

# Science-aligned climate action

The world urgently needs to deliver carbon reductions to keep global warming within 1.5° Celsius – the limit required to avoid the catastrophic and uncontrollable consequences of climate change.

The following five sustainability programmes address the challenges we are tackling to get there. By scaling our green energy business while delivering carbon reductions, we enable and inspire others to take science-aligned climate action.

Globally, we are the first energy company to have our 2040 net-zero target and underlying reduction targets for scope 1-3 approved as ‘science-based’ by the Science Based Targets initiative (SBTi).

## Programmes

1. Decarbonisation of energy generation and operations
2. Decarbonisation of supply chain and wholesale buying and selling of natural gas
3. Deployment of offshore wind and onshore renewables
4. Greener combined heat and power plants
5. Integrated and reliable energy systems

For further information on our underlying data for programme targets and indicators, see our ESG performance report 2021 on pp. 13, 19-23.

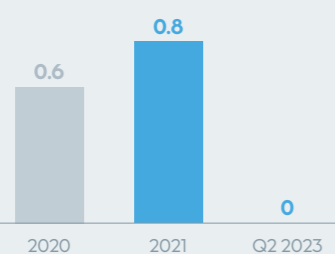
## SDG contribution

UN SDG No. 7: Programmes 3, 4, and 5  
UN SDG No. 13: Programmes 1 and 2



	1. Decarbonisation of energy generation and operations	2. Decarbonisation of supply chain and wholesale buying and selling of natural gas	3. Deployment of offshore wind and onshore renewables
<b>Sustainability challenge</b>	<p><b>Science-aligned climate action and energy efficiency</b></p> <p>Since 73 % of global greenhouse gas emissions come from the production and use of fossil fuel-based energy, decarbonising energy generation and improving energy efficiency are the most important actions for limiting climate change.</p>	<p><b>Societal challenge</b></p>	<p><b>Carbon footprint responsibility and energy efficiency</b></p> <p>To limit global warming to 1.5 °C, the deployment of renewable energy technologies must be accelerated to help phase out coal and other fossil fuels from global energy systems at the pace and scale required by climate science.</p>
<b>Our approach</b>	<p>We have set a science-based target of reducing the emissions intensity in our energy generation and operations with at least 98 % from 2006 to become a carbon-neutral company in 2025. This covers emissions from generation of heat and power and our operations, including the vessels servicing our wind farms, our vehicles, and our sites (scope 1 and 2). We will offset any residual emissions through carbon removal projects to become carbon-neutral in 2025.</p>	<p><b>Our approach</b></p> <p>We reduce emissions from our supply chain and from wholesale buying and selling of natural gas (scope 3) in line with the Science Based Targets initiative’s (SBTi) 1.5 °C pathway to achieve net-zero emissions by 2040 (scope 1-3). We work with our suppliers to reduce emissions from offshore wind farm components and logistics.</p>	<p>We deploy offshore and onshore renewables across our regions: the UK, Continental Europe, North America, and Asia Pacific. We want to accelerate the deployment of renewables globally and have set a strategic build-out target of 30 GW offshore and 17.5 GW onshore capacity by 2030.</p>
<b>Our progress</b>	<ul style="list-style-type: none"> <li>• We have reduced the GHG intensity of our energy generation and operations by 87 % since 2006 to 58 g CO<sub>2e</sub>/kWh in 2021. We are on track to reach our target of at least a 98 % reduction by 2025.</li> <li>• We no longer buy or lease fossil-fuelled cars, and by 2025, our entire vehicle fleet, including site and operational vehicles, will be fully electric. Currently, we have a 41 % share of electric vehicles (including plug-in hybrids) in our fleet.</li> <li>• We cover 100 % of our own power consumption with green certificates, mainly from our offshore wind farms.</li> <li>• We are maturing our portfolio of carbon removal projects to ensure that we offset any residual emissions through certified, high-quality nature-based solutions and reach our 2025 carbon-neutral target (scope 1-2). In 2021, we agreed with the Gambian government and local NGOs to develop a mangrove conservation and reforestation project.</li> </ul>	<p><b>Our progress</b></p> <ul style="list-style-type: none"> <li>• We are the first energy company in the world to have a science-based net-zero target verified by the SBTi. With our 2040 net-zero target, we have set clear reduction targets across all scopes. In our supply chain, we have progressed across our strategic levers to bring down emissions: <ul style="list-style-type: none"> <li>– We have partnered with CDP (formerly the Carbon Disclosure Project) to promote a transparent and uniform way of measuring and disclosing emissions in our supply chain. Of our 34 key strategic suppliers, 97 % have successfully disclosed to the CDP this year.</li> <li>– We have decided that our strategic suppliers should produce and deliver their products and services to us using 100 % green electricity by 2025 at the latest. In 2021, 44 % of our suppliers used 100 % green electricity.</li> <li>– Additionally, a growing number of our suppliers have committed to having science-based targets, and four targets have been approved by the SBTi.</li> <li>– We are co-founders of the Climate Group’s SteelZero initiative and the World Economic Forum’s (WEF) First Movers Coalition, with the aim to drive the cross-sectoral innovation journey needed to decarbonise steel.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• As part of our new 2030 corporate strategy, we have increased our strategic build-out target to 47.5 GW. We are currently on track, with an installed capacity of 13 GW.</li> <li>• In 2021, some key target milestones are: <ul style="list-style-type: none"> <li>– In offshore wind, we are building the wind farms Hornsea 2 (1.3 GW) and Changhua 1&amp;2a (900 MW), which will both become operational in 2022. In total, we have secured 7.6 GW towards our offshore wind target.</li> <li>– In onshore wind, our largest project to date, the onshore wind farm Western Trail (367 MW) located in Texas, has been completed, bringing our total onshore wind capacity to over 2.7 GW in operation.</li> <li>– Within solar, we have completed our 460 MW Permian Energy, a combined solar plus battery storage facility in Texas which will meet the electricity needs of 80,000 US homes. Our total solar capacity is 0.7 GW in operation.</li> </ul> </li> <li>• Our portfolio of long-term corporate power purchase agreements (CPPAs) is constantly expanding, thus helping more companies to run on green energy.</li> </ul>
<b>Actions for the future</b>	Continue to drive out emissions across scope 1-2, beyond our 98 % reduction target.	<b>Actions for the future</b>	Take an active approach in enabling suppliers and others to accelerate supply chain decarbonisation in our industry.
<b>Our governance</b>	Accountability lies with the Executive Committee.	<b>Our governance</b>	Accountability lies with the Executive Committee.
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>• Ørsted Sustainability commitment</li> <li>• ESG performance report, section 4.2</li> </ul>	<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>• ESG performance report, section 4.3</li> </ul>
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>• Paris Agreement</li> <li>• Greenhouse Gas Protocol and Science Based Targets initiative</li> <li>• IPCC Sixth Assessment Report</li> </ul>	<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>• Paris Agreement</li> <li>• Greenhouse Gas Protocol and Science Based Targets initiative</li> <li>• IPCC Sixth Assessment Report</li> </ul>
<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>• Science Based Targets initiative</li> <li>• EV100, the Climate Group</li> <li>• World Wildlife Fund DK</li> <li>• Energy Transitions Commission</li> <li>• We Mean Business Coalition</li> </ul>	<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>• The Climate Group’s SteelZero initiative</li> <li>• WEF’s First Movers Coalition</li> <li>• Getting to Zero Coalition</li> <li>• Natural Capital Partners</li> <li>• The Climate Pledge</li> <li>• Race to Zero</li> </ul>
<b>Targets and indicators</b>	<p><b>GHG intensity (scope 1-2)</b> (g CO<sub>2e</sub>/kWh)</p> <p><b>Green share of energy generation (%)</b></p>	<b>Targets and indicators</b>	<p><b>Reduction in carbon emissions (scope 3)</b> (MtCO<sub>2e</sub>, base year 2018) – incl. gas sales</p> <p><b>Reduction in GHG intensity (scope 1-3)</b> (g CO<sub>2e</sub>/kWh, base year 2018) – excl. gas sales</p>
			<p><b>Installed offshore and onshore capacity (GW)</b> – excl. hydrogen and green fuels</p>

	4. Greener combined heat and power plants	5. Integrated and reliable energy systems
<b>Sustainability challenge</b>	<b>Green energy deployment</b> Coal continues to be the most widely used fuel for power generation globally even though it is the most carbon-intensive fossil fuel. To limit climate change, a complete phase-out of coal is urgently needed.	<b>Green energy for heavy industry and transport, and reliable energy systems</b> To help balance supply and demand of green energy, store energy, and use green power to decarbonise industries where emissions are particularly hard to abate, new technologies must be tested, piloted, and scaled to fully decarbonise the world's energy consumption.
<b>Our approach</b>	We are phasing out coal from our combined heat and power (CHP) plants by replacing it with certified sustainable biomass and by closing down coal-fired capacity. We aim to completely phase out our use of coal at the end of Q1 2023.	We explore and develop solutions to produce renewable hydrogen to displace fossil fuels in sectors that are difficult to electrify, such as heavy industry and transport.
<b>Our progress</b>	<ul style="list-style-type: none"> <li>We have completed our coal-to-biomass conversion programme on six of our seven CHP plants in Denmark, but we have two remaining units running on coal at our plants in Esbjerg and Studstrup in Denmark.</li> <li>Our coal-based unit at Studstrup will close at the end of Q1 2022, and our CHP plant (375 MW) located in Esbjerg, will close at the end of Q1 2023 at the latest. With these closures, we will have completely phased out use of coal.</li> <li>Until April 2023, fluctuations in our coal consumption are expected due to our obligation to provide ancillary services in Denmark and contribute to stable grid operations.</li> <li>In 2021, we saw an increase in coal consumption at our two remaining coal-based units. The increase was driven by higher power prices and higher CHP generation due to increased heat and power demand from colder weather and low wind speeds.</li> </ul>	<ul style="list-style-type: none"> <li>We have taken important steps towards growing our current pipeline of projects within Power-to-X solutions:                             <ul style="list-style-type: none"> <li>Three of our Power-to-X projects (Lingen Green Hydrogen, Westküste/HySCALE, and Green Fuels for Denmark) were shortlisted to participate in the European IPCEI process for hydrogen. We expect the outcome of the IPCEI process to be announced in the first half of 2022.</li> <li>With the SeaH2Land project, we are working on a 1 GW renewable hydrogen production facility to decarbonise the production of ammonia, steel, ethylene, and fuels in the Dutch-Flemish North Sea Port cluster.</li> <li>In Denmark, we further matured our flagship Power-to-X project Green Fuels for Denmark by signing an MOU with HOFOR to offtake power from its offshore wind farm Aflandshage. Additionally, we identified the straw boiler at Avedøre Power Station as the best source of sustainable CO<sub>2</sub> for the production of e-fuels.</li> <li>In 2021, we also commenced construction of the pioneering H2RES project in Denmark, an electrolysis plant which will produce renewable hydrogen for road transport in the Greater Copenhagen area.</li> </ul> </li> </ul>
<b>Actions for the future</b>	Zero coal from Q2 2023 and investigate potential to substitute the remaining use of natural gas and fossil oil with sustainable alternatives.	Take an active role in testing and scaling new energy technologies that can enable an acceleration of the green energy build-out.
<b>Our governance</b>	Accountability lies with the Chief Operating Officer.	Accountability lies with the Chief Operating Officer.
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>ESG performance report, section 3.2, 3.3 and 4.5</li> </ul>	<ul style="list-style-type: none"> <li>Annual report, pp 51-52</li> </ul>
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>Paris Agreement</li> <li>IPCC Sixth Assessment Report</li> </ul>	<ul style="list-style-type: none"> <li>Paris Agreement</li> <li>IPCC Sixth Assessment Report</li> </ul>
<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>Powering Past Coal Alliance</li> <li>Better Coal</li> </ul>	<ul style="list-style-type: none"> <li>IRENA Coalition for Action</li> <li>Green Hydrogen Catapult</li> <li>WEF's Accelerating Clean Hydrogen Initiative</li> <li>Green Fuels for Denmark</li> </ul>
<b>Targets and indicators</b>	<b>Coal consumption (million tonnes)</b>	<b>Build a global leadership position in renewable hydrogen and green fuels.</b>



# Green energy in balance with nature

Nature, and its variety of species and habitats, regulates the well-being of our planet, and it is in crisis. Building green energy is a lifesaver for nature – but it also involves impacts on nature that we need to manage.

With the following four sustainability programmes, we address the challenges linked to the impact our business has on biodiversity and natural resources.

Our aspiration is to lead a build-out of green energy where each energy project contributes positively to a thriving nature.

- Programmes**
- 6. Biodiversity
  - 7. Circular resource use
  - 8. Minerals and metals
  - 9. Sustainable biomass

For further information on our underlying data for programme targets and indicators, see our ESG performance report 2021 on pp. 24-26.

**SDG contribution**  
 UN SDG No. 12: Programmes 7 and 8  
 UN SDG No. 14: Programme 6  
 UN SDG No. 15: Programmes 6 and 9



## 6. Biodiversity

<b>Sustainability challenge</b>	<b>Biodiversity impacts and change in ecosystems</b> The consequences of climate change are already impacting our ecosystems negatively, with water scarcity, habitat destruction, and biodiversity loss occurring all around the world. Halting the loss of biodiversity is key to maintaining the healthy ecosystems which we depend on, as well as combatting climate change.
<b>Our approach</b>	We commit to ensuring that all projects commissioned from 2030 must have a net-positive impact. We conduct detailed environmental assessments, engage in dialogue with relevant stakeholders, and provide support for scientific knowledge-building and R&D.
<b>Our progress</b>	<ul style="list-style-type: none"> <li>We have set an ambition for biodiversity and commit to ensuring that all projects commissioned from 2030 must have a net-positive biodiversity impact.</li> <li>We have joined the Science Based Targets Network's (SBTN) Corporate Engagement Program to help develop and advance tools for measuring our impact and dependency on biodiversity.</li> <li>At our Borssele 1 &amp; 2 Offshore Wind Farm in the Netherlands, we are creating artificial reefs for the Atlantic cod, which plays a key role in the food chain and local ecosystem.</li> <li>We have partnered with WWF and deployed ten biohuts in the Port of Grenaa to help preserve the cod stock in Denmark's Kattegat straits, where population numbers are critically low, negatively impacting ecosystems.</li> <li>We are leading the WWF's Coalition Linking Energy and Nature for Action, which unites leading international organisations involved with energy and nature issues, government representatives, NGOs, and businesses.</li> </ul>
<b>Actions for the future</b>	Measure our biodiversity impacts across all of our operations and build a systematic approach for integrating net-positive biodiversity initiatives into our development of green energy projects. Ensure that our approach is science-based by continuously working with SBTN's Corporate Engagement Program.
<b>Our governance</b>	Accountability lies with our Executive Committee.
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>Ørsted Offshore wind biodiversity policy</li> <li>ESG performance report, section 4.6 and 4.7</li> </ul>
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>The EU Birds and Habitats Directive</li> <li>UN 2020 Aichi Biodiversity Targets</li> <li>UNGC Sustainable Ocean Principles</li> <li>EU Biodiversity Strategy to 2030</li> </ul>
<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>World Wildlife Foundation</li> <li>Rutgers University, Woods Hole Oceanographic Institution, and the University of Rhode Island – ECO-PAM project</li> <li>UNGC Action Platform for Sustainable Ocean Business</li> <li>University of Aberdeen and North Highland College's Environmental Research Institute - Predict Project.</li> </ul>
<b>Targets and indicators</b>	<b>Red List species recorded in areas with Ørsted offshore operations (number)</b>



	7. Circular resource use	Solving the blade waste challenge with circular economy	8. Minerals and metals	9. Sustainable biomass																	
<b>Sustainability challenge</b>	<p><b>Circular use of resources and water scarcity</b></p> <p>The world's resources are used almost twice as fast as they can be reproduced. This overconsumption impacts our ecosystems through biodiversity loss, climate change, scarcity, and pollution on land and at sea. To meet increasing resource demand while lowering our global environmental footprint, it is paramount that we reuse and recycle our resources.</p>	<p>Today, between 85-95 % of all materials from our wind farms can be circulated in a meaningful way upon decommissioning. However, to reach full recyclability, we are yet to find viable solutions for how to treat wind turbine blades when discarded, as their material composition of mainly epoxy and glass fibre makes them difficult to recycle.</p>	<p><b>Minerals and metals for green energy deployment</b></p> <p>The build-out of renewable energy will increase mining activities for certain requisite metals and minerals. Since a significant share of the global extraction and production of those resources takes place in countries with high likelihood of negative social and environmental impacts, there is an increased risk of adverse impacts on supply chains.</p>	<p><b>Biomass sustainability</b></p> <p>To ensure significant carbon savings compared to coal, the biomass used for energy generation must meet strict sustainability criteria and be sourced from certified sustainable forests.</p>																	
<b>Our approach</b>	<p>To achieve a more sustainable use of resources, we are transitioning to become a company with a circular economy based on three strategic pillars: (i) We will use fewer virgin resources where possible, (ii) We will use resources better and for longer, (iii) We will recirculate resources upon end of life.</p>	<p>As a response to this challenge, Ørsted committed to a 'zero blades to landfill' target in 2021 with immediate effect. With this target, we will seek to reuse, recycle, or recover 100 % of all blades from our global offshore and onshore portfolio. In practice, this applies to blades being replaced due to malfunction in the operational phase, and to blades taken down when we begin to decommission wind farms.</p>	<p><b>Our approach</b></p> <p>The mining of minerals and metals takes place deep within supply chains, and Ørsted does not have direct control over how these activities are performed. To help shape solutions in this space, we are engaging with key suppliers based on the first three steps of the OECD Guidelines: (i) Establish strong company management systems, (ii) Identify and assess risks in the supply chains, and (iii) Design and implement a strategy to respond to identified risks. We are also addressing the topic through industry initiatives, including WindEurope and the Dutch Wind Covenant.</p>	<p>We only source sustainable biomass certified by independent, third-party certification bodies, in line with Danish legislation. Our biomass is sourced from sustainably managed production forests with ongoing reforestation. The wood pellets and chips we use are made from residues and low-grade wood in low demand from sawmills and other wood industries, most often from sawdust, regular thinning of forests, or diseased or crooked trees.</p>																	
<b>Our progress</b>	<ul style="list-style-type: none"> <li>In 2021, we performed a full-scale life cycle assessment of our Changhua projects in Taiwan to get an updated overview of the environmental footprint across all components of an Ørsted offshore wind farm. This will form the basis of an in-house tool to support our strategy on resource use for future projects.</li> <li>We constantly strive to improve our recycling rates from all waste fractions. This year, we have made a commitment to immediately ban landfilling of all our wind turbine blades, instead seeking to reuse, recycle, or recover the materials. This will bring us closer to a fully recyclable wind farm.</li> <li>We have reduced our total volume of hazardous waste by 85 % from 2020 to 2021. However, removing this waste has caused our recycling rate to drop from 82 % to 67 %.</li> <li>Our total volume of non-hazardous waste increased this year due to increased power generation at our CHP plants. The waste from our plants is primarily ashes from our use of sustainable biomass.</li> </ul>	<p><b>What is Ørsted then doing to live up to its commitment?</b></p> <p>We always do what is within our reach to prevent blades from being discarded and considered as waste in the first place. We do this by taking good care of them throughout their life, of course, and also by repairing them, if possible, when they become damaged. In 2021, we sent one blade to repair and thus saved approx. 15 tonnes of composite materials from becoming waste.</p> <p>Unfortunately, we cannot always save our blades through good service and repair. Knowing that we therefore need feasible recycling and recovery solutions, we do our utmost to support the industry in accelerating the development of circular end-of-life alternatives.</p> <p>We do this by engaging in close dialogue with established businesses, start-ups, and innovation projects trying to develop and mature these technologies and making sample materials for testing and analysis available.</p> <p>Finally, during the last year, we have taken active part in the maturing of recycling solutions by driving the cross-sector research project DecomBlades together with leading industry players across the full value chain. Funded by Innovation Fund Denmark, and running until 2023, we look further into how we can recycle and recover blade materials through mechanical shredding, pyrolysis, and cement co-processing.</p>	<p><b>Our progress</b></p> <ul style="list-style-type: none"> <li>We have mapped and prioritised ten metals which are being used in our offshore and onshore operations.</li> <li>We have started a dialogue with ten key suppliers to understand the current level of supply chain transparency for priority metals, and whether social and environmental risks within these networks have been identified.</li> <li>We have joined the cross-industry Initiative for Responsible Mining Assurance (IRMA), which focuses on responsible mining practices. With our membership, we want to promote responsible mining practices in our supply chains and learn how other IRMA members are addressing societal and environmental risks in their supply chains.</li> </ul>	<ul style="list-style-type: none"> <li>We only procure 100 % third-party-certified sustainable biomass and will maintain that level going forward.</li> <li>We report annually on the biomass feedstock types we use, countries of harvest, and the carbon emissions from production and transport to ensure transparency in our approach.</li> <li>This year, a new Danish law on biomass has been passed which sets higher standards for companies to document traceability, carbon reductions, third-party certifications, etc. We will abide by this law, and fully support the need for it.</li> </ul>																	
<b>Actions for the future</b>	<p>We will start looking at how we can implement circularity into either our design or sourcing of wind farm components (foundations and wind turbine generators) while establishing practices for performing life-time extensions and for circular decommissioning of full wind farms.</p>	<p>We do this by engaging in close dialogue with established businesses, start-ups, and innovation projects trying to develop and mature these technologies and making sample materials for testing and analysis available.</p>	<p><b>Actions for the future</b></p> <p>To be able to address specific societal and environmental risks in our metal supply chains, we need a clearer understanding of how priority metals used in our renewable energy are sourced. We will continue to investigate this in collaboration with our first-tier suppliers and industry initiatives.</p>	<p>Achieve carbon-negative emissions from our combined heat and power plants through carbon capture and storage technologies.</p>																	
<b>Our governance</b>	<p>The Sustainability Committee oversees the circular resource strategy. The QHSE Committee ensures that implementation is carried out by the individual business units.</p>	<p>We do this by engaging in close dialogue with established businesses, start-ups, and innovation projects trying to develop and mature these technologies and making sample materials for testing and analysis available.</p>	<p><b>Our governance</b></p> <p>Accountability lies with the Head of Group Stakeholder Relations, and the Head of Procurement. Implementation is carried out by our Responsible Business Partner Programme (RPP) team in collaboration with QHSE and Procurement.</p>	<p>Accountability lies with our Senior Vice President of Bioenergy.</p>																	
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>Ørsted QHSE policy</li> <li>Ørsted Resource management policy</li> <li>Ørsted Water management policy</li> <li>ESG performance report, section 4.8</li> </ul>	<p>We do this by engaging in close dialogue with established businesses, start-ups, and innovation projects trying to develop and mature these technologies and making sample materials for testing and analysis available.</p>	<p><b>Policy and link to more information</b></p> <ul style="list-style-type: none"> <li>Ørsted Code of Conduct for business partners</li> </ul>	<ul style="list-style-type: none"> <li>Ørsted Sustainable biomass policy</li> <li>ESG performance report, section 4.5 and 4.8</li> </ul>																	
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>The EU Directive on waste 2008/98</li> <li>EU waste hierarchy and waste framework directive</li> <li>Global Reporting Initiative 306: Waste 2020</li> <li>Global Reporting Initiative 303: Water and effluents 2018</li> </ul>	<p>We do this by engaging in close dialogue with established businesses, start-ups, and innovation projects trying to develop and mature these technologies and making sample materials for testing and analysis available.</p>	<p><b>International frameworks of reference</b></p> <ul style="list-style-type: none"> <li>UN Guiding Principle on Business and Human Rights</li> <li>OECD Guidelines for Multinational Enterprises</li> <li>OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas</li> </ul>	<ul style="list-style-type: none"> <li>EU recast Renewable Energy Directive</li> <li>Convention on Biological Diversity</li> <li>Sustainable Forest Management Implementation - Forest Europe</li> <li>Sustainable forest management Food and Agriculture Organization of the United Nations</li> <li>Sustainable forestry in EU International Partnerships</li> <li>Danish law on sustainable biomass for energy production</li> </ul>																	
<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>DecomBlades, partly funded by Innovation Fund Denmark</li> <li>WindEurope</li> <li>Kalundborg Symbiosis</li> </ul>	<p>We do this by engaging in close dialogue with established businesses, start-ups, and innovation projects trying to develop and mature these technologies and making sample materials for testing and analysis available.</p>	<p><b>Examples of partnerships and collaborations</b></p> <ul style="list-style-type: none"> <li>Initiative for Responsible Mining Assurance (IRMA)</li> <li>WindEurope Sustainability Working Group</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Biomass Programme (SBP)</li> <li>Forest Stewardship Council (FSC)</li> </ul>																	
<b>Targets and indicators</b>	<p><b>Total amount of waste diverted from disposal (%)</b></p> <p><b>Total amount of blade waste directed to landfill (%)</b></p> <table border="1"> <caption>Waste diversion and blade waste to landfill</caption> <thead> <tr> <th>Year</th> <th>Total amount of waste diverted from disposal (%)</th> <th>Total amount of blade waste directed to landfill (%)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>82</td> <td>0</td> </tr> <tr> <td>2021</td> <td>67</td> <td>0</td> </tr> </tbody> </table>	Year	Total amount of waste diverted from disposal (%)	Total amount of blade waste directed to landfill (%)	2020	82	0	2021	67	0	<p>We do this by engaging in close dialogue with established businesses, start-ups, and innovation projects trying to develop and mature these technologies and making sample materials for testing and analysis available.</p>	<p><b>Targets and indicators</b></p> <p><b>The ten metals mapped and prioritised in our offshore and onshore operations:</b> cadmium, cobalt, copper, iron, lithium, nickel, manganese, rare earth elements, silicon, tellurium.</p>	<p><b>Certified sustainable wooden biomass sourced (%)</b></p> <table border="1"> <caption>Certified sustainable wooden biomass sourced</caption> <thead> <tr> <th>Year</th> <th>Certified sustainable wooden biomass sourced (%)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>100</td> </tr> <tr> <td>2021</td> <td>100</td> </tr> <tr> <td>Ongoing target</td> <td>100</td> </tr> </tbody> </table>	Year	Certified sustainable wooden biomass sourced (%)	2020	100	2021	100	Ongoing target	100
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### High standards for sustainable biomass make a difference for the climate

Denmark has a central district heating system with combined heat and power (CHP) plants. Six out of Ørsted's seven plants have been converted from using coal to using certified sustainable biomass, delivering significant carbon emission reductions. Using certified sustainable biomass for energy generation has historically been an effective solution for retiring coal, making Denmark almost independent of fossil fuels. Ørsted is set to phase out coal completely and will close the last coal-based CHP plant in 2023.

When we use wood for energy, we only use certified sustainable biomass, which is characterised as residual products derived from sustainably managed production forests. These forests produce wood for timber used for furniture and buildings to replace other carbon-emitting products. We only use the residues that cannot otherwise be used - namely, twigs, skewed or rotten timber, and saw dust. These residues would typically be left to rot or be burnt locally in the forest as waste products without harnessing their energy.

Using biomass for energy production emits CO2. However, using sustainable biomass ensures production forests continue to grow or maintain size. This enables forests to absorb the equivalent amount of CO2 produced by the harvested trees in a short period of time.

This year, the Danish Parliament passed a law that requires companies using biomass for energy to clearly document its sustainability, type, carbon savings, and impact on biodiversity. This has set common sustainability standards for energy production based on biomass which are stricter than the EU's current requirements. We have strongly supported this legislation to ensure that biomass used for energy is 100 % certified, made from forests with ongoing reforestation, and from residues that are not in demand from other industries.

CHP plants using biomass play a supporting role in the deployment of wind and solar power by securing electricity and heat for the Danes in the absence of wind and sunshine. As new technologies develop and become cost-competitive, we can phase them in as new sources of heat production. We expect our biomass consumption to decrease significantly towards 2040 due to increased electrification of heat production.

In the future, it will become possible to capture the carbon from our sustainable biomass-fired CHP plants and either store the carbon, creating negative emissions, or use biogenic carbon to help decarbonise hard-to-abate sectors such as heavy transport.

## A green transformation that works for people

The green transformation will involve and impact the lives of millions of people in supply chains, local communities and employees working to make it happen.

With the following five sustainability programmes, we address the challenges associated with the transformation, and our aspiration to lead a build-out of green energy that is inclusive, enabling and creates local benefits.

#### Programmes

- 10. Local communities
- 11. Human rights
- 12. Inclusion of diversity
- 13. Employee safety, health and well-being
- 14. Employee development and satisfaction

For further information on our underlying data for programme targets and indicators, see our ESG performance report 2021 on pp. 30-33.

#### SDG contribution

- UN SDG No. 3: Programmes 13 and 14
- UN SDG No. 8: Programmes 11 and 14
- UN SDG No. 10: Programmes 11 and 12
- UN SDG No. 11: Programme 10
- UN SDG No. 16: Programme 11



		10. Local communities	Our contribution to a just transition in Taiwan
Sustainability challenge	Local community impact and job creation	The green build-out must benefit the local communities that host renewable energy projects. To ensure local support, it is increasingly critical to meet local stakeholder expectations of jobs and community contributions while addressing any concerns.	We are keen to find ways of building renewable energy solutions which benefit people and local communities. For us, this is about transitioning to a net-zero economy while creating green, decent jobs and supporting thriving communities.
Our approach	Our renewable energy projects form a very tangible part of the communities in which they are built. Through systematic engagement, it is our ambition to create shared benefits with local communities and enable them to take part in and benefit from the green energy transition.		Needs and expectations vary across communities, and most are best addressed through collaboration at an industry level, or with policymakers and educational institutions. It is complex, and we are still exploring the best ways to support a just transition.
Our progress	<ul style="list-style-type: none"> <li>• We continue to engage with locally elected officials, suppliers, educational institutions, NGOs, and commercial fisheries. For example:                             <ul style="list-style-type: none"> <li>– In the US, we have partnered with Zeem Solutions in New Jersey to support the roll-out, training, and infrastructure required for a new electric truck fleet at the Port of Newark.</li> <li>– In Germany, we collaborated with the municipalities in East Frisia by sponsoring the decommissioned Borkumriff lightship in the Borkum harbour. The ship serves as a local tourist attraction, providing a range of information about the history and special habitat of the Wadden Sea.</li> <li>– In the UK, we awarded more than GBP 330,000 in grants to 16 organisations from coastal communities in Cumbria and Lancashire as part of our Walney Extension Community Fund. Since 2016, we have supported 184 projects in the region with more than GBP 3 million.</li> <li>– In Taiwan, funds from Ørsted's Offshore Wind Industrial Development Fund (IDF) made it possible to train over 170 local people in welding and safety, most of whom work for suppliers to our Greater Changhua wind farms.</li> </ul> </li> </ul>		We believe that a transition perceived as 'just' is more likely to be seen as worthwhile for the local communities whose participation is crucial for a build-out of green energy. In Taiwan, we are taking the first steps.
Actions for the future	Further strengthen each market's ability to successfully implement impactful local community initiatives and partnerships by updating our programmatic approach to local community engagement with tools tailored to stakeholder needs.		<b>Talent development is key to supplier development</b> The Taiwanese government has set ambitious targets to develop a world-class offshore wind supply chain. We want to play our part in making this happen by expanding local supply chains, strengthening the capabilities of local talents, and supporting local innovation.
Our governance	Accountability lies with our Chief Commercial Officer and our Chief Executive of Onshore Operations. The heads of public and regulatory affairs in the respective markets are responsible.		We have initiated the Wind Power Supply Chain Platform in Taiwan to do so. In collaboration with the Metal Industries Research & Development Centre (MIRDC), the platform aims to match local small- and medium-sized companies with demand for products and services during the construction, operation, and maintenance of offshore wind farms. Including engineering consulting, and procurement of safety equipment related to all the offshore wind farms in Taiwan.
Policy and link to more information	<ul style="list-style-type: none"> <li>• Ørsted Stakeholder Engagement Policy</li> <li>• Ørsted Human Rights Policy</li> </ul>		However, to develop a local supply chain and contribute to a just transition towards a green economy, it is not sufficient to simply work with suppliers. We believe it is necessary to also take an active part in ensuring that our suppliers have access to a pool of local talent and can upgrade their offshore wind technologies.
International frameworks of reference	<ul style="list-style-type: none"> <li>• United Nations Guiding Principles on Business and Human Rights</li> <li>• International Finance Corporation Performance Standards on Social and Environmental Sustainability</li> </ul>		Therefore, to complement our collaboration with local suppliers in Taiwan, we seek to develop local talents able to work with us and our suppliers. We are currently doing this through our Offshore Wind Industrial Development Fund (IDF). Through the IDF, we support the training of local people in welding and safety, most of whom work for suppliers to our Greater Changhua wind farms. We also sponsor the specific research and technology development projects of ten local companies. One of these, Data Surpass, aims to upgrade its unmanned vehicles to weather the powerful waves of the Taiwan Strait.
Examples of partnerships and collaborations	<ul style="list-style-type: none"> <li>• Stony Brook University, New York</li> <li>• Da-Yeh University, Taiwan</li> <li>• Delaware Center for the Inland Bays</li> </ul>		
Targets and indicators	Local communities engagement		

	11. Human rights	12. Inclusion of diversity												
<b>Sustainability challenge</b>	<b>Human rights due diligence</b> Operating in geographies and markets with prominent human rights risks increases a company's responsibility to ensure that it and its suppliers and business partners operate in line with international human rights standards.	<b>Diversity and equal opportunity</b> Companies have a responsibility to attract and develop their workforce and develop a supply chain that reflects the diversity of the communities in which they operate. This is essential to support an inclusive and equitable build-out of green energy.												
<b>Our approach</b>	We want to ensure that human rights are respected across our operations, suppliers, and business partners. We identify our most salient human rights risks through a human rights impact assessment and address any risks identified through improvement initiatives in our operations or with our business partners. Going forward, we will implement human rights impact assessments on an even more regular basis.	We want to build an organisation where diversity, equity, and inclusion accelerate our global growth. Our ambition is (i) embedded in our business strategy and all our talent decisions, (ii) central to our sustainability agenda and regulatory requirements, (iii) global in approach and tailored to local needs, (iv) defined broadly around visible and invisible diversity, and (v) informed by data so we act on evidence and track progress.												
<b>Our progress</b>	<ul style="list-style-type: none"> <li>We have a Responsible Business Partner Programme (RPP) which we use to manage human rights risks in our supply chain (see programme 1.5).</li> <li>In 2021, we initiated a project to strengthen our human rights approach as we expand into areas and markets with a higher risk of human rights violations.</li> <li>We have also developed a new human rights policy covering our own operations and providing links to other programmatic responses already in place which also cover human rights.</li> <li>We have anchored our human rights efforts in our Sustainability Committee to assign accountability for our human rights work among top management.</li> </ul>	<ul style="list-style-type: none"> <li>Our new ambition for gender balance is at least a 40/60 balance across Ørsted by 2030, tracked at three levels: senior director and above; people managers; all employees.</li> <li>We have introduced employee diversity dashboards to measure gender, nationality, and age across career levels and business areas to increase transparency and strengthen accountability among top management and team leaders.</li> <li>We have completed an equal pay analysis across several regions, published a report on the results, and taken steps to address inequity.</li> <li>We have matured our inclusion networks into a global movement of more than 1,000 members, with a network in every region supported by senior leaders.</li> <li>Our Management Team takes part in training to expand and consolidate its understanding of an inclusive and equitable organisation.</li> <li>We were an official partner to WorldPride and EuroGames in Copenhagen in 2021.</li> </ul>												
<b>Actions for the future</b>	Strengthen our adherence to the UN Guiding Principles by bolstering our human rights policy commitment, conducting regular human rights impact assessments, and improving our reporting, our grievance mechanism, and access to remedies.	Improve our strategic approach to diversity, equity, and inclusion so that it embeds inclusion of diversity in all our People & Development processes, makes it a core part of how we work with our suppliers, and identifies ways for us to grow and diversify the pool of talent seeking to work within renewable energy.												
<b>Our governance</b>	The Sustainability Committee oversees the Human rights policy, monitors its implementation, approves the human rights impact assessment of our own operations, and approves external human rights reporting.	Accountability lies with the Chief Human Resources Officer and the Executive Committee. In the UK, a Steering Committee oversees and approves activities, and a People Leadership Team endorses activities driven globally.												
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>Human rights policy</li> <li>Stakeholder engagement policy</li> </ul>	<ul style="list-style-type: none"> <li>Ørsted Global inclusion and diversity policy</li> <li>Bullying and harassment policy</li> <li>ESG performance report, section 5.1 and 5.2</li> </ul>												
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>UN Guiding Principles on Business and Human Rights</li> <li>OECD Guidelines for Multinational Enterprises</li> <li>IFC Performance Standards</li> <li>ILO Core Conventions</li> </ul>	<ul style="list-style-type: none"> <li>UN LGBTI Standards of Conduct for Business</li> <li>UN Convention on Discrimination Against Women</li> <li>UN Women Working Group</li> </ul>												
<b>Examples of partnerships and collaborations</b>	• N/A	<ul style="list-style-type: none"> <li>World Pride for 2021</li> <li>EMEA D&amp;I network</li> <li>POWERful Women UK</li> <li>Women in Engineering</li> </ul>												
<b>Targets and indicators</b>	<b>Deliver human rights impact assessment (HRIA) of own operations in 2022.</b>	<b>Gender balance in total workforce (%)</b> <table border="1"> <caption>Gender balance in total workforce (%)</caption> <thead> <tr> <th>Year</th> <th>Female (%)</th> <th>Male (%)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>30</td> <td>70</td> </tr> <tr> <td>2021</td> <td>31</td> <td>69</td> </tr> <tr> <td>2030 (Target)</td> <td>40</td> <td>60</td> </tr> </tbody> </table>	Year	Female (%)	Male (%)	2020	30	70	2021	31	69	2030 (Target)	40	60
Year	Female (%)	Male (%)												
2020	30	70												
2021	31	69												
2030 (Target)	40	60												



## We have stepped up our inclusion of diversity ambitions

At Ørsted, we want to run an inclusive and diverse business. We believe that creating an organisation that is inclusive of diversity is necessary to address fundamental inequalities in our society. And we find that it is also good business, as a diverse employee group that feels empowered and enabled leads to more diverse perspectives essential to foster nuanced debates and better business decisions. Nuances that are becoming increasingly important as we expand our business across more countries and cultures.

To us, increasing the inclusion of diversity in our organisation is about creating fair and transparent hiring and promotion practices free from unconscious bias. It is about creating a culture where inclusion and diversity are valued from both the top of and across our entire organisation. And it is about having sufficient data to track and evaluate our progress - data that is not always easy to obtain due to either data protection regulation or the sensitivity of the data.

We have begun our journey towards making Ørsted an even better place to work for everyone - a workplace inclusive of diversity of lifestyle, work experience, educational background, ethnicity, age, culture, disability, gender, and sexual orientation.

This year, we made good progress on our ambition to improve our gender balance. In the fall, we renewed our commitment to a greater gender balance. Our new ambition is to have at least a 40/60 balance across Ørsted by 2030. We will track this at three levels: senior director and above; people managers; and all employees. Each business area will contribute to progress, with its own personalised ambitions to match its unique challenges.

Yet, setting new ambitions is one thing. We must also build the database needed to evaluate our progress and assign accountability for our ambitions that ensures steady progress across our organisation.

To do this, we have developed 'diversity dashboards' that enable us to track our gender balance in real time across all career levels and business areas. This helps us to identify our most prominent challenges, which we use to promote gender balance and integrate detailed action plans into our daily business operations. And, as our database develops, we will be able to identify challenges and set new ambitions that go beyond achieving a fair gender balance.

In addition, each member of our Management Team has developed action items to achieve our inclusion of diversity ambitions in their individual development plan. And our Executive Committee decided to anchor our new ambitions firmly in our governance structure by linking our inclusion of diversity ambitions directly to its short-term incentive scheme (STI). These decisions effectively assign responsibility and accountability for our new ambitions and ensure that progress is anchored both among our key decision-makers and broadly across our business functions.



	13. Employee safety, health, and well-being	14. Employee development and satisfaction
<b>Sustainability challenge</b>	<b>Health and well-being, and safe working conditions</b> Companies have a responsibility to provide the physical, social, and psychological working conditions that allow people to live whole and healthy lives.	<b>The future of work</b> As global competition for the best talent grows, businesses must improve the development and retention of existing talent and engage new diverse talent globally. Creating a work environment where all employees thrive and are motivated to help create a sustainable business is essential for sustaining long-term value creation.
<b>Our approach</b>	We take a holistic and preventive approach to employee well-being where mental, physical, and social health are prioritised equally. We are committed to creating a healthy, safe, and inclusive workplace and to promoting a sustainable approach to the working lives of our employees. The well-being of our global workforce is key to how we define success.	We have a strategic aspiration to foster a global, inclusive, and effective organisation, and our employees' development and satisfaction are key components in making this happen. We provide global digital and in-person learning opportunities for all employees, both through our learning platform and through programmes tailored to specific business areas and geographies. Learning opportunities are easy to use, scalable, individualised, and transparent, and drive business outcomes.
<b>Our progress</b>	<ul style="list-style-type: none"> <li>We have launched a five-year QHSE strategy focusing on QHSE leadership, supplier engagement, knowledge management, governance, and process excellence, and we have set key QHSE priorities.</li> <li>A new QHSE scorecard focusing on performance monitoring (e.g. occupational incidents) and process monitoring (e.g. audits) allows for more holistic change decisions.</li> <li>An increased share of our employees are experiencing stress, likely due to numerous compounding factors, including, but not limited to, organisational changes, rapid global growth, increased workload, and the ongoing COVID-19 pandemic.</li> <li>We have launched several initiatives to focus on our employees' mental and physical health, including:                             <ul style="list-style-type: none"> <li>producing new materials for managers on how to work with stress, bullying, harassment, and discrimination</li> <li>rolling out the Howdy well-being monitoring app to all business areas and piloting a supplemental feature that measures muscular skeletal health</li> <li>launching MOVE, a health initiative to encourage movement to enhance physical and mental well-being.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>We have aligned, globalised, and increased the headcount in our Learning &amp; Talent Development and Diversity &amp; Talent teams to increase our in-house support for this agenda.</li> <li>We ran our second virtual Global Learning Week focusing on two of our six core capabilities. Globally, more than 20 % of employees attended virtual sessions led by internal and external speakers.</li> <li>We increased the number of openings on our high-potential programmes to meet business demand. When we identify participants, we aim for a good gender balance, and this year had a 40/60 distribution – placing us two years ahead of our gender balance ambition.</li> <li>We have begun piloting a new career framework, which we intend to roll out company-wide in 2022. The framework is designed to provide more transparency around career opportunities and to enable people to take more ownership of career development in line with their aspirations.</li> <li>We have not met our employee satisfaction rate target of top 10 % compared to external benchmarks, covering a period where organisational changes, rapid global growth, and increased workload has affected employees' work lives.</li> </ul>
<b>Actions for the future</b>	Continue to develop resources, tools, and services to improve the safety, health, and well-being of our employees.	Our Executive Committee will continue to engage directly with our organisation on our updated strategy to ensure that all employees understand how their work contributes to our company vision.
<b>Our governance</b>	Accountability lies with the Chief Human Resources Officer, and the Vice President of QHSE is accountable for all safety matters.	Accountability lies with the Chief Human Resources Officer. The Main Cooperation Committee, comprised of employee representatives, and the Executive Committee oversee the results of the engagement survey. Our People & Development function conducts the survey and oversees improvement actions.
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>Ørsted QHSE policy</li> <li>Anti-bullying and harassment policy</li> <li>Stress policy</li> <li>ESG performance report, section 5.1 and 5.4</li> </ul>	<ul style="list-style-type: none"> <li>ESG performance report, section 5.1</li> </ul>
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>WHO Healthy workplaces: A model for action</li> <li>ISO 45001</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>Employee Assistance Programs (EAPs) or private health insurance providers are available to all employees.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Targets and indicators</b>	<p><b>Total recordable injury rate (TRIR) per million hours worked</b></p> <p><b>Employees experiencing stress (%)</b></p>	<p><b>Employee satisfaction (index 0-100)</b></p>

# Governance that enables the right decisions

To make business a force for good, all decisions and processes across the organisation needs to pull in the same direction. This requires carefully considered business governance.

With the following five sustainability programmes we address the challenges linked to creating a governance that enables the rights decisions.

Our aspiration is to have sustainability and integrity integrated in processes and decision-making across the organisation.

### Programmes

- 15. Responsible business partners
- 16. Good business conduct
- 17. Responsible tax practice
- 18. Sustainable finance
- 19. Information and cyber security

For further information on our underlying data for programme targets and indicators, see our ESG performance report 2021 on pp. 10-11, 36-40.

### SDG contribution

UN Goal No 8: Programmes 15 and 18  
 UN Goal No 11: Programmes 15 and 17  
 UN Goal No 16: Programmes 15, 16, 17, and 18



## 15. Responsible business partners

<b>Sustainability challenge</b>	<b>Business partner due diligence, and labour rights for contractors</b> Companies have a responsibility to run their business and supply chain free from labour and human rights violations, corruption, and environmental risks to mitigate adverse impacts on workers, communities, and the natural environment, and to meet legislative requirements.
<b>Our approach</b>	Our Responsible Business Partner Programme (RPP) is based on a systematic due diligence process used to assess our partners' and suppliers' adherence to our code of conduct (COC) for business partners. We identify performance gaps through screenings and assessments, and we act on our findings through supplier-driven corrective and preventive improvement plans.
<b>Our progress</b>	<ul style="list-style-type: none"> <li>We have updated our code of conduct for business partners to better describe requirements and aspirations.</li> <li>To further strengthen implementation and reporting, we have established a new ESG Supplier Due Diligence Steering Committee with broader scope and business representation.</li> <li>We have piloted a worker interview approach focusing on migrant workers in high-risk countries to improve our workplace assessment.</li> <li>We have helped develop a self-assessment questionnaire standard for the wind industry through WindEurope, aiming at reducing the future due diligence burden on suppliers and improving transparency.</li> <li>We have implemented onboarding training targeting all new employees in Procurement to strengthen programme implementation.</li> <li>We have completed the onboarding of our US Onshore procurement function in the RPP with new screening principles.</li> <li>We have updated our due diligence procedure for biomass suppliers to better reflect supplier risks.</li> </ul>
<b>Actions for the future</b>	Strengthen our adherence to the UN Guiding Principles by bolstering our human rights impact assessment of our suppliers and new markets. We must also strengthen our screenings and assessments of business partners where we could be linked to adverse impacts.
<b>Our governance</b>	Accountability lies with the Head of Group Stakeholder Relations, who also chairs the ESG Supplier Due Diligence Steering Committee. Implementation is carried out by our Responsible Business Partner team in collaboration with procurement and commercial professionals.
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>Ørsted Code of Conduct for business partners</li> <li>ESG performance report, section 6.4</li> </ul>
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>UN Guiding Principles on Business and Human Rights</li> <li>OECD Guidelines for Multinational Enterprises</li> <li>IFC Performance Standards</li> <li>ILO Core Conventions</li> <li>UK Modern Slavery Act and UK Bribery Act</li> <li>Wind Europe Industry Principles</li> </ul>
<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>The Initiative for Responsible Mining Assurance (IRMA)</li> <li>Danish Ethical Trade Initiative</li> <li>Wind Europe Sustainability Working Group</li> </ul>
<b>Targets and indicators</b>	<b>Risk screenings on all sourcing contracts above DKK 3 million (incl. extended screenings) and CoC assessments conducted (number)</b> 

	16. Good business conduct	17. Responsible tax practices	18. Sustainable finance	19. Information and cyber security	
<b>Sustainability challenge</b>	<b>Business ethics and transparency</b> Corruption, bribery, and other fraudulent practices can impact society by destabilising institutions and undermining fair business competition.	<b>Responsible tax</b> By paying tax and supporting international tax reform, companies contribute to the development of the societies where they operate as well as the creation of well-functioning tax systems and stable institutions conducive to business.	<b>Societal challenge</b> <b>Sustainable finance</b> To reach the goals of the Paris Agreement, the energy sector must double its annual investments in renewable energy towards 2050 as a minimum. Mobilisation of institutional and private capital is necessary to tackle this challenge.	<b>Cyber security</b> As information and cyber security threats increase, companies must understand the associated risks and continue to improve security to protect critical infrastructure and important information assets.	
<b>Our approach</b>	We have zero tolerance of all forms of bribery, corruption, and kickbacks, given or received, direct or indirect. Adherence to our good business conduct is a key focus, both internally and with our business partners, and is promoted through policies, procedures, and reporting mechanisms.	We are transparent in our tax reporting and voluntarily disclose country-specific information on our tax position in our annual report. We aim to comply not only with the law, but also with the underlying intent to ensure that we pay the right amount of tax in the countries where we operate. We engage with stakeholders and cooperate with the authorities in the markets where we operate to support effective tax systems.	<b>Our approach</b> We exclusively deploy green and sustainable financing to advance our green transformation and renewable energy build-out, and we align our reporting with recognised ESG frameworks and ratings.	We work to ensure the security of corporate information and critical infrastructure through a risk-based approach and in close collaboration with our business partners. We provide tailored compliance support, training, and awareness to the businesses so they can incorporate and apply security measures in their daily operations.	
<b>Our progress</b>	<ul style="list-style-type: none"> <li>We continue to make efforts to strengthen our 'Know your counterparty' screening programme against sanctions, government watch lists, adverse media etc., and the performance of risk-based due diligence of business partners, including suppliers, key customers, and joint venture partners.</li> <li>As we expand our global footprint, we are continuously assessing how local customs and best practices – in relation to gifts and entertainment, for example – compare to group policies and procedures to ensure continuous adherence to our good business conduct while understanding the local environment.</li> </ul>	<ul style="list-style-type: none"> <li>We have continued to develop our reporting of tax practices in our annual report, inspired by the new indicator GRI207.</li> <li>We have engaged in dialogue with the Danish government and the Danish Ministry of Taxation on the detailed implementation of new CFC rules, with OECD on Pillar II, with HMRC in the UK on revised transfer pricing documentation requirements, and with various NGOs in the Tax Dialogue Framework.</li> <li>Our dispute with the Danish Tax Agency relating to the taxation of offshore wind farms in the UK has been extended to an additional wind farm. Ørsted has taken steps to ensure that the two involved tax authorities will initiate negotiations and, if needed, defer the case to arbitration to avoid double taxation of Ørsted.</li> <li>We have made submissions to the OECD on the connection between tax policy and environmental policy in relation to the so-called Pillar II work, where we still have some concerns on the interplay between the proposed global minimum tax and deferred taxes and US tax credits.</li> <li>Our Head of Tax was ranked the best in-house tax director in EMEA by International Tax Review for being a leading voice on tax and sustainability. We were also ranked best company in Denmark on tax transparency and governance by the Danish magazine Økonomisk Ugebreve.</li> </ul>	<b>Our progress</b>	<ul style="list-style-type: none"> <li>For the first time, we have issued a sustainability-linked revolving credit facility (RCF) together with 17 participating banks and Nordea Bank as coordinator and agent, whereby our sustainability performance will have direct financial effects. The RCF is linked with two strategic sustainability KPIs, namely our science-based target for carbon reductions and our taxonomy-eligible green investments (CAPEX).</li> <li>We have reported on our taxonomy-eligible activities, which will provide investors and other stakeholders with a uniform approach for determining the sustainability of our activities.</li> <li>We have begun preparing a taxonomy-alignment assessment of all our eligible activities by determining if they: i) contribute substantially to climate change mitigation, ii) do no significant harm to the other environmental objectives, and iii) comply with minimum safeguards. Provided that our approach aligns with upcoming guidance from the EU and emerging industry best practices, we expect our eligible activities to be reported as aligned in 2022.</li> <li>We continuously work to maintain best-in-class ESG ratings by applying a systematic approach to strengthening ESG performance throughout the business.</li> <li>We have continued our green debt financing by allocating proceeds of DKK 31.7 million to eligible green bond projects.</li> </ul>	<ul style="list-style-type: none"> <li>Our people are our most important asset, which is why we continue to drive Ørsted's information and cyber security awareness culture. People represent information and access points for adversaries, so Ørsted's employees need to stand as a human firewall.</li> <li>We continue to drive strategic risk mitigation across IT and operational technology (OT) based on quantitative risk assessments and to optimise our resource usage related to information and cyber security.</li> <li>We work closely with our frontline regional colleagues on various initiatives and activities through our network of regional information security officers.</li> </ul>
<b>Actions for the future</b>	We will continuously strive to improve our compliance set-up to meet regulatory obligations as effectively as possible whilst aligning with best practices in the countries where we operate.	To meet increasing compliance and reporting requirements, we will maintain our focus on transparency and accountability in tax payments and reporting.	<b>Actions for the future</b> Continue to use only sustainable financing instruments for all our future financing and align business activities and reporting with relevant ESG frameworks such as the EU taxonomy.	Continue to monitor and assess current and emerging cyber security threats and ways to adequately adapt and respond to protect our assets.	
<b>Our governance</b>	A Compliance Committee oversees the implementation of our compliance programme and activities. Accountability for the policy lies with our Chief Executive Officer as risk owner.	Accountability lies with the Chief Financial Officer. Our Board of Directors has approved the Responsible tax policy. Our global tax team manages the daily implementation of the policy.	<b>Our governance</b> Accountability for sustainable financing lies with our Chief Financial Officer. Our Sustainability Committee monitors performance of the programme and approves programme activities.	Accountability lies with the Chief Information Security Officer. Our Information Security Board oversees the progress of the information security project portfolio.	
<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>Good business conduct policy</li> <li>Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Ørsted Global tax policy</li> <li>ESG performance report, section 6.5</li> <li>Annual report, pp. 35 and 76</li> </ul>	<b>Policy and link to more information</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>Anti-corruption regulations in the countries where we operate, including the UK Bribery Act and the US Foreign Corrupt Practices Act</li> <li>OECD Guidelines for Multinational Enterprises</li> </ul>	<ul style="list-style-type: none"> <li>OECD BEPS and Pillar I and Pillar II</li> <li>EU Directives, eg. ATAD, DAC6, and CbCR</li> <li>Applicable local and international tax legislation</li> </ul>	<b>International frameworks of reference</b>	<ul style="list-style-type: none"> <li>International standards, incl. ISF Framework, NIST, ISO 27001 &amp; 27002, and IEC 62443</li> <li>Regulatory requirements in the countries where we operate, including EU NIS and NERC CIP</li> </ul>	
<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>Confederation of Danish Industry's Anti-Corruption Working Group</li> </ul>	<ul style="list-style-type: none"> <li>The Danish Confederation of Enterprises' Tax Panel</li> <li>The Tax Dialogue</li> </ul>	<b>Examples of partnerships and collaborations</b>	<ul style="list-style-type: none"> <li>Chairmanship of Eurelectric and European Federation of Energy Traders' working group on sustainable finance</li> <li>Corporate Forum on Sustainable Finance</li> <li>Nasdaq ESG Data Portal</li> </ul>	
<b>Targets and indicators</b>	<p><b>Substantiated whistle-blower cases</b> (number)</p> <p>4    5</p> <p><b>Substantiated cases transferred to the police</b> (number)</p> <p>1    0</p> <p>2020    2021</p>	<p><b>Global corporate income tax paid in 2021</b> (DKK billion)</p> <p>1.4</p>	<b>Targets and indicators</b>	<p><b>EU taxonomy-eligible revenue, OPEX, EBITDA, and CAPEX</b></p> <p><b>We carry out ongoing, global security communication on secure behaviour in the workplace.</b></p>	