

Ørsted

Remuneration report 2021



2021 reports



[Sustainability report 2021](#)

In our sustainability report, you can read more about how Ørsted as a business contributes to addressing some of the challenges faced by society. Together with our ESG performance report, it constitutes our reporting to the UN Global Compact.



[ESG performance report 2021](#)

In our ESG performance report, you can read more about Ørsted's environmental, social, and governance indicators.



[Annual report 2021](#)

In our annual report, you will find a comprehensive range of information about Ørsted – primarily on financial performance, but also on sustainability performance.



[Green bond impact report 2021](#)

In our green bond impact report, you will get an insight into our green bond portfolio. Outstanding green bonds currently account for 2/3 of Ørsted's total bond portfolio.



[Statutory corporate governance report 2021](#)

In our statutory corporate governance report, you can read more about how we have incorporated and follow the recommendations prepared by the Danish Committee on Corporate Governance.

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The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs, and operates offshore and onshore wind farms, solar farms, energy storage facilities, renewable hydrogen and green fuels facilities, and bioenergy plants. Moreover, Ørsted provides energy products to its customers. Ørsted is the only energy company in the world with a science-based net-zero emissions target as validated by the Science Based Targets initiative (SBTi). In 2022, we were ranked the most sustainable energy company in the world for the fourth time in a row in the Corporate Knights Global 100 index, and we are recognised on the CDP Climate Change A List as a global leader on climate action.

Chairman's statement

Dear shareholder

On behalf of the Board of Directors, I present the remuneration report for 2021. The reported remuneration is in line with our remuneration policy.

At the annual general meeting in 2021, the remuneration report (advisory vote) and the updates of the remuneration policy were approved. 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. Similar objectives are implemented in our remuneration policy for management and employees to ensure a fully aligned effort in all parts of the organisation.

From 2022, the short-term incentive scheme (STI) will be updated to have an even stronger and more systematic integration of ESG to further support our sustainability priorities.

We also work to further increase the transparency on equal pay across our organisation. We have launched several initiatives to ensure equal pay and equal opportunities for our employees and have a high focus on this in our remuneration policies and compensation model. You can read more about this topic in our ESG performance report.

Our objective in this report is to give a transparent and comprehensive overview of the remuneration of our Executive Board and our Board of Directors.

Mads Nipper was appointed CEO of Ørsted on 1 January 2021. The comparison numbers for 2020 show the remuneration of our former CEO, Henrik Poulsen, who is now a member of the Board of Directors. In February 2021, CCO and Deputy Group CEO, Martin Neubert, joined the Executive Board.

In the Executive Board's long-term share-based incentive scheme (LTI) that vested in April 2021, Ørsted was ranked number one when benchmarked on total shareholder return (TSR) against ten comparable energy companies. Therefore, the maximum number of shares vesting was granted. The combination of a TSR of 167% during the grant to settlement period driven by the positive development in the share price since the grant and the ranking among peers resulted in a value of the LTI programme equalling 107% of the Executive Board's base salary at the time of the grant in 2018. Since the grant vested in April 2021 and to the end of 2021, the share price has gone down 7%.

However, despite a year with extraordinary market conditions, such as low wind, COVID-19, and the European energy crunch, we managed to navigate through it successfully.

We commissioned several new onshore assets, progressed on our strategic objectives, and had satisfactory financials. In total, the cash-based incentive scheme amounted to 75% of the maximum bonus for all of the Executive Board.



Thomas Thune Andersen
Chairman of the Nomination & Remuneration Committee

“
**On behalf of the Board of Directors,
I present the remuneration report for 2021.**

Summary of remuneration policy

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 policy was updated in 2021, introducing a fixed travel compensation for members of the Board of Directors residing outside of

Europe and an authorisation for the Board of Directors to establish an indemnity scheme covering the Board of Directors and the Executive Board.

The remuneration of the Executive Board includes short-term cash-based and long-term share-based incentive remuneration, which is designed to support the strategy, long-term interests, and sustainability of Ørsted.

The short-term cash-based scheme includes, among other things, environmental, social, and governance (ESG) targets. The long-term share-based incentive scheme is based on Ørsted's total shareholder return (TSR) relative to peers to ensure a transparent link between Ørsted's performance and the value of the scheme.

The remuneration level should be competitive, but not market-leading, compared to the remuneration levels in other major listed Danish companies with international activities.

The Board of Directors receives a fixed annual fee.

The full remuneration policy is available at orsted.com/remuneration2021.

Remuneration structure

The remuneration structure for the Executive Board is shown in the table below. The two incentive schemes are described in more detail on the following pages.

Remuneration structure¹

Element	Objective	Remuneration level	Performance measure
Fixed base salary	Align with market to attract and retain qualified executives.	Competitive, but not market leading, compared to the levels in other major listed Danish companies with international activities.	None
Cash-based incentive scheme (STI)	Support the strategy of Ørsted.	Target of 15 % of the fixed base salary. The maximum bonus amounts to 30 % and will be paid out in case of full achievement of all performance targets.	The performance reward agreement consists of three targets ² : – an individual business and leadership target which includes environmental, social, and governance (ESG) targets (60%) – a financial target (30%) – a safety target (10%).
Share-based incentive scheme (LTI)	Support the strategy, long-term interests, and sustainability of Ørsted.	Target of 20 % of the annual fixed base salary at the time of grant. After three years, shares will be allocated at 0-200 % of the number of performance share units (PSUs) granted, depending on Ørsted's total shareholder return compared to peers.	The final number of shares will be determined on the basis of Ørsted's total shareholder return, benchmarked against peers in the energy industry.
Pension, incl. social security and benefits	Align with market to attract and retain qualified executives.	Pension contributions are considered included in the fixed base salary. The Executive Board is covered by Ørsted's insurance schemes. Benefits include a company car.	None
Severance pay	Align with market to attract and retain qualified executives.	If a member of the Executive Board is terminated by the company, the person is entitled to 24 months' salary, composed of full remuneration during the 12 months' notice period and 12 months of severance pay (fixed base salary only).	n.a.

¹ The Executive Board does not receive any remuneration (e.g. board fees or similar) from associated companies in the Group.

² The STI weight will change in 2022 and increase shared KPIs to 70 % compared to 40 % currently.

Cash-based incentive scheme (STI)

The short-term incentive scheme (STI) is a variable cash-based incentive scheme with a term of 12 months. The target bonus amounts to 15 % of the fixed base salary and may not exceed 30 %. The Nomination & Remuneration Committee of the Board of Directors will make proposals for remuneration of the Executive Board, which will be subject to approval by the entire Board of Directors. These include settlements of short-term incentive schemes for the preceding year and new targets for the coming year.

The Executive Board's individual business targets are tied directly to Ørsted's green growth strategy to build out renewable energy in a sustainable and safe way. The individual business targets comprise a number of items (including ESG), which are defined at the beginning of the year and updated during the year, if new targets become relevant, to ensure continuous alignment with shareholder interests. See page 9 for a more detailed description of the targets.

Share-based incentive scheme (LTI)

The Executive Board is covered by a share programme. It is a condition for being granted performance share units (PSUs) that the participant holds a number of Ørsted shares, representing a value equal to a share of each participant's fixed base salary. For the CEO, this share is 75 % of the fixed base salary, and for the CFO and the CCO, it is 50 %. The shareholding requirement should be satisfied within a three year period from first grant.

If the participants fulfil the shareholding requirement at the time of the annual grant, they will receive a number of PSUs, representing a value equal to 20 % of their fixed base salary at the time of granting. The PSUs granted have a vesting period of three years, after which each PSU entitles the holder to receive a number of shares free of charge, corresponding to 0-200 % of the number of PSUs granted. The number of shares are capped at 200 % of the PSUs; however, the value of the shares is unlimited, as there is no cap on share price increases. Assuming no share price development since the grant, the value would correspond to 0-40 % of the fixed base salary at the time of the grant. The final number of shares for each participant will be determined on the basis of the TSR delivered by Ørsted, benchmarked against ten peers in the industry, i.e. 200 % if Ørsted ranks first, 100 % if sixth, and no shares if we rank last.

The minimum, target, and maximum remuneration scenarios are shown in the bottom chart, based on an unchanged share price from the time of the grant to vesting. The chart further illustrates three scenarios, assuming the maximum performance and vesting of 200 %, combined with different share price developments.

If a member of the Executive Board leaves Ørsted as a result of his or her own resignation or due to breach of his or her employment, the entitlement to shares vesting after the notice period is lost in accordance with the terms and conditions for the scheme.

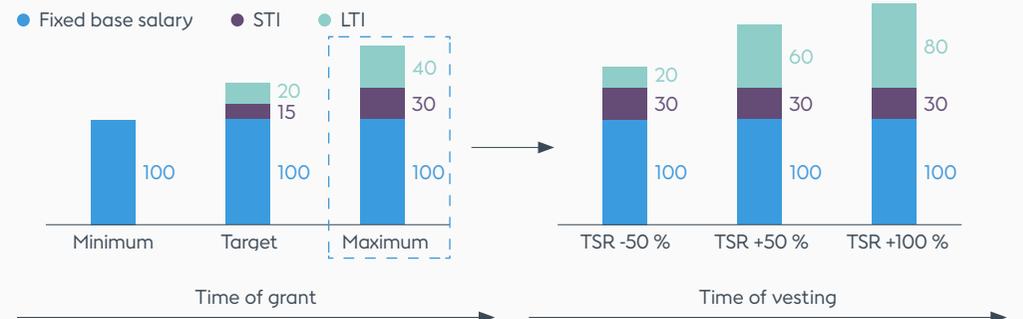
Remuneration structure and timing



The table illustrates the components and timing of the Executive Board remuneration. In year 1, a fixed base salary and a potential STI are awarded.

Furthermore, a fixed number of PSUs are granted in year 1 with a three-year vesting period.

STI and LTI payout scenarios at min., target, and max. performance and max. scenarios at various TSR levels, %



Scenarios illustrating remuneration structure at grant share price.

Assuming max. STI and vesting factors, the scenarios illustrate remuneration at different TSR levels for the vesting period.

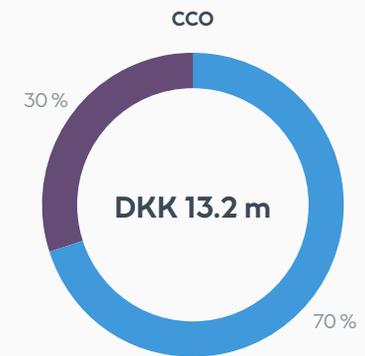
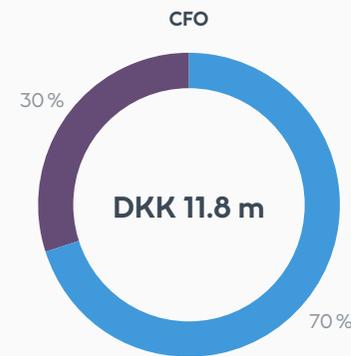
Remuneration of the Executive Board

Remuneration in 2021

The remuneration awarded to our Executive Board in 2021 was in line with our remuneration policy. Despite a year of global uncertainty, we maintained strong operational, strategic, and financial results, and we kept our guidance throughout the year. Following this performance, the STIs of the year have been settled at 75% of the maximum across the Executive Board. This was slightly below last year's achievements, mainly driven by last year's very strong financial performance exceeding expectations.

Composition of fixed and variable remuneration, awarded 2021, %

● Fixed remuneration ● Variable remuneration



Awarded remuneration of the Executive Board, DKK '000

Element	CEO				CFO				CCO											
	Mads Nipper		Henrik Poulsen		2021		%		2020		%		2021		%		2020		%	
Fixed remuneration																				
Fixed based salary	15,000	68	11,032	66	8,000	68	6,199	65	9,000	68	n.a.	n.a.								
Benefits, incl. social security	297	2	211	1	218	2	258	3	212	2	n.a.	n.a.								
Variable remuneration																				
Cash-based incentive scheme (STI)	3,358	15	3,123	19	1,791	15	1,708	18	2,015	15	n.a.	n.a.								
Share-based incentive scheme (LTI)	3,308	15	2,408	14	1,765	15	1,353	14	1,985	15	n.a.	n.a.								
Total remuneration	21,963	100	16,774	100	11,774	100	9,518	100	13,212	100	n.a.	n.a.								
Reversal of LTI due to resignation ¹			(7,881)		(3,118) ¹															
Total remuneration, incl. resignation reversal			8,893		8,656															
STI in % of maximum bonus	75 %		94 %		75 %		92 %		75 %		n.a.									

¹ Reversal is related to the discontinued LTIs granted in 2020-2021 following the CFO's resignation in December 2021.

The remuneration from the share-based incentive programme stated in the table on page 7 reflects the market value of the scheme in the year in which it was granted.

The Executive Board's cash bonuses (STIs) include targets for EBITDA and the safety measure TRIR. In 2021, TRIR was 3.0, which was a strong performance compared to our target. The score therefore reached 75 % of the maximum EBITDA ended within our guidance in the beginning of the year. The score reached 49 % of the maximum.

The remuneration awarded to our CEO, Mads Nipper, totalled DKK 22.0 million in 2021. This was 31 % higher than CEO Henrik Poulsen's remuneration in 2020. The increase was a result of a general alignment of the remuneration level to current external market levels. The cash bonus (STI) made up DKK 3.4 million, corresponding to 75 % of the maximum bonus. The individual business and leadership targets (see page 9) reached 88 %, reflecting a year where the majority of our milestones were achieved.

The remuneration awarded to our CFO, Marianne Wiinholt, totalled DKK 11.8 million, excluding reversal of LTI, representing an increase of 24 % compared to 2020. To support aligned levels of remuneration among the Executive Board members and to align with current external market levels, the base salary for the CFO was adjusted by 29 % in 2021.

The cash bonus (STI) made up DKK 1.8 million, corresponding to 75 % of the maximum bonus. The CFO's individual business and leadership targets reached a 88 % score, also reflecting a year with several important milestones achieved.

Our CCO and Deputy CEO, Martin Neubert, was included in the Executive Board in February 2021. His awarded remuneration totalled DKK 13.2 million. For comparison reasons, his remuneration for all 12 months of 2021 is included. The cash bonus (STI) made up DKK 2.0 million, corresponding to 75 % of the maximum bonus. The CCO's individual business and leadership targets reached a 88 % score, reflecting a year with several important milestones achieved.

The composition of awarded, fixed, and variable remuneration is seen in the chart on page 7. The cash-based remuneration is described on page 11.

See appendix for further information regarding remuneration of the Executive Board.



Borssele 1 & 2, near Vlissingen, the Netherlands.

Performance of the Executive Board

Performance criteria and applicable remuneration	Relative weighting	Mads Nipper, CEO		Marianne Wiinholt, CFO		Martin Neubert, CCO	
		Objectives	Score	Objectives	Score	Objectives	Score
Safety target	10 %	– TRIR ¹ (% of max. score)	75 %	– TRIR ¹ (% of max. score)	75 %	– TRIR ¹ (% of max. score)	75 %
Financial target	30 %	– EBITDA (% of max. score)	49 %	– EBITDA (% of max. score)	49 %	– EBITDA (% of max. score)	49 %
Specific individual business and leadership targets	60 %	<ul style="list-style-type: none"> – Drive a relentless focus on safety culture – ROCE in line with plan – Mature pipeline of offshore and onshore projects towards value-creating FID cases – Proactively use Capital Markets Day preparation to drive a strategic process focusing on our must-win battles, core capabilities, and management systems – Win auctions and/or secure key access rights/permits in Offshore's existing and new strategic markets with a sustained focus on value-creation – Further push and support innovation and digital transformation as competitive differentiators – Deliver major construction projects on budget and on time – Advance development of renewable hydrogen pilot projects – Proactively support diversity, inclusion, and scalability of our global talent base in a rapidly growing business – Raise the bar further on Ørsted's sustainability journey towards our aspiration of being a global sustainability leader and engage the entire business in driving sustainability – Deliver on path towards 99 % green share of generation by 2025, reduce scope 1 and 2 greenhouse gas (GHG) emissions by 98 % by 2025, and reduce scope 3 GHG emissions by 50 % by 2032 	88 %	<ul style="list-style-type: none"> – Drive a relentless focus on safety culture – ROCE in line with plan – Proactively manage risks related to currencies, interest rates, inflation, and tax (in particular transfer pricing) – Deliver a successful Capital Markets Day in June – Deliver value creation from digital transformation and realise synergies across the business without compromising quality – Deliver tangible improvements on the cybersecurity agenda – Proactively support diversity, inclusion, and scalability of our global talent base in a rapidly growing business – Sustain Ørsted's position as 'best in class' within ESG measured through top rankings in the ESG/sustainability ratings. Implement EU green taxonomy framework – Deliver on path towards 99 % green share of generation by 2025, reduce scope 1 and 2 greenhouse gas (GHG) emissions by 98 % by 2025, and reduce scope 3 GHG emissions by 50 % by 2032 	88 %	<ul style="list-style-type: none"> – Drive a relentless focus on safety culture – ROCE in line with plan – Mature awarded portfolio towards strong pre-FID and FID cases – Deliver a successful Capital Markets Day in June with special focus on Offshore's updated strategic ambition – Win auctions and/or secure key access rights/permits in Offshore's existing and new strategic markets with a sustained focus on value-creation – Complete successful farm-downs of Borssele 1 & 2 and Changhua 1 and deliver divestment of B2B UK – Expand the ability to offset price-related risks through the traded and wholesale markets – Advance development of renewable hydrogen pilot projects – Scan the global offshore renewables market for potential value accretive acquisitions – Accelerate scope 3 emissions reductions, while optimising value of gas and customer portfolios 	88 %
Total STI, %			75%		75%		75%
Total STI award, DKK'000			3,358		1,791		2,015

¹ Total recordable injury rate (TRIR).



The table is a non-exhaustive summary of the individual business targets for our CEO, CFO, and CCO as well as shared Group targets. They must deliver fully on all their individual targets in order to

achieve the maximum cash bonus (STI). The other members of the Executive Committee have their own individual business targets and are remunerated according to the same model as described above.

Vesting of long-term incentive scheme

The 2018 grant vested in 2021. Ørsted was ranked number 1 when benchmarked on total shareholder return against ten comparable energy companies during the performance period. See the table below.

As Mads Nipper has only been employed since January 2021, he was not included in the 2018 grant. Marianne Wiinholt received 6,974 shares, corresponding to 200 % of the number of PSUs granted. The corresponding share value at the time of vesting amounted

Peer group ranking for 2018 grant at time of vesting in 2021

	TSR ¹	Rank
Ørsted	177 %	1
EDP Renováveis	141 %	2
Iberdrola	110 %	3
EDP	98 %	4
Enel	95 %	5
RWE	94 %	6
SSE	45 %	7
Fortum	43 %	8
E.ON	24 %	9
EDF	12 %	10
Centrica	(52 %)	11

¹ Based on performance period, see appendix.

Shares owned by the Executive Board

	CEO	CFO	CCO
Number of Ørsted shares owned at 1 January 2021	1,464	99,758	14,480
Added shares	3,491	6,974	5,732
Sold shares	-	(18,000)	-
Number of Ørsted shares owned at 31 December 2021	4,955	88,732	20,212
Fair value of Ørsted shares at 31 December 2021 in DKKm	4.1	74.1	16.9
Fair value of Ørsted shares at 31 December 2021 in percentage of fixed base salary for 2021	28 %	926 %	188 %



The table shows that all members of the Executive Board meet the shareholding requirement.

to DKK 6.3 million. From Martin Neubert's previous role as a member of the Executive Committee, Martin Neubert was included in the 2018 grant. He received 5,732 shares, corresponding to 200 % of the number of PSUs granted. The corresponding share value at the time of vesting amounted to DKK 5.2 million.

The combination of the ranking and the TSR performance of 167 % since the grant (see appendix) resulted in a value of the LTI programme equalling 107 % of the base salary at the time of the grant in 2018.

Share holdings

Our CEO, CFO, and CCO held 4,955, 88,732, and 20,212 shares at 31 December 2021, respectively, corresponding to approx. 0.3, 9, and 2 years of annual fixed base salaries in shares.

Holding of unvested PSUs

At year end, the value of the granted, but unvested share programme was DKK 2.2 million for Mads Nipper, DKK 2.2 million for Marianne Wiinholt, and DKK 4.6 million for Martin Neubert, respectively, assuming a 100 % vesting factor.

Performance period and key assumptions for valuation of PSUs

	2021	2020	2019	2018
Share price at the time of granting	1,025	666	504	392
Average volatility, peers	28.8 %	24.1 %	22.3 %	24.5 %
Volatility, Ørsted	29.6 %	24.6 %	20.9 %	19.7 %
Risk-free interest rate	0.1 %	(0.5 %)	(0.4 %)	(0.3 %)
Calculated cost for PSUs at time of granting	1,246	794	598	461
Performance period	3 years	3 years	3 years	3 years
Award date	April 2021	April 2020	April 2019	April 2018
Vesting date	May 2024	May 2023	May 2022	May 2021
Market value of PSUs in the year, at time of award				
DKKm				
CEO ¹	3.31	2.41	2.69	2.73
CFO	1.76	1.35	1.51	1.53
CCO	1.99	n.a.	n.a.	n.a.
Maximum number of outstanding shares in % of share capital, at time of award				
CEO ¹	0.001 %	0.007 %	0.009 %	0.010 %
CFO	0.003 %	0.004 %	0.005 %	0.005 %
CCO	0.003 %	n.a.	n.a.	n.a.

¹ From January 2021, Mads Nipper has been the CEO. In prior years shown in the table, Henrik Poulsen was the CEO.

PSUs awarded to the Executive Board

	CEO	CFO	CCO	
Opening balance	PSUs held at the beginning of the year	-	7,713	6,684
During the year	PSUs awarded, grant year ¹	2,656	1,417	1,594
	Dividend PSUs awarded, prior grant years	-	92	80
	PSUs vested	-	(3,487)	(2,866)
	Granted PSUs cancelled	-	(3,140)	-
Closing balance	PSUs awarded and unvested at year end ²	2,656	2,595	5,492
	Maximum number of shares resulting from PSUs granted as of 31 December 2021	5,312	5,190	10,984
	Maximum fair value of shares resulting from PSUs as of 31 December 2021 in DKKm (200 % vesting factor)	4.4	4.3	9.2

¹ The number of PSUs calculated is based on the average share price for the first five trading days after release of the annual report (grant date, see appendix, DKK 1,139).

² The PSUs awarded are subject to company TSR performance.

Cash-based remuneration 2021

Whereas the remuneration awarded consists of the market value of the LTI scheme at the time of which it was awarded, the cash-based remuneration shows the actual cash value of the scheme at the time of vesting.

The 2018 grant vested in May 2021. The TSR (share price including dividend payments in the grant to settlement period) had increased by 167 %, leading to a higher market value of the shares at the time of vesting.

Thus, the remuneration on a cash basis paid to our CFO and CCO was higher than the total remuneration awarded. The difference is illustrated in the table to the right, where the value of the awarded grant is replaced with the cash value of the grant vesting in the same year. As previously mentioned, Mads Nipper joined as CEO in 2021. Therefore, he has not received any vested shares yet.

Cash-based remuneration of the Executive Board, DKK '000

Element	CEO		CFO		CCO	
	Mads Nipper 2021	Henrik Poulsen 2020	2021	2020	2021	2020
Total remuneration, awarded (excl. resignation reversals for the CFO in 2021 and CEO Henrik Poulsen in 2020)	21,963	16,774	11,774	9,518	13,212	n.a.
Subtracting grant value of share based remuneration	(3,308)	(2,408)	(1,765)	(1,353)	(1,985)	n.a.
Adding cash value of vested shares (see specification below)	-	11,327	6,292	5,911	5,171	n.a.
Total remuneration, including market value increase of shares, cash basis	18,655	25,693	16,301	14,076	16,398	n.a.
Specification of cash value of vested shares						
Value of grant per grant date ¹	-	1,940	1,180	1,012	970	n.a.
Grant value of peer group performance vesting multiplier	-	1,940	1,180	1,012	970	n.a.
Share price increase and dividend PSUs during vesting period	-	7,447	3,932	3,886	3,231	n.a.
Total value of vested shares	-	11,327	6,292	5,911	5,171	n.a.

¹ Calculated as number of awarded PSUs * share price based on average share price for the first five trading days after release of the annual report which serves as the basis for the determination of the number of granted PSUs.

The cash-based remuneration realised for the CEO, CFO, and CCO is further illustrated in the three charts. For the CFO and CCO, the variable share constitutes a high proportion of the total remuneration for 2021, mostly driven by the high vesting value of the LTI. This mirrors a close coherence between the long-term performance of Ørsted, the individual performance, and the remuneration of the Executive Board in 2021.

Clawback clause

The Executive Board's incentive-based remuneration is subject to clawback if the remuneration was based on erroneous data, and the Executive Board member knew or should have known about this.

Notwithstanding the foregoing, shares in Ørsted (or cash) received due to vesting of PSUs are subject to clawback during the first six months after vesting of the PSUs, irrespective of whether the Executive Board member knew or should have known about this.

Furthermore, shares in Ørsted (or cash) received due to vesting of PSUs may, under certain circumstances set out in the detailed terms of the share programme, be subject to clawback after the first six months following vesting of the PSUs. In 2021, no incentive remuneration was reclaimed.

Cash-based remuneration, DKKm

● Fixed base salary, incl. benefits ● STI ● LTI¹



¹ The cash-based remuneration includes the actual vesting value of the LTI in the year of vesting.

Composition of fixed and variable cash-based remuneration in 2021, %

● Fixed remuneration ● Variable remuneration



Ørsted's performance

The overall performance of Ørsted is measured by three metrics:

- EBITDA (excl. new partnerships).
- Total shareholder return (TSR).
- Installed green capacity, offshore and onshore.

As a high-growth and capital intensive company, EBITDA (excl. new partnerships) is a good measure of the financial outcome of our operating activities. Partnership earnings from farm-downs are excluded in order to show the underlying business performance, as these items vary significantly across years.

The TSR represents the value Ørsted creates to shareholders.

Lastly, the installed green capacity of our offshore and onshore assets is a direct measure of our green growth strategy.

In the period from 2016 to 2020, EBITDA increased steadily, except between 2016 and 2017, as 2016 was positively effected by one-off compensations in Bioenergy & Other of DKK 4.3 billion. In 2021, we faced a decrease of 13 % due to substantially lower wind speeds year-on-year. Over the past six years, the Ørsted share has generated an aggregate total return from share price appreciation and dividends of 289 %. In 2021, the TSR decreased by 32 %. Installed green capacity has increased in all reported years.

The performance of Ørsted measured by these metrics is seen in the figure to the right and is correlated with the cash-based

remuneration of our Executive Board. TSR is illustrated through the market capitalisation of Ørsted. As this year's LTIs vested in April 2021, the decrease in TSR will be reflected in the LTIs vesting in 2022 (reflecting the TSR in April 2022).

CEO pay ratio

The change in pay ratio based on expensed remuneration from 21 last year to 24 for this year is due to the recruitment of our new CEO on market-based terms. The average pay for employees is unchanged due to our growing global footprint. The CEO pay ratio based on awarded remuneration increased from 21 to 27 for this year. According to 2020 reports, the CEO pay ratio in other C25 companies ranges from 14 to 159 with an average of 50.

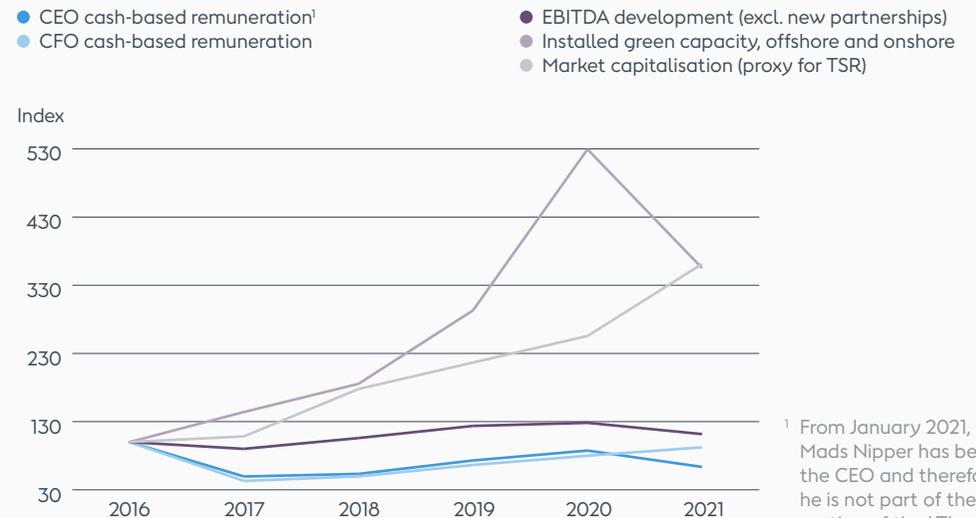
Executive Board base salary increase in comparison to development in the Group's average salary

As Mads Nipper was appointed CEO of Ørsted by first of January 2021, there was no CEO base salary adjustment from 2020 to 2021. To support aligned levels of remuneration among the Executive Board members and to align with current external market levels, the base salary for the CFO was adjusted by 29 % in 2021. The average fixed base salary increase in the Group amounted to 2.6 % in 2021. In Denmark, the average fixed base salary increase amounted to 2.4 %.



The significant increase in total cash-based remuneration for both Henrik Poulsen and Marianne Wiinholt in 2016 was due to the vesting of the share programme at the time of the IPO. The LTI share of the remuneration fluctuates throughout the years.

Development in Executive Board total cash-based remuneration, EBITDA, installed green capacity, and market cap 2016-2021, %



¹ From January 2021, Mads Nipper has been the CEO and therefore he is not part of the vesting of the LTI until 2024.

Cash-based remuneration and company performance development 2016-2021, %

Annual change	2021	2020	2019	2018	2017	2016
Realised remuneration, cash basis, Executive Board						
CEO (new CEO in 2021)	n.a.	20	37	8	51	163
CFO	16	21	34	16	57	190
CCO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ørsted performance						
EBITDA (excl. new partnerships)	(13)	4	17	17	(10)	62
TSR	(32)	82	61	32	29	14
Installed green capacity, offshore and onshore	18	18	22	64	8	20
Base salary increase						
CEO (new CEO in 2021)	n.a.	2.5	2.5	8.2	5.0	4.0
CFO	29	2.5	5.5	16.6	5.0	4.0
CCO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Global average salary review	2.6	2.3	3.0	2.9	2.6	2.4
DK average salary review	2.4	2.3	2.8	2.7	2.4	2.3

¹ From January 2021, Mads Nipper has been the CEO. In prior years shown in the table, Henrik Poulsen was the CEO.

Remuneration of the Board of Directors

Remuneration structure and fee in 2021

The members of the Board of Directors receive a fixed fee each year. The Chairmanship and the members of the committees also receive a multiple of the fixed fee for the extra work contained in these roles. None of the members perform consultancy work for Ørsted. The members' travel costs are covered by the company. The members are not entitled to severance payments. The 2021 annual general meeting approved a 23% increase in the board remuneration. See appendix for further details regarding the remuneration of the Board of Directors.

Remuneration multiple 2021, Board of Directors and committees

	Board of Directors	Audit & Risk Committee	Nomination & Remuneration Committee
Chairman	3.0	0.6	0.4
Deputy Chairman	2.0	n.a.	n.a.
Member	1.0	0.3	0.25



The remuneration multiples are unchanged from 2020.

Remuneration of the Board of Directors, DKK '000

	Annual fee	Audit & Risk Committee	Nomination & Remuneration Committee	2021	# Ørsted A/S shares, 31 December 2021
Thomas Thune Andersen	1,200		160	1,360	550
Lene Skole	800		100	900	2,181
Lynda Armstrong	400		100	500	-
Dieter Wemmer	400	240		640	2,500
Jørgen Kildahl	400	120		520	-
Peter Korsholm	400	120		520	4,500
Henrik Poulsen (started March 2021)	333			333	11,367
Julia King (started March 2021)	333			333	-
Benny Gøbel	400			400	1,087
Daniel Tas Sandermann	400			400	165
Ole Henriksen	400			400	-
Total	5,466	480	360	6,306	22,350



The table shows the remuneration paid to the members of the Board of Directors and the committees.

Statement by the Board of Directors

The Board of Directors have today considered and approved the remuneration report of Ørsted A/S for the financial year 1 January - 31 December 2021.

The report has been prepared to meet the requirements of the section 139 b of the Danish Companies Act.

In our opinion, the remuneration report provides a fair presentation of the development in the remuneration of our Executive Board and the remuneration of the Board of Directors as well as a fair presentation of the selected Group's and parent company's financial and non-financial figures for the financial year 1 January - 31 December 2021.

We recommend that the remuneration report be adopted at the annual general meeting where the report will be presented for an advisory vote.

Skærbæk, 2 February 2022

Board of Directors:

Thomas Thune Andersen
Chairman

Jørgen Kildahl

Henrik Poulsen

Ole Henriksen*

Lene Skole
Deputy Chairman

Julia Elizabeth King

Dieter Wemmer

Daniel Tas Sandermann*

Lynda Armstrong

Peter Korsholm

Benny Gøbel*

* Employee representative

Independent auditor's report on remuneration report

To the Shareholders of Ørsted A/S

We have examined whether the remuneration report for Ørsted A/S for the financial year 1 January - 31 December 2021 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3, of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board

for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements, and other regulation.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3, of the Danish Companies Act, numbers 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion, the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Hellerup, 2 February 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Rasmus Friis Jørgensen

State Authorised Public Accountant
mne28705

Anders Stig Lauritsen

State Authorised Public Accountant
mne32800

Appendix – the Executive Board

		Mads Nipper		Henrik Poulsen			
Executive Board remuneration		2021	2020	2019	2018	2017	2016
CEO							
Fixed base salary	DKKm	15.0	11.0	10.8	10.5	9.7	9.2
Cash-based incentive scheme (STI)	DKKm	3.4	3.1	3.0	3.0	2.7	2.1
Share-based incentive scheme (LTI)	DKKm	3.3	2.4	2.7	2.7	2.4	2.2
IPO executive retention bonus	DKKm	-	-	-	1.2	1.8	0.6
Benefits, incl. social security	DKKm	0.3	0.2	0.3	0.3	0.3	0.2
Total remuneration, awarded¹	DKKm	22.0	16.8	16.8	17.7	16.9	14.3
Share-based LTI, awarded, add-back	DKKm	(3.3)	(2.4)	(2.7)	(2.7)	(2.4)	(2.2)
Share-based LTI, expensed	DKKm	0.8	2.6	2.6	2.3	1.4	1.4
Total remuneration, expensed	DKKm	19.5	17.0	16.7	17.3	15.9	13.6
Share-based remuneration, add-back	DKKm	(0.8)	(2.6)	(2.6)	(2.3)	(1.4)	(1.4)
IPO executive retention bonus, add-back	DKKm	-	-	-	(1.2)	(1.8)	(0.6)
Cash value of vested shares	DKKm	-	11.3	7.3	-	-	17.5
Cash payment of IPO executive retention bonus	DKKm	-	-	-	1.9	1.9	-
Total remuneration, cash basis	DKKm	18.7	25.7	21.4	15.7	14.5	28.9
STI of maximum bonus	%	75	94	93	92	88	91
LTI vesting factor (share programme)	%	n.a.	200	200	n.a.	n.a.	125
Variable share of total remuneration, awarded	%	30	33	34	39	41	34
Fixed share of total remuneration, awarded	%	70	67	66	61	59	66
Variable share of total remuneration, cash basis	%	18	56	48	31	31	68
Fixed share of total remuneration, cash basis	%	82	44	52	69	69	32
Fixed base salary increase	%	n.a.	3	2	8	5	4
Total awarded remuneration development	%	n.a.	0	(5)	5	18	31
Total cash-based remuneration development	%	n.a.	20	37	8	(50)	165

¹ To improve comparability between years, total remuneration excludes reversals related to discontinued LTIs following resignations. The CFO's resignation in December 2021 resulted in a reversal of the discontinued LTIs granted in 2020-2021 amounting to DKK 3.1 million (awarded) and DKK 1.2 million (expensed). The CEO's resignation in June 2020 resulted in a reversal of the discontinued LTIs granted in 2018-2020 amounting to DKK 79 million (awarded) and DKK 4.6 million (expensed).

Executive Board remuneration		2021	2020	2019	2018	2017	2016
CFO							
Fixed base salary	DKKm	8.0	6.2	6.0	5.9	5.1	4.9
Cash-based incentive scheme (STI)	DKKm	1.8	1.7	1.6	1.6	1.3	1.2
Share-based incentive scheme (LTI)	DKKm	1.8	1.4	1.5	1.5	1.3	1.2
IPO executive retention bonus	DKKm	-	-	-	0.6	1.0	0.3
Benefits, incl. social security	DKKm	0.2	0.3	0.3	0.2	0.2	0.2
Total remuneration, awarded¹	DKKm	11.8	9.5	9.4	9.8	8.9	7.8
Share-based LTI, awarded, add-back	DKKm	(1.7)	(1.4)	(1.5)	(1.5)	(1.3)	(1.2)
Share-based LTI, expensed	DKKm	1.5	1.5	1.4	1.2	0.7	0.9
Total remuneration, expensed	DKKm	11.6	9.6	9.3	9.7	8.3	7.5
Share-based remuneration, add-back	DKKm	(1.5)	(1.5)	(1.4)	(1.2)	(0.7)	(0.9)
IPO executive retention bonus, add-back	DKKm	-	-	-	(0.6)	(1.0)	(0.3)
Value of vested shares	DKKm	6.2	5.9	3.9	-	-	11.1
Cash payment of IPO executive retention bonus	DKKm	-	-	-	1.0	1.0	-
Total remuneration, cash basis	DKKm	16.3	14.1	11.7	8.7	7.6	17.5
STI of maximum bonus	%	75	92	86	88	86	94
LTI vesting factor (share programme)	%	200	200	200	n.a.	n.a.	125
Variable share of total remuneration, awarded	%	30	32	33	38	40	35
Fixed share of total remuneration, awarded	%	70	68	67	62	60	65
Variable share of total remuneration, cash basis	%	50	54	46	30	30	71
Fixed share of total remuneration, cash basis	%	50	46	54	70	70	29
Fixed base salary increase	%	29	3	2	16	4	4
Total awarded remuneration development	%	24	2	(4)	10	14	30
Total cash-based remuneration development	%	16	21	34	14	(57)	187

Executive Board remuneration

2021

CCO¹		
Fixed base salary	DKKm	9.0
Cash-based incentive scheme (STI)	DKKm	2.0
Share-based incentive scheme (LTI)	DKKm	2.0
IPO executive retention bonus	DKKm	-
Benefits, incl. social security	DKKm	0.2
Total remuneration, awarded¹	DKKm	13.2
Share-based LTI, awarded, add-back	DKKm	(2.0)
Share-based LTI, expensed	DKKm	1.5
Total remuneration, expensed	DKKm	12.7
Share-based remuneration, add-back	DKKm	(1.5)
Cash value of vested shares	DKKm	5.2
Total remuneration, cash basis	DKKm	16.4
STI of maximum bonus	%	75
LTI vesting factor (share programme)	%	200
Variable share of total remuneration, awarded	%	30
Fixed share of total remuneration, awarded	%	70
Variable share of total remuneration, cash basis	%	44
Fixed share of total remuneration, cash basis	%	56
Fixed base salary increase	%	n.a.
Total awarded remuneration development	%	n.a.
Total cash-based remuneration development	%	n.a.

¹ The CCO was included in the Executive Board in February 2021, hence there are no comparison numbers for the years 2016-2020. The remuneration shown in the table is based on all 12 months of 2021 to allow for future comparison of remuneration development.

Appendix – selected Ørsted metrics

Ørsted performance		2021	2020	2019	2018	2017	2016
Installed green capacity, offshore and onshore	MW	10,923	9,240	7,817	6,415	3,875	3,591
Growth per year	%	18	18	22	64	8	20
Market capitalisation	DKKm	351	522	290	183	142	113
Growth per year	%	(33)	80	58	29	27	n.a.
TSR per year	%	(32)	82	61	32	29	14
Total expensed remuneration, excl. CEO	DKKm	5,266	5,204	5,027	4,240	4,137	4,183
Average number of FTEs, excl. CEO	#	6,507	6,428	6,328	5,795	5,737	5,893
CEO pay ratio, expensed remuneration ¹	ratio	24	21	21	24	22	19
CEO pay ratio, awarded remuneration ¹	ratio	27	21	21	24	23	20
Ørsted Group							
EBITDA ²	DKKm	24,296	18,124	17,484	30,029	22,519	19,109
Earnings from new partnership agreements ²	DKKm	8,507	-	-	15,063	9,792	4,974
EBITDA, excl. new partnerships ²	DKKm	15,789	18,124	17,484	14,966	12,727	14,135
Growth per year	%	(13)	3.7	16.8	17.6	(10.0)	61.9
Profit before tax	DKKm	13,277	18,850	8,856	23,504	15,044	14,352
Profit after tax	DKKm	10,887	16,727	6,044	19,496	20,199	13,213
Ørsted A/S							
Profit before tax	DKKm	17,104	18,567	3,939	3,081	(1,143)	(148)
Profit after tax	DKKm	17,246	19,178	3,563	3,012	(1,219)	475
Average salary increase, excl. Executive Board	%	2.3	2.6	2.3	2.4	3.2	2.0

¹ The CEO pay ratio based on the expensed remuneration reflects the phasing of the PSU grants over a three year vesting period, whereas the awarded remuneration includes the full value of the current year's grant.

² The EBITDA figures (business performance comparable) shows business performance numbers for 2020 to form a better like-for-like comparison.

Appendix – the Board of Directors

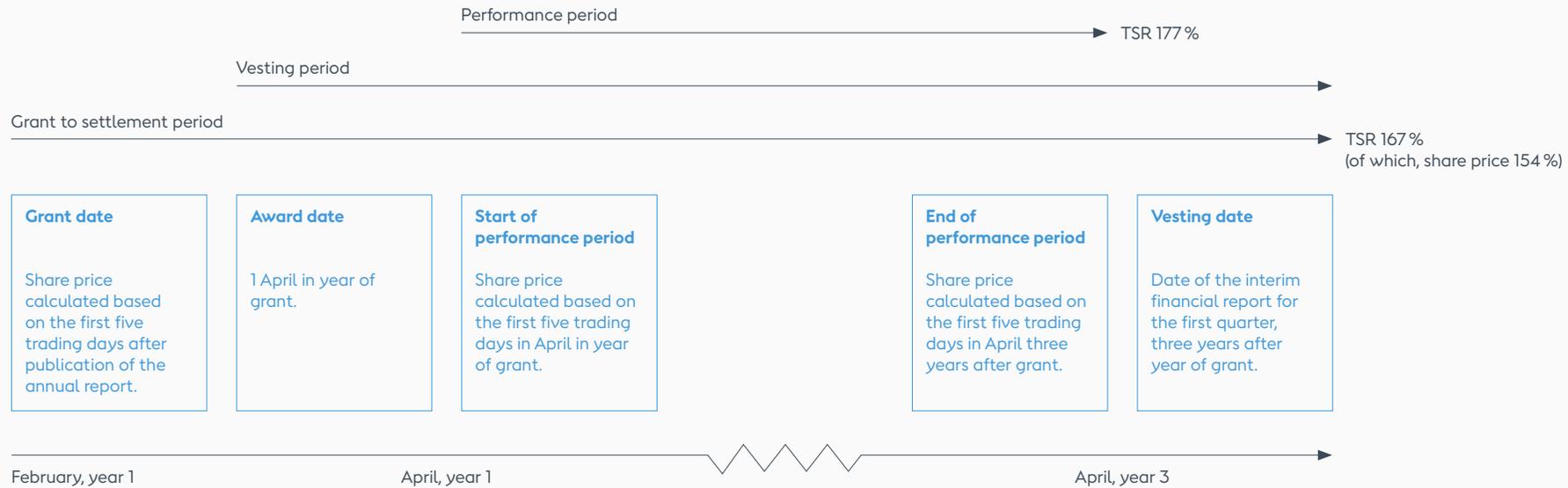
Remuneration of the Board of Directors, DKK '000

	2021			2020			2019			2018			2017			2016		
	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total
Thomas Thune Andersen	1,200	160	1,360	977	130	1,108	977	130	1,108	960	128	1,088	960	128	1,088	960	128	1,088
Lene Skole	800	100	900	652	81	733	652	81	733	640	104	744	640	163	803	640	48	688
Lynda Armstrong	400	100	500	326	81	407	326	68	394	320	-	320	320	-	320	320	-	320
Dieter Wemmer	400	240	640	326	195	521	326	179	505	267	80	347	-	-	-	-	-	-
Jørgen Kildahl	400	120	520	326	98	423	326	81	407	267	-	267	-	-	-	-	-	-
Peter Korsholm	400	120	520	326	98	423	326	98	423	320	96	416	267	80	347	-	-	-
Henrik Poulsen	333	-	333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Julia King	333	-	333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benny Gøbel	400	-	400	326	-	326	326	-	326	320	-	320	320	-	320	320	-	320
Ole Henriksen	400	-	400	109	-	109	-	-	-	-	-	-	-	-	-	-	-	-
Dainel Tas Sandermann	400	-	400	109	-	109	-	-	-	-	-	-	-	-	-	-	-	-
Hanne Sten Andersen (resigned in August 2020)	-	-	-	217	-	217	326	-	326	320	-	320	320	-	320	320	-	320
Poul Dreyer (resigned in August 2020)	-	-	-	217	-	217	326	-	326	320	-	320	320	-	320	320	-	320
Pia Gjellerup (resigned in March 2019)	-	-	-	-	-	-	81	21	102	320	80	400	320	80	400	320	80	400
Benny D. Loft (resigned in March 2019)	-	-	-	-	-	-	81	49	130	320	192	512	320	192	512	512	-	512
Jens Nybo Stilling (resigned in March 2018)	-	-	-	-	-	-	-	-	-	80	-	80	320	-	320	12	192	320
Martin Hintze ¹ (resigned in March 2017)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poul Arne Nielsen (resigned in March 2017)	-	-	-	-	-	-	-	-	-	-	-	-	80	-	80	320	-	320
Claus Wiinblad (resigned in March 2017)	-	-	-	-	-	-	-	-	-	-	-	-	80	24	104	320	96	416
Total	5,466	840	6,306	3,911	683	4,593	4,073	707	4,780	4,454	680	5,134	4,267	667	4,934	4,480	544	5,024
Increase in board remuneration			37 %			(4 %)			(7 %)			4 %			(2 %)			94 %
Ordinary board fee	400			326			326			320			320			320		
Increase in ordinary board fee	23 %			0 %			2 %			0 %			0 %			83 %		
Ørsted, global avg. base salary increase	2.6 %			2.3 %			3.0 %			2.9 %			2.6 %			2.4 %		

¹ Martin Hintze waived his right to receive board remuneration.

² ARC stands for Audit & Risk Committee, and NRC stands for Nomination & Remuneration Committee.

Appendix – share programme dates and periods



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