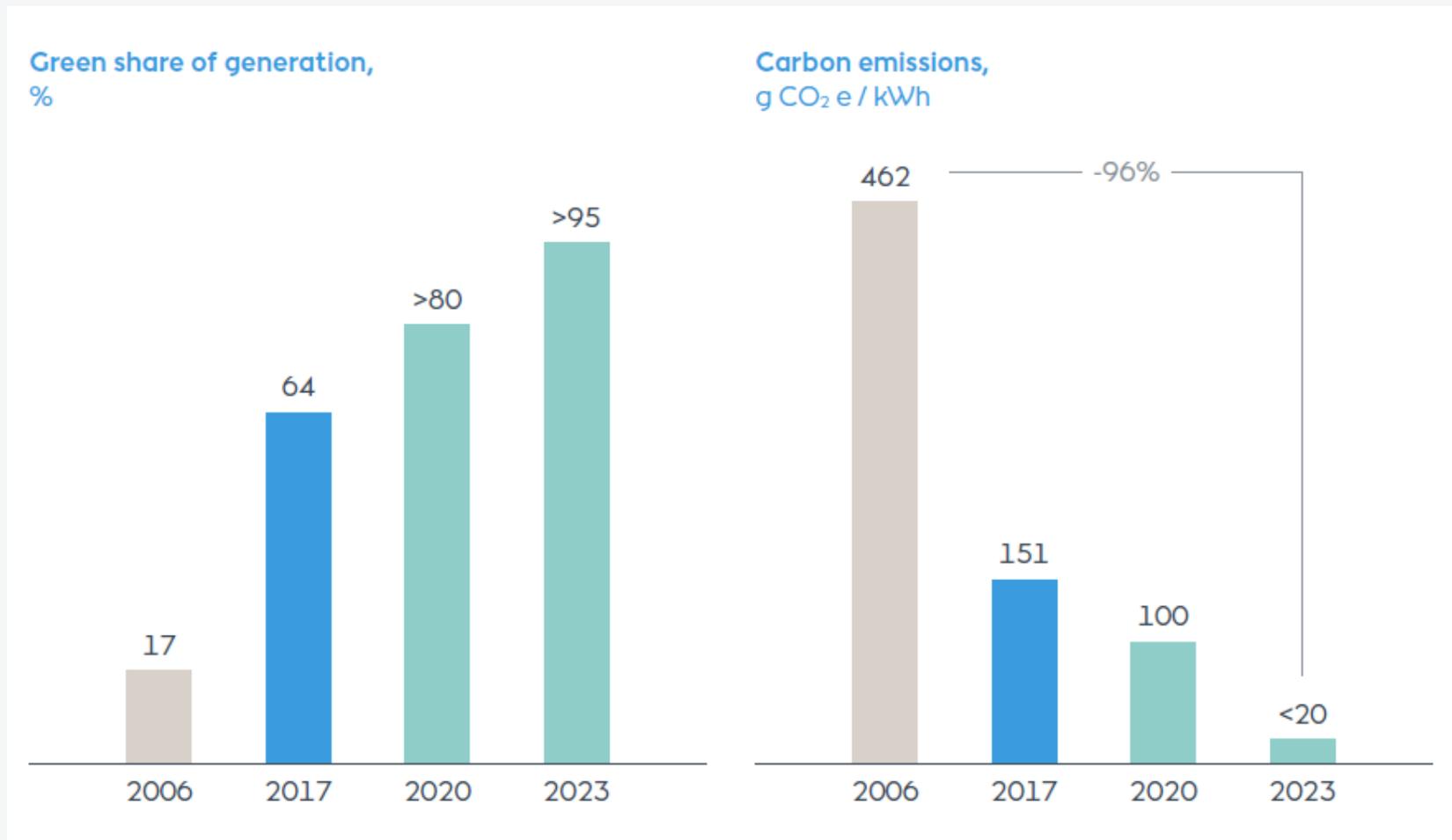
Niels S. Peulicke-Andersen

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Our geographic footprint



Ørsted's green transformation



Agenda

- Background
- Why we decided to prepare the ESG performance report
- New – compared with 2017
- What we didn't have time for
- Plans for 2018

Background – why did we develop the ESG report?

- 2015 Sustainability Project
 - Non-financial data quality needed to be strengthened
 - Sustainability accounting handed over from QHSE to Finance
 - Responsibility (CFO's), data quality, reporting processes, reports
- 2017: The Annual Report & the Sustainability Report- request for shorter reports
- Increased request for sustainability data from investors and rating scheme companies
- ESG focus from investors specifically
- We want to publish our data so they can be accessed by all and used for various purposes
- We wanted a more stable statement template
- NASDAQ Nordic published their ESG reporting guide

What we didn't find time for

- Illustrations, graphs etc.
- Management review like first section
- Integrate governance model
- More data from the Nasdaq ESG guideline and Integrated Ratio Guideline from Center for ESG Research

Key developments of ESG Reporting 2016-2017

ESG Reporting 2016

Consolidated Non-financial statements

1. The chapter was targeted at investors, analysts, and rating agencies as well as the sustainability community
2. Both strategic targets, business drivers, additional ESG indicators in management review, and a selection of sustainability indicators were included
3. Illustrations, development explanations and detailed accounting practices were included

Sustainability Performance

1. The report was targeted at investors, analysts, and rating agencies as well as the sustainability community
2. The report was a data appendix to the sustainability report including sustainability indicators but excluding non-financial data that did not fit under the sustainability umbrella
3. The report included detailed development explanations and detailed accounting practices
4. The report was aligned with the sustainability report through a structure based on the 20 sustainability programmes

ESG Reporting 2017

Consolidated ESG Reporting (see separate slide)

*Limit the scope to support the Management Review (MR)
– no additional sustainability data not mentioned in the MR*

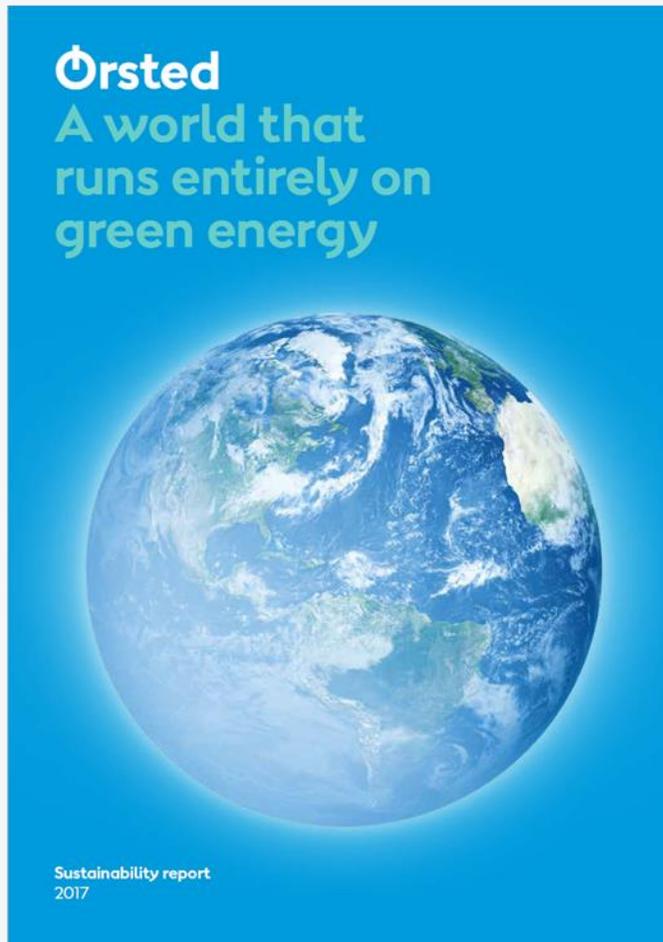
1. The chapter will be targeted more specifically to investors, analysts, and rating agencies – as well as other stakeholders who request specific ESG data
2. Strategic targets, business drivers, and additional ESG indicators in management review will be included (additional sustainability indicators are excluded)
3. Short versions of development explanations and short descriptions of accounting practices are included (limited storytelling with no overlaps with other reporting products)

ESG Performance Report (see separate slide)

Change the report from an appendix to the Sustainability Report to an independent ESG performance report

1. With our IPO, we are experiencing an increasing demand from investors for comprehensive and detailed ESG data
2. The report will be targeted more specifically to investors, analysts, and rating agencies – as well as other stakeholders who request specific ESG data
3. The report is an independent report including a complete set of ESG data incl. sustainability and non-financial indicators
4. The report will include short development explanations and detailed accounting practices
5. The report will be alignment with international reporting standards and guidelines will be secured through structure and references, e.g. Nasdaq, GRI, CDP, UNGC, etc.

Annual reporting products 2017



New in 2017

- Target group defined as investors
- ESG performance report template (ESG chapters)
- Mark data which is audited
- Avoided emissions
- Scope 1-3 reporting
- CEO pay rate
- Financial numbers included separate (EBITDA, income tax) and integrated (CO₂e/EBITDA)
- Changes to some data
 - Responsible Partners Programme reporting
 - Gender diversity
 - SAIFI excl. transmission grid

ØRSTEDS POULSEN PRESSER GRØNT FINGERAFTRYK IGENNEM

CEO Henrik Poulsens transformation af Ørsted fra sort til grøn energikoncern betyder, at selskabets reduktion i CO₂-emissioner nærmer sig fuldendt. Investorer får i den første danske ESG Performance Rapport nye samfundsansvarlige nøgletal, som giver Ørsted mulighed for at snige sig ind i CSR-verdenseliten. Ny rapportering baseret på dugfriske guidelines fra Nasdaq.

SAMFUNDSANSVAR

Ørsteds symbolske navneændring signalerer ikke bare et nyt fokus, men også begyndelsen til afslutningen på selskabets grønne transformation, hvor bekæmpelse af klimaforandringerne er selve formålet. En position, mange

ESG er i organisationen og i virksomhedens ledelse helt op til bestyrelsen – og om der er stærke processer til at håndtere risici og muligheder indenfor ESG-området,” uddyber Niels Strange Peulicke-Andersen.

På konkrete governancerelaterede oplysninger kan man bl.a. læse, at CEO Henrik Poulsens løn svarer til 22 gennemsnitslønninger i selskabet. Tallet steg fra 19 i 2016, men er i international sammenhæng stadig meget lavt. Ørsted har færre uafhængige bestyrelsesmedlemmer og betaler 16 procent mindre i selskabsskat i 2017 end i 2016.

“Vi mener, at vi i år har gjort data mere transparent og let tilgængelig. Vi har også tilføjet nogle relevante nye indikatorer, og vores resultater viser stor fremgang i den

The future (2018 and beyond)

Areas of development

- ESG reporting standards, frameworks etc.
- ESG best practises
- ESG data set
- Integrated financial/ESG indicators
- Qualitative ESG reporting (data and information that does not fit into HFM)
- Value-chain reporting (up- and downstream)

Areas of development (cont.)

- ESG data quality
- External review
 - scope (all ESG data?)
 - assurance level (limited or full assurance of the annual report)
- IT system support and reporting processes

Possible new ESG indicators in 2018

- Gender pay rate
- Market based scope 2 reporting developed further
- Scope 3 greenhouse gas indicators
- Separate reporting of emissions from power and heat
- Strengthened E-reporting
 - Air emissions from power plants
 - Residual products from CHP plants