


The Orsted logo, featuring a blue circle with a white stylized 'O' inside, followed by the word 'Orsted' in a blue sans-serif font.

Orsted

Green Bonds investor letter 2018

A low-angle, upward-looking photograph of a white wind turbine tower against a clear blue sky. The tower is the central focus, with its upper sections and nacelle visible. The perspective creates a sense of height and scale.

January 2019

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

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Executive summary

- 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.



Avoided emissions

12.4 million

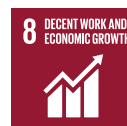
tonnes of avoided CO₂ emissions each year in total from the eight projects



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

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



Bioenergy projects

Project	Capacity	Country	Project status	Construction period	Allocated proceeds DKKkm	Avoided emissions* t CO ₂ / year	Fuel conversion
Skærbæk Power Station		DK	In operation	2014-2017	200	226,000	From natural gas to wood chips
Heat	320MW						
Power	92MW						
Asnæs Power Station		DK	Under construction	2017-2019	150	222,000	From coal to wood chips
Heat	129MW						
Power	25MW						
Total					350	448,000	



Avoided emissions attributable to allocated bond proceeds

Bond type	Avoided emissions* t CO ₂ / year
Total annual avoided emissions from Green Bond projects	12,351,000
Annual avoided emissions attributable to allocated bond proceeds	868,000

* Based on estimated averages. See accounting policies in [Appendix I](#).

Climate change is among the greatest challenges of our time

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.

Bond type	Green Senior Bond	Green Hybrid Bond
Face Value (EURm)	750	500
Green Bond net proceeds (DKKm)	5,499	3,674
Settlement date	24 Nov 2017	24 Nov 2017
ISIN	XS1721760541	XS1720192696
Maturity	26 Nov 2029	24 Nov 3017
Listing	London Stock Exchange	Luxembourg Stock Exchange, inscribed on the Luxembourg Green Exchange platform (LGX)
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.

Projects / DKKm	Allocated amount: Green Senior Bond / DKKm		Allocated proceeds: Green Hybrid Bond / DKKm		Total allocated proceeds / DKKm
	2018	2017	2018	2017	
Offshore wind DKKm 7,699					
Hornsea 2	100				100
Hornsea 1	2,200		400	200	2,800
Borssele 1 & 2			500		500
Walney Extension		500	750		1,250
Race Bank		400			400
Borkum Riffgrund 2	2,149			500	2,649
Bioenergy DKKm 350					
Skærbæk Power Station biomass conversion				200	200
Asnæs Power Station biomass conversion		150			150
Total DKKm	4,449	1,050	1,650	900	8,049

Projects and impacts

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](#).

Annual avoided emissions	t CO₂ / year
Total annual avoided emissions from Green Bond projects	12,351,000
Annual avoided emissions attributable to allocated bond proceeds	868,000
Senior Bond	590,000
Hybrid Bond	278,000
Annual avoided emissions attributable to allocated bond proceeds per DKK 1m	108
People powered	Number
People powered by the Green Bond offshore wind projects	11,721,000
Job years created	Number
Job years created during the lifetime of the Green Bond offshore wind projects	101,000



Offshore wind

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



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

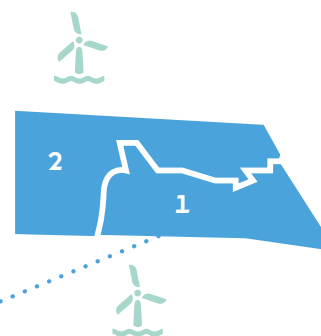
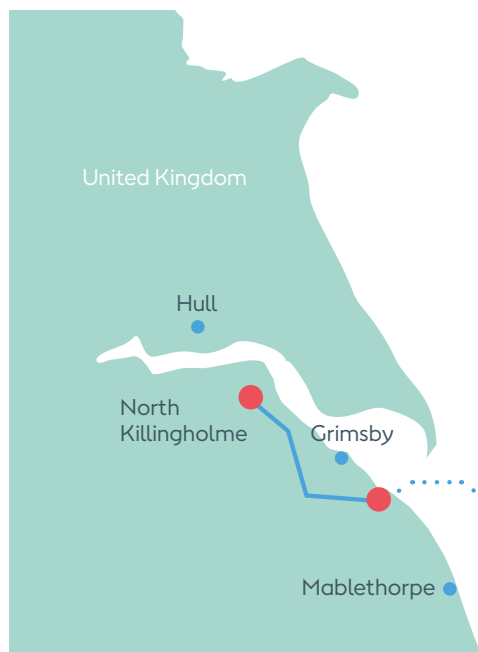
Power capacity	1,386MW
No. of turbines	165
Country	UK
Project status	Under construction
Construction period	2018-2022
Avoided emissions* (t CO ₂ / year)	3,238,000
People powered* (number)	3,087,000

* Based on estimated averages. See accounting policies in [Appendix I](#).



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



Hornsea 1

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.

Facts

Power capacity	1,218MW
No. of turbines	174
Country	UK
Project status	Under construction
Construction period	2016-2019
Avoided emissions* (t CO ₂ / year)	2,845,000
People powered* (number)	2,713,000

* 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%).

Facts

Power capacity	752MW
No. of turbines	94
Country	The Netherlands
Project status	Under construction
Construction period	2018-2020
Avoided emissions* (t CO ₂ / year)	1,586,000
People powered* (number)	2,080,000

* Based on estimated averages. See accounting policies in [Appendix I](#).



1.5 million

tonnes of avoided CO₂ emissions each year, equalling the annual emissions from **814,000 cars**.

Facts

Power capacity	659MW
No. of turbines	87
Country	UK
Project status	In operation
Construction period	2015-2018
Avoided emissions* (t CO ₂ / year)	1,539,000
People powered* (number)	1,468,000

* Based on estimated averages. See accounting policies in [Appendix I](#).



1.5 million

tonnes of avoided CO₂ emissions each year, equalling the annual emissions from **790,000 cars**.

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%).

Facts

Power capacity	573MW
No. of turbines	91
Country	UK
Project status	In operation
Construction period	2015-2018
Avoided emissions* (t CO ₂ / year)	1,339,000
People powered* (number)	1,276,000

* Based on estimated averages. See accounting policies in [Appendix I](#).



1.3 million

tonnes of avoided CO₂ emissions each year, equalling the annual emissions from **687,000 cars**.

Facts

Power capacity	465MW
No. of turbines	56
Country	Germany
Project status	In operation
Construction period	2016-2018
Avoided emissions* (t CO ₂ / year)	1,356,000
People powered* (number)	1,098,000

* Based on estimated averages. See accounting policies in [Appendix I](#).



1.3 million

tonnes of avoided CO₂ emissions each year, equalling the annual emissions from **696,000 cars**.



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



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.

Facts

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* (t CO ₂ / year)	226,000

* Based on estimated averages. See accounting policies in [Appendix I](#).



226,000

tonnes of avoided CO₂ emissions each year, equalling 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.

Facts

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* (t CO ₂ / year)	222,000

* Based on estimated averages. See accounting policies in [Appendix I](#).



222,000

tonnes of avoided CO₂ emissions each year, equalling the annual emissions from **114,000 cars**.

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.

Avoided emissions from biomass

The avoided CO₂ emissions due to conversion of combined heat and power plants and subsequent switch of fuel from fossil to biomass (i.e. biomass from dedicated plantations or biomass residues) are calculated from the energy content of the fuel used at power plants. It is assumed that the use of 1GJ of biomass fuel avoids the use of 1GJ of fossil fuels.

The following secondary CO₂ emissions are included in the calculation:

- Fuel used for production of biomass and conversion into wood pellets and wood chips
- Fuel used for transportation and handling of biomass
- Back-up fuel used together with biomass combustion at the power plant

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.

Appendix II: Assurance report of the independent auditor



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".

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).

WE SUPPORT
Caring for Climate



Memberships



Rating agencies

Elaboration and benchmark

Score

	<p>Ørsted is the most sustainable energy-generating company in the world and fourth most sustainable company overall in the Global 100 index.</p>	<p>No. 4</p>
	<p>Ørsted awarded highest possible rating.</p>	<p>AAA</p>
	<p>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.</p>	<p>B</p>
	<p>Ørsted rated as 'leader', placed in the 97th percentile among 188 utilities and no. 1 among direct peers.</p>	<p>83</p>
	<p>Ørsted has been awarded a gold medal as a recognition of being among the top 5% performers evaluated by EcoVadis.</p>	<p>77</p>
	<p>Ørsted ranked as no. 1 'Sector leader' in diversified infrastructure with highest possible 5-star rating.</p>	<p>84</p>
	<p>Ørsted in top 3 of 104 electric utilities and awarded 'prime' status.</p>	<p>B</p>



Ørsted A/S

Nesa Allé 1

2820 Gentofte

Denmark

orsted.com