

DONG ENERGY IN THE UK

LEADING THE ENERGY TRANSFORMATION 2017



DONG
energy

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Group performance statistics

Revenue in 2016
6.7 bn GBP

Operating profit (EBITDA)
2.1 bn GBP

Net profit
1.3 bn GBP

Gross investments
1.6 bn GBP

Interest-bearing net debt
0.4 bn GBP

Group safety: lost-time injury frequency (LTIF)
1.8 days

Carbon emissions gCO₂e/kWh
224

Chairman's foreword

2016 was a landmark year for DONG Energy, with the company undergoing a remarkable period of change and transformation. This included the successful completion of the biggest IPO in Danish history, as DONG Energy was included in the OMX C20 index on Nasdaq Copenhagen. We also announced our intention to divest our oil and gas business.

Growth and change is no less striking at a national level. The UK is our largest market for wind power and we are one of the largest inward investors in the North of England. We took our investments in the North West to £5.4 billion with the construction of Burbo Bank Extension and Walney Extension Offshore Wind Farms. In addition, we took major strides forward with our pipeline of projects in construction and development, taking the Final Investment Decision (FID) to build Hornsea Project One and receiving development consent for our Hornsea Project Two.

Our Operations & Maintenance (O&M) division continues to expand and we announced our game-changing East Coast O&M Hub, which will be the base of operations for our wind farms in the North East.

2016 saw DONG Energy reinforce its position in the UK as an innovator through its other business activities.

We took the FID on the company's first biotechnology plant to derive energy from waste and began construction. We also launched innovative products and solutions for our industrial and commercial energy customers, including the ability to buy green energy without the usual premium.

However, change is taking place at a fundamental level too, as the balance of our operations shifts. Increasingly, our focus and our growth is moving to the parts of the UK where we are operating and constructing our wind farms. With this change comes responsibility.

We are committed to ensuring that our presence contributes to sustainable growth and development where we operate. We work to be responsive to our communities, listening to their concerns and to local area needs. We launched our third Community Benefit Fund, a £10 million fund to support projects in communities near our construction activities in the North East of England.

We support and develop the UK's supply chain capacity. We announced an investment that will enable the construction of the UK's first offshore wind tower manufacturing facility, underlining our commitment to including UK content in our offshore wind farms.

We are investing in initiatives that build local skills from the very start of the educational journey, such as ring-fencing funding from our Community Benefit Funds to focus on Science, Technology, Engineering and Maths (STEM) education.

We're also a company that invests in its own employees. We are proud of our Danish heritage, which expresses itself in many aspects of the company. None more so than in our approach to the health and welfare of the people who are at the heart of making this extraordinary change possible.



Brent Cheshire,
UK Country Chairman



Our geographic footprint



* In operation at time of printing.

Green energy

DONG Energy is developing green and reliable energy systems, helping the countries in which we operate to move away from fossil fuels. We are leading the way in significantly reducing the cost of offshore wind. We are installing the largest turbines in the world for the first time at Burbo Bank Extension here in the UK and finding efficiencies at every stage of construction and operation.

We are helping our UK industrial and commercial energy customers make their energy use more flexible, contributing to a more balanced energy system. We are also helping to tackle the UK's waste challenge; we have nearly completed our first UK biotechnology plant, which will produce low carbon energy from waste.



Decarbonising power in the UK

Offshore wind is the fastest-growing renewable energy technology and is therefore a substantial contributor to the reduction of CO₂ emissions from the power sector. During 2016, in addition to operating eight offshore wind farms around the UK coast, DONG Energy was constructing four new offshore wind farms, as well as developing two further projects.



* In operation at time of printing.
** Map reflects only projects in operation and under construction.



Energy from waste: REnescience Northwich

DONG Energy has developed a bespoke and innovative biotechnology to create energy from waste. The technology, called REnescience, not only has a high biogas yield and produces materials for recycling, but also has a far lower carbon footprint than waste management methods such as incineration.

The technology uses enzymes to digest organic matter from residual, unsorted household waste. Through a process of anaerobic digestion, it then produces gas that will be used to generate energy.

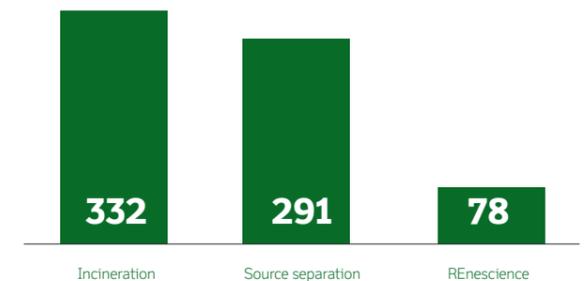
In addition to recycle-ready materials, this clean process, free from incineration, will also produce a 'digestate' that can be used as a fertiliser for non-food crops, or for soil restoration.

Substantial progress was made in 2016 in the construction of our first REnescience facility in Northwich, Cheshire, which is due to open in 2017.

With this facility – the first in the world to use this technology – we reaffirm our commitment to investing in the UK as a place for innovation in energy infrastructure.

Comparative Carbon Footprint of REnescience Technology

[Measured in Kg CO₂-eq per ton waste]



Source:
 1. Danish Technical University; Own calculations
 2. Danish Technical University Lifecycle Analysis
 3. Ricardo Environmental Consulting; Own calculations
 4. Danish Technical University; Own calculations, The Danish Environmental Protection Agency

Helping our UK business energy customers to operate more sustainably

At DONG Energy, we want to enable businesses to contribute to a more cost effective and balanced energy system, which is less dependent on energy generated from non-renewable sources. In the last year, we have taken bold steps to help our customers operate more sustainably.

Premium-free green electricity

In April 2016, we launched a new initiative for business customers, offering renewable energy at the same price as electricity from more traditional sources. By absorbing the additional costs ourselves, we help businesses make a sustainable choice without negatively impacting energy spending.

An innovative approach to flexibility

To have a cost effective, sustainable and reliable energy system, it is vital there is a constant balance between the supply and demand of electricity. 'Flexibility' – making electricity demand more flexible – can save customers significant amounts of money and help balance the system.

There are many schemes where customers are incentivised to shift their electricity demand, but they can often seem complex. This year we not only took steps to create clarity for our customers on the flexibility options available from across the market, but also launched solutions of our own that are sophisticated but simple to use.

DONG Energy's flexibility solutions

Following several years of research, development and discussions with existing customers, our in-house innovation team have developed a unique range of new products to help our customers optimise their energy use and reward them for making their electricity demand more flexible.



Renewable Balancing Reserve

A demand side response solution that enables customers to earn revenue in return for increasing or decreasing their energy consumption, as required and at times that suit them, to help keep the system balanced.



Energy Vision

A software solution that provides forward sight of wholesale market prices and models these against possible consumption scenarios. This allows customers to choose the most efficient programme of consumption and on-site generation.



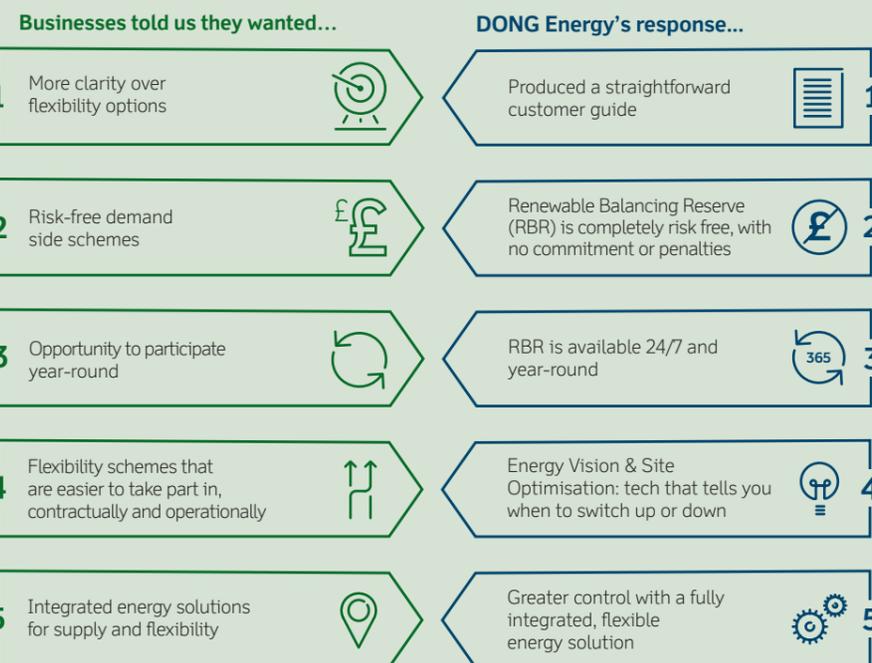
Site Optimisation

Going a step further, a solution which calculates the optimal run schedule for an operating plant by analysing market signals, such as wholesale energy prices, in relation to operating constraints and asset availability. This enables commercial optimisation of the site, and a reduction in energy costs.

Creating clarity around flexibility

With a view to creating clarity about the flexibility market, we convened workshops with our customers to understand their business needs.

In follow-up to the workshops, we produced a guide to the flexibility products on the market. We also published a report setting out the barriers businesses encounter in relation to flexibility.



CASE STUDY: Kodak Alaris achieve 11% saving in energy costs with Site Optimisation

In common with many manufacturers, Kodak Alaris uses energy intensively within its plants. Any improvements to efficiency produce substantial results, in terms of both financial impact and carbon footprint.

Kodak Alaris was looking for a practical way to reduce costs, improve efficiency and support a sustainable approach to energy use. With a complex on-site generation set-up, creating an operational strategy that used consumption assets efficiently was proving a time-consuming process. It required manual data entry and complicated calculations, often based on broad averages rather than accurate market information.

Site Optimisation gave Kodak Alaris a sophisticated, responsive and resource-light way of managing energy. "Now we enter plant information through the web portal. It then analyses all of the information and produces our

optimum daily run schedule", explains David Jeans, Energy Manager at Kodak Alaris. "I'm able to take the information directly from the interface, print it out and hand it to our operational staff in our morning production meeting. Everyone finds it really easy to use, as the solutions are always practical. Previously, we'd have a plan for the week that didn't change all week because it was built on averages. Now we have a plan that changes from hour to hour, and that really optimises what the plant is doing each day."

Through using Site Optimisation, Kodak Alaris has been able to take full advantage of the site's flexibility capabilities. Not only is this important in the much wider context of helping to balance a more sustainable energy system in the UK, it has also given the company a substantial boost to operational performance.



“When I heard about Site Optimisation, it was a real ‘light bulb’ moment. It’s unique – I’d never come across anything like it before, but it was the perfect fit for our needs.”

David Jeans
Energy Manager at Kodak Alaris

Environment

The environment is at the heart of DONG Energy's purpose and approach. Our offshore wind farms provide a scalable solution to climate change by helping to decarbonise the UK energy system. We also strive to protect the natural environment, both throughout our construction process and via the independent projects and studies we support.



For the third year in a row, we have sponsored the Wildlife Photographer of the Year exhibition at London's Natural History Museum. The exhibition displays the best images from the internationally renowned competition. It not only celebrates nature in all its beauty but also raises awareness of issues facing the natural world, such as climate change and human impact.



The 'Sunfish' installation tool at work on Race Bank Offshore Wind Farm

Caring for the natural environment during construction

Caring for the natural environment is a crucial part of the construction process for our projects. We go over and above our licence requirements whenever we can in order to survey and protect the habitats and species we encounter, to the best of our ability.

Protecting great crested newts in Denbighshire

At the St Asaph Business Park, the site of the Burbo Bank Extension onshore substation, care of the great crested newt population was a condition for obtaining planning permission. We worked closely with Natural Resources Wales, RPS and the North Wales Wildlife Trust (Enfys Ecology), to move newts from the site to safety in hedges or woodland areas outside the development area. In addition, we created ponds on site, which will settle and become suitable for supporting newts.

Tracking harbour seal movements in The Wash

In The Wash, we have been tackling the lack of data about the impact of offshore wind farm construction on seal populations. We commissioned the Seal Mammal Research Unit to deliver a survey programme deploying GPS tags on harbour seals. The tags, which will be lost when the seals moult their fur in the summer, will monitor seal movement patterns at sea. By comparing data from wind farm construction sites and operational wind farms, we hope to gain a better understanding of seal movements in relation to wind farms.

Export cable installation in The Wash

Summer 2016 saw the successful installation of two subsea export cable sections for Race Bank Offshore Wind Farm. The Wash comprises important coastal environments, protected as a national Site of Special Scientific Importance, and also as a European Special Protection Area.

To install the export cable through the sensitive intertidal saltmarsh and mudflats, DONG Energy developed bespoke new engineering solutions in collaboration with our supplier Jan De Nul. The team held consultation workshops and invited stakeholders to view and comment on trials of the innovative installation tool, 'Sunfish' (pictured above).

Throughout the works, DONG Energy provided onsite supervision by Ecological Clerk of Works and Environmental Liaison Officers. Stakeholders were given daily updates and appropriate access to inspect the works, as well as opportunities to feed back. This high degree of stakeholder engagement enabled timely completion within the permitted summer period. Our ecologists will now visit the site monthly to undertake ongoing surveys to monitor the natural restoration of the area.



Pink-footed goose, *Anser brachyrhynchus*

Independent science

We go beyond our consent requirements to support, collaborate on and commission independent science. DONG Energy was involved in four scientific studies in relation to bird species during 2016.

Counting common scoter, Liverpool Bay

In 2015 we undertook a series of high definition aerial photography surveys to determine the number of bird species using the offshore area of Burbo Bank Extension. The survey revealed that the bay may be home to a far higher number of common scoters (a species of sea duck) than previously thought. Data gathered via this cutting-edge approach is now helping Natural England uncover new information that may help to remove some of the uncertainty around bird communities in the offshore areas where DONG Energy operates.

Counting cliff-nesting seabirds by drone, Bempton Cliffs, Yorkshire

We have funded the supervised use of a high-specification aerial drone to count cliff-nesting seabirds at a colony on the Yorkshire coast. The objective was to see if the technology was suitable for surveying cliff-nesting seabirds, providing an alternative to weather-dependent surveys by boat. The successful trial, conducted under strict licence from Natural England, saw the drone provide imagery of a resolution sufficient to distinguish between the different bird species but without disturbing the breeding seabirds. The survey data is used to monitor the status of the colony and inform DONG Energy's plans for the development of offshore wind farms off the Yorkshire coast.

GPS tagging of pink-footed geese, Morecambe Bay

We have commissioned the Wildfowl and Wetlands Trust (WWT) to undertake monitoring of pink-footed geese arriving in the UK in the winter from breeding grounds in Greenland. The first batch of birds were fitted with GPS tags in December 2016. The tags provide a record of movements of the birds between roosting sites and feeding areas, as well as seasonal movements within the UK. Knowledge gained will enable the WWT to predict the collision risk to these birds and understand how they interact with wind farms.

Behavior of lesser black-backed gulls around offshore wind farms, Walney Island and Barrow-in-Furness

We have partnered with the British Trust for Ornithology (BTO) to carry out a study of the behaviour of the lesser black-backed gull off the Cumbrian coast. GPS tags are being used to track the movements of gulls during a three-year study. It will focus on a colony at Cumbria Wildlife Trust's South Walney Nature Reserve, where the species is protected and has recently been in decline, as well as birds nesting in Barrow. The tags will allow the BTO researchers to understand many different aspects of these birds' lives around wind farms, including whether gulls are at risk of collision with turbine blades.

Building a sustainable offshore wind industry

Our pipeline of construction projects has made us one of the largest investors in the Northern Powerhouse and we are using our leadership position in the offshore wind industry to help create a sector that is responsible, efficient and streamlined. We are developing and supporting the UK supply chain and contributing to a growing skills base. We are also helping transfer technology and learnings from the fossil fuels industry to renewables.





The Operations & Maintenance base for our Westernmost Rough Offshore Wind Farm, soon to become our regional hub in Grimsby

Optimising operational efficiency in regional hubs

As DONG Energy's portfolio of operational wind farms grows, we are implementing a strategy of operating multiple windfarms from the same location. This approach helps us find efficiencies and reduce our costs, as well as developing our operational capabilities.

Through investing in these centres, we contribute significantly to the local and regional economy. We create the conditions for the development of a sustainable UK supply chain. We also ensure the long-term presence in local areas of skilled manufacturing and operations jobs.

Industry-wide collaboration and analysis

In 2016, DONG Energy worked with the UK Government and the Offshore Wind Industry Council (OWIC) to carry out an industry-wide East Coast Review to identify opportunities for offshore wind development on the UK's east coast.

The report showed the significant capabilities of the UK's existing east coast ports, as well as their potential for future organic growth to support the sector. Above all, it demonstrated how our industry can come together to achieve greater economic efficiency, particularly through the creation and integration of regional hubs.

Our UK regional hubs¹

Symbols

-  Operations & Maintenance hub
-  DONG Energy offshore wind farm project

Barrow, Cumbria

Barrow is a major hub for our renewable energy developments in the North West. We currently employ over 120 people in long-term jobs, which should grow to 200 following the inauguration of our Walney Extension Offshore Wind Farm. Including indirect and induced jobs, we expect to support around 250 long-term jobs in the area after 2019.

£220 million
Gross Value Added (GVA) in the region by 2025

King's Wharf, Merseyside

In 2016 we began construction of our new Operations & Maintenance (O&M) base in King's Wharf on the Mersey riverfront. The facility will service our Burbo Bank and Burbo Bank Extension Offshore Wind Farms. Our investments in the Liverpool City Region will support an average of 50 jobs from 2005-2019, rising to around 75 long-term jobs.

£70 million
GVA in the region by 2025

Grimsby

We are building the world's largest offshore wind Operations & Maintenance (O&M) hub in Grimsby, initially to support our Westernmost Rough, Race Bank and Hornsea Project One Offshore Wind Farms. This hub will create over 200 direct jobs long term on top of the 38 people we currently employ there, as well as strengthening the offshore wind pipeline for the local supply chain. It will play a key part in furthering our presence in the Humber area, where we expect to invest £6 billion by 2019.

£1.21 billion
GVA in the region by 2030

South East

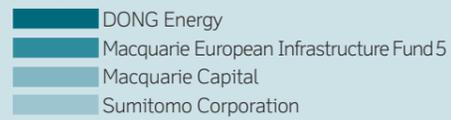
Our Gunfleet Sands and London Array Offshore Wind Farms play a crucial role in showcasing offshore wind to our stakeholders. Over the course of the last year they have regularly played host to our UK and Parliamentary stakeholders. They have also helped us in our exploration of new markets by enabling us to highlight the potential of offshore wind to delegations from both Taiwan and the USA.

¹ For further information on figures and methodology, please see Impact of DONG Energy Investments in the Irish Sea: A Final Report by Regeneris Consulting, Regeneris Consulting Ltd, June 2016 and Impact of DONG Energy Investments in the Humber Area: A Final Report by Regeneris Consulting, Regeneris Consulting Ltd, November 2015.

Driving innovation to reduce the cost of offshore wind

The rapid growth of our offshore wind energy portfolio is not only making a significant contribution to the decarbonisation of power in the UK but is also helping to commercialise new technology to reduce the cost of offshore wind. Our growth is enabled by the long-term support of the UK Government. It has also been made possible through partnerships with financial and strategic investors.

Race Bank²

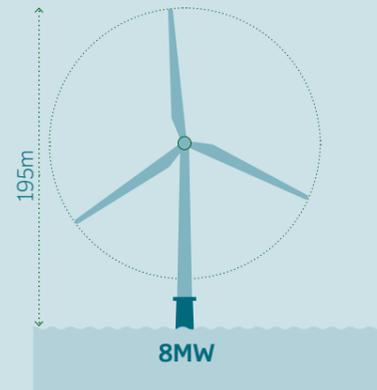


Burbo Bank Extension



An industry first as 8MW turbines go up in Liverpool Bay

Burbo Bank Extension is using the MHI Vestas V164-8.0MW turbines, the first time these turbines have been used commercially anywhere in the world. At 195m in height, they are the largest turbines in the world. They also represent increasing efficiency in turbine design and manufacture. Our industry-leading move to deploy these turbines involved a close collaboration with our supplier, MHI Vestas, to work together on testing the prototype.



Advances in in-house foundation design complement the largest turbines in the world

Unusually among developers, DONG Energy designs foundations in-house. As turbines have grown in size, foundations have needed to evolve to support them. As well as taking part in Carbon Trust projects, for example to investigate how monopiles are affected by different soil and environmental conditions, our design teams have continued to refine foundation design. They now take into account both the full aerodynamic models of the turbines and the ground and wave conditions for each turbine position to produce the most efficient design. Keeping the weight of these foundations down is one way to ensure continued cost efficiency by reducing fabrication costs.



Innovative radar system changes the way we understand and measure wind

An advanced radar system for gathering three-dimensional data on wind flow was installed at our Westernmost Rough Offshore Wind Farm this year. The BEACon technology, developed by SmartWind Technologies, is the first of its kind in the world and represents a paradigm shift in wind measurements. It provides minute-by-minute 3D images of the wind flow, allowing us to document the wind field across the entire wind power plant and coastal area, where other technologies measure the wind at just one point. The technology will provide valuable insights that will inform the design and operation of future wind power plants, bringing down costs even further.



² Ownership structure at date of printing.



JDR Cables manufacturing facility in Hartlepool

Developing the UK supply chain

DONG Energy recognises the crucial importance of the development and growth of UK manufacturing. Across our projects in development and construction we strive to ensure that we support this development.

Supporting and enabling the UK supply chain

Our strong pipeline of orders has supported a new £310 million Siemens & Associated British Ports (ABP) factory in Hull, from which the first blades will go to our Race Bank wind farm.

Bladt & EEW's joint Teesside plant, Offshore Structures (Britain), will supply 56 transition pieces for Hornsea Project One Offshore Wind Farm. This is in addition to the pieces they are already supplying for Walney Extension and Burbo Bank Extension.

The blades for the new 8MW turbines for Burbo Bank Extension and some of those for Walney Extension are being manufactured in MHI Vestas' Isle of Wight factory, which is stepping up investment to meet its expanding order pipeline in the UK and Northern Europe.

Improving access to our supply chain

We hold supply chain events to connect with new local suppliers in each project's region. This year, our Hornsea Project One event saw over 140 attendees representing businesses in and around the Humber, Liverpool and Cumbria regions.

For our direct suppliers, these events provide a platform to increase their UK content by introducing them to new suppliers for their businesses. They also provide an opportunity for us to meet our regional stakeholders and demonstrate that we recognise the vital impact on economic growth of the long-term development of our combined supply chain.



A suction bucket jacket is lifted into position during the construction of Borkum Riffgrund 1

Transferring industry learnings and skills from oil & gas to the renewables industry

The UK has been at the heart of the North Sea oil and gas operation for the last 50 years and is an established hub of innovation and expertise. The offshore wind industry recognises that many of its challenges have already been faced by the oil and gas sector and we are working to make technologies and skills transferable between industries. Some of our UK suppliers are now also working in offshore wind, having previously focused on oil and gas contracts.

Technology: suction bucket foundations

Suction bucket foundations are a technology that has now been developed for the offshore wind industry from oil and gas origins. Installing suction bucket foundations is quicker and creates less noise than traditional piles (steel pipes) that are driven by hydraulic hammers into the seabed. They require far less preparation of the seabed than piling, meaning the potential overall project cost is reduced.

DONG Energy completed a successful trial of specially adapted suction jacket foundations at our Borkum Riffgrund 1 Offshore Wind Farm in Germany in 2014. We will look at using this technology on future UK and overseas wind farms.

Supplier: JDR

JDR is a UK-based company that supplies subsea power cables to the global offshore energy industry. JDR has transitioned into renewables, which now represent 60-70% of their business.

DONG Energy recently awarded JDR a multi-million-pound contract to supply over two thirds of the array cables for Hornsea Project One, reinforcing its position as a leading product systems supplier to some of the world's largest offshore wind projects.

JDR has started to export its subsea cables to German offshore wind projects and is looking to new markets in the US and China, and has recently announced it has been selected as a preferred bidder by US Wind Inc for an offshore wind project in Maryland, USA.



Children at Ormiston South Parade Academy in Grimsby

Developing a robust skills pipeline

Developing the skills base and pipeline of talent within the communities in which we work is an important part of how we operate responsibly. We are putting in place a number of initiatives to support the growth of local skills along the length of the educational journey.

Community Skills Fund: Walney Extension Community Fund

From this year, we are ring-fencing £100,000 annually from our Walney Extension Community Fund to create a Community Skills Fund. In the first year, the Fund will support educational and training initiatives to help people within the benefit area find work in engineering industries like offshore wind. These initiatives include:

- A Hardship Fund for students struggling financially at colleges in the area around our wind farm.
- Additional engineering courses at Furness College.
- Support for Science, Technology, Engineering and Maths (STEM) projects in schools in Barrow-in-Furness through a Royal Academy of Engineering project.

East Coast Fund

We are ring-fencing £75,000 per year for skills from our newly-opened East Coast Fund. This fund will make available up to £10 million in the next 20 years for skills, community and environmental projects in coastal areas of Yorkshire, Lincolnshire and North Norfolk.

Partnership with Teach First

In 2017 we began a three-year partnership with educational charity Teach First to significantly improve the STEM skills outlook in three coastal regions: Grimsby, Hull and Merseyside. Our work with Teach First will be focused on areas where teacher attraction and retention is particularly problematic, hitting children from low-income backgrounds the hardest.

The main goal will be developing, retaining and placing increasing numbers of teachers in these areas, with a particular focus on STEM subjects. DONG Energy's employees will underpin the partnership's impact by volunteering their time. Through coaching teachers, they will help them develop the business skills they need to become excellent leaders in the classroom. Direct interaction with local students, through mentoring and visits to our sites, will give the young people insight into building successful careers in the offshore wind industry and beyond.

Communities

At DONG Energy, we believe in open and proactive engagement with the local communities in which we work. Whether consulting on the development of new offshore wind farms or supporting the regeneration of local areas through volunteering, funding and sponsorship, we want to ensure that the company and our staff make a positive contribution to the areas in which we operate.



Helping save lives at sea

We support the life-saving work of the Royal National Lifeboat Institution (RNLI) by providing funding for six stations near our wind farms.



Hornsea Project Three Offshore Wind Farm Phase One Community Consultation Event, held in the Sheringham Community Centre on Monday 31st October 2016

Community consultation: listening to the community

We engage with the community, right from the early stages of consultation on new offshore wind farm projects, and through the construction process. Effective community consultation is an important stage in ensuring our licence to operate but we strive to go beyond what is required, seeking local knowledge and building meaningful relationships.

Community consultation during development

In 2016, we began informal consultation on our Hornsea Project Three Offshore Wind Farm development, located over 120km off the North Norfolk coast. Our Statement of Community Consultation (SoCC), which sets out consultation plans, was publicised in newspapers across Norfolk. Over the course of six consultation events, 170 people attended. The events were well publicised on local radio stations, as well as through our own channels.

They form part of a series of consultations that not only inform the public about the project but also help the project gain valuable insight into aspects of the local area such as traffic, planned developments and local wildlife. Our subsequent Consultation Summary Report set out how we plan to address the local concerns raised. Two future consultation events will show the local communities the proposals that have been refined in response to their concerns as well as data from ongoing surveys and analysis.

Keeping communities informed during construction

During construction, we host community exhibitions and publish regular newsletters for local people. In 2016, we welcomed 60 members of the public to two public exhibitions in Waltham and Stallingborough, near Grimsby Town in relation to the onshore construction works for Hornsea Project One. The purpose of the events was to provide an opportunity for the local community to meet with key project team members. We provided information on aspects of the onshore construction process which would be relevant to local residents.

During construction we ensure that we are no more than a phone call away for all community enquiries and interest. We dedicate a local Community Liaison Officer (CLO) to each project. These officers develop and maintain good working relationships with stakeholders across the local communities, helping to resolve issues and keep the local community informed.



We support the West of Morecambe Fisheries, which awards funds to community projects that directly benefit the fishing industry operating in the same area as wind farms

Giving back to the community

Our community giving, engagement and sponsorship is focused on the regions in which we operate. We strive to become integrated in our local communities, contributing to good causes, supporting regeneration and environmental care, volunteering our time, and helping to fund community events that bring tourism and revenue to the local area.

Community Benefit Funds

As of 2016, we have three Community Benefit Funds, including our newly-launched East Coast Fund. Initiated during the construction phase of our wind farms, the funds contribute to community projects for the expected lifespan of those wind farms. Managed by independent grant-making charity, GrantScape, the decisions are taken with the input of local advisory boards so that the grant-making responds to the needs of the local area.

Sponsorship and giving

Community Benefit Fund giving is complemented by national and local sponsorships, donations and volunteering. This builds the relationship with the local community and helps spread an awareness of our company through brand profile-raising, engagement or grass-roots support.

People

At DONG Energy, *The Safe Way or No Way* is the core principle by which we operate, and we work to embed safety awareness in every aspect of what we do. We also take an active role in supporting our employees with a company Health Strategy, which provides the tools for them to make the healthy choices that work for them. The corporate Health Strategy centres around the different aspects that provide the holistic and modern approach to health and wellbeing: exercise, nutrition, sleep and good mental balance.



An enduring commitment to safety

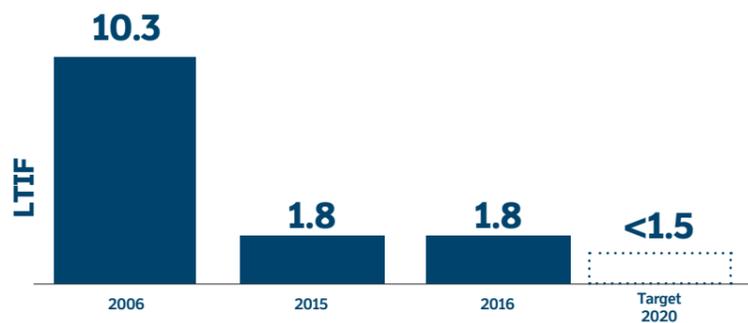
During 2016 our lost-time injury frequency (LTIF) was at 1.8 days, which keeps us on track to get to below 1.5 days in 2020. It is through an ongoing commitment to maintaining safe working practices and campaigns like last year's Safe Way or No Way that help keep us focussed on the welfare of our employees.

London Array reaches 500 days without LTIF

In December 2016, London Array, the world's largest operational wind farm, achieved 500 days without an LTIF.

With 175 3.6MW turbines to operate and maintain across an area of over 100km² off the east coast of the UK the size of the challenge to maintain a perfect safety record is significant and an obvious sign that the safety campaign messaging is hitting home. There is no greater achievement in an operational environment than being able to say that your people are able to work safely and go home safely at the end of each day.

Lost-time injury frequency



Keeping our staff healthy



A healthy lifestyle in motion

Exercise is a well-established part of healthy living but finding the time to exercise can be difficult. We provide our employees with the time to exercise and we enable the movement at work that helps to avoid musculoskeletal injury. State-of-the-art desks have now been installed in our buildings across the UK. These rise to facilitate stand-up working, a way to change the working environment and promote movement.

70% of our employees in 2016 opted to take the gym subsidy we offer, which gives reduced or no cost access to gyms of their choice. In the last year we have also broadened our offer of free exercise classes, held in our own office, to 6 different activities. We also enable employees to incorporate cycling into their commute by providing safe cycle storage in underground cycle parks and changing facilities.



Out and about

Corporate initiatives launched in 2016 such as the Walk and Talk meetings are made simple for employees by adding them to the usual room

booking system. The system offers employees a choice of safe walking routes, in areas of low pollution.



A restful approach to work

Providing the tools to enable employees to get a good night's sleep is a key pillar of our Health Strategy. Studies are increasingly showing that sleep can be as important as maintaining regular exercise in order for our bodies to rest and repair, and for our brains to continue to process information properly.

to take part in sleep studies, we had world renowned sleep expert Dr Michael Breus attend our offices to give presentations to our employees.

According to Dr Breus, "Companies with a focus on providing information on how their employees can sleep better see an increase in productivity. The data is there to say that sleep is as important for a healthy lifestyle as exercise and eating correctly."

In the past year, as well as benchmarking a cross section of our employees who volunteered



Putting the right energy in

Our office in London has a canteen which provides lunch to all employees each day. To align with our new Health Strategy we have commitment from our catering partners to offer at least one daily menu choice less than 500 calories per serving and one vegetarian option.

Cooking with whole grains, providing a full range of fresh salads, simply prepared vegetables and fruit available for each employee. These are just some of the ways to keep the workforce well satiated and energised for work, with access to healthy choices.



Healthcare support

We offer all employees free 360 degree health checks, which look at all aspects of our employees health, including weight, exercise, posture and physical activity. This allows us to temperature check the overall health of our organisation.



DONG Energy (UK) Ltd.
5 Howick Place, Victoria, London SW1P 1WG
Tel: +44 (0) 207 811 5200

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