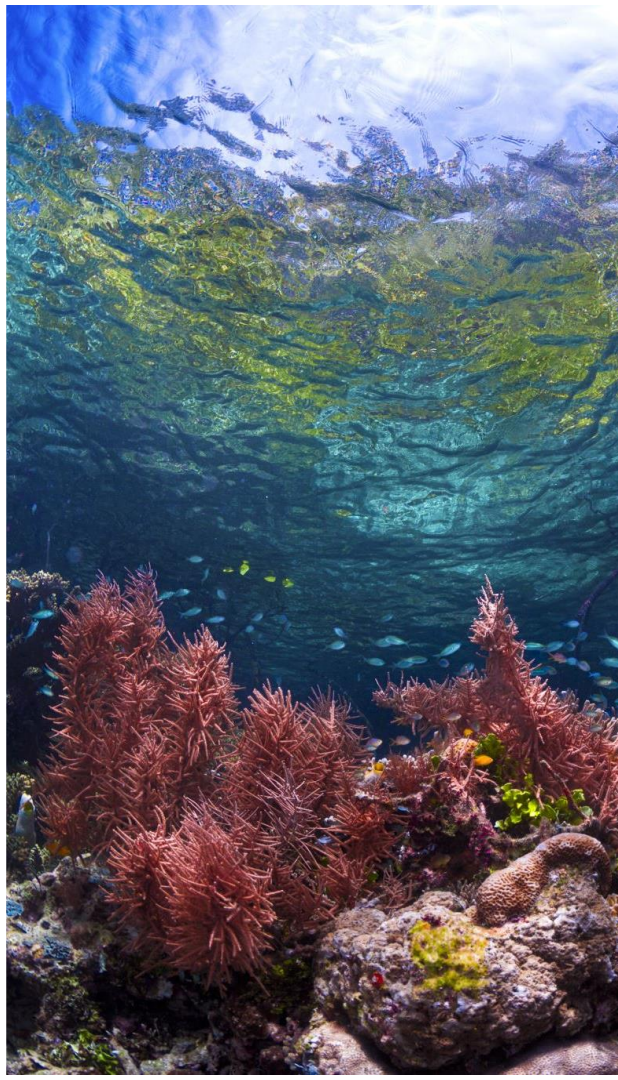


# Beyond risk

– How sustainability risk scenarios can help unlock business value and drive transformation

Virginia Dundas  
Interim Head of Global Sustainability  
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The starting point...





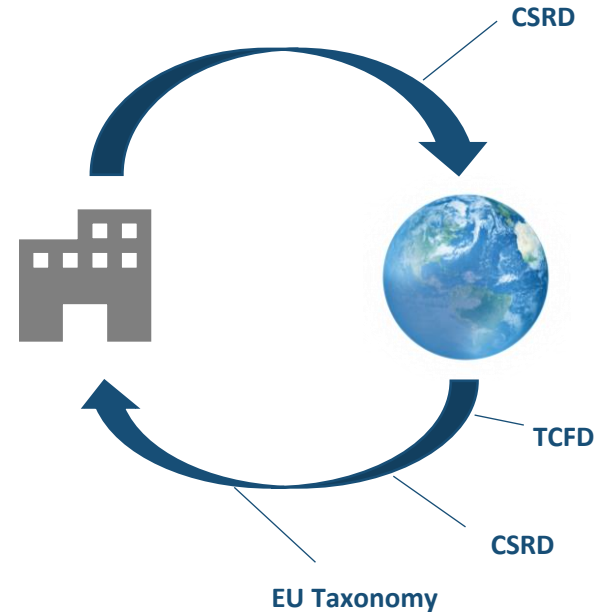
“ Over half of the world’s GDP is moderately or highly dependent on nature and its services

World Economic Forum (2023)

## Risk scenarios help quantify the interdependencies between your business, climate and nature...

- ✓ Are your assets resilient to withstand future changes in the climate?
- ✓ Are you protecting your ability to generate revenue long-term?
- ✓ Is your business model future-proof?

... that's why climate risk assessments are increasingly mandated by regulation and investors



# Example: The climate scenario analysis

## – what is it and why do we conduct it?

### Purpose

Financial quantification of physical climate change risk for our energy solutions:

- **Design safeguards:** Are our assets' structural integrity safeguarded against climate change?
- **Business case risk:** How are our revenue streams and overall asset value impacted by climate change?

### The value we are harvesting

#### More robust business cases

- Better understanding of revenue (for existing and future assets)
- Potential opportunities in bids

#### Meet new regulations and expectations

- E.g. CSRD, EU Taxonomy, and CDP

**Meet growing investor demand** for more detailed climate risk information, e.g. for 'farm-downs'



## Example: The climate scenario analysis

– Ørsted insights and key learnings



It's strategic exercise – not (just) a compliance exercise



Connect the dots and make it a shared effort



Don't strive for immediate perfection

# Risk scenarios can drive business transformation and value creation

Outcome

✓ Resilient assets and projects

✓ Competitive differentiation

✓ Long-term profitability and stakeholder value

Output

Business risks & opp.

Sustainability/ESG risks & opp.



Input

Data (quantitative and qualitative), internal stakeholder consultation and alignment, etc.

Drivers

- Business needs, e.g. need for business cases that better reflect future changes in the environment
- New regulation and investor expectations (e.g. ESRS, EU Taxonomy, TCFD)
- Building sustainability leadership

# Thank you

