



Climate Advocacy Report 2023

September 2023

// We believe there is a need for more transparency around climate related advocacy to help clear the path towards faster deployment of renewable energy

Mads Nipper
CEO, Ørsted

Foreword

It's no secret that any remaining hope of limiting global heating to 1.5 °C, let alone well below 2 °C, hinges on immediate action to transform global energy systems on a speed and scale not seen before.

At Ørsted, we're striving to do our part. Sustainability and the green transition are firmly placed at the heart of our business strategy. In less than a decade, we transformed our entire business from fossil fuels to now dedicating all our efforts to renewable energy, with the ambition of having deployed around 50 GW by 2030. We get up every morning to get closer to our vision of a world that runs entirely on green energy – in a way that works for both people and planet.

Furthermore, we have taken significant action across our entire value chain and our partners to decarbonise, we are on track to reach our science-based targets of 98 % Scope 1 and 2 carbon emissions reductions in 2025 and of net-zero for the full value chain in 2040.

However, our ambition to be a catalyst for change goes beyond ourselves and our partners. While tangibly decarbonising our society's energy use is at the core of what we do every day, we also want to actively contribute our experience and thinking to conversations on energy and policy. Policies and regulatory frameworks are decisive for either accelerating the green transition or for slowing it down and leading to further 'lock-in' of outdated fossil

technologies – the latter even though society at large has already decided which path it wants to follow.

As a global energy major, we work with numerous national and international associations to engage in active and constructive dialogues with policymakers. We urge impactful and transparent climate action from all our stakeholders. Towards policymakers, this means asking for legislation that clearly accelerates a renewable energy build-out, pursues deep and sustained emissions reductions, protects nature, and creates a transition that is equitable for all.

The public discussion on climate and energy policy is a complex field. Ørsted's representatives work to advance the green transition by directing, discussing, and supporting the development of frameworks that allow societies to build green energy right, now.

We believe there is a need for more transparency around climate related advocacy to help clear the path towards faster deployment of renewable energy, and we see it as our responsibility to help build best practices to create that transparency. We want all memberships in industry associations and their positions on key matters – whether for or against a faster green transition – out in the open. We urge other companies to also report transparently on their memberships.

That is why we are proud to publish our first Climate Advocacy Report. The report seeks to create transparency around our engagement with industry associations across our countries of operation. Internally, we have engaged our external affairs colleagues across all of those for this work. Following that, this report features an assessment of 49 of Ørsted's most important industry associations in terms of their advocacy efforts' alignment with the 1.5 °C Paris Agreement goal, their promotion of renewable energy, and their stance on the phase-out of fossil fuels.

This report serves three purposes. First is to use this process to spark conversations with industry associations to reveal any issues that may require them to take a clearer stance on climate action. The second is to unearth relationships that are potentially harmful to fighting global heating. And the third is to contribute to a best practice approach on transparency regarding climate advocacy.

While all companies and industry associations can certainly always improve their impact and advocacy, we can report that the influential organisations we are a member of are at large aligned with our definition of meaningful climate advocacy represented by – for now

– two climate policy agenda goals on which we have assessed all our partners in this report. Not everything is perfect, and when we find discrepancies, we have an open dialogue to pave the way for advocacy on the energy transition that is aligned with what our planet and people need. We are committed to help any industry association improve their climate actions and advocacy to speed up the green transition.

We look forward to using this report as a tool to improve our own advocacy efforts – and the efforts of the powerful organisations we can influence through our membership.

Because, to build renewable energy right, now, we need the strongest green push to counter any interests holding the urgent green transition back and we need to do it together.



A handwritten signature in black ink, appearing to read 'Mads Nipper', written over a light blue background.

Mads Nipper
CEO, Ørsted

Methodology

The main objectives of our advocacy report were to create transparency around our engagement with industry associations across our markets of operation, to have impactful discussions with them on the way forward in the fight against climate change, and, ultimately, to report on how our partners align with two specific climate policy agenda goals.

We approached the advocacy report with a clear process in mind that involved the following steps:

1. **Prioritising which of industry associations to report on**
2. **Selecting criteria to assess climate policy alignment and level of engagement**
3. **Determining a process for industry associations assessed as 'not aligned'**

1. Prioritising which of industry associations to report on

Ørsted is engaged with a multitude of industry associations globally across its markets of operation. To make the advocacy report as impactful as possible, we have focused on the associations that are 'material' to us.

This begs a definition of 'materiality' – one we have deliberately kept simple. For us, it means that the association is active in climate policy advocacy and that we are actively engaged with them, for example through membership of the association's board of directors.

2. Selecting criteria to assess climate policy alignment and level of engagement

The core of the advocacy report is, of course, the assessment. We assess how our material industry associations align with certain climate policy agenda goals. Additionally, we try to give an idea of our level of engagement with these associations.

Alignment with climate policy agenda goals

We assess our material industry associations on their alignment with two climate policy agenda goals:

- Limiting global heating to 1.5 °C as per the Paris Agreement.
- Supporting the expansion of renewables and the phase-out of fossil fuels.

Each of these are assessed using one of five dimensions:

Assessment dimension	Intepretation
E Explicitly aligned	Alignment with the category is explicitly stated in the organization's documents or in what their leadership is publicly or privately stating.
I Implicitly aligned	Alignment with the category is not explicitly stated in the association's documents or in what their management is publicly or privately stating but implied through explicit alignment with other relevant climate change categories.
NA Not aligned	While the association may work to advance climate change and/or renewable energy goals, it is not explicitly or implicitly aligned with one or both key climate policy agenda goals as stated and may maintain policy positions that are not consistent with these goals.
NR Not relevant	No assessment is conducted as the category is not relevant for the association assessed (e.g. biodiversity NGOs might not have positions on the build-out of renewables). This does not constitute an assessment as 'not aligned'.
NP No position	No assessment is conducted as the category could not be assessed. The association does not have a position on the category. This does not constitute an assessment as 'not aligned'.

Level of engagement

Furthermore, we also want to give a little bit more nuance to the level of activeness of our engagement with each of the associations. For each we also apply one of three engagement level labels:

Engagement level	Interpretation
PRO Promoting and Influencing	The position of Ørsted and of the association are strongly aligned and Ørsted identifies with the goals of the association directly.
INF Influencing	Ørsted tries to influence the position of the association towards an (even) clearer stance on climate change that aligns with Ørsted's position.
PAS Passive	Ørsted is not actively engaged but remains a passive member.

The 'passive' label does not apply in this report as the prioritisation for 'material' associations already implies a level of activeness that is either 'influencing' or 'promoting and influencing'.

3. Process for organisation assessed as 'not aligned'

For each association we found in misalignment with either of the two stated climate policy agenda goals we defined two courses of action. Both actions had to be followed in the following order:




- Engage the association in dialogue on the misalignment (if not already done so)
- Define an action plan for the relationship going forward

Engage the association in dialogue on the misalignment

The dialogues we had surrounding the publication of our first Advocacy Report were in the end one of the main benefits from going through the process. For associations that were assessed as not aligned this meant an even closer dialogue. Besides explaining the background, purpose, and process of the exercise, it also meant stating our particular 'not aligned' finding including sources and arguments. The dialogue offered us the possibility to ask specific questions for comments on our assessments and define the action plan.

Define an action plan for the relationship going forward

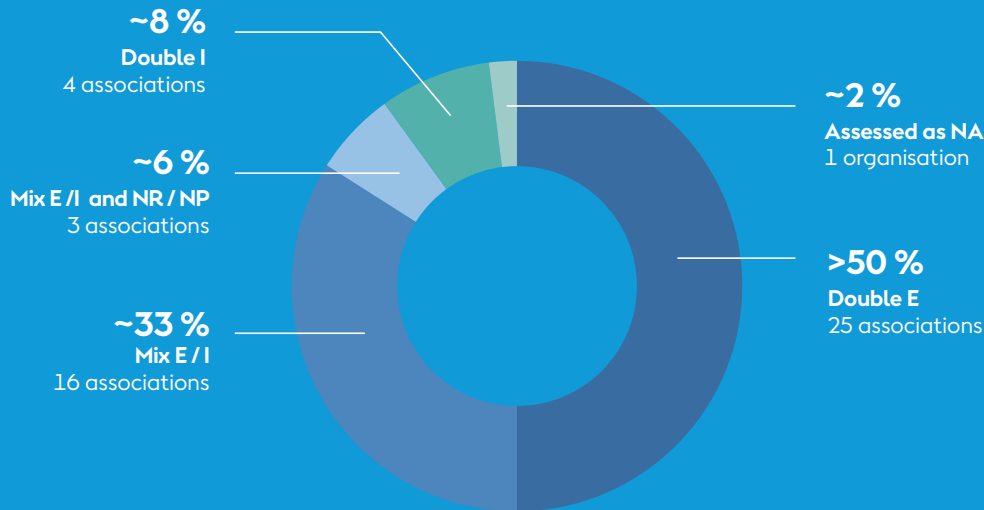
Depending on the final assessment after having had extensive dialogues with the industry associations, we needed to land on the definition of a way forward and defined a small spectrum of possible actions which were all valid – one (or a variation thereof) of which had to be chosen.

Action	Interpretation
 No action necessary	<ul style="list-style-type: none"> • No action is necessary, as all potential misalignments have been addressed and the association is no longer assessed as 'not aligned'.
 Ørsted remains part of 'not aligned' association	<ul style="list-style-type: none"> • Although the association continues to be assessed as 'not aligned' in at least one of the assessment categories, Ørsted remains part of the association to engage in dialogue and influence the association towards a path more aligned with Ørsted's climate position. • Focused reassessment in one year.
 Ørsted ends engagement with association	<ul style="list-style-type: none"> • Differences in positions cannot be mended, and Ørsted will decide to leave the association.

Summary

In total, we assessed 49 material associations, 98 % of which were found to be aligned with Ørsted's climate policy agenda – either implicitly or explicitly. In only one case, we found a misalignment.

Below is an overview of the results (% of assessed associations):



Legend for summary of final results

Region / Country

- | | | |
|-----------------|----------------|--------|
| Global | Poland | Japan |
| European Union | Portugal | Korea |
| Denmark | Spain | Taiwan |
| Germany | Sweden | USA |
| The Netherlands | United Kingdom | |

Assessment

- Explicitly aligned
- Implicitly aligned
- Not aligned
- Not relevant
- No position

Engagement

- Promoting and influencing
- Influencing
- Passive

Final results

Associations

Category	Climate Group	Energy Transitions Commission	Exponential Road-map Initiative	First Movers Coalition	Global Offshore Wind Alliance	Global Wind Energy Council	IRENA: Coalition for Action	UNGC: Ocean Stewardship Coalition	World Economic Forum	World Wildlife Fund	Eurelectric	Hydrogen Europe	Offshore Coalition for Energy and Nature (OCEaN)	Renewable Hydrogen Coalition	WindEurope	Green Power Denmark	Tænketanken Hav	Dansk Industri	CONCITO	Bundesverband Deutsche Energie- und Wasserwirtschaft e.V.	Bundesverband der Windparkbetreiber Offshore e.V.																			
Overall alignment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓																			
Region / Country																																								
Ørsted engagement	PRO	PRO	INF	PRO	PRO	INF	INF	PRO	INF	PRO	INF	INF	PRO	PRO	PRO	PRO	PRO	INF	INF	INF	PRO																			
Alignment with 1.5°C goal	E	E	E	E	E	E	E	E	E	E	E	I	E	E	E	E	E	I	E	E	E																			
Expans. of renew. and phase out of fossil	E	E	E	E	E	E	E	E	I	I	E	E	E	E	E	E	E	E	E	E	E																			
Summary of results for 50 organisations	<p>98% of prioritised organisations aligned with Ørsted's climate agenda – either implicitly or explicitly</p> <table border="0"> <tr> <td>Double E</td> <td></td> <td>25 associations</td> <td>>50%</td> </tr> <tr> <td>Mix E / I</td> <td></td> <td>16 associations</td> <td>~33%</td> </tr> <tr> <td>Mix E / I and NR / NP</td> <td></td> <td>3 associations</td> <td>~6%</td> </tr> <tr> <td>Double I</td> <td></td> <td>4 associations</td> <td>~8%</td> </tr> <tr> <td>Assessed NA</td> <td></td> <td>1 organisation</td> <td>~2%</td> </tr> </table>																				Double E		25 associations	>50%	Mix E / I		16 associations	~33%	Mix E / I and NR / NP		3 associations	~6%	Double I		4 associations	~8%	Assessed NA		1 organisation	~2%
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Final results

Associations

Category	Energie-Nederland	Smart Delta Resources Zeeland	Nederlandse Wind Energie Association	Polish Wind Energy Association	Stowarzyszenie Energii Odnawialnej	Associação Portuguesa de Energias Renováveis	Asociación Empresarial Eólica	Unión Española Fotovoltaica	Swedish Wind Energy Association	Energy UK	Renewable UK	The Confederation of British Industry	Asia Clean Energy Coalition	Renewable Energy Institute	Japan Wind Power Association	Energy Transition Korea	Korea Wind Energy Industry Association	AmCham (Energy Committee)	European CoC Taiwan Low Carbon Initiative	SEMI (Wind Committee)																				
Overall alignment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓																				
Region / Country													APAC																											
Assessment dimension	Ørsted engagement	INF	PRO	PRO	PRO	INF	INF	INF	INF	PRO	PRO	PRO	INF	INF	INF	INF	INF	INF	INF	INF	PRO																			
	Alignment with 1.5°C goal	I	I	I	NP	NP	I	I	E	E	E	E	E	E	E	I	I	I	E	E	I																			
	Expans. of renew. and phase out of fossil	I	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E																			
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Final results

Associations

	American Clean Power Association	American Council on Renewable Energy	Clean Grid Alliance	Mid-Atlantic Renewable Energy Coalition	National Ocean Industries Association	New York Offshore Wind Alliance	RENEW Northeast	Southeastern Wind Coalition											
Category																			
Overall alignment	✓	✓	✓	✓	X	✓	✓	✓											
Region / Country																			
Assessment dimension	Ørsted engagement	INF	INF	INF	PRO	INF	PRO	PRO	INF										
	Alignment with 1.5°C goal	I	I	I	I	E	I	I	NR										
	Expans. of renew. and phase out of fossil	E	E	I	I	NA	E	I	I										
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Next steps

Associations assessed as 'not aligned'

We assessed one association as 'not aligned': National Ocean Industries Association. The association is clearly on record in support of the build-out of renewable energy, and is a partner to Ørsted in that endeavour. However, as is the case with many trade associations, each represents a broad array of members, some of which may hold views that are not aligned with the phase-out of fossil fuels.

We reached out to NOIA, had constructive dialogues, and decided to continue to engage in their respective capacity as an advocate for the development of offshore wind.

Lessons learned

This is our first time publishing a Climate Advocacy Report. We did not want to miss the opportunity to share three simple lessons learned.

Firstly, prioritisation is necessary. Ørsted is active across many regions and countries. To get an initial report like this to the finishing line includes speaking to hundreds of stakeholders. We thus needed to find a prioritisation

mechanism to make the assessment manageable in its first iteration and thus focused on the industry associations we work with the most across our regions and countries of operation. This is now our basis for any further assessments.

Secondly, do not do everything at once. We have chosen two climate policy agenda goals that we think are most material and on which many industry associations have formulated positions.

Thirdly, we see this as an ongoing exercise. If we assess an industry association as aligned this year, it does not mean we will come to the same conclusion next year. Fighting climate change is not over next year nor the year after, so we expect from our partners in industry associations to stay ambitious.

Looking ahead

Ørsted will continue to be an outspoken advocate of impactful climate legislation that accelerates the global fight against climate change. The process we have now implemented as part of our assessment in the advocacy

report enables us to continuously keep track of our engagement with our partners in industry associations around the world.

Our goal is to publish an advocacy report on a regular basis. In future iterations, we also plan to review the scope and expand the number of climate policy agenda goals for the assessment, for example by reporting on associations' alignment with biodiversity and nature protection, or on their support of a just transition.



About Ørsted

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. Ørsted is recognised on the CDP Climate Change A List as a global leader on climate action and was the first energy company in the world to have its science-based net-zero emissions target validated by the Science Based Targets initiative (SBTi).

Ørsted is the world's leading developer of offshore wind. Ørsted conceived and developed the first offshore wind farm (Vindeby) in 1991 and recently built the world's largest offshore wind farm (Hornsea 2), which will help power more than 1.4 million UK homes. We aim to have installed 30 GW of offshore wind by 2030 – equivalent to around half of all current global offshore capacity.

Get in touch

Get in touch if you have any enquiries about this report.
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