Let’s create a world that runs entirely on green energy
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Highlights

In 2017, we entered the Green Bond market by issuing a EUR 750 million Green Senior Bond and a EUR 500 million Green Hybrid Bond, which correspond to total net proceeds of DKK 9,173 million.

Since the issuance, a total of DKK 8,049 million of our net Green Bond proceeds has been allocated to eight eligible projects.

In 2018, allocations have been made to offshore wind projects only. We plan to allocate exclusively to wind power going forward.

With our allocated Green Bond proceeds, we support progress towards the Sustainable Development Goals #7, #8 and #13.

The avoided emissions for the eight projects will total almost 12.4 million tonnes of CO2 per year once completed.

With the total capacity of the six offshore wind projects, we can power approximately 11.7 million people with green energy.

During the expected 25-year lifetime of the offshore wind projects, a total of approximately 100,000 job years are estimated to have been created.

Executive summary

- Avoided emissions: 12.4 million tonnes of avoided CO2 emissions each year in total from the eight projects
- People powered: 11.7 million people can be powered with green energy from the six offshore wind projects
- Job years created: 100,000 job years are expected to have been created during the lifetime of the six offshore wind projects

What are avoided emissions?

Avoided emissions are the carbon emissions avoided each year by replacing electricity generation using fossil fuels with an equal quantity of electricity generated from either offshore wind or sustainable biomass.

Accounting policies are available in Appendix I.
Project allocations and impact overview

Offshore wind projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Capacity</th>
<th>Country</th>
<th>Project status</th>
<th>Construction period</th>
<th>Allocated proceeds DKKm</th>
<th>Avoided emissions* t CO₂ / year</th>
<th>People powered* number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hornsea 2</td>
<td>1,386MW</td>
<td>UK</td>
<td>Under construction</td>
<td>2018-2022</td>
<td>100</td>
<td>3,238,000</td>
<td>3,087,000</td>
</tr>
<tr>
<td>Hornsea 1</td>
<td>1,218MW</td>
<td>UK</td>
<td>Under construction</td>
<td>2016-2019</td>
<td>2,800</td>
<td>2,845,000</td>
<td>2,713,000</td>
</tr>
<tr>
<td>Borssele 1 &amp; 2</td>
<td>752MW</td>
<td>NL</td>
<td>Under construction</td>
<td>2018-2020</td>
<td>500</td>
<td>1,586,000</td>
<td>2,080,000</td>
</tr>
<tr>
<td>Walney Extension</td>
<td>659MW</td>
<td>UK</td>
<td>In operation</td>
<td>2015-2018</td>
<td>1,250</td>
<td>1,539,000</td>
<td>1,468,000</td>
</tr>
<tr>
<td>Race Bank</td>
<td>573MW</td>
<td>UK</td>
<td>In operation</td>
<td>2015-2018</td>
<td>400</td>
<td>1,339,000</td>
<td>1,276,000</td>
</tr>
<tr>
<td>Borkum Riffgrund 2</td>
<td>465MW</td>
<td>DE</td>
<td>In operation</td>
<td>2016-2018</td>
<td>2,649</td>
<td>1,356,000</td>
<td>1,098,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>7,699</strong></td>
<td><strong>11,903,000</strong></td>
<td><strong>11,721,000</strong></td>
</tr>
</tbody>
</table>

Bioenergy projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Capacity</th>
<th>Country</th>
<th>Project status</th>
<th>Construction period</th>
<th>Allocated proceeds DKKm</th>
<th>Avoided emissions* t CO₂ / year</th>
<th>Fuel conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skærbæk Power Station Heat</td>
<td>320MW</td>
<td>DK</td>
<td>In operation</td>
<td>2014-2017</td>
<td>200</td>
<td>226,000</td>
<td>From natural gas to wood chips</td>
</tr>
<tr>
<td>Skærbæk Power Station Power</td>
<td>92MW</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asnæs Power Station Heat</td>
<td>129MW</td>
<td>DK</td>
<td>Under construction</td>
<td>2017-2019</td>
<td>150</td>
<td>222,000</td>
<td>From coal to wood chips</td>
</tr>
<tr>
<td>Asnæs Power Station Power</td>
<td>25MW</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>350</strong></td>
<td><strong>448,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Avoided emissions attributable to allocated bond proceeds

<table>
<thead>
<tr>
<th>Bond type</th>
<th>Avoided emissions* t CO₂ / year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total annual avoided emissions from Green Bond projects</td>
<td>12,351,000</td>
</tr>
<tr>
<td>Annual avoided emissions attributable to allocated bond proceeds</td>
<td>868,000</td>
</tr>
</tbody>
</table>

* Based on estimated averages. See accounting policies in Appendix I.
Our planet is currently on a path towards a more than 3°C temperature rise. We must drastically accelerate climate action and the transformation from black to green energy. With our vision of a world that runs entirely on green energy, we are ready to lead the way forward.

With our carbon intensity reduction target, we are 27 years ahead of the 2°C temperature rise scenario for the energy sector as projected by the International Energy Agency. In 2018, 75% of Ørsted’s energy generation was green and our target is 99% by 2025. To further improve our practices and reporting on climate, we are currently aligning with the recommendations from the Task-Force on Climate-related Financial Disclosures (TCFD).

As a natural step in our green transformation, we issued our first Green Bonds in 2017. We entered the Green Bond market with the issuance of a EUR 750 million Green Senior Bond and a EUR 500 million Green Hybrid Bond. So far, net proceeds have been allocated to six offshore wind projects and two bioenergy projects. In 2018, we allocated solely to wind power projects and plan to continue doing so.

In January 2019, we co-founded the Corporate Forum on Sustainable Finance with 15 other major Green Bond issuers. Designed as a permanent network for exchanging views and ideas, the forum brings together dynamic Green Bond issuers committed to upholding and developing sustainable finance as a critical tool to fight climate change and foster a more sustainable and responsible society. The common pledge that was released as the forum was established is available in Appendix III.

Through our Sustainability Commitment, we commit to operating our business in a way that creates progress towards the United Nations Sustainable Development Goals (SDGs). With the allocated Green Bond proceeds to renewable energy, we particularly advance three of the SDGs: We power people with green energy (SDG 7), spur economic growth and job creation (SDG 8), and help combat climate change by avoiding emissions (SDG 13).

This report constitutes Ørsted’s second annual Green Bonds investor letter and reports on allocated proceeds and project impacts.

For more information about Ørsted’s sustainability practices, please see orsted.com/sustainability
Green financing governance

Each year in January, Ørsted’s Sustainability Committee approves the final allocation of Green Bond proceeds for the previous year. Following the approval, we publish the annual investor letter with the allocation of proceeds along with Ørsted’s other financial and sustainability reporting.

In January 2019, the allocation of and reporting on Green Bond proceeds for 2018 was approved in consensus. Our Green Bond allocations and reporting are based on our Green Bonds Framework with the adjustments outlined in this and the following section. The framework was developed in 2017 in alignment with the Green Bond Principles 2017.

To provide a second opinion, the framework was reviewed by the non-for-profit research institute Center for International Climate and Environmental Research (CICERO). The framework was awarded a dark green shading, which is the highest grading a framework can receive. Our Green Bonds Framework and CICERO’s second opinion are available on our website.

According to our Green Bonds Framework, most projects will only be partially funded by Green Bond proceeds and allocations can never exceed Ørsted’s ownership share of the total investment. Following Q1 2018, the Sustainability Committee decided to approve allocations on an annual rather than a quarterly basis as originally stated in the framework.

The allocation of funds, as described in this Green Bonds investor letter, and the internal tracking of the Green Bond proceeds have been verified by PwC. PwC’s assurance report is attached as Appendix II.

Annual Green Bonds governance process

- Green Bond proceeds are allocated to eligible projects
- Sustainability Committee approves allocations and reporting
- Reporting on allocated proceeds and project impacts is published
Allocated proceeds

In 2018, we allocated DKK 6,099 million Green Bond proceeds and expect to allocate the remaining DKK 1,124 million in 2019.

In 2017, Green Bond proceeds totalling DKK 2,200 million were allocated to primarily offshore wind projects as well as bioenergy and smart meter projects. Due to expected divestment of the power and distribution business, we have chosen to roll back the DKK 250 million allocation previously made to smart meter installation.

Going forward, we will exclusively allocate to wind power projects which will be formalised when we update our Green Bonds Framework. This will better reflect our considerable future investments in wind power as well as the fact that our last biomass conversions are approaching completion.

Total amount allocated by bond

The table below provides details on Ørsted’s two outstanding Green Bonds, including total allocated amount.

<table>
<thead>
<tr>
<th>Bond type</th>
<th>Green Senior Bond</th>
<th>Green Hybrid Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face Value (EURm)</td>
<td>750</td>
<td>500</td>
</tr>
<tr>
<td>Green Bond net proceeds (DKKm)</td>
<td>5,499</td>
<td>3,674</td>
</tr>
<tr>
<td>Settlement date</td>
<td>24 Nov 2017</td>
<td>24 Nov 2017</td>
</tr>
<tr>
<td>ISIN</td>
<td>XS1721760541</td>
<td>XS1720192696</td>
</tr>
<tr>
<td>Maturity</td>
<td>26 Nov 2029</td>
<td>24 Nov 2017</td>
</tr>
<tr>
<td>Listing</td>
<td>London Stock Exchange</td>
<td>Luxembourg Stock Exchange, inscribed on the Luxembourg Green Exchange platform (LGX)</td>
</tr>
</tbody>
</table>

Allocated proceeds to new Eligible Projects in 2017 (DKKm)  | 1,300  | 900  |
Roll back from smart meter installation                    | -250   | 0    |
Allocated proceeds to new Eligible Projects in 2018 (DKKm) | 4,449  | 1,650 |
Refinancing (DKKm)*                                        | 0      | 0    |
Unallocated proceeds (DKKm)                                 | 0      | 1,124 |

*At least 75% of proceeds are intended for new eligible projects, including projects taken into operation up to 12 months prior to approval for Green Bond financing by Ørsted’s Sustainability Committee. ‘Refinancing’ is allocation of Green Bond proceeds to eligible investments made prior to this. The allocation of proceeds for refinancing will be kept within 25% of the Green Bond proceeds.
Total amount allocated by project

Together with the Green Bond proceeds allocated in January 2018, a total of DKK 8,049 million has been allocated to a total of eight projects. The projects fall under the two project categories: ‘offshore wind’ and ‘bioenergy’ and are listed below.

<table>
<thead>
<tr>
<th>Projects / DKKm</th>
<th>Allocated amount: Green Senior Bond / DKKm</th>
<th>Allocated proceeds: Green Hybrid Bond / DKKm</th>
<th>Total allocated proceeds / DKKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore wind</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DKKm 7,699</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hornsea 2</td>
<td>100</td>
<td>100</td>
<td>2,649</td>
</tr>
<tr>
<td>Hornsea 1</td>
<td>2,200</td>
<td>400</td>
<td>2,800</td>
</tr>
<tr>
<td>Borssele 1 &amp; 2</td>
<td>500</td>
<td>500</td>
<td>2,500</td>
</tr>
<tr>
<td>Walney Extension</td>
<td>500</td>
<td>750</td>
<td>1,250</td>
</tr>
<tr>
<td>Race Bank</td>
<td>400</td>
<td></td>
<td>400</td>
</tr>
<tr>
<td>Borkum Riffgrund 2</td>
<td>2,149</td>
<td>500</td>
<td>2,649</td>
</tr>
<tr>
<td>Bioenergy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DKKm 350</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skærbæk Power Station biomass conversion</td>
<td>200</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Asnæs Power Station biomass conversion</td>
<td>150</td>
<td></td>
<td>150</td>
</tr>
<tr>
<td>Total</td>
<td>4,449</td>
<td>1,050</td>
<td>1,650</td>
</tr>
</tbody>
</table>

Together with the Green Bond proceeds allocated in January 2018, a total of DKK 8,049 million has been allocated to a total of eight projects. The projects fall under the two project categories: ‘offshore wind’ and ‘bioenergy’ and are listed below.
The net proceeds from Ørsted’s Green Bonds can be used to finance the acquisition, development and construction of new projects, or to renovate and upgrade existing projects.

The projects aim to promote the transition to a sustainable economy through low-carbon and climate-resilient growth. Our key markets are Denmark, the United Kingdom, Germany and the Netherlands, with the offshore wind business currently expanding beyond Europe, primarily to the United States.

Avoided emissions
Avoided emissions are the tonnes of CO₂ emissions avoided each year by replacing an equal quantity of electricity generated using fossil fuels with generation from either offshore wind or sustainable biomass. The lifetime of a wind farm is expected to be at least 25 years.

The annual avoided emissions for each bond is the sum of avoided emissions for the projects attributable to the allocated Green Bond proceeds. This is calculated as the relative share of Green Bond allocation to total CAPEX for a project multiplied by the avoided emissions for the project. For competitive reasons, we do not disclose total CAPEX or other figures which may indicate this at project level.

People powered
The number of people powered represents the number of people which an offshore wind farm will be able to provide power for. This is an illustrative average based on a project’s capacity, a fixed industrial load factor for offshore wind farms and country-specific power consumption per person.

Job years created
The number of job years created is an estimated average based on standard factors, which we only report on an overall level across projects. Most job years are created at the beginning of a project’s lifetime during construction and installation.

For detailed accounting policies on annual avoided emissions, people powered and job years created, please see Appendix I.

<table>
<thead>
<tr>
<th>Annual avoided emissions</th>
<th>t CO₂ / year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total annual avoided emissions from Green Bond projects</td>
<td>12,351,000</td>
</tr>
<tr>
<td>Annual avoided emissions attributable to allocated bond proceeds</td>
<td>868,000</td>
</tr>
<tr>
<td>Senior Bond</td>
<td>590,000</td>
</tr>
<tr>
<td>Hybrid Bond</td>
<td>278,000</td>
</tr>
<tr>
<td>Annual avoided emissions attributable to allocated bond proceeds per DKK 1m</td>
<td>108</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People powered</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>People powered by the Green Bond offshore wind projects</td>
<td>11,721,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job years created</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job years created during the lifetime of the Green Bond offshore wind projects</td>
<td>101,000</td>
</tr>
</tbody>
</table>
Offshore wind represents a scalable, cost-competitive and efficient green energy technology that can help replace black energy with green energy. Ørsted is market leader as the only company that has installed more than a quarter of the total offshore wind capacity worldwide.

In November 2018, we raised our 2025 ambition for installed offshore wind capacity from 11-12GW to 15GW, which equals the power consumption of more than 30 million people. Today, we have constructed a total of 5.6GW offshore wind capacity.

As of January 2019, an amount of DKK 7,699 million of our Green Bond proceeds have been allocated to the following six offshore wind power projects:

- Hornsea 2
- Hornsea 1
- Borssele 1 & 2
- Walney Extension
- Race Bank
- Borkum Riffgrund 2
Projects and impacts

Hornsea 2

Ørsted took the final investment decision on Hornsea 2 in September 2017. Upon completion, the wind farm consists of 165 Siemens Gamesa Renewable Energy 8.4MW wind turbines, adding up to a total capacity of almost 1.4GW. With such capacity, the wind farm will be able to produce enough electricity to power more than 3 million people. This will make it the world’s biggest offshore wind farm once completed.

- In full operation, the power generation from Hornsea 2 will result in avoided emissions of more than 3.2 million tonnes of CO2 each year, equalling the annual emissions of nearly 1.7 million cars.

- Hornsea 2 is located in the North Sea, 89km off the Yorkshire coast.

- The wind farm is expected to be operational from 2022.

- The wind farm is fully owned by Ørsted.

### Facts

<table>
<thead>
<tr>
<th>Power capacity</th>
<th>1,386MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of turbines</td>
<td>165</td>
</tr>
<tr>
<td>Country</td>
<td>UK</td>
</tr>
<tr>
<td>Project status</td>
<td>Under construction</td>
</tr>
<tr>
<td>Construction period</td>
<td>2018-2022</td>
</tr>
<tr>
<td>Avoided emissions*</td>
<td>3,238,000</td>
</tr>
<tr>
<td>People powered*</td>
<td>3,087,000</td>
</tr>
</tbody>
</table>

* Based on estimated averages. See accounting policies in Appendix I.

### 3.2 million

3.2 million tonnes of avoided CO2 emissions each year, equalling the annual emissions from almost 1.7 million cars.

Hornsea 1 and 2
The world’s biggest offshore wind farms once completed
In February 2016, Ørsted took the final investment decision on Hornsea 1. Once completed, the wind farm will consist of 174 Siemens Gamesa Renewable Energy 7MW wind turbines, totalling a capacity of more than 1.2GW – enough to power more than 2.7 million people.

- In full operation, the power generation from Hornsea 1 will result in avoided emissions of more than 2.8 million tonnes of CO2 each year, equalling the annual emissions from almost 1.5 million cars.

- Hornsea 1 is located in the North Sea, 120km from the Yorkshire coast and will cover an area of 407km² once installation is complete.

- The wind farm is expected to be commissioned in 2019 and will be operated from Ørsted’s O&M base in the Grimsby Royal Dock.

- In November 2018, Ørsted divested 50% of Hornsea 1 to Global Infrastructure Partners – a leading global, independent infrastructure investor.

### Hornsea 1

<table>
<thead>
<tr>
<th>Facts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Power capacity</td>
<td>1,218MW</td>
</tr>
<tr>
<td>No. of turbines</td>
<td>174</td>
</tr>
<tr>
<td>Country</td>
<td>UK</td>
</tr>
<tr>
<td>Project status</td>
<td>Under construction</td>
</tr>
<tr>
<td>Construction period</td>
<td>2016-2019</td>
</tr>
<tr>
<td>Avoided emissions* (t CO2 / year)</td>
<td>2,845,000</td>
</tr>
<tr>
<td>People powered* (number)</td>
<td>2,713,000</td>
</tr>
</tbody>
</table>

* Based on estimated averages. See accounting policies in Appendix I.

**2.8 million tonnes of avoided CO2 emissions each year, equalling the annual emissions from nearly 1.5 million cars.**
Borssele 1 & 2

The final investment decision on Borssele 1 & 2 was taken in May 2016. The wind farm will consist of 94 Siemens Gamesa Renewable Energy 8MW wind turbines. This adds up to a total capacity of 752MW – equivalent to the power consumption of more than 2 million people.

• The power generation from Borssele 1 & 2 will result in avoided emissions of more than 1.5 million tonnes of CO2 each year, equalling the annual emissions of 814,000 cars.

• Covering an area of 128.3km², the Borssele 1 & 2 wind farms will be located 22km from the coast of the Dutch province of Zeeland.

• The wind farms are expected to be operational by the end of 2020.

• Borssele 1 & 2 are fully owned by Ørsted.

Walney Extension

Ørsted officially inaugurated Walney Extension in September 2018 – three years after the final investment decision in October 2015. It consists of 87 wind turbines: 47 Siemens Gamesa Renewable Energy 7MW turbines and 40 MHI Vestas 8MW turbines. With a total capacity of 659MW, the wind farm is capable of powering up to 1.5 million people.

• The power generation from Walney Extension results in avoided emissions of more than 1.5 million tonnes of CO2 each year, equalling the annual emissions of 790,000 cars.

• Covering a total area of 145km² equal to around 20,000 football pitches, Walney Extension is located in the Irish Sea – approximately 19km from the Walney Island coast in Cumbria, UK.

• Walney Extension is a shared ownership between Ørsted (50%) and our partners PFA (25%) and PKA (25%).
**Race Bank**

In June 2018, three years after the final investment decision in 2015, Ørsted inaugurated the Race Bank offshore wind farm. The wind farm consists of 91 Siemens Gamesa Renewable Energy 6MW turbines and has a total capacity of 573MW, equivalent to powering up to 1.3 million people with green electricity.

- Race Bank’s power generation avoids more than 1.3 million tonnes of CO2 emissions each year. The avoided emissions are equal to the annual emissions of 687,000 cars.
- The wind farm covers an area of 75km² and is located approximately 27km off the North Folk coast and 28km off the Lincolnshire coast in the UK.
- The wind farm is owned by Ørsted (50%), Macquarie European Infrastructure Fund 5 (25%), Macquarie Capital (12.5%) and Sumitomo Corporation (12.5%).

**Borkum Riffgrund 2**

Borkum Riffgrund 2 saw final investment decision in June 2016. The wind farm consists of 56 MHI Vestas 8MW turbines and with a total capacity of 465MW, it generates enough green energy to power more than 1 million people.

- When in full operation, the power generation from Borkum Riffgrund 2 will result in avoided emissions of more than 1.3 million tonnes of CO2 each year, equalling the annual emissions of 696,000 cars.
- Borkum Riffgrund 2 is located right next to our Borkum Riffgrund 1 wind farm, approximately 57km off the north-west coast of Germany.
- The wind farm was commissioned in December 2018 and has now gone into operation.
- Borkum Riffgrund 2 is owned partly by Ørsted (50%) and partly by Global Infrastructure Partners (50%).
Bioenergy

We have a target to end the use of coal completely by the beginning of 2023. By phasing out the use of coal, we ensure green heat and power for our customers and extend the lifetime of our power stations. We do this by converting capacity to sustainable biomass, mainly wood pellets and wood chips.

We document the sustainability of our biomass by means of certification. Ørsted’s Programme for Sourcing of Sustainable Biomass outlines our approach in detail and is available at our website.

As of January 2019, an amount of DKK 350 million of our Green Bond proceeds has been allocated to the following two bioenergy projects:

- Skærbæk Power Station
- Asnæs Power Station
Projects and impacts

**Skærbæk Power Station** – biomass conversion

The Skærbæk Power Station is situated in the Danish town Skærbæk in Eastern Jutland. In 2017, after three years’ work on converting the power station, it now produces green district heating based on biomass for the equivalent of around 60,000 homes.

By converting to sustainable wood chips, we reduced Skærbæk Power Station’s annual CO₂ emissions by about 226,000 tonnes. This is equivalent to the annual emissions from 116,000 cars.

**Asnæs Power Station** – biomass conversion

The Asnæs Power Station is situated in the Kalundborg area of Zealand, Denmark. In 2017, Ørsted decided to convert the Asnæs Power Station from coal to wood chips, and in November 2018, we reached an important milestone as the turbine for the new wood chip-fired plant was lifted into place.

The conversion is expected to be completed by late 2019. By converting to sustainable wood chips, we are reducing Asnæs Power Station’s annual CO₂ emissions by about 222,000 tonnes. This is equivalent to the annual emissions from 114,000 cars.

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### Facts

**Skærbæk Power Station**

- **Biomass heating capacity**: 320MW thermal
- **Biomass power capacity**: 92MW
- **Fuel conversion**: From natural gas to wood chips
- **Country**: Denmark
- **Project status**: In operation
- **Construction period**: 2014-2017
- **Avoided emissions**: 226,000 (t CO₂ / year)

* Based on estimated averages. See accounting policies in Appendix I.

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**Asnæs Power Station**

- **Biomass heating capacity**: 129MW thermal
- **Biomass power capacity**: 25MW
- **Fuel conversion**: From coal to wood chips
- **Country**: Denmark
- **Project status**: Under construction
- **Construction period**: 2017-2019
- **Avoided emissions**: 222,000 (t CO₂ / year)

* Based on estimated averages. See accounting policies in Appendix I.
Appendix I: Accounting policies

Accounting policies for sustainability indicators are generally disclosed in Ørsted’s ‘ESG performance report 2018’ available at our website.

Avoided emissions from offshore wind
The avoided CO2 emissions due to generation from offshore wind farms are calculated assuming that the generation from wind farms replace an equal quantity of electricity generated using fossil fuels.

The CO2 emissions factor from fossil fuels is calculated as an average fossil fuel mix in a specific country, as CO2/kWh. Data is extracted from external sources (International Energy Agency, IEA) using the data available on the year of the project’s first inclusion in this report. The power generation at a wind farm does not directly emit CO2 and no secondary effects are included, from either power plants or offshore wind farms. The avoided CO2 emissions are calculated as the offshore wind farm’s generation multiplied with the CO2 emissions factor. The calculation is based on the project’s full capacity, independent of Ørsted’s ownership share.

The accounting policy for avoided emissions follow the principles of the GHG Project Protocol and the UNFCCC methodology.

Conversion to number of cars
Annual avoided CO2 emissions is converted to the equivalent number of annual emissions from cars. This is calculated based on the CO2 emissions from an EU27 vehicle, which is close to 2 tonnes CO2/year. Data is extracted from the International Energy Agency and Odyssee database.

People powered
The number of people powered is calculated based on capacity, a fixed industrial load factor for offshore wind farms and country-specific power consumption per person. The indicator is calculated based on the full capacities of the wind farms, and not Ørsted’s owner share.

Job years created
The number of job years is calculated based on a factor for job years per MW installed from the International Renewable Energy Agency, IRENA. The job years creation factor is based on a 500MW offshore wind farm. The factor is not adjusted for other details like when the wind farm was constructed (turbine size and other parameters), wind farm size specific parameters beyond a simple scaling of capacity size or geographical position (i.e. water depth and distance to shore).

The number of job years created relates only to the value chain, from procurement and manufacturing, to installation, operation and maintenance, to decommissioning.

This means that job years related to, for example, mining and manufacturing of steel and concrete as well as local jobs like hotels and dining for people employed working on local sites are not included. A lifetime of 25 years for all wind farms is used.

The number of job years relates to the installed capacity, and not Ørsted’s owner share of the wind farm. The number of job years vary during the lifetime and most of the jobs are created at the beginning during construction and installation.
To the Green Bond investors and the Board of Directors of Ørsted A/S.

Our conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the 2018 reporting year has not been prepared, in all material aspects, in accordance with the Ørsted Green Bonds Framework.

This conclusion is to be read in the context of what we state in the remainder of our report.

Selected Information
The scope of our work was limited to assurance over the information described in the “Ørsted Green Bonds Framework”, section 5 “Reporting and Transparency”. The scope of our work was limited to the internal tracking method and the allocation of funds from the Green Bond proceeds as expressed in the Green Bonds investor letter for 2018 (together “the Selected Information”), dated January 2019.

Professional standards applied and level of assurance
We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (revised), “Assurance Engagements other than Audits and Reviews of Historical Financial Information” and additional requirements under Danish auditor regulation to obtain limited assurance in respect of our conclusion. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control
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.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Work done
We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of relevant Ørsted management to assess to whether the reporting has been prepared in accordance with the Ørsted Green Bonds Framework; and
- to access the design of the processes and internal controls for managing, recording and reporting the Selected Information;
- performed analytical review of the Selected Information, including the allocation of amounts as presented in the “Ørsted Green Bonds investor letter”.

Management’s responsibility
The Directors of Ørsted A/S are responsible for:

- designing, implementing and maintaining internal control over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective criteria for preparing the Selected Information as described in the Ørsted Green Bonds Framework;
- measuring and reporting the Selected information based on the Ørsted Green Bonds Framework; and
- the content of the “Ørsted Green Bonds investor letter”.
Appendix II

**Auditor’s responsibility**

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors of Ørsted A/S and the Green Bond investors.

This report, including our conclusions, has been prepared solely for the Board of Directors of Ørsted A/S and the Green Bond investors in accordance with the agreement between us, to assist the Board of Directors in reporting on Ørsted’s Green Bonds. We permit this report to be disclosed online at Ørsted A/S’ homepage in respect of the 2018 reporting year, to assist Ørsted A/S in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information.

Hellerup, 31 January 2019

**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

**Lars Baungaard**
State Authorised Public Accountant

**Rasmus Friis Jørgensen**
State Authorised Public Accountant
Appendix III: Europe’s major Green Bond Issuers launch the Corporate Forum on Sustainable Finance

Through this initiative sixteen among Europe’s largest companies intend to push forward the development of sustainable finance.

15 January, 2019 – One year after the Paris Green Bond Pledge, published to mark 2017 Climate Finance Day, sixteen European companies (EDF, EDP, ENEL, ENGIE, Ferrovie Dello Stato Italiane, Iberdrola, Icade, Ørsted, RATP, SNCF Réseau, Société du Grand Paris, SSE, Tennet, Terna, Tideway, Vasakronan) have joined to set up the Corporate Forum on Sustainable Finance (‘the Forum’). The Forum, designed as a permanent network for exchanging views and ideas, brings together dynamic ‘Green Issuers’ committed to upholding and developing sustainable finance as a critical tool to fight climate change and to foster a more sustainable and responsible society.

The founding companies – involved in a number of industries, including electricity utilities, clean transport infrastructures and operations, environmental infrastructures and services, and real estate – aspire to contribute more towards the development of a broader set of financial market instruments under the umbrella of sustainable finance such as green and sustainable bonds and loans, credit facilities as well as other sustainable financing tools recognising the sustainability of their issuers’ business model.

Representing over two-thirds of green and sustainable bond volumes issued by European corporations, the Forum regards sustainable finance instruments as efficient market-based tools that allocate the economic resources where they are most needed, particularly to low-carbon and sustainable investments, which are central to the members’ corporate strategies.

Today, we join our voices to expand the commitments sealed in 2017 in order to:
• More deeply integrate the notion of sustainability in the financial strategies of our respective companies;
• Work with investors to spur the development of a more sustainable economy through innovative financing instruments;
• Increase corporate presence in international and national forums shaping the development of sustainable finance markets;
• Actively participate in the processes setting the future standards and regulatory frameworks for sustainable finance instruments;
• Leverage on our mutual expertise and promote best practices on impact reporting;
• Discuss with rating agencies about more deeply integrating SRI criteria in the assessment of companies’ long-term financial sustainability.

Sustainable finance is an exciting journey for both issuers and investors. It is going to become an increasingly prominent issue with investors quickly adapting to these new trends and willing to allocate capital on sustainable initiatives.

As such, the Forum is an opportunity to put business at the forefront of the low-carbon and sustainability transition.
Sustainability ratings and memberships

UN Global Compact

Ørsted is participant in the UN Global Compact and member of the Action Platform ‘Pathways to Low-Carbon and Resilient Development’. Through the action platform, we aim to serve as a catalyst for enhancing action to meet the ambitions of the Paris Agreement and the UN Sustainable Development Goals (SDGs).

Memberships

Rating agencies | Elaboration and benchmark | Score
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GLOBAL100 | Ørsted is the most sustainable energy-generating company in the world and fourth most sustainable company overall in the Global 100 index. | No. 4
MSCI | Ørsted awarded highest possible rating. | AAA
CDP | Improved our C rating from 2017 to a B on a scale from D- to A. Our CDP report is publicly available, and we aim to achieve an A rating. | B
SUSTAINALYTICS | Ørsted rated as ‘leader’, placed in the 97th percentile among 188 utilities and no. 1 among direct peers. | 83
EcoVadis | Ørsted has been awarded a gold medal as a recognition of being among the top 5% performers evaluated by EcoVadis. | 77
GRESB | Ørsted ranked as no. 1 ‘Sector leader’ in diversified infrastructure with highest possible 5-star rating. | 84
ISS-oekom | Ørsted in top 3 of 104 electric utilities and awarded ‘prime’ status. | B