



Performance highlights - non-financial

| | | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|-----------------------------------|-------|-------|-------|-------|-------|
| Volumes | | | | | | |
| Production: | | | | | | |
| Oil and gas production | million boe | 28.5 | 26.4 | 24.4 | 24.0 | 18.5 |
| - oil | million boe | 10.0 | 9.3 | 9.0 | 8.5 | 10.0 |
| - gas | million boe | 18.5 | 17.1 | 15.4 | 15.5 | 8.5 |
| Electricity generation | TWh | 16.1 | 20.4 | 20.2 | 18.1 | 18.5 |
| - thermal | TWh | 11.5 | 16.0 | 16.2 | 15.3 | 16.0 |
| - wind and hydro | TWh | 4.6 | 4.4 | 4.0 | 2.8 | 2.6 |
| Heat generation | PJ | 43.0 | 42.6 | 53.2 | 46.7 | 46.4 |
| Sales and distribution: | | | | | | |
| Gas sales (excl. own consumption at power stations) | TWh | 149.9 | 138.1 | 131.5 | 121.1 | 118.4 |
| Electricity sales | TWh | 12.6 | 9.9 | 10.4 | 10.7 | 10.9 |
| Gas distribution | TWh | 9.1 | 9.9 | 11.4 | 10.0 | 10.3 |
| Electricity distribution | TWh | 8.7 | 8.8 | 9.1 | 9.2 | 9.4 |
| Oil transportation, Denmark | million bbl | 66 | 72 | 78 | 85 | 91 |
| Environment | | | | | | |
| EU ETS CO ₂ emissions | million tonnes of CO ₂ | 7.8 | 10.8 | 11.8 | 11.9 | 12.6 |
| CO ₂ emissions per energy unit generated (electricity and heat) ¹ | g/kWh | 443 | 486 | 524 | 574 | 590 |
| Green proportion of electricity and heat generation ¹ | % | 37 | 29 | 30 | 27 | 25 |
| Nitrogen oxides (NO _x) | g/kWh | 0.39 | 0.36 | 0.38 | 0.50 | 0.61 |
| Sulphur dioxide (SO ₂) | g/kWh | 0.07 | 0.06 | 0.07 | 0.14 | 0.19 |
| Gas flaring (offshore and at gas storage facility) | million Nm ³ | 8.9 | 9.0 | 33.0 | 7.3 | 8.6 |
| Oil discharged to sea from production platforms | tonnes | 16 | 16 | 8 | 18 | 24 |
| Reinjection of produced water on production platforms | % | 83 | 68 | 78 | 49 | 51 |
| Recycling of waste in administration | % | 44 | 48 | 32 | 31 | 10 |
| Recycling of waste in facilities | % | 77 | 59 | 57 | 57 | 52 |
| Significant environmental incidents | number | 3 | 5 | 6 | 5 | 1 |
| Working conditions | | | | | | |
| Full time equivalents (FTE) | number | 7,000 | 6,098 | 5,874 | 5,865 | 5,644 |
| Average age | years | 42 | 42 | 43 | 43 | 43 |
| Employee turnover | % | 10 | 12 | 12 | 11 | 12 |
| Lost time injuries | number | 71 | 74 | 93 | 129 | 112 |
| Lost time injury frequency (LTIF) | per one million hours worked | 3.6 | 4.1 | 4.6 | 6.8 | 7.5 |
| Fatalities | antal | 1 | 3 | 3 | 1 | 1 |

¹ Measured on a proportionate basis for all activities and consequently includes associates and non-consolidated enterprises.

Accounting policies for non-financial data

General

The overview of non-financial highlights for the reporting period 1 January – 31 December 2012 on page 87 and the reviews of the Group's non-financial performance and the business units' non-financial performance in 2012 on pages 22–26 include data from the whole of the DONG Energy Group.

DONG Energy's non-financial reporting is audited externally. Reference is made to the assurance statement on page 107.

The collection and determination of non-financial data comprise data relating to production, environment, health and safety and employees, applying the same delimitations and basis as for the financial data, except as otherwise described in the following sections. In practice, this means that the reporting comprises all operative operating activities in DONG Energy and the Group's subsidiaries and jointly controlled entities.

Reporting and materiality criteria

Management's reasons for choosing the environmental data included in this report are based on the evaluations in 2007 of the business units' environmental impacts, the subsequently set corporate targets and the underlying key performance indicators (KPIs) identified for one or more of the business units. Within occupational health and safety, occupational injuries and injury frequency have been chosen as the key parameters based on a management evaluation. The same applies to the employee data chosen.

Standards applied

DONG Energy is a signatory to the UN Global Compact and prepares an annual 'Communication on Progress' report to the UN. DONG Energy's report for 2012 can be found at dongenergy.com and Global Compact's website at unglobalcompact.org/participant/2968-DONG-Energy-A-S.

DONG Energy reports annually in accordance with the Global Reporting Initiative's (GRI) Reporting Guidelines G3.0. DONG Energy also reports in accordance with selected indicators from the GRI's sector supplement for electricity generators and electricity distributors, called EUSS (Electric Utilities Sector Supplement). The reporting is in accordance with application level B+.

DONG Energy has carried out an assessment of materiality of the GRI indicators based on the methodology proposed by the GRI. The methodology in its entirety has not been changed in the period 2008–2012, and appears in DONG Energy's GRI report at dongenergy.com.

Organisation and data quality

The business units' reporting has been systematised and harmonised via a common reporting system that forms the basis for the consolidated reporting. The business units are responsible for the quality of their data based on a reporting procedure designed to support a Group-wide harmonised approach to data quality. The procedure also ensures that data in the consolidated reporting can be reproduced in accordance with the stated methods for recognition, measurement and determination of data described below. Data have been recognised in the consolidated reporting based on the data reported by the business units and following an accounting technical analysis at Group level.

Additions and disposals during the year

If an activity has not been owned for the entire reporting period, it is, in principle, recognised from the date on which operation began, the acquisition date or up to the date of transfer.

For information on acquisitions and disposals of enterprises, reference is made to notes 27 and 29 on 'Acquisition of enterprises' and 'Disposal of enterprises' in the consolidated financial statements.

At plant level, the Fredericia biogas plant was established in 2012.

Changes to reported data compared with 2011

In connection with DONG Energy's 2020 strategy, the CSR report on pages 11–14 has been expanded and includes new and more targets.

Accounting policies for data collection

The reporting of production and environmental data comprises all operative operating activities in DONG Energy and the Group's subsidiaries and jointly controlled entities. The latter are determined based on ownership interest. The reporting does not include associates. However, special considerations apply to the key performance indicators CO₂ emissions per energy unit generated (g CO₂/kWh) and green proportion of electricity and heat generation, as described in a separate section.

Production and sales

Electricity generation has been determined as net generation sold based on settlements from the official Danish production database. Generation data for foreign and non-operated renewable energy facilities are provided by the operators.

Heat generation is measured 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 only owns the substrata in which the facility lies.

For the hydro-electric power 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 total output based on ownership interest.

Oil and gas production is determined on the basis of meter readings on delivery to shore.

Bioethanol and bio natural gas production and sales on a pilot basis are not reported.

Electricity sales are determined as physical electricity sales to identifiable counterparties and reported on a gross basis in the financial statements. Electricity volumes and revenue are based on readings from the trading systems.

Gas sales have been determined as the physical sales recorded in the financial management system from the trading systems. Wholesale sales (including intragroup sales) are reported as total volume of gas sold less any possibilities for selling the gas back to Energy Markets under the supply contract in question. Gas sold on gas hubs in the course of the Group's physical sales and purchase activities and gas sold as part of physical swap contracts are reported on a net basis.

Data relating to gas and electricity distribution comprise Denmark only.

Electricity distribution has been determined on the basis of data from the official system in Denmark (EL-Panda), which measures and calculates total area consumption.

Gas distribution has been determined on the basis of data from the official system in Denmark (Gas-Panda) that have been calculated internally based on total volumes and calorific values received from Energinet.dk.

Oil transportation has been determined on the basis of flow meter readings on delivery to shore.

Environment

Environmental data comprise resource consumption, emissions and discharges, waste and environmental incidents. Construction projects and development projects and similar activities that are not part of the ordinary operations are not included in the reporting.

In the case of activities in Exploration & Production, Wind Power and Energy Markets where DONG Energy is not the operator, only environmental impacts from the production activities are included, and not any impact from administrative support functions. Construction projects, exploration and drilling projects, development projects and non-operated gas storage facilities, including the LNG terminal and similar activities that are not part of the Group's ordinary operating activities, are not included in the reporting. Waste data are not received from fields not operated by DONG Energy.

Emissions and discharges

Calculations of EU ETS (CO₂) emissions are made at facilities that are subject to these emissions trading schemes and for which DONG Energy is responsible in its capacity as operator or its capacity as accountable for operations, and in accordance with the methods laid down in the Danish Act on (CO₂) Emissions Allowances. EU ETS CO₂ emissions reported for the Enecogen plant for 2012 had not been externally verified at the time of publication of the annual report.

CO₂ emissions per energy unit generated (g CO₂/kWh) have been determined as physical CO₂ emissions relative to total physical generation of electricity, heat and steam supplied to the grid. For the purposes of calculating specific emissions in connection with the key performance indicator 'CO₂ emissions per energy unit generated', electricity, heat and steam supplies as well as CO₂ emissions from all generating installations are recognised, excluding the Exploration & Production business unit, based on DONG Energy's ownership interest. This means that directly owned associates and investments are also recognised based on DONG Energy's proportionate overall ownership interest. However, a triviality rule has been introduced, which means that facilities with a total installed electricity, heat or steam capacity of less than 10 MW are omitted. Mongstad power station is also included as it is owned and operated by DONG Energy (however, the plant is not consolidated financially).

Specific CO₂ emissions (g CO₂/kWh) are calculated by converting heat and steam to electricity equivalents. The equivalent electricity supplies represent the volume of additional electricity that could have been supplied if the power stations had not been generating heat and/or steam.

Waste is not recognised as being a 100% CO₂-neutral fuel: a conversion factor of 35 kg CO₂/GJ from incinerated waste to CO₂ emissions is applied. Biomass, biogas, landfill gas and livestock manure are recognised as CO₂-neutral.

Emission and production data are collected applying the normal quality criteria, with the exception of data from associates, where a lower quality level is accepted. Data from the associate Stadtwerke Lübeck GmbH have not been recognised, as no data were available.

Power station nitrogen oxide (NO_x) and sulphur dioxide (SO₂) emissions are mainly determined based on continuous measurement. A few power stations use plant-specific emission factors to calculate emis-

sions. Specific emissions are determined as physical NO_x/SO₂ emissions from power stations relative to their total physical production of electricity, heat and steam supplied to the grid.

Specific emissions (g NO_x/SO₂ per kWh) are calculated by converting heat and steam to electricity equivalents using the same method as for calculating specific CO₂ emissions.

Flaring of natural gas at offshore installations is determined using ultrasonic measurements. Volumes for the Stenlille gas storage facility are calculated based on pressure and the dimension of the emptied process plant.

Oil discharged to sea from production platforms is determined on the basis of extracted and reinjected volume, including measurements of content (oil and water). Oil discharged with produced water is calculated on the basis of three daily samples that are analysed for oil content and one sample every 24 hours based on ballast water.

Reinjection of produced water at production platforms is determined based on pump capacity, pressure and time.

Green proportion of electricity and heat generation and biomass proportion of Danish power station generation

The green proportion of electricity and heat generation is determined 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 power station generation 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 using the same method as for calculating specific emissions. The same delimitation is used for measuring the green proportion of electricity and heat generation as is used for calculating specific CO₂ emissions.

The biomass proportion of Danish power station generation is calculated as the proportion of total generation at the Danish power stations that is based on biomass. The same delimitation is used as described for green proportion of electricity and heat generation.

Energy efficiency

Energy efficiency is determined as the improvement in energy consumption relative to activity, e.g. production, flow or building capacity (m²), at DONG Energy's facilities overall since 2010. The target comprises facilities that are at least 50%-owned by DONG Energy or are operated by DONG Energy and covers activities such as power station operation, gas treatment and storage, electricity and gas distribution and facility management. The reporting does not include leased buildings or buildings in which 1% or less of DONG Energy's total number of employees work.

Furthermore, power stations sold since 2010, international power stations, waste incineration plants, peak-load stations, and facilities with few or no operational hours are not included either.

For power stations, own electricity consumption and non-boiler related process losses are included in the calculation of energy consumption. For all other facilities, the calculation includes all significant energy consumption as well as natural gas flaring at offshore production platforms.

Recycling of waste

Waste and recycling of same are measured on the basis of invoices received from waste recipients and/or using plant-specific measuring methods for production facilities, including construction activities.

Waste from buildings that accommodate 1% or less of the total number of employees is not reported. Waste from the construction of office buildings is not recognised, as the contractor disposes of waste as part of the design-build contract.

For offshore installations and power stations, the reporting includes drilling projects and projects at existing installations, as waste data from projects form part of the plants' overall waste data.

Significant environmental incidents

The impact and materiality of all environmental incidents at facilities for which DONG Energy is responsible in its capacity as operator or its capacity as accountable for operations are evaluated applying the Group's procedure for impact assessment of environmental incidents. In this context, an environmental incident is defined as an adverse event that has a negative environmental impact. Only incidents with actual environmental impact are reported. Incidents are only determined for DONG Energy-operated facilities and the Group's operating activities.

Labour

Labour comprises employee data and safety data in the form of occupational injuries.

Employees

Employees working under contract in Danish and foreign DONG Energy companies are included in the reporting if the company is more than 50%-owned, but not employees of associates. Employee data are recognised based on records from the Group's ordinary registration systems. The number of employees, including by gender and country, is determined as the number of employees at the end of the financial year converted to full-time equivalents (FTE). Employees that have been made redundant are recognised until the expiry of their notice period, regardless of whether they have been released from all or part of their duties during the notice period.

Employee turnover is calculated as the number of permanent employees that have left the company relative to the average number of permanent employees at the end of the financial year. The average number of employees is determined as a weighted average of recorded permanent employees during the year.

Average age has been measured as the average age of employees at the end of the financial year.

Occupational injuries

Occupational injuries and lost time injuries for own employees and suppliers are included for companies that are wholly or partly owned by DONG Energy and where DONG Energy is directly responsible for safety. Energy Markets only reports data for its own employees.

Data are recognised for own employees and for suppliers working in or providing services in areas in which DONG Energy is directly responsible for safety in its capacity as operator or because of the operating assignment or construction/design assignment. Data from Danish and most of the foreign sites are recognised. The criteria for the recognition of suppliers vary for the individual business units and over time.

A lost time injury is defined as an injury that results in incapacity for work of one or more calendar days in addition to the day of the incident. Fatalities are included.

The lost time injury frequency is calculated as the number of lost time injuries per one million hours worked. Working hours are based on 1,667 working hours annually per full time equivalent (FTE) and monthly records of the number of employees converted to FTE. For suppliers, the actual number of hours worked is recognised on the basis of data provided by the supplier, access control systems at locations or estimates. The injury frequency, and the development of the injury frequency, is subject to some uncertainty as a result of the data basis for hours worked and varying criteria for recognition of suppliers.