



Low-carbon transition plan

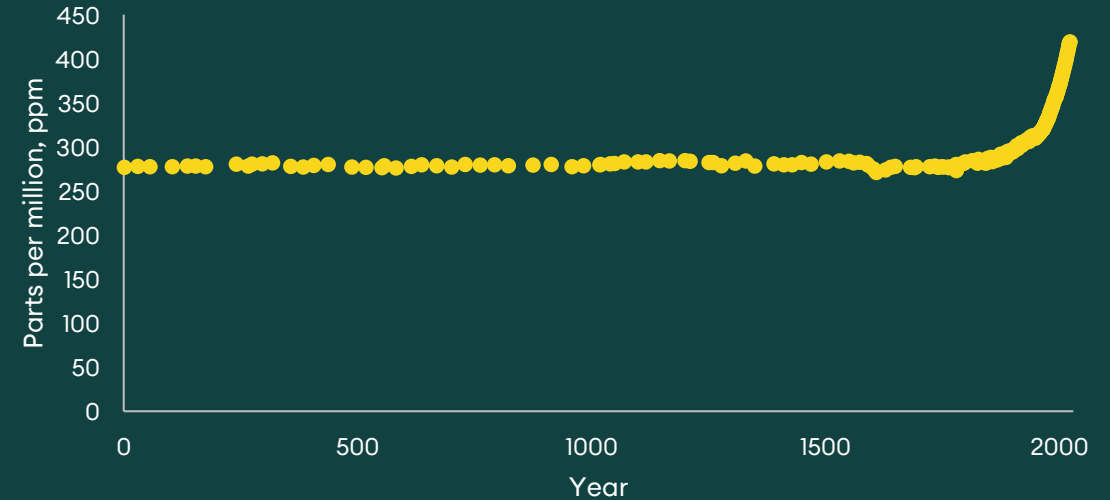
OX2's contribution to the Paris Agreement and the 1.5°C ambition

2024-10-09

Climate change

The world is at a critical tipping point. Climate change has reached 1.1°C since pre-industrial times. The increasing concentrations of carbon dioxide derives from the combustion of fossil fuels.

The ambition is to limit climate change to 1.5°C to avoid risk of catastrophic consequences for humanity. The impacts of climate change are already experienced on every region of the globe and is anticipated to intensify in the future.

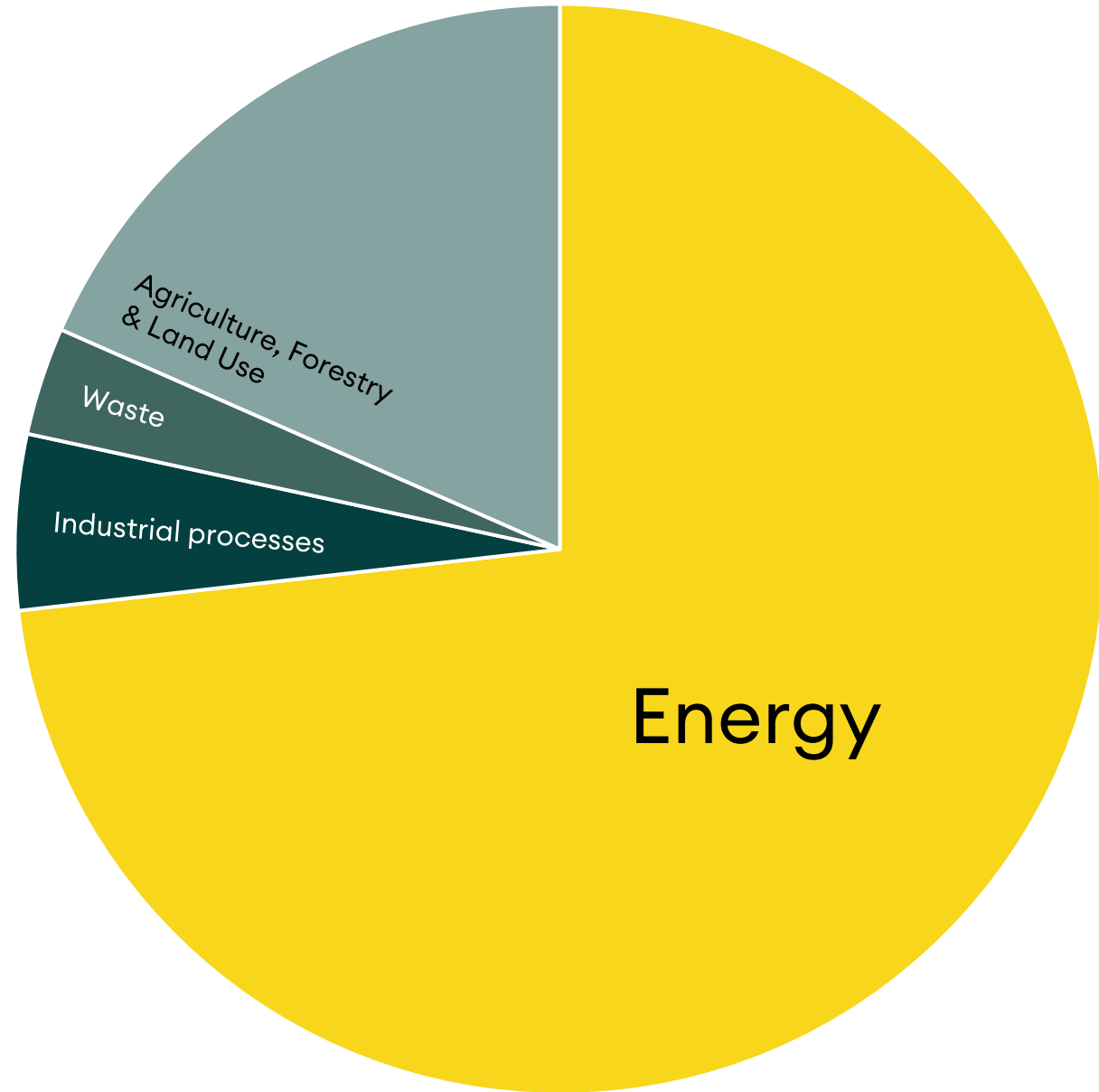


Decarbonization of energy is key to address climate change

Over 70 % of global greenhouse gas emissions derives from the energy sector¹. Reducing greenhouse gas emissions is therefore key to mitigate climate change.

Renewable energy has lower greenhouse gas intensity² than fossil energy. Shifting from fossil energy to renewable energy enables the avoidance of greenhouse gas emissions being emitted.

OX2 contributes to the decarbonization of the energy sector by developing and managing projects generating renewable energy and balancing the electricity grid.



1) Link to source: <https://ourworldindata.org/ghg-emissions-by-sector>

2) Greenhouse gas emissions per kilowatthour (gCO₂/kWh)

OX2's contribution to the low-carbon transition:



Increase renewable energy production

To phase out society's dependence on fossil fuels, we strive for our mission to accelerate access to renewable energy. We do this by developing and managing projects that generate renewable electricity and balancing the electricity grid. We are targeting markets where we see potential to shut down facilities for fossil energy production and markets where we see an increasing demand for electricity due to the electrification of society.

Targets:

- 1,500 MW sold per year on average during the period 2023–2024
- 2,000 MW per year starting in 2025
- Operating revenue growth (CAGR) of >25% in 2023-2027
- Return on capital employed (ROCE) >25%

Decrease GHG emissions stemming from our business

Renewable energy is key to mitigate climate change, but no energy source is free from greenhouse gas emissions. To facilitate the low-carbon transition, we strive to reduce greenhouse gas emissions from our operations and our value chain.

Targets:

- Reduce GHG emissions with 42% between 2022 and 2030 (Scope 1 and 2)
- Measure and reduce emissions between 2022 and 2030 (Scope 3)
- Deliver projects with a GHG intensity below 10 gCO₂e/kWh in 2024 (Scope 3 category 1 attributable to our projects and 11)

Increase resilience to the impacts of climate change

Increasing resilience is key to ensuring the production of renewable energy no matter what the future holds. To contribute to a resilient and renewable energy system, we provide a variety of technologies for electricity production as well as balancing and storage options. Climate-related risks are assessed to identify and implement risk management measures that increase the resilience to the effects of climate change in our projects.

Targets

- 85% of covered income must be compatible with the EU Taxonomy in 2024
- 100% of covered revenue must be compliant with the EU Taxonomy annually from 2025



Governance

Steering (public)

- Sustainability Policy
- Environmental Policy
- Business travel Policy

Guidance and support (internal)

- Sustainable projects guideline
- Instruction sustainable projects
- Health, Safety, Social and Environment criteria



Locked-in emissions

OX2 estimates greenhouse gas emissions associated with the use of sold products (scope 3 category 11). These greenhouse gas emissions arise from site visits, maintenance and repairs during the projects' operational phase. These GHG emissions are not considered significant as they are a fraction of the total GHG emissions resulting from the project for the duration of the project's life.

Progress 2022-2024



Activities carried out:

- Measure GHG emissions from operations and the value chain
- Set science-based targets to formalize and validate reductions in greenhouse gas emissions
- Increase governance, guidance and support for climate action
- Identify climate-related risks and opportunities
- Explore solutions with a lower climate footprint

Milestones achieved:

- Climate metrics in the Annual and Sustainability Report
- Validated science-based targets (SME route)
- EU taxonomy alignment
- New and updated governing documents
- Group-wide climate scenario analysis completed (2023 and 2024)



Powering the great shift

OX2