



# CORPORATE RESPONSIBILITY SUMMARY REPORT 2009

With power comes responsibility



# WELCOME TO THE RWE NPOWER CORPORATE RESPONSIBILITY SUMMARY REPORT 2009

In April 2010 we published our Corporate Responsibility (CR) report for 2009 at

[www.rwenpowercr.com](http://www.rwenpowercr.com)

This is a summary of what's on the website, not a full report. It provides the highlights, explains what we are doing to meet our strategic challenges, including how we aim to provide a secure, affordable energy supply in the future with the least impact on the environment. It also describes some of our challenges and achievements in 2009.

Our online CR report has been assured by an independent organisation, Two Tomorrows.



## CR at RWE

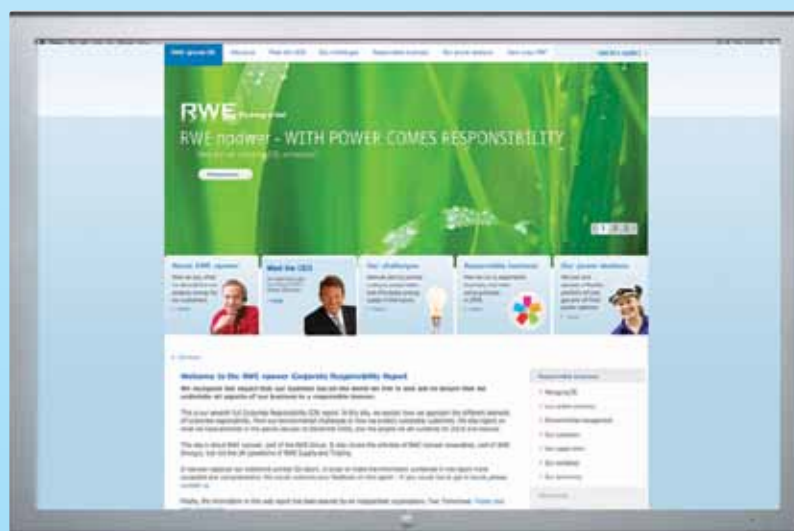
RWE Group Centre coordinates Corporate Responsibility across all companies, whilst individual management companies retain operational responsibilities for CR. At Group level the HR Director and Board members from management companies form the CR Coordination Committee.

This Committee defines the CR strategy, oversees its implementation and reports regularly to the Board on the status of CR throughout the RWE Group.

RWE AG has identified areas for action and relevant key performance indicators (KPIs) for responsible business practice. In 2009 a framework was agreed to clarify the responsibilities of RWE AG and the individual management companies.

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RWE npower is an integrated UK energy company and is part of the RWE Group, one of Europe's leading electricity and gas companies.

We supply electricity and gas to residential and business customers, and operate and manage a flexible portfolio of coal, oil and gas-fired power stations. We also manage a portfolio of cogeneration plant and, through RWE Power International, we sell our expertise in power generation to third parties.

RWE npower renewables, the UK subsidiary of RWE Innogy, leads the UK wind power market and is a leader in hydroelectric generation. RWE Technology provides services relating to the engineering and construction of new power stations for all RWE Group companies.

We recognise the impact that our business has on the world we live in and aim to ensure that we undertake all aspects of our business in a responsible manner.

We also take the health, safety and wellbeing of our employees seriously, as it is their talent, energy and knowledge that enable us to compete successfully in today's demanding business conditions. It's not just our employees that make our business a success – from the communities in which we operate to Government departments and local liaison committees, all of our stakeholders have a role to play in our success.

The Business in the Community (BitC) CR index provides an opportunity to reinforce a company's leadership in managing, measuring and reporting on responsible business practice. It provides a benchmark for companies to evaluate their management practices and performance in a range of environmental and social impact areas material to the business.

RWE npower was ranked Platinum in the most recent BitC CR Index, once again placing us amongst the top performing companies in the UK. In addition we are a BitC CommunityMark company in recognition of our long-term commitment to the community.





**£18m**

amount spent in 2009 to help the most vulnerable through our Spreading Warmth and Health Through Warmth programmes.

**1,450**

number of employees who volunteered their time to take part in community projects in 2009.

**£45m**

amount accessed by our Health Through Warmth scheme for vulnerable people since 2000.

**£7.2m**

amount contributed in 2009 to the community through charitable donations, community investment and commercial activities.

**£350m**

amount we expect to spend helping customers reduce the amount of energy they use over the three years to March 2011.

**31%**

reduction in general office waste in 2009 compared to 2008.

**33%**

reduction in carbon intensity of the electricity we generate which we aim to achieve by 2015, compared to 2000 levels.

**£3m**

the value of our partnership with Macmillan Cancer Support.

**£200m**

amount we are investing in improvements to our front line customer services.



## Our marketplace is rapidly evolving and we face some difficult challenges in developing a sustainable business.

Providing energy that is acceptable, affordable and available – now and in the future – requires the right balance between large-scale investment decisions and social and environmental issues. Working collaboratively with all of our stakeholders is important if we are to provide solutions to our customers' energy needs.

There are three priorities which are critical to our business. These are: moving to a low carbon economy, providing a high quality service for our customers and, as a trusted partner, working with our employees and the communities around our business operations. I believe that in order to achieve our aspirations we need an open and honest dialogue with our stakeholders. Putting responsible business practice at the heart of everything we do makes good business sense.

Our success depends upon our ability to respond to the changing market, as well as our customers' changing needs and to deliver the highest quality service. That includes selling our products responsibly, protecting the most vulnerable members of society and helping our customers use energy more efficiently.

Our new Customer Service Charter explains how we will listen to our customers and act on their feedback so that we can improve our service. We have a range of channels for gathering this information including our recently established Customer Council, which is a forum for consumer groups, our customers and other key stakeholders to discuss our customer service performance with our senior management team.

This feedback will help us to decide where to focus our effort in providing a high quality service and what products and services should be developed to meet our customers' needs.

In addition, in order to play our part in the move to a low carbon economy, we will be investing billions of pounds in the UK over the next ten years in cleaner generation and upgrading existing power stations.

I'm very proud of our community programme, and I was delighted when we were recredited with the CommunityMark by Business in the Community in 2009. Many of our projects are run in partnership with other organisations, charities and community groups, which enables us to impact the community in a positive way. We will continue to work with and invest in the communities around our operations and establish effective employee engagement programmes so that we maintain and develop our partnerships with all of our stakeholders.

Building strong relationships with our stakeholders and adopting a responsible approach to our decision making are critical to delivering a sustainable business model.

**Volker Beckers**  
Group Chief Executive Officer, RWE npower

## OUR CHALLENGES MANAGING CORPORATE RESPONSIBILITY

### Taking action in uncertain times

The energy industry is dominated by three issues – how we move to a low carbon economy, how we maintain a secure supply of energy and how we keep energy affordable.

We need to deliver cleaner, affordable, secure energy supplies while returning an acceptable profit. Our multi-billion pound investment in new generating capacity must be delivered against a backdrop of financial uncertainty and increased costs of capital. Meanwhile economic conditions have driven demand for customer price cuts, despite the fact that, even with recent reductions, wholesale costs remain high. But even before the economic downturn, the biggest challenge our industry has faced for some time has been uncertainty.

We support the Government's plans to reduce the UK's greenhouse gas emissions by 80%, but this is an extremely challenging goal. At the same time it is not clear how much people are prepared to pay for environmental benefits.

We have to make major choices about how we generate energy in the future and the type of power stations we build. The decisions we make will have profound, long-term consequences.

In the energy retail market, there are further questions: how will consumers change their behaviour to embrace energy efficiency, microgeneration and other energy services?

Society's priorities will be reflected in Government policy and consumer behaviour, which should signpost the way forward. But the answers are not coming quickly: the long-term future of carbon trading in Europe; the roles of business and Government in tackling fuel poverty; efficient delivery of the new power generation infrastructure and planning regime; a clear roadmap for the delivery of smart metering.

Half the UK's current installed power generating capacity could close by 2020, and the UK is likely to need between 20-30GW of new generating capacity. We need to start to build new power stations now, so that they are operational in time to plug the impending energy gap.

Some groups estimate that the UK could need more than £200 billion of investment in power generation, transmission, smart metering and energy efficiency measures over the next decade. This massive programme must be delivered quickly and it must be done responsibly.

We will adopt a balanced approach to the challenges we face and recognise that action in one area can have significant impacts elsewhere. We place a huge premium on communication with our local and national stakeholders, our employees, customers and the communities we operate in. We will continue to do this to help resolve the challenges that we face, balancing the wishes of wider society with the local communities that may be impacted.

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*To find out more about how we are tackling these challenges, look at our online report*  
[www.rwenpowercr.com](http://www.rwenpowercr.com)



## Managing CR

Responsible business practice is critical to our success as a company. It helps us to capture economic benefit and manage risk more effectively and helps us identify opportunities for new products and services.

We believe that commitment from senior managers is essential to embed responsible business practices into decision making processes. In addition to our Board level CR committee, CR issues are discussed at our bi-weekly senior management meetings.

Responsible business practice means that we:

- consider environmental, ethical and social impacts when making business decisions
- participate in activities that have a social or environmental benefit, from supporting the most vulnerable members of society through our Health Through Warmth scheme, to working with the National Trust to provide our customers with an accredited green energy tariff

- listen to our stakeholders, to understand their needs and concerns, and act on their feedback to improve our services and products
- ensure that our employees understand what responsible business means at RWE npower and the issues that are critical to our business such as climate change and business ethics.

We ensure that responsible business practice is integrated into all our operations. Our CR and health and safety commitments are communicated to all our people.



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For more information about our approach to responsible business practice visit [www.rwenpowercr.com](http://www.rwenpowercr.com)

## MOVING TO A LOW CARBON ECONOMY ENVIRONMENTAL MANAGEMENT

### Low carbon economy

Our focus is to reduce our own CO<sub>2</sub> emissions, develop products and services for our customers and to raise awareness of climate change and the need for greater energy efficiency.

As a significant emitter of CO<sub>2</sub>, we are committed to ensure we play a leading role in minimising emissions in the future. Over the next few years, a large number of the UK's existing coal, oil and nuclear power stations are due to close as they reach the end of their operational lives or are unable to achieve the latest environmental standards.

We believe the UK needs a diverse mix of energy generation to reduce CO<sub>2</sub> while maintaining affordable and secure supplies. This will include gas, renewables and nuclear. With the support of our parent company RWE, we are planning low carbon investments amounting to billions of pounds over the next ten years.

In 2009, we also formed a joint venture with E.ON UK, called Horizon Nuclear Power. The joint venture aims to develop and construct around 6GW of new nuclear power station capacity in the UK by 2025.

By 2015, we aim to reduce the amount of carbon emitted per unit of electricity generated by 33% compared to 2000. This will be delivered primarily through our new gas-fired power stations at Staythorpe (due to be commissioned in 2010) and Pembroke (due to be

commissioned in 2012), and new renewable capacity. Our new-build programmes will bring jobs and technology leadership to the UK economy and transform our energy infrastructure.

We've also been investing in improving the efficiency of our existing power stations, so that we can reduce emissions for the same amount of electricity produced.

There is a growing demand for energy-efficiency solutions from both our business and residential customers. We support our customers by showing them what solutions are available to cut emissions and reduce bills and then helping them find the right ones for them.



For more information about how we are moving to a low carbon economy, visit [www.rwenpowercr.com](http://www.rwenpowercr.com)



**552MW**  
total installed capacity of RWE npower renewables' portfolio of wind and hydro projects in the UK.

**193,000**  
number of homes in which we installed loft insulation in 2009.



## Managing our impact on the environment

Our business, especially our generation activities, has an impact on the environment. So managing our emissions, water use and by-products and protecting the areas around our sites are important.

The environmental impacts of our operations are carefully controlled by strict regulations and our own rigorous environmental management systems (EMS).

We are committed to continuous improvement, which means:

- maintaining a high level of environmental management that goes beyond compliance
- ensuring the efficient use of all our resources
- reducing and recycling as much of our by-products as possible.

The CO<sub>2</sub> emissions from power generation were 16.63 Mt CO<sub>2</sub> in 2009 compared to 24.78 Mt CO<sub>2</sub> in 2008 as a result of less generation from all our plants, especially our coal-fired power stations. The carbon intensity of the electricity we generated also decreased. We significantly reduced our SO<sub>2</sub> emissions in 2009. Total emissions fell from 40.37 ktonnes in 2008 to 17.23 ktonnes in 2009. This reduction was mainly due to our new FGD plant at Aberthaw becoming fully operational.

In 2009, we were very successful at finding viable engineering uses for the ash from our coal-fired power stations at Didcot, Aberthaw and Tilbury. It has been used extensively in construction projects meaning that construction companies don't have to excavate and use 'primary aggregates'.

We are committed to preserving the environments around our power stations and have Biodiversity Action Plans in place at all of our power station sites. These form part of our biodiversity framework, which focuses on conserving and enhancing biodiversity, as well as minimising the effects of our operations beyond our boundaries.



# 57%

amount we reduced SO<sub>2</sub> emissions from our power generation activities in 2009 compared to 2008.

# 32%

amount we reduced CO<sub>2</sub> emissions from our power generation activities in 2009 compared to 2008.



For more information about how we are managing our impact on the environment, visit [www.rwenpowercr.com](http://www.rwenpowercr.com)

## OUR CUSTOMERS OUR WORKPLACE

### Helping our customers Around 6.7 million residential and business accounts rely on us every day for their energy.

Our success depends on our ability to respond to those customers' changing needs and deliver the highest quality service. That includes listening to our customers, selling our products responsibly, protecting the most vulnerable members of society and helping our customers to reduce their carbon footprint. We are committed to providing a high quality customer service and have recently launched our Customer Charter which describes our commitments to our customers.

As part of our ongoing £200 million investment in front line service improvements, we have continued to focus on streamlining our processes

and systems and investing in more staff training.

We know that it is important for our customers to have accurate energy bills and to understand how their bills have been calculated. Following consumer research we have simplified our bill layout to help customers understand what energy they have used and paid for. The new bill has received a Crystal Mark from the Plain English Campaign.

In 2009 we increased the number of vulnerable households receiving help. We helped 8,943 households through our Health Through Warmth scheme and over 170,000 customers through our Spreading Warmth programme, contributing over £18 million to help vulnerable households.

The UK has one of most competitive energy markets in the world. During 2009 consumer, media and regulator expectation for price cuts from energy suppliers continued.

We are aware that our customers need to budget, so we always aim to provide a competitive rate and to protect our customers from the volatility of the wholesale energy market through the effective purchasing and hedging of our wholesale costs and risks.

But wholesale prices are not the only factor that needs to be taken into account in our electricity and gas prices. Like other energy suppliers, we're facing substantial increases in distribution and environmental costs.



### the brighter energy debate

Our Brighter Energy Debate website – [www.thebrighterenergydebate.com](http://www.thebrighterenergydebate.com) – explains the complexities of the energy industry and discusses the issues that affect us all, from energy bills to energy efficiency.





## Working at RWE npower

The success of our business depends upon our employees.

Our objectives are to attract the right mix of skills, talent and diversity, create a healthy and safe working environment, and provide our employees with the opportunities, training and motivation they need to do their jobs to the best of their ability.

We were once again listed in The Times Top 50 Companies where women want to work. We are a diverse organisation, over 9% of our people are from ethnic backgrounds and around 40% of our employees are women. In 2009 we continued to focus on improving diversity in our business, particularly at our power stations and in our graduate schemes.

We know that everyone has their own ambitions and priorities for their career development. That's why we offer personal development plans, formal training and structured succession planning to help all of our people realise their potential. We also encourage people to study and volunteer out of the office. Our learning and development programme offers opportunities through tailored development programmes, workshops and specific development tools such as 360 degree feedback, coaching and mentoring.

All our line managers are responsible for managing health and safety within their teams. Our independently chaired Health and Safety Review Committee reviews targets and identifies areas for improvement.

We encourage employees to take personal responsibility for health and safety, provide training and specialist support from our health and safety department and benchmark our performance against other companies.

Our proactive in-house occupational health service strives to ensure employees remain as healthy as possible and collates and analyses performance data on employee health and illness, enabling us to implement specific programmes to address the highlighted issues.

We believe that being emotionally fit is just as important as being physically fit. As improving wellbeing is personal to each one of us, our wellbeing programme is deliberately non-prescriptive. Our aim is to raise awareness and provide the means for change for those who are ready.



For more information about our approach to responsible business practice, visit our website [www.rwenpowercr.com](http://www.rwenpowercr.com)

# £18m

amount spent in 2009 to help vulnerable households.

# 16

number of Royal Society for the Prevention of Accidents (RoSPA) awards won in 2009.



## OUR COMMUNITY

### Putting something back We take our responsibilities to the communities in which we operate seriously.

We know that our employees are proud to support our community investment programmes and that this helps to maintain trust with our stakeholders.

We focus on three areas where we think we can make the biggest difference:

#### Improving health in the community

Through our Health Through Warmth scheme we identify people living in cold, damp houses and help them to install energy efficiency measures and heating.

#### Protecting the environment

In partnership with the National Trust we supply renewable energy, offer

their members a green energy tariff and make National Trust properties more energy efficient. Our employees also volunteer at their sites.

#### Enhancing education and understanding of energy

Our Brighter Futures programme helps schools become more sustainable and empowers young people to achieve their vision of a 'brighter future' for themselves and the environment.

Our community activities are run in partnership with other organisations, charities and community groups. This gives us more scope to impact the community in a positive and sustainable way, while benefiting the business by enhancing our reputation.

During 2009 we established a skills based volunteering programme which enables our people to access

volunteering projects that directly support their personal development.

We have been working with Macmillan Cancer Support as our corporate charity since 2004 and our partnership with them is now valued at over £3 million.

In 2009, we were recredited with the CommunityMark from Business in the Community (BitC). This national standard recognises companies which deliver sustainable, long-term community programmes. We use the London Benchmarking Group model to measure and demonstrate the difference our community investment makes to our business and the community.



# 1,450

employees who volunteered their time to take part in community projects in 2009.

For more information about our investment in the community, visit [www.rwenpowercr.com](http://www.rwenpowercr.com)



# £7.2m

amount contributed to the community in 2009 through charitable donations, community investment and commercial activities.

## CONTACT US

We would welcome your feedback on this report and our websites. If you'd like to get in touch, please contact us at **[csr.feedback@rwenpower.com](mailto:csr.feedback@rwenpower.com)** or write to:

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