

**RESPONSIBILITY
2012**

**REPORTING
ON PROGRESS**

GRI AND UN GLOBAL COMPACT



DONG
energy

The world is facing serious resource and climate challenges. The global population is expected to increase by more than 2 billion by 2050 and the global middle class is expected to increase by approximately 3 billion. With more people on the planet and a rapidly expanding consumer middle class, global resources and ecosystems are put under strain.

Global energy consumption has already more than tripled since 1950 and it will continue to grow. The same is expected for the amount of CO₂ in the atmosphere. If we are to cope with these pressures, we need to utilise our resources better and generate much more of our energy from renewable sources.

In the world of energy, the fundamental challenge we face is to transform our energy systems so that more and more of the energy we generate comes from renewable sources such as wind power, biomass and solar energy. This will make us less dependent on fossil fuels and much more efficient in the way we consume energy.

Leading the energy transformation

DONG Energy wants to be among the leaders of the energy transformation. Our ambitious transformation of our energy production is well underway. The aim is to reduce our CO₂ emissions by 60% from 2006-2020 and by 85% by 2040. To support this transformation, we have defined a set of very specific targets for the period until 2020:

- > quadrupling our offshore wind capacity, from 1.7 GW in 2012 to 6.5 GW in 2020
- > doubling the share of biomass used at our Danish power stations, from 21% in 2012 to 50% in 2020
- > quadrupling energy savings among Danish customers from 1.6 TWh in 2012 to 5.9 TWh in 2020, measured as accumulated first-year effect of energy savings since 2006

This development is supported by an ambition to make DONG Energy's operations even safer and healthier. With a record-low injury frequency (LTIF) of 3.6 in 2012, we have a lower injury frequency than the average for industrial companies, but we want to improve further. Our target is to have an LTIF below 2.5 by 2016 and below 1.5 by 2020.

Well on track

DONG Energy is well on track towards achieving its ambitious CO₂ reduction targets. By relying on offshore wind and biomass instead of coal in heat and electricity generation, we have already reduced our CO₂ emissions by 31% compared with 2006.

In 2012, on the back of a record-low injury frequency, we adopted a new safety strategy with a new set of initiatives to be implemented in the coming years. Unfortunately, we experienced a tragic incident in which a contractor's employee lost his life. DONG Energy takes the incident very seriously and we will step up preventive action further in 2013.

For DONG Energy, integrity throughout our business is vital. In 2012, 95% of all employees completed our new e-learning programme on responsible business conduct, including anti-corruption and anti-bribery. We will continue to focus on responsible supply chain operations and are currently reviewing our Code of Conduct and due diligence procedures for suppliers in order to enhance our ability to identify and address human rights violations in our supply chain.

Stakeholder dialogue

DONG Energy is fully committed to support and be guided by the UN Global Compact's ten principles, and we continue to seek dialogue with our stakeholders on our most important social issues. As an example, in 2012 we invited NGOs to participate in a round-table discussion about DONG Energy's activities, with topics including future flexible energy demand and sustainable biomass. The stakeholder dialogue feeds into our responsibility work, which is presented at dongenergy.com/EN/Responsibility.

We hope that the way we work and the responses and solutions we develop can contribute to a more sustainable global energy system.

Henrik Poulsen
CEO



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DONG Energy joined the UN Global Compact in 2006 and is committed to continuous implementation of the ten principles covering the areas of human rights, labour, environment and anti-corruption. Our commitment is affirmed in DONG Energy's responsibility policy, adopted by the Board of Directors in 2011.

The table below presents DONG Energy's key targets related to the UN Global Compact's principles and how we performed in 2012 on our way towards meeting these targets. The table also shows where in the report you can read more about our actions and progress in the past year.

UN Global Compact principle(s)	DONG Energy is committed to:	Target	Actions and implementation in 2012	Status at 31 Dec 2012	Related GRI indicator(s)
Environment (principles 7-9)	Reduction of CO ₂ emissions	Reduction of CO ₂ emissions from electricity and heat generation: > 350 g CO ₂ /kWh in 2016 > 260 g CO ₂ /kWh in 2020 > 100 g CO ₂ /kWh in 2040 > 50% green electricity and heat generation in 2020	Key initiatives include (see also the following targets and actions): > New investments in offshore wind farms > Increased use of biomass in energy production > Coal-fired power stations to be taken out of primary operation to become stand-by plants	> 443 g of CO ₂ /kWh > 37% green electricity and heat generation	2.8/EU2 EN16
Environment (principles 7-9)	Development of offshore wind	Increased energy production from offshore wind farms (installed capacity, before divestments): > 6.5 GW in 2020	In 2012, DONG Energy decided to invest in the construction of new offshore wind farms and brought new farms on stream. DONG Energy installed offshore wind turbines with a gross capacity totalling 0.5 GW in 2012.	> 1.7 GW of installed offshore wind capacity ¹	2.8/EU2
Environment (principles 7-9)	Reduction of offshore wind Cost of Energy	Reduction of offshore wind Cost of Energy: > Lower than EUR 100/MWh in 2020 ²	Continuous implementation of initiatives by integration in DONG Energy's pipeline of offshore wind farm projects.	> Target for reduction of offshore Cost of Energy adopted	
Environment (principles 7-9)	Increased use of biomass	Biomass must represent a larger share relative to fossil fuels in electricity and heat generation at Danish power stations: > 40% in 2016 > 50% in 2020	In 2012, DONG Energy prepared the conversion of the Studstrup, Avedøre and Skærbæk power stations from fossil fuels to biomass.	> 21% biomass	2.8/EU2
Environment (principles 7-9)	Improved energy efficiency	Improved energy efficiency in DONG Energy compared with 2010: > 10% in 2015	The Group continuously seeks to improve its energy efficiency, partly by optimising energy consumption at its power stations and in offices. Measures in 2012 included improving energy efficiency at power stations by reducing the need for pumps for, for example, desulphurisation systems and oil distribution while maintaining reliable and environment-friendly production.	> 0.5% improvement in energy efficiency	EN5/EN18
Environment (principles 7-9)	Improved energy efficiency	Improved energy efficiency at customers: > Climate partnerships with 30 of the 50 largest and most important Danish companies in 2020 > 5.9% energy savings among Danish customers in 2020 ³	Prioritised action to continue the development of specific skills in the provision of energy advice and increase understanding of, for example, energy-consuming processes in selected industries.	> Nine existing climate partnerships > 1.6% energy savings among Danish customers	EN6 EC2
Environment (principles 7-9)	Reduced air pollution from SO ₂ and NO _x emissions	Reduction in SO ₂ and NO _x emissions compared with 1990: > 95% reduction in SO ₂ in 2020 > 90% reduction in NO _x in 2020	SO ₂ has been at a satisfactory level since 2011 relative to DONG Energy's target. In 2012, the focus was therefore on reducing specific NO _x emissions. Key measures were the installation of deNO _x facilities, replacement of spent catalysts and optimisation of incineration processes.	> SO ₂ reduction of 99% > NO _x reduction of 88%	EN20

UN Global Compact principle(s)	DONG Energy is committed to:	Target	Actions and implementation in 2012	Status at 31 Dec 2012	Related GRI indicator(s)
Environment (principles 7-9)	Increased recycling of waste	Increased recycling of waste: > Waste from administration: 50% in 2015 > Waste from facilities: 70% in 2015 > Waste from facilities: max 8% to landfill in 2015	DONG Energy seeks to minimise waste production and create resources from waste, partly by increasing recycling of waste from facilities and administration. The existing targets, which expired in 2012, have been tightened and extended to 2015 and expanded with the focus on waste fractions taken to landfill.	> 44% of waste from administration recycled > 77% of waste from facilities recycled > 8% of waste from facilities to landfill	EN22
Labour (principles 3-6) and human rights (principles 1-2)	Ensuring employee and supplier safety	> No fatal accidents > LTIF < 2.5 in 2016 > LTIF < 1.5 in 2020	Safety has top priority at DONG Energy. In 2012, the Group continued its efforts to further strengthen its safety culture focusing on risk assessment and proactive prevention as well as follow-up on all incidents.	> 1 fatality > LTIF of 3.6	LA7
Labour (principles 3-6) and human rights (principles 1-2)	Ensuring continuous improvement in employee satisfaction and motivation	The employees' evaluation of own satisfaction and motivation must be (scale 1-100): > 75 in 2016 > 77 in 2020	Overall, the satisfaction and motivation score for DONG Energy's employees exceeds, by a sizeable margin, the average in Ennova's European Employee Index (EEI) in the countries in which the Group has employees. Providing an optimum framework for employee job satisfaction is a strategic priority area for DONG Energy. Key initiatives in 2012 included follow-up on the People Matter survey from 2011.	> According to People Matter 2012, satisfaction and motivation has increased from 72 in 2011 to 74 in 2012	
Human rights (principles 1-2)	Ensuring responsible supply chain management	> Alignment of responsible supply chain management with heightened focus on operational risk management and human rights in 2013	The most important action was an extensive assessment of DONG Energy's approach to responsible supply chain management to ensure that it is in keeping with the times and adequate. In addition, DONG Energy implemented a number of self-assessments of high-risk suppliers, and the Bettercoal initiative, of which DONG Energy is a founder member, developed a new code of practice on coal mining, partly via a global consultation process.	> To assess the approach to responsible supply chain management, DONG Energy has received input from external parties and mapped current and forward-looking requirements and expectations following from the UN Guiding Principles on business and human rights and the OECD Guidelines for Multinational Enterprises	HR1 HR2
Anti-corruption (principle 10)	Preventing fraud and corruption	> All employees must complete a course on good business conduct > No reported cases of fraud or corruption	In 2012, DONG Energy continued its efforts to ensure compliance with UK Bribery Act. To this end, a new e-learning course training employees in good business conduct, including the rules in UK Bribery Act, was rolled out in summer 2012. As part of the course, employees must confirm that they have read and understood the Group's policy on this issue. The course underpins the Group's efforts to prevent corruption.	> 95% of the Group's employees have completed the course on good business conduct > No internally reported cases of fraud or corruption	SO3 SO4 PR6
	Ensuring continuous improvement in customer satisfaction	> Ranking among top quartile compared with benchmark companies in 2016	DONG Energy intensified its focus on customer satisfaction in 2012. Most of the employees and managers in Sales & Distribution in Denmark have attended the Customer First College; processes have been optimised, including at the customer centre; and electricity bills have been simplified. DONG Energy's customer ambassador in Denmark handled 83 cases, finding wholly or partly in the customer's favour in 40% of cases.	> Customer satisfaction target adopted. DONG Energy's ranking will be measured for the first time in 2013	PR5

Notes
 1) Of the 1.7 GW of capacity at 31 Dec 2012, 1.2 GW was owned by DONG Energy.
 2) Cost to society based on projects in the UK where investment decisions will be made in 2020.
 3) Accumulated first-year effect of energy savings since 2006.

GRI APPLICATION AND INDICATOR INDEX

Since joining the UN Global Compact in 2006, DONG Energy has been reporting annually on its corporate responsibility performance in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines.

This report follows the G3 guidelines for reporting on profile, management strategies and indicators related to the environment (EN), labour practices (LA), human rights (HR), society (SO), products (PR) and economics (EC). In addition, it includes selected indicators from GRI's Electric Utilities Sector Supplement, which provides indicators (EU) specifically for the electric utilities sector.

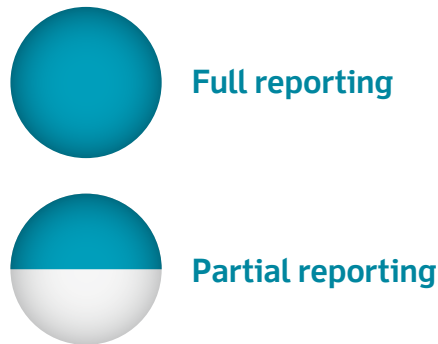
In the GRI indicator index below, you can see which indicators are included in the report. The extent to which the indicators comply with the G3 guidelines and related indicator protocols is indicated throughout the report with the full reporting and partial reporting symbols shown below. The disclosures on management approach (DMA) introducing each group of indicators are all reported on full level. Besides the DMAs required by GRI, we have included DMAs on responsibility and safety.

For a number of indicators, the relevant information is provided in DONG Energy's Annual report 2012. For these indicators, the GRI

indicator index below refers to the relevant section of the Annual report. All these indicators are reported on full level. The Annual report is available at dongenergy.com.

The application level of the report is B+. On page 78, you can read the independent auditor's Assurance Statement confirming the application level. The assurance was conducted by PwC. It 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.


INDICATOR REPORTING LEVELS



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 EXTERNALLY ASSURED	Report on all criteria listed for level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	REPORT EXTERNALLY ASSURED ✓	Same as requirement for level B	REPORT EXTERNALLY ASSURED
	G3 Management Approach Disclosures OUTPUT	Not Required		> Management Approach > Disclosures for each Indicator Category		> Management Approach > Disclosures for each Indicator Category	
	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 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.	


* Sector supplement in final version



Page	Indicator	Page	Indicator
11	 PROFILE INDICATORS	16	3.1/3.2/ 3.3/3.4 Reporting cycle and contact point for the report
–	1.1 Statement from the most senior decision-maker of the organisation See 'Preface from the CEO'	17	3.5 Process for defining report content
–	1.2 Description of key impacts, risks and opportunities See Annual report ('Management's review' and 'Risk and risk management')	–	3.6/3.7/ 3.8/3.9/ 3.10/3.11 Boundary of report and reporting method See Annual Report ('Accounting policies for non-financial data') as well as 'Compilation method overview' in this report.
–	2.1/2.4 Name of the organisation and location of organisation's headquarters See page 83	–	3.12 GRI content index Shown in this GRI indicator index
–	2.2 Primary brands, products and/or services See Annual report ('Management's review')	78	3.13 Assurance
–	2.3 Operational structure of the organisation See Annual report (incl. 'DONG Energy at a glance' and 'Activity map')	18	EU1 Capacity
–	2.5 Countries in which the organisation operates See Annual report ('Management's review')	19	EU3 Number of residential and industrial/commercial customer accounts
–	2.6 Nature of ownership and legal form See Annual report ('Corporate governance')	20	EU5 Allocation of CO ₂ allowances or equivalent
–	2.7 Markets served See Annual report ('Management's review')	21	4.1 Governance structure of the organisation, including committees under the highest governance body
13	2.8/EU2 Scale of the reporting organisation	22	4.2 Indicate whether the chair of the highest governance body is also an executive officer
–	2.9 Changes during the reporting period regarding size, structure or ownership See Annual report ('Selected events in 2012' and 'Accounting policies for non-financial data')	22	4.3 Members of the highest governance body that are independent and nonexecutive
16	2.10 Awards received in the reporting period	22	4.4 Mechanisms to provide recommendations or directions to the highest governance body
		–	4.5 Linkage between compensation and performance See Annual report ('Notes' and 'Staff costs') and DONG Energy's Remuneration policy, available at dongenergy.com
		23	4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided
		23	4.7 Process for determining the qualifications of the members of the highest governance body



Page	Indicator
24	4.8 Internally developed statements of mission or values, principles etc.
-	4.9 The supervision by the highest governance body with the management of results, for example finance/economy See Annual report ('Management information')
24	4.10 Processes for evaluating the highest governance body's own performance
24	4.11 Use of the precautionary approach or principle in the organisation
25	4.12/4.13 Endorsements and memberships
26	4.14 List of stakeholder groups engaged by the organisation
27	4.15 Basis for identification and selection of stakeholders with whom to engage
27	4.16 Approaches to stakeholder engagement
27	4.17 Key topics and concerns that have been raised through stakeholder engagement

Page	Indicator
28	 ENVIRONMENTAL INDICATORS
31	EN1/EN2/EN3/EN4 Materials and energy consumption
34	EN5/EN18 Energy savings and reductions in greenhouse gas emissions
35	EN6 Energy-efficient or renewable energy-based products and services
36	EN8/EN21 Water consumption and water discharges
37	EN12 Significant impacts on biodiversity in protected areas
38	EN16/EN20 Air emissions
41	EN22/EN24 Waste
44	EN23 Total number and volume of significant spills
45	EN28 Fines and sanctions for non-compliance with environmental laws and regulations



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Indicator

46



**LABOUR PRACTICE
INDICATORS**

49	LA1	Workforce by employment type, employment contract, and region
50	LA2	Employee turnover by age group, gender, cause, and region
51	LA4	Employees covered by collective bargaining agreements
51	LA5	Minimum notice period(s) regarding significant operational changes
54	LA7	Rates of occupational injuries and absenteeism
55	LA8	Programmes in place to assist regarding serious diseases
56	LA12	Employees receiving performance and career development services
57	LA13	Governance bodies and employees by gender and age group
57	EU18	Contractors that have undergone health and safety training

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Indicator


58





**HUMAN RIGHTS
INDICATORS**

60	HR1	Investment agreements that include human rights clauses
60	HR2	Contractors that have undergone screening on human rights
61	HR4	Total number of incidents of discrimination and actions taken



Page	Indicator
62	 SOCIETY INDICATORS
64	SO1 Impacts of operations on communities
64	SO2 Business units analysed for risks related to corruption
65	SO3 Training in anti-corruption policies and procedures
65	SO4 Actions taken in response to incidents of corruption
66	SO5 Public policy positions and participation in public policy development
66	SO6 Value of financial and in-kind contributions to political parties or the like
66	SO7 Legal actions for anti-competitive behaviour or the like
66	SO8 Fines and sanctions for non-compliance with laws and regulations

Page	Indicator
67	 PRODUCT RESPONSIBILITY INDICATORS
70	PR5 Practices related to customer satisfaction
71	PR6 Compliance with laws etc. related to marketing communications
71	PR7 Non-compliance with regulations concerning marketing communications
72	EU28/EU29 Reliability of electricity supply to customers
73	EU30 Average plant availability factor

Page	Indicator
74	 ECONOMIC INDICATORS
-	EC1 Direct economic value generated and distributed See Annual report ('Performance highlights, financial')
76	EC2 Risks and opportunities for the organisation's activities due to climate change
77	EU11 Average generation efficiency



PROFILE INDICATORS



DONG Energy's business is based on activities throughout the energy value chain – exploration, extraction, production, distribution and trading. 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: 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 actions in relation

to economic, social, ethical and environmental issues and respond to any risks or opportunities for the Group, our stakeholders and 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 the Group regularly reports on its targets, action, performance, challenges and future plans. Such reporting includes the company's annual report, annual GRI performance report and ongoing dialogue with stakeholders.



Indicator

2.8/EU2

Scale of the reporting organisation

2.8 Scale of the reporting organisation
EU2 Net energy output

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

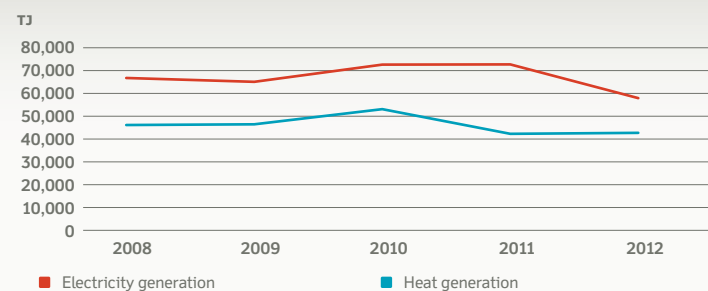
- > Produced volumes of oil, natural gas, heat and electricity
- > Distributed and sold volumes of natural gas and electricity
- > Number of employees

The data can be found on page 109 of the Annual report ('Performance highlights, non-financial'). For details of financial parameters, see pages 15-16 of the Annual report ('Performance highlights, financial'). Reported energy output by country is shown in the table 'Production', providing an overview of DONG Energy's production activities.

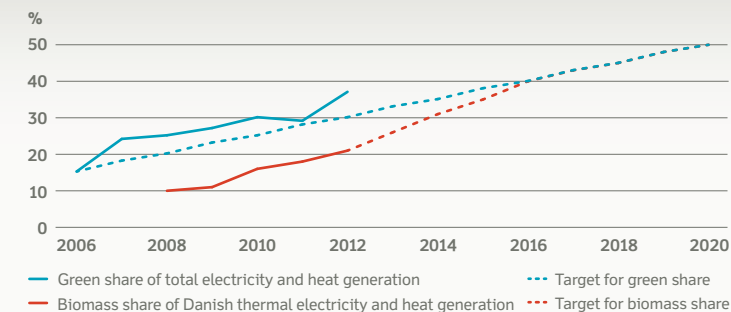
DONG Energy aims to reduce its use of fossil energy in energy generation and increase its use of renewable energy to meet the climate challenge. The target is to increase the proportion of green electricity and heat generation to at least 50% by 2020. This will be achieved through expansion of offshore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

As a consequence, DONG Energy has set additional targets to increase both its use of biomass and its generation of offshore wind energy. The proportion of biomass in electricity and heat generation at Danish power stations must be 40% by 2016 and 50% by 2020. And it is our aim to have 6.5 GW of offshore wind capacity installed before divestment by 2020.

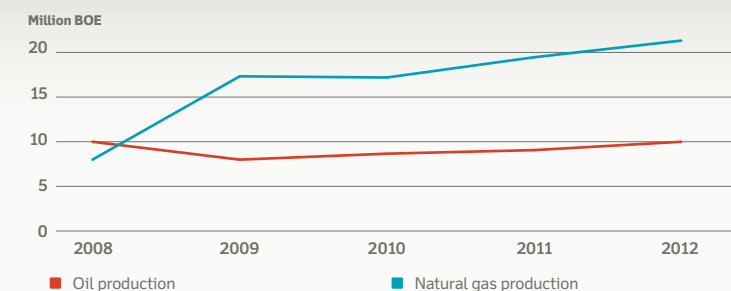
ENERGY GENERATION (ELECTRICITY AND HEAT)



RENEWABLE SHARE OF ELECTRICITY AND HEAT GENERATION



ENERGY PRODUCTION (NATURAL GAS AND OIL)





Indicator



2.8/EU2

Continued

Explanation of development

DONG Energy's electricity generation fell in 2012, reflecting a decrease in generation from DONG Energy's Danish power stations, especially Asnæs and Ensted, and the divestment of the Danish small-scale power stations Grenå, Maribo-Sakskøbing, Ringsted, Slagelse, DTU, Køge and Haslev. As a result of damages, generation at the Severn power station in the UK also fell. There was no generation from Norway due to the divestment of the Nygårdsfjellet wind farm in 2011. The increase in output from the Netherlands reflected the fact that the Enecogen power station had its first full year of operation in 2012.

The overall proportion of green energy generation was 37% in 2012 compared with 29% in 2011. This increase was due to the fact that generation from power stations declined as the biomass share in generation from power stations increased, and

generation from renewables such as wind and hydro also increased. The biomass share of electricity and heat generation from Danish power stations rose from 18% in 2011 to 21% in 2012.

Natural gas production increased, predominantly because of the start-up of the production platforms Oselvar and Marulk in the Norwegian sector of the North Sea and increased production from Ormen Lange. The increase is illustrated in the graph 'Energy production (natural gas and oil)'.

Oil production also increased, reflecting the start-up of the production platforms Oselvar and Marulk and the increase in ownership from 50% to 100% of the Siri production platform in the Danish sector of the North Sea.

PRODUCTION

	Unit	Method	2012	2011	2010	2009	2008
Production							
Electricity generation	GWh	m	16,114	20,420	20,142	18,074	18,536
- Denmark	GWh	m	11,120	14,560	17,140	16,587	-
- Norway	GWh	m	0	7	14	17	-
- Sweden	GWh	m	967	903	1,049	893	-
- United Kingdom	GWh	m	3,152	4,484	1,715	475	-
- Poland	GWh	m	262	267	203	80	-
- France	GWh	m	23	23	21	22	-
- The Netherlands	GWh	m	591	177	0	0	-
Heat generation (Denmark)	TJ	m	42,990	42,572	53,245	46,686	46,380
Natural gas production	million BOE	m	18.5	17.1	15.4	15.5	8.5
- Denmark	million BOE	m	0.3	0.4	0.5	0.5	-
- Norway	million BOE	m	18.2	16.7	14.9	15.0	-
Oil production	million BOE	m	10	9.3	9.0	8.5	10.0
- Denmark	million BOE	m	4.7	4.3	4.6	4.0	-
- Norway	million BOE	m	5.3	5.0	4.4	4.5	-

A line in the table illustrates that comparable data are not available due to missing, incomplete or different inventories.

M = Measured, C=Calculated, E=Estimated



Indicator

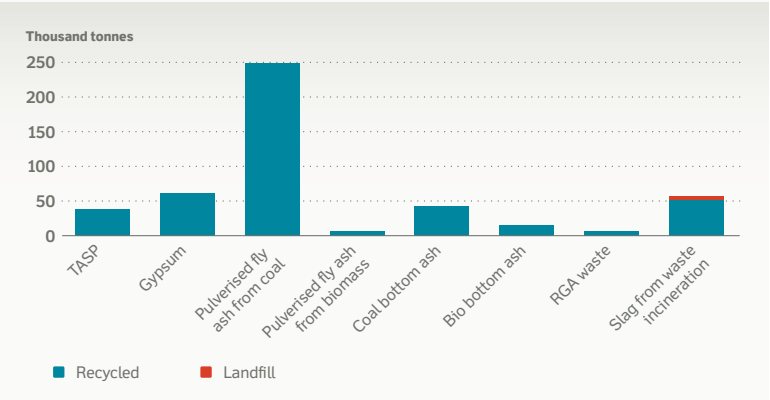


2.8/EU2
Continued

Residual products

Besides generating energy, which is their primary function, 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 graph 'Production of residual products' gives a breakdown by recycling and landfill of the volumes of residual materials produced in 2012.

PRODUCTION OF RESIDUAL PRODUCTS (2012)





Indicator

2.10

Awards received in the reporting period

DONG Energy or DONG Energy employees received the following awards in 2012:

DONG Energy won the SUPAN Security Award for its high security level for SAP use and its well-developed control processes. SUPAN is a network of Denmark's leading experts in SAP security. Henrik G. Bak, Vice President in Corporate Accounting and Tax, received the award on behalf of DONG Energy.

DONG Energy won the European Treasurers' Peer Group's Award for its accounting model. The European Treasurers' Peer Group is an association of people working in the finance departments of major European companies. The award was accompanied by the words:

"The DONG Energy model is as simple as it is groundbreaking. DONG Energy receives a special recognition for sharing the model openly, maybe setting a new standard."

Jens Jakobsson, Technical Director in Sales & Distribution, won the executive management award from the Industrial Occupational Health Committee of the Confederation of Danish Industry (Industriens Branchearbejdsmiljøråd) for his efforts to improve health and safety in DONG Energy. The motivation for the award was:

"DONG Energy Sales & Distribution focuses intensely on health and safety all the way through its management system and is not afraid to use unconventional means. As the director, Jens Jakobsson is the frontrunner and conducts one-on-one talks with all his employees about what they specifically do to improve safety. All employees complete a safety induction and perform an annual inspection round to assess safety and get inspiration on how safety can be improved in their department."

Allan Petersen, Supervisor, Fire & Security in DONG Energy, received the Danish Safety Manager of the Year Award. SecurityUser.dk and the trade association SikkerhedsBranchen – who presented the award – stated the reason for the award as follows:

"Allan is presented with this award due to his committed involvement in the development of the security business and the cooperation between security users and providers."

3.1/3.2/ 3.3/3.4

Reporting cycle and contact point for the report

3.1 Reporting period

3.2 Data of the most recent report

3.3 Reporting cycle

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 27 February 2013 and includes data for the period 1 January 2012 to 31 December 2012. The previous report was published on 9 March 2012.

In 2011, the GRI reporting consisted of the Group annual report, the Annual report and a presentation of the various indicators in a report available online at www.dongenergy.com/SiteCollectionDocuments/CSR/GRI/2011/DONG_Energy_GRI_2011_EN.pdf

For 2012 results, GRI indicators and management approaches will be presented in this GRI report and the Annual report, which can be found at www.dongenergy.com.

Contact point for this report is

Ida Krabek
Stakeholder Relations Officer
idakr@dongenergy.dk



Indicator



3.5

Process for defining report content

With regard to the GRI performance indicators included in this report, we have assessed each indicator in terms of the availability of information over the period 1 January 2012 to 31 December 2012 as well as supposed importance for stakeholders and impact on business. The indicator 4.14 presents a list of the key topics and concerns that DONG Energy focuses on in its dialogue with stakeholders. The selection of issues is based on an assessment of which issues are important to our stakeholders and relevant to our business.

Indicators on which the relevant information was available have been reported on, ensuring that DONG Energy will achieve a B+ application level sustainability report. In addition, a number of new indicators are presented on our responsibility website that relate to a number of environmental and social challenges that are material to DONG Energy's stakeholders as well as DONG Energy.



Indicator



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. Thermal generating capacity is made up of central and small-scale power stations and waste-fired facilities.

The data is compiled on a proportionate basis for all facilities that are recognised in accordance with a consolidation for accounting purposes. Hence, capacities for associates' facilities are not included. Furthermore, capacities for thermal energy 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 Agency but it is not used by DONG Energy for production purposes, unless the Danish transmission company (Energinet.dk), which is also charged with ensuring security of supply in Denmark, requests that the capacity be brought back into service.

However, the Asnæs power station's unit 5 and the Studstrup power station's unit 4 may also be started up by DONG Energy independently in case of the failure of other production units at these facilities, but their capacity is not reported. Both of these units were in operation in 2012, although for unit 5 at Asnæs, production was very low.

CAPACITY

	Unit	Method	2012	2011	2010	2009	2008
Installed electricity capacity							
Thermal	MW	m/c	5,290	4,990	5,064	5,262	5,219
- Denmark	MW	m/c	4,032	4,166	4,240	5,262	-
- United Kingdom	MW	m/c	824	824	824	0	-
- The Netherlands	MW	m/c	434	0	0	0	0
Offshore wind	MW	m/c	785	693	683	730	342
- Denmark	MW	m/c	379	379	375	422	-
- United Kingdom	MW	m/c	406	314	308	308	-
Onshore wind	MW	m/c	321	333	337	349	245
- Denmark	MW	m/c	177	189	189	201	-
- Norway	MW	m/c	0	0	3	3	-
- Sweden	MW	m/c	24	24	24	24	-
- Poland	MW	m/c	112	112	112	112	-
- France	MW	m/c	9	9	9	9	-
Hydro (Sweden)	MW	m/c	161	205	205	205	205
Installed heat capacity (Denmark)							
Thermal	MJ/s	m/c	3,230	3,440	3,503	4,081	3,944
Geothermal	MJ/s	m/c	0	0	7	7	7

A line in the table illustrates that comparable data are not available due to missing, incomplete or different inventories.

M = Measured, C=Calculated, E=Estimated



Indicator

EU1 Continued

Explanation of development

As seen in the table, in Denmark both thermal electricity and heat capacity were lower in 2012 than in 2011, mainly reflecting the divestment of the Danish small-scale power stations Grenå, Maribo-Sakskøbing, Ringsted, Slagelse, DTU, Køge and Haslev and the divestment of the Masnedø power station's unit 12. The new thermal electricity capacity in the Netherlands reflects the inclusion of the Enecogen power station, which was being tested in 2011 and therefore was not reported in 2011.

The higher offshore wind capacity in 2012 was due to start-up of operation at the Walney II offshore wind farm in the UK. Onshore wind capacity decreased slightly, mainly due to the divestment of the wind turbines at Kappel in Denmark.

EU3

Number of residential and 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	2012	2011	2010	2009	2008
ELECTRICITY						
Denmark	number	875,791	890,887	924,914	907,631	942,704
- residential customers	number	760,645	773,189	834,518	785,377	814,225
- industrial and commercial customers	number	115,146	117,698	90,396	122,254	128,479
The Netherlands (residential customers)	number	45,056	46,791	38,840	39,000	38,647
The Netherlands (commercial customers)	number	6,303	13,549	19,318	5,000	0
NATURAL GAS						
Denmark	number	115,504	121,199	124,845	122,487	124,209
- residential customers	number	103,945	105,888	109,439	109,103	108,141
- industrial and commercial customers	number	11,559	15,311	15,406	13,384	16,068
The Netherlands (residential customers)	number	84,662	94,188	94,713	101,000	106,533
The Netherlands (commercial customers)	number	10,541	20,549	18,034	10,000	6,429
Sweden (wholesale and industrial customers)	number	469	593	615	426	515
United Kingdom (industrial and commercial customers)	number	3,829	0	0	0	0



Indicator



EU5

Allocation of CO₂ allowances or equivalent

In connection with the Kyoto Protocol, the EU implemented a trading scheme for CO₂ allowances (Emissions Trading System (ETS)) in 2005. The scheme covers the main part of the energy sector in Europe and large industrial energy consumers. The trading scheme limits the level of CO₂ that a company may legally emit. Companies that exceed this level must finance corresponding CO₂ reductions elsewhere.

EU ETS and DONG Energy

EU ETS regulates DONG Energy's activities, including the Siri offshore platform, Nybro gas treatment plant, 15 Danish power stations, one UK power station (Severn) and one Dutch power station (Enecogen). In 2008-2012, CO₂ allowances were granted for the major part of these activities. The allowances totalled 10.4 million tonnes of CO₂ in 2012 and were allocated to the individual plants based on historic emission levels. Of this amount, heating allowances accounted for 2.1 million tonnes. The heating allowances are not owned by DONG Energy but managed by DONG Energy for its heat customers.

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.

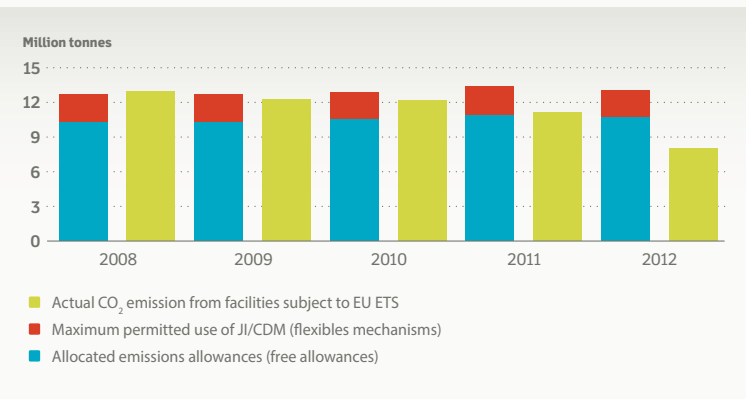
Each year, external assurance providers verify emissions. Based on actual emissions for Danish plants, a corresponding number of allowances and/or credits is returned to the Danish Energy Authority in March of the following year. Allowances are allocated each year in February for that year. A similar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

DONG Energy 2012 emissions and allowances

DONG Energy sells and purchases allowances on an ongoing basis. The actual distribution between allocated free allowances and purchased allowances 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 7.8 million tonnes in 2012, which means that allocated allowances potentially constituted more than 100% of actual emissions.

The chart shows the correlation between allocated allowances and the maximum number of flexible mechanisms that may be used. Actual emissions for 2008-2012 are also shown.

DONG ENERGY AND EU ETS 2008-2012



The future of the EU ETS

From 2013, fewer allowances will be granted. For industry and heat production, the share of allowances granted will be phased out over a 15-year period, while for electricity generators no further allowances will be granted. Electricity generators must therefore buy the allowances needed to cover their emissions.

DONG Energy is making dedicated efforts to reduce its CO₂ emissions per kWh generated. This means that it will need fewer allowances. 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.

The EU ETS is an important part of the European Energy Policy and a key driver behind the transformation towards a clean energy system. At present, the transformation is complicated by the fact that allowance prices are too low to make renewables competitive compared with traditional fossil fuels. DONG Energy supports the EU Commission's proposal to backload allowances to increase prices.



Indicator



4.1

Governance structure of the organisation, including committees under the highest governance body

Under the Danish Companies Act, the management of a public limited company may, among other things, be composed of a two-tier management: a Board of Directors appointed by the shareholders and an Executive Management 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 (in Danish '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 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 male, except for one member. Two of the four members elected by the employees are female. Breakdown of Board by age group:

Born	Members
1940 – 1945	1
1946 – 1950	3
1951 – 1955	2
1956 – 1960	2
1961 – 1965	2
1966 – 1970	2

Further information on the individual members is available at 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)
- > Jakob Brogaard
- > Jørn P. Jensen

The terms of reference of the Audit & Risk Committee are available at www.dongenergy.com/SiteCollectionDocuments/about_us/Corporate_governance/Terms-of-reference-for-the-risk-committee.pdf

Remuneration Committee members:

- > Fritz H. Schur (Chairman)
- > Lars Nørby Johansen

The terms of reference of the Remuneration Committee are available at www.dongenergy.com/SiteCollectionDocuments/about_us/Corporate_governance/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 of 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 SE)
- > Ulrik Kragh (appointed by Insero Horsens)

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



Indicator

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 Annual report.

4.3

Members of the highest governance body that are independent and nonexecutive

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 (male) member, 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.

4.4

Mechanisms to provide recommendations or directions 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 and an external lawyer. 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

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 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 interest for any members of the Board. To the extent that a potential conflict of interest exists, a case-by-case approach is applied.

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 annual general meeting. 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 Annual report ('Management information').



Indicator

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 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
www.dongenergy.com/SiteCollectionDocuments/CSR/Documents/en_corporate_responsibility_policy.pdf

4.10

Processes for evaluating the highest governance body's own performance

The Board undertook a structured self-assessment in 2012 based on assessment forms distributed to each Board member and subsequent discussion of the responses by the full Board.

See also the Annual report ('Management information').

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 in DONG Energy is to identify, manage and control risks to which the Group is exposed in a way that is in line with its strategic, environmental, people-related and financial targets.

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



Indicator



4.12/4.13

Endorsements and memberships

4.12 Externally developed initiatives to which the organisation endorses

4.13 Memberships in associations and advocacy organisations

DONG Energy is a member of a number of forums and organisations. Below is a list of our key memberships. DONG Energy frequently participates in various energy and climate-related conferences and forums in Denmark and abroad.

Denmark

- › Danish District Heating Association (Dansk Fjernvarme)
- › Danish Gas Association (Dansk Gas Forening)
- › Danish Wind Industry Association (Vindmølleindustrien)
- › Danish Wind Turbine Owners' Association (Danmarks Vindmølleforening)
- › Danish Energy Association (Dansk Energi)
- › Oil/Gas Denmark (Olie Gas Danmark)
- › Danish Chamber of Commerce (Dansk Erhverv)
- › Danish Electric Vehicle Alliance (Dansk Elbil Alliance)
- › Intelligent Energy (Intelligent Energi)
- › Confederation of Danish Industry (Dansk Industri, DI)
- › Danish Energy Industry Federation (DI Energibranchen)
- › CONCITO
- › Biorefining Alliance

Germany

- › Stiftung Offshore Wind
- › Bundesverband der Energie- und Wasserwirtschaft e.V. (BDEW)
- › German Wind Energy Association (Bundesverband Windenergie, BWE)
- › Verband der Kommunalen Unternehmen (VKU)
- › Industrieverband Hamburg e.V. (IVH)

The Netherlands

- › Energie Nederland
- › Gas Storage Netherlands (Gasopslag Nederland)
- › Energy Data Services Nederland (Energie Data Services Nederland)

Norway

- › Norwegian Clean Seas Association for Operating Companies (Norsk Oljevernforening For Operatørselskap, NOFO)
- › Norwegian Oil and Gas Association (Norsk olje & gass)
- › Petro Arctic
- › The SOL-Network

Sweden

- › The Swedish gas association (Svenska Gasförening)

UK

- › Energy UK
- › Energy Futures Group (EFG)
- › Parliamentary Renewable and Sustainable Energy Group (PRASEG)
- › Renewable UK
- › Oil and Gas UK
- › Westminster Energy Forum (WEF)

Poľand

- › Polish Wind Energy Association (Polskie Stowarzyszenie Energetyki Wiatrowej, PSEW)
- › Foundation for Sustainable Energy (Fundacja Na Rzecz Energetyki Zrównowazonej, FNEZ)
- › Polish Chamber for Renewable Energy (Polska Izba Gospodarcza Energii Odnawialnej, PIGEO)
- › Polish Offshore Wind Energy Society (Polskie Towarzystwo Morskiej Energetyki Wiatrowej, PTMEW)

Internationally/EU

- › Business Social Responsibility
- › European Federation of Energy Traders (EFET)
- › Eurelectric
- › Eurogas
- › European Wind Energy Association (EWEA)
- › UN Global Compact
- › Global Reporting Initiative (GRI)
- › Friends of the Super Grid
- › ePURE
- › Sustainia
- › Biobased Industries Public Private Partnership



Indicator

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 these – regardless of their focus. DONG Energy is in dialogue with its surroundings and continuously seeks to identify challenges and expectations in the public debate. In 2012, DONG Energy engaged in dialogue centrally as well as locally with the external community on a whole range of issues. See mapping of and dialogue with DONG Energy's stakeholders in the table 'Stakeholder dialogue'.

STAKEHOLDER DIALOGUE

Stakeholder	Top 3 issues in 2012	Key tools and processes	Outcome of interaction
Investors	<ul style="list-style-type: none"> › Value creation from transformation to a cleaner energy 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 	Feedback from investors enables us to identify both their concerns and areas for improvement.
Suppliers	<ul style="list-style-type: none"> › Social and environmental sustainability in the supply chain › Health and safety in supplier operations › Requests for public access to environmental information 	<ul style="list-style-type: none"> › Code of conduct › Audits and self-assessment surveys › Visits and meetings 	Setting consistent expectations for our suppliers reduces risk and improves compliance across our supply chain. Also, environmental information is disclosed to the public.
NGOs	<ul style="list-style-type: none"> › Fuel sourcing and usage › Supply chain requirements › Climate change and exploration activities 	<ul style="list-style-type: none"> › Issue and round-table meetings › Cooperation with consumer associations › Partnerships › Donations › Networks and meetings 	NGO concerns are a 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 Annual report.
Local communities	<ul style="list-style-type: none"> › Continue the dialogue on our commercial activities with local communities › Energy partnerships with municipalities › Creating shared value 	<ul style="list-style-type: none"> › Dialogue and community meetings › Direct, face-to-face relationships › Interaction with local media › Information and site-specific websites › Exhibitions about our projects in local areas 	Maintaining an open dialogue with the communities in which we operate allows us to build constructive long-term relationships. For further information on how we respond to community concerns, please read 'Management approach – Society' and GRI indicators SO1 and SO2.
Customers	<ul style="list-style-type: none"> › Focus on excellent customer service through personal service › Media coverage in relation to change in leadership › High demand for sustainable energy installations, e.g. solar panels 	<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 	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.com .
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 	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 'Management approach – Labour practices' and LA indicators.
Regulators	<ul style="list-style-type: none"> › Energy market efficiency › Security of supply with increased share of intermittent energy › Transformation of the energy system 	<ul style="list-style-type: none"> › Energy expertise and information sharing › Contribution to consultation process responses and providing information regarding DONG Energy activities › Individual discussions and exchanges with joint industry and regulatory committees › Information on DONG Energy activities and impact on DONG Energy of regulation 	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.



Indicator

4.15

Basis for identification and selection of stakeholders with whom to engage

DONG Energy has a good overview of the organisation's principal stakeholders in our key markets. DONG Energy considers employees, customers, NGOs, regulators, suppliers, investors and local communities to be some of our most important 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 building our stakeholder overview, we group stakeholders into the following categories:

1. Stakeholders connected to footprint
2. Stakeholders connected to supply chain

The overall responsibility for coordinating DONG Energy's stakeholder dialogue across our footprint and supply chain lies with the Group function Stakeholder Relations, set up in 2011. The purpose of this function 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. The priority of this function has been to establish an organisational setup for a systematic approach to stakeholder engagement, focusing first on Denmark and DONG Energy's supply chain and subsequently on DONG Energy's entire footprint. This is a work in progress.

Stakeholder Relations is also responsible for managing relations with DONG Energy's societal stakeholders. By engaging in dialogue and listening to stakeholders as well as communicating DONG Energy's positions on the issues that our stakeholders are interested in, the aim is to secure a better understanding between DONG Energy and relevant stakeholders in order to ensure that the most expedient decisions are made.

4.16

Approaches to stakeholder engagement

The figure 'Stakeholder dialogue' shown in indicator 4.14 displays 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 recent years, DONG Energy's growth has mainly taken place outside Denmark and this will continue to be the case. 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 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 operating phases, DONG Energy engages in dialogue with stakeholders and the local community to be able to address any issues arising. We acknowledge that we cannot meet all stakeholder expectations, but we are committed to continuous dialogue and are working hard to meet the challenges in our value chain.

Please see SO1 for further information.

4.17

Key topics and concerns that have been raised through stakeholder engagement

For DONG Energy's key stakeholder issues in 2012, see the table 'Stakeholder dialogue' in indicator 4.14.

Furthermore, DONG Energy's dialogue with its stakeholders has led to the identification of five overall issue areas that DONG Energy's responsibility work will focus on in the years to come. Please see the Annual report ('CSR report'). The issues are also presented at www.dongenergy.com/EN/responsibility.



ENVIRONMENTAL INDICATORS



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

As an energy company we are faced with the dual challenge of meeting society's increasing demand for energy while at the same time minimising the environmental impacts of supplying energy. DONG Energy cannot singlehandedly ensure that the global energy supply undergoes the necessary changes towards a cleaner and yet reliable energy supply. But we hope we can help show the way. To this end, since 2006, we have been reducing our CO₂ emissions per kWh of electricity and heat generated. We are determined to reach our 2020 targets of emitting no more than 260 g of CO₂ per kWh generated, with 50% of the heat and electricity generated coming from green sources such as wind, hydro and biomass. These are our most important environmental targets. However, we are working to improve our environmental performance in many other areas as well.

Our work is based on the conviction that we can turn environmental challenges into opportunities which, while creating value for DONG Energy and our shareholders, also make a positive contribution to the societies of which we are part.

Policies

DONG Energy's quality, health, safety and environmental (QHSE) management system sets out the fundamental requirements that each of our business units must follow to keep people safe and minimise impacts on the local environment.

It consists of:

- > an overall QHSE policy
- > general QHSE guidelines outlining a broad range of requirements that are seen as essential for environment across our businesses

- > function-specific standards, which are critical to maintaining environmentally high-performing operations, designed to be managed by the Group's operational business functions and to promote line management accountability for and ownership of environmental systems and processes

DONG Energy's environmental standards are informed by a variety of sources, including regulatory bodies and cooperation with peer group companies and local legislative requirements. As a result, the Group's approach to the management of environmental risks is consistent with internationally accepted standards for environmental management systems.

See DONG Energy's QHSE policy at www.dongenergy.com/SiteCollectionDocuments/CSR/Documents/en_policy_for_qhse.pdf

Governance

QHSE performance is the responsibility of line management in each of DONG Energy's business units. Furthermore, a central Group QHSE function supports development of QHSE and audits the business units' QHSE performance.

The cross-organisational QHSE Management Group, which is comprised of the QHSE Manager from each of DONG Energy's business units, ensures that we achieve synergies within QHSE. It is also responsible for the strategic QHSE work and for ensuring the implementation of the corporate vision, values, policy, strategy and targets regarding QHSE.



The Group Executive Management is the highest authority with regard to QHSE. It is advised by the QHSE Management Group on issues such as:

- > QHSE policy and strategy development
- > setting of corporate QHSE targets and external reporting of results
- > setting of corporate QHSE standards and acceptance criteria

Goals and performance

Risk-based environmental 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 to continually optimise systems and processes.

Our management systems encourage the individual business units to continuously improve their environmental performance with the focus on minimising the most significant environmental risks and impacts. Risk management is thus an integral part of our environmental management systems. We aim to minimise harmful impacts from our activities throughout their life cycle, from initial project planning to operations and decommissioning.

Improved energy efficiency in consumption

All energy consumption has an environmental impact given that it requires resources and emits CO₂ to produce energy. More efficient and intelligent use of energy produced is an important parameter in combatting climate change. DONG Energy is not only an energy producer but also an energy consumer like all other companies and energy savings have therefore been one of DONG Energy's focus areas since 2007. We are striving to improve our energy efficiency by 10% by the end of 2015 compared with 2010.

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. EIAs are therefore used on 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 cycle.

Improving a wide range of environmental parameters

At DONG Energy, a variety of environmental focus areas and local targets exist as different business activities have different environmental impacts and therefore different environmental priorities. These are some of our environmental focus areas:

- > CO₂ emissions from electricity and heat generation
- > Energy consumption
- > NO_x and SO₂ emissions from power stations
- > Waste generation

The performance for each focus area is described under the relevant indicators.



Indicator

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 to generate 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 below 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 'Raw materials and energy consumption', along with statements of electricity and heat broken down by source. Figures on the next page show the consumption of raw materials and recycled raw materials in relation to the total weight of raw materials.

RAW MATERIALS AND ENERGY CONSUMPTION

	Unit	Method	2012	2011	2010	2009	2008
Consumption of raw materials							
Coal	tonnes	m	2,428,158	3,432,594	3,767,001	4,018,880	4,388,756
Oil	tonnes	m	52,871	70,511	174,654	232,040	209,215
Natural gas	1000 Nm ³	m	1,033,079	1,224,955	1,058,448	845,863	864,951
- of which flaring	1000 Nm ³	m	8,882	9,004	33,035	7,335	8,623
- of which venting	1000 Nm ³	m	68	67	62	36	47
Biomass incl. bio oil and wood	tonnes	m	1,522,966	1,675,280	1,826,726	1,279,272	1,249,306
Waste	tonnes	m	271,240	252,938	582,323	638,481	635,477
Energy consumption (electricity and heat)							
Electricity consumption power stations	MWh	m	8,860	9,678	32,775	23,728	34,224
Heat consumption power stations	GJ	m	46,072	59,461	65,091	53,868	50,409
Electricity consumption	MWh	m	65,678	77,221	106,527	109,354	98,627
Heat consumption	GJ	m	46,745	80,549	161,508	109,241	119,113
Heat from external sources	GJ	m	38,726	644,382	644,685	457,316	-

A line in the table illustrates that comparable data are not available due to missing, incomplete or different inventories.

M = Measured, C=Calculated, E=Estimated



Indicator

**EN1/EN2/
EN3/EN4**
Continued

Explanation of development

The fall in coal and oil consumption is due to the lower production and change in the production pattern of the power stations. Also, there has been a particular fall in consumption at the Avedøre power station because of its focus on reducing oil consumption.

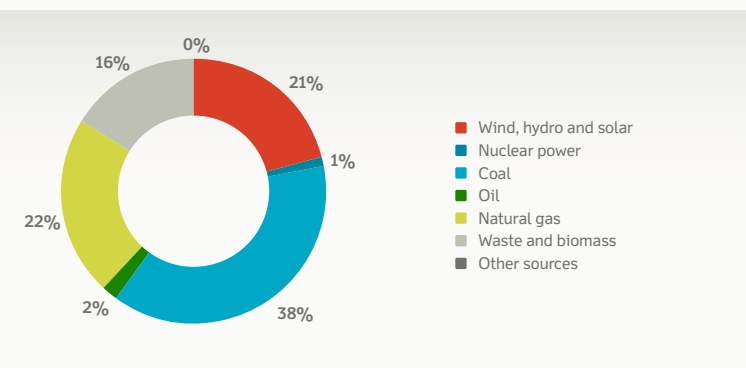
The decrease in electricity and heat consumption at power stations is due to power stations having been sold and therefore not included in 2012 and to lower production in 2012.

Electricity consumption for administration and facilities fell. This was due to lower consumption at the Filsø pumping station, where a means of reducing electricity consumption during the emptying slop tanks was identified. The historic data for electricity for administration have been adjusted due to a missed electricity meter and missed consumption from data centre, both of which are now included in the electricity consumption for administration for 2010 and 2011.

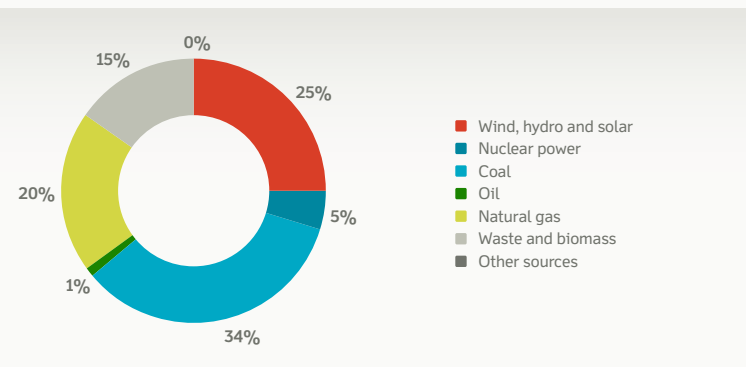
Heat consumption fell in 2012, reflecting the divestment of oil terminals. Heat consumption for administration has been adjusted for 2010 and 2011 because of a significant calculation error related to heat consumption at our administration buildings. 'Consumption of heat from external sources' fell, reflecting the divestments of the Grenå and Slagelse power stations.

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.

BREAKDOWN OF INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE (2011)



BREAKDOWN OF INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE (2012)





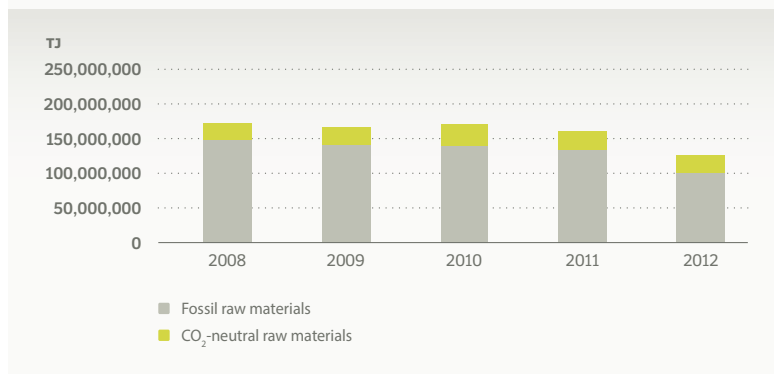
Indicator

**EN1/EN2/
EN3/EN4**
Continued

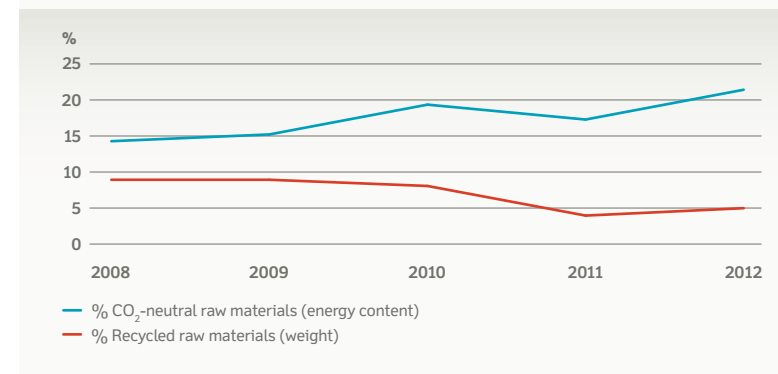
From an environmental perspective, an interesting aspect is the ratio of renewable to fossil energy sources and therefore also whether DONG Energy is focusing on making its energy consumption more sustainable. Fossil fuels are calculated as the sum of coal, oil and natural gas consumption, while CO₂-neutral fuels are made up of waste and biomass used at the power stations. This is illustrated in the chart 'Consumption of raw materials'.

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 energy sources, such as coal, oil and gas. The percentage of recycled raw materials (i.e. waste) can be seen in the figure 'Recycling and CO₂-neutral materials', which also shows the ratio of CO₂-neutral fuels to total fuel consumption.

CONSUMPTION OF RAW MATERIALS



RECYCLING AND CO₂-NEUTRAL MATERIALS





Indicator



EN5/EN18

Energy savings and reductions in greenhouse gas emissions

The world needs green and reliable energy, and in sufficient quantities, to meet the increasing demand for energy. This calls for intelligent production, supply and use. DONG Energy wants to supply reliable energy that is greener while reducing its own consumption.

Increasing global demand for energy and diminishing availability of fossil energy resources, coupled with climate change, call for a transformation of the energy supply sector. DONG Energy on its own cannot ensure that global energy supply undergoes the necessary change in the years ahead to limit climate change. But with initiatives such as our 85/15 plan for reducing CO₂ emissions and our energy efficiency strategy we hope to help show the way.

Increasing energy efficiency

From a climate perspective, the cleanest energy is energy that is not produced at all. DONG Energy therefore believes that increasing energy efficiency is just as important in curbing climate change as changing energy supply. To that end, DONG Energy works both internally and with customers, for example through our climate partnerships, to increase energy efficiency.

DONG Energy considers energy efficiency to be a good business case and a good way of demonstrating responsible behaviour. Furthermore, it is a way to increase the value and diminish the vulnerability of our business in the light of rising energy prices. Increased energy efficiency also helps cut dependence on fossil fuels.

DONG Energy will prioritise and continuously improve energy efficiency at its offices and facilities to contribute to reducing emissions of greenhouse gases while supporting financially sound operations.

Each process is optimised so that it uses less energy relative to the level of activity. In the EU, energy use in buildings accounts for 40% of total energy use. Although DONG Energy's use of energy in buildings is less significant, we need to optimise and continuously improve the intensity of our energy use.

Energy efficiency target

Our target is to improve our energy efficiency by 10% by the end of 2015 compared with 2010. In 2012, we improved our overall energy efficiency by 0.5% compared with 2010.

DONG Energy's energy consumption depends very much on its activity level, which in most cases depends on the level of production or pipeline transportation of energy products. The higher our production, the higher our energy consumption. Therefore, both energy savings and energy efficiency are continuous areas of improvement.

In 2011 and 2012, we focused on finding energy-saving projects or finding solutions that require less energy. In 2012, we improved our energy efficiency by reducing the need and thus also the energy consumption for desulphurisation pumps. In 2012, we also lowered oil pipe pressure and modified kettle and circulation pumps in our gas distribution, both of which have increased our energy efficiency.

Measures in administration buildings have also led to a large reduction in our kWh consumption per m² of office capacity since 2010. Activities in 2012 included introducing sensor control of lighting in buildings and offices. Among other things, we also optimised our use of electricity in data centres and reduced energy consumption for circulation pumps.

Reductions in CO₂ emissions

The reduction in DONG Energy's CO₂ emission per generated energy unit (electricity and heat) is a result of efforts to provide cleaner and reliable energy. Each year, the environmental performance of our generation capacity improves as we move towards more CO₂-efficient generation (see EN16/EN20 on air emissions for more details on the target for CO₂ efficiency in generation).



Indicator



EN6

Energy-efficient or renewable energy-based products and services

DONG Energy has an extensive investment programme to increase the share of its energy generation that comes from renewable sources and DONG Energy sells electricity from renewable sources to customers in all its principal markets. At the same time, DONG Energy helps customers improve their 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 table 'Energy-efficient products' shows examples of the savings achieved by the Group on green electricity sold and CO₂ emissions eliminated. These are not reported under the so-called Demand Side Management (DSM) energy savings agreement shown under the headline 'Energy savings for customers'. The savings for each type of energy-saving initiative are shown in the table.

The increase in green electricity sold from 2011 to 2012 was due to an increase in wind power sales. The lower reduction in CO₂ emissions allowances reflected a decline in sales of the 'CO₂ Balance' product to residential customers and a decrease in sales to businesses.

The lower total energy savings in 2012 compared with 2011 reflected the fact that, in 2012, we came to the end of a contract period (2010-2012) during which we had more than reached our goals for energy savings – we actually overperformed and therefore scaled down energy saving efforts. The lower energy savings for commercial and institutional customers were due to the fact that these are the most expensive savings to achieve and we are committed to making the most cost-effective energy savings.

Climate partnerships, contribution to DSM (industrial, commercial, institutional)

DONG Energy's climate partnership concept is designed to promote the use and development of renewable energy. DONG Energy's energy advisors conduct energy screenings and identify energy-saving projects that DONG Energy's climate partners are encouraged to invest in.

In addition to the direct financial savings achieved and the CO₂ reduction that may result, climate partners commit to using all or part of the financial savings to purchase wind energy RECS certificates, reducing their CO₂ emissions even further.

At the end of 2012, DONG Energy had more than 135 climate partnerships. In 2012, energy savings realised by climate partnership customers amounted to 47,331 MWh.

ENERGY-EFFICIENT PRODUCTS

	Unit	2012	2011	2010	2009	2008
Green electricity sold	GWh	695,864	646,519	735,177	418,396	-
Eliminated CO ₂ quotas	number	1,361	2,193	1,819	3,054	-
Energy savings for customers						
Total	MWh	326,562	331,588	325,047	145,100	182,900
Residential customers	MWh	37,279	43,090	104,000	54,000	94,300
Industrial customers	MWh	262,377	240,897	167,798	83,800	88,600
Commercial customers*	MWh	10,041	18,916	41,354	-	-
Institutional customers*	MWh	16,865	28,685	11,895	7,300	-

A line in the table illustrates that comparable data are not available due to missing, incomplete or different inventories.

*As of 2009 institutional customers are reported separately. As of 2010 commercial customers are also reported separately. Previously, both were part of the industrial customers.



Indicator

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 its power stations, which use 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 returned to the recipient. 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 stations 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 other 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 average administration buildings. Data for water consumption and discharge is shown in the table below.

WATER CONSUMPTION AND DISCHARGES

	Unit	Method	2012	2011	2010	2009	2008
Water consumption							
Groundwater from own source	m ³	m	1,298,416	167,709	229,594	163,827	75,364
Waterworks water	m ³	m	785,195	1,172,273	1,375,764	1,450,195	1,751,151
Discharges to water							
Wastewater to recipient without own treatment	m ³	m	472,595	599,878	561,198	564,036	715,836
Wastewater to recipient after own treatment	m ³	m	240,812	274,766	92,572	78,183	13,697
Wastewater to treatment plant without own treatment	m ³	m/e	455,988	677,565	852,876	811,181	734,857
Wastewater to treatment after own treatment	m ³	m/e	146,802	104,478	34,914	-	-
Production water to sea from offshore production	m ³	m/c	853,423	1,022,515	639,342	1,548,105	1,685,520
Oil to sea from offshore production	tonnes	m/c	16	16	8	18	24
Reinjection, offshore production							
Reinjection of production water	m ³	m/c	4,174,198	2,175,489	2,202,593	1,470,238	1,774,842
Reinjection of natural gas	Nm ³	m/c	113,994,279	106,831,956	71,475,572	91,583,834	52,581,228

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



Indicator

EN8/EN21
Continued

Explanation of development

Data for water consumption and wastewater discharges prior to 2012 is not complete. Therefore, the development of data from 2011 to 2012 is not explained.

Reinjection of produced water from offshore platforms has increased significantly, reflecting an increase in DONG Energy's ownership share of the Siri platform. Furthermore, a focus on the daily reinjections at the Syd Arne platform has led to an increase in reinjection and resulted in a lower discharge of produced water to sea.

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



Indicator



EN16/EN20

Air emissions

EN16 Total direct and indirect greenhouse gas emissions
EN20 NO_x, SO₂ 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 in focus. Emissions from transportation of products, materials, employees and waste are not reported.

Greenhouse gases

As an energy company, emission of greenhouse gases is an important action 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%. 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 stations, as these emissions are considered to be direct emissions.

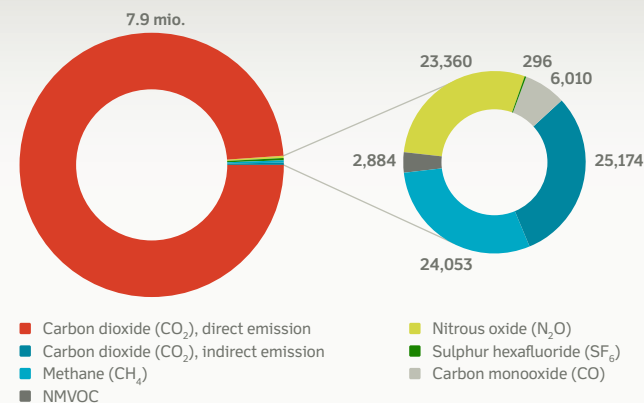
At DONG Energy, we have set ourselves two ambitious targets that we are working towards:

- > By 2020, we will reduce our CO₂ emissions by 60% per MWh generated compared with 2006
- > By 2040, we will reduce our CO₂ emissions by 85% per MWh generated compared with 2006

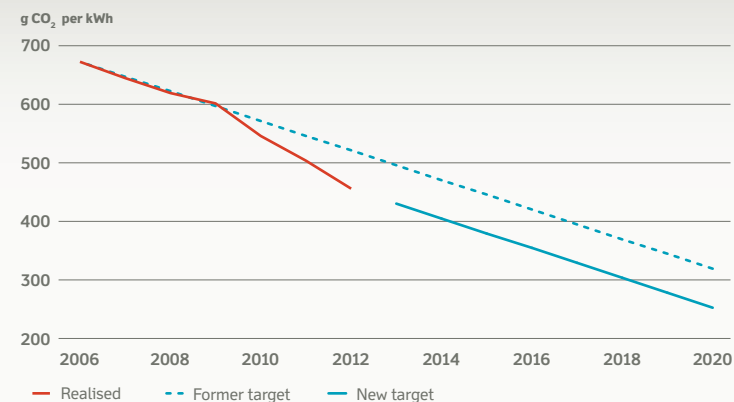
These ambitious targets will be achieved by radical conversion of DONG Energy's electricity generation from fossil to renewable energy. The 2020 target has been adjusted to be more ambitious than our former target of reducing CO₂ emissions by 50% per MWh generated by 2020 compared with 2006. The new target was decided upon to maintain a focused effort to continuously reduce CO₂ emissions from heat and electricity generation.

In 2012, the specific CO₂ emission was 443 g/kWh compared with 486 g/kWh in 2011. 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.

GREENHOUSE GAS EMISSIONS IN TONNES (2012)



TARGET FOR CO₂ REDUCTION





Indicator

EN16/EN20
Continued

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.

Efficient utilisation of DONG Energy's unique capabilities in offshore wind has made DONG Energy the global market leader in the design, construction and operation of offshore wind farms.

NO_x and 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% and 95% respectively by 2020 compared with 1990. For NO_x, this means that emissions must have fallen to 0.33 g/kWh by 2020, as they 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 0.07 g/kWh, equivalent to a 99% reduction compared with 1990.

For NO_x, emissions have to be reduced further, as they are currently 0.39 g/kWh, equivalent to a reduction of 88% compared with 1990. Analyses show that reduction of NO_x emissions from power stations does not necessarily require new, expensive plants. In fact, in some cases it pays not to invest in new, expensive deNO_x plants that capture nitrogen oxides and prevent them from being emitted. Instead, DONG Energy's business unit Thermal Power focuses on making a number of small investments and improving operation and maintenance at the power stations, both those with and those without deNO_x plants.

The financial conclusion is clear: the largest savings are generated by optimising the operation of power stations with deNO_x plants and continuously improving the plants without.

In 2012, the demand and production pattern meant that smaller production units with a lower NO_x efficiency were used proportionally more than in 2011. The total volume of NO_x was lower in 2012 than in 2011, but the specific NO_x emission was affected by this production pattern despite the tight focus on NO_x-saving initiatives at our power stations.

The change in production pattern also affected the specific SO₂ emission, with a small increase compared with 2011.

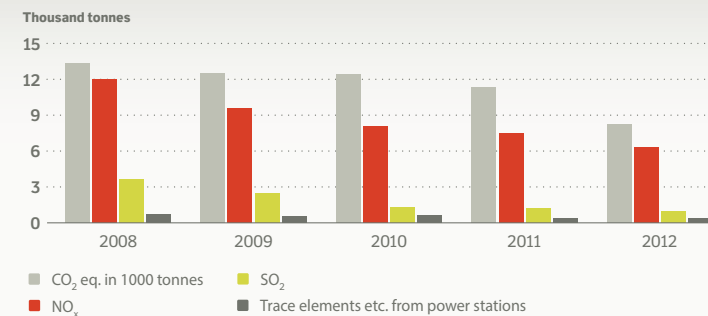
Great expectations of new catalyst replacement strategy

The Studstrup power station is a good example of how it is possible to achieve very low NO_x emissions by means of optimised operation and maintenance of deNO_x plants. After installation of a new catalyst layer in 2011, the power station's specific NO_x emissions have been approximately 9mg NO_x /MJ, corresponding to approximately one third of the level at similar central power stations.

Optimised combustion resulted in fuel savings

Progress is also being made at power stations without deNO_x plants. For example, the Skærbæk power station has reduced its emissions by approximately 20% by optimising combustion, and, as an added bonus, fuel consumption has fallen due to the optimised combustion. Similar activities are currently ongoing at the Asnæs and Herning power stations.

EMISSIONS TO AIR





Indicator

EN16/EN20
Continued

In 2012, we have put in place the following measures to reduce emissions from our power stations:

- > accelerated replacement of disabled/spent catalysts. In 2012, we replaced one or more catalysts at the Avedøre, Esbjerg and Studstrup power stations.
- > in order to reduce the primary NO_x formation, combustion was optimised at the Herring, Asnæs and Svanemølle power stations.
- > installation of deNO_x plant on the Horsens power station's gas turbine.
- > NH₃ injection in the catalyst process at Esbjerg power station is improved.

Initiatives in 2012 built on the expertise gained and investments made since DONG Energy began to reduce emissions from its stations.

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 other fuels with less (natural gas) or no CO₂ emission (biomass).

Indirect CO₂ emissions also fell, mainly due to a reduction in electricity consumption at the Filsø pumping station.

EMISSIONS TO AIR

	Unit	Method	2012	2011	2010	2009	2008
Greenhouse gas emission							
Carbon dioxide (CO ₂), direct emission	million tonnes CO ₂ eqvt.	m/c	7.9	10.9	11.9	12.0	12.7
- of which verified CO ₂ subject to quotas	million tonnes CO ₂ eqvt.	m/c	7.8	10.8	11.8	11.9	12.6
Carbon dioxide (CO ₂), indirect emission by purchase of electricity and heat	tonnes CO ₂ eqvt.	c	25,174	31,470	47,072	48,412	54,923
Methane (CH ₄)	tonnes CO ₂ eqvt.	c	24,053	27,708	39,905	50,059	61,796
Non methane volatile organic compounds (NMVOC)	tonnes CO ₂ eqvt.	c	2,884	3,256	3,749	8,270	26,469
Nitrous oxide (N ₂ O)	tonnes CO ₂ eqvt.	c	23,360	30,179	48,156	50,045	73,262
Sulphur hexafluoride (SF ₆)	tonnes CO ₂ eqvt.	c	296	180	217	159,60	615,60
Carbon monooxide (CO)	tonnes CO ₂ eqvt.	c	6,010	6,049	7,184	5,810	5,664
Key performance indicator (KPI) for the 85/15 strategy							
Specific emission of CO ₂ for DONG Energy excl. E&P (85/15)	g CO ₂ /kWh	m/c	443	486	524	574	590
Other significant emissions and specific emission KPI's							
Nitrogen oxide (NO _x)	tonnes	m/c	6,130	7,253	7,853	9,304	11,650
Specific emission of NO _x from DONG Energy's power stations	g NO _x /kWh	m/c	0.39	0.36	0.38	0.50	0.50
Sulphur dioxide (SO ₂)	tonnes	m/c	927	1,172	1,268	2,425	3,507
Specific emission of SO ₂ from DONG Energy's power stations	g SO ₂ /kWh	m/c	0.07	0.06	0.07	0.14	0.14

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M = Measured, C=Calculated, E=Estimated



Indicator



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

Waste can be a resource

The concurrent financial and resource crises have made it clear that Europe must ensure sustainable growth. Resource scarcity has also become a financial risk to companies. We therefore need to use available and scarce resources efficiently and sustainably.

A crucial part of this process is minimising our waste production and we must strive to turn waste into resources and expenses to profit. In this way, we can increase our resource efficiency and at the same time create a more intelligent design solution, minimise waste handling expenses and increase production efficiency.

DONG Energy develops resource productivity technologies such as our three advanced biotechnologies within New Bio Solutions – Inbicon, REnscience and Pyrener. These can convert residual bio resources into high-value energy products such as second-generation bioethanol, biogas and advanced biomaterials. We also have targets and processes in place to increase our waste recycling from production facilities and administration.

DONG Energy progress on waste targets

According to the table below, waste volumes for recovery increased in 2012 compared with 2011, reflecting a higher level of construction activity at DONG Energy's facilities in 2012. The volumes of waste for incineration fell, mainly due to a lower activity level in the North Sea, reducing waste levels at Fredericia Oil Terminal.

In 2009, DONG Energy set Group-wide targets for its handling of waste from both facilities and administration. By the end of 2012, we aimed at increasing our recycling to 65% for facilities and 50% in administration.

Our efforts to meet these targets have shown us that there is both an environmental and a financial case to solving waste problems.

The recycling rate for waste from facilities was increased further in 2012, from 59% in 2011 to 77% in 2012. The target was thus met. This was due to increased focus on recycling as well as a reduced amount of waste from Fredericia Oil Terminal due to lower production in the North Sea and an increase in waste to recycling from construction activities. The recycling rate for administration declined to 44%. Our failure to meet the target for administration buildings has led us to continue our work on waste by extending our waste targets and increasing the target for recycling of waste from facilities, as described below.

DONG Energy waste targets for 2015

By 2015 we aim at recycling 50% of waste from administration and min. 70% of waste from facilities, with max. 8% going to landfill.

In 2012, we almost achieved our targets for 2015. With a recycling rate of 77% for facilities and 8% landfill, we were in line with our 2015 ambitions. The challenge is to maintain the current levels despite changes in activities and the fact that the new targets include changes in reporting definitions and scope to include projects and contractor waste. The recycling rate for administration must also be improved.

Special fractions such as mineral and residual products, wind turbine generators, oil waste, drill cuttings and mud, soil and low radioactive waste are not included in the targets. Each DONG Energy business unit must implement principles for these and other critical and high-value fractions, for example by setting specific targets.

DONG Energy principles for waste

The following principles apply to production, construction and administration that is either DONG Energy-operated or in which DONG Energy owns more than 50%:

- > use solutions that ensure increased use of waste as a resource and reduce waste volumes (e.g. relative to production volumes) through design, planning and sorting at source
- > focus on the work with waste will be on critical and high-value fractions waste and avoiding waste going to landfill.

All construction projects shall implement waste management and principles in relation to design, operation and decommissioning. DONG Energy will also apply these principles in its work with suppliers and partners. Each of DONG Energy's business units is responsible for implementing the principles in its management system.



Indicator

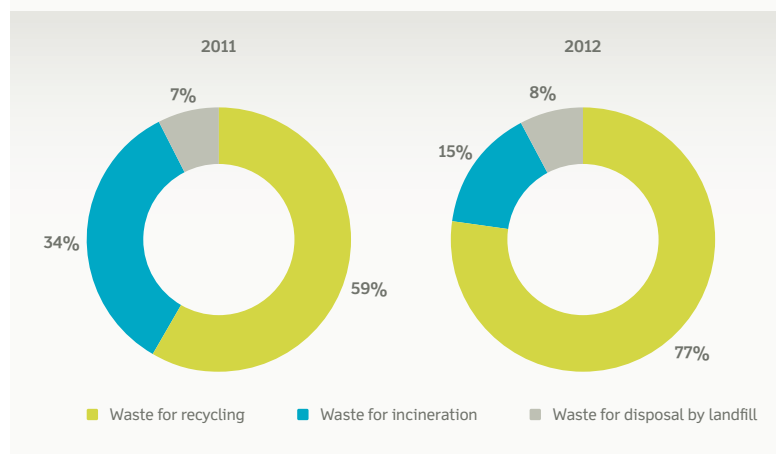
EN22/EN24
Continued

Handling of hazardous waste

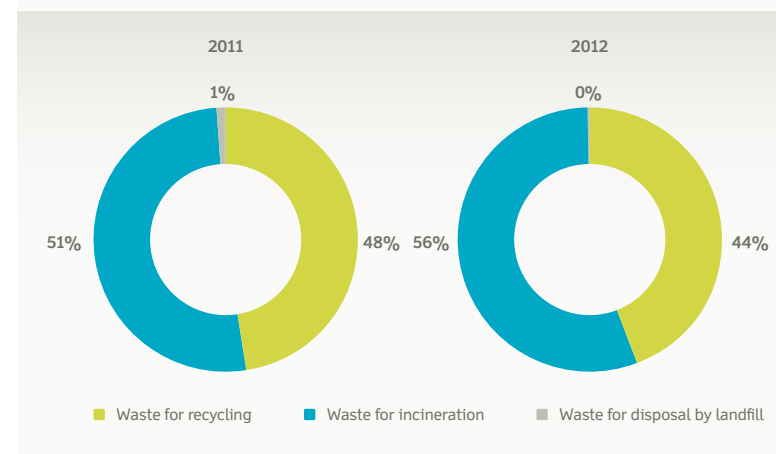
Waste, defined in accordance with the Danish Executive Order on Waste Management, is calculated based on method of disposal as either recycling, incineration or landfill. Waste is also classified as either hazardous or non-hazardous. The volume of waste is calculated for facilities and administration buildings. You can read more about residual products in indicator EN2.8/EU2 'Scale of the reporting organisation'.

DONG Energy has mapped handling of hazardous waste, including transportation, import, export and treatment of the company's waste in Denmark. The mapping shows that all hazardous waste produced by DONG Energy is transported to the nearest treatment facility in Denmark. DONG Energy also receives hazardous waste for treatment at its own waste incineration plants. The hazardous waste includes clinical high-risk waste, creosote-treated wood, ethanol solution and paint dust.

WASTE TREATMENT – PRODUCTION FACILITIES



WASTE TREATMENT – ADMINISTRATION





Indicator



EN22/EN24

Continued

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 indicator EN2.8/EU2.

The significantly larger volume of hazardous waste treated on site reflected an increase in hazardous waste treated at the Mårbæk waste treatment site – the only site that treats hazardous waste. In 2012, the facility was granted permission to increase the volume of hazardous waste treated.

WASTE

	Unit	Method	2012	2011	2010	2009	2008
Waste for recovery	tonnes	m	9,790	6,842	6,044	5,801	5,302
Waste for incineration	tonnes	m	2,208	4,190	4,414	4,106	5,001
Waste for disposal by landfill	tonnes	m	923	820	524	750	615
Total hazardous waste	tonnes	m	2,497	2,439	2,882	1,979	1,562
Hazardous waste treated on site	tonnes	m	7,405	275	5,206	797	1,056
Hazardous residuals exported	tonnes	m	5,783	5,693	12,912	12,183	12,358

A line in the table illustrates that comparable data are not available due to missing, incomplete or different inventories.

M = Measured, C=Calculated, E=Estimated



Indicator

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 incidents based on volume, dispersion and effect. The model is also used to determine the potential environmental impact of incidents. Based on the potential environmental impact and how often the incident could occur, 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 apply 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 further improving our systematised action on environmental incidents, 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 an impact value of C4 or higher (scale C1-C5) according to the model.

Besides significant environmental incidents, gas leaks due to excavation damage to natural gas distribution pipes are also calculated. Such leaks are accidents caused by third parties and therefore can only be prevented by DONG Energy to a limited degree. They are therefore reported separately from other environmental incidents. Where 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 impact and excavation damage to gas pipes are reported in the internal incident reporting system, Synergi.

Explanation of development

There were three significant environmental incidents at DONG Energy in 2012, compared with five in 2011.

A leakage from an oil-filled cooling cable caused an oil leakage of 1.8 m³. Internal and external emergency plans functioned as planned and the damage was quickly repaired.

At the oil storage facility in Fredericia, a sewage well overflow caused a discharge of waste water containing chloride that contaminated a nearby field. The discharge was cleaned up and the area restored.

At the gas treatment facility in Nybro, a leakage from a filling pipe for sulfinol caused a 500-litre spill to the ground. In accordance with the contingency plan, clean-up was launched in cooperation with the authorities, limiting the spread of the contamination, containing the damage and ensuring proper disposal of the contaminated soil.

The number of cases of excavation damage to gas pipes was at the same level in 2012 as in 2011. The volume of methane discharged was significantly lower in 2012. This was due to an unusually large discharge in 2011 because of a single case of excavation damage that resulted in an emission of 25,000 Nm³. The remaining volume of gas leaks from excavation damage was due to a number of minor incidents as in previous years.

INDICENTS WITH ENVIRONMENTAL CONSEQUENCES

	Unit	Method	2012	2011	2010	2009	2008
Significant environmental incidents	number	m	3	5	6	5	1
Excavation damages to gas pipes	number	m	74	79	70	79	107
Methane discharge from excavation damages	Nm ³	c	9,295	42,620	14,904	33,844	25,490

A line in the table illustrates that comparable data are not available due to missing, incomplete or different inventories.
M = Measured, **C**=Calculated, **E**=Estimated



Indicator

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, police reports, enforcement notices/prohibition notices, and injunctions about our activities that have been upheld and is an indicator of how we comply with the Environmental Protection Act.

There was a lower number of enforcement notices/prohibition notices and injunctions in 2012 than in 2011, implying an improved compliance with environmental regulation. Furthermore, there were no police reports in 2012.

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

	Unit	Method	2012	2011	2010	2009	2008
Complaints	number	m	81	61	334	186	265
Police reports	number	m	0	2	0	0	
Enforcement notices/prohibition notices, and injunctions	number	m	5	14	6	5	-

A line in the table illustrates that comparable data are not available due to missing, incomplete or different inventories.
M = Measured, **C**=Calculated, **E**=Estimated



LABOUR PRACTICES INDICATORS



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 focus group input and interviews and online surveys with existing employees, management and external candidates. We have used the findings in several ways. These include targeting recruitment initiatives internationally. The findings 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 seventh in a survey conducted among 111 Danish companies in 2012 to identify the best workplaces for engineering students in Denmark and twelfth among experienced engineers. Our main focus in 2013 is to maintain these positions in Denmark while at the same time establishing a strong position internationally.

Governance

People & Development supports and assists management teams at group and business unit 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



LA1

Workforce by employment type, employment contract, and region

The total number of employees in DONG Energy at the end of 2012 was 6,824 full-time equivalents (FTEs). This was an increase of 726 FTEs compared with 2011. The growth primarily occurred abroad, specifically in the UK and Poland. The number of employees abroad rose by 456 FTEs. In 2011, 10% of DONG Energy's employees worked abroad. In 2012, the proportion rose to 15%.

TOTAL WORKFORCE BY EMPLOYMENT TYPE, CONTRACT TYPE, AND REGION

	2012	2011	2010	2009
Total workforce	6,824	6,098	5,874	5,865
Full time and part time employees				
Full time employees	6,428	5,703	5,534	5,453
Part time employees	396	395	340	412
Contract types				
White collar	5,808	5,037	4,731	4,228
Blue collar	966	1,010	1,091	1,169
Individual contracts	50	51	52	54
Permant and fixed term contract				
Permanent contract Full time	6,266	5,521	5,352	5,348
Permanent contract Part time	383	386	321	391
Fixed term contract	175	191	201	118
Employees in Denmark and abroad				
Employees in Denmark	85%	90%	91%	93%
Employees abroad	15%	10%	9%	7%



Indicator



LA2

Employee turnover by age group, gender, cause, and region

At 10%, the employee turnover rate in 2012 was approximately 2 percentage points lower than in 2011. The turnover rates in the business units Wind Power and Exploration & Production are significantly lower than the overall turnover rate in DONG Energy.

Employee turnover is calculated as the number of permanent employees that have left the company divided by the average number of permanent employees.

The average number of employees is the sum of permanent salaried employees on a month-by-month basis in the calendar year divided by 12.

EMPLOYEE TURNOVER BY AGE GROUP, GENDER, CAUSE, AND REGION

	2012	2011	2010	2009
Employee turnover	10%	12%	12%	11%
Number of employees who have left the company				
Total	615	705	795	615
– Male	415	508	560	421
– Female	200	197	235	194
Breakdown by cause				
– Voluntary resignation	343	385	263	210
– Dismissal	241	251	299	184
– Retirement	22	47	76	3
– End of fixed term post	0	17	40	–
– Death	9	5	5	13
– Other	0	0	112	–
Breakdown by age group				
– Under 18	0	1	2	15
– 18-25	19	24	38	102
– 26-35	162	180	183	173
– 36-45	214	250	232	147
– 46-55	112	118	163	82
– 56-70	108	132	177	96
Breakdown by region				
Employees in Denmark	510	607	738	–
Employees abroad	105	98	57	–



Indicator

LA4

Employees covered by collective bargaining agreements

In 2012, 1,963 employees, expressed as FTEs, were comprised by collective agreements, corresponding to 29% of all employees.

EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS

	2012	2011	2010	2009
Number of employees (FTE) covered by collective agreements	1,963	2,034	2,132	2,344

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 Act on Collective Dismissals respectively. In addition, DONG Energy has drafted a standard severance agreement which were followed when DONG Energy implemented an organisational change in November 2012. In that process we also followed the Danish Act on Collective Dismissals' regulation on negotiations and announcements to the regional employment authority and on relocations.

At DONG Energy, we integrate safety into all our operations as we believe that all accidents can be prevented. We have reviewed and challenged existing processes, conducted safety training and courses and worked towards establishing a strong safety culture.

Our efforts have resulted in a marked decline in our injury frequency rate (LTIF) to a record low of 3.6 at the end of 2012. However, a positive historical track record is not enough. Therefore, we have set an ambitious safety target: we aim to have an injury frequency rate of less than 1.5 by 2020.

DONG Energy is committed to ensuring a safe working environment for all employees working for and within DONG Energy. Historically, our business strategy has focused on thermal power generation and oil and gas exploration and production in Danish territory. In recent years, we have seen significant international expansion. This introduces further levels of complexity and challenges to our company and our safety targets.

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 adds complexity to our operations.
- > Ensuring transparency in health, safety and environment (HSE) responsibility in the various ownership schemes and partnerships in which we engage is vital for adequate safety management.

Policies

DONG Energy's quality, health, safety and environmental (QHSE) management system sets out the fundamental requirements that each of our business units must follow to keep people safe and minimise impacts on the local environment.

It consists of:

- > an overall QHSE policy
- > general QHSE guidelines outlining 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 to promote 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 QHSE policy at www.dongenergy.com/SiteCollectionDocuments/CSR/Documents/en_policy_for_qhse.pdf



Governance

QHSE performance is the responsibility of line management in each of DONG Energy's business units. Furthermore, a central Group QHSE function supports development of QHSE and audits the business units' QHSE performance.

The cross-organisational QHSE Management Group, which is comprised of the QHSE Manager from each of DONG Energy's business units, ensures that we achieve synergies within QHSE. It is also responsible for the strategic QHSE work and for the implementation of the corporate vision, values, policy, strategy and targets regarding QHSE.

The Group Executive Management is the highest authority with regard to QHSE. It is advised by the QHSE Management Group on issues such as:

- > QHSE policy and strategy development
- > setting of corporate QHSE targets and external reporting of results
- > setting of corporate QHSE standards and acceptance criteria

Focus areas

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

Management systems and safety plans

It is essential to our safety ambitions that our operations are underpinned by management systems and safety plans that evolve 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. Consequently, a wide range of management systems is in place within DONG Energy to support the various activities.

As part of the management systems we require all our business units to develop safety plans that identify and address the full range of safety risks that each business unit faces. The business units must demonstrate that all major residual risks have been reduced to 'As Low As Reasonably Practicable' (ALARP) level. Achieving ALARP also

requires asset integrity principles to be included in both the design and maintenance of our facilities, particularly our safety management systems.

Evaluating accidents and incidents

Systematic handling of risks that could or do result in serious incidents is essential to prevent accidents and make our business more resilient. At DONG Energy, incidents cover observations, near-misses and actual accidents in relation to people, assets, reputation and/or the environment, and we urge all our employees to record any such unsafe and potentially unsafe situations. This enables us to proactively identify and minimise risks as well as ensure that the lessons learned from each incident are addressed to avoid recurrence.

We evaluate incidents and accidents not only from within our company but also from within our industry to benefit from important lessons learned and seek best practice. This will help us prepare even better as our company expands further in the coming years.

Contractor management and responsibilities in partnerships

When working with external partners – whether in contractor relationships or operational partnerships – agreeing and communicating QHSE responsibilities, expectations and standards becomes more complex.

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 safe and timely manner. With the growing use of contractors expected in the coming years, ensuring that DONG Energy's expectations and standards are communicated to – and followed by – our contractors will become an increasingly complex and challenging task.

Our contractors must be familiar with our QHSE requirements. Consequently, these requirements have become an integral part of our procurement processes. We only select contractors that meet our QHSE requirements.

Throughout its operations, DONG Energy often engages in various owner and partnership schemes, buys and sells stakes and signs new partnership agreements as the business evolves. We are highly committed to ensuring transparency regarding HSE accountability between the various stakeholders in an operation and that acceptable safety standards are in place.

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 all employees working for and within DONG Energy can identify health, safety and security risks and understand the behaviours required to keep themselves and others free from harm at all times.

In 2012, we developed electronic safety introduction courses for our different business units to be completed by both employees and suppliers working on our sites.

Security and business resilience

At DONG Energy, we see security as the sum and degree of protection against threats, danger, damage, loss and crime. DONG Energy is committed to creating, maintaining and continuously developing a professional and trustworthy security environment in order to protect people, environment and assets. We approach security through best practice risk management as well as national and international legal and technical frameworks, while securing a reliable energy supply.

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 to ensure the resilience of DONG Energy through security measures that safeguard the integrity and smooth running of our operations.



Indicator



Rates of occupational injuries and absenteeism

Occupational injuries

The total recordable injury rate (TRIR) was 10 per one million hours worked in 2012, matching our 2010 performance. This frequency rate comprises all injuries with the exception of first-aid cases.

Lost time injuries

The lost time injury frequency (LTIF) was 3.6 in 2012 per one million hours worked – an improvement of 12% compared with 2011. This frequency comprises fatalities as well as occupational injuries resulting in at least one day's absence.

Days lost per occupational injury were 19 in 2012, in line with 2011. The lost day rate (LDR), which is the number of lost days per one million hours worked due to occupational injuries, fell by 10% to 67 in 2012.

Fatal accidents

In December 2012, there was unfortunately a tragic incident in which a contractor's foreman lost his life during a lifting operation on one of our A2SEA vessels while it was docked for maintenance. DONG Energy takes the accident very seriously and will step up preventive action further in 2013.

Sickness absence

Sickness absence was 2.2% in 2012, down from 2.6% in 2011.

Occupational diseases

In 2012, 13 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 1.4 per one million hours worked.

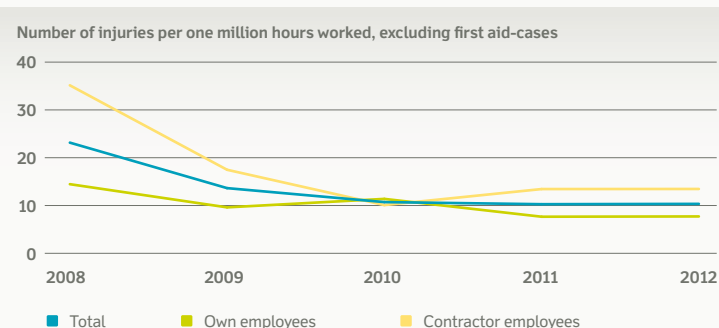
Most of the acknowledged cases of occupational diseases relate to hearing damage. The remainder of the reported cases relate to mental health issues and skin diseases.

The statement of occupational diseases does not include employees abroad, corresponding to 1,057 FTEs, as we do not yet have systems for calculating these.

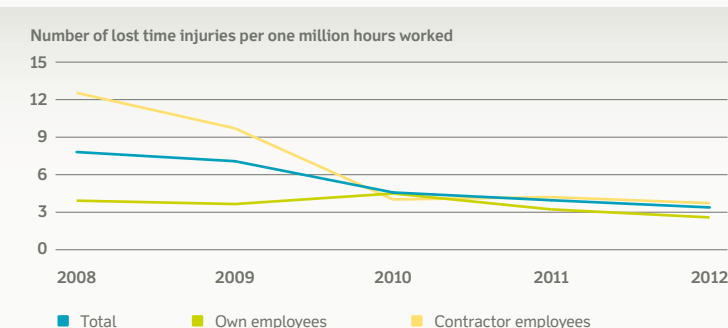
Examples of health and safety initiatives

- > A slip, trip and fall campaign in Wind Power
- > Manual handling training in Wind Power
- > Training of company representative in safety awareness in Exploration & Production
- > Ergonomic survey and campaign on offshore platform in Exploration & Production
- > Development of a new safety induction for own and contractor employees in all business units

TOTAL RECORDABLE INJURY RATE



LOST TIME INJURY FREQUENCY RATE





Indicator



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 help to reduce absenteeism, increase productivity and promote DONG Energy as a great place to work.

Health check

All DONG Energy's employees in Denmark were offered a health check in autumn 2011 and will be offered a second check in 2013. One of the purposes of the health check in 2013 will be to establish whether an improvement in the employees' state of health since the first check can be observed.

In between the two health checks, different initiatives have been introduced to motivate the employees to adopt a healthy lifestyle. At the DHL Relay Race in September, the employees were offered advice on how to avoid injuries in connection with running – and in November/December, Health Cafés were introduced where the employees can have, for example, their blood pressure and body fat percentage measured. In 2013, a number of lectures will be given on topics such as a good working life, nutrition, lifestyle and exercise.

Pension and insurance

All DONG Energy's employees, both in Denmark and abroad, are comprised by a pension scheme during their employment with DONG Energy.

Furthermore, employees in Denmark are comprised by an insurance that includes loss of earning capacity, critical illness insurance, group life insurance and health insurance.

The health insurance covers all permanent employees in Denmark. Employees have the option to take out insurance to cover their spouse, while children under the age of 21 are covered automatically.

In 2012, 38 employees claimed under the critical illness insurance compared with 43 in 2011.

The employees submitted 1,828 health insurance claims in 2012 against 1,701 in 2011. Compared with the number of employees covered by health insurance, the proportion of insured employees submitting health insurance claims was unchanged from 2011 to 2012.

Again in 2012, the most frequently used treatments were chiropractic treatments, physiotherapy, orthopaedic surgery and counselling.

DONG Energy employees working abroad have similar insurances to the extent that such insurances are available in the country in question.

Occupational diseases

Please see indicator LA7 for a short description of the most common types of occupational diseases.



Indicator



LA12

Employees receiving performance and career development services

At DONG Energy, career development is considered 'a path of experiences' because the sum of an employees' skills, performance and experience makes up his or her career.

It is important to us that our employees ask themselves where their choices can lead them. This is because career development is not a catalogue to choose from but rather a path to embark upon. It is about long-term growth and learning – based on the employees' own aspirations, dedication and commitment, coupled with the processes put in place between them and their immediate superior and HR. Career development is a choice our employees make and DONG Energy, as a company, has to do its best to help them realise their choices.

To this end, DONG Energy provides the following tools:

An annual performance and development dialogue

DONG Energy completes an annual Performance & Development Dialogue (PDD) between employees and their immediate superior. The purpose of the PDD is to create a clear link between DONG Energy's business strategy and the employees' objectives, performance, career and development.

In order to support a performance culture it is mandatory for all employees in DONG Energy to conduct a PDD and we recommend at least one annual follow-up meeting on the PDD. This means that each employee and his or her manager meet twice a year to discuss the employee's career and development.

The purpose of the annual PDD is to:

- > ensure that the employee is made aware of the manager's evaluation of his or her performance and cooperation
- > ensure a targeted development of each employee
- > ensure that the employee and the manager have a common, clear understanding of the correlation between the department's objectives and the employee's personal tasks and objectives
- > ensure a clear coordination of expectations between the employee and his or her manager regarding behaviour, career and development objectives

In its annual employee survey (People Matter Survey), DONG Energy asks its employees whether they have had a PDD in the past 12 months. A total of 93% (5,790 out of 6,207 employees) participated in the 2012 People Matter Survey. Of these, 85% (4,915 employees) responded that they had had a PDD.

A DONG Energy Academy to ensure constant skills development

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 imparting skills they can use throughout their careers.

DONG Energy offers three overall career paths: general management, project management, and specialist, all of which are underpinned by extensive development programmes. Employees are not bound by one path in the organisation, but can choose a cross-organisational career path.

Leadership is a strategic focus area in DONG Energy and a prerequisite for 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. At DONG Energy, we offer structured leadership programmes to develop our managers' leadership skills.

In 2012:

- > 144 managers completed our leadership programme Leading Others
- > 46 managers completed our leadership programme Leading Leaders



Indicator

LA13

Governance bodies and employees by gender and age group

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

At the end of 2012, the average age of employees in DONG Energy was 41.8 years.

With regard to the proportion of women in DONG Energy, the figures show that 31% of employees are women (1 percentage point more than in 2011), 25% of managers are women (2 percentage points more than in 2011), 10% of executives (Strategic Forum) are women (equal to 2011), 16% of Leadership Forum are women (1 percentage point more than in 2011) and, finally, that there are no women in the Group Executive Management.

COMPOSITION OF MANAGEMENT LEVELS AND EMPLOYEES

	Males	Females
Breakdown of male and female employees by management level		
Group Executive Management	5	0
Executives (Strategic Forum)	44	5
Senior managers and above (Leadership Forum)	268	51
Managers and above	572	186
Breakdown of male and female employees by age group		
Under 18	1	0
18-25	150	116
26-35	1,296	631
36-45	1,419	748
46-55	1,178	459
56-70	679	148

EU18

Contractors that have undergone health and safety training

DONG Energy uses external contractors and subcontractors.

In the Thermal Power business unit, there were 1,326 contractors and 5,645 contractor employees. All contractor employees are given a safety induction that is valid for one year at a time. The figures include the Wind Power business unit.

In the Sales & Distribution (S&D) business unit, 661 contractor employees from 56 contractors were given a general safety induction. S&D also offers safety instruction to contractor employees that are to be issued with keys for main transformer stations. In 2012, 485 contractor employees were given such safety instruction.



HUMAN RIGHTS INDICATORS



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 as well as the ILO's eight core conventions, and expects the same from its partners.

Policies

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

However, already in 2007, DONG Energy took significant steps to promote good business conduct among our suppliers by adopting a Code of Conduct for suppliers. The Code is based on the principles of the UN Global Compact, to which DONG Energy became a signatory in 2006. The Code of Conduct outlines our expectations for 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.

Training and awareness

DONG Energy's employees are expected to be familiar with and act in accordance with the Group's responsibility policy and Code of Conduct for suppliers, which contains essential information on human rights. Employees can download the policies 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 & Development is responsible for human rights issues related to the Group's employees.

Goals and performance

In 2012, DONG Energy has been working on an update of its approach to responsible sourcing. In 2013, it is our aim to complete this work.

DONG Energy is one of the founding members of Bettercoal, which was set up with other major European energy companies to increase the leverage of buyers when demanding better responsibility standards in coal mines. In 2012, the comprehensive Bettercoal code of practice was developed in cooperation with stakeholders from civil society and the coal industry, partly through an open global consultation process. In 2013, Bettercoal will complete its first assessments with ensuing procedures for corrective action.



Indicator



HR1

Investment agreements that include human rights clauses

DONG Energy's significant projects are mainly located in Northern Europe, where human rights standards are very high. We therefore do not believe that systematic procedures for this type of screening are required.

The risk of human rights violations is greatest in DONG Energy's supply chain, especially with regard to suppliers' employees and contractors as well as local communities affected by supplier operations. DONG Energy addresses human rights issues related to its operations through its Code of Conduct for suppliers. Suppliers that provide products or services to a total value in excess of DKK 50,000 must accept the Code of Conduct.



HR2

Contractors that have undergone screening on human rights

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

With its Code of Conduct for suppliers, DONG Energy wants, among other things, to ensure continuous improvements in its supply chain through dialogue and control mechanisms. The Code of Conduct applies to suppliers, and we expect our suppliers to ensure that their sub-suppliers are aware of and comply with the principles embodied in the Code of Conduct. Suppliers' ability to ensure that the conduct of their sub-suppliers complies with DONG Energy requirements is a parameter DONG Energy applies across the Group when screening potential suppliers.

In addition, contractors as well as subcontractors and their employees working on DONG Energy sites must attend a local safety induction before project start-up.

To ensure that suppliers comply with the Code of Conduct, DONG Energy conducts independent third-party audits of selected suppliers to assess their performance. Furthermore, in areas with a particularly high risk of human rights violations we also carry out human rights screening of sub-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 increases buyer leverage in line with the recommendations in the UN Guiding Principles on Business and Human Rights.

This strategy has led to the establishment of two initiatives in 2011, Bettercoal and Initiative Wood Pellet Buyers (IWPB). Bettercoal is a global, not-for-profit membership initiative set up to promote continuous improvement of responsibility in the coal supply chain. The seven founding members include DONG Energy, E.ON, GDF Suez and RWE. IWPB outlines sustainability criteria for buying wood pellets. Partnering companies are DONG Energy, DRAX, RWE/Essent, Electrabel (GDF Suez), Laborelec (GDF Suez), E.ON UK and DELTA.



Indicator



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. DONG Energy wants to offer all potential and existing employees equal opportunities, regardless of ethnic origin, gender, religion, political beliefs, nationality or social background. This applies to all areas, including recruitment, pay, employee benefits, health and safety, training and leadership.

No cases of discrimination were recorded in 2012.

Also, we have included a question on discrimination in our exit surveys – an anonymous survey offered to employees that voluntarily leave the company. We ask the question:

“Have discrimination issues such as age, gender, ethnic origin, religion, disability, sexual orientation, nationality or social background or political beliefs influenced your decision to leave DONG Energy?”

All respondents have replied “no” to this question.

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 assist our efforts to achieve our strategy and vision.

We are signatories to the Danish Ministry of Gender 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.

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

We have also initiated partnerships with, among others, Foreningen Nydansker on mentoring young people and with Disabled Peoples Organisations Denmark on added focus on recruitment of candidates with disabilities and offering traineeships to young people with disabilities. In 2012, DONG Energy also joined the Danish Accessibility Label scheme, and accessibility to our largest location has now been registered and labelled.



SOCIETY INDICATORS



DONG Energy has its roots in Denmark 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 that our group is part of. 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 and shared value.

Policies

DONG Energy's approach to community engagement is based on a number of policies and tools, including our Responsibility policy, our Policy on good business conduct, relating to issues such as bribery, fraud and conflicts of interest, our Code of Conduct for suppliers, our Policy for quality, health, safety and environment, 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.

Throughout the different stages of the realisation of new energy projects, DONG Energy is committed to an open and transparent project development and execution process in cooperation with local communities and key stakeholders such as public authorities, local communities and environmental organisations.

In the initial phase of a new project, DONG Energy seeks public and stakeholder views on our proposals and preferred options. We conduct information events and encourage stakeholders to express their views, not only on our specific proposals but also on how our projects might in general affect the respective area. Based on dialogue, we endeavour to take the different views into account in our planning, before the construction phase begins.

Also, we encourage people in the area to express their views on related aspects, such as the construction phase itself, in order to find the best solutions and mitigate associated impacts such as noise or impact on the traffic infrastructure.

Governance

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



Indicator



SO1

Impacts of operations on communities

DONG Energy is a long-term partner in the regions where we operate, and we work concertedly to develop long-term relations with the regions and the people living and working near our activities.

In relation to the realisation of new projects it is important for DONG Energy to assess and relate to the impact of our activities on communities. New DONG Energy projects involve systematic mapping of any potential health and environment impact related to the project and all relevant project stakeholders. We wish to ensure that people living in the area are kept well informed about our activities, and in order to engage with all relevant stakeholders, we organise voluntary information events and exhibitions in connection with our activities.

We try to ensure that the local area is well informed about new measures that may affect the area through regular meetings with neighbours to maintain good relations. Through media and more sporadically, we also organise open house events to which we invite everyone in the local area to come and have a look at our activities.

For instance, in September 2012, almost 200 people took the opportunity to visit Nybro gas treatment plant at an open-house event, the aim of which was to inform local residents about what goes on at the plant: why it operates, how it receives and treats gas from the North Sea and what safety measures are involved.

Also in September 2012, DONG Energy and Energinet.dk took more than 700 people, including business partners, suppliers, site owners, local politicians, affected neighbours and authorities, on a 'wind farm cruise' by ferry to visit Anholt offshore wind farm.

And in the summer of 2012, DONG Energy organised a 10.2 km Walney Fun Run in Barrow-in-Furness for local residents to celebrate the installation of 102 turbines at the Walney offshore wind farm, at that time the world's largest offshore wind farm.



SO2

Business units analysed for risks related to corruption

DONG Energy increasingly trades in new markets in which we may encounter 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 2011, DONG Energy and PwC prepared an extensive analysis of the risk of corruption in all business units. The analysis was based on interviews with key persons in the business and reviews of relevant policies and procedures. Recommendations from the risk analysis have been presented to the Audit & Risk Committee and the Board of Directors of DONG Energy. Following the risk analysis, DONG Energy has among other things updated its policy on good business conduct and implemented a group-wide e-learning tool and sign-off procedure that is mandatory for all employees. As of 31 December 2012, 95% of all employees had completed the e-learning programme.



Indicator



S03

Training in anti-corruption policies and procedures

DONG Energy's policy on good business conduct, which embodies a zero tolerance approach to corruption, has been adopted by the Board of Directors. One of the most important messages in the policy is that everyone is responsible for raising issues or drawing attention to concerns that may reflect inappropriate business conduct.

The policy summarises the Group's views and sets out guidelines for the individual employee. It also describes a number of scenarios, including dilemmas and grey areas, that employees may have to navigate in their everyday working lives.

The policy is supported by our Business Ethics Committee. This Committee is responsible for assessing needs for specific guidelines on an ongoing basis and for initiating preventive analyses (check-ups). The Committee is also responsible for investigating and handling any cases.

In 2012, we presented a new e-learning programme that is mandatory for all employees. The programme is designed to support our policy and ensure that every employee has the best opportunity to become familiar with the positions of the Group Executive Management on good business conduct. As of 31 December 2012, 95% of all employees had completed the e-learning programme.



S04

Actions taken in response to incidents of corruption

In 2012, DONG Energy had no internally reported fraud and corruption incidents.

We define an internally reported fraud and corruption incident as any situation that 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 that has been judged by either of these to be a case of fraud and/or corruption.

In 2012, we had no cases of legal action on account of fraud and corruption incidents (defined as any legal action brought against DONG Energy or DONG Energy employees regarding fraudulent or corruption practices).

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 response to a fraud or corruption incident
- > terminating or not renewing a contract with a business partner in response to a fraud or corruption incident.

To DONG Energy's knowledge, there were no cases of contracts not being renewed in 2012 due to corruption risks.



Indicator

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 increase our production of 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 responsible 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 aim to provide input to the development of new public policies. In Denmark, these include industry organisations such as the Danish Energy Association, the Confederation of Danish Industry (DI) and the Danish Wind Industry Association (DWIA). See indicator 4.13 for a full list of DONG Energy's memberships of associations and organisations.

S06

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. We are not aware of any financial or other in-kind contributions having been made to political parties, politicians or organisations.

S07

Legal actions for anti-competitive behaviour or the like

In 2012, four cases involving competition law issues were pending – one court case and three legal actions.

Certain sellers of natural gas from the South Arne field have instituted proceedings before the Maritime and Commercial Court in Copenhagen, seeking to have an arbitration award from 2011 declared null and void.

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.

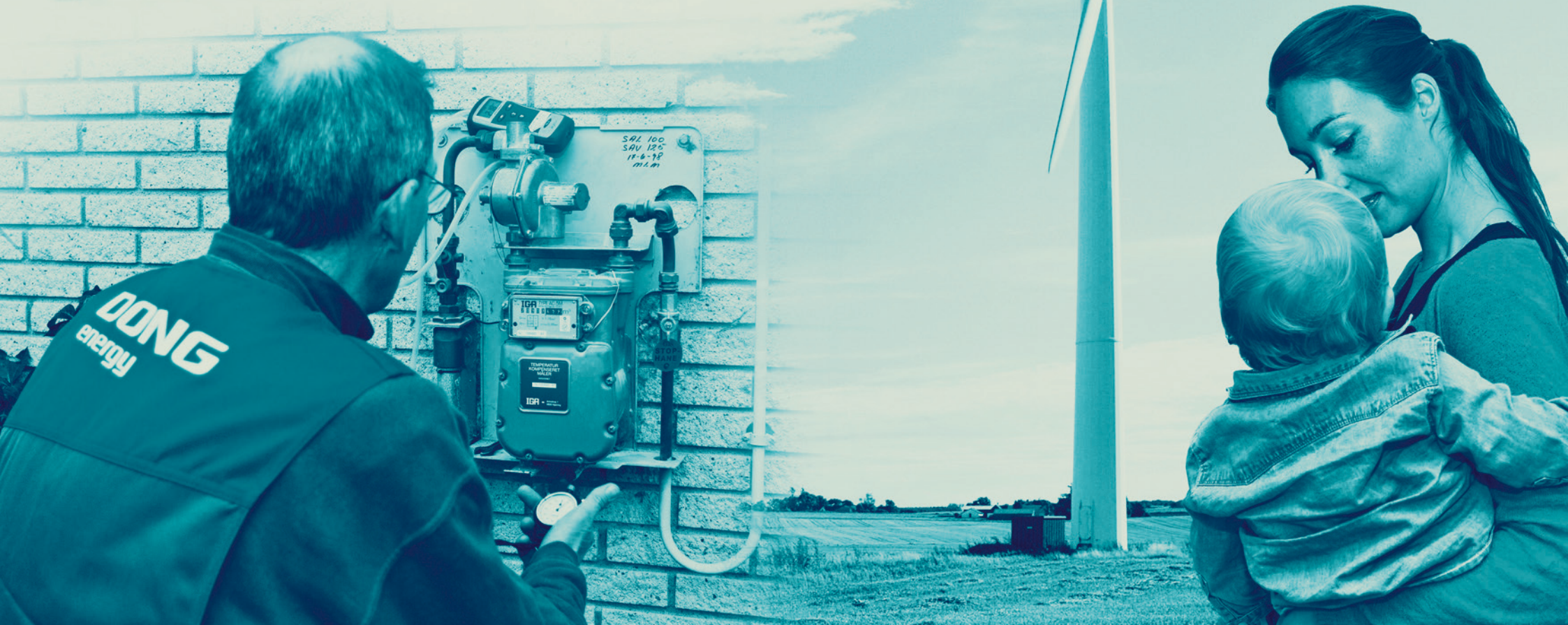
S08

Fines and sanctions for non-compliance with laws and regulations

In 2012, DONG Energy was not fined for non-compliance with laws and regulations as defined in S08.



PRODUCT RESPONSIBILITY INDICATORS



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. Furthermore, DONG Energy strives to minimise all health-, safety-, and environmental risks related to our activities and we work actively with energy efficiency in our own operations as well as by providing customers with advice and support on improving their energy efficiency.

To be responsible is a companywide core value in DONG Energy. We are focused on the impact our activities have on society, including the products we produce and sell. For more information on how we deal with the societal and environmental challenges that is at play between our activities and the product responsibility towards our customers and society more generally, please see the Annual report ('CSR report') and dongenergy.com/EN/Responsibility.

Targets and performance

DONG Energy's business area Sales & Distribution (S&D) 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.

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, the wording and design of our customers' electricity bills have been improved to make the bill easier to understand, and a new more service minded culture is evident.

In addition, in 2012 it was mandatory for all S&D employees to attend our newly established Customer College, focusing on how to anchor a more service-oriented culture. We have also launched a new customer IT platform and created a Customer Ambassador job function, aiming at giving customers an internal spokesperson in case they are unsatisfied with a decision from our customer centre. In 2012, the Customer Ambassador processed 83 complaints, agreeing partly or fully with the customer in 40% of the cases.



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 target is to reach a customer satisfaction and loyalty of 75 by 2015. Also, it is our target to be in the upper quartile in comparison with companies comparable to DONG Energy.

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 example with regard to the price movements of electricity and our other products



Indicator



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 2012. It was based on representative samples from three customer segments (Nord-el, City-el and Natural gas customers). Customers had the option of providing their data by email or postal forms.

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 surveys and shows how results should be interpreted. The colour scale is shown next to the results tables below to make it easier to determine whether the scores for an area are satisfactory.

The survey shows that there is room for improvement in relation to our residential customers. DONG Energy has therefore initiated the programme Customers First, which is our most ambitious customer satisfaction project to date. And from this year we have set the target of ranking among the top quartile compared with benchmark companies in terms of customer loyalty score in 2016.

For more information, please see Annual report ('CSR Report') and www.dongenergy.com/en/business%20activities/distribution/pages/the_customer_first.aspx

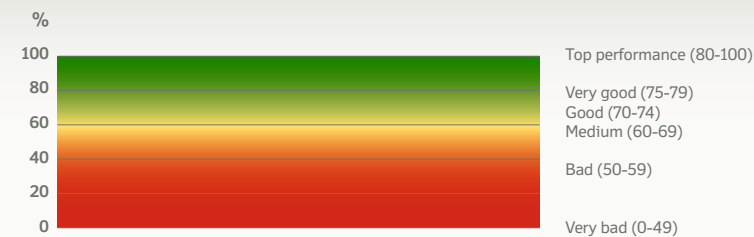
SATISFACTION INDEX

	2012	2011	2010	2009	Change (%) from 2011 to 2012
Natural gas customers	71	73	73	77	-3 %
City-el customers	60	60	59	63	0 %
Nord-el customers	67	67	68	68	0 %

LOYALTY INDEX

	2012	2011	2010	2009	Change (%) from 2011 to 2012
Natural gas customers	69	74	73	77	-7 %
City-el customers	55	55	56	62	0 %
Nord-el customers	66	67	66	68	-1 %

SATISFACTION INDEX





Indicator



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 DONG Energy's Intranet under 'Acting responsibly'.

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 and updated in 2012. The policy can be downloaded from DONG Energy's intranet under the '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 was implemented in spring 2012. As a part of the implementation, DONG Energy launched an e-learning programme. The programme was mandatory for all employees. New employees are also required to complete an e-learning programme as part of their introduction to the company. For more information on the e-learning programme as well as how many of our employees completed the programme in 2012, see the indicators SO2 and SO3.

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



PR7

Non-compliance with regulations concerning marketing communications

As far as DONG Energy is aware, no cases of violation of laws or non-compliance with own policies relating to marketing were reported in 2012.



Indicator



EU28/EU29

Reliability of electricity supply to customers

EU28 Power outage frequency
EU29 Average power outage duration

Reliability of electricity supply to customers is measured in terms of power outage frequency and duration for customers. These are key quality parameters 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 number of power outages per customer per year.

Power outage duration experienced by customers is expressed in the form of SAIDI, which stands for System Average Interruption Duration Index. SAIDI reflects the average length of time of power outages per customer per year.

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

Explanation of development

The improvement in SAIDI in 2012 is a reflection of the negative impact of the cloudburst in Copenhagen in July 2011 on the duration of customer interruptions in 2011. As no such event occurred in 2012, SAIDI decreased.

It should also be noted that natural variations in both SAIFI and SAIDI will always occur.

INTERRUPTIONS

	Unit	Method	2012	2011	2010	2009	2008
System Average Interruption Frequency Index (SAIFI)	number	m/c	0.48	0.51	0.38	0.34	0.45
System Average Interruption Duration Index (SAIDI)	minutes	m/c	27.6	35.6	19.3	17.0	26.2

M = Measured, C=Calculated, E=Estimated



Indicator



EU30

Average plant availability factor

It is vital that power stations are available when their generation 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 wind farm availability rate.

DONG Energy calculates energy availability of power stations 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.

Wind farm availability is measured as the actual volume of electricity fed into the grid by all DONG Energy's wind turbines and wind farms. DONG Energy has previously reported wind turbine availability, but wind farm availability is a more accurate measure of availability in relation to security of supply as well as financially. Due to these changes in reporting, comparative figures for 2011 have also been restated.

Explanation of development

The availability of the central power stations decreased due to particularly prolonged audit of the Avedøre power plant's unit 1 in 2012.

AVALIABILITY FACTOR

	Unit	Method	2012	2011	2010	2009	2008
Average availability factor (central power stations)	%	m/c	88	93	95	93	96
Energy availability for wind parks	%	m/c	95	94	-	-	-

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



ECONOMIC INDICATORS



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 global 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 provide 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.

Furthermore, we plan to convert our Danish power stations to more green generation. We are significantly reducing our consumption of coal while increasing our consumption of various forms of biomass. We are reducing our emissions of CO₂ and other harmful substances, 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 and to deliver satisfactory financial results at the same time. This is a prerequisite to continued investments in energy and to DONG Energy's positive economic knock-on effects on the societies we are part of, in terms of job creation and development of regional know-how. DONG Energy's financial results are reported in the Group's financial statements and the Annual report.

In the context of the global challenge, DONG Energy's initiatives may seem modest. But every effort counts. And our rapid transformation 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

**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, we use our strong focus on increasing the use of renewable energy as a competitive edge in the 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. Please see the preface from the CEO in this report and the Annual report 2012 ('Letter from the CEO') for more information on top management's involvement and on climate related company targets.

Also, 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. In 2012, DONG Energy carried out a review of risks related to DONG Energy's operated assets. The risk of potential climate-related impacts was included in the review. As a consequence of this analysis, we have tightened our focus on such risks in our asset safety management. Making our assets secure contributes to securing a safe working environment, reliable energy supply for our customers and minimises our environmental impact from incidents.

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 pricing terms of the latter markets are decided by policy makers. DONG Energy continuously analyses the price of CO₂ emissions allowances, partly to evaluate market risks.



Indicator



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 ratio of energy generated to the energy content of fuels consumed at electricity and heat generation facilities. The indicator is broken down by central and small-scale power stations, with the latter including efficiency of Danish small-scale power stations, waste-fired facilities and power stations outside Denmark.

Explanation of development

The table below shows that generation efficiency increased for the central power stations. This was due to changes in the production pattern that caused the efficiency of especially the Asnæs, Ensted and Avedøre power stations to improve significantly. Efficiency decreased for the small-scale power stations. This mainly reflects the start-up of operation of the Enecogen power station in the Netherlands.

GENERATION EFFICIENCY

	Unit	Method	2012	2011	2010	2009	2008
Average production efficiency – Total for power stations	%	m/c	68	62	66	62	61
Average production efficiency – Central power stations	%	m/c	70	62	63	59	58
Average production efficiency – Small-scale power stations	%	m/c	61	63	82	81	82

M = Measured, C=Calculated, E=Estimated

Independent Auditor's Assurance Report for DONG Energy's stakeholders

We have reviewed DONG Energy's 2012 non-financial statements for the purpose of expressing an opinion on DONG Energy's 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 88-90 of the 2012 Annual Report. The description contains information on which of DONG Energy Group's business areas and activities are comprised by the reporting and Management's reasons for choosing the data included. Data are recognised in accordance with the described applied accounting policies for non-financial data.

Responsibilities

DONG Energy 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 an opinion 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 pages 11-14 and 87 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 enquiries regarding applied instructions, registration and reporting systems, procedures with focus on internal controls, auditing analyses of the master data used to prepare the non-financial statements, sample testing of data and underlying documentation, including visits at selected local entities, and control of whether the non-financial data comply with DONG Energy's described accounting policies.

Opinion

Based on our work, nothing has come to our attention causing us to believe that the CSR data presented on pages 11-14 and 87 of the 2012 Annual Report 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+, for the 2012 financial year. Our work has primarily comprised a review of the documentation presented, including chosen enquiries 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 DONG Energy in its reporting complies with GRI G3.0. 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+.

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, 2013

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Mogens Norgaard Mogensen
State-Authorised Public Accountant

Fin T. Nielsen
State-Authorised Public Accountant

Part of the data presented in this report is also included in DONG Energy's Annual report 2012. The compilation and determination of data follow the accounting policies in the Annual report (see Annual report, 'Accounting policies for non-financial data'). For the remaining data in the present report, method considerations are included directly in the GRI indicator texts or in the method elaborations below.

EU3

Number of residential and industrial/commercial customer accounts

Number of customers

DONG Energy has end customers in Denmark, the Netherlands, Sweden and, from 1 May, also in the UK. In Denmark and the Netherlands, we sell both electricity and gas directly to end users, whereas our Swedish and UK subsidiaries only sell to wholesale and major customers.

In Denmark, electricity and gas customers are measured as the number of supply points. In Sweden and the UK, 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.

EN1/EN2/ EN3/EN4

Materials and energy consumption

Consumption of raw materials

According to the GRI definition, materials used comprise raw materials, associated process materials and packaging materials used to manufacture 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 and natural gas consumption based on energy content.

**EN1/EN2/
EN3/EN4**
Continued

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 rule, determined as incinerated volume. Some facilities calculate biomass and waste as materials supplied to the plant. The calculation principles for the power stations that account for most of the materials consumed have been approved by the Danish tax authorities.

The amount of renewable energy sources is calculated as the share of fuels burned at power stations 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 generates energy that has first priority in the grid and as such it replaces the potential consumption of other sources of energy, such as coal, oil and gas. This is normally called waste recovery. Therefore, DONG Energy considers waste recovery 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 at 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.

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. 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 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 power stations 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.

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

The consumption of electricity for electricity distribution 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 rough estimate is provided.

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

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

Indirect electricity and heat consumption entails 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 operates. 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.

**EN1/EN2/
EN3/EN4**

Continued

In the preparation of a breakdown of electricity consumption in Denmark by primary energy source, the electricity declaration for Denmark from Energinet.dk is used. As Energinet.dk's declaration for 2012 was not available in time for inclusion in this reporting, the declaration from 2011 has been applied. The same 'displacement' 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 'Wind Power' ('Vindstrøm'), which is generated exclusively from wind energy.

The breakdown by primary energy source for heat consumption and electricity consumption outside Denmark is based on 2007 statistics from the International Energy Agency (IEA).

EN5/EN18

Energy savings and reductions in greenhouse gas emissions

DONG Energy measures energy efficiency as the consumption of energy relative to the activity performed, i.e. production, energy flow or, in case of buildings, the building capacity at each facility. It is this relative measure that we want to improve by 10% for DONG Energy overall by 2015 compared with 2010.

Energy consumption is also calculated relative to the activity performed. The performance indicator is energy use at a given time divided by the relevant activity measure (e.g. oil flow). The improvement in energy efficiency is then calculated as the improvement in the indicator at a given time compared with the indicator for 2010 and weighted across sites and business units against the energy consumption for 2010.

The target comprises facilities and buildings that are either operated by DONG Energy or more than 50%-owned by DONG Energy. It includes activities such as electricity and heat generation, gas treatment and storage, electricity and gas distribution and facility management. Leased buildings and buildings in which 1% or less of DONG Energy total number of employees work are not included. Power stations sold since 2010, international power stations, waste incineration plants, peak-load stations, 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.

EN8/EN21

Water consumption and water discharges

For most locations, water consumption and wastewater discharge are reported based on meter readings and calculations. For offshore operations, water for consumption 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's onshore facilities and administration, groundwater consumption 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 reported, as they are considered to have less significant environmental impacts.

EN16/EN20**Air emissions**

CO₂ emissions that are not subject to emissions allowances, methane (CH₄), other volatile organic compounds (NMVOC), NO_x and SO₂ 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 based on the consumption of natural gas and oil products. Emissions of other greenhouse gases besides CO₂ are calculated for power stations, using National Environmental Research Institute in Denmark (DMU) standard factors.

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

For Danish locations, CO₂ emissions from electricity and heat consumption are determined using Energinet.dk's electricity declaration for Denmark and the Danish Energy Agency's standard factor for emissions from heat respectively. As both reports for 2012 were not available in time for inclusion in this reporting, the reports from 2011 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 'Wind Power'

('Vindstrøm'), which is generated exclusively from wind energy and is therefore considered to have no CO₂ emission.

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

For power stations, a number of significant emissions of trace elements and metals are calculated using a model developed by DONG Energy.

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.

LA1**Workforce by employment type, employment contract, and region**

All own employees are included in LA1, except for CT Offshore A/S employees, corresponding to 176 FTE. The CT Offshore A/S employees are included in total FTE in DONG Energy's Annual Report 2012, which explains the difference between reported FTEs in this report and the Annual Report 2012.

The category 'supervised workers' is not used in Denmark. Furthermore, the term is not defined by GRI. The category is therefore not included in the indicator.

LA7**Rates of occupational injuries and absenteeism**

'Days' refers to calendar days. The lost day count begins the day after the injury has happened. Injuries are recorded and reported using a corporate procedure based on guidelines from the International Association of Oil & Gas Producers, OGP.

