

PEOPLE-POSITIVE RENEWABLE ENERGY: TOWARDS A COMPETITION FOR JUST OUTCOMES



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Who is Ørsted?

The global leader in offshore wind

We have built **more offshore wind farms** than any other company **worldwide**.



An international clean energy major

We have a renewables portfolio from **offshore wind to onshore wind, solar, renewable hydrogen and power-to-X**, in 14 countries.



A sustainability front-runner

We are ranked by organizations like Corporate Knights, CDP, the Science-based Targets as a leading example of corporate sustainability.



Our vision

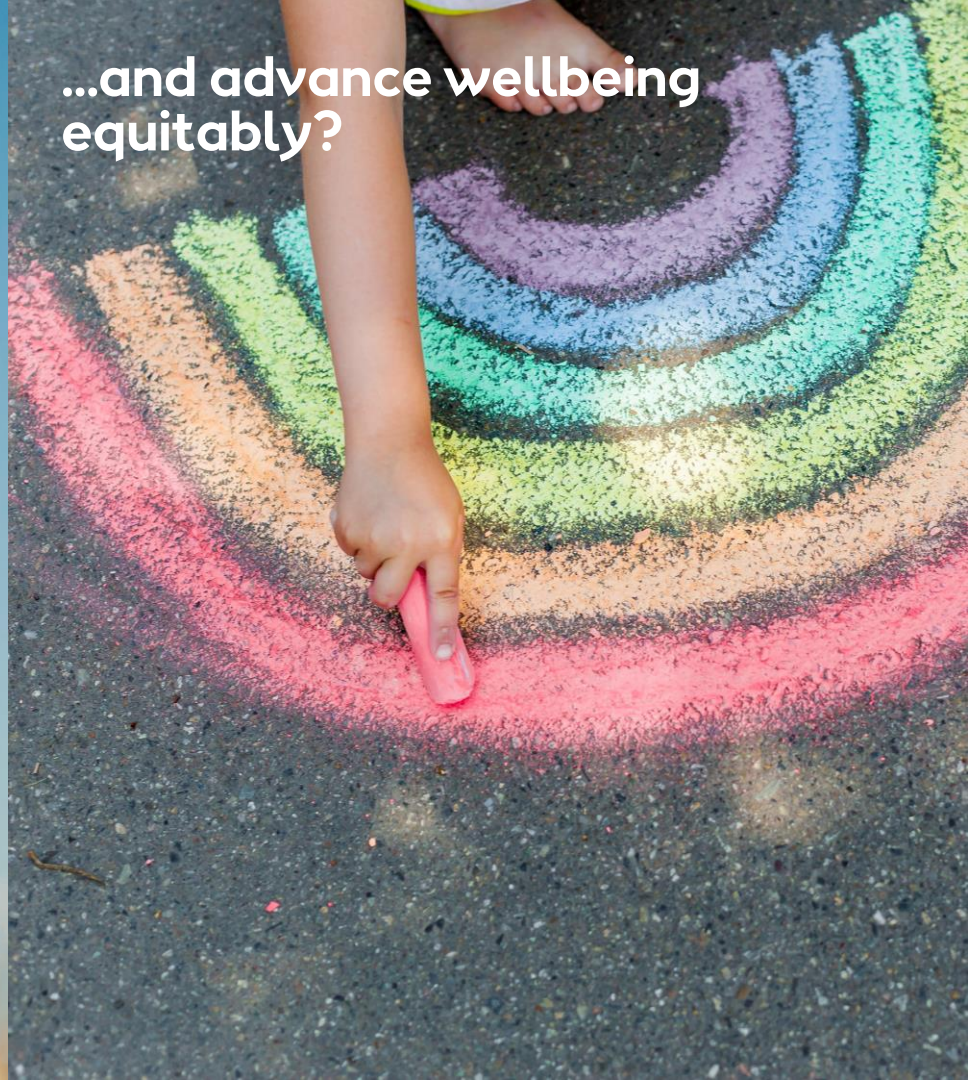
**Let's create a
world that
runs entirely on
green energy**



How do we halt climate change...

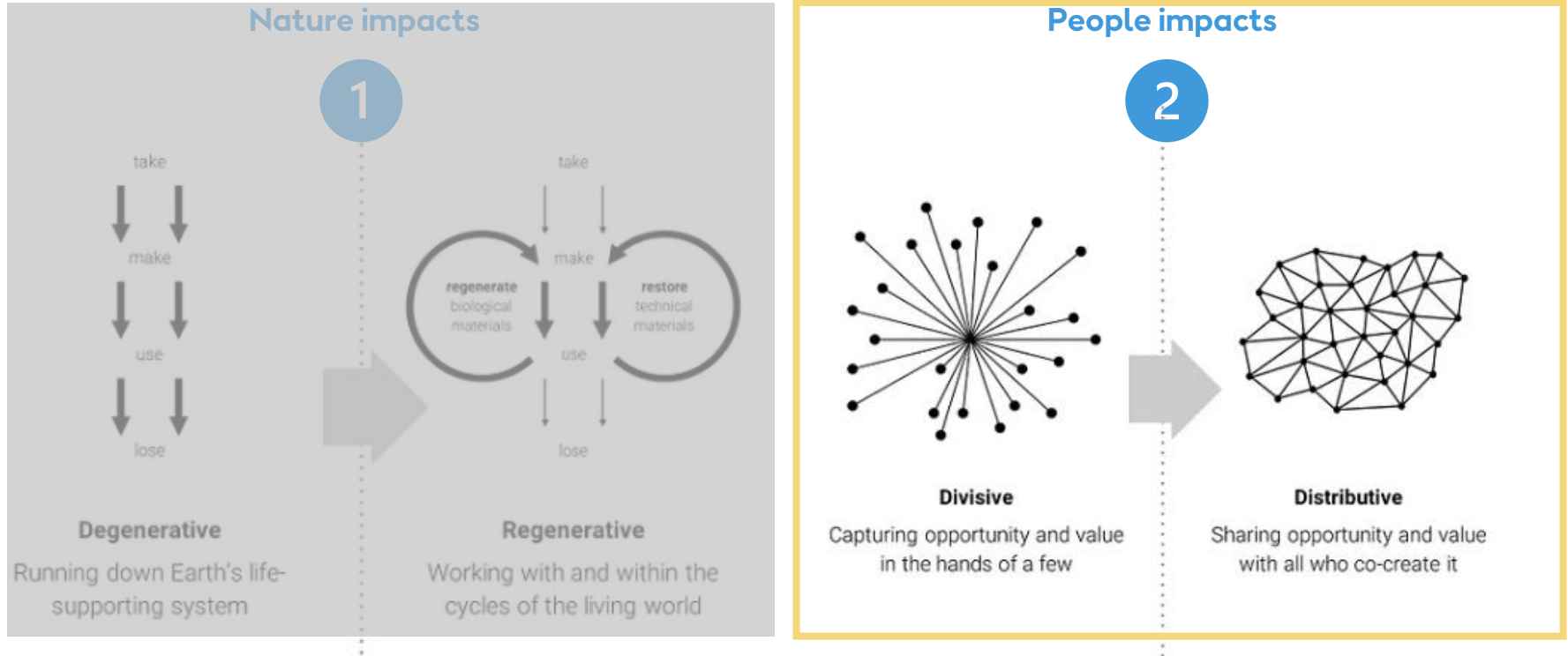


...and advance wellbeing equitably?



Two shifts that need to happen for a Just Transformation to materialise

(courtesy of Kate Raworth, Doughnut Economics)



Regenerative frameworks have already accelerated action on climate and nature, but we have nothing comparable on people

Impact area	Carbon	Nature	Social/People
Defined target	Carbon net-negative	Biodiversity/nature positive	No common target defined
Underlying guidance	<p>GHG management hierarchy</p>	<p>Impact mitigation hierarchy</p>	<p>Fragmented guidance, often focused on min. requirements and fragmented measurement metrics</p>
Business progress	<p>34% of the global economy covered by net-zero commitments</p>	<p>Est. 5% of global largest publicly listed companies have committed to biodiversity targets</p>	<p>We do not know</p>

Renewable energy needs a framework that measures progress on positive people impacts – the “just” part of the transition

Situation

Clean energy capacity must triple by 2030

This is the biggest and fastest infrastructure development in a century

Complication

The industry needs to gain the support of communities...

When built close to communities, support is challenged

Local support is crucial to pave the way for the build-out

Resolution

... positive impact is crucial to advance community support

Local content is right now the mainstream way governments request positive social impacts

Often, this is ineffective as it misses other social value creation areas or community engagement

We are inviting you to build a measurement framework that incentivises progress for a Just transition

Let's build a framework that

- Creates a race to the top for more (net) positive social impact
- Rewards broader local impacts on human wellbeing, incl. social value from biodiversity and decarb.

The time is ripe for accelerating progress on social side of the transition by measuring it and competing on people-positive

Calls to measure "S" in ESG increase



- **Investors** increasingly call for more comparability on S in ESG
- **Just Transition (JT)** advocates increasingly aware that without metrics on equity ("J") we will not progress
- **Some governments** are experimenting with broader social value measurements in procurement (e.g. Social Value Model in the UK, IAP2 framework in AU, social cost of carbon in the US)

Practice exists and is developing fast



TISFD Taskforce for Inequality and Social-related Financial Disclosures (TISFD) is due to launch in 2024



Natura & Co already uses an integrated profit-and loss accounting for valuing social and human impacts



Many global sustainability leaders* are already committed to "people-positive", but none of them had this backed up by a common framework



Comparability drives progress




- **Curbing carbon** was accelerated by defining net-zero target
- **Halting biodiversity loss** action is catching up with defined no net loss and net-positive frameworks
- **Progress on tackling social issues (of e.g. inequality) can be accelerated by making corporate progress comparable and thus competitive**

This need was confirmed by a cross-industry working group led by WEF




To foster a Just Transformation we need to expand our impact assessments to whole value chain and to human wellbeing

Impact sources



Source	Effect
Employment	Positive
Purchasing	Positive / negative (carbon)
Social investments	Positive
Shared infrastructure	Positive / negative
Construction	Negative
Operations	Positive / negative
Sales	Positive/negative

Impact areas (non-exhaustive)

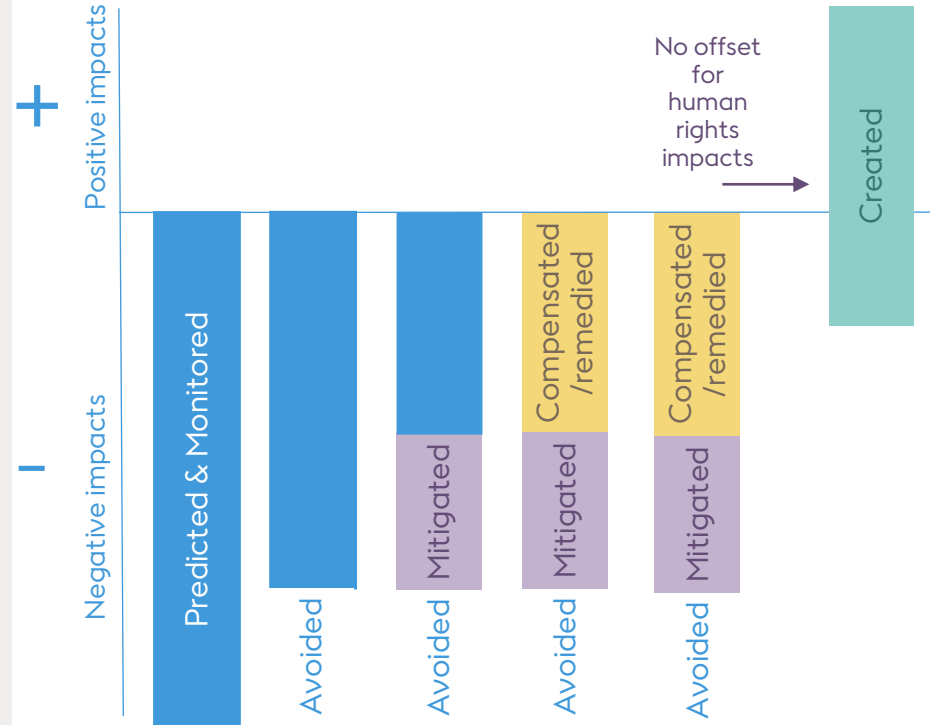


Theme	Effect
Employment	Positive
Economic activity	Positive
Inequality	Positive / negative
Public health (e.g. decarb)	Positive / negative
Public infrastructure	Positive / negative
Community empowerment	Positive / negative

We need guidance on how to balance the negative impacts and the positives throughout project lifecycle

Could we adapt the mitigation hierarchy from biodiversity-positive framing to people?

E.g. For a people-positive framework?



We need impact assessment and monitoring to play a bigger part in how we manage impacts on people to foster a Just Transition

Can current social performance practices be adapted to inform and help deliver people-positive asset projects?



As we await a common framework, at Ørsted we are operationalizing the people-positive renewables concept already

Building People Positive renewable energy assets that deliver*:

Opportunity

Engaging local communities in the green economy



Equity

Delivering value for disadvantaged groups



Participation

Developing & co-owning assets with communities



Energy

Supporting green energy accessibility locally



* On top of avoiding or mitigating any unavoidable negative social and human rights impacts

There are many questions to be answered...



...here is some of them:

1. How do we account for **climate and nature effects** that affect people's wellbeing?
2. How to use the right incentives so that the framework translates to **actual positive outcomes** for communities on the ground?
3. How do we account for **subjectivity** in measuring people's wellbeing?
4. How do we define people positivity for **outcomes** as well as **process**?
5. What is the role of **top-down defined indicators** and **bottom-up** community defined priorities?
6. What is the role of **human rights frameworks** in people-positive?

The world just agreed to triple renewables by 2030, now we...

...NEED TO
triple the
public
support for
the buildout

...CAN triple
the (net)
positive
impact it can
have on
people

Let's continue the conversation!

Post questions and comments in the IAIA24 app.



#iaia2

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