



Performance highlights - non-financial

		2013	2012	2011	2010	2009
Volumes						
Production:						
Oil and gas production	million boe	31.7	28.5	26.4	24.4	24.0
- oil	million boe	8.2	10.0	9.3	9.0	8.5
- gas	million boe	23.5	18.5	17.1	15.4	15.5
Electricity generation	TWh	19.1	16.1	20.4	20.2	18.1
- thermal	TWh	13.8	11.5	16.0	16.2	15.3
- wind and hydro	TWh	5.3	4.6	4.4	4.0	2.8
Heat generation	PJ	40.2	43.0	42.6	53.2	46.7
Sales and distribution:						
Gas sales (excl. own consumption at power stations)	TWh	134.6	127.9	113.7	116.7	124.2
Electricity sales	TWh	16.8	12.6	9.9	10.4	10.7
Gas distribution	TWh	8.8	9.1	9.9	11.4	10.0
Electricity distribution	TWh	8.6	8.7	8.8	9.1	9.2
Oil transportation, Denmark	million boe	58	66	72	78	85
Environment						
EU ETS CO ₂ emissions	million tonnes of CO ₂	9.3	7.8	10.8	11.8	11.9
CO ₂ emissions per energy unit generated (electricity and heat) ¹	g/kWh	445	443	486	524	574
Biomass share of Danish CHP generation	%	18	21	18	16	11
Nitrogen oxides (NO _x)	g/kWh	0.33	0.39	0.36	0.38	0.50
Sulphur dioxide (SO ₂)	g/kWh	0.07	0.07	0.06	0.07	0.14
Gas flaring (offshore and at gas storage facility)	million Nm ³	7.1	8.9	9.0	33.0	7.3
Oil discharged to sea from production platforms	tonnes	19	16	16	8	18
Reinjection of produced water on production platforms	%	79	83	68	78	49
Recycling of waste in administration	%	61	44	48	32	31
Recycling of waste in facilities	%	76	63	59	57	57
Significant environmental incidents	number	8	3	5	6	5
Working conditions						
Full time equivalents (FTE)	number	6,496	7,000	6,098	5,874	5,865
Average age	years	42	42	42	43	43
Employee turnover	%	17	10	12	12	11
Lost time injuries	number	64	71	74	93	129
Lost time injury frequency (LTIF)	per one million hours worked	3.2	3.6	4.1	4.6	6.8
Fatalities	number	0	1	3	3	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 2013 on page 120 and the reviews of the Group's non-financial performance and the business units' non-financial performance in 2013 on pages 26-30 include data from the entire DONG Energy Group.

DONG Energy's non-financial reporting in this report is reviewed externally. Reference is made to the assurance statement on page 127.

The compilation 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, with a few exceptions as described in the following sections. For a description of delimitations and basis for financial data, reference is made to page 122.

Materiality criteria

Management's reasons for selecting the environmental data included in this report are based on an evaluation of the business units' material environmental impacts, subsequently set corporate targets and underlying key performance indicators (KPIs) identified for one or more business units. Within health and safety and employee data, occupational injuries and injury frequency have been identified as the key KPIs based on a management evaluation, because of the major strategic focus on these throughout the Group.

This year a materiality approach has been introduced in relation to any differences detected after the closure of the reporting for the non-financial statements. Accordingly, data will only be changed if any differences detected result in a change to a KPI equalising or exceeding the materiality level.

The non-financial statements operate with two materiality levels:

- 2% for strategic KPIs set as part of DONG Energy's strategy, and
- 5% for other KPIs.

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 2013 can be found at dongenergy.com and Global Compact's website at <http://unglobalcompact.org/participant/2968-DONG-Energy-A-S>.

DONG Energy has been submitting non-financial reporting annually since 2006. Global Reporting Initiative's (GRI) Reporting Guidelines have provided support in the setting up of the Group's processes for compiling non-financial data. However, in our opinion, the value of the non-financial reporting to DONG Energy could be enhanced if the indicators and choice of indicators were more in keeping with DONG Energy's business. For this reason, DONG Energy has chosen not to report in accordance with GRI in 2013. DONG Energy will follow the development in international reporting standards for non-financial reporting in order to continuously evaluate which reporting form provides DONG Energy's stakeholders with the fairest picture of the Group.

However, this change has not led to any changes in the determination of data compared with last year. The data are therefore still based on the methods described in GRI Reporting Guidelines G3.0.

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 after 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 3.5 and 3.7 on 'Acquisition of enterprises' and 'Disposals of assets and enterprises' in the consolidated financial statements.

Changes to reported data compared with 2012

The non-financial data in the performance highlights on page 120 and the review of the Group's non-financial performance and the business units' non-financial performance in 2013 on pages 26-30 are unchanged.

DONG Energy has gradually moved towards integration of financial and non-financial reporting. In 2013, non-financial reporting was further integrated into the annual report, with the integration of the operating review in management's review and the Group's CSR report in accordance with section 99(a)-(b) of the Danish Financial Statements Act. This chapter can be found on pages 11-19. Various non-financial data therefore appear in the operating review but not in the overview of non-financial highlights. The accounting policies for these data is also described below. The data relate to the calculation of DONG Energy's KPIs for installed offshore wind capacity, oil and gas production per day, energy savings by Danish customers, employees trained in good business conduct, and customer satisfaction.

In 2012, a KPI for the number of climate partnerships with the largest and most prominent Danish companies was introduced. This KPI has been omitted in 2013, as it is no longer a strategic priority for DONG Energy.

Furthermore, the operating review includes reporting on targets and policies for the distribution by gender ratio on the supreme management body and at the Group's other management levels, in accordance with section 99(b) of the Danish Financial Statements Act. A description of the method for determining targets and policies can be found in the section on Corporate governance on page 47.

The operating review includes a number of calculations of what capacity and production correspond to in terms of the consumption by households, individuals and cars. Data sources for these calculations are described at the end of the accounting policies.

Accounting policies for data compilation

As mentioned above, non-financial data are consolidated in the same way as financial data. However, special considerations apply to the KPIs CO₂ emissions per energy unit generated (g CO₂/kWh) and biomass proportion of electricity and heat generation, as described in the separate section below.

Production, capacity and sales

Electricity generation has been determined as net generation sold based on settlements from the official Danish production database. Data for generation from foreign and non-operated 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 Margretheholmen geothermal plant is not recognised, as DONG Energy does not have a share in the production, but only owns the substrata on 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. The plant was divested in 2013.

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

The capacities of individual facilities have been determined as the volume of energy that the facilities can produce in the event of maximum output all year round. There is therefore a difference between capacity data and actual generation data.

Installed offshore wind capacity is a determination of the cumulative offshore wind capacity constructed by DONG Energy going back in time, regardless of whether or not DONG Energy owned the wind farms at the date of determination.

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 ERP 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 DONG Energy 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 proj-

ects 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 Customers & 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 where DONG Energy is not the operator.

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.

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 KPI 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 actual ownership interests. This means that directly owned associates and investments are also recognised based on a proportionate basis. 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 as it is held under a lease. The company was divested in 2013.

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 compiled 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. The company was divested in 2013.

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 emissions. 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.

Biomass proportion

The biomass proportion in Danish power station generation is calculated as the proportion of total generation at the Danish power stations that is based on biomass. The proportion of power station generation based on biomass is calculated as the ratio of the energy content of the biomass fuels to the total energy content of the total fuels used at each plant. To allow a compilation of generation at power stations that generate both electricity and heat, heat generation is converted to equivalent electricity generation using the same method as for calculating specific emissions.

Energy efficiency

DONG Energy no longer reports overall energy savings as the existing calculation method does not allow account to be taken of the fact that, in the transformation towards more renewable energy, DONG Energy has to use larger volumes of energy to maintain security of supply. When less wind energy is generated, more energy-intensive start-ups at the power stations are required. In 2014, DONG Energy will determine how to report on and calculate energy efficiency in future in order to provide a fairer view of the energy saving activities undertaken.

The energy consumption reported and the savings made apply to office buildings operated by DONG Energy.

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 unwanted 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 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 in 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.

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.

Other

Energy savings by customers

DONG Energy helps its customers by providing energy advisory services, including through climate partnerships, the sale of advisory services to companies and initiatives to extend the opportunities for grants under the Danish Energy Agency's energy saving scheme. The reported data are determined in accordance with Agreement of 13 November 2012 on the Energy companies' energy savings efforts.

Customer satisfaction

Customer satisfaction for business customers is determined on the basis of 200 quarterly interviews with DONG Energy's business customers, chosen by random selection from all business customers, with the exception of small and medium-sized enterprises.

Customer satisfaction for residential customers is determined on the basis of monthly interviews with 300 electricity customers and 100 gas customers, chosen by random selection from all residential customers. Results are weighted based on the ratio of the number of electricity customers to the number of gas customers and combined into a single figure for satisfaction among residential customers.

Employees trained in good business conduct

The percentage proportion of employees is the proportion of active employees at 31 December that had completed training in good business conduct.

Comparisons with consumption and CO₂ emissions

A number of comparable calculations of KPIs are made in the chapter Our activities on pages 11-19. Offshore wind capacity is compared with Europeans' annual electricity consumption based on 4,000 full-load hours per year and eurostat's data for electricity consumption per capita in the home (EU27) in 2010.

Biomass-based electricity and heat generation is compared with Danish households' annual electricity and heat consumption based on consumption data from the Danish Energy Agency (2010). The same applies to energy savings achieved by Danish customers; however, household consumption is broken down by consumption per capita based on an average of two persons per household.

Oil and gas production is compared with Europeans' annual oil and gas consumption in the home and for transport, based partly on data for households' oil and gas consumption from eurostat (EU27, 2011), and partly on a calculation of annual petrol consumption for transport (EU27) based on data from the Odyssee database and data for the calorific value of petrol from the Danish Energy Agency.

The difference between DONG Energy's CO₂ emissions from electricity and heat generation in 2013 and 2006 respectively is compared with the annual CO₂ emissions of passenger cars based on the same data for transport as referred to above and data for CO₂ emissions per energy unit of petrol from the Danish Energy Agency.