

RWE in the UK

CR Report

2015 highlights:



£19m

RWE Innogy celebrated the opening of Gwynt y Môr Offshore Wind Farm by launching a £19 million community fund in North Wales – supporting seven local charities and organisations.

£576k

During 2015, npower, with the support of the wider UK RWE Group, raised over £576,000 for charity partner, Macmillan, which included funding a team of dedicated energy advisors in Macmillan's own call centre.

1,000

Across the UK, RWE Generation makes an amazing energy impact with a total conventional generating capacity of 8,887 MW. In simple terms, one megawatt could power around 1,000 homes – that's big energy production right there.

We have helped vulnerable households have a warmer home by contributing over £1.19m from the npower unique crisis fund.



Paul Coffey
Chief Executive Officer,
RWE npower
RWE UK Country Chair

A word from Paul Coffey

Our CR report covers the activities of RWE Group companies operating in the UK for 2015. Principally npower, which provides gas and electricity to homes and businesses; RWE Innogy UK, which is a leader in the development, construction and operation of renewable generation, and RWE Generation UK, which operates a highly efficient and flexible portfolio of conventional power stations.

5,000

By the end of 2015, we issued more than 5,000 Fuel Bank vouchers, benefitting more than 12,000 adults and children.

19 million

A community fund worth £19 million has been launched in connection to Gwynt y Môr Offshore Wind Farm.

RWE had a lot to be proud of in 2015 raising thousands to help those suffering from cancer and launching the ground-breaking Fuel Bank scheme which helps the UK's most vulnerable keep the heating on in tough times.

We've opened the second largest offshore windfarm in the world with 160 turbines capable of generating enough energy to meet the average annual energy needs of around 400,000 homes.

When the work was complete, RWE Innogy celebrated the opening of Gwynt y Môr Offshore Wind Farm by launching a £19 million community fund in North Wales – supporting seven local charities and organisations.

It was a tough year for npower both commercially and operationally. Energy should be simple for our customers and we have complicated it. npower made a loss in its business and still experienced too many customer complaints, even though we did reduce the number of complaints we received during the year by half. We are making improvements on both fronts in 2016.

While we create an npower that delivers better service and is more attractive to customers, we'll continue to raise money for Macmillan our chosen charity. In 2015 we raised £576,000 for Macmillan, which includes our funding of their Energy Advice Team, and money raised by employees across npower and the wider RWE group.

We'll also continue supporting the country's most vulnerable with our Fuel Bank scheme which I am extremely proud of. We launched the scheme in 2015 in partnership with food bank charity The Trussell Trust and it offers support to people living in poverty by providing them with a £49 gas and electricity top-up voucher in winter and £30 in summer.

By the end of 2015 we had issued more than 5,000 Fuel Bank vouchers, benefitting more than 12,000 adults and children. I am pleased to say we are now extending the banks to Scotland and Wales and looking into other ways we can help vulnerable people across the UK in 2016.

Finally in 2015 we achieved triple certification to the Carbon Trust Standard across all our UK offices. This international environmental award recognises the achievements we have made in the fields of reducing carbon emissions, water use and improving waste management. We are now sharing our expertise with the UK's largest energy users.

RWE has always put our customers' needs at the heart of everything we do and we know we have a responsibility to help our local communities and to safeguard the planet for our customers' children and grandchildren. And we'll continue to do so.

Paul Coffey
Chief Executive Officer,
RWE npower, RWE UK Country Chair

Our contribution: npower



Recycling points in our offices help us to divert our waste from landfill.



47%

In 2015 we reduced the number of complaints we received from our customers by 47% compared to 2014.

When it comes to sustainability and Corporate Responsibility, we at npower are aiming to play our part. Through 2015 we have used our expertise to not only create a more sustainable company, but also to increase the support we can offer to vulnerable npower customers and beyond. We also recognise that at npower we have long standing issues with our customer service, and though we are already progressing in resolving this, we pledge to continue this work in 2016 with sending customer bills on time and reviewing our complaints process to ensure that issues are dealt with quickly and effectively when they do arise.

Through our Real Estate Sustainability team, our technical expertise from npower Business Solutions, along with the engagement of our people, we have been working to minimise our impact on the environment across our offices here in the UK. As a result of the measures put in place, we are delighted to have become the first energy company to achieve triple certification to the Carbon Trust Standard across all our UK offices. This international environmental award recognises real achievements we have made in the fields of reducing carbon emissions, water use and improving waste management; and we had rigorous assessments from independent moderators to be able to certify.

To work towards this high standard we had to take a closer look at how we use our office spaces and continue to showcase and trial the latest in carbon reduction technologies. For example, the solar panels on one of our office roofs in Solihull, generated over 42,000 kWh of green energy last year. We also replaced old and inefficient lighting with the latest LED technology this teamed with motion sensors and new controls has reduced the energy needed to light our offices.

By implementing these measures and working with our people on many more, including 'no travel weeks' and our 'print less' campaign, we ended the year smashing our 50% carbon intensity reduction target. In fact, we achieved a 56% reduction compared to our levels in 2008. We were also delighted to win an Award at the Energy Awards for our employee Engagement Campaign EASY (Environment Action Sustainability and You).

In 2015 93.41% of our office waste was diverted from landfill. Last year we also managed a 17.06% reduction in our own energy use. These are all great results, but we won't stop there, we fully intend to build on this success as part of continual improvement through our independently certified ISO Energy and Environmental Management Systems.

It's not all about the environment though, as we also aim to offer help to people when they need it most. In 2015, we continued with our successful Health Through Warmth scheme, which has been offering help to those with long term illnesses keep warm for over 15 years. Whether an npower customer or not, we install and repair heating systems and provide insulation measures for people who cannot afford to repair, replace or install systems themselves. In 2015, we helped 1,795 people, installed 837 boilers and 300 central heating systems. We have helped vulnerable households have a warmer home by contributing over £1.19m from the npower unique crisis fund and accessed £548,343 of charity funding towards the cost of heating and insulation measures valued at over £3.8m.

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837

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>£1m

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Left
Dawn Butler MP for Brent Central (I) opens the npower Fuel Bank at Brent

Bottom-left
npower Fuel Bank voucher.

Bottom-right
Amanda from Barry who was assisted by our Health Through Warmth scheme.



Amanda's story Barry

One person who has felt the benefit of the Health Through Warmth scheme is Amanda, aged 44, who has Addison's disease (a rare disorder of the adrenal glands), as well as COPD and diabetes. Her husband, who used to work on the railways, is now her full time carer, and they have three children. When their boiler stopped working they were left without heating or hot water so Amanda contacted the npower Health Through Warmth scheme. The team not only arranged for installation of a new central heating system, they also sourced charity grants to help cover the cost, which were topped up through our own Health Through Warmth Crisis Fund. Amanda said: "The new heating system is brilliant, I'm really happy that we now have heating we can rely on."

Fuel Bank scheme April 2015

We also launched the trial of our new Fuel Bank scheme in April 2015 to help even more people living in the cold. The scheme, which is run in partnership with food bank charity Trussell Trust, offers any household with a pre-payment meter, up to 2 weeks supply of gas and electricity when they may otherwise be unable to afford it.

The scheme is designed to address the problem of households who 'self-disconnect' in order to save money and we are pleased to say we are doing just that. Through our four trial schemes across Durham, Kingston-upon-Thames, Gloucester and the Wirral we have already issued over 5000 vouchers. These vouchers have benefitted more than 12,000 adults and children and by making these vouchers available at the Trussell Trust food banks, together we are ensuring that people not only stay warm, but are able to feed themselves too.

The scheme itself is not just about the number of people we can reach, our aim is to make a real difference to the lives of those using it. Through our evaluation we found that many using the Fuel Bank were from households with dependent children, while almost a third said someone in their home suffered from ill health or a condition made worse by the cold. Needless to say, we are proud to have already been able to make made a real difference and following the success of the scheme, we are now extending our coverage to 10 new areas which will see our first Fuel Banks in Scotland and Wales.



Top
Our Scotland coast to coast team setting off on their canoeing leg of the journey.

Far left
Staff at our Worcester office got baking to impress Brendan Lynch for our Cake-off competition in aid of Macmillan.

Left
Two of our Yorkshire Three Peaks hikers.

£40k

Our employees hiked, cycled and canoed across Scotland. This raised £20k for Macmillan. We matched every pound, making the total raised a whopping £40k!

And the success doesn't stop there; our Fuel Bank campaign received some fantastic recognition when we won the Corporate Social Responsibility Award at the PRCA (PR industry's trade association) awards at the end of 2015.

That's not all for 2015 though, as we have been able to continue our work and support for charity partner, Macmillan. During 2015, npower, with the support of the wider UK RWE Group, raised over £576,000 for charity partner, Macmillan, which included funding a team of dedicated energy advisors in Macmillan's own call centre. Through our npower Macmillan Fund, formerly the Fuel Management Programme, we run the only programme in the UK that offers bespoke support to people living with cancer, by capping energy bills and writing off debt. Research shows that people undergoing cancer treatment often feel the cold more due to side effects of treatment and that's where we come in. With our help, Macmillan gives out an average of 41 heating grants every day with an average value of £194, making sure the cold is one less thing for people with cancer to worry about.

But our support for Macmillan doesn't stop there, as through the amazing efforts of our people, we've hosted fundraising activities up and down the country, from coffee mornings to running. The most ambitious activity saw employees hiking, cycling and canoeing across Scotland as part of a journey from Coast 2 Coast.

£14,900

Through the Yorkshire 3 peaks challenge our employees raised £14,900, certainly something to be proud of.

Having started in Fort William on the western coast, the participants hiked over the top of Ben Nevis, before travelling through Loch Lochy and along Loch Ness ahead of reaching Inverness on the east coast. Their rather incredible five day journey saw them raise £20K for Macmillan and we've matched every pound, making the total raised a whopping £40k!

We also saw 175 employees from across npower and the wider RWE Group take on the Yorkshire Three Peaks challenge.

- They hiked up and down Pen-Y-Ghent, Whernside and Ingleborough, consisting of 2142 meters of ascent and covering 24 miles in 12 hours
- This was organised as part of our £203 challenge, where we challenged all employees throughout 2015 to raise £203 – enough to fund a Macmillan nurse for a day
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£194

With our help, Macmillan gives out an average of 41 heating grants every day with an average value of £194.

Macmillan case study

Katie, aged 47 from Birmingham was diagnosed with breast cancer in August 2015. She explains how treatment made her feel the cold and how this led to problems managing her fuel bills.

"When I was going through treatment for breast cancer, I felt freezing all of the time and just couldn't warm up no matter what I did. I wanted to have the heating on all of the time but was struggling to cope financially. I'm a single mum of two and ended up just putting the heating on when the kids were getting ready for school in the morning. I'd then spend the day alone in a cold house and used to go to bed wearing a dressing gown and a woolly hat and still not feel warm."

"Eventually I called the Macmillan Support Line and because I was an npower customer, I was put on npower's Macmillan Fund. The advisor actually told me to go and put the heating on straight away! It was such a relief. They wrote off an outstanding payment and capped my bills to a manageable amount. I just thought it was too good to be true and really felt like I had won the lottery. Macmillan and npower lifted one of my worries and helped me to focus on getting better."



Comedian Jason Cook headlines our LOL gig at Rainton Meadows Arena.

Renewable excellence: Innogy

It is not just our customers and employees that matter to RWE. We are passionate about our responsibility to the very planet that we live on.

25

We are harnessing the natural power of wind and water, operating 25 hydroelectric power schemes, 32 onshore wind farms and 3 offshore wind farms.

£2m

In 2015 we invested over £2 million into UK communities from community funds linked to the renewable energy projects we operate.

Right
Children from Strathallan Canoe Club who were granted funding from our Lochelback Wind Farm Community Fund.

Far right
Gwynt y Môr Offshore Wind Farm which has been supporting communities in North Wales through its community fund.



RWE Innogy UK, is part of RWE International SE (provisional name), reflecting the energy world of the future with its business fields of Renewables, Grids and Infrastructure, and Retail, playing an active role in shaping the transition of European energy markets.

With our dedicated teams, engineers and scientists we are harnessing the natural power of wind and water, operating 25 hydroelectric power schemes, 32 onshore wind farms and 3 offshore wind farms. Our renewable energy portfolio includes the UK's first major offshore wind farm, North Hoyle, and currently the second largest offshore wind farm in the world, Gwynt y Môr.

We don't just benefit from our employees skills in-house, we are proud that they also take opportunities to share their skills with community groups and schools. For example, last year we invited Rhyl and Lydd community members to Little Cheyne Court Wind Farm to mark Global Wind Day. Here our experts talked the group through the habitat management of the site, the operations and maintenance required, as well as our ongoing community investment fund available to communities surrounding the wind farm.

Electrical Engineering students from Tyne Metropolitan College also had the opportunity to gather knowledge from our engineers when we hosted a visit to Kielder Water hydroelectric power station. During the visit students were able to get hands on experience of STEM (Science, Technology, Engineering and Maths) subjects in action.

Last year we also expanded our Wind Turbine Apprenticeship scheme to include a hydroelectric apprentice for the first time. With the latest 5 recruits, we have taken the total number of RWE-generated wind turbine technician apprenticeships to 21 since the scheme opened in 2012.

As well as sharing our knowledge and skills with communities and inspiring the next generation of STEM students, we are committed to supporting those people living near our projects. In 2015 we invested over £2 million into UK communities from community funds linked to the renewable energy projects we operate, with decisions made by local people. These investments have supported a wide range of groups and organisations with everything from building repairs to employing a local community development worker.

Examples include Lambrigg Wind Farm where funds awarded last year were used to install defibrillator equipment accessible to members of the public, potentially saving lives within the local community.

At Lindhurst Wind Farm we supported the face to face youth work provided by Rainworth and Blidworth Detached Youth Group who provide youth clubs, play schemes, educational and training services and employment opportunities.

Strathallan Canoe Club were granted funding from our Lochelback Wind Farm Community Fund where our support helped them to purchase much-needed slalom kayaks specifically suited to their growing number of younger members.

In Dolgarrog we are teaming up with Surf Snowdonia to construct a new play area adjacent to Dolgarrog Community Centre which will give children a safe environment in which to play in the centre of the village.

We awarded our first round of community funding from our Goole Fields Wind Farm where 14 local groups and charities were successful in securing grants totalling over £46,000. Groups we supported included Snaith Juniors Football Club, Eadon Place Residents Association and Marshlands Primary School.

At the Gwynt y Môr Offshore Wind Farm the first round of investments have recently been made from the Community Fund. In total we were able to support 7 local charities and organisations, one of which was Hope Restored who are dedicated to supporting the homeless and needy within the Llandudno area. The Community Fund will amount to £19million over the operating lifetime of the windfarm.

While at Rhyl Flats Offshore Wind Farm last year, we reached the milestone investment of £600,000 given to support North Wales communities through the community fund, which launched when the project became operational in 2009.

Elsewhere Bears Down Wind Farm pledged a decade of support to the Cornwall Air Ambulance Trust last year. The funding will be used towards precious flying time for the air ambulance which offers a lifeline to the local community and surrounding areas.

Gwynt y Môr Offshore Wind Farm has also supported a lifeline for the North Wales communities with a £570,000 donation to the RNLI (Royal National Lifeboat Institution). The 5 year funding package supported a new rescue support vehicle based at St Asaph which can be deployed to incidents across the region and further afield when required, and will pay for training for volunteer crews.

Supporting wellbeing is important to us in the communities that we operate, and is also something we take pride in at our sites and offices in which we operate. That is why we are proud to have won the RenewableUK and The Crown Estate, Renewable Energy Health and Safety Award last year, for our Gwynt y Môr Offshore Wind Farm Emergency Response Strategy.

Looking ahead we will continue to invest in communities, people and of course, the environment. For example, the RWE Innogy UK onshore wind projects that have been successful in achieving planning consent could contribute up to a further £48.8million into local communities over their lifetime.



Maintaining energy supplies: Generation

RWE Generation is there to make sure you get the energy you need while doing its bit to protect the environment, investing billions in power plants and research centres.

Our technicians across the UK worked closely with industry experts to meet our target of reducing the carbon intensity of electricity we generate in the UK to 0.45 kg CO₂/kWh by 2015 – a 50% reduction compared to 1990 and a 33% reduction compared to 2000. And the good news is that we achieved this aim, with a carbon intensity figure 0.44 kg CO₂/kWh for 2015. In 2015 our total UK electricity generation increased by nearly 4% relative to 2014, whilst our carbon emissions remained practically unchanged, meaning that the carbon intensity of our operations was reduced by a corresponding amount. This was achieved by a continued shift from coal to gas-fired plant. During 2015, 70% of electricity generation came from natural gas-fired plant and 23% from coal plant.

During 2015 low NO_x boiler technology was fitted to unit 9 at Aberthaw Power Station. Sounds good, but what does it do? This technology not only controls fuel and air mixing but it also reduces nitrogen oxides (NO_x). The commissioning process is still ongoing, but reductions in NO_x have already been seen. This is just one of the ways we are meeting emissions requirements. The installation costs for one unit are around £12 million.

One of our most important and key areas is managing the environmental impact of our power fleet. It's vital that we build trust within the local communities and do all we can to avoid any environmental harm.

So, we do this in a number of ways. We have a legal and social responsibility framework that we must adhere to and last year we are pleased to report that our power stations maintained a continued high level of environmental performance and compliance.

Also from last year there were no events or incidents that caused, or had the potential to cause, significant or major environmental harm. However, we did have two events that were considered by the Environment Agency to have been non-compliant with our permit requirements. These could have caused, or had the potential to cause some minor problems to the environment. We also had one event where we were approaching non-compliance.

The general public and their views are really important to us, so we treat complaints seriously. We had four events that resulted in complaints from the public that we considered to be reasonable. Of the four justified complaints in 2015 one was because of noise and dust; one due to some nuisance lighting; one for odour and emissions and one for traffic.

1,000

Across the UK, RWE Generation makes an amazing energy impact with a total conventional generating capacity of 8,887 MW. In simple terms, one megawatt could power around 1000 homes – that's big energy production right there.

At our Aberthaw Power Station we carried out several wildlife projects, including conservation days and educational and public events.



Top
Pembroke Power Station.

Right
John Pearce, a Lead Combustion Engineer at Aberthaw Power Station who worked as part of the LowNOx Project Team.

Far right
John Whatling, a day Operations Technician at Aberthaw Power Station who supported work for the LowNOx project.



We make sure that all complaints are given a high priority and we investigate them straight away. We continue to be ISO14001 accredited which means we have a system in place to help us reduce the environmental impacts of our operations. Our Pembroke site is currently working towards accreditation and of course we always review incidents and near misses to make sure that we are continuously improving.

When it comes to the natural world and safeguarding Mother Nature, we are extremely pro-active. For example at our Aberthaw Power Station we carried out several wildlife projects, including conservation days and educational and public events. To celebrate 10 years of maintaining and improving the Aberthaw Biodiversity Area with the Wildlife Trust of South and West Wales, we held a very successful conservation day. We had over 60 volunteers from the power station and we had some local groups and residents come along to enjoy the day with us.

We have a site in Radley, Oxfordshire, which up until 2007 was used for disposing of ash from our nearby Didcot A Power Station. Work has been ongoing to allow the site to formally enter, what we call the 'aftercare period'. Not only that, but we've put a contract in place with a local wildlife charity to carry out the restoration of the area.

Now some figures – in 2015, we also managed to reduce emissions of pollutant sulphur dioxide (SO₂) by approximately a third – 34% to 15.08 ktonnes – and nitrogen oxides (NO_x) by approx. 2% to 32.82 ktonnes. Dust particulates were also reduced by almost a quarter – 23% to 0.93 ktonnes – as a result of a higher proportion of generation from cleaner natural gas. In a nutshell, all those figures equal good things.

To round things off on something we truly believe in, we have often gone above and beyond Government and Environment Agency targets because we passionately believe that our generation should have as little impact as possible on generations in the near and distant future.

34%

In 2015, we also managed to reduce emissions of pollutant sulphur dioxide (SO₂) by approximately a third – 34% to 15.08 ktonnes – and nitrogen oxides (NO_x) by approx. 2% to 32.82 ktonnes.

23%

Dust particulates were also reduced by almost a quarter – 23% to 0.93 ktonnes – as a result of a higher proportion of generation from cleaner natural gas.

CR strategy and governance

Responsible business practice is critical to our success as a company. It helps us to foster trusting relationships with our customers, stakeholders and employees and build a strong reputation.

There are four key priorities which guide our responsible business practice:

- we consider environmental, ethical and societal impacts when making business decisions
- we participate in activities which have a social and/or environmental benefit
- we work with our stakeholders to ensure we understand their needs and concerns and consult them when we have difficult or controversial decisions to make
- we ensure that our employees understand and are engaged with the social and environmental issues that are critical to our business.

Responsible supply chain management

We recognise the importance of good corporate citizenship and support the ten principles of the United Nations Global Compact and we perform the procurement activity in a manner that is ethically beyond reproach.

Despite commercial pressures, we strive to ensure that we integrate corporate responsibility into our decision-making process and continuously look for opportunities to improve the way we manage our environmental and social impact.

Our Procurement function

All suppliers are required to comply with the RWE Code of Conduct. (LINK?) consistent with the Labour standards set out in the United Nations Global Compact, our suppliers must meet the requirements of the Modern Slavery Act 2015.

Our procurement department performs sourcing due diligence for all appropriate exercises. Activities include checks with international agencies for information, including the World Bank Listing of Ineligible Firms and Individuals and the World Bank Corporate Procurement Listing of Non-Responsible Vendors. We also check whether companies are subject to EU Sanctions, or are on the OECD Tax Haven List.

RWE also asks a series of corporate responsibility questions in formal tenders and all new employees undergo CR awareness training.

Health and well-being

We remain a Partner in the Government's Public Health Responsibility Deal and work continues to meet our 9 Pledges. Details of progress are available at responsibilitydeal.dh.gov.uk.

We have executive-level management of health KPIs in our retail and generation businesses and progress against these is shown in the following table: [RWENP Occupational Health and Wellbeing](#). They include measures to limit work-related ill health.