

RESPONSIBILITY 2011

Reporting on progress
– GRI and UN Global Compact



The challenges facing the energy sector are well-known. Global demand for energy is constantly growing and needs to be met at the same time as CO₂ emissions need to be reduced dramatically. The challenges facing the energy sector are part of a wider challenge concerning how we, as modern societies, use our resources.

We use resources everywhere in a modern society. In energy, transport, food, homes and industry. But when these products are produced, harmful substances are created, for example CO₂. And when we no longer need the products, we take them to the tip or incinerate them. The consequence is that the valuable resources, which are often not renewable, disappear.

The way in which we manage resources constitutes an unsustainable drain on global resources. It damages both the environment and the economy. The prices of raw materials have skyrocketed since 2000. A substance such as phosphorus is essential to the production of food, but researchers are warning us that we may run out of it.

We need greater resource efficiency. In 2011, via its climate partnerships, DONG Energy achieved an energy saving equivalent to the energy consumption of a city the size of Aalborg. At the same time, DONG Energy is at the forefront of developments in offshore wind. It is renewable, emits no CO₂ and the wind is a free resource.

However, we must also get better at recycling the resources in products that are not renewable. While DONG Energy's biotechnologies Inbicon and REncscience produce renewable energy, they extract the phosphorus that is bound up in organic waste such as potato peel or paper, so that it can be returned to the soil. We must start to see waste as a resource.

Wind energy and biotechnologies are two examples of how DONG Energy works on the basis of the conviction that we can turn challenges into opportunities which, while they create value for DONG Energy and our shareholders, also make a positive contribution to the societies of which we are part.

While we expand with renewable energy, we will still need oil and natural gas. However, DONG Energy has set a clear course. In 2040, 85 percent of our electricity and heat generation will come from renewable energy. Compared with 2006, we now use half as much coal, and, in 2015, we expect to use a third of the volume of coal we used in 2006. We are ahead of our target to halve CO₂ emissions by 2020.

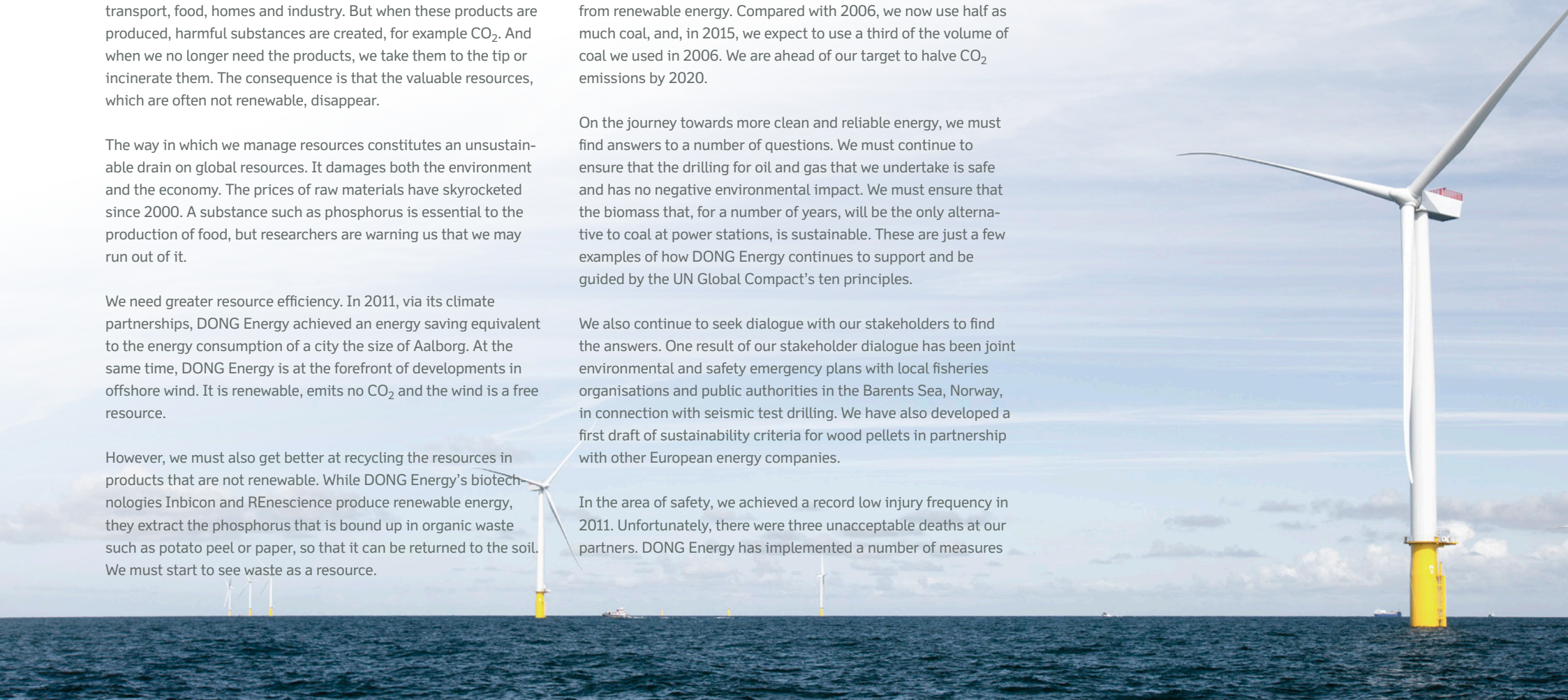
On the journey towards more clean and reliable energy, we must find answers to a number of questions. We must continue to ensure that the drilling for oil and gas that we undertake is safe and has no negative environmental impact. We must ensure that the biomass that, for a number of years, will be the only alternative to coal at power stations, is sustainable. These are just a few examples of how DONG Energy continues to support and be guided by the UN Global Compact's ten principles.

We also continue to seek dialogue with our stakeholders to find the answers. One result of our stakeholder dialogue has been joint environmental and safety emergency plans with local fisheries organisations and public authorities in the Barents Sea, Norway, in connection with seismic test drilling. We have also developed a first draft of sustainability criteria for wood pellets in partnership with other European energy companies.

In the area of safety, we achieved a record low injury frequency in 2011. Unfortunately, there were three unacceptable deaths at our partners. DONG Energy has implemented a number of measures

designed to contribute to increased knowledge sharing and skills development in this area. Our most important resource in the transition to more green energy is our employees. Every day, they help DONG Energy grow as a company and make a positive contribution to the societies of which we are part.

Enjoy!
Anders Eldrup



DONG Energy joined the UN Global Compact's in 2006 and is committed to continuous implementation of the ten principles covering the areas of human rights, labour, the environment and anti-corruption. The table below presents actions and progress on Group CSR targets in 2011.

UN Global Compact Principle	In line with the Responsibility policy, DONG Energy are committed to:	Actions and implementation 2011	Targets	Status 2011	Related GRI indicators
Climate and Environment (Principle 7-9)	Reduce emissions of greenhouse gases	DONG Energy is committed to reducing its CO ₂ emissions from electricity and heat generation. Key initiatives include: <ul style="list-style-type: none"> › New investments in offshore wind farms › Increased use of biomass in energy production › Continued phasing-out of coal-fired units 	<ul style="list-style-type: none"> › 320g/kWh in 2020 › 100g/kWh in 2040 	› 486g CO ₂ /kWh	EN16
		DONG Energy continuously aims to increase energy efficiency, partly through optimisation of production processes.	10 % improvement in energy efficiency by 2015 (compared with 2010).	Target is new for 2011. Status will be presented in Annual Report 2012.	EN5 EN18
	Minimise local environmental impacts	DONG Energy strives to limit local air pollution from SO ₂ and NO _x emissions from electricity and heat generation by, among other things, installing environmental facilities for flue gas treatment and taking the most obsolete power station units out of service.	By 2020 compared with 1990: <ul style="list-style-type: none"> › 95 % reduction of SO₂ › 90 % reduction of NO_x 	<ul style="list-style-type: none"> › SO₂ 99 % › NO_x 89 % 	EN20
		DONG Energy increased its recycling of waste from facilities and administration in 2011 still further through continuous improvement and monitoring of waste handling.	65 % of waste from facilities and 50 % of waste from administration must be recycled by 2012.	59% of waste from facilities and 48% of waste from administration recycled in 2011.	EN22
Labour rights (Principle 3-6)	Ensuring the safety of employees and contractors	Safety is the top priority in DONG Energy. In 2011, the Group continued its efforts to develop a strong safety culture focusing on risk assessment and proactive prevention as well as followup on all incidents.	No fatalities and LTIF of 5.2 in 2011. The LTIF target for 2012 is 4.1	3 fatalities and LTIF of 4.1.	LA7
	Ensure the long-term availability of sufficient numbers of qualified personnel	DONG Energy has a strategic focus on recruitment and retention of skilled employees and long-term development of talent. Initiatives in 2011 included: <ul style="list-style-type: none"> › Implementation of a diversity policy › Follow-up on the results of the employee survey 'People Matter' 2010 	Image and leadership are focus areas for 2011/2012.	According to 'People Matter' 2011, the following aspects have improved compared with 2010: <ul style="list-style-type: none"> › Satisfaction and motivation › Perception of image › Employment security 	
Human rights (Principle 1-2)	Ensure responsible supply chain management	DONG Energy is committed to countering any abuse of human rights from the Group's as well as its suppliers' activities. In 2011, the Group became a founding member of 'Better Coal', which aims to advance CSR issues in the coal supply chain.	Updated supply chain audit strategy to be implemented in 2012.	Follow-up audit in Colombia completed in December 2011.	HR1 HR2
Anti-corruption (Principle 10)	Prevent fraud and corruption	In 2011, DONG Energy conducted a comprehensive analysis of selected management systems and business practices, which will help support the Group's future efforts to prevent corruption.	Continue raising awareness of good business conduct and whistle-blower system.	No data for 2011 as improved methodology for collecting data on training is in progress.	HR3 SO3

DONG Energy's reporting is in accordance with Global Reporting Initiative's (GRI) sustainability reporting guidelines (GRI3) and GRI's draft Electric Utility Sector Supplement. The supplement includes 29 indicators (called 'EU') particularly formulated for electric utilities. DONG Energy has followed the GRI3 guidelines for reporting on profile, management strategies and indicators.

The following symbols indicate the extent to which the reporting complies with the GRI3 guidelines, including the indicator protocols.

FULL REPORTING



PARTIAL REPORTING



NO REPORTING



Special statement on compliance with GRI framework
















Since joining Global Compact in 2006, DONG Energy has been reporting on its corporate responsibility performance in accordance with Global Reporting Initiative (GRI). DONG Energy has been reporting in accordance with the Global Reporting Initiative's (GRI's) Reporting Guidelines G3 annually, application level B+, including GRI's Electric Utility Sector Supplement (EUSS) for the financial year 2011.

The assurance engagement primarily comprised a review of the documentation presented, including chosen inquiries and judgemental sample tests of data. The review was performed in order to determine whether the documentation complies with the requirements in the GRI-G3 reporting framework.

GRI G3 B+ statement of PwC

REPORT APPLICATION LEVEL		C	C+	B	B+	A	A+
STANDARD DISCLOSURES	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	✓	Same as requirement for level B	
	G3 Management Approach Disclosures OUTPUT	Not Required	REPORT EXTERNALLY ASSURED	> Management Approach > Disclosures for each Indicator Category	REPORT EXTERNALLY ASSURED	> Management Approach > Disclosures for each Indicator Category	REPORT EXTERNALLY ASSURED
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environment.		Report on a minimum of 20 Performance Indicators, including at least one from each of: Economic, Environmental, Human Rights, Labor, Society, Product Responsibility.	REPORT EXTERNALLY ASSURED	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	REPORT EXTERNALLY ASSURED

INDICATOR	PAGE	LEVEL OF REPORTING
PROFILE INDICATOR	9	
GRI:1.2 Description of key impacts, risks and opportunities <i>See Group annual report (Management's review)</i>	-	
GRI:2.1 Name of the organisation	75	
GRI:2.2 Primary brands, products and/or services <i>See Group annual report (Management's review)</i>	-	
GRI:2.3 Operational structure of the organisation <i>See Annual report</i>	-	
GRI:2.4 Location of organisation's headquarters	75	
GRI:2.5 Countries in which the organisation operates <i>See Group annual report (Management's review)</i>	-	
GRI:2.6 Nature of ownership and legal form <i>See Annual report (Corporate governance)</i>	-	
GRI:2.7 Markets served <i>See Group annual report (Management's review)</i>	-	
GRI:2.8/EU2 Scale of the reporting organisation	10	
GRI:2.9 Changes during the reporting period regarding size, structure or ownership <i>See Group annual report ('Selected events') and 'accounting policies for non-financial data'</i>	-	
GRI:2.10 Awards received in the reporting period	11	
GRI:3.1/3.2/3.3/3.4 <ul style="list-style-type: none"> › Reporting period › Date of the most recent report › Reporting cycle › Contact point for questions regarding the report and its content 	12	
GRI:3.5/3.6/3.7/3.8 <ul style="list-style-type: none"> › Process for defining report content › Boundary of the report › Specific limitations on the scope or boundary of the report › Basis for reporting on joint ventures, subsidiaries etc. 	12	

INDICATOR	PAGE	LEVEL OF REPORTING
GRI:3.9/3.10/3.11 <ul style="list-style-type: none"> › Data measurement techniques and the bases of calculations › Explanation of any re-statements of information in earlier reports › Significant changes from previous reporting periods <i>See Annual report 'Accounting policies for non-financial data' as well as 'Compilation method overview' in this report.</i> 		
GRI:3.12 GRI content index <i>Shown in this table</i>	-	
GRI:3.13 Assurance	70	
GRI:EU1 Capacity	14	
GRI:EU2 Net energy output <i>See 2.8</i>	-	
GRI:EU3 Number of residential, industrial/commercial customer accounts	15	
GRI:EU4 Length of transmission and distribution lines by voltage	-	
GRI:EU5 Allocation of CO ₂ allowances or equivalent	16	
GRI:4.1 Governance structure of the organisation	17	
GRI:4.2 Indicate whether the chair of the highest governance body is also an executive officer	18	
GRI:4.3 Members of the highest governance body that are independent and nonexecutive members	18	
GRI:4.4 Mechanisms to provide recommendations or direction to the highest governance body	18	
GRI:4.5 Linkage between compensation and performance <i>See Annual report (Internal control and risk management)</i>	-	
GRI:4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	19	
GRI:4.7 Process for determining the qualifications of the member of the highest governance body	19	
GRI:4.8 Internally developed statements of mission or values, principles etc.	20	

INDICATOR		PAGE	LEVEL OF REPORTING
GRI:4.9	The supervision by the highest governance body with the management of results, for example within finance/economy <i>See Annual report ('Internal control and risk management')</i>	-	
GRI:4.10	Processes for evaluating the highest governance body's own performance	20	
GRI:4.11	Use of the precautionary approach or principle in the organisation	21	
GRI:4.12	Externally developed initiatives to which the organisation endorses	21	
GRI:4.13	Memberships in associations and advocacy organisations <i>See SO5</i>	-	
GRI:4.14	List of stakeholder groups engaged by the organisation	21	
GRI:4.15	Basis for identification and selection of stakeholders with whom to engage	22	
GRI:4.16	Approaches to stakeholder dialogue	22	
GRI:4.17	Key topics and concerns that have been raised through stakeholder dialogue	22	
MANAGEMENT APPROACH – ENVIRONMENT		24	
GRI: EN1/EN2 EN3/EN4	<ul style="list-style-type: none"> › Materials used by weight or volume › Percentage of materials used that are recycled › Direct energy consumption by primary energy source › Indirect energy consumption by primary source 	28	
GRI: EN5/EN18	<ul style="list-style-type: none"> › Energy saved due to conservation and efficiency improvements › Reduction of greenhouse gas emissions 	30	
GRI:EN6	Energy-efficient or renewable energy-based products and services	31	
GRI:EN7	Initiatives to reduce indirect energy consumption	-	
GRI: EN8/EN21	<ul style="list-style-type: none"> › Total water withdrawal by source › Total water discharge by quality and destination 	31	

INDICATOR		PAGE	LEVEL OF REPORTING
GRI:EN9	Affected water sources	-	
GRI:EN10	Amount of water recycled and reused	-	
GRI:EN11	Locations managed in, or adjacent to, protected areas	-	
GRI:EN12	Significant impacts on biodiversity in protected areas	33	
GRI:EN13	Habitats protected or restored	-	
GRI:EN14	Managing of impacts on biodiversity	-	
GRI:EN15	Number of IUCN Red list species and national conservation list species	-	
GRI: EN16/EN20	<ul style="list-style-type: none"> › Total direct and indirect greenhouse gas emissions › NO_x SO_x and other significant air emissions 	33	
GRI:EN17	Other indirect greenhouse gas emissions	-	
GRI:EN19	Emissions of ozone-depleting substances	-	
GRI: EN22/EN24	<ul style="list-style-type: none"> › Total weight of waste by type and disposal method › Weight of waste deemed hazardous and percentage of waste shipped internationally 	37	
GRI:EN23	Total number and volume of significant spills	39	
GRI:EN25	Water bodies affected by discharges of water	-	
GRI:EN26	Mitigation of environmental impact of products	-	
GRI:EN27	Percentage of products that are reclaimed	-	
GRI:EN28	Fines and sanctions for non-compliance with environmental laws and regulations	40	
GRI:EN29	Significant environmental impacts of transportation	-	
GRI:EN30	Total environmental protection expenditures and investments	-	
GRI:EU13	Change in biodiversity	-	

INDICATOR		PAGE	LEVEL OF REPORTING
MANAGEMENT APPROACH – LABOUR PRACTICES		41	
GRI:LA1	Workforce by employment type, employment contract, and region	43	
GRI:LA2	Employee turnover by age group, gender and region	44	
GRI:LA3	Benefits provided to full-time employees by major operations	-	
GRI:LA4	Employees covered by collective agreements	45	
GRI:LA5	Minimum notice periods(s) regarding significant operational changes	45	
GRI:LA6	Workforce that help on occupational health and safety programs	-	
GRI:LA7	Rates of occupational disease, absenteeism and fatalities	49	
GRI:LA8	Programmes in place to assist regarding serious diseases	50	
GRI:LA9	Health and safety topics covered in agreements with trade unions	-	
GRI:LA10	Average hours of training per year per employee	-	
GRI:LA11	Programs for skills management and lifelong learning	-	
GRI:LA12	Employees receiving performance and career development reviews	51	
GRI:LA13	Composition of governance bodies and employees	51	
GRI:LA14	Ratio of basic salary of men to women	-	
GRI:EU14	Programs to ensure the availability of a skilled workforce	52	
GRI:EU15	Employees eligible to retire in the next 5 and 10 years	53	
GRI:EU16	Policies regarding health and safety	53	
GRI:EU17	Total subcontracted workforce	-	
GRI:EU18	Contractors that have undergone health and safety training	53	

INDICATOR		PAGE	LEVEL OF REPORTING
MANAGEMENT APPROACH – HUMAN RIGHTS		54	
GRI:HR1	Investment agreement that include human rights	55	
GRI:HR2	Contractors that have undergone screening on human rights	55	
GRI:HR3	Training on policies and procedures concerning aspects of human rights	-	
GRI:HR4	Total number of incidents of discrimination and actions taken	55	
GRI:HR5	Freedom of association and collective bargaining	-	
GRI:HR6	Risk for incidents of child labour, and initiatives to the eliminate these	-	
GRI:HR7	Risk for incidents of forced or compulsory labor and initiatives to eliminate this	-	
GRI:HR8	Security personnel trained in aspects of human rights	-	
GRI:HR9	Violation of the rights of indigenous people	-	
MANAGEMENT APPROACH – SOCIETY		56	
GRI:SO1	Impacts of operations on communities	57	
GRI:SO2	Business units analysed for risks related to corruption	57	
GRI:SO3	Training in anti-corruption policies and procedures	57	
GRI:SO4	Actions taken in response to incidents of corruption	58	
GRI:SO5	Public policy positions and participation in public policy development	58	
GRI:SO6	Value of financial and in-kind contributions to political parties of the like	59	
GRI:SO7	Legal actions for anti-competitive behaviour or the like	59	
GRI:SO8	Fines and sanctions for noncompliance with laws and regulations	60	

INDICATOR		PAGE	LEVEL OF REPORTING
GRI:EU19	Participation of stakeholders in the decision making process	-	
GRI:EU20	Management of the impacts of displacement	-	
GRI:EU21	Disaster/emergency management plan and training programs, and recovery/restoration plans	60	
GRI:EU22	People physically or economically displaced and compensation	-	
MANAGEMENT APPROACH – PRODUCTS		61	
GRI:PR1	Life cycle assessment of health and safety impacts of products and services	-	
GRI:PR2	Non-compliance with regulations concerning health and safety impacts from products and services	-	
GRI:PR3	Information about products and services required by procedures	-	
GRI:PR4	Non-compliance with regulations concerning product and service information and labelling	-	
GRI:PR5	Practices related to customer satisfaction	62	
GRI:PR6	Compliance with laws etc. related to marketing communications	63	
GRI:PR7	Non-compliance with regulations concerning marketing communications	63	
GRI:PR8	Protection of customers privacy and losses of customer data	-	
GRI:PR9	Fines concerning the provision and use of products and services	-	
GRI:EU23	Improvement or maintain access to electricity and customer support	-	
GRI:EU24	Barriers to accessing and safely using electricity and customer support services	-	
GRI:EU25	Number of injuries and fatalities involving company assets	-	
GRI:EU26	Unserved part of population	-	

INDICATOR		PAGE	LEVEL OF REPORTING
GRI:EU27	Residential disconnections for non-payment	63	
GRI:EU28/EU29	<ul style="list-style-type: none"> › Power outage frequency › Average power outage duration 	64	
GRI:EU30	Average plant availability factor	65	
MANAGEMENT APPROACH – ECONOMICS		66	
GRI:EC1	Direct economic value generated and distributed <i>See Group annual report (financial key performance indicators)</i>	-	
GRI:EC2	Risks and opportunities for the organisation's activities due to climate change	67	
GRI:EC3	Coverage of obligations	-	
GRI:EC4	Significant financial assistance received from government <i>See Annual report</i>	-	
GRI:EC5	Standard entry level wage	-	
GRI:EC6	Purchasing from locally-based suppliers	-	
GRI:EC7	Local hiring	-	
GRI:EC8	Development and impact of infrastructure investments and service	-	
GRI:EC9	Indirect economic impacts	-	
GRI:EU6	Planning to ensure electricity availability and reliability	67	
GRI:EU7	Demand-side management programs for electricity	-	
GRI:EU8	Development activities aimed on providing electricity and promoting sustainability	68	
GRI:EU9	Provisions for decommissioning of nuclear power sites	-	
GRI:EU10	Planned capacity against projected demand	-	
GRI:EU11	Average generation efficiency	68	
GRI:EU12	Transmission and distribution efficiency	69	



DONG Energy's business is based on activities throughout the energy value chain – exploration, extraction, production, distribution and trade. For this reason, our responsibility work is wide-ranging and involves numerous activities and stakeholders. Overall, our efforts are governed by four principles, which can be explored further in our responsibility policy:

DONG Energy's work on responsibility is governed by four principles: stakeholder engagement, materiality, action and transparency.

Stakeholder engagement

At DONG Energy, we aim to engage in ongoing dialogue with our stakeholders to align our requirements and expectations with those of our stakeholders. We are open to new ways of approaching things and prepared to act accordingly. Our dialogue with national and international stakeholders must be engaging, continuous and transparent and produce tangible results.

Materiality

DONG Energy aims to focus on the issues that are material to our stakeholders and to the Group. Through stakeholder dialogue and a subsequent systematic materiality analysis of challenges and opportunities, we can prioritise and focus our action in relation to economic, social, ethical and environmental issues and respond to any risks or opportunities for the Group, for our stakeholders and for society.

Action

DONG Energy aims to contribute to continuous improvement. To that end, we establish policies and action plans for each action area in our responsibility work that are embedded in the organisation to ensure continuous progress and results.

Transparency

DONG Energy aims to ensure that its operations are reliable and transparent and regularly reports on its targets, action, performance, challenges and future plans. Such reporting includes the company's annual report and ongoing dialogue with stakeholders.





Indicator

Profile indicators

GRI:2.8/EU2

Scale of the reporting organisation

The scale of the organisation and production includes the following non-financial data:

- › Produced volumes of oil, natural gas, heat and electricity.
- › Distributed and sold volumes of natural gas and electricity.
- › Number of employees.

These data can be found on pages 4-5 of the Group annual report. For details on financial parameters, see page 6 of the Group annual report.

Reported energy output by country is shown below, providing an overview of DONG Energy's production activities.

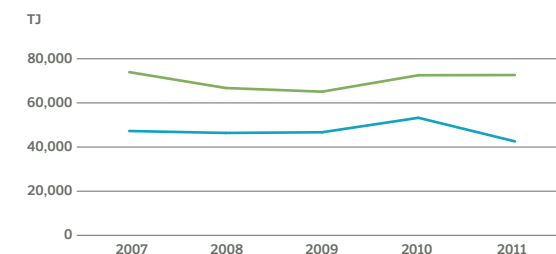
Data for production

	Unit	Method	2011	2010	2009	2008	2007
PRODUCTION							
Electricity generation	GWh	m	20,167	20,142	18,074	18,536	20,534
- Denmark	GWh	m	14,560	17,140	16,587	-	-
- Norway	GWh	m	7	14	17	-	-
- Sweden	GWh	m	903	1,049	893	-	-
- UK	GWh	m	4,408	1,715	475	-	-
- Poland	GWh	m	267	203	80	-	-
- France	GWh	m	23	21	22	-	-
Heat generation (Denmark)	TJ	m	42,572	53,245	46,686	46,380	47,257
Natural gas production	mio. BOE	m	17.1	15.4	15.5	8.5	2.2
Oil production	mio. BOE	m	9.3	9.0	8.5	10.0	9.1
Green share of electricity and heat generation	%	c	29	30	27	25	24

A line in the table indicates that comparable data are not available due to missing or incomplete data or different compilation methods

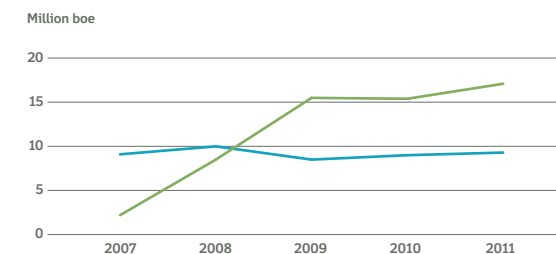
M = Measured, C=Calculated, E=Estimated

Energy production (Electricity and heat)



Electricity generation Heat generation

Energy production (Natural gas and oil)



Natural gas production Oil production

Continues on page 11 »



Indicator

Profile indicators

GRI:2.8/EU2

DONG Energy aims to reduce its use of fossil energy and increase its use of renewable energy to meet the climate challenge. The target is to increase the proportion of green electricity and heat generation to at least 50 percent by 2020. This will be achieved through expansion of wind and conversion of power stations to green generation based on biomass.

In 2011, the proportion of green energy generation was 29 percent compared with 30 percent in 2010. This was due to the fact that Severn and Mongstad, which are both gas-fired power stations, produced substantially more energy than in 2010 as 2011 was the first full year of production.

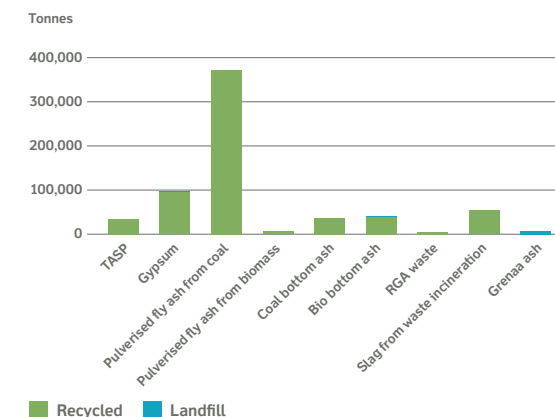
The lower output from Norway reflected the divestment of the Nygårdsfjellet wind farm. In Sweden, output from hydro generation was lower in 2011 than in 2010, when

output was up significantly due to the high electricity price. The increase in generation in the UK primarily reflected the fact that the Severn power station was in operation throughout 2011 unlike in 2010. Likewise, the higher output in Poland was due to the fact that 2011 was the first full year of operation for the Karcino wind farm.

Natural gas production was also increased, predominantly due to the new subsea production platform Trym, as also illustrated in the graph on the previous page.

Besides the primary types of generation, the power stations also produce a large volume of residual products. A large proportion of these is reused, for example in cement and road materials, while a small proportion is taken to landfill. The diagram on the right gives a breakdown of residual materials for recycling and landfilling in 2011.

Production of residual products 2011



GRI:2.10

Awards received in the reporting period

In 2011, DONG Energy/DONG Energy employees won the following awards:

- › The DONG Energy subsidiary Inbicon was awarded the 'Bioethanol Corporation of the Year' prize at the Biofuels 2011 Conference. The nominated corporations are leading within bioethanol and the winner is chosen through election among experts and people in the industry.
- › DONG Energy won the Euroweek magazine's award for the 'Best Nordic Borrowing team'. Group Funding, which is part of Group Treasury & Risk Management, won the award. Group Funding is responsible for all DONG Energy's external borrowing activities, among other things.

- › For the second consecutive year, an employee from DONG Energy won the talent award of the Danish Wind Industry Association. The winner was 32-year-old Christian LeBlanc Thilsted, who is head of research and development of foundations for offshore wind turbines in Wind Power.
- › Christian LeBlanc Thilsted also won the 'TK Hsieh Award 2011'. This award is issued by the Institution of Civil Engineers for best scientific paper in the field of structural and soil vibration caused by mechanical plant, waves or seismic effects.
- › Stina Romslo Kommedal was awarded the 'Student of the year' prize by Econa (Norwegian Association for "Siviløkonomer" and other personnel with a Masters degree related to Management, Finance & Economics and Business Administration).

- › DONG Energy's office in Gunfleet Sands (UK) won first prize in the local 'Tendering Design Awards 2011' for best commercial property. The DONG Energy office and two other candidates were selected for their three grand designs for 2011 in the Tendering Area. Due to the excellent standard, the judges decided that there should be three winners rather than one.



Indicator

Profile indicators

GRI: 3.1/3.2 3.3/3.4



Contact point for questions regarding the report and its content

DONG Energy publishes an annual CSR report in accordance with GRI. The report will be published on 9 March 2012 and includes data for the period 1.1.2011-31.12.2011. The previous report was published on 8 March 2011.

In 2010, the GRI reporting consisted of the Group's annual report and a presentation of the various indicators at <http://grida.dongenergy.com/>. For 2011 results, GRI indicators and management approaches will be presented in this GRI report, the Group's annual report and the statutory financial statements, which can be found at www.dongenergy.com.

Contact point for this report is Christina Foss, Senior Advisor, cjaco@dongenergy.dk

GRI:3.5



Process for defining report content

For 2011, the materiality assessment for the CSR reporting is based on the results from 2010, where we identified more than 30 issues related to corporate responsibility and sustainability. The list takes its starting point in the GRI aspects and is based on the principles of inclusiveness and mutual exclusiveness.

In 2011, we changed the issue 'Biofuel' to 'Development of new bio solutions', as DONG Energy is involved in a range of activities focusing on the advancement of green technologies, and the human rights category is covered by 'Responsible supply chain management'. Furthermore, 'Customer perception' has been identified as having key impact on the realisation of our business strategy. 'Sponsorship policy' has been taken out as it is less important to stakeholders. In 2012, we aim to further refine our materiality methodology.

The table on the next page categorises issues according to their materiality to stakeholders and their current or potential impact on the company.

In terms of the GRI performance indicators included in this report, we assessed each indicator in terms of the availability of information for the period 1 January 2011 to 31 December 2011 as well as its presumed importance for stakeholders and its impact on business bottom line. Indicators on which the relevant information was available have been reported on, ensuring that DONG Energy achieves a B+ application level.

See figure on page 13 »



The table categorises issues according to their materiality to stakeholders and their current or potential impact on the company.

Increasing concern to DONG Energy's stakeholders	MEDIUM IMPACT / HIGH CONCERN	HIGH IMPACT / HIGH CONCERN
	<ul style="list-style-type: none">› Smart grid and smart meters development› Oil discharged to sea from production platforms› Development of new bio solutions› Development of flexible (smart) energy solutions	<ul style="list-style-type: none">› Investments in and expansion of wind energy activities› Transition from coal to biomass and natural gas incineration› Security of energy supply/access to energy› Expansion of geographical footprint› GHG emissions and climate change› Safety› Responsible supply chain management› Stakeholder dialogue and engagement› Good corporate governance› Sustainable biomass production› Attract, select and develop talent› Customer satisfaction
	MEDIUM IMPACT / MEDIUM CONCERN	HIGH IMPACT / MEDIUM CONCERN
	<ul style="list-style-type: none">› Anti-corruption› Flaring of natural gas› Emissions of SO₂ and NO_x› Water use and wastewater management› Job security and conditions of employment› Work-life balance› Direct and indirect economic impact	<ul style="list-style-type: none">› Energy efficiency in power and heat generation› Increased production of natural gas› Diversity› Optimisation of energy portfolio› Skills development› Management and leadership skills
Increasing current or potential impact on DONG Energy's business		



Indicator

Profile indicators

GRI:EU1



Capacity

This indicator provides information about the scale of DONG Energy's operations in terms of heat and electricity-generating capacity for both thermal and renewable energy facilities.

This indicator has been compiled on a proportionate basis for all facilities that are recognised in accordance

with a consolidation for accounting purposes. Therefore, capacities for associates' facilities are not included. Furthermore, capacities for facilities that have been taken out of service have not been included.

When a facility is taken out of service, its capacity is registered with the Danish Energy Authority but is not used by DONG Energy in production, unless Energinet.dk requests that the capacity be brought back into service.

However, Asnæs power station's unit 5 and Studstrup power station's unit 4 may also be started up by DONG Energy itself in case of the failure of other units at these facilities. Both of these units were in operation in 2011, but their capacity is not reported.

As this compilation method differs significantly from that used in previous years, the comparative figures for previous years have also been restated.

As seen in the table, both thermal electricity and heat capacity were lower in 2011 than in 2010. This was mainly a reflection of the divestment of Frederikshavn CHP plant and that Odense CHP plant and Vejen CHP plant were taken out of service.

The higher offshore wind capacity was due to the start-up of operation at the Walney offshore wind farm in the UK. At the same time, the ownership interest in Gunfleet Sands was reduced, and the change in total capacity was therefore not particularly significant. Geothermal heat capacity was nil in 2011, as DONG Energy has sold the Thisted geothermal plant.

Capacity

	Unit	Method	2011	2010	2009	2008
INSTALLED ELECTRICITY CAPACITY						
Thermal	MW	m/c	4,990	5,064	5,262	5,219
Offshore wind	MW	m/c	693	683	730	342
Onshore wind	MW	m/c	333	337	349	245
Hydro	MW	m/c	205	205	205	205
INSTALLED HEAT CAPACITY						
Thermal	MJ/s	m/c	3,440	3,503	4,081	3,944
Geothermal	MJ/s	m/c	0	7	7	7

M = Measured, C=Calculated, E=Estimated



Indicator

Profile indicators

GRI:EU3



Number of residential, industrial/ commercial customer accounts

This indicator provides information about the scale of our sales activities in gas and electricity in different countries as it shows the number of customers in each country. Customers are also broken down by type: residential, industrial and commercial.

Customers

	Unit	2011	2010	2009	2008	2007
Customers						
ELECTRICITY						
Denmark	number	890,887	924,914	907,631	942,704	901,014
- residential customers	number	773,189	834,518	785,377	814,225	777,329
- industrial and commercial customers	number	117,698	90,396	122,254	128,479	123,685
The Netherlands (residential customers)	number	46,791	38,840	39,000	38,647	41,000
The Netherlands (commercial customers)	number	13,549	19,318	5,000	-	-
Germany (residential customers)	number	0	0	-	-	140,000
NATURAL GAS						
Denmark	number	121,199	124,845	122,487	124,209	120,896
- residential customers	number	105,888	109,439	109,103	108,141	105,892
- industrial and commercial customers	number	15,311	15,406	13,384	16,068	15,004
The Netherlands (residential customers)	number	94,188	94,713	101,000	108,533	125,000
The Netherlands (industrial and commercial customers)	number	20,549	18,034	10,000	6,429	-
Germany (residential customers)	number	0	0		-	60,000
Sweden (wholesale and industrial customers)	number	593	615	426	515	262

A line in the table indicates that comparable data are not available due to missing or incomplete data or different compilation methods



Indicator

Profile indicators

GRI:EU5

Allocation of CO₂ allowances and equivalent

In connection with the Kyoto Protocol and the EU's CO₂ reduction targets, the Danish State has permitted DONG Energy and other energy producers to emit 57 percent of their 1990 CO₂ emissions in 2012. If a larger quantity is emitted, the energy producers must finance corresponding CO₂ reductions elsewhere. For this reason, DONG Energy is making dedicated efforts to reduce its CO₂ emissions per kWh generated and also purchases EU allowances and carbon credits from CO₂ reduction projects in developing countries and Eastern Europe.

For the period 2008-2012, DONG Energy has been granted allowances for some of the plants operated by DONG Energy that are subject to the EU Emissions Trading System (EU ETS). For DONG Energy, the Siri offshore platform, Nybro gas treatment plant and 19 power stations are subject to this legislation. All are located in Denmark except for Severn power station in the UK. The allowances are distributed to the individual plants and totalled 10.6 million tonnes of CO₂ in 2011 for DONG Energy-operated plants. Of this amount, heating allowances accounted for 2.2 million tonnes. The heating allowances are not owned by DONG Energy, but are managed by DONG Energy for the heat customers.

To ensure that actual CO₂ emissions correspond to the allowances available, expected generation and resulting emissions are calculated on a monthly basis. If expected emissions exceed the allowances available, DONG Energy purchases CO₂ allowances on international exchanges or uses the flexible mechanisms available to purchase carbon credits from CO₂ reduction projects in developing countries and Eastern Europe, so-called Clean Development Mechanisms (CDM) and Joint Implementation (JI) projects. CDM projects are conducted in countries that

have no reduction obligations under the Kyoto Protocol, i.e. developing countries, and JI projects are conducted in countries committed to reduction obligations under the Kyoto Protocol, primarily Eastern Europe. DONG Energy has the option to use carbon credits corresponding to on average 2.3 million tonnes of CO₂ annually for the period 2008-2012.

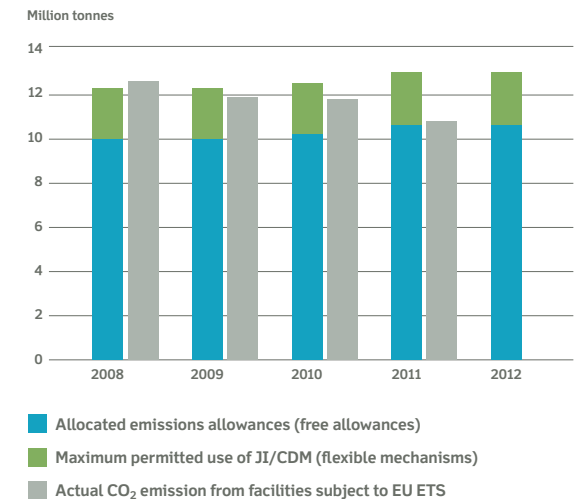
With respect to heating allowances, customers decide whether they want to handle the allowance reconciliation and any purchases of allowances or credits themselves or whether they want DONG Energy to do this for them. Most heat customers manage the allowance reconciliation themselves.

Each year, external assurance providers verify emissions. Based on actual emissions for Danish plants, a corresponding number of allowances and/or credits is returned to the Danish Energy Authority in March of the following year. Allowances are allocated each year in February for that year.

DONG Energy sells and purchases allowances and credits on an ongoing basis. The actual distribution between allocated free allowances and purchased allowances/credits to match actual emissions is determined by a number of factors, including market conditions. However, the use of credits is limited. For DONG Energy, actual EU ETS CO₂ emissions were 10.8 million tonnes in 2011, which means that allocated allowances potentially constituted 98 percent and purchased allowances and credits 2 percent.

The chart shows the correlation between allocated allowances and the maximum number of flexible mechanisms that may be used. Actual emissions for 2008 to 2011 are also shown.

DONG Energy and EU ETS 2008-2012





Indicator

Profile indicators

GRI:4.1



Governance structure of the organisation

Under the Danish Companies Act, the management of a public limited company may, inter alia, be made up of a two-tier management: a Board of Directors appointed by the shareholders and an Executive Board appointed by the Board of Directors. The two-tier system has been incorporated in DONG Energy A/S.

In DONG Energy A/S, the Board of Directors ("bestyrelsen") is the highest governance body. The Board consists of 12 members. Eight members are appointed by the shareholders at the general meeting and four by the employees pursuant to the Danish Companies Act.

All board members elected by the shareholders are independent in accordance with the corporate governance recommendations issued by the Danish Corporate Governance Committee (latest version 16 August 2011), except for one member, who does not satisfy the corporate governance recommendations, having been on the board for more than 12 years.

All members appointed by the shareholders are males. Two of the four members elected by the employees are females. Breakdown of Board by age group:

Born	Members
1935-1940	1
1940-1945	1
1945-1950	3
1950-1955	3
1960-1965	2
1965-1970	2

Further information on the individual members is available at http://www.dongenergy.com/en/about%20us/management/pages/board_of_directors.aspx

The Board has established two committees: the Audit & Risk Committee and the Remuneration Committee.

Audit & Risk Committee members:

- › Lars Nørby Johansen (Chairman)
- › Jens Kampmann
- › Jakob Brogaard
- › Jørn P. Jensen

The terms of reference of the Audit & Risk Committee are available at http://www.dongenergy.com/SiteCollectionDocuments/about_us/Corporate%20governance/Terms-of-reference-for-the-risk-committee.pdf

Remuneration Committee members:

- › Fritz H. Schur (Chairman)
- › Lars Nørby Johansen
- › Jens Kampmann

The terms of reference of the Remuneration Committee are available at www.dongenergy.com/SiteCollectionDocuments/about_us/Corporate%20governance/Terms_of_reference_for_the_remuneration_committee.pdf

Furthermore, a Nomination Committee has been established in accordance with the Articles of Association. The Nomination Committee consists of the Chairman and Deputy Chairman of the Board and representatives from the four major shareholders in DONG Energy:

- › Fritz H. Schur (Chairman)
- › Lars Nørby Johansen
- › Peter Brixen (appointed by the Danish Ministry of Finance)
- › Jesper Hjulmand (appointed by SEAS-NVE)
- › Jens Bahne Jørgensen (appointed by Syd Energi)
- › Ulrik Kragh (appointed by Energi Horsens)

The terms of reference of the Nomination Committee are available at http://www.dongenergy.com/SiteCollectionDocuments/investor/Annual_General_Meeting/2010/Rules_of_Procedure_Nomination_Committee_19-April-2010.pdf



Indicator

Profile indicators

GRI:4.2

Indicate whether the chair of the highest governance body is also an executive officer

No members of the Board of Directors of DONG Energy A/S hold executive management positions in the DONG Energy Group. See also management information in the Group annual report.

GRI:4.3

Members of the highest governance body that are independent and nonexecutive members

All Board members elected by the shareholders are independent in accordance with the corporate governance recommendations issued by the Danish Corporate Governance Committee (latest version 16 August 2011), except for one member (a male), who does not satisfy the corporate governance recommendations, having been on the Board for more than 12 years.

None of the eight members of the Board of Directors elected by the shareholders is employed by the DONG Energy Group in other positions, including management positions. The four members appointed by the employees are – as required by the Danish Companies Act – employed by DONG Energy. However, none of these members is part of the Group Executive Management of DONG Energy.

GRI:4.4

Mechanisms to provide recommendations or direction to the highest governance body

DONG Energy aims to be an open, credible and transparent company and has formulated a whistleblower procedure. With this procedure, DONG Energy has made it easier for employees and others associated with the DONG Energy Group to flag up circumstances that could be a breach of the law. Reports from the whistleblower procedure go directly to the Deputy Chairman of the Board of Directors. If an employee wants to flag up circumstances to the Board of Directors, this procedure can be used.

The Group also complies with the rules in the Danish Companies Act relating to employee-elected Board members. The Board of Directors has four representatives elected by the Danish employees. If an employee wishes to raise a matter with the Board of Directors, it will be natural to take it up with one of the four elected employee representatives. Employees who are not members of the Board of Directors are not permitted to attend Board meetings, even in one-off cases, unless the Board of Directors specifically consents to such attendance.

Shareholders attend general meetings, but not Board meetings. The Danish Companies Act contains a number

of provisions regulating shareholders' opportunities to speak at general meetings and thus to the Board of Directors. DONG Energy also holds information meetings for the shareholders once a year at which the Chairman and the CEO raise important issues and provide information on the results for the first half of the year. This is outlined in our annual report. Finally, the Articles of Association state that the Chairman may inform the principal shareholder, the Danish State, of major issues concerning the company.



Indicator

Profile indicators

GRI:4.6



Processes in place for the highest governance body to ensure conflicts of interest are avoided

DONG Energy maintains a list of other external positions held by Board members. The list is available at http://www.dongenergy.com/en/about%20us/management/pages/board_of_directors.aspx

In connection with the preparation of Board meetings in DONG Energy A/S, the Chairman, the CEO and the Secretary of the Board consider whether the agenda includes any items that may give rise to potential conflicts of interests for any members of the Board. To the extent that a potential conflict of interest exists, a case-by-case approach is applied.

GRI:4.7



Process for determining the qualifications of the members of the highest governance body

DONG Energy attaches great importance to Board members possessing extensive knowledge and experience from managerial posts with large Danish and foreign companies with a broad range of areas of activity, including in areas directly related to DONG Energy's business areas.

In the assessment of the composition of the Board, the candidates' skills and background are considered, but also the wish for diversity and an appropriate balance. DONG Energy has decided not to set an age limit for

Board members. However, the age of potential candidates forms part of the overall assessment of the Board's composition.

DONG Energy is working actively to increase the proportion of female members on its Board and this also forms part of the Nomination Committee's assessment of the Board's composition in the lead-up to the annual general meeting.

A Nomination Committee is appointed after the annual general meeting each year and by 30 September of the following year. Its main role is to review the Board's composition and to recommend suitable candidates for election at the AGM. It must also ensure that the Board's

composition complies with the recommendations on Corporate Governance, including, to the extent possible, the wish for diversity.

The Committee's rules of procedure can be found on DONG Energy's website. The Nomination Committee consists of six members. Each of the four largest registered shareholders is entitled to elect one member. The other two members are the Chairman of the Board of Directors, who also chairs the Committee, and the Deputy Chairman.

See also Group annual report (Management information).



Indicator

Profile indicators

GRI:4.8



Internally developed statements of mission or values, principles etc.

Based on our core values – results-oriented, responsible and responsive – DONG Energy endeavours to act responsibly and to live up to society's expectations every single day. DONG Energy's long-term vision is to provide clean and reliable energy. This is the objective we are aiming towards by means of new investments and continuous development of our operations.

DONG Energy joined the UN Global Compact in 2006. Global Compact's ten principles on human rights, labour practices, environment and anti-corruption form the basis for DONG Energy's responsibility work.

In January 2011, the Group's Board of Directors adopted an overall responsibility policy that forms the framework and sets out the overall objectives for DONG Energy's work on responsibility. This helps ensure that deliberations and assessments relating to responsibility are evaluated and integrated as a natural element of all DONG Energy's activities and decision-making processes.

DONG Energy's work on responsibility is governed by four principles: stakeholder engagement, materiality, action and transparency.

Read more at http://www.dongenergy.com/SiteCollectionDocuments/CSR/Documents/en_corporate_responsibility_policy.pdf

GRI:4.10



Processes for evaluating the highest governance body's own performance

The Board undertook a structured self-assessment in 2011 based on assessment forms distributed to each board member and subsequent discussion of the responses by the full Board.

See also the Group annual report (Management information).



Indicator

Profile indicators

GRI:4.11

Use of the precautionary approach or principle in the organisation

The precautionary principle is designed to provide guidance when there is a lack of knowledge about the harmful effects that a particular activity may have. In DONG Energy, the precautionary principle is formalised

through risk management. The main purpose of risk management at DONG Energy is to identify, manage and control risks to which the Group is exposed in a way that is in line with the strategic, environmental and financial targets.

See also the Group annual report ('Risk and risk management').

GRI:4.12

Externally developed initiatives to which the organisation endorses

In 2006, DONG Energy joined the UN Global Compact. DONG Energy has committed to promoting ten universal principles in the areas of human rights, labour, environment and anti-corruption, and the company's work with responsibility is guided by its principles.

In 2010, DONG Energy co-founded the Green Growth Leaders (GGL) initiative, which aims to encourage green growth. Amongst the GGL initiatives is Project Green Light, which focuses on developing a new approach to the way companies and NGOs communicate about climate change and sustainability.

In 2011, DONG Energy became a partner in the State of Green initiative. State of Green is the official green brand for Denmark. The brand and its supporting activities will strengthen international awareness of the solutions and capabilities of Danish business and industry within energy, climate and environment.

GRI:4.14

List of stakeholder groups engaged by the organisation

One of DONG Energy's core values is responsiveness and it is important for the company to discuss and reconcile expectations and demands with stakeholders. Being present in the entire energy value chain, DONG Energy has a diverse range of stakeholders and the company strives to be open and constructive in dealing with them – whatever their focus. DONG Energy is in dialogue with its surroundings and continuously seeks to identify challenges and expectations in the public debate.

In 2011, DONG Energy engaged in dialogue centrally as well as locally with the external community on a whole range of issues. The expectations and demands from the company's stakeholders are important in the continuous CSR work and DONG Energy therefore engages in continuous dialogue. See mapping of and dialogue with DONG Energy's stakeholders in the figure 'Meeting stakeholder relations'.

See figure on page 23 »



Indicator

Profile indicators

GRI:4.15



Basis for identification and selection of stakeholders with whom to engage

Generally, DONG Energy has a good overview of the organisation's principal stakeholders in Denmark. DONG Energy considers employees, customers, government and regulators, suppliers, investors and local communities to be stakeholders. In general, DONG Energy considers those who are taking a proactive approach to the business or who – to a significant extent – are affected by the company's activities to be stakeholders.

In recent years, DONG Energy's growth has mainly taken place outside of Denmark and the same will be the case for DONG Energy's future growth. When DONG Energy engages in a new activity in a country, such as oil and gas exploration, a new power station or an offshore wind farm, we map the stakeholders that have an interest in the activity or that may be affected by our activities.

We then conduct an open consultation process where all interested stakeholders can make their voice heard, and we engage with stakeholders on the issues raised in the

process. Both in the construction and operation phases, DONG Energy upholds a dialogue with the stakeholders and the local community so as to be able to address issues that may arise.

We acknowledge that we cannot meet all stakeholder expectations, but we are committed to continuous dialogue and are working hard to solve the challenges in our value chain. Please see SO1 for further information.

GRI:4.16



Approaches to stakeholder dialogue

The figure 'Stakeholder Dialogue' shows some of the key issues that our stakeholders are interested in and the outcome of the interaction. Stakeholder engagement takes place every day at all levels of our company and is issue-based. In 2011, a Group function called Stakeholder

Relations was set up. The purpose of the team is, among other things, to develop a more coordinated and streamlined approach to stakeholder dialogue at both national and international level and support individual business areas in their engagement activities at project level.

[See figure on page 23 »](#)








GRI:4.17



Key topics and concerns that have been raised through stakeholder dialogue

[See figure on page 23 »](#)



Stakeholders	Top 3 issues in 2011	Key tools and processes	Outcome of interaction
 Customers	<ul style="list-style-type: none"> › Billing and consumption of electricity, including correct measurement on time › Correct master data on our customers › Focus on excellent customer service through individual service 	<ul style="list-style-type: none"> › Customer ambassador › Monitoring of customer satisfaction › Mechanism for handling complaints and claims › Climate partnerships › Online energy forum for residential customers 	<p>Customer feedback enables us to identify areas for improvement and address our customers' needs and priorities. It also enables us to identify customer interests and market trends. For more information on our efforts to provide good customer service, please see our website dongenergy.dk</p>
 Employees	<ul style="list-style-type: none"> › Health and safety › Personal development › Competent leadership 	<ul style="list-style-type: none"> › Personal career plan › Workplace health and safety committee › Employee survey (People Matter) › Daily intranet news › Introduction courses › Diversity policy › Leadership training 	<p>Open and reliable channels of communication across the entire organisation. The dialogue also provides a sense of shared perspective on the company with multiple points of alignment. For more information please read 'Disclosure on management approach – Labour' and LA indicators.</p>
 Investors	<ul style="list-style-type: none"> › Value creation from transition to a greener future › Maintaining an adequate capital structure › Risk management 	<ul style="list-style-type: none"> › Continuous dialogue and meetings with investors on strategy, results and risk management › Dedicated website for investors › Surveys on sustainability performance by investors 	<p>Feedback from investors enables us to identify both their concerns and areas for improvement.</p>
 Suppliers	<ul style="list-style-type: none"> › Sustainable and transparent specifications in procurement policies › Product quality and safety › Minimize risk in the supply chain 	<ul style="list-style-type: none"> › Code of Conduct › Visits and meetings › Audits and self-assessment surveys 	<p>Setting consistent expectations for our suppliers reduces risk and improves efficiency across our supply chain.</p>
 Regulators	<ul style="list-style-type: none"> › Innovation activities › CO₂ reduction › Energy market efficiency 	<ul style="list-style-type: none"> › Energy expertise and information sharing › Active and transparent engagement in policy and legislative efforts › Individual discussions and exchanges with joint industry and government committees › Direct engagement on issues relevant to DONG Energy's business and the energy industry 	<p>Our proactive interaction with regulators contributes to improving quality and innovation in the development of new regulations, and ensures that we are geared for changing regulations.</p>
 Communities	<ul style="list-style-type: none"> › Local needs and preferences with regard to installation of power stations and wind turbines › Energy partnerships with municipalities › Moving operations to or from local areas 	<ul style="list-style-type: none"> › Direct, on-the-ground relationships › Interaction with local media › Information and site specific websites › Exhibitions about different projects in local areas › Dialogue and community meetings 	<p>Maintaining an open dialogue with the communities in which we operate allows us to build constructive relationships at the local level. For further information on how we respond to community concerns, please read 'Disclosure on management approach - society' and GRI indicators SO₁ and SO₂.</p>
 NGOs	<ul style="list-style-type: none"> › Fuel sourcing and usage › Supply chain requirements › Climate change and exploration activities in environmentally sensitive areas 	<ul style="list-style-type: none"> › Issue and round-table meetings › Cooperation with consumer associations › Partnerships › Donations › Networks and meetings 	<p>NGO concerns form part of DONG Energy's risk assessments when planning new projects. Sustainable fuel sourcing and usage are integral parts of our business strategy. For more information please read DONG Energy's Group annual report.</p>



As with all other forms of industrial activities, the exploration, production, transportation and distribution of energy have environmental impacts, which can be mitigated but not fully prevented.

In DONG Energy, we have identified seven environmental focus areas and set initiatives or targets for each of these. Targets can be at group or business area level, depending on the ambition level and impact in the various business areas. Focus areas and ambition levels are not stationary and will be adjusted according to society's expectations.

Our focus areas include:

- › Climate
- › Emissions to air
- › Waste
- › Water
- › Biodiversity
- › Resource consumption
- › Transport

Each focus area is given a different priority in each business area and therefore has a different impact on each business area's business strategy and activities. The performance in each area is described under the relevant indicators.





Environmental impacts from oil and gas exploration and production

Whether oil and gas exploration or platform construction and operation, the activities of our Exploration & Production (E&P) business area have an impact on the environment. These impacts may arise because of emissions, discharges, waste generation, threats to biodiversity, noise and the use of resources. The type and magnitude of the environmental impact are determined by the type of activity, the technology applied, operational standards and the condition of the area affected.

E&P's focus areas include emissions from flaring and energy generation and discharges of produced water to sea. The main emissions from flaring and energy generation are CO₂ and NO_x. Gas is flared, for safety reasons, during start-up of production and under unusual operating conditions. We continuously work to improve the energy efficiency of our operations and thereby also reduce our emissions.

In recent years, E&P has succeeded in considerably reducing its discharges of oil with produced water to sea from the Siri platform by implementing a series of technical improvements. The improvements mean that almost all produced water is reinjected into the reservoir, while the small amount of produced water that is discharged to sea is cleaned ahead of reinjection.

Selected targets and focus areas:

- › Gas-flaring must not exceed 6.2 mill. Sm³ a year
- › Reinjection into the reservoir must be optimised to limit emissions of CO₂, SO₂ and NO_x
- › Reinjection of produced water containing oil shall exceed 90 percent
- › Oil-containing water discharged to sea must not exceed 30 mg of oil/l on average measured over a month
- › Chemicals deemed to have a high or medium environmental impact must be replaced by less environmentally harmful chemicals

- › Energy optimisation through 10 percent improvement in energy efficiency by 2015
- › Offloading of oil shall primarily be with tankers fitted with VOC-reducing equipment (kVOC)

Environmental impacts from heat and electricity generation

At corporate level, our largest environmental footprint comes from the emission of gases from heat and electricity generation at our power stations. Emissions of greenhouse gases contribute to global warming. CO₂ emissions make up the highest proportion of DONG Energy's greenhouse gas emissions. Besides CO₂, other gases are emitted such as NO_x and SO₂. Both NO_x and SO₂ have a more local impact than CO₂.

Generation at power stations produces waste, including waste water. Waste water is treated, either on site or at municipal waste water treatment plants. Fly ash and gypsum, two significant waste fractions from generation, are often of sufficiently high quality to allow them to be sold for production of cement, concrete or plasterboard rather than be taken to landfill.

Water is also used in the generation process. The largest amount of water usage is for cooling. Our power stations are located near the sea, and sea water is therefore used for cooling. The remaining water usage is in the generation process, e.g. generating steam, but this water volume is insignificant compared with the volume used for cooling. We often use surface water for this purpose, reducing our groundwater consumption and water footprint.

Selected targets and focus areas:

- › The use of biomass and waste as fuel must be optimised to reduce CO₂ emissions along with focus at new bio solutions
- › NO_x emissions per kWh power must be reduced by 90 pct. in 2020 compared with 1990
- › SO₂ emissions per kWh power must be reduced by 95 pct. in 2020 compared with 1990

- › All central power stations must set up plant-specific environmental targets for emissions to air water consumption, chemicals, etc., in accordance with their ISO 14001 certification
- › Min. 65 pct. of waste from production must be recovered in 2012
- › Energy optimisation through 10 percent improvement in energy efficiency by 2015

Environmental impacts from wind power

The continuous growth of DONG Energy's wind capacity is an important feature of DONG Energy's efforts to realise its strategy, the aim of which is for wind power and biomass to replace coal, thus reducing DONG Energy's environmental impacts.

We are aware that establishment of new off shore wind parks can potentially effect biodiversity. We do, however, always carry out impact assessments before going ahead with the construction of a wind farm to mitigate such effects. Furthermore, we are aware of future potential impacts, when the individual mills are taken down and explore among others the possibilities of recycling fibre glass.

Selected targets and focus areas:

- › Monitor environmental impacts on species once a year for three years after the establishment of new off shore wind parks
- › Reduce CO₂ emission by 85 percent per kWh generated by using renewable energy instead of fossil fuels by 2040
- › Have a total renewable capacity of 3,000 MW by 2020
- › Energy optimisation through 10 percent improvement in energy efficiency by 2015

Environmental impacts from sales

In the business areas 'Sales' no direct environmental impacts are identified. However, the business area is engaged in a number of business activities that aim to reduce energy consumption and/or increase energy efficiency.



Selected targets and focus areas:

- › Commit climate partners to cut energy consumption and build a more environmentally friendly profile through energy consultancy
- › Lower energy production emissions by moving flexible consumption, in the public and private sector, to periods with higher share of renewable power production
- › Enable lower carbon emissions in the transportation sector through the proliferation of electrical vehicles, which are more energy efficient and can be charged when the share of Wind Power is as high as possible

Environmental impacts from distribution and storage

During energy distribution, an unavoidable loss of energy occurs. However, we also consider issues such as oil spillage from cables and gas leaks to be significant environmental issues. Gas treatment and storage are defined as a major hazard under the Seveso Directive, and an approved safety management system is in place to prevent unwanted health and safety and environmental incidents.

Selected targets and focus areas:

- › Energy optimisation through 10 percent improvement in energy efficiency by 2015
- › Improvement of energy transportation in the distribution network
- › Non-mandatory clean up of old soil contamination on sites with outdoor transformer stations

Policies

DONG Energy has a Group-wide quality, health, safety and environment (QHSE) policy that covers all of its activities. The policy states that DONG Energy will continuously minimise its environmental impact and reduce its resource consumption.

This is primarily achieved by setting an ambition level for each focus area, setting targets or initiating activities and evaluating the results and improvements achieved as appropriate. The policy is set out in our QHSE guidelines, which are implemented in the business areas. The guidelines are aligned with international standards, such as ISO 9001, ISO 14001 and OHSAS 18001.

DONG Energy also has certified environmental management systems in the parts of the company that have the greatest environmental impact. Our power stations, distribution and production platforms therefore all have environmental certification in accordance with the international ISO 14001 standard. The Exploration & Production business area has furthermore introduced an energy management system to increase its energy efficiency.

We are a signatory to the UN Global Compact, and our commitment to follow its three principles in this area is embedded in our environmental activities:

- › With our ambitious climate strategy, 85/15, we are following the precautionary principle. We are aware that DONG Energy cannot singlehandedly ensure that the global energy supply undergoes the necessary change in the years ahead, but we believe that change is needed and that we can help show the way.

- › The principle of environmental responsibility is incorporated broadly in our activities. For example, energy efficiency is a cornerstone in our consumption and we have signed the WBCSD's Manifesto for Energy Efficiency in Buildings and are working internally to improve energy efficiency in both our buildings and process facilities.
- › Development and dissemination of environmentally friendly technologies are an integral part of a number of our activities. The most well-known are our climate partnerships with organisations, municipalities and companies. Our partnership platform focus is based on customised solutions based on our expertise with energy consulting with regard to both energy efficiency and the use of renewable energy.

Governance

The QHSE Committee is the company's highest authority with regard to environmental and health and safety issues. The Committee works on behalf of the Group Executive Management to ensure that DONG Energy's interests and needs regarding QHSE issues are met, and that all parts of the business comply with DONG Energy's values (including via internal audits).

Each business area in DONG Energy has units charged with ensuring that QHSE issues are handled in accordance with legislation and DONG Energy's corporate policies, guidelines and goals. The business areas cooperate through networks and cross-organisational projects to transfer knowledge and optimise actions and management systems.



Implementation of policies

Environmental management and risk management

Responsible environmental action is embedded in management and demands commitment at all levels of the company. DONG Energy strives to be among the best in the industry and to continuously reduce its environmental impacts and minimise its resource consumption. To this end, environmental management is an important tool.

Risk management is an integral part of our environmental management system. We aim to minimise harmful impacts from our activities throughout their life cycle, from initial project planning to operations and decommissioning. We apply the precautionary principle in our risk assessment, continuously monitor performance, and follow up with measures when necessary.

Implementation of EIAs

Identifying and reducing potential environmental and social risks are legal requirements in an environmental impact assessment (EIA). It also requires transparency towards the public. These assessments are therefore used for large-scale projects, such as offshore wind farms, power stations and exploration and production activities. In an EIA, we map and minimise harmful impacts from our activities to a level that is technically and financially feasible. Projects are assessed throughout their life cycles.

Screening of suppliers

When initiating a project, we often use products and services from suppliers. We have developed a tool for screening each new procurement for QHSE risks. Depending on the risk profile, we will set requirements for both products and services to continually improve our environmental performance.





Indicator

Environment indicators

GRI: EN1/EN2/ EN3/EN4

Materials and energy consumption

- EN1 Materials used by weight or volume
- EN2 Percentage of materials used that are recycled
- EN3 Direct energy consumption by primary energy source
- EN4 Indirect energy consumption by primary energy source

For an energy company such as DONG Energy, reporting of materials used (EN1) will correspond, to some extent, to the reporting of direct energy consumption (EN3), as the materials used for generating energy are commodities such as coal, oil, biomass, waste and gas. There will consequently be a natural overlapping between the replies to EN1 and EN3. The table to the right shows the use of raw materials as well as energy consumption.

According to GRI, direct energy consumption (EN3) should be reported as two parameters: the amount of fossil energy sources and the amount of renewable energy sources. As there is also some natural overlapping with the indicators relating to recycled materials (EN2) and indirect energy consumption (EN4), these four indicators are reported collectively. Consumption of propellants for transportation is not included.

Consumption of raw materials and consumption of energy are shown in the table to the right, along with statements of electricity and heat broken down by source. On the next page, figures show the consumption of raw materials and recycled raw materials in relation to the total weight of raw materials.

Explanation of development

DONG Energy's strategy for its thermal power plants entails an increase in biomass and natural gas usage and at the same time lower coal usage. In addition, a number of the small-scale CHP plants are either for sale or have

Raw materials and energy consumption

	Unit	Method	2011	2010	2009	2008	2007
CONSUMPTION OF RAW MATERIALS							
Coal	tonnes	m	3,432,594	3,767,001	4,018,880	4,388,756	4,912,195
Oil	tonnes	m	70,511	174,654	232,040	209,215	239,014
Natural gas	1,000 Nm ³	m	1,224,955	1,058,448	845,863	864,951	809,478
- of which flaring	1,000 Nm ³	m	9,004	33,035	7,335	8,623	9,681
- of which venting	1,000 Nm ³	m	67	62	36	47	-
Biomass incl. bio oil and wood	tonnes	m	1,675,280	1,826,726	1,279,272	1,249,306	1,535,986
Waste	tonnes	m	252,938	582,323	638,481	635,477	678,150
ENERGY CONSUMPTION (ELECTRICITY AND HEAT)							
Electricity consumption power stations	MWh	m	9,678	32,775	23,728	34,224	1,193,092
Heat consumption power stations	GJ	m	59,461	65,091	53,868	50,409	224,590
Electricity consumption	MWh	m	73,987	102,976	109,354	98,627	143,870
Heat consumption	GJ	m	47,014	124,773	109,241	119,113	36,324
Heat from external sources	GJ	m	644,382	644,685	644,685	-	-

A line in the table indicates that comparable data are not available due to missing or incomplete data or different compilation methods
M = Measured, C=Calculated, E=Estimated

been sold, as the strategy entails focusing the power station activities on the central power stations.

Natural gas consumption at power stations has increased. This is mainly due to Severn, which was operational for the whole of 2011 and therefore had a significantly higher consumption than in 2010. Furthermore, electricity consumption fell markedly. The reasons for this were partly the divestment of Frederikshavn CHP plant, and partly an error in the statement for 2010 from Haderslev CHP plant, which reported 5,278 MWh incorrectly. Electricity consumption from Køge and Masnedø CHP plants also decreased, which is due to reporting flaws in 2010, where electricity consumption for processing was included.

The fall in oil consumption is primarily due to a fall in consumption at Stignæs power station, plus a fall in consumption at Avedøre power station and Asnæs power station, where fuel consumption has been aligned to the current operating situation. There has also been a dramatic fall in consumption at Oil Terminals, which is due to the fact that the consumption of oil was wrongly reported too high in 2010.

Flaring of natural gas has decreased dramatically as there were extremely high emissions in 2010 as a consequence of problems handling the lighter gas from the new production platform Nini Øst. The compressors were adjusted in 2011, resulting in a smaller flare.



Indicator

Environment indicators

GRI:
EN1/EN2/
EN3/EN4



The use of waste as fuel has decreased considerably. This is associated with the general strategy to sell waste-fired facilities such as Odense and Frederikshavn and the fact that Vejen CHP plant has been taken out of service.

Electricity consumption for administration and other facilities fell considerably. This was due to lower consumption at Filsø pumping station, where the pumps were shut down in 2011. There was also a decrease in consumption at Stenlille gas storage facility, the reason being that it was colder in 2010 than in 2011.

The decrease in heat consumption by administration and other facilities was due to lower consumption at Oil Terminals, where isolation of the tanks has taken place, which in turn has resulted in a saving in the use of heat of around 66 percent.

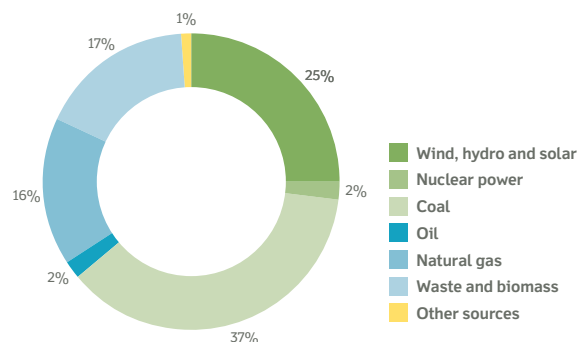
The figures to the right shows the distribution of electricity and heat consumption at DONG Energy's facilities and in administration. Only the consumption at facilities that do not generate electricity and/or heat is broken down by source. This is because sources of consumption at facilities that generate electricity and heat are included in the direct consumption of raw materials, which is shown in the table above.

From an environmental perspective, an interesting aspect is the ratio of renewable to fossil energy sources and therefore also whether DONG Energy is focusing on making its energy consumption more sustainable.

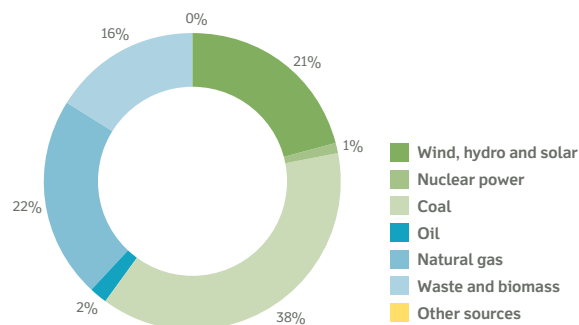
Fossil fuels are calculated as the sum of coal, oil and natural gas consumption, while CO₂-neutral fuels are made up of waste and biomass used at the power stations. This is illustrated in the graph to the left below.

Waste incineration is not considered to be recycling according to the Danish Executive Order on Waste Management. However, as waste incineration generates energy that has first priority in the grid, it replaces potential consumption of other sources of energy, such as coal,

Breakdown of indirect energy consumption by primary fuels (2010)

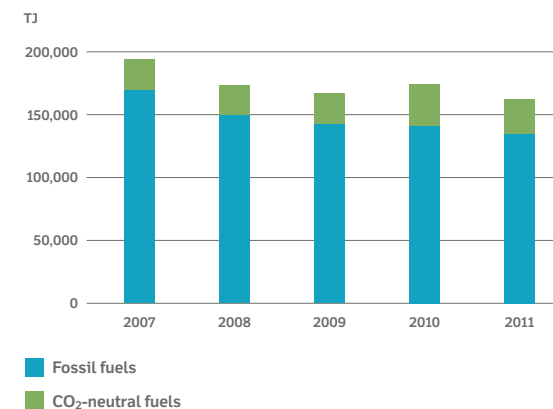


Breakdown of indirect energy consumption by primary fuels (2011)

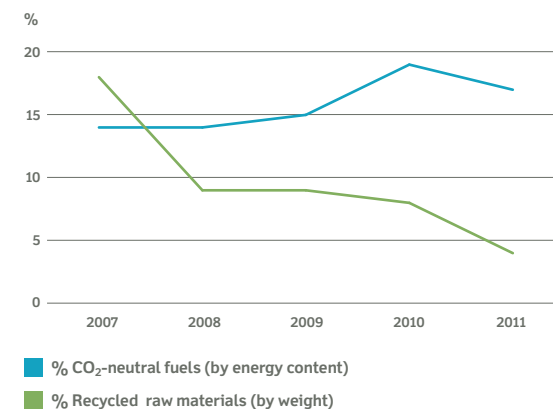


oil and gas. The percentage of recycled raw materials (i.e. waste) can be seen in the figure to the right below, which also shows the ratio of CO₂-neutral fuels to total fuel consumption.

Consumption of raw materials



Recycling and CO₂-neutral fuels





Indicator

Environment indicators

GRI:EN5/EN18

Energy savings and reductions in greenhouse gas emissions

Energy savings has been one of DONG Energy's focus areas since 2007, with a target of one tonne less CO₂ emission per employee by 2012. This target was met already in 2010. DONG Energy therefore set a new target in 2011: improving energy efficiency by 10 percent by the end of 2015 compared with 2010. Also the ambition is to achieve a 20 percent improvement in energy efficiency by the end of 2020.

The table below shows data for energy savings and reductions in greenhouse gas emissions for the period 2009-2011.

The largest electricity savings in 2011 were due to the replacement of all employee computers and the replace-

ment of boilers at 16 meter and regulator stations in the gas distribution network in Southern Jutland, plus a number of replacements of UPS systems and lighting control in administration buildings. The energy savings on heating in 2011 were due to the renovation of heating systems in warehouses and additional insulation of pipes in administration.

Data from different years are not directly comparable as they relate to projects that vary from year to year. However, it should be noted that the reduction in greenhouse gas emissions was significantly lower in 2011 than in 2010 despite the energy savings in 2011 being almost equal to 2010. This is because, in 2010, a number of projects were implemented at facilities with a resulting higher reduction in greenhouse gas emissions than at the facilities at which projects were implemented in 2011.

Data for energy savings and reductions in greenhouse gas emissions

	Unit	Method	2011	2010	2009
Energy savings from energy efficiency projects	GJ	m	4,784	7,975	31,243
- of which savings in electricity consumption	MWh	m	942	1,882	4,338
- of which savings in heat consumption	GJ	m	1,392	1,201	15,412
- of which savings in natural gas consumption	Nm ³	m	0	0	5,471
Reductions in greenhouse gas emissions from energy efficiency projects	tonnes of CO ₂ saved	m	520	4,443	2,895

M = Measured, C=Calculated, E=Estimated



Indicator

Environment indicators

GRI:EN6

Energy-efficient or renewable energy-based products and services

DONG Energy has an extensive investment programme to increase its renewable energy percentage, and electricity from renewable sources has been sold to customers in all DONG Energy's principal markets. At the same time, DONG Energy helps industrial and residential customers achieve improvements in energy efficiency through our climate partnerships. Lastly, DONG Energy supports research and development into the energy-saving products of the future to encourage society to make further energy savings.

The figure to the right shows examples of the savings achieved by the Group for a number of products, includ-

ing green electricity sold, solar cell power sold, CO₂ emissions eliminated, and upgrading of biogas for the natural gas network. These are not reported under the so-called Demand Side Management (DSM) energy savings agreement. The savings achieved for each initiative are shown in the table.

Energy savings outside DONG Energy's organisation, as a result of DONG Energy initiatives, are determined in GWh.

In 2011, the focus was not on sales of solar cell power but on activities related to energy savings at DONG Energy's customers. No solar cell power was therefore sold in 2011. The strategy for 2012 focuses on this product again.

The increase in the number of eliminated CO₂ allowances reflected an increase in total sales of CO₂ allowances. Likewise, the decrease in sales of green electricity reflected an overall fall in this activity.

Energy efficient products

	Unit	2011	2010	2009
Green electricity sold	GWh	646,519	735,177	418,396
Solar cell power sold	MWh	0	14	430
Eliminated CO ₂ allowances	number	2,193	1,819	3,054
Biogas sold	Nm ³	0	0	0

GRI:EN8/EN21

Water consumption and water discharges

EN8 Total water withdrawal by source

EN21 Total water discharge by quality and destination

Most of DONG Energy's water consumption goes to the power stations, which use the water for cooling water, among other things. The cooling water is 'borrowed' from lakes, streams or the sea and circulated through closed systems at power stations, after which it is discharged. DONG Energy's power stations are located near the sea, which means that most of them can use saltwater for cooling. Therefore, our water consumption is relatively small compared to thermal power stations, which use cooling towers. Furthermore, we have optimised water usage at our plants by using a minimum amount of high-quality water.

Oil and gas production does not involve the consumption of water in the same way as at the remaining facilities. However, when oil is extracted on offshore production platforms, significant volumes of water are produced along with the oil. This so-called produced water is not consumed, but, after cleaning, is discharged to sea or reinjected into the reservoir. Produced water is therefore not included in water consumption, but is calculated as wastewater discharge. Reinjection safeguards the marine environment, as it minimises the discharge of produced water and, consequently, oil to sea.

Oil discharged with produced water is calculated for DONG Energy-operated installations on the basis of three daily random samples that are analysed for oil content and one sample every 24 hours based on ballast water. The oil content of produced water containing oil residues discharged to sea does not exceed 30 mg oil/litre on average per month.

DONG Energy discharges water at many locations and subject to many different requirements for measurement of wastewater parameters. For this reason, it is not possible to provide a meaningful mapping of water discharges at group level. Instead, we report our wastewater discharges by destination from when the water leaves our premises.

Waste water from DONG Energy's administration buildings in Denmark is of a quality similar to ordinary domestic waste water and is received by public treatment plants. No overall figure for this is available, but the volume can be presumed to be similar to the water consumption in administration buildings.

Data for water consumption and discharge is shown in the table next page.



Indicator

Environment indicators

GRI:EN8/EN21

Explanation of development

Groundwater consumption from own source has fallen significantly since 2010, mainly due to Stignæs power station, which had a lower level of activity in 2011. A minor contributor to the reduction was a fall in consumption at Nybro gas treatment plant, due partly to lower production, and partly to optimisation of water consumption in operations.

Groundwater consumption from waterworks water has also fallen significantly since 2010, mainly reflecting the fact that groundwater consumption for Studstrup power station for 2010 included data for fresh surface water, which was not included in 2011.

The increase in wastewater discharges to recipient after treatment by DONG Energy reflected increases at two power stations. For Severn, the increase reflected the fact that, in 2010, the plant was only operational for two months. Discharges from Esbjerg power station also made a significant contribution as this parameter was not computed in 2010.

Wastewater discharges to treatment plant without treatment by DONG Energy have decreased since 2010, reflecting changes at several plants. The most significant change was a fall in discharges from Fredericia crude oil terminal because of a lower water content in the oil received from the North Sea. Furthermore, the reporting for Asnæs power station for 2010 was incorrect, as approx. 60,000 m³ of water should have been reported as

having been discharged after treatment by DONG Energy. This also affects the figure in the following section. Lower discharges have been reported for Ensted power station due to a lower level of activity at this plant in 2011. In addition, Odense CHP plant has been sold, resulting in lower discharges, while Inbicon Kalundborg experienced a higher level of activity and therefore higher discharges.

Wastewater discharges to treatment plant after treatment by DONG Energy have increased since 2010, primarily due to the incorrect reporting referred to in the foregoing. Produced water to sea and oil to sea from platforms increased significantly. This was due to the Gyda and Ula fields, which are older fields where fluctuations in the levels of operational activities have led to higher discharges.

Data for water consumption and discharge

	Unit	Method	2011	2010	2009	2008	2007
WATER CONSUMPTION							
Groundwater from own source	m ³	m	167,709	229,594	163,827	75,364	-
Waterworks water	m ³	m	1,172,273	1,375,764	1,450,195	1,751,151	103,935
DISCHARGES TO WATER							
Wastewater to recipient without own treatment	m ³	m	599,878	561,198	564,036	715,836	-
Wastewater to recipient after own treatment	m ³	m	274,766	92,572	78,183	13,697	-
Wastewater to treatment plant without own treatment	m ³	m/e	677,565	852,876	811,181	734,857	422,223
Wastewater to treatment plant after own treatment	m ³	m/e	104,478	34,914	-	-	-
Produced water to sea from offshore production	m ³	m/c	1,022,515	639,342	1,548,105	1,685,520	1,435,562
Oil to sea from offshore production	tonnes	m/c	16	8	18	24	23
REINJECTION, OFFSHORE PRODUCTION							
Reinjection of produced water	m ³	m/c	2,175,489	2,202,593	1,470,238	1,774,842	1,807,757
Reinjection of natural gas	Nm ³	m/c	106,831,956	71,475,572	91,583,834	52,581,228	39,881,970

A line in the table indicates that comparable data are not available due to missing or incomplete data or different compilation methods

M = Measured, C = Calculated, E = Estimated



Indicator

Environment indicators

GRI:EN12



Significant impacts on biodiversity in protected areas

Increased biodiversity focus in operations and on projects in the EU is driven by legislation. Most of DONG Energy's activities are in the EU and are therefore subject to European directives such as the EIA Directive, the Habitat Directive and the Bird Protection Directive.

The directives define the framework for the assessment and handling of impacts of, among other things, biodiversity, in the planning management to minimise the

consequences of the activities. This applies to impacts during the planning and operating phases of an activity, for example the operation of our wind farms. Operational impacts on the environment are also handled through environmental approvals issued in compliance with current legislation.

For our biomass purchases, it is our vision to endeavour to meet DONG Energy's requirements for CO₂-neutral biomass that is both financially attractive and environmentally sustainable.

GRI:EN16/EN20



Air emissions

EN16 Total direct and indirect greenhouse gas emissions
EN20 NO_x SO_x and other significant air emissions

DONG Energy's most significant emissions to air come from the generation of electricity and heat, while emissions from other combustion processes, such as flaring, physical and chemical processes, venting and fugitive emissions, are also a focus. Emissions from transportation of products, materials, employees and waste are not reported.



Indicator

Environment indicators

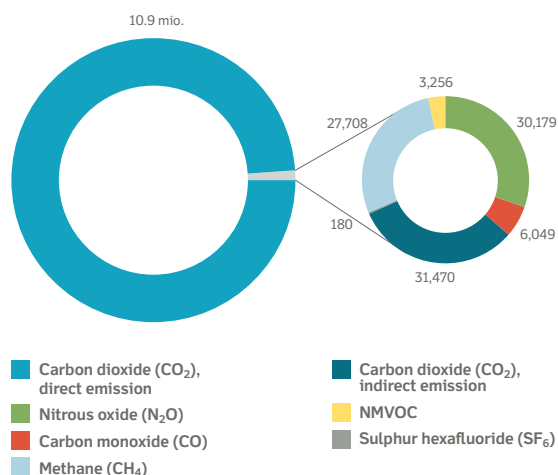
GRI:EN16

Greenhouse gasses

As an energy company, emissions of greenhouse gases are an important focus area for DONG Energy. The figure below shows that direct CO₂ emissions constitute the largest percentage of DONG Energy's greenhouse gas emissions by far. Direct CO₂ emissions are made up of both CO₂ emissions from facilities that are subject to the European CO₂ emissions trading scheme (EU ETS) and CO₂ emissions from other process facilities, of which EU ETS CO₂ emissions represent 99 percent.

Indirect CO₂ emissions only include CO₂ emissions from electricity and heat consumption. Indirect emissions do not include emissions from electricity and heat consumption at the electricity and heat-generating plants, as these emissions are considered to be direct emissions.

Greenhouse gas emissions in tonnes (2011)



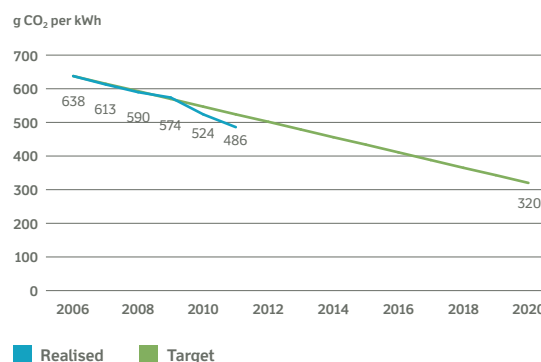
At DONG Energy, we have set ourselves two ambitious targets that we are working towards:

- › By 2020, we will halve our CO₂ emissions per MWh generated compared with 2006.
- › By 2040, we will reduce our CO₂ emissions by 85 percent compared with 2006.

These ambitious targets will be achieved by radical conversion of DONG Energy's electricity generation from fossil to renewable energy. In 2011, the specific CO₂ emission was 486 g/kWh compared with 524 g/kWh in 2010. The significant reduction reflected the conversion from coal-fired to natural gas-fired power station generation, among other things. Natural gas emits significantly less CO₂ than coal and is the best alternative fossil fuel to secure reliable energy supply. DONG Energy operates natural gas-fired power stations in Denmark, the UK, Norway and the Netherlands.

In addition, DONG Energy has increased its renewable energy generation from wind, partly with the start-up of operation of the Walney offshore wind farm in the UK. Efficient utilisation of DONG Energy's unique capabilities in the area of offshore wind has made DONG Energy the global market leader in the design, construction and operation of offshore wind farms.

Target for CO₂ reduction





Indicator

Environment indicators

GRI:EN20

NO_x og SO₂

Combustion of fossil fuels and biomass produces other gases besides greenhouse gases, including nitrogen oxides (NO_x) and sulphur dioxides (SO₂), which also have significant environmental impacts. NO_x contributes to photochemical smog, which is harmful to human health, while SO₂ reacts in the atmosphere to become sulphuric acid and contributes to acidification. The effects of NO_x and SO₂ are primarily regional, while CO₂ is a global issue.

DONG Energy has a target of reducing the NO_x and SO₂ emissions from its power stations by 90 percent and 95 percent respectively by 2020 compared with 1990. For NO_x, this means that emissions must have fallen to 0.33 g/kWh by 2020, as emissions from power stations were 3.30 g/kWh in 1990.

For SO₂, the target for 2020 is 0.24 g/kWh, as emissions from power stations were 4.80 g/kWh in 1990. The table on the next page shows that the target for SO₂ has been

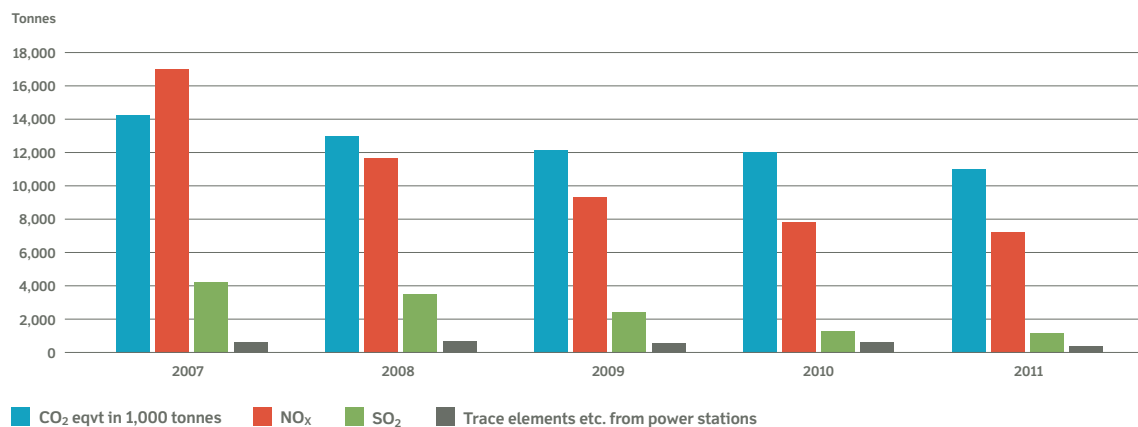
met, as emissions have been reduced to 0.06 g/kWh, equivalent to a 99 percent reduction compared with 1990. For NO_x, there is still some way to go, as emissions are currently 0.36 g/kWh, equivalent to a reduction of 89 percent compared with 1990.

It should be noted that the comparative figures for total NO_x and SO₂ emissions in 2010 have been restated compared with previous reporting. The reason for this is incorrect reporting of oil consumption for the Danish oil terminals, where too high a figure had been reported.

The table shows that all emissions were reduced in 2011. Direct CO₂ emissions fell due to the reduction in EU ETS CO₂ emissions. This predominantly reflected lower output from the power stations in 2011, but also the fact that coal consumption at the power stations was reduced in favour of natural gas.

Indirect CO₂ emissions also fell, partly due to a reduction in electricity consumption at Filsø pumping station. This was due to lower oil production and therefore lower oil transportation to shore, allowing the pumps at Filsø to be turned off from April 2011 onwards. Furthermore, electricity consumption at Stenlille gas storage facility was down, as 2011 was warmer than 2010, resulting in lower demand and a lower level of activity.

Emissions to air



Continues on page 36 »



Indicator

Environment indicators

GRI:EN20

Emissions of methane and NMVOC fell, partly due to lower emissions from Fredericia crude oil terminal. This was a direct consequence of the lower oil transportation from the North Sea. Emissions of methane and nitrous oxides

also decreased. This reflected the fact that the National Environmental Research Institute in Denmark (DMU) has changed the emissions factors for power stations to more recent factors from the IPCC.

Lastly, the comparative figures for nitrous oxides have been restated for 2010 and 2009 because emissions of nitrous oxides were reported incorrectly for Esbjerg power station's unit 3 in both years. The reported volumes were significantly lower than actual emissions from the unit.

Data for emissions to air

	Unit	Method	2011	2010	2009	2008	2007
GREENHOUSE GAS EMISSIONS							
Carbon dioxide (CO ₂), direct emission	million tonnes of CO ₂ eqvt.	m/c	10.9	11.9	12.0	12.7	14.0
- of EU ETS CO ₂ emissions	million tonnes of CO ₂ eqvt.	m/c	10.8	11.8	11.9	12.6	13.8
Carbon dioxide (CO ₂), indirect emission by purchase of electricity and heat	tonnes of CO ₂ eqvt.	c	31,470	47,072	48,412	54,923	77,670
Methane (CH ₄)	tonnes of CO ₂ eqvt.	c	27,708	39,905	50,059	61,796	68,718
Non methane volatile organic compounds (NMVOC)	tonnes of CO ₂ eqvt.	c	3,256	3,749	8,270	26,469	19,388
Nitrous oxide (N ₂ O)	tonnes of CO ₂ eqvt.	c	30,179	48,156	50,045	73,262	54,359
Sulphur hexafluoride (SF ₆)	tonnes of CO ₂ eqvt.	c	180	217	160	616	1,465
Carbon monoxide (CO)	tonnes of CO ₂ eqvt.	c	6,049	7,184	5,810	5,664	4,630
KEY PERFORMANCE INDICATOR (KPI) FOR 85/15 STRATEGY							
Specific emission of CO ₂ for DONG Energy excl. E&P	g CO ₂ /kWh	m/c	486	524	574	590	613
OTHER SIGNIFICANT EMISSIONS AND SPECIFIC EMISSION KPIS							
Nitrogen oxides (NO _x)	tonnes	m/c	7,253	7,853	9,304	11,650	17,006
Specific emission of NO _x from DONG Energy's power stations	g NO _x /kWh	m/c	0.36	0.38	0.50	0.50	-
Sulphur dioxide (SO ₂)	tonnes	m/c	1,172	1,268	2,425	3,507	4,199
Specific emission of SO ₂ from DONG Energy's power stations	g SO ₂ /kWh	m/c	0.06	0.07	0.14	0.19	-

A line in the table indicates that comparable data are not available due to missing or incomplete data or different compilation methods
M = Measured, C=Calculated, E=Estimated



Indicator

Environment indicators

GRI:EN22/EN24

Waste

EN22 Total weight of waste by type and disposal method
EN24 Weight of waste deemed hazardous and percentage of weight shipped internationally

DONG Energy aims to increase waste recycling from both facilities and administration. By 2012, we will increase our recycling rates to 65 percent for facilities and 50 percent in administration. In that connection, we have mapped our waste production and identified measures to increase our recycling rates.

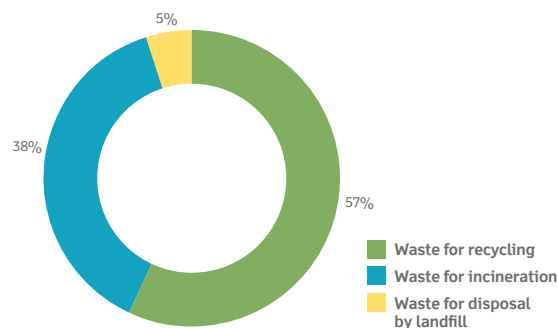
We aim to improve our waste management by, among other things:

- › substituting the products used to reduce the volume of waste and increase waste recycling
- › continuously developing sorting into waste fractions in order to increase waste recycling

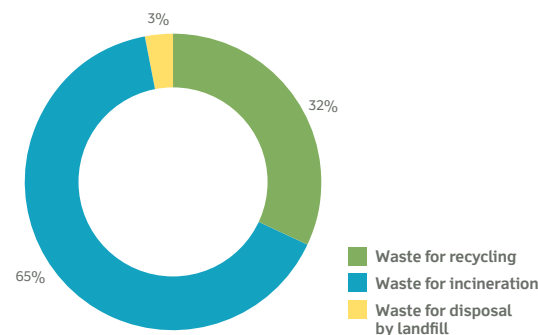
We also focus on the optimisation of residual products from energy generation for reuse in other industries. Read more about residual products under 2.8/EU2 'Scale of organisation'.

In 2011, recycling rates for both facilities and administration buildings were increased further. The recycling rate for administration buildings, in particular, is close to reaching the target, having now reached 48 percent. For facilities, the recycling rate is being constrained by large volumes of oil waste from the North Sea oil pipeline, which accounts for 22 percent of total waste volumes from DONG Energy's facilities, and is incinerated. No workable recycling method has as yet been identified for this waste fraction that is better than incineration. Excluding this waste fraction, the recycling rate for waste from facilities is 75 percent.

Waste treatment – Facilities (2010)



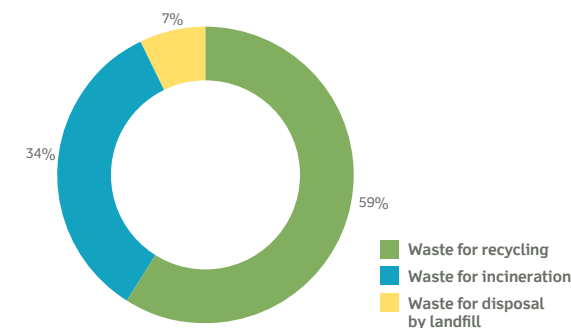
Waste treatment – Administration (2010)



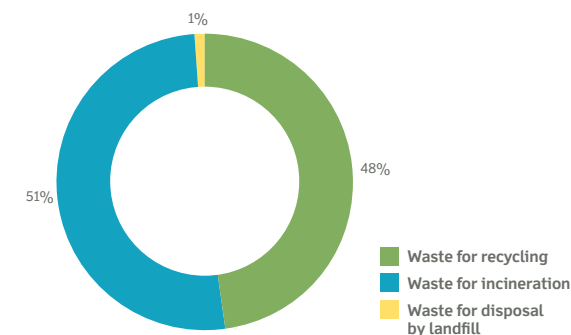
Waste, defined in accordance with the Danish Executive Order on Waste Management, is calculated based on method of disposal as either recycling, incineration or landfill. Waste is also classified as either hazardous or non-hazardous. The volume of waste is calculated for facilities and administration buildings.

DONG Energy has mapped handling of hazardous waste, including transportation, import, export and treatment of

Waste treatment – Facilities (2011)



Waste treatment – Administration (2011)



the company's waste in Denmark. The mapping showed that all hazardous waste produced by DONG Energy is transported to the first treatment facility in Denmark.

DONG Energy also receives hazardous waste for treatment at waste incineration plants. The hazardous waste includes clinical high-risk waste, creosote-treated wood, ethanol solution and paint dust.



Indicator

Environment indicators

GRI:EN22/EN24

DONG Energy does not import hazardous waste, but exports residual products from electricity and heat generation, such as ash, slag and gypsum. These residual products are not reported as waste, and data on these products are reported separately. Read more in the chapter GRI:EN2.8/EU2.

According to the table below, waste volumes increased by approx. 900 tonnes, overall, in 2011 compared with 2010, reflecting a higher level of construction activity at DONG Energy's facilities in 2011.

The volume of hazardous waste fell, mainly due to the fact that 370 tonnes of glycol-containing waste water from Stenlille gas storage facility was incorrectly classified as hazardous waste in 2010, and that this fraction has been correctly classified as non-hazardous in 2011. The significantly lower volumes of treated hazardous waste and hazardous residual products exported in 2011 were due to the divestment of Frederikshavn CHP plant and Odense CHP plant and the fact that the Vejen CHP plant has been taken out of service.

Data for waste

	Unit	Method	2011	2010	2009	2008	2007
WASTE							
Waste for recycling	tonnes	m	6,842	6,044	5,801	5,302	8,901
Waste for incineration	tonnes	m	4,190	4,414	4,106	5,001	5,606
Waste for disposal by landfill	tonnes	m	820	524	750	615	5,079
Total hazardous waste	tonnes	m	2,439	2,882	1,979	1,562	792
Hazardous waste treated on site	tonnes	m	275	5,206	797	1,056	4,850
Hazardous residuals exported	tonnes	m	5,693	12,912	12,183	12,358	11,121

M = Measured, C=Calculated, E=Estimated



Indicator

Environment indicators

GRI:EN23

Total number and volume of significant spills

DONG Energy records environmental incidents for locations it owns and operates, using a model to determine the severity of environmental incidents based on volume, dispersion and effect. The model is also used to determine the potential of the incident, in other words, the impact the incident could have had. Based on the potential of the environmental incident and how often the incident could happen, a risk value for the incident is determined. DONG Energy classifies incidents into three risk categories: blue, yellow and red. Red is considered severe, yellow requires attention, and blue is less significant.

DONG Energy systematically records, manages and follows up on unwanted incidents. We work on the basis of the principle that the potential severity of an incident should determine the degree of action. The categorisation referred to above must be used to determine the scope of corrective and preventive action in connection with an incident. There is scope for improving our systematised action on environmental incidents further, but the model provides a good overview of the company's most significant environmental incidents.

DONG Energy considers significant environmental incidents as unwanted incidents with actual environmental impact.

For external reporting purposes, significant incidents are actual incidents that are defined as severe or alarming based on an impact value of 25 or higher according to the model, equivalent to a categorisation as alarming or severe.

Besides significant environmental incidents, gas leaks due to excavation damage to natural gas distribution pipes are also calculated. Such gas leaks are accidents caused by third parties and can therefore only be prevented by DONG Energy to a limited degree. Such gas leaks are therefore reported separately from other environmental incidents. Where such a gas leak is serious, it is recorded in the same way as other environmental incidents. Gas leaks due to excavation damage are calculated based on pressure and dimension of the process equipment affected, and the duration of the leak.

Incidents with environmental impacts and excavation damage to gas pipes are reported in the internal incident reporting system, Synergi.

Explanation of development

There were five significant environmental incidents at DONG Energy in 2011. This is the same level as in 2010. Two incidents occurred in Thermal Power. One incident was at Kyndby power station, where there was an

increased release of nitrogen after operating problems in the wastewater treatment plant. This resulted in the sewage effluent standard being exceeded. There was subsequently an increased focus on critical operating parameters at the treatment plant.

The other incident was at Stignæs power station, where there was a spill of 8 m³ of fuel oil. The spill was partly onto soil and partly into a tank yard with a concrete base. The spill was collected and transferred to Kommunekemi. The spill was caused by a burst pipe. Special inspection rounds were subsequently implemented to check for oil spills.

There were two significant environmental incidents at Oil Terminals in Skælskør in 2011. These involved spills of oil onto soil. In one case, 109 m³ of biodiesel was spilled from a defective drain hose into a tank area that is protected against seepage by a natural clay membrane. The oil was sucked up and the top soil layer was excavated. Monitoring of drainage activities was subsequently introduced to detect any spills as quickly as possible. In the

Environmental incidents

	Unit	Method	2011	2010	2009	2008	2007
Significant environmental incidents	number	m	5	6	5	1	2
Excavation damage to gas pipes	number	m	79	70	79	107	118
Methane discharge due to excavation damage	Nm ³	c	42,620	14,904	33,844	25,490	63,647

M = Measured, C=Calculated, E=Estimated

Continues on page 40 »



Indicator

Environment indicators

GRI:EN23

second case, there was a spill of approximately 3m³ of oil during loading as a safety valve was defective. Contaminated soil was excavated and a drain pipe was installed. Areas in which there have been oil spills are monitored periodically via drain pipes. In both cases, the areas were cleaned up following acceptance by the environmental authorities.

Total leaks of 42,620 m³ of methane were registered in Distribution in connection with excavation damage.

This volume is considerably higher than in previous years. This is primarily attributable to one incident in which there was a serious leak. The incident is therefore included in the total number of significant environmental incidents indicated above.

The incident occurred in connection with the construction of a motorway. A gas pipe suffered excavation damage by a contractor, resulting in a leak of 36,042 m³ of methane, equivalent to 85 percent of the total leaks

for the year from excavation damage to gas pipes. After the fracture, the gas supply was shut off immediately to prevent a major gas leak. The fracture meant that gas supplies to several heating plants were stopped. However, this did not affect consumers. Internal and external emergency plans functioned as planned and the damage was rapidly repaired. The remaining volume of gas leaks from excavation damage was due to a number of minor incidents.

GRI:EN28

Fines and sanctions for non-compliance with environmental laws and regulations

Environmental incidents and the management of fines are regulated by DONG Energy's policy for quality, health, safety and the environment, which means that we must comply with existing laws and licences and take preventive and/or remedial action to reduce our environmental impact.

The table below shows the number of complaints about our activities that have been upheld and is an indicator of how we comply with the Danish Environmental Protection Act. Information is also reported from 2009 onwards on enforcement notices/prohibition notices, injunctions, police reports and court cases relating to compliance with environmental legislation and rules. A substantial fine is defined as being over DKK 50,000. A case has to have been concluded to be included in the report.

Two police reports were registered in 2011. One concerned violation of the Danish Soil Contamination Act, where an area mapped as being contaminated was excavated. The other concerned violation of the Danish Marine Environment Protection Act, where the conditions for dropping seabed sediment were not complied with. Dropping means taking sediment from a dock and dropping it elsewhere.

The number of complaints reported fell by 82 percent compared with 2010. This was mainly because the Distribution business area tightened up its procedure for reporting complaints in 2011 to cover only complaints that were upheld. This is also what the reporting comprises.

Data for compliance with environmental laws and regulations

	Unit	Method	2011	2010	2009	2008	2007
Complaints	number	m	61	334	186	265	-
Police reports	number	m	2	0	0		
Enforcement notices/prohibition notices and injunctions	number	m	14	6	5	-	-

A line in the table indicates that comparable data are not available due to missing or incomplete data or different compilation methods

M = Measured, C=Calculated, E=Estimated



During the coming decade, demographic changes will lead to increased competition for potential employees. In combination with plans for growth and large investments, this is leading to significant recruitment needs and is making the ability to attract, retain and develop the right skills a critical success factor for DONG Energy.

At DONG Energy, we want to create an inclusive environment in which everyone can contribute their best at both individual and team level. It is important to us that our workplace offers exciting tasks and high professional standards.

Also, it is important that our working environment supports the modern way of life, which involves a need for great flexibility and individual solutions.

We always strive to develop our workplace to offer our employees the best conditions, regardless of gender, ethnicity, skin colour, religion or faith, political beliefs, sexual orientation, age, disability, nationality, educational background or situation in life.





Policies

DONG Energy is a workplace built on mutual respect. Dialogue and targeted policies will ensure a good working climate and job satisfaction for the individual employee in DONG Energy.

In order to deliver good results, it is important that we all accept responsibility for ensuring a good working environment and a high degree of job satisfaction. We apply our values and policies to promote a safe, healthy and tolerant working environment.

We have formulated employee policies on selected issues, including diversity, women in management, bullying and harassment and stress.

DONG Energy is also a signatory to the UN Global Compact and is therefore committed to complying with the Global Compact's principles regarding responsible labour practices. The principles are based on the ILO conventions and the OECD Guidelines for Multinational Enterprises.

Goals and performance

DONG Energy wants to be the preferred employer in our critical segments in order to attract and retain competent and ambitious employees.

DONG Energy has an 'employer brand' called 'Ambitious people'. We devised this based on input from focus group and interviews and online surveys with existing employees, management and external candidates.

The results of the work have been used in several ways. These include targeting recruitment initiatives internationally. The results also form the basis for new measures aimed at employees such as the Group's diversity policy.

Surveys have shown that more than two-thirds of our employees will actively recommend DONG Energy as a workplace to their family, friends and networks. This result is supported by external surveys that show that DONG Energy is among the Top 10 preferred employers in Denmark.

At the same time, DONG Energy was ranked third in a survey conducted among 111 Danish companies in 2011 to identify the best workplaces for engineers in Denmark. In 2010, DONG Energy was ranked tenth.

Our main focus in 2012 is to maintain this position in Denmark while at the same time establishing a strong position internationally.

Governance

People & Development supports and assists management teams at group and business area level in the management of DONG Energy.

People & Development has three cornerstones: a partner organisation, centres of excellence and Shared Services. People & Development has functional responsibility for HR issues and provides expert advice on matters of importance to the company. People & Development reports directly to the CEO.



Indicator

Labour practices indicators

GRI:LA1



Workforce by employment type, employment contract, and region

The total number of employees in DONG Energy at the end of 2011 was 6,098 full-time equivalents (FTE). This was an increase of 224 FTEs on 2010. The growth primarily occurred abroad, specifically in the UK. The number of employees abroad rose by 95 persons. In 2010, 9 percent of DONG Energy's employees worked abroad. In 2011, the proportion rose to 10 percent.

Total workforce by employment type, contract type, and region

	2011	2010	2009	2008
Total workforce	6098	5874	5865	5644
FULL TIME AND PART TIME EMPLOYEES				
Full time employees	5703	5534	5453	5396
Part time employees	395	340	412	248
CONTRACT TYPES				
Covered by collective agreements	5037	4731	4228	4184
Salaried employees	1010	1091	1169	1153
Individual contracts	51	52	54	307
PERMANENT AND FIXED TERM CONTRACT				
Permanent contract Full time	5521	5352	5348	5396
Permanent contract Part time	386	321	391	248
Fixed term contract	191	201	118	-
EMPLOYEES IN DENMARK AND ABROAD				
Employees in Denmark	90 %	91 %	93 %	95 %
Employees abroad	10 %	9 %	7 %	5 %



Indicator

Labour practices indicators

GRI:LA2



Employee turnover by age group, gender, and region

Employee turnover was 12 percent in 2011, in line with 2010.

• Employee turnover has been calculated as the number of permanent employees that have left DONG Energy divided by the average number of permanent employees. The average number of permanent employees is the sum of 12 monthly head count figures divided by 12.

Employee turnover by age group, gender, and region

	2011	2010	2009	2008
Employee turnover*	12 %	12 %	11 %	12 %
NUMBER OF EMPLOYEES WHO HAVE LEFT THE COMPANY				
Total	705	795	615	655
- Male	508	560	421	417
- Female	197	235	194	238
BREAKDOWN BY CAUSE				
- Voluntary resignation	385	263	210	518
- Dismissal	251	299	184	116
- Retirement	47	76	3	13
- End of fixed term post	17	40	-	-
- Death	5	5	13	8
- Other	0	112	-	-
BREAKDOWN BY AGE GROUP				
- Under 18	1	2	15	17
- 18-25	24	38	102	77
- 26-35	180	183	173	196
- 36-45	250	232	147	174
- 46-55	118	163	82	89
- 56-70	132	177	96	102
BREAKDOWN BY REGION				
Employees in Denmark	607	738		
Employees abroad	98	57		



Indicator

Labour practices indicators

GRI:LA4



Employees covered by collective agreements

In 2011, 2,034 employees, expressed as full-time equivalents (FTE), were comprised by collective agreements, equivalent to 33 percent of all employees.

Number of employees (FTE) covered by collective agreements

2011	2010	2009	2008
2034	2132	2344	3485

GRI:LA5



Minimum notice period(s) regarding significant operational changes

DONG Energy complies with Danish and EU law, including the cooperation agreement between the Confederation of Danish Employers (DA) and the Danish Confederation of Trade Unions (LO) and the Danish Collective Redundancy Act. In addition, DONG Energy has drafted a standard severance agreement.



Management approach – Safety

Since 2006, DONG Energy has worked hard to establish a strong safety culture and continually improve our safety performance. We have reviewed and challenged existing processes and conducted safety training and courses. This has resulted in a marked decline in our injury frequency rate.

While we have reduced our injury frequency rate significantly in recent years, we did not meet our ambition of zero fatalities in 2011, when we experienced two accidents that resulted in three fatalities. All accidents involved contractor or partner employees. This is clearly not acceptable, and DONG Energy is highly committed to ensuring that the lessons learned from each investigation are addressed in such a way as to avoid recurrence. In addition, top management has requested renewed focus on safety.

Historically, our strategy has focused on thermal power generation and oil and gas exploration and production in Danish territory. Our current rapid international expansion introduces further levels of complexity and challenges to our company and our safety goals. DONG Energy is committed to ensuring a safe working environment for all employees working for and within DONG Energy.

Key risk areas for DONG Energy:

- › Rapid international expansion challenges our ability to ensure that our safety management system and safety culture are following suit.
- › Exploration and production activities are often conducted in demanding and remote environments.
- › Offshore wind farms have yet to mature as an industry and safety aspects therefore present new challenges.
- › Extensive use of contractors will add complexity to our operations.
- › Transparency in HSE responsibility in the various ownership schemes and partnerships in which we engage.

Policies

DONG Energy's QHSE management system sets out the fundamental requirements that must be followed in each of our business areas to keep people safe and to minimise impacts on the local environment.

It consists of:

- › an overall Quality, Health, Safety and Environmental (QHSE) policy
- › a statement of organisational responsibilities that reinforces the principle of line responsibility for QHSE performance and identifies specific accountabilities for every member of the organisation
- › general QHSE guidelines that delineate a broad range of requirements that are seen as essential for safety across our businesses
- › function-specific standards, which are critical to maintaining safe operations, designed to be managed by the Group's operational business functions and promoting line management accountability for and ownership of safety systems and processes.

DONG Energy's Health and Safety Standards are informed by a variety of sources, including regulatory bodies and cooperation with peer group companies, analysis of key findings from industry incidents and local legislative requirements. As a result, the Group's approach to the management of health and safety risks is consistent with internationally accepted standards for safety management systems.

See DONG Energy's policy for quality, health, safety and environment on http://www.dongenergy.com/SiteCollectionDocuments/CSR/Documents/politikker_eng_LOW%5b1%5d.pdf

Goals

DONG Energy is a company with a wide range of activities providing an equally wide range of challenges. Each year, we set a target for lost time injuries (LTIF) per one million hours worked. The overall target is an aggregated figure made up of the individual targets set by the business areas. The target includes both our own and contractor injuries.

The overall target for 2011 was 5.2, and with 4.1 we were able to reach our goal with a comfortable margin. For 2012, we have set a target of 4.1. As a company, we have an ambition of zero fatal accidents. With two fatal accidents within our operation during 2011, we were not able to achieve this ambition. See LA7 for more information.

Governance

Our Quality, Health, Safety and Environment (QHSE) Committee is a management forum led by a member of our Group Executive Management and with participation by a QHSE management representative from each business area.

The QHSE Committee maintains the strategic QHSE work with regard to the implementation of the corporate vision, values, policy, strategy and goals, and acts as the highest authority with regard to QHSE.

The Committee advises the Group Executive Management on QHSE issues such as:

- › policy and strategy development
- › setting of general corporate goals and reporting of results
- › setting of general corporate standards and acceptance criteria.



The Committee approves terms of reference for the cross-organisational QHSE Managers Group and reviews its recommendations and ensures the realisation of cross-organisational synergies in the QHSE area.

The business area representatives on the QHSE Committee are responsible for summarising the various decisions taken within their own organisation. A central Group QHSE function will support the Committee and support – but also audit – the business areas in their efforts to comply with requirements.

Focus areas

Our approach to safety is based on the following priority areas:

Management systems

Our rapid international expansion challenges our ability to ensure that our safety management system and safety culture follow suit. It is essential to our safety ambitions that our operation is supported by a management system that evolves in step with the various activities and internal and external requirements, including legal requirements. A well-functioning management system will ensure a foundation for continuous improvement of both safety and other services.

Within DONG Energy, a wide range of management systems are in place to support various certifications.

Evaluating accidents and incidents

When something goes wrong, we need to learn why and what needs to be done in future to prevent a recurrence. We encourage all employees to record unsafe and potentially unsafe situations.

Our accidents and incidents, both those with actual and with potential consequences, are analysed and shared between the business areas. The data are available to both Group and busi-

ness area functions and form the basis for the conclusions and summaries given to management at both Group and business area level.

We evaluate incidents and accidents not only from within our company, but from within our industry as well to harvest important lessons learned. This will help us prepare even better as our company expands in remote and demanding offshore areas.

Safety plans

We require all our business areas to develop safety plans that identify and evaluate the risks that each business area faces. The recent fatal accidents have put even more focus on our ability to develop proactive and forward-looking safety plans.

We require that the full range of safety risks is identified and addressed by our business areas and that they demonstrate that all major residual risks have been reduced to the 'As Low As Reasonably Possible' (ALARP) level. Achieving ALARP requires a high degree of asset integrity to be factors into both the design and maintenance of our facilities, particularly in terms of safety management systems.

Some of the accidents occurred within our offshore wind farm projects. Offshore wind farms have yet to mature as an industry, and our rapid international expansion will put added pressure on resources and training.

The formation of DONG Energy Wind Power as an independent business area has enabled more focus to be put on the challenges identified and meeting our responsibility as an industry leader in offshore wind farms. In 2011, the business area entered into cooperation with the nine largest wind generation companies in Europe with the aim of promoting safety and raising safety levels in offshore wind generation.

Contractor management

In line with the rest of our industry we rely on contractors for certain operational activities to ensure that our business needs are addressed in both a timely and safe manner. In that connection, very clear roles and responsibilities are needed.

Ensuring that our contractors are familiar with our QHSE requirements is an important part of our contractor management. QHSE requirements are an integral part of our procurement processes, and when choosing contractors we take into account whether they meet our QHSE requirements.

QHSE roles and responsibilities in partnerships

When DONG Energy is the sole owner of an operation or the designated operator, the QHSE responsibilities are clear. Quite often, however, we engage in various ownership and partnership schemes, and stakes are bought and sold and new partnership agreements signed as the business evolves. We are highly committed to ensuring that clarity exists regarding HSE accountability between the various stakeholders in an operation, and have thus put extra focus on the issue.

In addition, we are reviewing our due diligence process to ensure that HSE requirements are adequately addressed.

Information and training activities

DONG Energy engages in a wide range of communications, awareness-raising and shared learning activities. These activities are aimed at ensuring that our people can identify health, safety and security risks and understand the behaviours required to keep themselves and others free from harm at all times.



Security plan and security training

Through risk management DONG Energy is committed to creating, maintaining and continuously developing a professional and trustworthy security environment in order to protect people, environment and assets, within the context of best practice and national and international legal and technical frameworks, while securing a reliable energy supply.

In DONG Energy, we see security as the sum and degree of protection against threats, danger, damage, loss and crime. Focusing on loss prevention by proactively balancing probability and impact to determine and implement measures to minimise or eliminate losses is essential in our work.

Security requirements within DONG Energy are developed in collaboration with our internal and external customers and stakeholders. Our security plans encompass emergency response and business continuity capabilities focusing on the resilience of DONG Energy by having security measures in place to secure the integrity and smooth running of operations.



Indicator

Labour practices indicators

GRI:LA7

Rates of occupational injuries and absenteeism

Occupational injuries

The total recordable injury rate (TRIR) was 10.1 per one million hours worked in 2011, an improvement of 4 percent on 2010. This frequency rate comprises all injuries with the exception of first-aid cases.

Lost time injuries

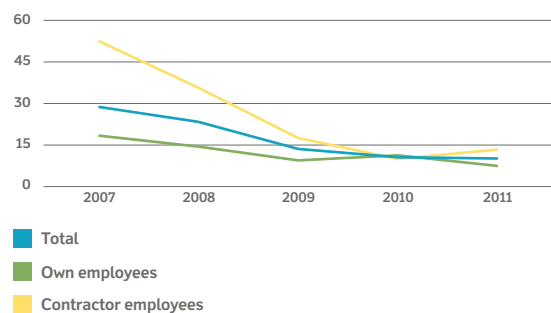
The lost time injury frequency (LTIF) was 4.1 in 2011 per one million hours worked – an improvement of 12 percent on 2010. This frequency comprises fatalities and lost workday cases, i.e. injuries with absence of one or more days after the occurrence of the injury.

In 2011, the lost day rate (LDR) was 74, i.e. the number of lost days per one million hours worked due to occupational injuries, down from 81 in 2010.

Days lost per occupational injury rose from 18 in 2010 to 19 in 2011.

Total recordable injury rate

Number of injuries per one million hours worked, excluding first-aid cases.



Fatal accidents

In 2011, there were unfortunately two tragic incidents in which three persons lost their lives. Onboard a coal tanker, two persons died when they entered an area below deck where there was no oxygen. At a construction site, a person (a man) from a demolition firm working as a subcontractor to DONG Energy died during a fire in a tower. DONG Energy takes these accidents very seriously and has stepped up preventive action.

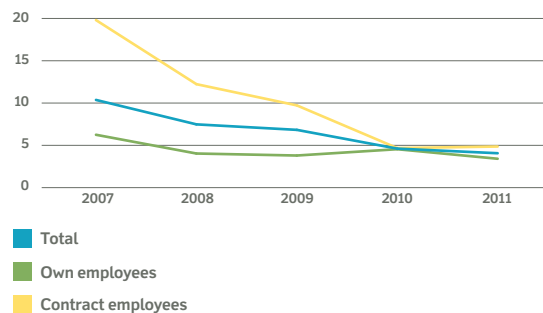
In 2011, the Group continued its efforts to develop a strong safety culture focusing on risk assessment and proactive prevention as well as follow-up on all incidents to continuously improve safety performance at both DONG Energy and its contractors and partners.

Sickness absence

Sickness absence was 2.6 percent in 2011 compared with 2.4 percent in 2010.

Lost time injury frequency

Number of lost time injuries per one million hours worked.



Occupational diseases

In 2011, 18 cases of occupational disease (also called work-related illness) were reported to the National Board of Industrial Injuries in Denmark. This corresponds to an occupational disease rate (ODR) of 2.0 per one million hours worked. The corresponding figure for 2010 was 1.6.

In 2011, the National Board of Industrial Injuries issued orders in 18 cases, nine of which were rejected and nine acknowledged. Most of the acknowledged cases of occupational diseases related to hearing damage. The remainder of the reported cases of work-related illness related to lung diseases and eczema respectively.

Decisions regarding remedial and preventive action are made in each business area. Examples of action taken in 2011 include investment in low-noise machinery (Thermal Power), courses in correct lifting (Sales & Distribution) and courses and seminars in stress prevention and stress management (Exploration & Production and Group Functions).

The statement of occupational diseases does not include employees abroad, corresponding to 601 full-time equivalents (FTE), as we do not yet have systems for calculating these.



Indicator

Labour practices indicators

GRI:LA8



Programmes in place to assist regarding serious diseases

Our commitment to our employees goes beyond safety. We also aim to ensure that our employees stay healthy. This helps to reduce absenteeism, increase productivity and promote DONG Energy as a great place to work.

Health check

In 2011, 5,275 employees in Denmark were offered a health check. At the end of 2011, 61 percent of employees had taken up the offer. As the health check has proved extremely popular, the last health checks will not be performed until January 2012. Once the results from the health checks are available, People & Development will review them jointly with the Corporate Liaison Committee and pinpoint specific and targeted initiatives to be put in place in 2012 to improve employee health.

The health checks do not include the compulsory health checks some employees must undergo at regular intervals as part of their contract of employment. A significant proportion of employees abroad are offered a health check at the time of their employment.

Pension and insurance

All employees in DONG Energy, in Denmark and abroad, are comprised by a pension scheme from their first day of employment.

In Denmark, all employees are comprised by critical illness insurance, group life insurance and medical insurance. For employees abroad, similar insurance cover has been taken out with due consideration for the offers/possibilities in each country, including state social security.

In 2011, there were 43 cases of payouts under critical illness insurance compared with 17 in 2010. The increase presumably reflects the increase in the number of employees and other random fluctuations.

Under the medical insurance scheme, employees have the option of taking out cover for spouses/cohabitees. Children under the age of 21 are automatically covered, regardless of whether they live at home or not. The medical insurance scheme was used 1,701 times in 2011 compared with 1,790 in 2010. The three most frequently used types of treatment were physiotherapy, chiropractic treatment and orthopaedic surgery.

Healthy eating policy

In autumn 2011, the Corporate Liaison Committee approved a new healthy eating policy drafted by a working group under the Committee. The healthy eating policy follows the eight healthy eating rules and must be complied with by all DONG Energy-operated canteens in Denmark. Canteens operated by external suppliers are also being urged to follow the healthy eating policy, and terms of reference for externally operated canteens will therefore be prepared in 2012.



Indicator

Labour practices indicators

GRI:LA12

Employees receiving performance and career development services

DONG Energy conducts an annual employee survey that focuses on issues such as job satisfaction. In 2011, employees were asked whether they had had a performance review in the past 12 months.

A total of 5,454 employees participated in the People Matter survey in 2011. Of these, 5,013 responded. Only 6 percent responded that they had not had a performance review.

GRI:LA13

Composition of governance bodies and employees

DONG Energy has set up a cooperative structure that covers all employees in Denmark and is divided into three overall levels. These are: the Corporate Liaison Committee, the Main Liaison Committee and the Liaison Committee. All committees consist of management and employee representatives, and topics such as financial matters, operations and staff issues are discussed at the meetings. The purpose is to improve cooperation between management and employees through dialogue and information to create good working conditions and increase understanding of DONG Energy's situation and development.

At the end of 2011, the average age of employees in DONG Energy was 42.2 years.

With regard to the proportion of women in DONG Energy, the figures below show that 30 percent of employees are women, 23 percent of managers are women, 10 percent of executives are women and, finally, that there are no women in the Group Executive Management. These percentages have not changed since 2010.

	Males	Females
BREAKDOWN OF MALE AND FEMALE EMPLOYEES BY MANAGEMENT LEVEL		
Group Executive Management	6	0
Executives (Strategic Forum)	44	5
Senior managers and above (Leadership forum)	244	42
Managers and above	517	152
BREAKDOWN OF MALE AND FEMALE EMPLOYEES BY AGE GROUP		
Under 18	1	1
18-25	123	98
26-35	1046	535
36-45	1271	684
46-55	1136	401
56-70	663	139



Indicator

Labour practices indicators

GRI:EU14



Programmes to ensure the availability of a skilled workforce

DONG Energy wants to be a world leader when it comes to knowledge about energy, especially the ability to convert knowledge into specific solutions. A high level of knowledge requires constant and consistent development of our employees. We therefore offer our employees professional and personal development programmes.

The DONG Energy Academy is the platform for our training programmes for employees and managers across the Group. The programmes focus on supporting employees in their personal and professional development and giving them skills they can use throughout their careers.

DONG Energy offers three overall career paths: general management, project management and specialist, all of

which are supported by extensive development programmes. In our organisation, employees are not bound by one path, but can choose a cross-organisational career path.

Leadership is a strategic focus area for our organisation and a prerequisite to retaining our people and achieving our goals. By linking financial performance with leadership behaviour, we believe that results will be not only sustainable but also value-creating.

Our Performance and Development Dialogue (PDD) tool establishes a link between DONG Energy's business strategy and the objectives, work effort, career and development of the individual employee. In order to support our performance-based culture, all employees in DONG Energy must have a PDD session with their immediate superior.



Indicator

Labour practices indicators

GRI:EU15

Employees eligible to retire in the next 5 and 10 years

13 percent of the workforce in DONG Energy is aged 56 or over and can therefore be expected to retire in the not too distant future. The percentage has fallen since last year, when 14 percent of the workforce was aged 56 or over. For Thermal Power, the percentage rose from 16 percent

in 2010 to 22 percent in 2011. For Sales & Distribution, the figure remained unchanged at 16 percent.

A senior policy has been prepared for employees in Denmark. One of the aims is to make employees feel secure in and satisfied with their jobs in the years leading up to their retirement and for employees to plan a knowledge transfer together with their superior.

GRI:EU16

Policies regarding health and safety

DONG Energy's employees are trained in health and safety work of relevance to the performance of their work. For example, all employees complete compulsory courses. In addition, further specific training is provided when considered relevant.

External contractors and business partners are introduced to DONG Energy's policy and positions on quality and health and safety. In addition, agreements are entered into on follow-up on conduct, performance and reporting. Contractors and business partners therefore record observations and incidents. Both incidents and near-misses are investigated together with contractors and partners with the aim of improving health and safety in the various workplaces.

GRI:EU18

Contractors that have undergone health and safety training

DONG Energy uses external contractors and subcontractors. In the Thermal Power business area there were 1,298 contractors and 6,126 contractor employees. All contractor employees are given a safety induction that is valid for one year at a time. The figures include figures for the Wind Power business area.

In the Sales & Distribution (S&D) business area, the number of contractors was 32. S&D offers safety induction to contractor employees that are to be provided with keys for main transformer stations. In 2011, 926 contractor employees were provided with a key.



DONG Energy respects human rights in all its operations and works towards eliminating any human rights violations from the Group's as well its subcontractors' and suppliers' operating procedures. DONG Energy is committed to the principles of the UN Declaration of Human Rights (UDHR) as well as ILO agreements, and expects the same from its partners.

Already in 2007, DONG Energy took significant steps to promote good business conduct by our suppliers by adopting a new Code of Conduct for suppliers. The Code is based on the principles of the UN Global Compact and describes our expectations of our suppliers in the areas of human rights, labour standards, the environment and anti-corruption. DONG Energy is, of course, also committed to meeting these requirements itself.

Policies

In January 2011, DONG Energy's Board of Directors adopted the Group's overall responsibility policy, which forms the overall framework and sets out the overall objectives for DONG Energy's work on responsibility.

Furthermore, DONG Energy's position on human rights issues is set out in the Group's Code of Conduct for suppliers, and in our commitments under the UN Global Compact, to which DONG Energy became a signatory in 2007.

Training and awareness

DONG Energy's employees are expected to be familiar with and act in accordance with the Group's ethical Code of Conduct, which contains essential information about human rights. Employees can download the Code of Conduct from the Group's intranet.

Organisational responsibility

The corporate function Stakeholder Relations has the overall responsibility for strategy and policies on human rights, including in relation to the supply chain. Group People and Development has the responsibility for HR issues.

Goals and performance

In 2011, DONG Energy began a revision of its strategy for responsible supplier management. In 2012, it is our aim to complete this work, partly by implementing more systematised training in and awareness of the Code of Conduct for suppliers.





Indicator

Human rights indicators

GRI:HR1

Investment agreements that include human rights clauses

DONG Energy's significant investment projects are located in Northern Europe, where human rights compliance

is secured through legislation and enforced through regulatory bodies. We therefore do not believe that systematic procedures for this type of screening are required.

DONG Energy addresses human rights issues related to its operations, including its supply chain. However,

human rights clauses are not specifically addressed in investment agreements.

GRI:HR2

Contractors that have undergone screening on human rights

DONG Energy's position on human rights issues is embodied in the Group's ethical Code of Conduct for suppliers and in our commitments under the UN Global Compact.

With its ethical Code of Conduct for suppliers, the Group wants, among other things, to promote dialogue with its suppliers in order to promote their commitment to improving their sustainability performance. To ensure that suppliers are complying with the Code of Conduct,

DONG Energy conducts independent third-party audits at selected suppliers to assess their performance and compliance with the Group's Code of Conduct for suppliers.

Furthermore, DONG Energy has initiated a strategy on a proactive approach to the establishment of international collaboration concerning difficult, high-risk areas in the supply chain. The reason for this strategy is that, in some key strategic areas, DONG Energy is a small player with limited impact. If several companies join forces to pursue the same goal, they will be in a stronger negotiating position in their dealings with suppliers.

This strategy has led to the establishment of two initiatives in 2011:

- › Better Coal: Better Coal is a global not-for-profit membership initiative set up to advance continuous improvement of responsibility in the coal supply chain. The seven founder members include DONG Energy, E.ON, GDF SUEZ and RWE.
- › Initiative Wood Pellet Buyers framework: This initiative outlines sustainability criteria for buying wood pellets. Partnering companies are DONG Energy, DRAX, RWE/Essent, Electrabel (GDF Suez), Laborelec (GDF Suez), EON UK and DELTA.

GRI:HR4

Total number of incidents of discrimination and actions taken

DONG Energy strongly condemns all forms of discrimination, including harassment or insulting conduct in the workplace. This applies not only to employees, but to any person who has dealings with the Group, including customers and potential employees. No cases of discrimination were recorded in 2011.

DONG Energy wants to offer all potential and existing employees equal opportunities, regardless of ethnic background, gender, religion, political beliefs, nationality or social origin. This applies to all areas, including

recruitment, pay, employee benefits, health and safety, training and leadership.

Diversity will play a significant role in DONG Energy's growth in future. We are of the opinion that different types of skills and ways of viewing and tackling problem areas will strengthen our possibilities to meet our strategy and vision.

We are signatories to the Danish Ministry of Equality's 'More Women in Management' charter. This has led to specific initiatives across our organisation to ensure, among other things, that we spot and develop more women demonstrating management potential. Our

efforts have resulted in an increase in the number of women among our Top 200 management from 8 percent to 22 percent in just three years.

In 2011, we prepared a diversity policy in collaboration with our Liaison Committee and put in place a number of initiatives in the areas age, gender, nationality and disability. It is important to us that our culture makes room for all types of competent individuals.

We have also initiated partnerships with, among others, Foreningen Nydanske on mentoring young people and with Disabled Peoples Organisations Denmark on an increased number of flex workers and recruitment of disabled people in DONG Energy.



DONG Energy has its roots in Danish society and is one of the leading energy groups in Northern Europe. As energy supply is part of the lifeblood of modern society, our activities are essential to and have a great impact on the societies of which our group is a part. Through our business activities we help ensure our customers a reliable energy supply.

Being responsive is one of DONG Energy's core values. The dialogue with our stakeholders – the people and groups who influence or are influenced by our business – must help ensure that we operate in accordance with and with respect for our surroundings. We cannot meet everyone's requirements but we believe that openness and constructive dialogue are the right approach to good relations.

Policies

DONG Energy's approach to community engagement is based on a number of policies and tools, including: 'Good business conduct', ethical Code of Conduct for Suppliers and the UN Global Compact's ten principles.

Goals and performance

DONG Energy is interested in how society perceives the company and in people's opinions about the company, and strives to continuously improve stakeholder relationships.

Governance

Organisational responsibility for managing the impact of operations is handled by the respective business area and/or staff function. In addition, the Group function Stakeholder Relations takes care of dialogue with key stakeholders.





Indicator

Society indicators

GRI:SO1



Impacts of operations on communities

It is important for DONG Energy to listen to all relevant stakeholders in connection with our activities. We often hold voluntary information meetings and exhibitions in connection with the start-up and implementation of new energy projects such as our offshore wind turbine projects. We want to ensure that the local population is well informed about our activities.

These often involve large infrastructure projects with long construction periods in which inconvenience can be minimised but often not completely avoided. At the same time, the meetings and exhibitions allow us to hold a dialogue with local industry, educational institutions and other stakeholders.

A number of DONG Energy's locations also hold regular meetings with neighbours to maintain good relations with them and ensure that the local area is well informed

about new measures that may affect the area. More sporadically, we occasionally hold open house events at which a location invites everyone in the local area to come in and take a look.

In spring 2011, more than 4,000 people took the opportunity to visit Skærbæk power station at an open house event. There was also a large number of visitors to the open house event at the Severn power station in Wales in the summer of 2011.

GRI:SO2



Business units analysed for risks related to corruption

DONG Energy increasingly trades in new markets in which we may face problems in relation to corruption, bribery and other inappropriate business practices. Such practices are incompatible with the operation of a healthy business, and damaging to society.

In 2008, DONG Energy's Board of Directors adopted a policy for good business conduct. One of its important messages is that everyone is responsible for raising issues or pointing out observations that may be an indication of inappropriate business conduct.

The policy for good business conduct catalogues the Group's positions on fraud, bribery, corruption and other inappropriate business practices and provides guidance for the individual employee. It outlines a number of scenarios and grey areas that employees may be faced with in their day-to-day work.

The policy is supported by the Business Ethics Committee. This Committee is chaired by DONG Energy's CEO, Anders Eldrup. The Committee is responsible for continuously evaluating the need for further guidelines and implementing controls as appropriate. The Committee is also responsible for investigating and handling any cases.

In 2011, DONG Energy and PwC prepared an extensive analysis of the risk of corruption in all business areas. The analysis was based on interviews with key persons in the business and reviews of relevant policies and procedures. Recommendations from the risk analysis are being reviewed and will subsequently be implemented as appropriate.

GRI:SO3



Training in anti-corruption policies and procedures

In January 2012, the Board of Directors adopted a revised policy for good business conduct that will be implemented by the Group in 2012. In 2012, a new e-learning programme will also be rolled out internally to underpin the policy. For this reason, no data were compiled for 2011.



Indicator

Society indicators

GRI:S04

Actions taken in response to incidents of corruption

In 2011, three incidents involving fraud by DONG Energy employees were reported to the Business Ethics Committee. We define an internally reported fraud and corruption incident as any situation which has been reported:

- › to the Audit and Risk Committee of the Board of Directors through the whistleblower channel, or
- › to the Business Ethics Committee through a formally appointed contact person or any other internal channel, and which has been judged by either of these to be a case of fraud and/or corruption.

In 2011, we had no legal fraud and corruption incidents (defined as any legal action brought against DONG Energy or DONG Energy employees regarding fraudulent or corruption practices).

However, in reaction to the three fraud incidents reported to the Business Ethics Committee, three employees were dismissed – two employees without notice and one with notice.

We define an action as any step taken in reaction to a fraud or corruption incident, including:

- › dismissal or disciplining of or entering into a termination agreement with an employee in reaction to a fraud or corruption incident
- › terminating or not renewing a contract with a business partner in reaction to a fraud or corruption incident.

To DONG Energy's knowledge, there were no cases of contracts not being renewed in 2011 due to corruption risks.

GRI:S05

Public policy positions and participation in public policy development

DONG Energy's position on public policies of relevance to the energy sector is based on the need to identify market-based solutions to societal challenges such as climate change and security of supply. For this reason, we support, among other things, efforts to further liberalise the European energy sector. DONG Energy's work on the framework conditions for the energy sector is also rooted in our general ambition to change from fossil fuels to renewable energy.

In addition, DONG Energy engages in dialogue with relevant national regulators to ensure security of supply, e.g. development of smart grid solutions and a continued strong focus on diversified gas sourcing, including oil and gas exploration. Group Regulatory Affairs and the regulatory affairs units in each business area have the day-to-day responsibility for this work.

DONG Energy is a member of a number of forums and organisations that seek to provide input to the development of new public policies. These include industry organisations such as the Danish Energy Association, Waste Denmark, the Confederation of Danish Industry (DI) and the European wind energy network European Wind Energy Association (EWEA).

Below is a list of our key memberships of organisations, etc., that indirectly assist in the development of public policies. DONG Energy frequently participates in various energy and climate-related conferences and forums in Denmark and abroad.

Denmark

- › Danish District Heating Association
- › Danish Gas Association
- › Danish Operators – Offshore oil and gas operators in Denmark
- › Danish Wind Industry Federation

- › Danish Wind Turbine Owners' Association
- › The Confederation of Danish Industry, Danish Energy Industry Federation
- › The Confederation of Danish Industry, Danish Offshore Industry
- › The Danish Energy Association
- › Waste Denmark

Germany

- › BDEW (Bundesverband der Energie- und Wasserwirtschaft e.V.)
- › bne (Bundesverband neuer Energieanbieter e.V.)
- › Stiftung Offshore Wind

The Netherlands

- › Energiened (Nederlandse Energiebranche)

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Indicator

Society indicators

GRI:SO5



Norway

- › Norwegian Clean Seas Association for Operating Companies (NOFO)
- › Oil Industry Association (OLF) – Operations Forum, HSE Manager Forum, Legal Forum, Drilling Forum etc.
- › Petro Arctic – Network of suppliers for petroleum projects in the Nordic countries
- › SOL network – HSE network for oil companies with a small organisation in Norway

Sweden

- › Svenska Gasförening (the Swedish gas association)

UK

- › AEP (Association of Electricity Producers)
- › Energy Futures Group
- › IGG (Independent Generators' Group)
- › PRASEG (Parliamentary Renewable and Sustainable Energy Group)
- › RUK (Renewable UK)
- › UK Oil and Gas
- › WEF (Westminster Energy Forum)

Internationally/EU

- › Business Social Responsibility
- › EFET (European Federation of Energy Traders)
- › Eurelectric
- › Eurogas
- › Green Growth Leaders
- › The European Wind Energy Association (EWEA)
- › UN Global Compact
- › Global Reporting Initiative

GRI:SO6



Value of financial and in-kind contributions to political parties or the like

It is DONG Energy's policy not to make any financial or in-kind contributions to political parties, trade unions or candidates. Employees must report all in-kind contributions, etc. We are not aware of any financial or other in-kind contributions having been made to political parties, politicians or organisations.

GRI:SO7



Legal actions for anti-competitive behaviour or the like

In 2011, four cases involving competition law aspects were pending – one arbitration case and three legal actions.

In 2011, the award was made in the arbitration relating to DONG Energy's gas purchase contract concerning the

purchase of natural gas from the Syd Arne field. The other party has lodged an appeal against the award with the Maritime and Commercial Court in Copenhagen.

The other legal proceedings concern the issue of the former Elsam's alleged abuse of its dominant position in the wholesale electricity market in West Denmark. Two of the three legal actions before the Maritime and Commercial Court in Copenhagen have been brought by

DONG Energy against the Danish Competition Council, as DONG Energy disputes the Council's ruling that the former electricity company Elsam violated the competition legislation during the last six months of 2003 up to and including the first six months of 2006. The last legal action has been brought by DONG Energy and relates to a claim for compensation resulting from the alleged abuse of a dominant position in the period referred to above. The three cases are still pending.



Indicator

Society indicators

GRI:SO8

Fines and sanctions for non-compliance with laws and regulations

In 2011, DONG Energy Power A/S was fined DKK 150,000 for violation of Sections 82(1)(i), see Section 86, see Section 38(1) of the Danish Working Environment Act and Section 30(1), see Section 13(2), of the Danish Executive Order on the Performance of Work.

Also in 2011, DONG E&P A/S was fined DKK 50,000 for violation of the Danish Offshore Safety Act. No other non-monetary criminal law sanctions for non-compliance with laws and regulations were imposed on the DONG Energy Group.

GRI:EU21

Disaster/emergency management plan and training programs, and recovery/restoration plans

Through risk management DONG Energy is committed to creating, maintaining and continuously developing a professional and reliable security environment in order to underpin and coordinate the efforts of DONG Energy's various business areas to proactively handle emergencies and incidents that may affect critical functions and values such as lives, environment, wellbeing, property and reputation.

The DONG Energy Group has adopted a holistic approach to security, which is divided into seven overall areas:

- › Management – ensures implementation of the activities in our security planning.
- › Planning – makes planning better informed.

- › Prevention – reduces the risk of accidents and other crises or mitigates their impact.
- › Training – makes security participants better equipped to perform their tasks.
- › Exercises – strengthen the organisation's ability to handle accidents and crises.
- › Evaluation – promotes understanding of tasks to avoid recurrence of previous mistakes/errors.
- › Plans – describes to everyone involved what they need to do in a crisis, making sure everyone is in agreement.

Together with the business areas' local emergency response organisations, the Group emergency response organisation is responsible for maintaining and implementing – through Best Practices and in compliance with current legislation - plans, procedure and manuals that jointly constitute DONG Energy's emergency response strategy.

Crisis management and ensuring the continued operation of critical tasks and functions depend on the employees' skills.

Training and training exercises are carried out at all levels in DONG Energy's 1st, 2nd, 3rd and 4th lines, from fire drills in administration buildings, through evacuation exercises from an oil-producing platform in the North Sea, to exercises in which a power station is occupied by demonstrators. DONG Energy's assets, which must comply with specific legislation, are regularly audited by the authorities, e.g. Energinet.dk and the Danish Energy Agency, which also inspect the plans.



DONG Energy's main products are electricity and heat. The nature of these products implies that when used correctly, they have little direct adverse impact on the environment, public health or safety. DONG Energy works actively with energy efficiency in its own operations as well as by providing customers with advice and support on improving their energy efficiency.

DONG Energy's business area Sales & Distribution continually strives to increase customer satisfaction. The ambition is to establish DONG Energy as the Danes' preferred energy supplier and to pave the way for a leadership position as the best energy company in Northern Europe.

Goals and performance

Extensive research has shown that a large percentage of DONG Energy's customers are ready to switch to another supplier. Initiatives across S&D aim at correcting selected weaknesses. Working procedures have been changed at our customer centre, resulting in more efficient switchboard procedures and shorter waiting time. Letters and other communications are prepared thoroughly, and a new more service-minded culture is evident.

In addition, a Customer College is in the pipeline, focusing on how to anchor a more service-oriented culture. It has also been decided to launch a new customer IT platform and to change the layout of online bills. In order to give customers an internal spokesperson, DONG Energy has created a Customer Ambassador job function.

Furthermore, a Smart Energy programme will optimise existing grids by turning local assets and active customer participation into subsidiary system devices. Within the realm of smart buildings, new solutions are planned, based on green, efficient energy technologies.

The determined effort to improve customer satisfaction levels is monitored by surveys. The so-called Ennova scale is used, and the ultimate goal is to reach a customer satisfaction and loyalty of 75 by 2015. In 2011, the score was 68 (see also PR6).

Organisational responsibility

DONG Energy provides information on the safe use of electricity to customers via different communication channels. Responsibility for communication with customers lies with the business area Sales. Customers are also continuously informed through DONG Energy's website, for instance with regard to power interruptions.





Indicator

Product indicators

GRI:PR5



Practices related to customer satisfaction

Once a year, DONG Energy carries out an extensive customer satisfaction survey among its residential customers. The latest survey was completed in December 2011. It was based on representative samples from three customer segments (Nord-el, City-el and Natural gas customers), and data were collected via email or postal forms according to the respondent's own choice.

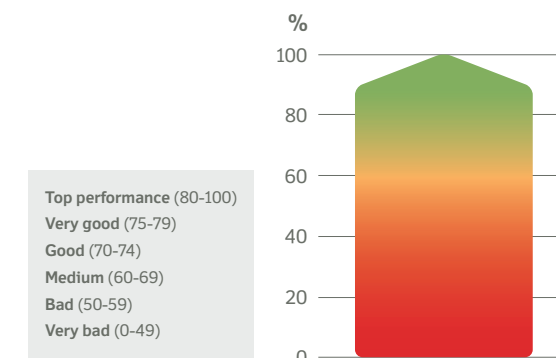
The latest survey shows that customer satisfaction and loyalty among residential customers remain unchanged, statistically, from the 2010 survey. See the table below:

Customers rate their level of satisfaction on a scale of 1-10 and the results are then converted to index numbers on a scale of 0-100. To determine whether a specific result is good or poor, it is necessary to know the typical levels in satisfaction surveys.

The figure below is based on Ennova's experience from previous satisfaction surveys and shows how the results should be interpreted. In the report, the colour scale is shown next to the prioritised areas to make it easier to determine whether the scores for an area are at a satisfactory level.

SATISFACTION INDEX	2011	2010	2009	2008	Change (%) from 2010 to 2011
Natural gas customers	73	73	77	77	0 %
City-el customers	60	59	63	57	2 %
Nord-el customers	67	68	68	69	-1 %
Fibernet-customers	Not measured	Not measured	Not measured	66	
LOYALTY INDEX	2011	2010	2009	2008	Change (%) from 2010 to 2011
Natural gas customers	74	73	77	79	1 %
City-el customers	55	56	62	53	-2 %
Nord-el customers	67	66	68	70	2 %
Fibernet-customers	Not measured	Not measured	Not measured	69	

SATISFACTION INDEX





Indicator

Product indicators

GRI:PR6



Compliance with laws etc. related to marketing communications

DONG Energy focuses strongly on compliance with current legislation in the areas of marketing, communications, sponsorship and other promotional activities. Legislation of particular relevance in this context is the Danish Marketing Practices Act, the Danish Act on Processing of Personal Data and the Danish Consumer Agreements Act and similar acts in the Netherlands, Germany and Sweden.

In 2008, DONG Energy prepared compliance programmes that are designed to ensure that Danish rules on marketing and handling of customers' personal data are complied with. The compliance programmes have been issued in the form of leaflets that can be downloaded from the DONG Energy's Intranet under 'Appropriate business conduct'. Furthermore, relevant departments in the Sales & Distribution business area have been trained in the Danish Act on Processing of Personal Data and the Danish Marketing Practices Act to ensure that they are familiar with the compliance programmes. New employees are also offered training in these programmes, and training is provided as appropriate.

The issue of sponsorship is described in a policy for good business conduct ('Acting responsibly – how we ensure good business conduct') adopted by DONG Energy's Board of Directors in 2008. The policy can be downloaded from DONG Energy's intranet under the 'Sensible business conduct' tab and has also been distributed to all the Group's employees. In January 2012, the Board of Directors adopted an updated version of the policy. The updated policy will be implemented in spring 2012.

DONG Energy does not sell any products that are subject to prohibitions.

GRI:PR7



Non-compliance with regulations concerning marketing communications

So far as DONG Energy is aware, no cases of violation of laws or non-compliance with own policies relating to marketing were reported in 2011.

GRI:EU27



Residential disconnections for non-payment

DONG Energy calculates the number of Danish electricity customers (residential customers and small businesses) that have not paid their electricity bills based on the number of first payment reminders sent. In 2011, a first payment reminder was sent in 538,836 cases.

If a bill remains unpaid after the third reminder, the customer will be disconnected by one of DONG Energy's service engineers. This led to 4,546 disconnections in 2011.

It is not possible for DONG Energy to record the duration of the period from non-payment to disconnection or from settlement to reconnection. A combined figure is calculated for residential customers and small businesses. Data on disconnections for non-payment for customers abroad are not available in consolidated form.



Indicator

Product indicators

GRI:EU28/EU29

Power outage frequency and duration

EU28 Power outage frequency

EU29 Average power outage duration

Power outage frequency and duration at customers is a key parameter for electricity distribution.

Power outage frequency experienced by customers is expressed in SAIFI, which stands for System Average Interruptions Frequency Index. The index reflects the average power outage frequency per customer per year.

Power outage duration experienced by customers is expressed in the form of SAIDI (System Average Interruption Duration Index), which reflects the average power outage duration per customer per year.

Frequency and duration are reported as a total figure for DONG Energy's distribution networks.

Explanation of development

The differences in SAIFI and SAIDI from 2010 to 2011 primarily reflected the fact that the data compilation definition has been extended. Previously, it only included unplanned outages. Now all outages are included, planned as well as unplanned. We have chosen to change the method applied, as it represents the customers' experience more fairly.

To allow comparison with historical figures, we have also compiled data using the previously applied method in 2011. This also led to a change compared with 2010, but a less significant change only. The change mainly reflected:

- › a cloudburst in Copenhagen in July, which had a marked impact on duration.
- › a significant increase in the number of faults at the high voltage levels, which affected many customers.

It should also be noted that natural variation will always occur.

Interruptions

	Unit	Method	2011	2010	2009	2008	2007
System Average Interruption Frequency Index (SAIFI)	number	m/c	0.51	0.38	0.34	0.45	-
System Average Interruption Duration Index (SAIDI)	minutes	m/c	35.6	19.3	17.0	26.2	-

A line in the table indicates that comparable data are not available due to missing or incomplete data or different compilation methods.

M = Measured, C=Calculated, E=Estimated



Indicator

Product indicators

GRI:EU30

Average plant availability factor

It is important that the power stations are available when their capacity is required to ensure the necessary energy supply and avoid fluctuations between energy supply and demand, as this may lead to power failure. Likewise, it is important to maximise utilisation of wind turbine electricity generation capacity by ensuring a high turbine availability rate.

DONG Energy calculates energy availability as the period of time during which a plant delivers its nominal capacity. The remainder of the time is spent on either planned or unplanned shutdowns: audits or breakdowns respectively. Availability is only calculated for central power stations and wind farms.

Availability factor

	Unit	Method	2011	2010	2009	2008
Average availability factor (central power stations)	%	m/c	93	95	93	96
Energy availability for wind turbines	%	m/c	95	97	94	93

M = Measured, C=Calculated, E=Estimated



Modern society is using more and more energy. At the same time, we want to slow down the impact on the environment to which traditional energy production contributes. This is the dual challenge that we are facing. DONG Energy sees it as its task to work concertedly on both fronts. On a sound business basis, of course.

We are producing more energy by increasing our production of oil and gas, which will remain necessary sources of energy for many years to come. At the same time, DONG Energy is a world leader in wind energy, and we are currently bringing row after row of new offshore wind turbines on stream.

At the same time, we are planning to convert our Danish power stations to more green generation. Consumption of coal is being reduced markedly while consumption of various forms of biofuel will be increased. Pollution with CO₂ and other harmful substances is being reduced, and we are thus producing the necessary energy more responsibly.

The aim is to deliver reliable and clean energy that meets the requirements of modern society. The ability to achieve satisfactory financial results at the same time is reflected in DONG Energy's financial statements. We are thus well on the way towards our business target to double operating income in 2015 compared with 2009.

In the context of the global challenge, DONG Energy's initiatives may seem modest. But every effort counts. And our rapid transition is equipping us well for the future while also demonstrating that it is possible to deliver more energy and more green energy on a sound commercial basis.





Indicator

Economic indicators

GRI:EC2

Risks and opportunities for the organisation's activities due to climate change

Climate change and the secondary focus on clean energy and green jobs create many opportunities to develop new technologies, products and services. DONG Energy is working concertedly to exploit these opportunities. At the same time, our strong focus on increasing the use of renewable energy still sets us apart from other energy companies, giving us a competitive edge in this market.

For DONG Energy, our action to combat climate change is, to a great extent, part of our business strategy, and top management is therefore also deeply involved. Demand for clean energy will only grow in the years to come as population growth accelerates and oil prices rise, and only a few energy companies will be at the forefront of developments to the same extent as DONG Energy. Lastly, our knowledge and expertise when it comes to reduction of CO₂ emissions and energy efficiency form the basis for the Group's climate partnerships with municipalities, organisations and companies.

Climate change in Denmark and Northern Europe will potentially lead to milder winters and hotter summers, higher sea levels and more extreme weather in the form of stronger winds and more extreme storms. This will increase the risk of physical effects on buildings, structures and port installations.

At DONG Energy, we have carried out a risk analysis of potential climate-related impacts. As a consequence of this analysis, we have tightened our focus on these in our safety planning. Our security plans encompass business continuity and emergency response capabilities. The plans focus on securing employees and environmental and physical assets. The security plans are designed to ensure that the company is prepared for and can handle potential adverse events. Making our assets secure contributes to securing a reliable energy supply for our customers and minimises our environmental impact from incidents.

For example, DONG Energy has had a digital GIS tool developed that can help position future electricity supply

installations appropriately in relation to flood-prone areas in the metropolitan area. The tool can also be used to determine which of our existing installations are in danger of being flooded.

The financial implications of climate change are difficult to quantify as they depend on a number of uncertain factors, including geographical consequences, political reactions and the development of new technology.

Climate change may affect DONG Energy's financial position indirectly, as it may affect the energy market, especially the markets for trading in CO₂ emissions allowances, green certificates and other subsidy schemes. The conditions for pricing of the latter markets are decided by policy makers. DONG Energy continuously analyses the price of CO₂ emissions allowances, partly to evaluate market risks.

GRI:EU6

Planning to ensure electricity availability and reliability

DONG Energy wants to contribute to the maintenance of a high level of security of supply in a cost-effective way. In Denmark, we therefore continuously analyse trends in operating and maintenance costs for our asset group as well as the level of security of supply.

In addition, the Danish regulator benchmarks DONG Energy's operating costs to ensure that all Danish distribution companies maintain a reasonable level over time. The benchmark includes security of supply.

In order to meet regulatory requirements on improvement of the security of supply, all interruptions are recorded and the different types of interruptions evaluated. Based on these evaluations, specific steps are taken to enhance future security of supply. For example, DONG Energy is in the process of replacing all low-voltage overhead lines with cables buried underground to protect the power supply against weather damage and improve the electricity distribution network.

Furthermore, DONG Energy continuously monitors changes in customer needs and considers future grid structures for co-generation of heat and electricity,

implementation of Wind Power and the development of new ways to reduce energy consumption such as electric vehicles and heat pumps. To ensure stability during extreme conditions, the grid features automatic and manual load shedding in the event of a power failure causing a drop in frequency.



Indicator

Economic indicators

GRI:EU8

Development activities aimed at providing electricity and promoting sustainability

Innovation is one of the key parameters when DONG Energy competes with other large European energy companies. Through research and development, DONG Energy will offer new, renewable and reliable energy solutions with minimum environmental impact to the benefit of society and our customers.

Research and development costs

DKK million	2011	2010
Research and development costs incurred during the year	(669)	(821)
Amortisation and impairment losses on development costs recognised in intangible assets	(105)	897
Development costs recognised in intangible assets	48	137
Research and development costs recognised in profit for the year	(726)	(781)

Research and development costs incurred in 2011 comprised primarily development of wind farms in Denmark, the UK, Germany and Poland, development of bioethanol technology, biogas technology and biomass conversion as well as IT systems. In 2010, research and development costs

primarily included development of wind farms in Denmark, development of thermal power generation, bioethanol technology and IT systems.

Source: Group annual report (Consolidated financial statement note 7).

GRI:EU11

Average generation efficiency

Generation efficiency is a constant focus in operating all the company's electricity and heat generation facilities. Average generation efficiency is defined as the energy generated from the energy input into the heat and electricity generation facilities. The indicator is broken down by central and small-scale power stations.

The table below shows that generation efficiency decreased for the small-scale power stations. This mainly reflected special generation conditions at Severn power station in 2010 during the commissioning of the plant. These factors meant that, according to the records, the plant had a generation efficiency in excess of 100 percent in 2010, which is not technically feasible.

Generation efficiency

	Unit	Method	2011	2010	2009	2008
Average generation efficiency - Total for power stations	%	m/c	62	66	62	61
Average generation efficiency - Central power stations	%	m/c	62	63	59	58
Average generation efficiency - Small-scale power stations	%	m/c	63	82	81	82

M = Measured, C=Calculated, E=Estimated



Indicator

Economic indicators

GRI:EU12



Transmission and distribution efficiency

The electricity loss in transmission and distribution reflects the efficiency associated with the operation of the networks. It is important to operate with high efficiency for both financial and environmental reasons. DONG Energy only operates distribution networks.

Calculation of distribution loss

Distribution network efficiency is calculated as gross deliveries divided by net deliveries of electricity (incl. loss). No distinction is made between technical and non-technical losses in this connection.

Loss in electricity distribution networks

	Unit	Method	2011	2010	2009	2008	2007
Distribution loss	%	m	4	4	4	4	4

M = Measured, C=Calculated, E=Estimated

Independent auditor's Assurance Statement for DONG Energy's stakeholders

We have reviewed DONG Energy's non-financial statements for 2011 for the purpose of expressing a conclusion on CSR data.

Criteria used to prepare the non-financial statements

The criteria used to prepare the non-financial statements are set out in the description of accounting policies on pages 152-155 in the Annual Report. These contain information on which of the Group's business areas and activities are included in the reporting and Management's reasons for choosing the data included. Data are recognised in accordance with the description of applied accounting policies for non-financial data.

Responsibilities

Company Management is responsible for preparing the non-financial statements, including for establishing registration and internal control systems with a view to ensuring a reliable reporting basis, specifying acceptable reporting criteria and choosing data to be collected. Based on our review, it is our responsibility to express a conclusion on the CSR data in the non-financial statements.

Scope

We have planned and performed our work in accordance with the international standard on assurance engagements ISAE 3000 (assurance engagements other than audits or reviews of historical financial information) for the purpose of obtaining limited assurance that the CSR data presented on page 6 have been recognised in accordance with the criteria used to prepare the non-financial statements.

The obtained assurance is limited as our engagement has been limited compared to an audit engagement. Based on an assessment of materiality and risk, our work has first and foremost comprised inquiries regarding applied instructions, registration and reporting systems, procedures with focus on internal controls, auditing analyses of the data basis used to prepare the non-financial statements, sample testing of data and underlying documentation, including visits at selected local entities, and control of compliance with the description of accounting policies for the 2011 non-financial statements.

Conclusion

Based on our work, nothing has come to our attention causing us to believe that the CSR data presented on page 6 of the Group Annual Report and the Annual Report for 2011 have not been recognised in accordance with the criteria used to prepare the non-financial statements.

Special statement on reporting in accordance with GRI's Sustainability Reporting Guidelines and opinion on social responsibility statement

We have assessed the extent to which DONG Energy has applied GRI's Sustainability Reporting Guidelines (GRI G3.0), application level B+, including Electric Utilities Sector Supplement, for the financial year 2011. Our work has primarily comprised a review of the documentation presented, including chosen inquiries and sample testing of information and data, to determine whether the documentation meets the requirements of GRI G3.0. Based on our work, nothing has come to our attention contradicting DONG Energy's self assessment of the extent to which it in its reporting complies with GRI G3.0, including the Electric Utilities Sector Supplement. We are thus able to state that nothing has come to our attention causing us to believe that DONG Energy has not reported in a reasonable and balanced manner in accordance with

GRI G3.0, application level B+, including the Electric Utilities Sector Supplement.

We have furthermore assessed if, and can confirm that DONG Energy in its reporting complies with the requirements for presenting a social responsibility statement as set out in section 99 a of the Danish Financial Statements Act.

Copenhagen, 9 March 2011

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Mogens Nørgaard Mogensen
State Authorised
Public Accountant

Fin T. Nielsen
State Authorised
Public Accountant

GRI:2.8/EU2

Production comprises the volume of energy supplied by the production assets in which DONG Energy has an ownership interest. For jointly controlled entities, production is recognised in proportion to the legal ownership interest.

Electricity generation has largely been measured as net output sold based on settlements from the official Danish production database, Panda. Data on generation from foreign, non-operated renewable energy facilities are provided by the operators. For the hydroelectric station Indalselven, the ownership interest has been converted to an annual withdrawal right from the plant, and the reporting is consequently based on annual withdrawals and not on consolidation principles for accounting purposes.

Heat generation is compiled as net output sold. Heat generation from renewable sources is measured on the basis of monthly heat withdrawals from geothermal water. The Margretholmen geothermal plant is not recognised, as DONG Energy does not have a share in the production, but instead owns the substrata in which the facility lies.

The green proportion of electricity and heat generation is measured as generation from renewable energy, including generation from biomass and

waste at power stations. In that connection, half of the electricity and heat generated from waste is recognised as green, while the other half is recognised as fossil. The proportion of generation from power stations that is based on biomass and waste is calculated as the ratio of the energy content of the fuels concerned to the total energy content of the fuels used at each plant. To allow a compilation of generation at power stations that generate both electricity and heat, and for the Group as a whole, heat generation is converted to equivalent electricity generation, i.e. the electricity that could have been generated if the power station(s) had not been generating heat.

Natural gas and oil production is measured on the basis of meter readings on delivery to shore.

Residual products comprise the annual volume of products generated and are measured using plant-specific compilation methods. For each type of residual product, the recycling rate is also measured. The recycling rate is measured as the ratio of recycled residual products to the sum of recycled residual products and residual products taken to landfill.

GRI:EU1

DONG Energy's thermal capacity is made up of central and small-scale power stations and waste-fired facilities.

Renewable capacity is made up of DONG Energy's onshore and offshore wind farms and its stakes in hydro electric stations and geothermal plants.

GRI:EU3

Number of customers

DONG Energy has end customers in Denmark, the Netherlands and Sweden. In Denmark and the Netherlands, we sell both electricity and gas directly to end users, whereas our Swedish subsidiaries only sell to wholesale and major customers.

In Denmark, electricity and gas customers are measured as the number of supply points. In Sweden, the number of customers is calculated as business-to-business (B2B) customers, i.e. wholesale and industrial customers. In the Netherlands, the number of customers is calculated as the number of grid connections.

GRI: EN1/EN2/ EN3/EN4

Consumption of raw materials

According to the GRI definition, materials used comprise raw materials, associated process materials and packaging materials used in manufacturing the company's products.

The GRI distinction between direct and indirect material consumption, according to which direct consumption is defined as the use of materials that are part of the final product, is not applied, as this would not make sense in relation to DONG Energy's products. DONG Energy distinguishes between the consumption of raw materials, i.e. energy resources, including biomass and waste incinerated to generate electricity and heat, and the consumption of associated process materials, i.e. chemicals. With respect to the consumption of natural gas, flaring and venting carried out for safety or similar purposes are reported in addition to total consumption. Venting does not include natural gas emitted to the atmosphere through pipes opened in connection with maintenance work etc., because such venting is deemed to be negligible.

Total consumption of fossil raw materials is calculated as the sum of coal, oil, natural gas and refinery gas consumption based on energy content.

For oil and gas production, the consumption of raw materials is calculated either as the fired volumes of natural gas, the amount of diesel oil supplied to a platform or the volume of natural gas flaring measured ultrasonically.

For power stations, consumption is, as a main rule, determined as incinerated volume. Some facilities calculate biomass and waste as materials supplied to the plant. The calculation principles for the power stations have been approved by the Danish tax authorities and thus cover most of the consumption. The amount of renewable energy sources is calculated as the share of fuels burned at CHP plants that are considered to be CO₂-neutral. This includes biomass and waste that are considered to be CO₂-neutral under the Danish CO₂ Allowances Act.

For gas distribution, the consumption of natural gas is calculated based on meter readings. Gas flaring volumes are calculated based on pressure and dimension of the emptied process plant.

For consumption related to administration and other processes, DONG Energy calculates direct consumption on the basis of settlements.

Consumption of associated process materials is not calculated, as it is not currently possible to determine the consumption of chemicals at group level. The volumes of associated process materials are therefore not included in the Group's overall reporting of responsibility data.

Recycled input materials

DONG Energy classifies domestic and industrial waste used as fuel at waste incineration plants as recycled input materials. Waste incinerated at waste incineration plants is recycled material that replaces other raw materials in the generation of electricity and heat. Waste incineration is not considered to be recovery as defined in the Danish Executive Order on Waste Management. However, as waste generation generates energy that has first priority in the grid, it replaces the potential consumption of other sources of energy, such as coal, oil and gas. This is normally called recovery of waste. Therefore, DONG Energy considers recovery of waste as the most significant contribution in terms of reporting on the GRI indicator. The purpose of the GRI indicator is to show the extent to which the enterprise seeks to avoid the use of virgin natural resources. The level of recycling in DONG Energy has been calculated on the basis of the consumption of raw materials and not the total consumption of materials (raw materials and chemicals).

The volume of recycled raw materials has been calculated as total waste in relation to total consumption of raw materials by weight. For 2006 and 2007, landfill gas consumed as raw material was also included as a recycled raw material.

Energy consumption

DONG Energy buys, sells and generates primary energy. DONG Energy's total direct energy consumption equals the energy purchased and generated less the amount of energy sold on. DONG Energy primarily uses direct energy for generating electricity and heat. The consumption of direct energy therefore depends on consumer demand for electricity and heat. The interesting aspect in relation to direct energy consumption is the ratio between renewable and fossil energy sources and thus the focus on more sustainable energy consumption.

The consumption of energy (electricity and heat) at power stations is calculated based on technical readings.

The consumption of electricity in the power distribution operations is calculated based on the Danish public meter reading system, Elvis, at the facilities where meters have been installed. For meter and regulator stations in the gas distribution network, a very loose estimate is provided.

For the remainder of DONG Energy, direct consumption is calculated based on settlements.

To illustrate what electricity and heat consumption entails in terms of usage of primary energy sources, including renewable sources, consumption is

translated into usage of these sources based on knowledge of the composition of the electricity and heat sources in the regions in which DONG Energy has activities. The translation into primary sources is only carried out for administration and facilities that do not generate electricity and heat, as the resource usage for electricity and heat generation is included in the direct consumption of raw materials.

In the preparation of a breakdown of electricity consumption in Denmark by primary energy source, the electricity declarations for East and West Denmark from Energinet.dk are used. As Energinet.dk's declaration for 2011 was not available in time for inclusion in this reporting, the declarations from 2010 have been applied. This also applies to previous years. If there is a specific composition of electricity supply sources for a location, a specific declaration suitable for that location is used. This applies, for instance, to locations that use 'Natural Power' ("Naturstrøm"), which is generated exclusively from wind energy.

In the preparation of a breakdown by primary energy source for heat consumption and electricity consumption outside Denmark, 2007 statistics from the International Energy Agency (IEA) are used.

The volume of fossil energy sources is calculated as the consumption of coal, oil and natural gas, excluding consumption relating to transportation.

The volume of renewable energy sources is calculated as the share of fuels burned at CHP plants that are considered to be CO₂-neutral. This includes biomass and waste that are considered to be CO₂-neutral under the Danish CO₂ Allowances Act.

DONG Energy's indirect energy consumption is calculated as electricity and heat consumption in administration buildings, at pumping stations, gas installations, etc., i.e. the electricity consumption we purchase from the grid.

Consumption of electricity and heat in administration buildings and at facilities that do not generate electricity and/or heat is calculated and translated into primary energy sources (coal, oil, gas, biomass, biogas, waste, wind, hydro, solar, nuclear power or other).

GRI:EN5/EN18

Energy savings due to process redesign, conversion and retrofitting of equipment and changes in personnel behaviour are all included, whereas reduced energy consumption due to lower production or due to outsourcing are not included in the report.

DONG Energy undertakes extensive conversion and process redesign at its locations, with improvements in energy efficiency being an added bonus that is not focused on in the conversion projects. These are not included in this reporting, as they are too complex to compile data for.

Reductions in greenhouse gas emissions from processes at offshore oil and gas production installations, electricity and gas distribution, etc., are determined using emissions factors from the National Environmental

Research Institute in Denmark (DMU) for stationary sources. Data are compiled based on savings in the consumption of natural gas and oil products. This means that the same conversion factors are used as for emissions to air in general.

For electricity and heat savings, only the reduction in CO₂ emissions is calculated, using centrally defined standard factors for all non-electricity and non-heat-generating plants. For electricity and heat-generating plants, savings are computed based on specific emissions for the specific plant's generation.

GRI:EN8/EN21

For most locations, water consumption and wastewater discharge are reported based on meter readings and calculations.

For offshore operations, water is loaded directly at the docks. This consumption is not measured. For facilities, wastewater discharges are recorded based on meter readings or, where wastewater is removed by road tanker, based on invoices. For offices and warehouses, wastewater discharges are deemed to be equivalent to water consumption.

For DONG Energy, groundwater consumption from facilities and administration is measured based on whether the withdrawal is direct (from own source) or indirect (from waterworks), as this total reflects the impact on drinking water resources. Other forms of water consumption, such as cooling water and rainwater, are not calculated, as they are considered to be less significant.

The power stations use large volumes of water, partly for cooling water. The cooling water is 'borrowed' from lakes, streams or the sea and circulated through closed systems at the power stations, after which it is discharged. Any temperature increases in the recipient after circulation are officially regulated and subject to control. The water consumption from direct withdrawal, e.g. at electricity and heat-generating plants is officially regulated through permits.

When oil is extracted on offshore production platforms, significant volumes of water are produced along with the oil. This so-called produced water is not consumed, but, after cleaning, is discharged to sea or reinjected into the reservoir. Produced water is therefore not included in water consumption, but is calculated as wastewater discharge.

Oil discharged with produced water is calculated for DONG Energy-operated installations on the basis of three daily random samples that are analysed for oil content and one sample every 24 hours based on ballast water. The oil content of produced water containing oil residues discharged to sea does not exceed 30 mg oil/litre on average per month. Reinjection of produced water is determined on the basis of pump capacity, pressure and time. Reinjection of natural gas is measured using daily flow measurements.

Waste water from DONG Energy's administration buildings in Denmark is of a quality similar to ordinary domestic waste water and is received by public treatment plants. No overall figure for this is available, but the volume is presumed to equal the volume of water used in administration buildings. A statement of water consumption and wastewater discharges is given in the table below.

NO_x og SO₂

Carbon dioxide CO₂ – EU ETS CO₂ emissions

CO₂ emissions are calculated for facilities that are subject to CO₂ allowances and for which DONG Energy has the operator ownership in accordance with the approved monitoring plans.

Carbon dioxide CO₂ – non-EU ETS CO₂ emissions

Non-EU ETS CO₂ emissions from processes at offshore oil and gas production installations, electricity and gas distribution, etc., are determined using emissions factors from the National Environmental Research Institute in Denmark (DMU) for stationary sources, as the International Association of Oil & Gas Producers (OGP) has recalled the sector-specific emission factors previously used. Data are based on the consumption of natural gas and oil products.

CO₂ emissions from electricity and heat consumption are reported separately from direct emissions as indirect CO₂ emissions.

For Danish locations, CO₂ emissions from electricity consumption are determined using Energinet.dk's electricity declaration for Denmark. As Energinet.dk's declaration for 2011 was not available in time for inclusion in this reporting, the declarations from 2010 have been applied. The same 'displacement' applies to previous years. If there is a specific electricity composition for a location, the specific declaration for that location is used.

This applies to, for example, locations that use 'Natural Power' ("Naturstrøm"), which is generated exclusively from wind energy.

For Danish locations, CO₂ emissions from heat consumption are determined using the Danish Energy Agency's standard factor for emissions from heat. As the report for 2011 had also not been published in time for inclusion in this report, 2010 has been used instead. The same 'displacement' applies to previous years.

For locations outside Denmark, country-specific emission factors from the IEA's report on CO₂ emissions from fuel consumption 2009 have been used.

Nitrogen oxides (NO_x) and sulphur oxide (SO₂)

For power stations, emissions are mainly determined on the basis of continuous measurements. A few plants use plant-specific emission factors to calculate emissions.

NO_x emissions and SO₂ emissions from processes at offshore oil and gas production installations, electricity and gas distribution, etc., are determined using emission factors from the National Environmental Research Institute in Denmark (DMU) for stationary sources, as the International Association of Oil & Gas Producers (OGP) has recalled the previously used sector-specific emission factors. Data are based on the consumption of natural gas and oil products.

Other emissions

For power stations, a number of significant emissions of trace elements and metals are calculated using a model developed by DONG Energy. Emissions of other greenhouse gases are also calculated for power stations, using DMU's standard factors.

Emissions of methane (CH₄) and other volatile organic compounds (NMVOC) from processes at offshore oil and gas production installations, electricity and gas distribution, etc., are determined using emissions factors from the National Environmental Research Institute in Denmark (DMU) for stationary sources, as the International Association of Oil & Gas Producers (OGP) has recalled the previously used sector-specific emission factors. Data are based on the consumption of natural gas and oil products.

SF₆ gas used in the electricity distribution network is calculated on filling as discharged emissions.

Fugitive emissions from, for example, coal bunkers, are not included, as such emissions are considered to be less significant. According to the IPCC guidelines for National Greenhouse Gas Inventories, fugitive emissions of methane from stocks of coal should be included in the country in which the mining takes place. Therefore, they are not relevant to DONG Energy, as the company's activities do not include mining. However, fugitive emissions of methane and NMVOC from oil tanks at Fredericia crude oil terminal are included, as DONG Energy regards these emissions as significant.

GRI:EN22/EN24

Waste is determined on the basis of invoices received and unloading lists from waste recipients or using plant-specific measuring methods.

For power stations, the reporting also includes projects at facilities, as waste data from projects form part of the overall waste data for the plants. For offshore installations, waste data are only reported for installations operated by DONG Energy.

GRI:EU11

Generation efficiency is calculated as total efficiency for electricity and heat generation at the power stations. Efficiency is calculated as the ratio of electricity and heat generated to the energy content of the fuels consumed.

The waste-fired plants are included in the figures for small-scale plants in the table above.

