



## Just transition policy

**The renewable energy transition must work for the many, not the few. To succeed in building a world that runs entirely on green energy, we must ensure an energy build-out that benefits people, and that the transition towards a clean energy economy creates decent paying jobs with secure employment and working conditions – in other words, a ‘just transition’.**

The world is transitioning from fossil-based to renewable energy, and the transition brings socio-economic benefits to society in multiple ways.

The transition will:

- create millions of additional jobs
- drive transformative innovation
- reduce the societal cost of climate impacts.

At the same time, the transition can also have negative social and economic consequences, as jobs will inevitably be lost in fossil fuel-based businesses as societies decarbonise.

However, as investments in renewables are more labour-intensive than traditional energy infrastructure investments,<sup>1</sup> the transition will generate more jobs than are lost. Nevertheless, significant challenges remain, including the geographical disconnect between where renewable energy jobs are being created and where fossil-fuel jobs are lost.

Balancing the positive and negative social consequences of the transition is a challenge that requires all relevant stakeholders to join forces. Together, we must ensure that the transition is just towards those affected. We cannot afford, economically or societally, to repeat the mistakes of the past that left many workers and communities behind.

### What is ‘just transition’ to Ørsted?

As ‘just transition’ has become mainstream in climate discourse, the term is subject to different positions being discussed by e.g. trade unions, civil rights groups, fossil incumbents, and renewable energy companies.

To Ørsted, ‘just transition’ means transitioning to renewable energy in a way that:

- creates new, decent jobs
- develops necessary talent and skills
- leaves no one behind.

### Create new, decent jobs

Ørsted’s contribution to a just transition is first and foremost to create what is known as ‘decent’ jobs in the renewable energy industry. This means jobs providing employees decent wages, secure employment, and safe working conditions, and a working environment where employees are free to express their concerns and their right to organise in trade unions is protected.

By 2030, Ørsted aims to reach 50 GW gross installed capacity compared to 13 GW today. This will generate thousands of new jobs in Ørsted, across the supply chain, and in local communities.

Ørsted will monitor the direct, indirect, and induced job creation, while assessing and developing socio-economic metrics.

### Develop necessary talent and skills

The transition will require many new, skilled workers. The energy sector must engage in re- and upskilling its current workforce, strengthening educational institutions, and make the industry attractive for a more diverse workforce.

Ørsted works in partnership with community groups and educational institutions, including colleges, universities, and trade union education programmes, to develop the local workforce, e.g., through:

- apprenticeship programmes

<sup>1</sup> WRI (2021): The green jobs advantage: How climate-friendly investments are better job creators

- a global graduate programme
- on-the-job training initiatives
- MSc and PhD projects.

Building on these types of partnerships, direct investment in fenceline and frontline communities, and internal learning and development programmes, Ørsted actively develops talents for the renewable energy transition by strengthening their technical skill sets and helping workers re- or upskill, enabling them to make the transition.

With the National Offshore Wind Agreement between Ørsted and North America's Building Trades Unions (NABTU) from 2022 covering offshore projects in North America, Ørsted is setting the bar for working conditions, creating apprenticeship and career opportunities for the communities most impacted by environmental injustice, and ensuring that projects will be built with the safest and best-trained workers.

### Leave no one behind

Through the transformation from a fossil-based to a renewable energy company, Ørsted has been able to retain many employees and utilise their skill sets in a new context. This has been enabled by re- and upskilling schemes and on-the-job training.

For the few Ørsted employees who will be negatively affected by our further transition, we are committed to providing re- and upskilling opportunities enabling them to find new employment outside of Ørsted.

We want to help communities benefit from the energy transition, and we recognise the aspirations of workers, trade unions, and disproportionately impacted communities.

Accordingly, Ørsted takes active part in dialogues with policymakers, trade unions and other workers' organisations, frontline community organisations, indigenous and tribal nations, environmental justice communities, and industry partners to share our experience on how to handle the important challenges of increasing the positive social and socio-economic gains and minimising the negative aspects of the transition to renewable energy, and to avoid supporting systems of human and resource exploitation.

### Advocacy activities

Ørsted aspires to be a catalyst for change and inspire climate action beyond our own company. Our advocacy activities and engagement with political stakeholders are aligned with this aspiration, and Ørsted advocates for a build-out that works for people – a 'just transition'.

We aim to achieve key objectives by actively supporting, collaborating, and partnering with authorities, trade unions, frontline community organisations, think tanks, NGOs, cross-industry initiatives, and international organisations, such as the UN Global Compact (UNGC) and the International Labour Organization (ILO), in the areas of job creation and skills development.

In the ongoing dialogues with stakeholders, Ørsted will actively advocate for policies that support a renewable energy transition that benefits people by:

- having direct dialogues with political stakeholders and authorities
- engaging in broader policy and community advocacy through thought leadership work
- supporting and collaborating with think tanks, NGOs, trade unions, and cross-industry initiatives and partnerships
- carrying out communication activities and advertising.

Ørsted's advocacy activities are always in compliance with applicable laws and regulations, Ørsted's 'Policy on good business conduct', 'Sponsorship policy', 'Human rights policy', and 'Code of conduct for business partners'. Ørsted further commits to openly disclosing all advocacy memberships on the company website.

### Governance

This policy applies to Ørsted A/S and its subsidiaries. As every market has its own unique regulatory environment, the principles are implemented in accordance with the local framework conditions and in compliance with local regulations.

Ørsted communicates about our just transition activities on the company website and in the annual sustainability report.