CASE STUDY

From ambition to implementation: Ørsted's governance model for integrated sustainability leadership

World Benchmarking Alliance

WBA's 2025 benchmarks and 2026 Integrated Transition Assessment baseline analysis highlight Ørsted's meaningful progress in addressing climate, nature, and social topics in an integrated way. This case study explores how the companies' governance model connects sustainability priorities with business strategy, accountability, and delivery.

1. Background

The global context

The global energy transition is accelerating, creating a historic opportunity to scale renewable energy in a way that also protects nature and ensures a just transition. The International Energy Agency (IEA) estimates that meeting global renewable energy ambitions could require up to an additional 600,000 km^2 of land for utility-scale solar and onshore wind by 2030, intensifying potential competition with biodiversity conservation and other land uses. Offshore wind development also calls for careful management of interactions with marine ecosystems, including seabed disturbance and effects on wildlife. These considerations sit alongside growing climate-related physical risks to energy infrastructure and increasingly complex supply chains.

For renewable energy companies such as Ørsted, opportunity comes with evolving regulatory requirements and rising expectations for corporate accountability. In Europe, frameworks including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) have sought to strengthen sustainability reporting and due diligence.

The global context points to a broader shift in expectations: renewable energy companies can contribute not only to decarbonisation, but also to positively impact on nature and communities. Integrating these priorities into project development and delivery supports stakeholder trust, project risk management and a resilient energy transition.

Integrated Transition Planning

As climate, nature and social risks intensify, the next era of corporate sustainability will be defined by how companies connect these priorities with business value and close the gap between what they commit to and what they deliver. For Ørsted, reducing emissions can lower costs, while positive impacts on nature and communities strengthen its licence to operate, helping sustain the pace and scale of offshore wind build-out over time.

Climate, nature and social risks are deeply connected, but there's no tool to look at and understand the space between them including how an integrated approach can help build long-term business resilience. That is why WBA is introducing the Integrated Transition Assessment to makes those hidden connections visible. A credible transition plan weighs the trade-offs and identifies the synergies of embedding sustainability into strategy, governance and capital allocation.

To understand how companies are broadly performing on integration, WBA recently undertook a baseline analysis drawing on previous benchmark datapoints that are proposed to be included in the Integrated Transition Assessment. Out of 750 companies, Ørsted is one of only 14 companies that meet 50% or more of the elements across climate, nature and social, showing that integration remains the exception, not the norm. The other frontrunners include BASF, Bayer, Heineken, JDE Peet's, Kerry Group, Holcim, Michelin, Nestle, Norsk Hydro, Pirelli & C, Puma, Rio Tinto and Vattenfall.

Most companies perform better on climate than on nature or social, reflecting how much more mature and clearly defined (e.g. the 1.5-degree target) climate expectations and reporting frameworks are compared to nature and social metrics. European-headquartered companies outperform the global average across all three topics, while companies in South Asia lag furthest behind, revealing significant regional gaps in transition readiness.

These findings show how far most companies still have to travel, but a small group of frontrunners, including Ørsted, proves that an integrated transition is possible.

Introduction to Ørsted

Headquartered in Denmark, Ørsted A/S (Ørsted) is a global leader in developing, constructing and operating offshore wind farms. Backed by 35 years of experience and currently employing approximately 7,300 people, Ørsted has 10.2 GW of installed offshore capacity and 8.1 GW under construction. Ørsted's total installed renewable energy capacity in Europe, Asia Pacific and North America exceeds 18 GW across a portfolio that also includes onshore wind, solar power, energy storage, bioenergy plants and energy trading. In 2025, the group's operating profit (excluding new partnerships and cancellation fees) was DKK 25.1 billion (EUR 3.4 billion).

Ørsted is now widely recognised as a sustainability leader, but two decades ago, it was one of Europe's most coal-intensive utilities. From 2008 onwards, Ørsted transformed its business: it exited upstream oil and gas, phased out coal and shifted capital from fossil fuels to build a global renewable energy portfolio, especially within offshore wind. By 2025, Ørsted generated 99% of its energy from renewable sources and had cut its scope 1–2 emissions intensity by more than 98% compared with 2006.

Company footprint

REVENUE
10 billion USD

EMISSION (S3)
9 million tCO2e

ELECTRICITY GENERATED
36 million Mwh

WOMEN IN GOVERNING BODY
50%

EMPLOYEES
8,407

COUNTRIES OF OPERATIONS
14

2. The company journey

Building the business case

The business case for sustainability at Ørsted is about building responsible and resilient renewable energy projects. Sustainability drives business value as it reinforces commercial and operational priorities, supporting competitiveness and long-term value creation.

This means sustainability performance can help lower costs, meet regulatory, tender and customer requirements, support access to financing, and demonstrate sound risk management to investors, lenders and project partners.

Ørsted's contribution to decarbonisation starts with developing, constructing, and operating renewable energy assets that help customers and countries reduce fossil fuel dependence and strengthen energy security. Alongside this, the company works to reduce the emissions and resource use associated with delivering those assets. Decarbonisation and electrification support demand for renewable power, while using resources more efficiently and replacing fossil fuels with electricity in operations and supply chains can reduce costs and exposure to fossil fuel price volatility and carbon regulations. Collaboration with suppliers on lower-emission solutions can also drive innovation and more efficient delivery.

Well-designed biodiversity measures and meaningful community engagement can help protect nature and contribute to local communities, while strengthening Ørsted's licence to build, operate and manage permitting risks, opposition and delays.

Considering climate, nature and communities together supports informed project decisions and responsible delivery.

The journey

Ørsted's vision is a world that runs entirely on green energy. Its strategic aspiration is to be the undisputed leader in offshore wind - being a globally recognised sustainability leader is a core pillar.

Sustainability is therefore a key part of Ørsted's core business strategy. The journey is about putting the right governance, expertise and accountability in place so that sustainability is considered in the relevant business meetings and decision-making forums, with clear follow-up on the actions needed to realise this aspiration.

To support this, Ørsted has introduced a sustainability governance model that integrates sustainability topics into existing line governance and business processes, including risk management, project development and performance management.

Ørsted's strategic approach to sustainability focuses on three key areas – decarbonisation, biodiversity and community impact – underpinned by five foundational areas: human rights, health and safety, own workforce, business conduct and pollution and water.

Each strategic area has a core group serving as a key decision-making forum, led by a Group Executive Team member accountable for the topic. For example, the Chief Construction Officer is accountable for decarbonisation. These groups bring together relevant expertise and business functions to align priorities, make decisions and coordinate delivery.

Topic roadmaps guide the core groups' work and delivery. Each roadmap sets out prioritised key workstreams for a three-year period. They are backed by data and reporting processes, competence building, communication and advocacy. Double materiality assessments and enterprise risk management inform this work by providing structured inputs on impacts, risks and opportunities.

Integration also means considering sustainability priorities together. Renewable energy development contributes to climate mitigation, while project design, construction and operation can affect biodiversity and local communities. Considering these issues together helps identify synergies, recognise trade-offs and coordinate responses across relevant functions.

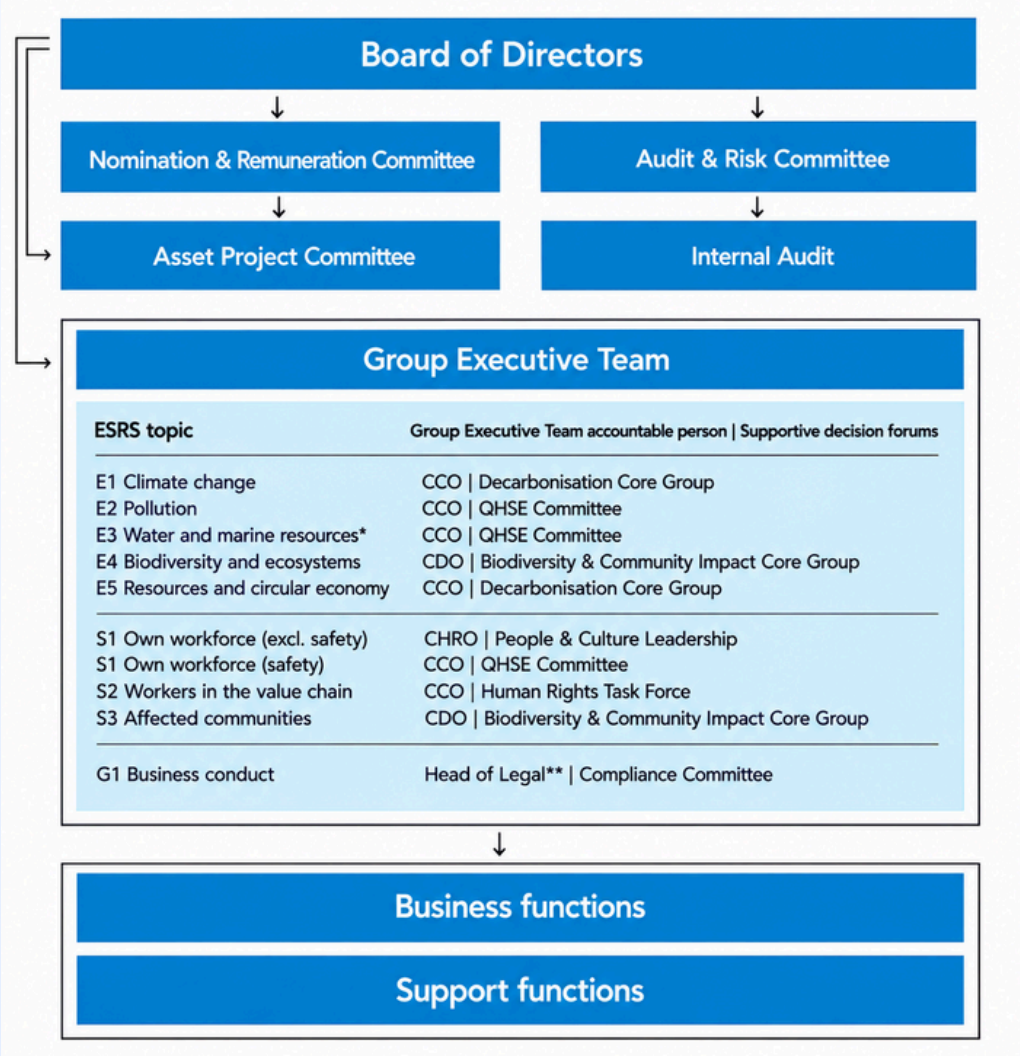


Image one: Ørsted's Sustainable Governance Modell

The outcome

The governance model establishes executive accountability and cross-functional forums for translating sustainability priorities into business delivery. Topic roadmaps and performance reporting connect strategic objectives with responsibilities across relevant business functions.

In decarbonisation, this is reflected in supplier expectations within procurement category management, technology road maps for design and construction, and operational measures such as component refurbishment and improved logistics. Ørsted's The Next Zero paper provides further context on its decarbonisation approach.

In 2025, Ørsted completed its energy generation transformation, reaching a renewable energy share of 99% and reducing scope 1-2 emissions intensity by more than 98% compared with 2006. These results reflect Ørsted's long-term business transformation, not the governance model alone. Ørsted is now working towards the following priorities:

- Net zero across the value chain by 2040
- A net-positive biodiversity impact from all new renewable energy projects commissioned from 2030 onwards
- Tangible benefits to local communities

The governance model is intended to support delivery by improving transparency, decision quality, organisational alignment and the company's ability to manage sustainability-related risks and opportunities over time.

> "Our sustainability priorities are closely connected to how we deliver renewable energy. Clear accountability and collaboration across functions help us translate those priorities into project decisions, manage risks, and work towards our long-term ambitions.
>
> -Anders Johannes Enghild, Head of Global Sustainability, Ørsted

Key challenges and learnings

Implementing sustainability in an offshore wind company requires navigating commercial realities, energy security, affordability concerns, geopolitical tensions and macroeconomic pressures. As sustainability has matured as a field, a key learning has been to move beyond broad ambitions and define more clearly how it contributes to long-term value creation.

For Ørsted, this means combining a consistent approach with business ownership and focusing resources on clear priorities rather than spreading efforts too thinly. This requires the right organisational set-up, clear mandates, and cross-functional collaboration.

Value-chain decarbonisation illustrates why governance alone is not enough. Progress depends on supplier capabilities, the availability and cost of low-emission solutions and long project lead times. Clear accountability therefore needs to be combined with engineering expertise, procurement engagement, and implementation plans that reflect commercial and operational constraints.

Another key learning is to keep things simple and avoid reinventing the wheel by integrating sustainability into existing governance and business processes rather than creating separate, parallel structures.

Sustainability topics vary in maturity, data availability, regulatory development and relevance to individual markets and projects. Governance must therefore provide a common direction while allowing implementation to evolve through practical experience and iterative learning.

The work is not complete and learning continues. Ørsted is continuously refining its governance and ways of working, drawing on practical experience to improve how sustainability priorities translate into decisions and delivery.

Ørsted uses external assessments, including WBA's benchmarks, alongside its own materiality and risk assessments to identify strengths, challenge its approach, and inform priorities for further development.

WBA's benchmarks and baseline analysis provide an external assessment of selected governance, planning, implementation, and performance indicators. They identify strengths and gaps in the assessed evidence.

3. Leading practices: findings from governance-related indicators on WBA's Integrated Transition Assessment baseline analysis of 750 companies

Leading practice 1:
Responsibility and accountability for climate transition planning, nature issues and social issues (including at the Board level)

While Ørsted is part of the majority (70%) of companies that internally assign responsibility for climate nature and social issues, it is among just 3% that explain how nature and climate transition plans reinforce or trade off against each other.

Ørsted considers biodiversity and climate impacts alongside social considerations in renewable energy development. This includes benefits to local communities and coexistence with the fishing industry. Considering these priorities together can help identify synergies and manage trade-offs.

The company extends this approach through collaboration. In 2024, the company launched a Biodiversity Measurement Framework and, building on it, worked with the World Economic Forum to launch the Responsible Renewables Infrastructure initiative, which brings the renewable energy industry together to develop a shared approach to assessing impacts on biodiversity and local communities.

Performance on material sustainability topics and targets, including its net-zero greenhouse gas emissions target across scopes 1-3, is monitored and overseen by Ørsted's Board. This oversight supports accountability and the management of sustainability-related risks, regulatory requirements and stakeholder expectations.

Leading practice 2:
Board level expertise on climate, nature and social

Ørsted is one of 10% of companies that have board level expertise on climate, nature and/or social topics. The company has a board member who is the Chair of The Carbon Trust, a member of the Committee on Climate Change and a non-executive Director of the Green Investment Bank. However, Ørsted has yet to establish board-level expertise on social topics. This is an area for improvement, which would then place Ørsted among the 1% of companies with board-level expertise across all three topics: climate, nature and social.

Effective management of climate, nature, and social issues is strongly supported by specific expertise related to these topics and their impacts, including their effects on the business. Even if companies are managing these topics at Board or equivalent level (which is the case across all three topics for Ørsted), a lack of board-level expertise could be a barrier to successful management of these topics for some companies.

Leading practice 3:
Comprehensive human rights due diligence

Ørsted is one of only 3% of companies that have all the building blocks of human rights due diligence in place: policy commitments, processes to remediate risks and grievance mechanisms for both workers and external stakeholders. The company commits to respecting human rights, including workers' rights, and to remedy adverse impacts it has caused or contributed to. It identifies and assesses risks across its operations and supply chain with the involvement of affected stakeholders and has processes to prevent, mitigate and remediate its salient human rights issues. Workers, suppliers, and affected communities can raise concerns through its whistleblower hotline.

These processes are linked to its governance: concerns raised through the whistleblower hotline are handled independently and reported directly to the Board of Directors, and the views of affected stakeholders are communicated to the accountable member of the Group Executive Team.

Leading practice 4:
Publicly supports significant climate policies

A majority of companies (57%) publicly support significant climate policies and international low-carbon commitments. Ørsted is among them, supporting the Paris Agreement and having set SBTi validated targets for net-zero emissions by 2040 across its full value chain. The company supports the European Union's 2050 climate neutrality goals formalised in the European Green Deal and associated regulations such as the EU taxonomy and the EU Green Bonds Standard. It also supported the linking of the UK and EU Emissions Trading Systems (ETS) among many other climate policies.

Furthermore, Ørsted holds memberships and, in some cases, board representation in industry associations that strongly support renewable energy deployment, such as WindEurope. In 2026, Ørsted conducted a review of all of its industry associations and published its second Climate Advocacy Report which assessed alignment with: limiting global heating to 1.5 °C as per the Paris Agreement and supporting the expansion of renewables along with the phase-out of fossil fuels.

A company's public commitment to support significant climate policies, such as achieving net-zero greenhouse gas emissions, demonstrates accountability and alignment with global climate goals. This signals to investors, consumers and regulators that the company is intent on proactively managing climate risks, staying resilient in a low-carbon economy and contributing to sustainable growth.

Leading practice 5:
Remuneration linked to climate and social performance

26% of companies assign remuneration for climate performance, Ørsted being among them. Remuneration linked to nature and social performance will be assessed as separate indicators in the Integrated Transition Assessment but was not part of the baseline analysis.
Ørsted links executive incentives to sustainability indicators. In 2025, sustainability targets accounted for 20% of the Executive Board's short-term incentive scheme: scope 1–2 emissions intensity (10%), safety (5%), and employee satisfaction (5%). Climate performance is also included in long-term incentives, supporting alignment between near-term delivery and longer-term decarbonisation objectives. Linking incentives to nature performance remains an opportunity for further development.
Executive compensation should be aligned with overall business strategy and priorities. Incentives, especially at the executive level, are in place to reward progress towards material climate, nature and social topics. This is an indication of commitment to successful implementation of a strategy encompassing these topics.

4. Opportunities for improvement: findings from governance-related indicators on WBA's Integrated Transition Assessment baseline analysis of 750 companies

Translating nature and just transition commitments into measurable targets and plans

While Ørsted's Board oversees progress against its sustainability targets, its ambitions on nature and the just transition are not yet backed by measurable targets and plans, meaning Board oversight in these areas lack a concrete reference point. On nature, Ørsted aims to achieve a net-positive biodiversity impact from all new renewable energy projects commissioned from 2030 onwards. Its Biodiversity Measurement Framework supports project-level assessment of biodiversity losses and gains. WBA nevertheless identifies scope for clearer disclosure of baselines, measurable milestones, and an implementation strategy against its criteria. Such targets remain scarce in general: only 2% of companies set targets on ecosystem or biodiversity loss.

Ørsted has a just transition policy and commits to creating decent jobs and reskilling workers. However, WBA did not identify sufficient evidence meeting its criteria for assessing transition-related impacts on workers and communities, identifying skills gaps or setting time-bound indicators to address those impacts. Just 2% of companies disclose the socio-economic impacts of the climate transition on affected stakeholders and how they assess them. Clearer disclosure of these assessments and follow-up measures would make progress easier to evaluate and strengthen the connection to Ørsted's community impact, supported by engagement with workers and affected stakeholders.

5. Corporate call to action:

Based on key experiences and lessons from Ørsted's journey, WBA recommends companies take the following actions:

- Start with a small number of sustainability priorities linked directly to business strategy and value drivers, and make explicit how climate, nature and social priorities support each other and where they may conflict.
- Define clear accountability across the Board, executive leadership, central sustainability teams, and business units and back it with the expertise and incentives across climate, nature and social topics.
- Use existing management, risk, investment and performance processes rather than creating parallel sustainability structures.
- Translate ambitions into measurable targets, roadmaps, milestones, data requirements and regular follow-up.
- Allow for iteration in the implementation process. Governance should create direction and accountability while supporting learning as methods, data and expectations evolve.Use external benchmarks beyond reporting and final rankings. Utilise them to inform your company gap analysis, extract relevant insights and identify where action is needed the most.

5. Annex: supporting supplementary information

Overview of WBA's 2025 benchmarks and assessments

ACT Core Assessment (Climate)
Among the 2,000 companies assessed under the ACT Core Assessment, Ørsted is one of only seven companies (0.35%) which scored A – equivalent of a company being 1.5°C aligned and planned. Of these companies, six are electric utility companies, representing 5% of all electric utility companies assessed by WBA.

This score reflects two dimensions: transition plan quality (TPQ), for which the company scores 100%; and contribution to the low-carbon transition (CTT), for which the company also scores 100%. The TPQ dimension covers the elements of emissions and targets reporting, transition planning, supplier/client engagement and governance. The CTT dimension covers the elements of low-carbon investments, target alignment and emissions reduction performance.
Read more about the ACT Core Assessment here.

Just Transition Assessment
Among the 2,000 companies assessed under the Just Transition Assessment, Ørsted scores 28.3/100 overall.

This score reflects three measurement areas: decent work, workers and skills (60.0/100), social dialogue and stakeholder engagement (25.0/100), and just transition planning (0.0/100). Decent work, workers and skills covers commitments to create decent jobs and reskill affected workers, processes to identify skills gaps, and assessments of how transition plans affect workers and communities. Social dialogue and stakeholder engagement covers commitments to social dialogue and how the company engages workers, unions and affected stakeholders on the just transition. Just transition planning covers how a company's just transition planning relates to its decarbonisation plan, and time-bound, measurable indicators to mitigate impacts on workers, affected stakeholders and business relationships.

Read more about the Just Transition Assessment here.

Nature Benchmark
Among the 750 companies assessed under the Nature Benchmark, Ørsted ranks 11th with a score of 48.3/100, nearly three times the benchmark average of 17.1.

Ørsted outperforms the average across all three nature-specific measurement areas: governance (for which the company scores 66.7/100), planet (37.5/100) and people (33.3/100). Governance covers materiality, sustainability strategy, targets and accountability. Planet covers impacts and dependencies on nature, ecosystem protection and biodiversity loss, the transition towards a

nature-positive economy, greenhouse gas emissions, pollution, and resource, plastic and waste use. People covers the right to a sustainable environment, Indigenous Peoples' and local communities' land rights, and stakeholder engagement.

Read more about the Nature Benchmark here.

Social Benchmark
Among the 2,000 companies assessed under the Social Benchmark, Ørsted ranks 6th, with a score of 72.7/100, placing it in the top 1%.

This score reflects three measurement areas: respecting human rights (for which the company scores 100/100); providing and promoting decent work (43.1/100); and acting ethically (62.5/100). Respecting human rights covers policy commitments, human rights due diligence, and grievance mechanisms. Providing and promoting decent work covers health and safety, living wage, working hours, collective bargaining, workforce diversity and gender equality. Acting ethically covers personal data protection, responsible tax, anti-bribery and anti-corruption, and responsible lobbying.
Read more about the Social Benchmark here.

WBA's 2026 Integrated Transition Assessment baseline analysis

The Integrated Transition Assessment Baseline Analysis considers the topics of climate, nature, and social from the three lenses of planning, implementation, and performance for 750 companies.

Among the 750 companies considered in the Integrated Transition Assessment Baseline Analysis, the average number of indicators met for climate is 27%, for nature is 25% and for social is 24%. For Ørsted these figures rise to 83% for climate, 53% for nature, and 54% for social.

On average the number of indicators met for planning is 27%, implementation is 20% and performance is 14%. Ørsted's figures exceed this with 55% for planning, 67% for implementation, and 25% for performance.

Among the 750 companies considered in the Integrated Transition Assessment Baseline Analysis only 14 companies, including Ørsted, meet half or more of the elements under climate, nature and social. This represents less than 2% of all companies.

Read more about Ørsted's performance on WBA's benchmarks and assessments here.

Further reading
- Governance and responsible business leadership | Ørsted
- the-next-zero-2026.pdf – page 11
- Integrated Transition Assessment Methodology
- ACT Core Methodology
- ACT Electricity Methodology
- WBA Nature Benchmark Methodology
- WBA Social Benchmark Methodology
- WBA Just Transition Methodology