



Corporate Social Responsibility

Progress report to the UN
Global Compact - 2011

Contents

1.	Statement by the CEO.....	3
2.	Energinet.dk – A brief introduction.....	4
3.	Strategy, governance and engagement	5
3.1	Introduction to CSR in general	5
3.2	Engaging with stakeholders	6
3.3	Procurement	6
3.4	Company profile - employees	7
4.	Human Rights	8
4.1	Commitment and policies	9
4.2	Actions and results	9
5.	Labour	11
5.1	Commitment and policies	11
5.2	Action and results.....	12
6.	Environment	13
6.1	Commitment and policies	14
6.2	Actions and results	14
7.	Anti-corruption	18
7.1	Commitment and policies	18
7.2	Actions and results	19

1. Statement by the CEO

At Energinet.dk we believe that the future energy will be green.

The world as we know it is about to change. Within a few decades societies across the world will transform their energy systems and base them entirely on renewable energy sources. The prospect of climate change, strained access to fossil fuels and a need to explore growth in future oriented technologies have spurred a green transition worldwide. In Denmark, the goal is reaching energy consumption based 100 % on renewable energy by 2050. Within just 8 years half of all electricity consumption in Denmark will be powered by wind turbines. A transition of this scale holds substantial challenges. Efficiently exploiting renewable energy sources, maintaining a secure energy supply, and expanding the concept of the energy system will be addressed by smart solutions and an intelligent, robust and inter-connected energy system. We believe that Energinet.dk has a responsibility in contributing to drive the green transition alongside other players of the energy sector, and we are highly motivated to do so.

When Energinet.dk operates the energy infrastructure, develops sustainable energy facilities and carries out strategic planning of the future energy system, we strive to ensure that our conduct is sustainable. Essentially, we observe our social responsibility by for instance carefully balancing costs of large scale projects and the societal value derived there-of, by showing consideration for citizens that are directly affected by our facilities through on-going dialogue, and through close monitoring of the environmental impact of our activities.

Energinet.dk's employees are equipped to deliver the solutions to the massive challenges our society will be facing in the coming years. Apart from having excellent technical skills, Energinet.dk's employees have a mindset driven by values of responsibility and propriety, which keeps our company at its toes at all times. It is the core muscle of our corporate culture and it is the prerequisite for Energinet.dk's ability to perform the tasks that we have been entrusted.

In order for us as a company to project the change, we strive to bring about in this world, we aim to 'walk the talk' in the way we run our business. Clear guidelines for company conduct are necessary through policies and best practice, as are a substantial insight into the supply chain and vendor credentials as well as the environmental impact of the company's activities. Since 2009 Energinet.dk has committed to supporting the ten principles of UN Global Compact, which also guide our corporate social responsibility (CSR) initiatives. Specific CSR objectives have been identified within the areas of employees, climate & environment and procurement. We continuously evaluate how we measure, track and develop our company's CSR efforts in order to maintain a strong sense of responsibility and awareness. Working with CSR in a systematic way these past three years has helped us do this, and will continue to do so in the future.

I hope you will enjoy reading our third progress report to the UN Global Compact.

Peder Ø. Andreasen, CEO

2. Energinet.dk – A brief introduction

Energinet.dk is an independent public enterprise owned by the Danish state represented by the Danish Ministry of Climate, Energy and Building. Our mission and vision are as follows:

Mission

As the entity responsible for the electricity and natural gas systems, we own the main energy infrastructure, ensure reliable energy supply and create the framework for well-functioning energy markets and effective integration of renewable energy.

Vision

Using international and preferably market-based solutions, we will facilitate the increased use of renewable energy and help to solve the global energy and climate challenges.

Energinet.dk's main responsibilities in the electricity and gas markets are to:

- Maintain overall security of supply in the short and long term
- Develop the main Danish electricity and gas infrastructure
- Create objective and transparent conditions for competition on the energy markets and monitoring that competition works
- Carry out coherent and holistic planning involving future transmission capacity requirements and long-term security of supply
 - Support environmentally friendly power generation as well as the development and demonstration of technologies for environmentally friendly energy generation
- Calculate the environmental impact of the energy system as a whole.

We own the gas transmission network, the 400 kV electricity transmission grid and the 132 kV grid in northern Zealand. The Enterprise co-owns electricity interconnections to the Nordic countries and Germany and has the Danish electricity transmission grid above 100 kV at its disposal. Energinet.dk also owns Lille Torup natural gas storage facility. Additionally, Energinet.dk co-owns European Market Coupling Companies as well as power exchanges for electricity and gas.

Energinet.dk's finances are based on a "break-even principle". The primary source of income is in the form of tariffs. In 2011 the gross revenue was DKK 7.369 billion and the profit DKK 128 million. The balance sheet total by the end of 2011 was DKK 22.507 billion and the equity DKK 5.669.

For a further introduction to Energinet.dk we recommend our annual report 2011 and our website www.energinet.dk.

3. Strategy, governance and engagement

3.1 Introduction to CSR in general

Energinet.dk is a public enterprise entrusted to perform our tasks from a holistic and social perspective taking security of supply, economy, the environment and efficient energy markets into consideration. Working with corporate social responsibility is a natural extension hereof.

We view our corporate social responsibility from three levels of perspective; the role of Energinet.dk as facilitator of "*The green transition*", enabling 100% renewable energy in the energy system by 2050. Focus on sustainability in conduct associated with Energinet.dk's core activities, ensuring the company "*walks the talk*" and make a sensible difference through business driven CSR. The perspective of "*company mindset*" refers to those minor initiatives in-house, that reinforces the corporate culture of responsibility and propriety.

The green transition

In Denmark, there is broad political consensus for reducing the emission of greenhouse gases significantly through increased utilization of renewable energy. The plan by the Danish Government, "Our Future Energy" published in 2011, seeks to spur green growth and facilitate the enabling of converting to 100% renewable energy use in Denmark by 2050. By 2020, the initiatives laid out in the plan will lead to extensive reductions in energy consumption, enabling half of the country's electricity consumption to be covered by wind power. Energinet.dk will play a central role in this transition.

In 2011, Energinet.dk presented a new corporate strategy for 2012 – 2015, addressing the challenges of integrating and supporting a substantial increase of wind power in to the energy supply system in both the short, medium and long term. As the transmission system operator, Energinet.dk is responsible for integrating renewable energy sources into the mix without compromising the security of energy supply. In 2011, 28% of the electricity consumption was covered by wind power without a single black out in the transmission grid.

Energinet.dk's large scale projects that are at the core of this transition are further described on www.energinet.dk.

To walk the talk

Energinet.dk is dedicated to reflect our sense of responsibility to society in the way we operate our business, to "walk the talk" so to speak, as a large scale contractor, employer and purchaser. We do this by keeping in mind the UN Global Compacts ten principles when going about our daily business. The welfare and fundamental rights of the approx. 600 Energinet.dk employees are naturally a vital focal point to the management and strategy of the enterprise, as are environmental considerations in all activities, big and small. Clear guidelines for company conduct are put in place through policies and best practice, as are a substantial insight into the supply chain and vendor credentials as well as the environmental impact of the company's activities.

Company mindset

A fundamental sense of responsibility and propriety characterises the mindset of Energinet.dk's employees and is supported by our corporate values¹. As an independent public enterprise, responsible for the secure energy supply in Denmark, it is essential to be sensitive to the responsibilities, framework and authorizations of our particular business.

For Energinet.dk, the company mindset constitutes the very fabric of our license to operate, as it determines how we conduct our business. Therefore, even minor initiatives are encouraged in order to support a culture of sustainability and responsibility, for instance by installing energy-efficient lightning bulbs at our office facilities, changing printer configurations to reduce paper waste, etc. Furthermore, a responsible mindset is addressed by including CSR in the company's business case templates, as part of internal training courses for project management, etc.

3.2 Engaging with stakeholders

Energinet.dk allocates substantial resources for engaging in dialogue with various stakeholders ranging from local citizens to enterprises, NGOs, universities and governmental institutions. We host several stakeholder groups of which the Advisory Stakeholder Forum is the largest. The Advisory Stakeholder Forum is appointed by the Danish Minister for Climate, Energy and Building and consists of 23 representatives from various organisations, including the electricity, gas and heat sectors, consumers, universities and environmental NGOs. Hosting a stakeholder forum provides us with a valuable opportunity to familiarise ourselves with and evaluate the public opinion of our activities and to take appropriate action based on the feedback we receive.

Paying attention to local concerns as well as engaging in dialogue with people directly affected by for instance our building projects is a priority for Energinet.dk. In connection with new and on-going construction projects to establish new gas or electricity infrastructure, considerable efforts are made to involve local stakeholders and uphold a high level of communication through informative meetings and dialogue. Concerns by people related to experiencing noise, magnetic fields, visual impacts, etc. are taken very seriously by Energinet.dk, and measures are taken to fairly balance and constructively address the expressed concerns.

3.3 Procurement Code of Conduct

Energinet.dk procures products and services for more than DKK 2 billion every year. The purchases are wide ranging, from substantial investments in the Danish electricity and gas systems to smaller purchases within administration and maintenance. Energinet.dk's activities are mainly based in Denmark, but we also participate in large-scale projects with neighbouring countries. Procurement wise, the majority of Energinet.dk's suppliers are operating in global markets and are often based outside of Denmark.

¹ Energinet.dk's corporate values: Development, Commitment, Business mindedness, Responsibility

In 2009-2010, we implemented Energinet.dk's Code of Conduct in connection with procurement for large-scale construction projects. All new suppliers are informed of our Code of Conduct and are required to acknowledge their acceptance of it. The Code of Conduct outlines a set of standards that suppliers, as a minimum are expected to observe. Although we assume responsibility for instilling the Code of Conduct in the first links of the supplier chain, we also encourage our suppliers to communicate our Code of Conduct to their suppliers further down the supply chain.

"Sphere of Influence"

It is a substantial challenge for Energinet.dk to ensure that the principles of UN Global Compact are not indirectly violated through the procurement processes of the enterprise. Frequently policies and systems are reviewed and the "Sphere of Influence" is analysed. Our "Sphere of Influence" can be categorised into three main groups:

Unique custom made products for Energinet.dk

A substantial part of our procurements can be categorised as unique custom made products, e.g. offshore transformer platforms, customised cables etc. Through requirements in public tenders and contract negotiations we experience possibilities to require a supplier focus on CSR.

Industry-specific products

Some procurements are industry-specific products, e.g. transformers and other electrical devices for our grids. In our experience, it tends to be harder to make requirements for procurements in this category, as products are more standardised, there are a large number of buyers, and Energinet.dk's order sizes are typically relatively small compared to other buyers'. Energinet.dk is a member of a Nordic procurement network to address this issue. This network has implemented a prequalification system for its suppliers. We believe that collaboration with other companies within the industry will provide us with more comprehensive information, detailed and qualified audits and the ability to stand stronger in negotiation with large multinational suppliers.

Mass-manufactured products

Mass-manufactured products are not specific for our industry, e.g. mobile phones, laptops and other office supply. Because of smaller order sizes it can be difficult for us to make requirements to these suppliers. We address these issues by the use of public reviews and assessments of different suppliers. We do not perform our own audits of these suppliers.

3.4 Company profile - employees

By the end of 2011 Energinet.dk employed 572 people, mostly college and university graduates (53%), technicians (20%) and office assistants (12%). Energinet.dk is an enterprise that operates within the field of engineering, which is traditionally occupied by men. This may explain why the majority of our employees are men (71%). Table 1 gives an overview of the composition of our workforce.

Employee composition	2011	2010	2009
<u>Seniority:</u>			
0-1 year	18%	20%	22%
2-4 years	29%	32%	28%
5-9 years	18%	12%	14%
10-14 years	11%	10%	9%
15-19 years	6%	5%	5%
20- years	19%	21%	22%
<u>Distribution by age:</u>			
-24 years	0%	1%	1%
25-34 years	16%	17%	18%
35-44 years	33%	34%	33%
45-54 years	30%	28%	27%
55-64 years	19%	19%	19%
65- years	2%	1%	2%
<u>Distribution by gender:</u>			
Men	71%	69%	70%
Women	29%	31%	30%
<u>Distribution by group:</u>			
College degree	53%	50%	49%
Office worker	12%	14%	15%
Leaders	9%	9%	9%
Technicians	20%	20%	20%
Others	7%	7%	8%

Table 1. Composition of employees.

4. Human Rights

Health – work – life balance

Initiatives to improve health-work-life balance and job satisfaction include our health scheme and health policy, our retention policy in case of long-term illness, and paid holidays to newly qualified employees. In addition to maternity leave for women employees, a 12-week paid parental leave is offered to fathers with children at the age of 0-5 years. We acknowledge that balancing work life with family life can at times be challenging, and contracts therefore offer flexibility in terms of for instance working hours.

Lifestyle diseases related to smoking, alcohol consumption and obesity have increased in society in recent years resulting in substantial socio-economic costs. At the individual level employees suffering from lifestyle-related diseases may experience poorer health, reduced productivity as well as loss of life quality. As Energinet.dk wants to contribute to both preventing and solving this significant social problem, our employees enjoy the advantage of a nutritionally balanced lunch scheme, training facilities and annual voluntary health checks.

4.1 Commitment and policies

UN Global Compact Principles	Energinet.dk policies and key activities
Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none">• Health policy• Policy for safety and working environment• Policy for long term illness• Supplier acceptance of "Code of Conduct"• Audits• Cooperation in a Nordic procurement network
Make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none">• Supplier acceptance of "Code of Conduct"• Audits• Cooperation in a Nordic procurement network

Our policies are available at our website Energinet.dk.

Preventive actions

Energinet.dk's employees are our most valuable asset and a fundamental precondition for accomplishing our tasks and meeting our responsibilities. Consequently, their welfare and rights are natural focus areas in the management and strategy of the enterprise. Both human rights and the rights of workers are highlighted in The UN Global Compact principles highlights as being crucial areas for the social responsibility of any enterprise. In Energinet.dk's work with social responsibility, we place particular emphasis on employees' conditions and job satisfaction.

In our Health policy we support activities that proactively supports the preservation of a good health. Energinet.dk offers its employees a health care scheme, which comprises a health policy with physical and psychological initiatives and a retention policy in cases of longterm illness. In this way, we strive to take active responsibility for a growing social issue of lifestyle-related diseases.

External employees and suppliers

In signing up to the ten UN Global Compact principles, we also show our concern for the working conditions in the world around us. This we address in particular through our Code of Conduct for our suppliers. Our collaboration in the Nordic procurement network is an important driver to achieve our goals.

4.2 Actions and results

During the last years Energinet.dk has focussed on a high level of work satisfaction amongst its employees. Motivation, engagement and commitment are important characters to strengthen for a successful result. Table 2 shows the re-

sult of the latest analysis. It shows that Energinet.dk maintains a very positive overall level on the European Employee Index (EEI).

European Employee Index*	2011	2010	2009
Employee Engagement	78 (High)	78	76
Satisfaction	77 (High)	78	76
Motivation	78 (High)	78	76
Retention	84 (Very high)	84	83
Commitment	79 (High)	78	77
Employee turnover	9.4%	6.8%	8.4%

*European Employee Index (EEI), scale 1-100

Table 2. Result of the last three years' questionnaires amongst employees.

In coming years Energinet.dk wishes to support a performance culture among its employees. This requires an increased focus on technical and personal development.

Health and safety

Since 2009 we have on a yearly basis conducted analyses of health status among voluntary employees. Table 3 shows significant improvements since 2009. Also the level of absence due to illness is very low and is expected to be a result of targeted action to increase the health and well-being of our employees by offering workout facilities, stop smoking courses, and a healthy and varied lunch diet.

Employee health	2011	2010	2009
Absence due to illness	2.06%	2.02%	2.31%
Health index*, men	95%	87%	74%
Health index*, women	95%	92%	79%

*Health Index shows the proportion of employees with less than three health risk indicators. It is based on a health and fitness examination carried out on employees participating on a voluntary basis.

Table 3. Measures for health status among employees.

In addition to a continued focus on reducing occupational accidents in 2011 there has also been attention to the number of accidents by the external workforce especially at our construction sites. In 2012 we expect to put emphasis on nearby accidents in order to further strengthen avoidance of accidents (see Table 4).

Occupational accidents	2011	2010	2009
<u>Own employees:</u>			
Fatal accidents	0	0	0
Accidents per mio. work hours	7.6	4.5	10.5
Accidents causing absence per mio. work hours	2.2	2.3	3.5
Frequency of absence due to accidents	0.00	0.30	0.04
Accidents causing absence	2	2	3
Accidents not causing absence	5	2	6
<u>External workforce:</u>			
Fatal accidents, external workforce	0	0	0
Accidents causing absence	3	-	-
Accidents not causing absence	3	-	-

Table 4. Occupational accidents for employees and external contracted workforce.

5. Labour

5.1 Commitment and policies

UN Global Compact Principles	Energinet.dk policies and key activities
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> • Supplier acceptance of "Code of Conduct" • Audits • Cooperation in a Nordic procurement network • Collective bargaining
the elimination of all forms of forced and compulsory labour;	<ul style="list-style-type: none"> • Supplier acceptance of "Code of Conduct" • Audits • Cooperation in a Nordic procurement network
the effective abolition of child labour; and	<ul style="list-style-type: none"> • Supplier acceptance of "Code of Conduct" • Audits • Cooperation in a Nordic procurement network

the elimination of discrimination in respect of employment and occupation

- Initiatives for diversity, e.g. female leaders, non-ethnic Danes
- Policy for senior employees
- Supplier acceptance of "Code of Conduct"
- Audits
- Cooperation in a Nordic procurement network

Our policies are available at our website www.Energinet.dk.

5.2 Action and results

Education of employees

Our main objective in working with human resource development is to attract and retain qualified employees. Energinet.dk focuses on job satisfaction as well as personal and professional development of both individuals and teams. Employee development is ensured by methodical job appraisal reviews and personal development plans involving participation in courses on personal and/or technical subjects. The satisfaction among employees is frequently tested. In recent years our employees have rated our programmes for personal and professional development very high compared to the European Employee Index (see Table 4).

Employee development	2011	2010	2009
Personal and professional development*	77	78	78
No. of graduates	6	6	6
Female leaders	16%	-	-
Female specialists	15%	-	-

*European Employee Index (EEI), scale 1-100

Table 4. Employee development.

Graduates

At Energinet.dk we want to take action on the increasing unemployment among young people. We invite graduates fresh out of university to apply for admission into a two-year graduate programme, in the course of which they will work in three different departments. Each year a new group of six graduates are accepted into the graduate programme. It offers rotation to different departments of the enterprise, as well as personal development and technical courses. So far, more than two thirds of the graduates have subsequently been offered permanent or temporary positions at Energinet.dk.

Traineeships

It has become increasingly difficult for young people to find traineeships in Denmark especially for non-ethnic Danes. Energinet.dk aims at engaging an increasing number of both ethnic Danes and non-ethnic Danes in the coming years. Energinet.dk frequently host master thesis students working on different subjects related to our core tasks. We believe that businesses play an important role in education of young people.

Gender equality

The proportion of female leaders and executives in Denmark does not reflect the gender composition in Energinet.dk's workforce. There is increasing political focus on this issue. At Energinet.dk 84 pct. of all leaders are men. Energinet.dk wants to contribute to addressing this society-specific issue, and we therefore aim for the number of female leaders and specialists to be directly proportional to that of the general composition of our staff. We aim to have an increasing number of female leaders from 15 pct. to 20 pct. and female specialists from 15 pct. to 19 pct. in 2012. We frequently identify the invisible barriers to women's opportunities for senior positions in Energinet.dk. In addition, we organise special development programmes for female leadership talents.

6. Environment

The operation of the Danish electricity and natural gas systems mainly results in the following activities, which directly or indirectly impact the climate and the environment:

- Transmission losses in the power grid
- Environmental impacts in connection with the installation and operation of the electricity and gas systems
- Consumption of heat, electricity and water in offices and facility buildings
- Transport energy consumption.

We actively take steps to reduce the environmental impact of all the points listed above. This may be achieved in several ways, although typically it involves reducing consumption, replacing processes or materials with more environmentally friendly or efficient ones, or consciously selecting a specific technology at the planning stage because it is more environmentally friendly.

In addition there may be environmental impacts from constructing new grid connections. From 2012-2015 we expect to invest in new infrastructure for about DKK 14 billion. These construction projects will have an environmental impact assessment phase and all follow local authorities' environmental requirements. Moreover the major entrepreneurs and suppliers involved in the construction projects all have to submit to our ethical code of conduct, which also includes environmental obligations.

6.1 Commitment and policies

UN Global Compact Principles	Energinet.dk policies and key activities
Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none">• Environmental policy• Audits on construction sites• Supplier acceptance of "Code of Conduct"• Cooperation within a Nordic procurement network incl. prequalification of suppliers
Businesses should undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none">• Environmental policy• Audits on construction sites• Supplier acceptance of "Code of Conduct"• Cooperation within a Nordic procurement network incl. prequalification of suppliers
encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none">• Environmental policy• Audits on construction sites• Supplier acceptance of "Code of Conduct"• Cooperation within a Nordic procurement network incl. prequalification of suppliers R&D programme

6.2 Actions and results

Some of the main actions undertaken and their outcome as well as activities planned for the near future are listed below.

Reduction of transmission loss

As transmission system operator Energinet.dk must reimburse the cost of transmission loss. The transmission loss is about 1-2 per cent of the total amount of electricity (132-400 kV) transported in the grid. In absolute figures the transmission loss has increased from about 800 GWh (GigaWatthours) in 2009 to about 1000 GWh in 2011. In 2010, however, we established a new connection between Eastern and Western Denmark which caused part of the increase in transmission loss.

Energinet.dk has continuous focus on reducing the transmission loss. Within the next three years, however, we wish to strengthen this effort and have set up a specific target to reduce the overall transmission loss by up to 15% from 2011-2015 by monetary and technological means. Measures will include improved procurement of transmission loss, careful dimensioning of new powerlines, cost

effective management of the grid, etc.. A reduction in transmission loss means a reduction in compensative energy production and this will be beneficial to the environment.

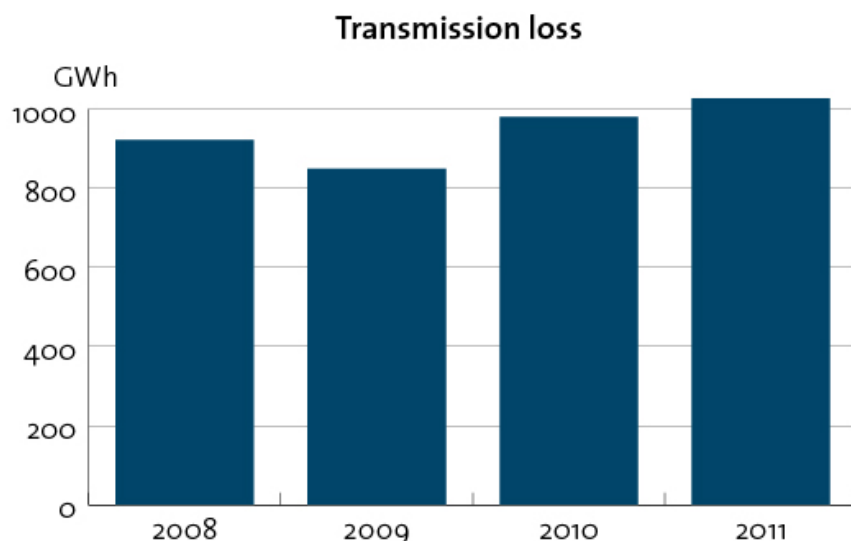


Figure 1: Total annual transmission loss (132- 400kV).

Reduction of total lifetime costs

Energinet.dk has set up a target to reduce total lifetime costs of new electricity transmission projects by 5 pct. compared to 2010 levels. During the current company strategy period (2012-2015) several initiatives are launched to set up a method to implement the target. One result will be detailed analysis of all lifetime costs and cost effective operation and maintenance to be carried out already in the planning phase of all new projects. The objective is defined by economic scale, however it is expected that it will be environmentally advantageous as well, because reduction of energy consumption and emissions can come into focus.

Demand/response at our premises

As the transmission system operator, Energinet.dk daily faces the challenge of balancing production and consumption of both the electricity and gas grid. The power production from wind farms increases the demand for flexibility in production and consumption.

In 2012 we will explore the possibility of smart energy use by our cooling systems for office facilities, in order to lower energy use in hours with peak-demand (peak-shaving). In addition Energinet.dk frequently analyses different measures to add flexible power consumption into own facilities.

Low energy office buildings

During 2011 approximately 100 colleagues moved into their new office building in Eastern Denmark. The office building is a low-energy construction that complies with the strictest of standards. As a particularly environmentally friendly feature, the roof of the building is covered in a moss-like material, a form of organic carpet that limits solar thermal stress on the building. A catchment sys-

tem is installed to collect rainwater for flushing toilets. LED lights illuminate the building which also has other energy efficient light and heat controlling systems.

Energy consumption and greenhouse gas emissions

Transporting and maintaining national transmission grids for natural gas and electricity causes direct and indirect emission of greenhouse gasses. Direct emissions of greenhouse gasses occur during maintenance of both the electricity and the gas transmission grids (Table 5). Indirect emissions are for example caused by the use of energy to pump natural gas into the underground gas storage facility (Table 6).

Figure 2 shows the total annual energy consumption of Energinet.dk excluding transmission loss. The majority of the energy consumption is in gas transmission and gas storage. The figure shows an overall decrease in absolute energy consumption since 2009. The decrease reflects both an overall effort to reduce energy use, and a decrease in the amount of natural gas transported in the grid. To that effect there are underlying mechanisms not clearly depicted in the figure. For example the amount of natural gas transported in the grid decreased from 2010 to 2011 by one-sixth due to less demand and warmer temperatures.

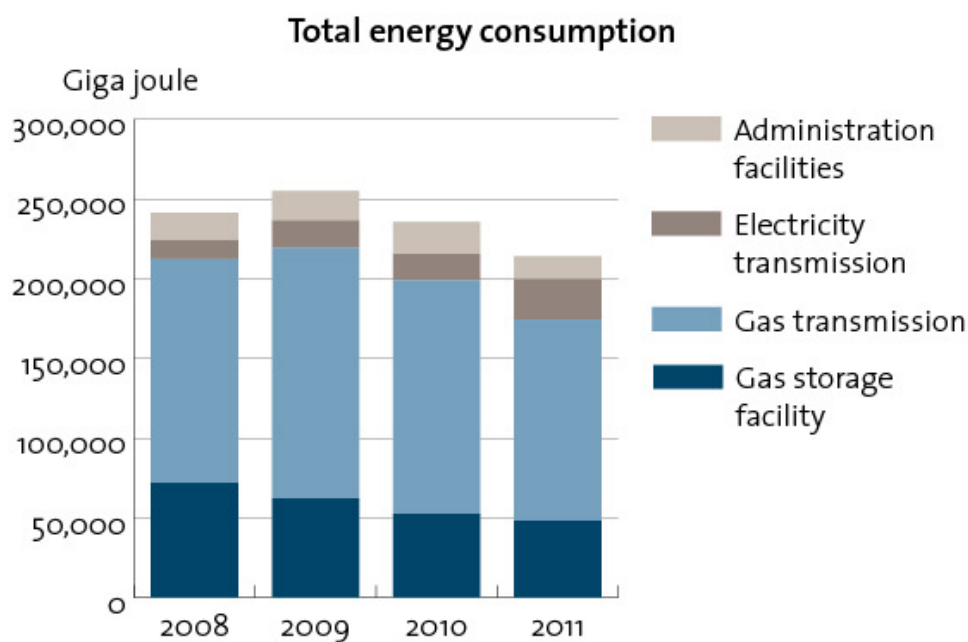


Figure 2. Total annual energy consumption in GJ from 2008-2011.

The energy consumption causes either direct or indirect emission of CO₂. This is shown in Figure 3 including emission from transport of employees. The CO₂ emission is calculated by using the environmental impact statement for the specific year. It describes the environmental impacts caused by the supply of one kWh of average electricity. The environmental impact statement covers average electricity supplies from the transmission grid for which reason losses in the transmission grid are included. The environmental impact statement for one kWh electricity varies from year to year due to variation in both production and amount of renewable energy sources.

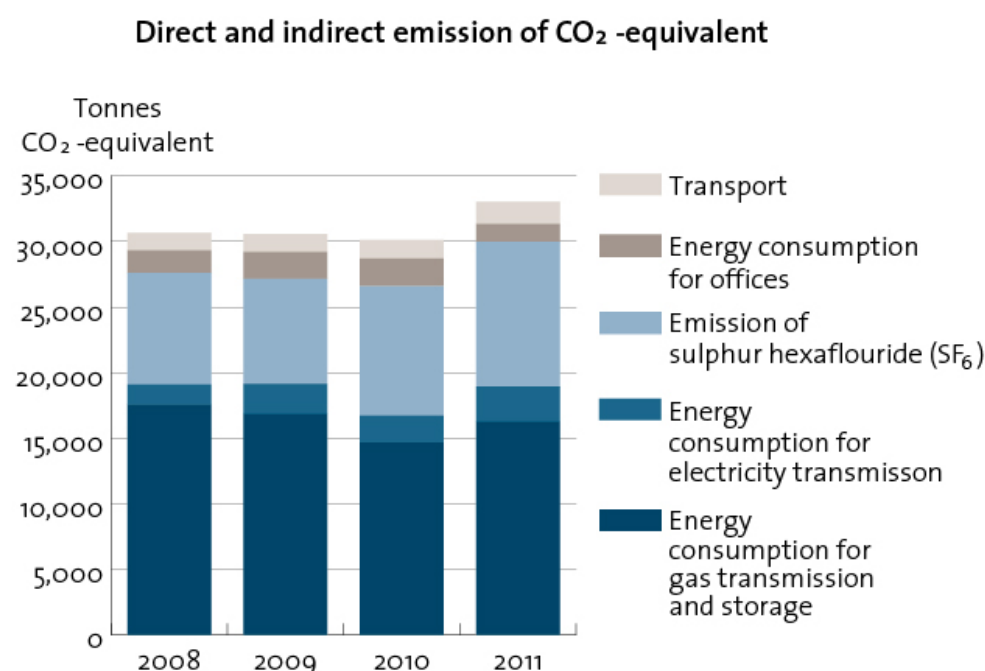


Figure 3. Total annual emission of greenhouse gases (tonnes CO₂-equivalent).

Greenhouse gas emissions from direct sources (tonnes CO ₂ -equivalent)	2011	2010	2009	2008
Sulphur hexafluoride (SF ₆ -gas)	11030	9854	8009	8502
Vented natural gas at storage facility	1793	807	735	2055
Vented natural gas in transmission grid	3779	584	202	344
Vented natural gas relative to transported gas (‰)	0.049	0.006	0.002	0.004

Table 5. Direct sources of greenhouse gas emissions.

Greenhouse gas emissions from indirect sources (tonnes CO ₂ -equivalent)	2011	2010	2009	2008
Energy use in electricity transmission grid (excl. transmission loss)	2700	2058	2305	1504
Energy use in gas transmission and storage	10670	13654	15893	15183
Energy use in office buildings	1352	1991	1980	1649
Transport and travel	1706	1443	1366	1348

Table 6. Indirect sources of greenhouse gas emissions.

Research and development programmes

Energinet.dk administers several research and development programmes. The objective of the programmes is to develop Danish energy systems, particularly focusing on the gas and electricity infrastructure, and contributing to setting up the world's best renewable energy-based energy system. In this way we help the Danish government to fulfil its climate targets. Energinet.dk collaborates with other Danish energy research programmes and research institutes in Denmark and abroad. Our activities also include the development of the electricity and gas markets.

We also have a statutory duty to initiate a number of internal research and development projects with a view to maintaining the high degree of security of supply, and to developing the electricity and natural gas systems for the benefit of the environment, society and customers. Through the ForskIN programme, Energinet.dk implements large and small R&D activities for the development of the Danish power system, primarily in the electricity sector. This is done in co-operation with external partners and research institutes.

7. Anti-corruption

At Energinet.dk anti-corruption has high attention caused by the central position the company has within the Danish energy sector. Energinet.dk has clear policies for board members, directors and employees, and addresses the issue in its Code of Conduct for suppliers.

7.1 Commitment and policies

UN Global Compact Principles	Energinet.dk policies and key activities
Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none">• Policy for insider knowledge• Programme for internal audits• Policy for representation, gifts etc.• Whistleblower programme• Supplier acceptance of "Code of Conduct"• Cooperation in a Nordic procurement network

Our policies are available at our website www.Energinet.dk.

Insider knowledge

Members of the executive board, board of directors and other employees are assigned to clear policies concerning insider knowledge. For instance, they are not allowed to trade with greenhouse gas emission allowances. Stock trading within the energy industry at the Copenhagen Stock Exchange etc. is strictly regulated as well in order to prevent the abuse of inside knowledge.

Programme for internal audits

Energinet.dk has a programme for internal audits to make sure that the business procedures are in compliance with policies for confidential business information etc. The programme for internal audits is regulated by law, and Energinet.dk must deliver an annual report highlighting problem areas and action plan.

Policy for representation, gifts etc.

Board members, directors and other employees are only allowed to give or accept smaller gifts from suppliers or other business relations. Larger gifts must be approved by the management.

7.2 Actions and results**Whistleblower system**

Measures have been taken by the Board of Energinet.dk to put in place a so-called whistleblower system. Whistleblowing enables employees or other stakeholders to report anonymously on suspicion of possible violations of ethical guidelines and/or financial fraud.

The whistleblower system, which is established through an external supplier, will be accessible by phone and the internet. The system is expected to be in effect by medio 2012.