



Ørsted
Green bond
impact report
2021

Leading sustainability ambition

2040

Net-zero emissions (scopes 1-3)



2030

No later than 2030, all projects commissioned must have net-positive biodiversity impact

Today

Ban on landfilling of wind turbine blades



Contents

- 4** Executive summary
- 6** Scaling investments for a greener planet
- 8** Global leader in offshore wind
- 9** Green bond allocation projects
- 10** Allocated proceeds
 - Total amounts allocated by bond
 - Bond allocations by project
- 12** Avoided emissions and people powered
- 13** Green financing governance
- 14** Project deep dives
 - Hornsea 2
 - Greater Changhua 1 & 2a
- 16** Towards EU Taxonomy alignment
- 18** Assurance report of the independent auditor
- 20** Sustainability ratings and memberships
- 21** Appendix I
 - Accounting policies

More information about our sustainability performance



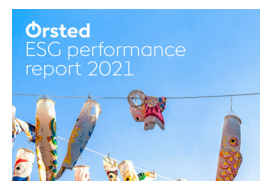
→ Green finance framework



→ Sustainability report 2021



→ Annual report 2021



→ ESG performance report 2021



→ Sustainability commitment

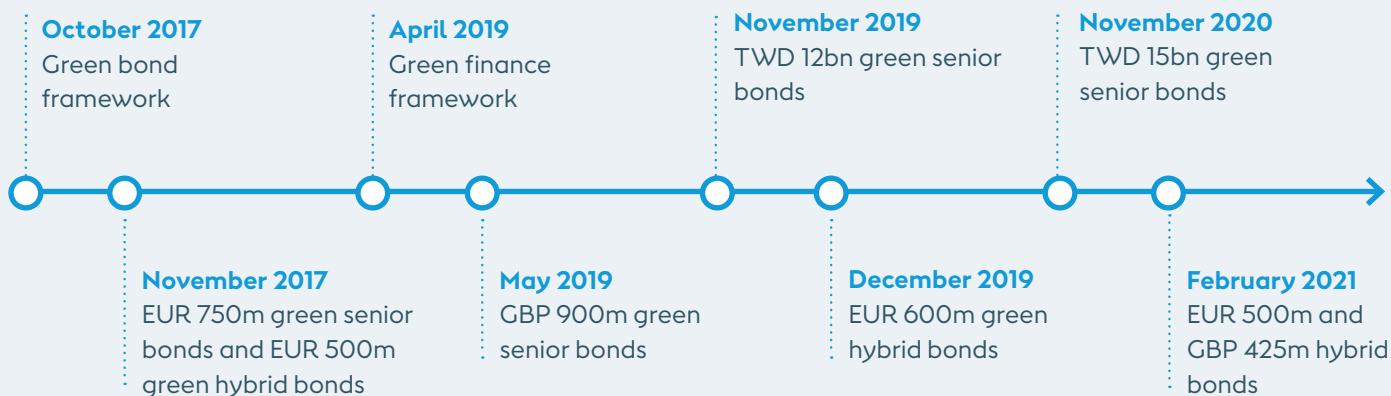
Executive summary



- Our 'Green finance framework' has received the highest possible grading – a dark green shading – from CICERO Shades of Green and provides the basis of all allocations and impact reporting in this 'Green bond impact report 2021'.
- In 2021, we issued two new green hybrid bonds. Together with our 11 previously issued green senior bonds and green hybrid bonds (all referred to as 'green bonds' below), total net proceeds amounted to DKK 34,491 million, of which DKK 30,794 million is currently allocated. DKK 6,727 million in green bond proceeds was allocated in 2021.
- In 2021, green bond proceeds were allocated to two offshore wind projects: Hornsea 2 and Greater Changhua 1 & 2a.
- This year, we reported on our EU Taxonomy-eligible activities, which include the two projects that green bond proceeds were allocated to. The new EU Green Bond Standard requires that all proceeds are allocated to taxonomy-aligned projects. We have already started preparing for taxonomy alignment, and based on this and further guidance from the EU, we expect all our activities to be reported as aligned in 2022.
- Since 2017, all new Ørsted bonds have been issued in a green format, and we will continue to issue our bonds in a green format going forward. Outstanding green bonds currently account for 2/3 of Ørsted's total portfolio of bonds and hybrid capital.

Green financing timeline

We continue to use sustainable financing to progress our green transformation and green build-out. In addition to our green bonds below, we have green and sustainability-linked revolving credit facilities (RCFs).



Offshore wind projects with green bond financing

Project	Capacity MW	Country	Project status	Construction period Year	Proceeds allocated 2021 DKKm	Total allocated proceeds DKKm	Energy generation 2021 GWh
Greater Changhua 1 & 2a	900	TW	Under construction	2019-2022	2,769	7,577	-
Hornsea 2	1,320	UK	Under construction	2018-2022	6,458	8,644	-
Hornsea 1	1,218	UK	In operation	2016-2019	-	10,274	4,612
Walney Extension	659	UK	In operation	2015-2018	-	1,250	2,168
Race Bank	546	UK	In operation	2015-2018	-	400	2,038
Borkum Riffgrund 2	450	DE	In operation	2016-2018	-	2,649	1,348
Total allocation					9,227	30,794	
Roll-back 2021 ¹					-2,500		
Total	5,093	-	-	-	6,727	30,794	10,166

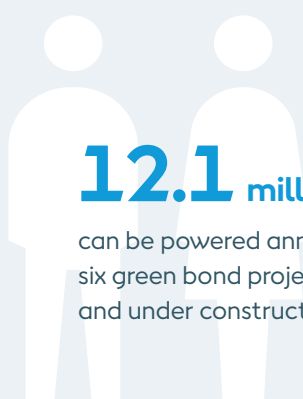
Avoided emissions and people powered

	Projects under construction	Projects in operation	Total
Avoided emissions from allocated green bond proceeds² (thousand tonnes CO ₂ e/year)	Potential: 1,849	Avoided: 1,398	3,247
People powered annually³	-	-	12,118,000

- Green bond proceeds previously allocated to Borssele 1 & 2 were rolled back in 2021 due to the establishment of loan agreements with the European Investment Bank and the Nordic Investment Bank to fund the project for an aggregate amount of EUR 675 million. Previous allocations to Borssele 1 & 2 are reallocated to Hornsea 2.
- Avoided emissions assume that green electricity generated from offshore wind replaces an equal quantity of electricity generation from fossil fuels. An annually updated fossil fuel mix is used for each country. The total avoided emissions are based on total allocations and include both projects under construction and projects in operation. For projects not yet in full operation for at least one year, the avoided emissions potential is based on expected generation. Accounting policies are available in Appendix I.
- Energy generation and the number of people that could be powered by the wind farms are totals, regardless of Ørsted's ownership share. The total number of people powered includes both projects under construction and projects in operation. For projects not yet in full operation for at least one year, energy generation is not reported and the potential number of people powered is based on expected generation. Accounting policies are available in Appendix I.

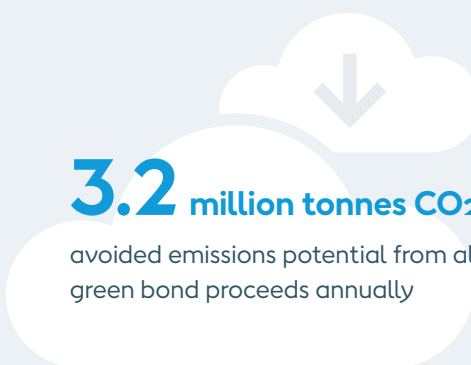
Impact indicators

With our allocated green bond proceeds, we support progress towards the Paris Agreement and aspire to have a transformative impact on the UN Sustainable Development Goals #7 on affordable and clean energy and #13 on climate action.



12.1 million people

can be powered annually by the six green bond projects in operation and under construction



3.2 million tonnes CO₂

avoided emissions potential from allocated green bond proceeds annually



Scaling investments for a greener planet

In 2021, the world further intensified its focus on the solutions and investments needed to solve the climate crisis we are in and to protect the planet – our home.

The UN IPCC report published in 2021 stressed that if immediate and ambitious climate action is not taken, we will likely reach or exceed 1.5 °C within the next two decades, which may lead to irreversible damage and loss of ecosystems, affecting both people and nature. This was reiterated at COP26 in Glasgow in 2021, where companies, investors, NGOs, activists, indigenous leaders, and the youth urged national leaders to take immediate action. Despite progress, COP26 was another missed opportunity to make the decisions necessary. The outcomes kept the hope of limiting global warming to 1.5 °C alive - but just barely.

Over the past years, expectations of companies to take a proactive approach to making our world a better place for nature and people have increased. In Ørsted, we understand that companies are inextricably linked with society and nature, and we are convinced that companies should not only serve shareholder expectations but also those of other stakeholders. To deliver on the Paris Agreement, every sector will have to engage, and companies must develop and implement credible action plans to decarbonise.

Investments are critical to solving the climate challenges

Investors are essential in accelerating the transition to net zero as they play a crucial role in unleashing the investments required to finance the solutions needed to mitigate climate change. With 73 % of emissions coming from the production and use of energy, scaling investments in renewable technologies is essential to achieve a low-carbon economy. According to the International Renewable Energy Agency, annual investments in renewable energy must be more than doubled towards 2050.

It is encouraging to see how investors are increasingly aligning their portfolios with the goals of the Paris Agreement. The Paris Aligned Asset Owners group now has 53 signatories with USD 2.9 trillion in assets under management, and investments in renewable technologies will be key to reaching these portfolio targets.

Climate targets validated by science

At Ørsted, we know from experience that there is no contradiction between doing good business and solving environmental and societal challenges. Over the past 15 years, we have transformed from a fossil fuel-based energy company to a global leader in renewable energy. For the fourth year in a row, we have been named the most sustainable energy company globally by Corporate Knights.

Our ambition is to be a globally recognised sustainability leader and a catalyst for change towards a world that runs entirely on green energy. We have committed to running our

business in a way that aligns with the 1.5°C pathway, and our continued efforts to scale our green energy business while driving out emissions from our energy generation, operations, and full carbon footprint enable us to help our customers and investors to embark on the same journey.

With an 87 % reduction in the GHG intensity of our energy generation and operations in 2021 since 2006, we are on track to become a carbon neutral company (scopes 1-2) by 2025 – more than two decades ahead of what science demands. In 2021, we were the first energy company in the world – and only one of seven companies globally – to obtain the Science Based Targets initiative's approval of our net-zero emissions target across our full value chain (scopes 1-3) by 2040. The underlying reduction targets will allow us to scale our green energy business while simultaneously phasing out our sale of natural gas.

Sustainable financing in Ørsted

In Ørsted, we are committed to providing our bond investors with sustainable financing opportunities, and at our Capital Markets Day in June 2021, we set an ambitious target for the acceleration of our global build-out of renewable energy. By 2030, we aim to reach approximately 50 GW of installed capacity, which is almost a fourfold increase from our current capacity.

We continue to use sustainable financing to deploy renewable energy, including sustainability-linked credit facilities, green bonds, and green loans. In 2021, we incorporated sustainability into our financing further by signing a sustainability-linked revolving credit facility with 17 banks. The interest margin on the new credit facility is tied to our ability to reduce carbon emissions and our successful deployment of capital in our ambitious green investment programme.

A successful year for our green bonds

In February 2021, we raised EUR 500 million and GBP 425 million through issuances of green hybrid bonds. The GBP issuance was Ørsted's first hybrid capital denominated in GBP, and the net proceeds are allocated to the Hornsea 2 project.

Furthermore, in 2021 we entered into an EUR 500 million loan agreement with the European Investment Bank and an EUR 175 million loan agreement with the Nordic Investment Bank in support of our Borssele 1 & 2 wind farm. Consequently, green bond proceeds previously allocated to the Borssele 1 & 2 project have been reallocated to the Hornsea 2 project.

We are very pleased with the continued support for the green energy transformation by the investor community and our banks.

Systematic approach to sustainability

Although we have come far on our sustainability journey in Ørsted, the energy transformation requires continuous work. We are committed to advancing the UN Sustainable Development Goals (SDGs), and as a renewable energy company, we aspire to have a transformative impact on SDGs #7 – Affordable & Clean Energy – and #13 – Climate Action.

Our societal impact as a company goes beyond climate action, and we are committed to ensuring that our build-out of renewable energy contributes positively to both nature and people. Therefore, we have 19 sustainability programmes that each contribute to the SDGs and address core challenges related to climate, nature, people, and governance.

We continue to align our reporting with recognised ESG frameworks to create transparency on climate risks and opportunities, and we follow the recommendations for climate impact disclosure made by the Task Force on Climate-Related Financial Disclosures (TCFD). In 2021, we started to report on our taxonomy-eligible activities to help our investors determine the sustainability of our activities. We have also begun assessing that our activities fulfill the taxonomy alignment criteria to ensure we live up to the requirements in the upcoming EU Green Bond Standard where proceeds should be allocated to taxonomy-aligned projects.

About this impact report

Our annual 'Green bond impact report' reports on allocated proceeds and project impacts in the form of avoided emissions, energy generated, and people powered from the projects. We are committed to continuing to deliver the renewable, cost-competitive solutions needed to transform the energy system, and by joining forces with our investors, we can reduce emissions at an unprecedented pace and scale and help make this a decade of green action to limit global warming to 1.5 °C.

Best regards



Marianne Wiinholt
Chief Financial Officer



Global leader in offshore wind

As the world intensifies its focus on the solutions needed to mitigate climate change, offshore wind remains the fastest growing renewable energy technology. In 2021, governments announced ambitious offshore wind build-out targets, testifying that offshore wind is an important technology to reach the goals of the Paris Agreement. In the US, the Biden administration aims to have 30 GW installed offshore wind by 2030, and as part of the European Green Deal the EU aims to install 60 GW capacity by 2030 and 300 GW by 2050.

According to Bloomberg NEF, global offshore wind growth will accelerate over the next decade, and between 2025 and 2030 more than 20 GW capacity will be added per year. In Europe alone there are 120 wind farms and more than 26 GW offshore wind installed today. This increase in capacity is driven by steep cost reductions, strong policy commitments, and technological advancements.

Ørsted is the global market leader in offshore wind, with our key markets being the United Kingdom, Continental Europe, the United States, and Asia Pacific. Since pioneering the first offshore wind farm in 1991, we have built more offshore wind farms than any other company worldwide, today representing approximately 30 % of global capacity in operation or under construction outside mainland China.

By the end of 2021, we had 7.6 GW of installed offshore capacity, 3.4 GW under construction, and a further 8.4 GW awarded. In 2021, we announced an ambitious target to reach 50 GW installed renewable energy capacity by 2030, of which 30 GW will come from offshore wind.

As of January 2022, a total amount of DKK 30,794 million of our green bond proceeds has been allocated to six offshore wind projects, with DKK 6,727 million being allocated in 2021.

Green bond allocation projects

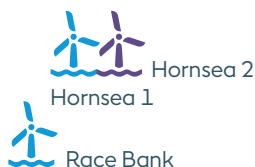


Taiwan

Greater Changhua 1 & 2a



Walney Extension



Hornsea 2
Hornsea 1

Race Bank

Borkum Riffgrund 2

United Kingdom

Germany

Legend



In operation



Under construction

Project ¹	Greater Changhua 1 & 2a	Hornsea 2	Hornsea 1	Walney Extension	Race Bank	Borkum Riffgrund 2
Country	TW	UK	UK	UK	UK	DE
Year of FID	2019	2017	2016	2015	2015	2016
No. of turbines	111	165	174	87	91	56
Ørsted ownership	CHW01 50 % ² CHW02a 100 %	100 %	50 %	50 %	50 %	50 %
Capacity (MW)	900	1,320	1,218	659	546	450
Energy generation 2021 (GWh)	–	–	4,612	2,168	2,038	1,348
Project status	Under construction	Under construction	In operation	In operation	In operation	In operation
Total allocated proceeds (DKKm)	7,577	8,644	10,274	1,250	400	2,649

1. Green bond proceeds previously allocated to Borssele 1 & 2 were rolled back in 2021 due to the establishment of loan agreements with the European Investment Bank and the Nordic Investment Bank to fund the project for an aggregate amount of EUR 675 million. Previous allocations to Borssele 1 & 2 are reallocated to Hornsea 2.

2. Ørsted divested 50 % of Greater Changhua 1 in November 2021.

Allocated proceeds

Total amounts allocated by bond

The table below provides details on Ørsted's 13 outstanding green bonds, including total allocated amounts. As we have entered into a loan agreement with the European Investment Bank and the Nordic

Investment Bank to fund the Borssele 1 & 2 project, we have rolled back previous green bond allocations to Borssele 1 & 2. The proceeds have been reallocated to Hornsea 2.

Ørsted A/S

ISIN	Bond type	Face value	Coupon	Issue date	Maturity	Net proceeds DKKkm	Proceeds allocated 2021 DKKkm	Total allocated proceeds DKKkm	Unallocated proceeds DKKkm
XS1721760541	Senior	EUR 750m	1.50 %	24-11-2017	26-11-2029	5,499	0	5,499	0
XS1720192696	Hybrid	EUR 500m	2.25 %	24-11-2017	24-11-3017	3,674	500	3,674	0
XS1997070781	Senior	GBP 350m	2.125 %	16-05-2019	17-05-2027	2,968	0	2,968	0
XS1997070864	Senior	GBP 300m	2.50 %	16-05-2019	16-05-2033	2,518	0	2,518	0
XS1997071086	Senior CPI-linked	GBP 250m	0.375 %	16-05-2019	16-05-2034	2,128	328	2,128	0
XS2010036874	Hybrid	EUR 600m	1.75 %	09-12-2019	09-12-3019	4,424	3,624	4,424	0
XS2293075680	Hybrid	EUR 500m	1.50 %	18-02-2021	18-02-3021	3,697	0	0	3,697
XS2293681685	Hybrid	GBP 425m	2.50 %	18-02-2021	18-02-3021	3,630	3,630	3,630	0
Total						28,538	8,082	24,841	3,697
Roll-back 2021							-2,500		
Total						28,538	5,582	24,841	3,697

Ørsted Wind Power TW Holding A/S

ISIN	Bond type	Face value	Coupon	Issue date	Maturity	Net proceeds DKKkm	Proceeds allocated 2021 DKKkm	Total allocated proceeds DKKkm	Unallocated proceeds DKKkm
TW000F156013	Senior	TWD 4,000m	0.92 %	19-11-2019	19-11-2026	882	0	882	0
TW000F156021	Senior	TWD 8,000m	1.50 %	19-11-2019	19-11-2034	1,765	0	1,765	0
TW000F156039	Senior	TWD 4,000m	0.60 %	13-11-2020	13-11-2027	882	382	882	0
TW000F156047	Senior	TWD 3,000m	0.70 %	13-11-2020	13-11-2030	661	0	661	0
TW000F156054	Senior	TWD 8,000m	0.98 %	13-11-2020	13-11-2040	1,763	763	1,763	0
Total						5,953	1,145	5,953	0

Bond allocations by project

By January 2022, a total of DKK 30,794 million green bond proceeds have been allocated to six offshore wind projects in the period 2017-2021. No new projects were added in 2021.

In 2021, the green bond proceeds were allocated to two offshore wind projects: Hornsea 2 in the UK and Greater Changhua 1 & 2a in Taiwan.

Allocated green bond proceeds are limited to maximum 50 % of project CAPEX to ensure that they do not exceed Ørsted's ownership share after potential farm-down.

Allocated proceeds

DKKm

ISIN	Bond	Offshore project	2017	2018	2019	2020	2021	Total	
XS1721760541	Senior EUR 750m issued 2017	Hornsea 2		100				100	
		Hornsea 1		2,200	150			2,350	
		Walney Extension	500					500	
		Race Bank	400					400	
		Borkum Riffgrund 2		2,149				2,149	
XS1720192696	Hybrid EUR 500m issued 2017	Hornsea 2					500	500	
		Hornsea 1	200	400	1,324			1,924	
		Walney Extension		750				750	
		Borkum Riffgrund 2	500					500	
		Borssele 1 & 2		500			-500	0	
XS1997070781	Senior GBP 350m issued 2019	Hornsea 2			400	368		768	
		Hornsea 1			2,000	200		2,200	
XS1997070864	Senior GBP 300m issued 2019	Hornsea 2			100	318		418	
		Hornsea 1			2,000	100		2,100	
XS1997071086	Senior CPI-linked GBP 250m issued 2019	Hornsea 2			100	100	328	528	
		Hornsea 1			1,500	100		1,600	
XS2010036874	Hybrid EUR 600m issued 2019	Hornsea 2			100	600	2,000	2,700	
		Hornsea 1			100			100	
		Greater Changhua 1 & 2a						1,624	1,624
		Borssele 1 & 2				2,000	-2,000	0	
XS2293681685	Hybrid GBP 425m issued 2021	Hornsea 2					3,630	3,630	
TW000F156013	Senior TWD 4,000m issued 2019	Greater Changhua 1 & 2a			882			882	
TW000F156021	Senior TWD 8,000m issued 2019	Greater Changhua 1 & 2a			1,500	265		1,765	
TW000F156039	Senior TWD 4,000m issued 2020	Greater Changhua 1 & 2a				500	382	882	
TW000F156047	Senior TWD 3,000m issued 2020	Greater Changhua 1 & 2a				661		661	
TW000F156054	Senior TWD 8,000m issued 2020	Greater Changhua 1 & 2a				1,000	763	1,763	
Total			1,600	6,099	10,156	6,212	6,727	30,794	

Avoided emissions and people powered

We measure the impact of allocated green bond proceeds by calculating the avoided emissions and the number of people that could be powered by green energy.

The net proceeds from our green financing instruments can be used to finance, or refinance, the development, construction, or installation of our offshore wind projects.

With our allocated green bond proceeds, we and our investors support progress towards the Paris Agreement and aspire to have a transformative impact on the UN Sustainable Development Goals #7 on affordable and clean energy and #13 on climate action – towards a world that runs entirely on green energy.

The impact indicators in this report are reviewed by PwC. For detailed accounting policies, please refer to [Appendix I](#).

Avoided emissions

Avoided emissions are the carbon emissions avoided each year by replacing an equal quantity of electricity generated using fossil fuels with generation from offshore wind. The total avoided emissions are based on total allocations and include both projects under construction and projects in operation.

The annual avoided emissions for each bond are calculated as the sum of avoided emissions for the projects attributable to the allocated green bond proceeds. The calculation is updated annually with the current fossil fuel mix in each country where the individual wind farms are placed. The lifetime of a wind farm is expected to be at least 25 years.

People powered

The number of people powered represents the number of people the offshore wind farms could provide power for. This is an illustrative average based on the projects' actual or expected power generation and country-specific power consumption per person.



12.1 million people

can be powered annually by the six green bond projects in operation and under construction

3.2 million tonnes CO₂

avoided emissions potential from allocated green bond proceeds annually

Avoided emissions potential		Thousand tonnes CO ₂ e/year
Avoided emissions from allocated green bond proceeds		3,247
XS1721760541	Senior EUR 750m issued 2017	551
XS1720192696	Hybrid EUR 500m issued 2017	370
XS1997070781	Senior GBP 350m issued 2019	318
XS1997070864	Senior GBP 300m issued 2019	258
XS1997071086	Senior CPI-linked GBP 250m issued 2019	227
XS2010036874	Hybrid EUR 600m issued 2019	528
XS2293681685	Hybrid GBP 425m issued in 2021	526
TW000F156013	Senior TWD 4,000m issued 2019	69
TW000F156021	Senior TWD 8,000m issued 2019	139
TW000F156039	Senior TWD 4,000m issued 2020	69
TW000F156047	Senior TWD 3,000m issued 2020	52
TW000F156054	Senior TWD 8,000m issued 2020	139
Avoided emissions from allocated green bond proceeds per DKK 1m		105
People powered potential		People/year
People powered by the green bond offshore wind projects		12,118,000

Green financing governance

In January 2022, our Sustainability Committee approved our green bond allocations and impact reporting for 2021.

Following the approval, we are publishing this impact report with the allocation of proceeds and project impacts. The impact report is published each year along with our other annual financial and sustainability reporting.

Our 'Green finance framework' sets out the criteria for our green financing instruments, including green bonds, green loans, and other debt instruments to finance eligible green projects. The framework has been developed in alignment with the 'Green Bond Principles' and the 'Green Loan Principles'.

To provide a second opinion, the framework was reviewed by CICERO Shades of Green and was awarded a dark green shading, which is the highest grading a framework can receive.

In line with our framework, our green financing will purely finance offshore wind projects. Most projects will only be partially funded by green bond proceeds, and allocations

can never exceed Ørsted's ownership share of the total investment. The allocation of funds, as described in this impact report, and the internal tracking of the green bond proceeds have been verified by PwC with limited assurance. PwC's assurance report is included in this impact report on pages 18-19.

The two impact indicators 'people powered' and 'avoided emissions' are reviewed by PwC.

Our 'Green finance framework' and CICERO's second opinion are available at orsted.com



➔ Ørsted 'Green finance framework'



➔ Second opinion by CICERO

Annual green bond governance process



Green bond proceeds are allocated to eligible projects



Sustainability Committee approves green bond allocations and reporting



Reporting is published on allocated proceeds and project impacts

Hornsea 2: World’s largest offshore wind farm in the making

For the fourth year in a row, we allocated proceeds to the Hornsea 2 project in the UK. In 2021, we allocated DKK 6,458 million in green bond proceeds, thus adding up to a total green bond allocation of DKK 8,644 million. The wind farm is located 89 km off the Yorkshire coast in the North Sea, adjacent to Hornsea 1 – currently the world’s largest offshore wind farm.

At over 1.3 GW, Hornsea 2 will overtake Hornsea 1 as the world’s biggest offshore wind farm in operation.

In June 2021, we installed the first turbine at Hornsea 2, and wind turbine number 16 became the 1000th wind turbine installed by Ørsted in UK waters – a large milestone for both us and the UK’s transition to green energy. The project will also use the world’s largest offshore substation, which was installed in October 2021, to bring green power to the UK.

The accelerating Omicron variant infection rates at the end of 2021 caused some delay on the project, however Hornsea 2 is still expected to be commissioned in H1 2022 as previously communicated.

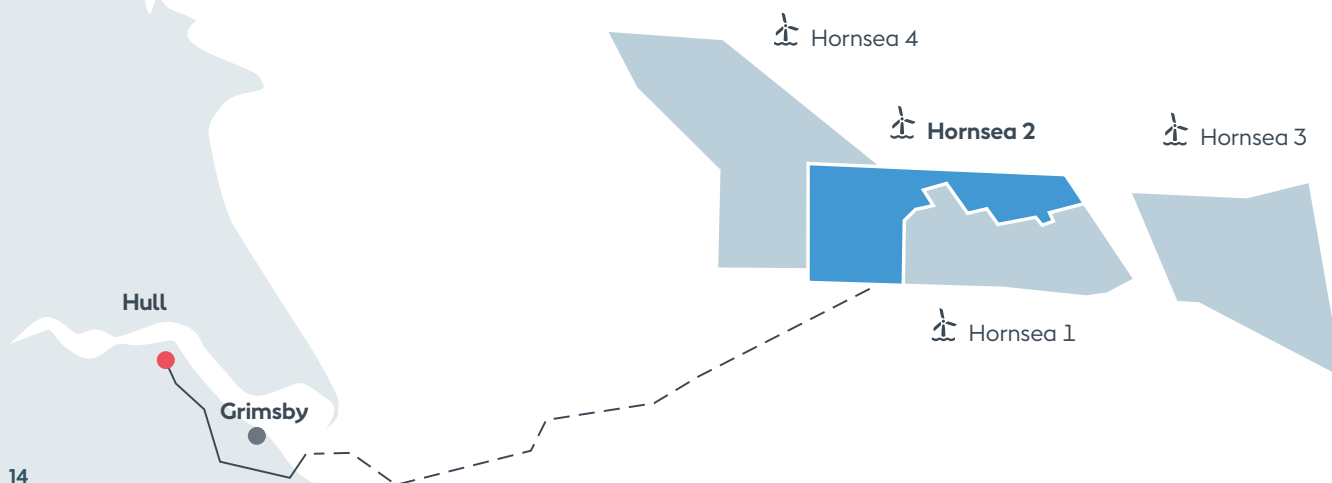
In just a few years, offshore wind activities have contributed to the revitalisation of the Humber region in the UK, making it an important hub for offshore wind while also promoting local economic growth. Ørsted has invested GBP 10 million in the establishment of our largest offshore wind operations base in Grimsby, the East Coast Hub. In 2021, we also opened a visitor centre dedicated to welcoming local schools, colleges,

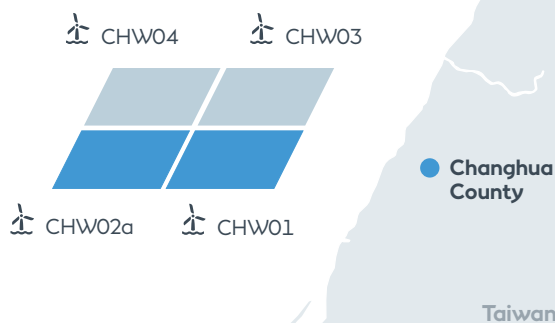
and community groups and to inspiring more young people to learn about renewable energy.

With the construction and operation of Hornsea 2, we seek to further strengthen the economic growth in the region through local job creation and by investing in education. We have developed an employment and skills plan to highlight employment and supply chain opportunities associated with the offshore wind farm project.

Facts

Country	UK
Capacity	1,320 MW
No. of turbines	165
Ørsted ownership	100 %
Total allocated proceeds	DKK 8,644 million
Project status	Under construction
Taxonomy-eligible	Yes





Greater Changhua 1 & 2a: Contributing to Taiwan’s renewable energy transition

In 2021, we allocated a total of DKK 2,769 million to the Greater Changhua 1 & 2a offshore wind project, thus adding up to a total green bond allocation of DKK 7,577 million to this project, demonstrating our ambition to invest significantly in Taiwan’s transition to renewable energy.

The offshore wind farm is located 35-50 km off the coast of Changhua County and will have a capacity of approx. 900 MW.

With the project, we seek to have a substantial impact on the development of the offshore wind industry in Taiwan by creating a strong local supply chain that will provide local jobs. In November 2021, the first 100 % made-in-Taiwan wind turbine jacket foundation was completed, and in the same month we also installed the wind farm’s offshore substations – the first of their kind in Taiwan, and a major milestone for the project.

The project is moving ahead at full speed and is scheduled for commissioning in H2 2022.

Facts

Country	Taiwan
Capacity	900 MW
No. of turbines	111
Ørsted ownership	CHW01 50 % ⁴ CHW02a 100 %
Total allocated proceeds	DKK 7,577 million
Project status	Under construction
Taxonomy-eligible	Yes

4. Ørsted divested 50 % of Greater Changhua 1 in November 2021

Towards EU Taxonomy alignment

The EU Taxonomy is an important tool for investors to determine the sustainability of companies' activities.

In H1 2021, we started reporting on our taxonomy-eligible activities. Our taxonomy-eligible share of revenue is 66 %, CAPEX 99 %, OPEX 80 %, and EBITDA 90 %. We concluded that all our offshore wind activities, and thereby all our green bond-eligible projects, are taxonomy-eligible. See our full EU Taxonomy reporting in our [ESG performance report 2021](#).

We have also begun preparing for taxonomy alignment by assessing that our eligible activities comply with the three-step approach set out in the Taxonomy Regulation. An eligible activity must (1) substantially contribute to one or more of six environmental objectives, of which we have currently selected 'climate change mitigation' as the most relevant for Ørsted, (2) do no significant harm to the other environmental objectives, and (3) comply with minimum safeguards covering social and governance standards. Our taxonomy alignment efforts for offshore wind are described in more detail on the next page.

In 2021, our alignment approach involved documenting the company processes we have in place to manage environmental and social risks as this ensures company-wide compliance and gives a clear overview of which processes are core to ensure continued taxonomy alignment. 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.

In Q1 2022, the EU is expected to adopt a new voluntary Green Bond Standard to enhance the transparency, comparability, and credibility of the EU green bond market and to encourage investments in European green bonds. The standard requires that green bond proceeds are allocated to taxonomy-aligned projects. We expect to fully align our 'Green finance framework' with this new standard during 2022, and thereby allocate green bond proceeds to taxonomy-aligned projects.



Assessing EU Taxonomy alignment for Ørsted's offshore wind farms



1. Substantial contribution to climate change mitigation

As our offshore wind farms generate electricity from wind power, they substantially contribute to climate change mitigation.



2. Do no significant harm to the environment

Climate change adaptation

Building on our existing TCFD analysis, we have assessed and documented how asset resilience towards different chronic and extreme climate hazards and their future development is an integrated part of our project development. We have confirmed that our assets are resilient and able to withstand projected climate changes during their lifetime.

→ [Read more](#) in the 'Annual report 2021', p. 32

Transition to a circular economy

Our 'Resource management policy' sets out our commitment to sustainable consumption and production. We work strategically with circular initiatives to recycle materials at the end of life and optimise our resource use. In 2021, we announced a ban on the landfilling of wind turbine blades taking effect immediately. Any decommissioned blades will be sustainably reused or recycled.

→ [Read more](#) in the 'Sustainability report 2021', p. 42

Sustainable use and protection of water and marine resources

An Environmental Impact Assessment (EIA) is always conducted as part of any project to ensure that potential impacts on water and marine resources are avoided, mitigated, and addressed appropriately. Our policies on water and biodiversity further set out our approach.

→ [Read more](#) in the 'Sustainability report 2021', p. 26-29

Protection and restoration of biodiversity and ecosystems

We have set the ambition to deliver a net-positive biodiversity impact from all new renewable energy projects commissioned from 2030 at the latest. As part of the obligatory Environmental Impact Assessment (EIA), we take the necessary steps to avoid, mitigate, or address potential impacts on biodiversity and ecosystems for all projects.

→ [Read more](#) in the 'Sustainability report 2021', p. 26-29



3. Minimum social and governance safeguards

We adhere to the UN Guiding Principles on Business and Human Rights and OECD's guidelines for multinational enterprises in our efforts to respect human rights, both in our own operations and in our supply chain. Together with our good governance practices and policies, our systematic due diligence approach ensures we have robust minimum safeguards in place.

→ [Read more](#) in the 'Sustainability report 2021', p. 45-46

Assurance report of the independent auditor

To the green bond investors and the Board of Directors of Ørsted A/S and Ørsted Wind Power TW Holding A/S.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the 2021 reporting year has not been prepared, in all material aspects, in accordance with Ørsted's 'Green finance framework'.

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

Selected Information

The scope of our work was limited to assurance over the information presented in Ørsted's 'Green bond impact report 2021', section 'Allocated proceeds' on p. 10 and 11 (the 'Selected Information'), comprise total amounts allocated by bond and bond allocations by project.

Professional standards applied and level of assurance

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

Our independence and quality control

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

We have complied with the independence and other ethical requirements in the International Ethics Standards Board for Accountants' 'International Code of Ethics for Professional Accountants' (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior and ethical requirements applicable in Denmark.

Work done

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

- made enquiries of relevant Ørsted management to assess to whether the reporting has been prepared in accordance with the Ørsted 'Green finance framework';
- accessed the design of the processes and internal controls for managing, recording, and reporting the Selected Information;
- performed analytical review of the Selected Information, including the allocation of amounts as presented in the Ørsted 'Green bond impact report 2021'; and
- evaluated the evidence obtained.

Management's responsibility

The Board of Directors of Ørsted A/S and Ørsted Wind Power TW Holding A/S are responsible for:

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

Auditor's responsibility

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error and are prepared, in all material respects, in accordance with the Ørsted 'Green finance framework';
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors of Ørsted A/S and Ørsted Wind Power TW Holding A/S and the green bond investors.

This report, including our conclusions, has been prepared solely for the Board of Directors of Ørsted A/S and Ørsted Wind Power TW Holding A/S and the green bond investors in accordance with the agreement between us, to assist the Board of Directors in reporting on Ørsted's green bonds. We permit this report to be disclosed online at Ørsted A/S' homepage in respect of the 2021 reporting year, to assist Ørsted A/S in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information.



Hellerup, 2 February 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Rasmus Friis Jørgensen
State Authorised Public Accountant

Anders Stig Lauritsen
State Authorised Public Accountant

Sustainability ratings and memberships

Memberships and alliances

WE SUPPORT
Caring for Climate



Ratings and rankings

Elaboration and benchmark

Score

Corporate Knights' 2022
Global 100 Index

Ørsted ranked the most sustainable energy company in the world for four consecutive years and 7th place across all industries globally in Corporate Knights' 2022 Global 100 index.

1st place (sector)
7th place (all)



Ørsted awarded the highest possible CDP rating for three consecutive years and recognised as a global leader on climate action.

A



Ørsted awarded the highest possible rating by MSCI in five consecutive ratings.¹

AAA



Ørsted categorised as a 'low risk' company, and placed as no. 1 among direct utility peers measured by market cap by Sustainalytics. A low score indicates good performance.²

16.3 of 100



Ørsted ranked in the 1st decile among electric utilities and has maintained 'Prime' status in the ISS ESG Rating 2021.

B+



Ørsted awarded a Platinum Medal for being among the top 1 % of companies assessed by EcoVadis in 2021.

80 of 100



For the second consecutive year, Ørsted ranked no. 1 on climate action in WBA's Electric Utilities Benchmark that measures how the world's 50 most influential electric utilities companies are powering the transition to a low-carbon economy.

1st place



Ørsted ranked 5th place in the Renewable Energy & Human Rights Benchmark, published by the BHRRC. We perform strongly on core UN Guiding Principles indicators, and will work to improve on sector-specific indicators.

5th place

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² Copyright ©2022 Sustainalytics. For further information see <https://www.sustainalytics.com/legal-disclaimers>

Appendix I:

Accounting policies

Avoided emissions

The avoided carbon emissions due to generation from offshore wind farms are calculated assuming that the generation from wind farms replaces an equal quantity of electricity generated using fossil fuels. The carbon emissions factor from fossil fuels is based on an average fossil fuel mix in the specific country where the wind farm is located and is updated on an annual basis.

Data is extracted from the International Energy Agency, IEA. Power generation from wind does not have any direct carbon emissions (scope 1), and no secondary effects (scopes 2-3) are included. The avoided carbon emissions are calculated as the offshore wind farm's generation or expected generation multiplied by the emissions factor. The total avoided emissions potential from allocated proceeds includes both projects under construction and projects in operation. For projects under construction or commissioned, we use the capacity of the wind farm as the basis for the calculation, with an average load factor from business cases for offshore wind to calculate the expected energy generation. For projects in operation for at least one full year, we use the actual energy generation from the wind farm as the basis for the calculation.

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

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

Avoided emissions from allocated green bond proceeds are reviewed by PwC as part of the ESG performance report.

Energy generation

Energy generation from wind farms is determined as sold power generation. The indicator is calculated based on the full generation from each wind farm, independent of Ørsted's ownership share. Energy generation is reported when the individual wind farm has been in operation for at least one full year.

Energy generation is reviewed by PwC as part of the annual report.

People powered

The figures for people powered are calculated using the wind farms' power generation and country or state-specific power consumption per person, which is updated on an annual basis. The indicator is calculated based on the full generation from the wind farms, independent of Ørsted's ownership share.

The total number of people powered shows the projects' potential and includes both projects under construction and projects in operation. For projects under construction or commissioned, we use the capacity of the wind farm as the basis for the calculation, using an average load factor from business cases for offshore wind to calculate the expected energy generation. For projects in operation for at least one full year, we use the actual energy generation from the wind farm as the basis for the calculation.

The calculation method for people powered has been reviewed by PwC.



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