Sustainability **performance** 2016

Appendix to sustainability report: 'Energy for a sustainable future'

DONG energy

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Sustainability performance 2016

DONG Energy is headquartered in Denmark and employs around 5,800 ambitious people. The company is one of the leading energy groups in Northern Europe and is engaged in developing, constructing and operating offshore wind farms; generating power and heat from our power stations; and providing energy to residential and business customers on a daily basis.

We depend on a variety of resources to fulfil our ambition of creating long-term value for both us as a business and for society in general. In order to contribute to preserving and developing these resources we have integrated a number of sustainability programmes in our business, organised under four priority areas:

- Energy supply
- Climate and environment
- People
- Communities

To drive and document DONG Energy's efforts and results within these sustainability programmes we have developed and implemented a set of sustainability indicators. In this report, we present a complete set of DONG Energy's sustainability performance indicators. It is an appendix to DONG Energy's Sustainability Report 2016, which can be found at dongenergy.com/sustainability2016.

The sustainability performance data is presented in four three-year tables with comparative data for 2014, 2015 and 2016. A line instead of a number indicates that comparable data is not available due to missing, incomplete or different inventories. Below each of the four tables, we explain significant changes to the data and present accounting policies relevant to the specific sustainability performance indicators.

The basis of reporting, including requirements, is described at the end of this report. Included in this chapter is an account of standards and guidelines, data consolidation principles, descriptions of the data collection processes behind DONG Energy's sustainability performance data, and an account of changes made to the scope compared to 2015, including the discontinued operation of the Oil & Gas entity.

Energy supply

With our energy supply programmes, performance indicators and targets, we develop our energy assets and thereby the foundation of a green and reliable energy supply. When we construct offshore wind farms and convert our power stations from coal and gas to sustainable biomass, we contribute to the green transformation of society. At the same time, we maintain a high security of supply for our customers.

Energy supply	Unit	Target 2020	**2016**	2015	2014
1. Deployment of offshore wind					
Installed capacity, offshore wind	GW	11-12 (2025)*	3.6	3.0	2.5
Decided capacity (FID'ed), offshore wind	GW		7.4	5.1	3.8
Production capacity, offshore wind	GW		2.0	1.7	1.4
Denmark	GW		0.6	0.6	0.6
United Kingdom	GW		0.9	0.9	0.8
Germany	GW		0.5	0.2	0.0
Power generation, offshore wind	TWh		6.0	5.7	4.7
Denmark	TWh		2.2	2.1	2.4
United Kingdom	TWh		3.1	3.3	2.3
Germany	TWh		0.7	0.3	0.0
Availability	%		92	93	94
Load factor	%		41	45	44
Wind energy content	%		93	103	97

*Our 2025 ambition is an installed offshore wind capacity of 11-12GW

2. Reducing the cost of offshore wind					
No indicators			-	-	-

3. Greener power stations					
Coal share of fuels used for thermal power and heat generation	%	0 (2023)*	46	48	55
Biomass share of thermal power and heat generation	%		32	30	28
Degree days	Degree days		2,715	2,621	2,462
Thermal power generation capacity	GW		3.4	3.4	3.8
Thermal heat generation capacity	GJ/s		3.4	3.4	4.0
Biomass share of Danish heat generation capacity	%	≥60	41	19	16
Thermal power generation (total)	TWh		8.4	7.1	8.7
Denmark	TWh		6.8	6.0	7.8
The Netherlands	TWh		1.6	1.1	0.9
Thermal heat generation (Denmark)	TWh		9.2	9.3	8.7

* Our 2023 target is to stop using coal in 2023

4. Modernising the grid					
Security of supply (power outage per customer, SAIFI)	Number	0.5*	0.49	0.35	0.33
Security of supply (power outage per customer, SAIDI)	Seconds		31	25	21

* Average security of supply in Denmark in 2015. Our target is to offer a level of security of supply which is higher than or on par with the Danish Average

Energy supply	Unit	Target 2020	2016	2015	2014
5. Customer satisfaction					
Customer satisfaction, B2C	Scale 1-100	≥80	76	76	77
Customer satisfaction, B2B	Scale 1-100	≥75	75	75	73
Customer satisfaction, distribution	Scale 1-100	≥80	83	78	80
Customer complaints	Number		2,473	2,031	2,780
Gas customers	Number		101,144	101,046	104,364
Denmark – residential	Number		92,400	92,010	94,697
Denmark – business	Number		5,248	5,774	5,785
Germany – business	Number		33	33	41
Sweden – business	Number		327	372	373
United Kingdom – business	Number		3,136	2,857	3,468
Power customers	Number		738,871	756,774	768,233
Denmark – residential	Number		690,828	707,219	716,254
Denmark – business	Number		47,880	49,459	59,911
United Kingdom – business	Number		163	96	68
Number of gas distribution customers	Number		0	125,883	125,686
Number of power distribution customers	Number		1,006,893	1,001,330	986,472

1. Deployment of offshore wind

Installed offshore wind capacity is up from 3.0GW in 2015 to 3.6GW in 2016. The increase is attributable to Gode Wind 1 and Gode Wind 2 in Germany. The two wind farms were commissioned in November 2016.

We have an ambition of increasing the installed capacity to 11-12GW at the end of 2025. Following the completion of Hornsea 1, we will exceed our original target of installing 6.5GW of offshore wind capacity by 2020 by 0.2GW.

Installed capacity, offshore wind is calculated as the cumulative offshore wind capacity installed by DONG Energy. The capacity is calculated as installed gross capacity before divestments. Capacity is calculated and factored in from the time when the wind farm is in full production.

Decided capacity (FID'ed), offshore wind is the accumulated installed offshore wind capacity, including capacity for offshore wind farms where a final investment decision has been made.

Production capacity, offshore wind is calculated as the capacity of the power generation which DONG Energy Wind Power produces and reports. The same scope and consolidation as for power generation are used.

Production capacity is calculated and factored in from the time when the individual wind turbine has passed the 240-hour test. Production capacity, offshore wind is calculated at 31 December. The wind farms Gunfleet Sands and Walney 1 & 2 have been consolidated according to ownership interest. The other wind farms are financially consolidated.

Power generation, offshore wind is calculated as sold production. The wind farms Gunfleet Sands and Walney 1 and 2 are consolidated according to ownership interest. The other wind farms are financially consolidated.

The time-based availability factor (availability) is calculated as the ratio of the number of hours the offshore wind farms are available for power generation to the total number of hours in a given period. Total availability is determined by weighting the individual offshore wind farms' availability by the capacity of the offshore wind farm. Availability is commercially adjusted.

Load factor is calculated as the ratio between actual production over a period relative to potential production which is possible by continuously exploiting the maximum capacity over the same period. The load factor is commercially adjusted.

New offshore wind turbines are included in the calculation of load factor once they have passed the 240-hour test.

Commercially adjusted means that, for Danish and German offshore wind farms, the load factor is adjusted if the offshore wind farm has been financially compensated by the transmission system operators in situations where the offshore wind farm is available for production, but the output cannot be supplied to the grid due to maintenance or grid interruptions. Offshore wind farms in the UK are not compensated for non-access to supplying power to the grid.

Wind energy content is calculated as the ratio between actual gross production in a given period and production in a 'normal wind year'. Actual production is calculated as actual net production adjusted for availability.

The wind energy content for new offshore wind farms is included from the beginning of the first calendar year in which the entire wind farm is in operation.

2. Reducing the cost of offshore wind

No indicators.

3. Greener power stations

Coal is the form of energy resulting in the highest CO_2 emissions from incineration. Our target is to completely phase out coal in our thermal power and heat generation by 2023.

We are phasing out coal by converting our heat generation to sustainable biomass in the form of wood pellets and wood chips and by discontinuing our coal-based power generation.

The coal share of fuels used for thermal power and heat generation dropped from 48% in 2015 to 46% in 2016. At the end of 2016, we completed the conversion of unit 3 at Studstrup Power Station and unit 1 at Avedøre Power Station from coal to biomass.

The decision to stop all use of coal in 2023 means that we will have to find a future solution for the last two coal-fired power stations: Asnæs Power Station and Esbjerg Power Station.

Coal share used for thermal power and heat generation at the individual power stations is stated in GJ. The coal-based share is calculated as the coal consumption in GJ relative to the total fuel volume in GJ.

The biomass share of thermal power and heat generation is calculated according to the same model as the renewable energy share of power and heat generation described on page 10. The calculation is limited to the thermal plants, which excludes wind and hydro-based production.

Degree days (normal) are based on the period 2000–2014. The degree days for a day are calculated as the difference between the indoor average temperature at 17 degrees Celcius and the outdoor average temperature.

Thermal heat and power generation capacity is a measure of the maximum capability to generate a certain product. DONG Energy's thermal capacity comprises the maximum power and heat capacity for each unit. The capacity can change over time with plant modifications. For each power station the capacity is given for production with the primary fuel mix. Overload is not included. The capacity can change over time with plant modifications. Power stations which have been taken out of the primary operation to become stand-by stations are not included.

Thermal power generation is based on data from the official Danish production database (Panda) for own operated facilities in Denmark and on data provided by the operators for non-operated foreign facilities.
Thermal heat generation is compiled as the net production from the plants sold to heat customers. Heat generation for the current month is calculated on the basis of an estimated net heat output.

4. Modernising the grid

Meeting our clients' expectations of a high level of reliability of supply obviously requires a smoothly functioning power grid without interruptions. The frequency of power outages per customer increased from 0.35 in 2015 to 0.49 in 2016. The number of 10kV cable faults on a special type of cables has been considerably higher in 2016, which has entailed that more customers experienced power outages compared with 2015. One of the reasons for the increased error frequency was the high level of construction activity in the Copenhagen area. Our cables were, among other things, impacted in connection with excavations, which they are very sensitive to due to their age and construction.

In 2016, we implemented a new IT system to monitor the power grid with a view to enabling quicker correction of technical problems.

Reliability of power supply to the customer is measured in terms of power outage frequency and duration of outages for customers.

SAIFI (System Average Interruption Frequency Index) covers the frequency of announced and unannounced power outages for the customer. SAIFI is calculated as the average number of power outages per customer per year.

SAIDI (System Average Interruption Duration Index) covers the power outage duration experienced by the customers. SAIDI is calculated as the total duration of planned and unplanned power outages per customer per year. It is calculated as the total duration of customer interruptions divided by the total number of customers served.

5. Customer satisfaction

In 2016, we implemented a number of new initiatives to ensure that our B2C customers receive friendly and competent service.

Customer satisfaction for our B2C customers remained at 76 on a scale of 1-100 in 2016. This means that we are four index points away from reaching our goal of at least 80 in 2020.
Among our B2B customers, the level of satisfaction remained at 75 on a scale of 0-100 in 2016. We have therefore reached our 2020 target of 75, which is satisfactory.

The satisfaction level among our distribution customers increased from 78 in 2015 to 83 in 2016 on a scale of 1-100. The result is three index points above our 2020 target and we are very pleased with the development. The increase is partly due to an adjustment of the method for following up on 'disruption of supply'. In 2015, only customers who called the service

centre were asked about their satisfaction with disruption of supply. In 2016, the target group has been expanded to be more representative for this customer group. The sample group is now defined as a random sample among all customers, who have received information about a disruption of supply – regardless of whether the customer has called in or not. There might be a more positive response for the broader group than for the ones who called our service centre.

In 2016, we specified the accounting policies for all three customer satisfaction measures in order to strengthen the data quality. This has lead to adjustments in the historical data in our annual reporting.

Customer satisfaction for B2C customers is measured according to interaction between the customer and DONG Energy. The score is therefore not an expression of customers' overall satisfaction with DONG Energy, but is rather related to a given situation.

The score is a weighted score based on the contact volume of the underlying touch points. The current touch points are customer service for gas and power, outbound sales and web. An external supplier conducts interviews.

Web satisfaction is measured instantly online when the customer accesses the website. An external provider carries out the interviews. The results of each touchpoint are a simple average of the overall satisfaction score given by customers, with the exception of Outbound Sales. Outbound Sales' result is weighted based on the ratio of buying customers and unsuccessful contacts, and in accordance with Outbound Sales' average hit rate.

The satisfaction surveys are carried out every month during the year, and the quarterly score is a simple average of the last 3 months' score. The score is reported on a quarterly basis (periodic quarterly average) to ensure a result based on an ample sample size.

In 2016, it was specified that customer satisfaction for residential customers is a quarterly average of monthly values. The average for Q4 is shown in the annual report.

Customer satisfaction for B2B customers is determined on the basis of customer satisfaction surveys among DONG Energy's business customers in Denmark. Customer satisfaction is determined on the basis of quarterly interviews about customers' satisfaction with DONG Energy as a whole.

The survey only comprises active customers with whom DONG Energy has been in touch in connection with contracts for the supply of power or gas in the previous or next month. So-called sleeping customers are therefore not included in the statement. The method follows the ACSI model based on the EPSI scale. An external agency conducts the interviews and reports absolute and weighted results via a web-based dashboard.

In 2016, it was specified that customer satisfaction for business customers is reported on a quarterly basis as a year-to-date simple average based on the number of respondents per quarter (approx. 250). Data for Q4 are shown in the annual report.

Customer satisfaction for distribution customers in Denmark is determined on the basis of four types of interactions with distribution customers: Disruption of supply, visits relating to gas, replacement of meters and customer and market support. Customer satisfaction is measured as the customer's satisfaction in a specific context. Respondents are randomly selected, and the survey is carried out by an external supplier.

In 2016, it was specified that customer satisfaction for distribution customers is reported on a quarterly basis as a year-to-date average of quarterly results. Data for Q4 are shown in the financial statements.

Customer satisfaction for private and distribution customers thus relates to a specific situation, whereas customer satisfaction for business customers is an expression of customers' satisfaction with DONG Energy as a whole.

We have a number of very large business customers. In respect of these, it is important for us to assess the customer relationship in general and not just the experience of a specific situation.

The number of customer complaints received is calculated each month by a direct count from DONG Energy's case handling system. The number of customer complaints has been calculated on the basis of all customer groups in Denmark (residential, business and distribution customers). The number of new customer complaints is reported on a monthly basis, and monthly follow-up reports are prepared which are used internally to monitor the development.

A B2C power and/or gas customer is defined as a counterpart currently receiving billable physical power from the legal entities connected to B2C. This counterpart is defined as a person (male or female) who is billed on the basis of one or more PODs (point of delivery). The relationship between the POD and the counterpart is based on the Business Partner ID and a name-join in B2C Datamart.

A B2B power and/or gas customer is defined as a counterpart currently receiving billable physical power from the legal entities connected to B2B Denmark. This counterpart is defined as a structure of PODs, based on the parent-sibling relationship (if any) between legal entities, and on the knowledge of the account manager responsible for the customer.

A customer is counted once, regardless of the number of PODs. Only classic commodity customers are counted. Service and portfolio management customers are not counted, but most of these customers are also classic commodity customers. Trading counterparties are not counted.

The number of customers is retrieved from DONG Energy's internal ERP system and CRM system, while customers in other countries are retrieved from local contract and customer databases.

The number of power and/or gas distribution customers is based on readings from the official system in Denmark, Panda. The number of customers is counted as the number of consumption points.

Climate and environment

With our climate and environment programmes, performance indicators and targets, we contribute to limiting climate change and preserving natural resources. We reduce our CO_2 emissions by building offshore wind farms and replacing coal and gas with sustainable biomass at our power stations. We help our customers save energy so they also emit less CO_2. Moreover, we must respect the environment when we produce energy. We have a responsibility to protect biodiversity and minimise our waste.

Climate and environment	Unit	Target 2020	**2016**	2015	2014
6. Green transformation					
Greenhouse gas emissions of power and heat generation	g CO_2e/kWh	100 20 (2023)	224	220	280
Greenhouse gas emissions of thermal power and heat generation	g CO_2e/kWh		302	297	358
Greenhouse gas emission	Million tonnes of CO_2e		5.3	4.9	6.2
Within EU ETS CO_2 emissions	Million tonnes CO_2		5.3	4.8	6.2
Outside EU ETS CO_2e emissions	Million tonnes CO_2e		0.0	0.1	0.0
Nitrogen oxide (NOx)	g NOx/kWh		0.16	0.16	0.18
Sulphur dioxide (SO_2)	g SO_2/kWh		0.03	0.03	0.03
Renewable energy share of heat and power generation	%		50	49	44
Biomass	%		24	22	22
Wind	%		26	26	22
Waste (biodegradable)	%		0	1	1
Fossil energy share of heat and power generation	%		50	51	56
Coal	%		30	33	39
Gas	%		19	17	16
Oil and waste (non-biodegradable)	%		1	1	1
Flaring	Nm^3		632	614	1,057
Venting	Nm^3		72	87	69
Power consumption	GWh		47	47	61
Heat consumption	TJ		116	98	89
7. Sourcing of certified biomass					
Sourcing of certified biomass (wood pellets and wood chips)	%	100	61*	-	-
Certified wood pellets sourced	%		62	-	-
Certified wood chips sourced	%		54	-	-

*The result covers the period August 2016 to December 2016

Climate and environment	Unit	Target 2020	2016	2015	2014
8. Energy savings					
Accumulated energy savings for customers	TWh		3.2	2.8	2.2
Energy savings for customers	GWh		450	513	314
Energy savings for residential customers	GWh		102	113	75
Energy savings for business and institutional customers	GWh		348	400	239
of which climate partnerships account for	GWh		43	55	59
Green power sold to customers	GWh		731	926	835
9. Protecting biodiversity					
Significant environmental incidents (C4 and C5)	Number		8	5	7
Very significant environmental incidents (C5)	Number		0	0	0
Significant environmental incidents (C4)	Number		8	5	7
10. Resource management					
Total waste for recycling	%		95	96	45
Total waste for incineration	%		4	4	53
Total waste for landfill	%		1	0	2
Total waste	Tonnes		68,563	73,988	67,818
Non-hazardous waste	Tonnes		66,102	71,819	30,937
Hazardous waste	Tonnes		2,460	2,169	36,880
Coal consumption	Thousand tonnes		1,695	1,612	2,156
Natural gas consumption	Thousand Nm^3		598,960	506,025	513,026
Oil consumption	Thousand tonnes		22	17	20
Biomass consumption	Thousand tonnes		1,560	1,352	1,386
Waste consumption	Thousand tonnes		0	80	148
Water consumption	Thousand m^3		1,726	1,546	1,468
Wastewater discharge from power stations	Thousand m^3		850	833	1,464

6. Green transformation

We continue to reduce greenhouse gas emissions in step with our green energy expansion and phase-out of coal as fuel. In 2016, emissions were 224g CO_2e/kWh, which is slightly higher than in 2015. This is primarily attributable to higher power generation at the power stations due to increased demand as a consequence of a lower supply of wind power and hydropower in the Nordic region in 2016. In addition, our Dutch power station generated 48% more power than in 2015, where power generation was very low.

Our target for 2020 has been revised to 100g CO_2e/kWh, half of our original target. We have also defined a target of no more than 20g CO_2e/kWh in 2023.

Greenhouse gas emissions per generated kWh of power and heat generation are is defined as the greenhouse gas emissions divided by the total power, heat and steam generation supplied to the network.

CO_2 emissions (g CO_2e/kWh) are calculated as greenhouse gases measured in CO_2e (CO_2 equivalents) relative to the total generation of power, heat and steam, measured in kWh.

Greenhouse gases comprise greenhouse gas emissions from the combustion of fuels in thermal power and heat generation. These are covered by the GHG Protocol and comprise CO_2 (carbon dioxide), N2O (nitrous oxide) and CH4 (methane).

In practice, waste is considered a partially CO_2-neutral fuel, as it consists

CO_2/kWh and share of renewable energy content – New accounting policies in 2016

In 2016, we changed our accounting policies in respect of the calculation of CO_2/kWh and renewable energy share. The Greenhouse Gas Protocol forms the basis of the change. The change has been implemented for all historical results and the 2020 target for CO_2e/kWh.

In the calculation of the total power and heat generation, we have previously translated the heat generation into so-called power equivalents. This means that we have translated the heat generation into how much power we could have generated by not having generated heat. In practice, this meant that the considerably higher energy efficiency that the combined power and heat generation entailed was not reflected in the results. The Greenhouse Gas Protocol recommends that, in the calculation of total generation from combined heat and power plants, power and heat generation be translated into the same unit and aggregated. We use GWh as the aggregated unit.

Based on the Greenhouse Gas Protocol, we have expanded our statement of CO_2 emissions to include the other two greenhouse gases N2O and CH4 from thermal generation. We now calculate CO_2e/kWh, which means that greenhouse gas emissions are measured in CO_2 equivalents per produced kWh of power and heat generation, rather than just CO_2. The change has only had a marginal impact.

of both fossil fuels and biomass-based fuels. We use a conversion factor to calculate the CO_2 emissions from the incineration of waste. The conversion factor (37kg CO_2/GJ waste) has been used by the Danish Centre for Environment and Energy since 1990 and until today.

CO_2 emissions within the EU ETS scheme occur at facilities that are subject to the emissions trading system and for which DONG Energy is responsible in its capacity as operator and thus holds the environmental permit. The calculation of emissions is determined on the basis of the fuel quantities used in accordance with the EU ETS scheme.

Other greenhouse gas emissions and CO_2 emissions outside the EU ETS scheme from power and heat generating facilities are emissions that are not subject to the emissions trading system.

NO_x and SO_2 include emissions are primarily measured by continuous measurement. A few power stations use plant-specific emission factors. The emissions are presented per kwh of generated power and heat at the power stations.

The renewable energy share of heat and power generation and the generation on the individual energy sources and fuels are calculated on the basis of the generation from the plants.

For wind-based generation, it is simply a question of calculating the individual energy-based generation for the plant, as it uses one energy source only.

For the combined heat and power (CHP) plants, which can use several different fuels, the calculation is as follows: For the individual CHP plant unit in the given period, the share of the specific fired fuel (eg biomass) is calculated relative to the total fired fuel quantity. The fired fuel share is then multiplied by the total power and heat generation (including steam) for the specific unit in the specific period.

This results in the fuel-based generation for the individual unit – for example the biomass-based generation of power and heat in the CHP plant unit.

All the calculated fuel-based generation and the wind power generation are then added up to a total, which tallies with the total generation. Based on this, the shares of the individual energy sources and the fuel-based generation can be divided by the total to arrive at the shares in per cent.

In practice, waste consists of a mixture of biomass and fossil fuel-based parts. When calculating the renewable energy share, waste fuel is therefore divided into a biodegradable and a non-biodegradable part. Key figures from the Danish Centre for Environment and Energy are used for this purpose. In 2016, 55% of the waste was biodegradable.

The following energy sources and fuels are considered renewable energy: Wind, biomass, waste (biodegradable). The following energy sources are considered fossil energy sources: Coal, natural gas, oil and waste (non-biodegradable).

Consumption of natural gas, flaring and venting carried out for safety or similar purposes is reported in addition to total consumption and is based on meter readings. Venting does not include natural gas emitted due to maintenance work.

Consumption of raw materials in oil and gas production comprises natural gas used for energy purposes, natural gas flared and diesel oil supplied to a platform. Consumption is based on meter readings and invoices.

For offshore installations, the calculation of natural gas flaring is based on continuous measurements. Gas flaring is calculated with an adjustment for the ownership share of production for the platform responsible for the environmental emissions.

For gas treatment and gas storage facilities, the amounts are calculated on the basis of pressure and the dimensions of the process equipment that is emptied as well as by means of accredited measuring of the constant safety flaring.

Power and heat consumption is reported for power stations, other facilities and administrative functions. Electricity and heat consumption is calculated exclusive of consumption for electricity and heat generation at the power stations.

For power stations, consumption is determined as incinerated volumes. For gas distribution, the consumption of natural gas is calculated based on meter readings. For consumption related to administration and other processes, we calculate direct consumption on the basis of invoices.

7. Sourcing of certified biomass

We only want to use certified sustainable biomass at our heat and power plants. We have therefore asked our suppliers to obtain certification in accordance with the Danish industry agreement on sustainable biomass which was introduced in August 2016.

Our target is for all the wood-based biomass sourced by DONG Energy to be certified by 2020. We work closely with our suppliers to reach this target. From the time the first certificates became available and the agreement was introduced in August 2016 and until the end of the year we reached a share of 61% certified sustainable biomass.

Certified biomass is a new strategic target and non-financial indicator. Reporting began in August 2016 on the commencement date of the Danish industry agreement on reporting and certification schemes.

Certified biomass is defined as woody biomass, i.e. wood pellets and wood chips. Biomass is measured as sourced woody biomass delivered to the individual DONG Energy heat and/or power plant within the reporting period.

Certified sustainable woody biomass sourced must be certified within at least one of the claim categories accepted by the Danish industry agreement on certified biomass. Accepted claim categories are:

- FSC 100%
- FSC Mix
- PEFC 100%
- SBP Compliant.

Certified biomass is calculated as the amount of sourced woody biomass compared to the total amount of sourced woody biomass delivered to the individual DONG Energy-owned power stations within the reporting period.

8. Energy savings

Accumulated energy savings increased from 2.8TWh in 2016 to 3.2TWh in 2016. Despite an increase in energy savings created by DONG Energy's energy advisor, the total energy savings for our customers decreased from 513GWh in 2015 to 450GWh in 2016. The decline was caused by the divestment of Dansk Gasdistribution, which as of 1 October 2016 reported energy savings independently.

Data is reported according to the agreement of 13 November 2012 on the energy-saving efforts of Danish energy companies entered into betwee the Danish Minister for Climate, Energy and Building and the grid and distribution companies for power, natural gas, district heating and oil.

9. Protecting biodiversity

The number of significant environmental incidents (C4) rose from 5 in 2015 to 8 in 2016. The number of very significant environmental incidents (C5) remained 0 in 2016. In Bioenergy & Thermal Power, the number of C4 environmental incidents rose from 0 to 3. The reasons include fly ash from a power station and two cases of spillage of oil-based products.

An environmental incident is an unintended incident which has a negative impact on the environment. DONG Energy registers all environmental incidents at facilities for which DONG Energy is responsible in its capacity as operator or accountable for operations, including both actual and potential incidents.

The materiality of an incident is determined on the basis of an assessment of the extent, dispersion and impact on the environment. On this basis, all environmental incidents are categorised on a scale from 1 to 5. Actual incidents in categories 4 and 5 are reported.

10. Resource management

The total amount of waste decreased from 73,988 tonnes in 2015 to 68,563 tonnes in 2016. There was no significant change in the frequency of total waste for recycling, total waste for incineration and total waste for landfill.

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

The consumption is a total of both heat and power generation. Biomass use in thermal heat and power generation is defined as all kinds of biomass-based fuels:

- Wood pellets
- Straw
- Wood chips
- Bio oil
- Sunflower husk pellets

Coal consumption in thermal heat and power generation at the power stations is a total of both heat and power generation. **Consumption of natural gas, flaring and venting** carried out for safety reasons or similar reasons is reported in addition to total consumption and is based on meter readings. Venting does not include natural gas emitted due to maintenance work. **Oil consumption** is a total of heat and power generation.

Biomass consumption is a total of both heat and power generation.

Water consumption and wastewater discharge are based on meter readings and calculations for most locations. For offshore operations, water is loaded directly at the docks and is not measured. The cooling water at power stations is 'borrowed' from lakes, streams or the sea and circulated through closed systems at power stations, after which it is returned to the recipient. This water consumption is not reported.

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 presumed to be equivalent to water consumption.

Residual products are measured by type and weight by the carrier upon exit from the facility.

For power stations, consumption is determined as incinerated volumes. For gas distribution, the consumption of natural gas is calculated based on meter readings. For consumption related to administration and other processes, DONG Energy calculates direct consumption on the basis of invoices.

People

With our people programmes, performance indicators and targets, we develop human resources. Most importantly, we need to ensure that every employee returns home safely every day. It is also important for us to sustain and develop a healthy and diverse working environment that promotes well-being. Good management needs to motivate and help our employees develop their competencies.

People	Unit	Target 2020	**2016**	2015	2014
Total number of employees at 31 December	Number of FTEs		5,775	5,947	5,751
11. Workplace safety					
Lost-time injuries, frequency (LTIF)	Per million hours worked	≤1.5	1.8	2.0	2.5
Employees	Per million hours worked		1.2	1.1	1.9
Contractors	Per million hours worked		2.3	3.1	3.2
Wind Power	Per million hours worked		1.2	1.9	2.1
Bioenergy & Thermal Power	Per million hours worked		2.5	2.1	3.8
Distribution & Customer Solutions	Per million hours worked		3.3	2.9	2.3
Lost-time injuries (LTI)	Number		35	35	48
Employees	Number		11	11	18
Contractors	Number		24	24	30
Fatalities	Number	0	0	0	0
Permanent disability cases	Number		0	1	1
Total Recordable Injury Rate (TRIR)	Per million hours worked		6.8	9.7	10.9
Employees	Per million hours worked		5.3	9.3	8.1
Contractors	Per million hours worked		8.2	10.3	13.9
Days lost per lost workday case	Number		27	22	16
12. Employee health and well-being					
Satisfaction with health initiatives	Scale 0-100	80	78	76	-
Sickness absence	%		2.3	2.2	2.0
Stress indicator	%		8	-	-
13. Performance and development					
Aggregated learning and development indicator	Scale 0-100	80	76	74	-
Employees who have had a PDD during the year	%		97	96	93
14. Employee satisfaction and motivation					
Employee satisfaction	Scale 0-100	77	76	74	72
Employee loyalty	Scale 0-100		83	82	78
Employee turnover rate, voluntary	%		6.7	7.4	7.8

People	Unit	Target 2020	2016	2015	2014
Employees who have left the company	Number		913	677	772
Voluntary resignation	%		43	62	56
Dismissal	%		48	24	33
Mutual agreement	%		5	8	7
Retirement	%		4	5	4
Other	%		0	1	0
15. Employee diversity					
Board of Directors	Number		8	8	7
Female	Number		3	3	1
Male	Number		5	5	6
Top management					
Female	%	>22%	16	18	17
Male	%		84	82	83
Leadership Forum					
Female	%	>25%	20	22	23
Male	%		80	78	77
Other managers					
Female	%	>32%	25	25	26
Male	%		75	75	74
All managers					
Female	%		22	23	24
Male	%		78	77	76
Employees by gender					
Female	%		30	29	29
Male	%		70	71	71
Employees by contract type					
White collar	%		86	83	82
Blue collar	%		14	17	18
Employees by country					
Denmark	%		80	83	84
United Kingdom	%		14	11	10
Germany	%		3	3	3
Other	%		3	3	3
Employees by age					
18-35	%		32	32	31
36-55	%		56	56	56
56-70	%		12	12	13
Average age of total workforce	Years		42	42	42
Employee turnover rate, total	%		16	12	14
Male	%		14	12	13
Female	%		17	12	14
Hires by gender					
Male	%		31	35	32
Female	%		69	65	68
Employees experiencing bullying, harassment, threats or violence	%		3.6	4.8	-

Employees, full time equivalents (FTEs)
The reporting covers contractually employed employees in Danish and foreign DONG Energy companies in which DONG Energy holds an ownership interest of more than 50%. People employed with associates are not included. Employee data are recognised based on records from the Group's ordinary registration systems. The number of employees is determined as the number of employees at the end of each month converted to full-time equivalents (FTEs).

Employees who have been made redundant are recognised until the expiry of their notice period, regardless of whether they have been released from all or part of their duties during the notice period.

11. Workplace safety

We must ensure that our employees and suppliers return home from work safely, no matter whether they work at the top of an offshore wind turbine or in the office. In 2016, we achieved an LTIF of 1.8.

The frequency of lost-time injuries (LTIF) for both employees and suppliers has improved significantly over the past three years. LTIF was 1.8 at year-end 2016. Our LTIF dropped from 2.0 in 2015 to 1.8 in 2016. We will continue to work towards achieving our target of an LTIF of ≤1.5 in 2020. Most importantly, we have had no fatalities since 2012.

We are constantly striving to improve safety for employees by focusing on areas in which we believe that we are best able to influence the safety culture, manage risks and improve our safety performance. One of our focus areas is the safety culture in DONG Energy. In 2016, we conducted the first safety culture survey in the entire company. The results showed a maturity level of 3.5 on a scale from 0 to 4 and is a good basis for our efforts in 2017. A large proportion of our occupational injuries involve persons tripping, falling or twisting a limb or joint, and we are working to further reduce these types of injuries.

Furthermore, we will ensure thorough follow-up on and reducing the number of near-miss incidents with the potential to cause harm to our employees. We will also involve our suppliers further in our safety work.
In 2016, we increased our focus on the psychosocial working environment and its impact on physical safety. For example, we have developed a stress reduction tool for our managers. The tool will be rolled out in 2017 and will be integrated in our internal Safety Leadership Onboarding course.

Occupational injuries are calculated according to operational scope. Data from companies wholly or partly owned by DONG Energy and where DONG Energy is responsible for safety are included. Occupational injuries and lost-time injuries are calculated for both our own employees and suppliers. Data from Danish and foreign locations are recognised.

Lost Time Injury Frequency (LTIF) is defined as an injury that results in incapacity to work for one or more calendar days in addition to the day of the incident. The Lost Time Injury Frequency is calculated as the number of lost-time injuries per one million hours worked. The number of hours worked is based on 1,667 working hours annually per full-time employee and monthly records of the number of employees converted into full-time employees. For suppliers, the actual number of hours worked is recognised on the basis of data provided by the supplier, access control systems at locations or estimates.

Fatalities are the number of employees who lost their life as a result of a work-related incident.

Total Recordable Injury Rate (TRIR) indicates the total number of recordable injuries per one million hours worked and includes lost time injuries, restricted workday cases and medical treatment cases.

Permanent disability cases are injuries resulting in irreversible damages with permanent impairment, which is not expected to improve.

Days lost per lost workday case is the average number of days with incapacity to work. Lost workday cases are defined as LTIs excluding fatalities. A lost time injury (LTI) is an injury that results in incapacity for work of one or more calendar days in addition to the day of the incident.

12. Employee health and well-being

In the past year, new health initiatives have been introduced, focusing on both sleep and mental balance as well as the physical work environment for employees doing all types of work. This has increased employees' knowledge of and satisfaction with our health strategy. The 'satisfaction with health initiatives'-score increased from 76 in 2015 to 78 in 2016 on a scale of 1-100.

DONG Energy conducts a comprehensive employee satisfaction survey once a year. In the survey, employees at DONG Energy are asked a number of questions. Answers are given on a scale from 1-10 and are subsequently converted to average index figures on a scale ofrom 0-100. See programme 14 on page 16 for an account of which employees are invited to participate in the survey.

Satisfaction with health initiatives is included in the employee satisfaction survey. **The stress indicator** is calculated as the percentage of employees answering quite much or very much to the question; Do you feel this kind of stress at present? Stress means as a situation where a person feels tense, restless, nervous or troubled, or unable to sleep at night because his/her mind is troubled all the time.

Sickness absence is calculated as the ratio between the number of sick days during the financial year and the planned number of annual working days in the respective country.

13. Performance and development

Learning and development has especially improved due to a stronger culture for discussing and learning from day-to-day experiences and also due to employees' experiences of having clearer development goals and getting constructive feedback from colleagues. The 'aggregated learning

and development' indicator increased from 74 in 2015 to 76 in 2016 on a scale from 0-100.

DONG Energy conducts a comprehensive employee satisfaction survey once a year. In the survey, DONG Energy employees are asked a number of questions. The answers are given on a scale from 1-10 and are subsequently converted to average index figures on a scale from 0-100. See programme 14 for an account of which employees are invited to participate in the survey.

The aggregated learning and development indicator is included in the employee satisfaction survey. The aggregated learning and development indicator includes the following questions:
- It is clear to me where I need to develop in my job
- I actively seek out opportunities that help me develop in my job
- I often receive constructive feedback from my colleagues
- In my department, we openly discuss our day-to-day experiences in order to learn from them

14. Employee satisfaction and motivation

A high level of satisfaction and motivation among our employees is a sign that ours is a healthy company that our employees want to be a part of. The result is a high level of employee loyalty and a high retention rate. In the annual employee survey, our employee job satisfaction and motivation rose from 74 to 76 on a scale from 0 to 100.

We are one index point from reaching our 2020 target of 77. At the same time, the loyalty index increased from 82 to 83. The positive development in job satisfaction and motivation is ascribable especially to the employees' perception of DONG Energy's reputation and their high rating of their immediate managers.

DONG Energy conducts a comprehensive employee satisfaction survey once a year. In the survey, DONG Energy employees are asked a number of questions. The answers are given on a scale from 1-10 and are subsequently converted to average index figures on a scale from 0-100. In the survey, the employees are asked a number of questions about their **job satisfaction and loyalty.**

The following employees are invited to participate in the employee satisfaction survey:
- All permanent and temporary employees, including apprentices
- Employees who are on leave, sick leave or maternity leave
- Hourly workers and student workers (employed for more than 8 hours/week)

The following employees are not invited to participate in the employee satisfaction survey:
- Employees who joined the company shortly before the employee satisfaction survey
- Employees who resigned shortly after the employee satisfaction survey
- Interns
- Consultants / advisors and external temporary workers who do not have an employment contract with DONG Energy
- Employees from A2Sea / CTO

Employee turnover rate, voluntary is calculated as the number of permanent employees who have voluntarily left the company relative to the average number of permanent employees in the financial year.

15. Employee diversity

With a share of women on the Board of Directors of three out of eight in 2016, DONG Energy complies with statutory requirements for equal distribution.

DONG Energy has a policy for women in management and 2020 targets for the share of women in the Top Management, the Leadership Forum and for other managers. The total number of women in management positions in DONG Energy is unchanged from 2015 to 2016; however, the total management population has grown within the period, which explains the small decline in the percentage of female managers. Our main growth area, Wind Power, is operating in a male dominated industry, which also has an effect on the gender distribution within this area and this again effects our ability to identify and attract qualified female management candidates. Gender distribution will continue to be an important focus area for DONG Energy in the years to come.

The reporting covers contractually employed employees in Danish and foreign DONG Energy companies. Employee data are recognised based on records from our ordinary registration systems. The number of employees is determined as the number of employees at the end of the financial year converted to full-time equivalents. Employees that have been made redundant are recognised until the expiry of their notice period, regardless of whether they have been released from all or part of their duties during the notice period.

The employee representatives on **the Board of Directors** are not included in the data and the targets for women on the Board of Directors. **The Top Management** consists of the CEO and the CFO and Executive Vice Presidents, Senior Vice Presidents and Vice Presidents in the Group. **The Leadership Forum** consists of Senior Directors, Directors and Senior Managers. **Other managers** include managers and team leaders.

Employees by gender represent the gender distribution of the total workforce in DONG Energy. **Contract types** are divided into two categories: White collar and blue collar.

Average age has been measured as the average age of employees within the reporting period. **Employee turnover rate** is calculated as the number of permanent employees who have left the company relative to the average number of permanent employees in the financial year.

Employees experiencing bullying, harassment, threats or violence is the percentage of employees who experience bullying, harassment, threats or violence. The score is calculated as the percentage of employees who answer yes to one or more of four related questions.

Communities

With our communities programmes, performance indicators and targets, we support the relations to our stakeholders. We wish to contribute positively to the societies we are a part of, and naturally local communities expect our investments to generate growth and employment. We need to behave responsibly, and we want to make sure our business partners do the same.

Communities	Unit	Target 2020	**2016**	2015	2014
16. Good business conduct					
Substantiated whistleblower cases	Number		3	6	5
Cases transferred to the police	Number		0	1	1
Employees who have completed a course in good business conduct	%		98	95	97
17. Responsible business partner					
Business partner assessments	Number		21	21	-
Site assessments	Number		14	11	-
Self-assessments	Number		7	10	-
Improvement points open at 31 December	Number		19	15	-
Very significant improvement points	Number		1	1	-
Significant improvement points	Number		18	14	-
Improvement points opened in the course of the year	Number		20	33	-
Very significant improvement points	Number		1	1	-
Significant improvement points	Number		19	32	-
Improvement points closed in the course of the year	Number		16	18	-
Very significant improvement points	Number		1	0	-
Significant improvement points	Number		15	18	-
18. Local engagement					
No indicators			-	-	-
19. Responsible tax management					
Global income tax	Billion DKK		3.2	1.1	0.1
20. Better reputation					
Reputation Value Index	Scale 0-100	≥55	48	47	47
Reputation driver: 'A company I trust'	Scale 0-100		45	45	44
Reputation driver: 'Positive influence on society'	Scale 0-100		49	47	47

16. Good business conduct

In 2016, fewer reported whistle-blower cases were substantiated. Two cases concerned conflicts of interest in connection with external business partners and one case concerned kickbacks from two suppliers. The cases had consequences for the employment of the involved parties. None of the cases were business critical nor did they affect our financial results. We take cases like these very seriously and we do our utmost to prevent similar cases from happening again.

DONG Energy's whistle-blower hotline is available for internal and external reporting of suspected cases of inappropriate or illegal behaviour.

Whistle-blower cases are received and handled by the Internal Audit function, which also receives similar reports through the management system and from compliance officers. All reports are handled in accordance with the guidelines for the handling of whistle-blower reports approved by the Audit and Risk Committee, which is ultimately responsible for the whistle-blower scheme.

Only cases, which are closed during the financial year, and which have been reported to the Audit and Risk Committee as fully or partially substantiated, are reported in the annual report.

Cases transferred to the police are defined as the number of cases reported in according with above, which are transferred to the police.

Fines and sanctions for non-compliance with laws and regulations are administrative and judiciary fines and sanctions for failure to comply with laws and regulations, including international declarations/conventions/treaties, and national, sub-national, regional and local regulations.

The definition includes fines and sanctions levied in cases brought against DONG Energy through the use of international and national dispute mechanisms. This indicator only includes significant fines and sanctions, which is defined as fines and sanctions that have been reported to the head of Legal Affairs.

Legal actions involving competition law issues include all legal actions, pending or completed during the reporting period, which are initiated by the competition authorities or as legal proceedings at the ordinary courts or arbitration tribunals under national or international competition laws. They include anti-competitive behaviour and violations of anti-trust and monopoly practices which are defined as any illegal attempt to restrict competition under applicable competition law.

All employees in wholly-owned business units are invited to take an e-learning course in good business conduct.

The number of employees who have completed a course in good business conduct is calculated as the proportion of employees at 31 December who have completed an e-learning course in good business conduct relative to the number of employees invited to take the course.

17. Responsible business partner

We work with more than 22,000 suppliers and joint venture partners from all over the world. To help our business partners live up to international standards and our own Code of Conduct, we conduct assessments of their practices.

In 2016, we conducted 21 assessments of our business partners. As a result of these, we opened one very significant and 19 significant improvement points, which our business partners must address and improve. In addition, we closed one very significant improvement point which had been continued from 2015 and which concerned anti-corruption.

We closed a total of 15 significant improvement points identified in 2016, 14 of which were closed after business partners' successful implementation of improvements and one was closed due to discontinuity of the commercial relationship.

One significant improvement point from 2015 remained open. In 2016, we opened and closed two significant improvement points after satisfactory implementation of improvements.

A comprehensive assessment is an extensive due diligence of a business partner's performance against all or a defined selection of the expectations set out in the DONG Energy Code of Conduct for Business Partners. The assessment is performed by DONG Energy and/or a third party.

A site assessment is a visit to a business partner's facilities for the purpose of carrying out an assessment of the ability of the business partner to live up to DONG Energy's Code of Conduct (or any other form of comprehensive CSR due diligence). The assessment is performed by DONG Energy and/or a third party.

Self-assessments are based on a questionnaire about DONG Energy's Code of Conduct which the business partner must complete. The questionnaire is verified by DONG Energy.

Improvement points are observations from assessments of a business partners' actions in respect of fulfilling the expectations set out in DONG Energy's Code of Conduct. DONG Energy monitors the implementation of improvements as part of its continuous engagement with its business partners, for example through meetings and telephone calls. Once it is confirmed that satisfactory improvements have been implemented by the business partner, the improvement point is closed.

Improvement points are categorised according to the following scale: possible improvement point, less significant improvement point, significant improvement point and very significant improvement point.

A very significant improvement point is a very significant violation of applicable legislation, a policy or procedure or adopted good practices which may cause immediate danger to human or labour rights, the environment or anti-corruption, and which requires immediate action.

A significant improvement point is a significant violation of applicable legislation or a lack of policy, procedure or established good practices, which may lead to serious negative impacts on human or labour rights, the environment or anti-corruption in the short to medium term, or a lack of documentation in this respect.

The number of completed assessments reported for 2015 has been changed as a result of the more detailed accounting policies we carried out in 2016. We have done this in order to make it easier to separate our own efforts carried out in cooperation with business partners from the efforts with which we got assistance from the organisation Bettercoal (http://bettercoal.org), which has assessed coal mines with us for support.

18. Local engagement

No indicators.

19. Responsible tax management

Our tax policy is publicly available and we recognise that tax plays a significant role in society. To us, a responsible approach to tax management is essential for our long term future in the counties in which we operate. For more information about tax, we refer to DONG Energy's Annual Report 2016, section 5.

20. Better reputation

We are working to improve our reputation by ensuring a high level of integrity in our business, continuing the green transformation, helping our customers to save energy and being an attractive place to work.

Our overall reputation is affected by a number of parameters, such as the extent to which the Danish people see DONG Energy as a likeable company which you can trust and which conducts itself in an ethically correct manner, and as an open and responsible company with a positive impact on society. We are currently being assessed relatively low on these parameters. Since 2011, our reputation score has fallen by 6 index points on a scale from 0 to 100.

In connection with our IPO on the stock exchange in Copenhagen in June 2016, we saw a brief boost in DONG Energy's reputation of +2 points. In 2016, our reputation score was 48 points, which is lower than the average for other large Danish companies.

DONG Energy's reputation is measured through interviews with 100 people per week in the Danish population aged 18-64. The respondents are selected at random and are representative in terms of age, gender and geography within the above-mentioned group. Each respondent is asked three questions about DONG Energy's reputation.
The questions are the same, and the survey is therefore comparable across the individual years. The responses are translated into an index of 0-100, and the total score for the year is the average of the results for the 12 months. The survey is carried out by an external research firm.

Our reputation is measured for DONG Energy as a whole. It was therefore not possible to remove Oil & Gas data from our reputation results for 2016 and all comparative years as opposed to the remaining consolidated non-financial statements for the Group.

The survey is carried out by an external research firm. The above accounting practice also applies to the questions 'DONG Energy is a company I trust' and 'DONG Energy has a positive influence on society'.

Basis of reporting

This report, Sustainability Performance 2016, is an appendix to DONG Energy's Sustainability Report 2016, which you can find at dongenergy.com/sustainability2016. In DONG Energy's Sustainability Report 2016 you can read more about our materiality assessment, approach to sustainability, strategy for sustainable development, and about our sustainability programmes organised under four priority areas.

To drive and document DONG Energy's efforts and results within these sustainability programmes we have developed and implemented a set of sustainability indicators. We report on all these in this report and some of them, we have reported on since 2006.

In this section, you can read about the general basis of reporting including requirements, standards and guidelines, data consolidation principles and descriptions of the data collection processes behind DONG Energy's sustainability performance data. In addition, you will find an account of changes made to the scope, and sustainability indicators added or removed compared to 2015.

The accounting policies and development explanations relevant to the specific sustainability performance indicators are explained below each of the four tables.

Sustainability reporting requirements, standards and guidelines
We continuously monitor the development of national and international sustainability reporting requirements, standards and guidelines. The purpose is to evaluate which reporting form provides our stakeholders with the most accurate picture of DONG Energy.

Pursuant to section 99a of the Danish Financial Statements Act, DONG Energy is obliged to account for the company's CSR activities and report on business strategies and activities with regards to human rights, labour rights, anti-corruption as well as environment and climate.

DONG Energy is a signatory to the UN Global Compact. UN Global Compact provides enterprises with a strategic framework for incorporating ten principles on human rights, labour rights, anti-corruption as well as environment and climate measures into their strategy and business processes. The ten principles constitute the framework for DONG Energy's sustainability efforts and we are working to promote the principles.

Companies that have joined the UN Global Compact are required to submit and make publicly available their annual Communication on Progress (COP) report which details progress made in implementing the ten Global Compact principles. By publishing a COP report, companies automatically comply with section 99a of the Danish Financial Statements Act.

This report in combination with DONG Energy's Sustainability Report 2016, which you can find at www.dongenergy.com/sustainability2016, and on the UN Global Compact website at http://unglobalcompact.org/participant/2968-DONG-Energy-A-S, constitutes our Communication on Progress.

According to section 99b of the Danish Financial Statements Act, DONG Energy must account for the company's objectives and policies, which over time will ensure greater diversity in relation to gender representation at management level. We account for section 99b in this report and in our Sustainability Report 2016.

Consolidation of sustainability performance data
The sustainability performance data is consolidated according to the same principles as in the financial statements. The consolidated sustainability performance data thus comprise the parent company DONG Energy A/S and subsidiaries controlled by DONG Energy A/S.

Data from associates and joint ventures are not included in the consolidated sustainability performance data, with the exception of accident statistics data. Accident statistics data is included from individual enterprises where DONG Energy is responsible for safety, including safety for external suppliers.

Installed capacity for offshore wind includes the wind farms of which DONG Energy has the overall responsibility for installation and commissioning of the wind farms. Production water to sea from offshore production, oil discharged to sea and water reinjection, is operationally consolidated.

Collection of sustainability performance data
The responsibility for the reporting of sustainability performance data lie within the financial organisation in DONG Energy. This organisation supports integrated reporting and ensures the use of the same principles and tools in the financial and non-financial reporting.

We have appointed a Sustainability Committee consisting of representatives from DONG Energy's top management. The Sustainability Committee and the Audit and Risk Committee approve the annual materiality assessment and decide on any changes to the scope of the reporting.

At DONG Energy, we collect sustainability performance data in a number of source systems located in the various business areas and group functions. The data is reported into the company's consolidation tool, which is shared with the financial reporting. This ensures that sustainability performance data can be consolidated financially and comparisons be made of, for example, revenue and capacity and production.

In the course of the year, we report on our sustainability performance on a monthly basis and on a quarterly basis into the Group's consolidation tool. Data are controlled and approved at both business unit level and at group level.

Most of the key processes behind the data in the non-financial section in the annual report are documented, risks of data errors are identified, and relevant controls are defined and implemented in accordance with DONG Energy's internal control methods in the financial area.

We monitor the implemented controls regarding sustainability performance data to the same extent as in the financial area, entailing regular confirmation by the reporting organisation that the controlling has been carried out.

Materiality assessment
We engage in continuous dialogue with our stakeholders. We use the insights our stakeholders provides us with for a half-annual status of the sustainability releated risk and opportunities, which are of material importance to us. We evaluate the materiality of each sustainability aspect by degree of importance to our stakeholders and to us as a business.

To mitigate risks and drive opportunities we work systematically with material sustainability aspects through our sustainablity programmes organised under four priority areas:

- Energy supply
- Climate and environment
- People
- Communities

The scope and content of this report is defined based on our sustainability programmes and presented in four tables aligned with the four priority areas. Please find a complete overview and discription of our materiality assessment in DONG Energy's Sustainability Report 2016. at www.dongenergy.com/sustainability2016.

In 2016, we have removed the following sustainability indicators compared to 2015.
- Power generation, hydropower, Sweden, TWh
- Power generation capacity, onshore wind, GW
- Power generation capacity, hydro, GW
- Heat generation capacity, GJ/s
- Natural gas sales, TWh
- Power sales, TWh
- Gas distribution, TWh
- Power distribution, TWh
- Carbon dioxide (CO_2), direct emissions, million tonnes CO_2e
- EU ETS CO_2 emissions – of which emitted from Bioenergy & Thermal Power, million tonnes
- Other greenhouse gas emissions, million tonnes CO_2e
- Nitrogen oxide (NOx), tonnes
- Sulphur dioxide (SOx), tonnes
- Carbon dioxide (CO_2), DONG Energy, g CO_2/kWh
- Carbon dioxide (CO_2), Bioenergy & Thermal Power, g CO_2/kWh
- Gas consumption, thousand Nm3
  - of which flaring, thousand Nm3
  - of which venting, thousand Nm3
- Total residual products, thousand tonnes
- Total recycling of residual products, %
- Number of employees who have left the company (not due to divestments)
- Number of employees who have left the company (due to divestments)
- Other serious injuries, number
- Recorded cases of discrimination, number
- Legal compliance, fines and sanctions for non-compliance with laws and regulations, number
- Legal compliance, legal actions involving competition law issues

In 2016, we have added the following sustainability indicators compared to 2015.
- Coal share of fuels used for thermal power and heat generation, %
- Coal consumption, thousand tonnes
- Degree days, number
- Thermal power generation capacity, GW
- Thermal heat generation capacity, GJ/s
  - Biomass share of thermal heat generation capacity, %
- Greenhouse gas emissions of power and heat generation, g CO_2e/kWh
- Greenhouse gas emissions of thermal power and heat generation, g CO_2e/kWh
- Greenhouse gas emissions, million tonnes CO_2e
- Outside EU ETS scheme CO_2e emissions
- Certified sustainable biomass sourced, %
  - Certified wood pellets sourced, %
  - Certified wood chips sourced, %
- Permanent disability cases, number
- Satisfaction with health initiatives, scale 0-100
- Stress indicator, %
- Aggregated learning and development indicator, scale 0-100
- Employees who have had a PDD during the year, %
- Employees experiencing bullying, harrasments, threats or violence, %
- Hires by gender, %
- Global income tax, DKK.
- Reputation driver: "A company I trust, scale 0-100
- Reputation driver: " Positive influence on society, scale 0-100

Discontinued operation: Oil & Gas

I 2016, DONG Energy announced its intention to sell the Oil & Gas-entity. We have therefore removed Oil & Gas-specific results from the consolidated sustainability performance data. In this section, we account for material data and results for Oil & Gas.

Oil & Gas	Unit	Target 2020	2016	2015	2014
Gas production	Million Boe		26.9	30.8	31.2
Oil production	Million boe		9.7	10.1	10.6
Total oil and gas production	1,000 boe/day		100	112	115
Reinjection of production water	Thousand m^3		4,540	3,838	1,270
Production water to sea from offshore production	Thousand m^3		38	18	18
Oil discharges to sea	Tonnes		0.9	0.7	0.6
Significant environmental incidents (total)	Number		0	0	0
Greenhouse gas emissions	Million tonnes of CO_2 eqvt.		0.2	0.2	0.2
C4	Number		0	0	0
C5	Number		0	0	0
Number of employees	Number of FTEs		472	727	749
Lost Time Injury Frequency (LTIF)	Per million hours worked		0.5	0.4	1.2
Employees	Per million hours worked		1.1	0.9	0.0
Suppliers	Per million hours worked		0.0	0.0	2.1
Total Recordable InjuryRate (TRIR)	Per million hours worked		1.4	3.6	4.3
Employees	Per million hours worked		1.1	2.7	0.9
Suppliers	Per million hours worked		1.7	4.4	7.1
Satisfaction with health initiatives	Scale 0-100		75	77	-
Aggregated learning and development indicator	Scale 0-100		74	74	-
Employee satisfaction and motivation	Scale 0-100		63	74	73
Employee loyalty	Scale 0-100		72	81	78
Employees who have had a PDD during the year	%		98	98	96
Global income tax	Billion DKK		1.7	4.0	3.7

Oil production is measured based on measuring instruments installed at offshore platforms metering the daily produced volumes going to either storage tank or pipeline depending on the infrastructure solution in place.

The volumes are initially measured in different units depending on the license but are all converted to Sm3 when recorded in the common registration system and then converted to boe for reporting purposes.

Gas production is based on measuring instruments installed at offshore platforms metering the daily produced volumes delivered into gas transport pipelines. The gas volumes are exclusive of the gas used in turbines for electricity production offshore, gas flared for safety reasons and gas reinjected to the wells.

The volumes are initially measured in different units depending on the license but are all converted to Sm3 when recorded in the common registration system and then converted to boe for reporting purposes.

Reinjection of production water is measured directly in Sm3. Reported numbers only comprise offshore production platforms for which DONG Energy is responsible for its capacity as operator and thus holds the environmental permission (operational scope). Gross numbers are used similar as when reporting to authorities.

Production water discharge to sea is measured directly in Sm3. Reported numbers only comprise offshore production platforms for which DONG Energy is responsible for its capacity as operator and thus holds the environmental permission (operational scope). Gross numbers are used similar as when reporting to authorities .

Oil discharged to the sea from production platforms is determined on the basis of the oil concentration in the discharged production water. The volume of discharged production water is measured directly in Sm3. The oil concentration and volume are calculated on the basis of three daily samples, as well as one monthly sample of ballast water, which are analysed for oil content.

Reported numbers only comprise offshore production platforms for which DONG Energy is responsible for its capacity as operator and thus holds the environmental permission (operational scope). Gross numbers are used similar as when reporting to authorities.

Accounting policies for Lost Time Injury Frequency (LTIF), Total Recordable Injury Rate (TRIR), Full Time Equivalent Employees (FTE), greenhouse gas emissions, significant environmental incidents, taxes paid and accounting policies related to people matter survey questions are presented in previous sections of the report.


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