



Realising our vision to be a responsible corporate citizen

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innovative intelligent initiatives



Realising our vision to provide sustainable performance

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Innogy at a Glance Company Overview 2001

Retail

Profile	Market position	Achievements to date
<p>npower retail is the fastest growing energy business in the UK. As well as supplying gas and electricity to over 5.4 million homes and businesses across the UK, the brand has also moved into new markets, financial services and telecommunications.</p>	<p>The combined supply businesses of npower, Independent Energy and Yorkshire Electricity, means that npower is the number one UK supplier of electricity and number two in gas, by volume, making us a formidable energy supply business, well positioned to take advantage of future developments in the UK energy market.</p>	<p>The acquisition of Yorkshire Electricity combined with our own organic growth, means that we have achieved the critical mass which brings economies of scale. Nationally the npower brand recognition has risen to 44%* and has achieved a 90%* recognition in the Midlands area. This is on the course we anticipated and npower is now the third biggest brand in the sector. [*source: Millward Brown]</p>

Trading and Asset Management

Profile	Market position	Achievements to date
<p>We combine substantial generation activity in the UK energy markets with a growing presence in the traded UK energy markets. This combination gives us a proven capability to deliver stable earnings in increasingly volatile energy markets. Strong risk and asset management skills, with over 8,000MW of generating assets in a portfolio unrivalled in its capabilities, are closely integrated with trading skills, giving a substantial advantage in the UK energy market and beyond.</p>	<ul style="list-style-type: none"> We have a unique portfolio of plant with the capability to provide a fast, flexible response to market conditions at low cost. Well positioned to take advantage of uncertainty in energy markets, we have a proven track record of providing stability of earnings in a volatile world. 	<ul style="list-style-type: none"> Delivered stable earnings as power prices fell year on year. We made good our promise to be at the forefront of participants able to trade effectively in the new power trading arrangements, introduced in March 2001. We successfully provided market making services both internally and, for the first time, for other market participants. We continued to grow our presence in the UK energy markets and, for the first time, commenced trading on the Continent.

Operations and Engineering

Profile	Market position	Achievements to date
<p>Operations and Engineering has created a successful business offering power station operating and engineering expertise on a commercial basis. Drawing on its extensive experience, Operations and Engineering offers a range of services, enabling power station operators to maximise the value of their plant performance.</p>	<p>Operations and Engineering has quickly built a reputation for excellence and now has undertaken work in many countries across Europe, North America, Australia, Asia and South America.</p>	<ul style="list-style-type: none"> £6m profit for 2000/01. Plant performance targets met. Around 50 external customers. US office established. £25m refurbishment of Kosovo power station completed ahead of schedule. Developed and implemented information systems for range of power stations in Canada.

Cogeneration and Renewables

Profile	Market position	Achievements to date
<p>Cogen and Renewables is the division within Innogy which develops and operates plant that produces environmental sources of energy and reduced 'greenhouse gas' emissions.</p>	<ul style="list-style-type: none"> Cogen is one of the UK's leading developers and operators of CHP plant with more than 10% of market share. At 36%, we believe National Wind Power has the largest share of the UK wind energy market. Innogy Hydro currently operates eight hydroelectric stations with a total capacity of 50MW. 	<ul style="list-style-type: none"> Two new CHP plants brought into commercial operation in 2000/01. 605MWe plus 1375MWh of CHP capacity at 16 sites, with a total investment of almost £350m. 11 UK wind farms totalling 147MWe capacity, and two US wind farms are currently operational. Built two new and acquired one hydroelectric stations in Scotland.

New Ventures

Profile	Market position	Achievements to date
<p>Business unit that develops new technologies and builds new business opportunities. It currently has a number of projects at various stages of development.</p>	<p>A stand-alone company, Innogy Technology Ventures Limited has been established to commercialise the Regenesys energy storage technology and to develop other business opportunities.</p>	<ul style="list-style-type: none"> Developed a utility-scale electricity storage system based on Regenesys, an advanced regenerative fuel cell technology. The Regenesys storage system was one of the British products selected by the Design Council to receive a 'Millennium Products' award in a Government sponsored competition to highlight the best of British design. Presented with the 2000 FT Energy Global Award for 'the most promising pre-commercial technology development'. Started construction on a 15MW, 120MWh Regenesys energy storage plant at Little Barford in the UK. Signed a deal to build a 15MW, 120MWh Regenesys electricity storage plant or the Tennessee Valley Authority in the US.

2001/02 Objectives

- To continue an increase in organic growth
- To introduce an integrated customer support system that will enable future delivery of a single bill.
- To develop npower as our single integrated brand; ultimately, all our products will be sold under the npower brand.
- To grow our customer base in financial services and telecommunications.

Long-term objectives

The retail strategy has three key components – scale, systems and brand to form a retail business that is a key platform of our strategy going forward.

2001/02 Objectives

- Continued emphasis on providing stability in core earnings, with a substantially hedged position centred on our power generation needs.
- Targeted return on risk capital employed in trading operations.
- Optimisation of portfolio value by leveraging our asset management and trading skills.
- Development of products tailored to specific customer needs and the controlled expansion of our trading and marketing activities into other energy markets such as Continental Europe.

Long-term objectives

- Innovating solutions tailored to our customers' needs.
- Maximising value from our asset portfolio through the systematic arbitrage of energy markets, backed by a reliable and flexible plant portfolio, and bringing other assets under management.
- Continuing growth in the liberalised energy markets. As the pace of deregulation and liberalisation continues, we will be well placed to provide opportunities for sustained, long-term growth.

2001/02 objectives

- Significantly grow the external business.
- Operate stations to optimise commercial performance.
- Establish reputation for delivering profitable solutions.
- Deliver value-adding services.

Long-term objectives

- Continue to grow the external business.
- Build a loyal customer base.
- Bring technical and commercial innovation to the development and delivery of new high added value products and services.
- Maintain the depth and breadth of skills and resources to deliver our services.

2001/02 Objectives

- Completion of CHP plant construction at Huntsman Tioxide Grimsby, and construction of wind farms in Cornwall and Texas
- Securing maximum commercial benefit available from Climate Change Levy exemption and 'green certificates'.
- Achieving additional business growth opportunities for Cogen & Renewables in their respective markets.
- Construction of wind farms in Cornwall and County Durham.

Long term objectives

- To exploit Cogen and Renewables skills, knowledge and capabilities to continue to enhance Innogy shareholder value.

2001 Objectives

- Completion of construction phase of world's first 15MW, 120MWh Regenesys electricity storage plant at Little Barford in the UK.
- Complete the design and commence construction of 15MW, 120MWh Regenesys energy storage plant for the Tennessee Valley Authority in the US.

Long term objectives

- To realise the full commercial value of new energy technologies in order to enhance shareholder value.

Our vision is to create a leading integrated energy business that delivers shareholder value and profitable solutions to our stakeholders, while operating in an environmentally and socially responsible manner.

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The key to realising our vision is to ensure that the **integration** of our policies into all our businesses is achieved, focusing on our **innovation** to drive forward our economic, environmental and social performance. The **integrity** of our vision is focused on placing the **individual** at the centre of our strategy which will benefit both the business and our customers.

Environmental and Social Responsibility Policy

Throughout its businesses Innogy will operate in an environmentally and socially responsible manner that reflects the aims of sustainable development and is consistent with the following principles:

To integrate corporate social responsibility into our business decision-making processes
We recognise the importance of corporate social responsibility covering environmental, social and ethical issues for the company and we are developing objectives and targets to support this. Clear roles and responsibilities have been established for these areas.

To ensure effective communication and dialogue with stakeholders
We recognise that effective communication is an essential component of our business performance. This includes dialogue with all our stakeholders; including shareholders, customers, employees, neighbours, Government and other interested parties. It means being responsive to concerns and complaints and adopting high standards of reporting on our environmental and social performance.

To be innovative in our development of products and strategies that contribute to the aims of sustainable development
We will seek to develop products and services that offer our customers choices for clean and economic energy. This includes working with Government and others to assist in addressing the issue of social exclusion.

To deliver continuous improvement in each of the businesses by taking account of best practice management of environmental and social issues

We will meet and, where appropriate, exceed the requirements of all relevant legislation. We are establishing appropriate systems for environmental and social responsibility management at corporate, business and site level and will set quantifiable targets to continuously improve our performance across all aspects of environmental and social issues.

To work with others to promote the improvement of the environment and quality of life on a local, national and global scale
We recognise that we can be more effective by collaborating with our stakeholders. This includes promoting good environmental management practices with our partners, contractors and suppliers and providing advice and assistance to customers. We will continue to work with Government to find practicable solutions to the challenges of sustainable development.

To recognise the contribution of our employees to improved business performance and also their contribution to the wider community
We will educate, train and incentivise our employees to conduct activities in a manner consistent with our principles. In addition we will encourage and support employees in environmental and social action in the wider community.

Executive Chairman's Report

Innogy is one of the UK's leading integrated energy companies.

The company was formed as a result of the demerger of National Power on 2 October 2000.

I am proud to present Innogy's first Environmental and Social Performance Review, which covers the period from 1 April 2000 to 31 March 2001.

This Review sets out details of our performance against key targets and also the policies and values that we intend to hold ourselves accountable to. Reflecting our heritage from National Power, this year's Review is principally focused on our environmental performance. For the future, however, we will extend the scope of the Review to embrace other aspects, including a greater focus on social issues.

Despite significant change during the year, our management and staff have

responsible corporate citizen. As part of my commitment in this area, I have established, at Board level, a Corporate Responsibility Committee, to be chaired by Yvonne Constance, one of our non-executive Directors. The Committee will ensure that corporate social responsibility is integrated into the business decision-making process and will review performance, develop policy and set targets and objectives.

The principles of sustainable development are fundamental to our approach to corporate social responsibility and are embedded in our Environmental and Social Responsibility Policy. We will also promote sustainable development standards with our partners, suppliers, business associates and within the communities in which we do business.

"Innogy is committed to creating a strong integrated energy business while playing its part as a responsible corporate citizen."



Ross Sayers
Executive Chairman

maintained their focus on our business performance and I am pleased to say that across our portfolio of generating plant, individual power stations have shown reductions in emissions per unit of electricity generated. I am also delighted to announce that Innogy has received a Gold Award for Occupational Safety from the Royal Society for the Prevention of Accidents. This award recognises the achievement of a very high standard of health and safety at work over a four-year period.

Our main operational sites have maintained their certification to the internationally recognised environmental management system, ISO 14001, and we intend to continue this.

As a leading UK company, we are determined to play our part as a

This Review has been independently verified by Lloyd's Register Quality Assurance.

Through the publication of this Review we are reinforcing our belief in fostering collaborative relationships with all our stakeholder groups by openly communicating our objectives, principles and performance.

Ross Sayers
Executive Chairman

Highlights 2000/01

- Limiting our impact on the environment
Innogy optimised its generation within its permitted emission limits using, among other techniques, a novel internal system for trading emissions
- Playing a lead role in bringing the consumer energy from renewable sources
Innogy's wind power business, National Wind Power, has developed the leading position in the wind power market in the UK
- Seeking to reduce the use of non-renewable resources
Innogy's Cogen business is a leading player in the UK cogeneration market
- Complying with our environmental licences
Innogy had no prosecutions for environmental matters
- Aware of our responsibility for the wider environment
Innogy has put in place a framework for managing biodiversity issues and is the sponsor of the Government's UK Business and Biodiversity Resource Centre
- Playing our part in the community
Our positive contribution to community-based projects ranged across the country and included a major donation for the preservation of ancient woodland in South Wales
- Supporting our stakeholders where appropriate
Innogy's retail business npower has developed and implemented the Health Through Warmth scheme by working in partnership with health agencies and local authorities towards a common, focused goal of providing assistance to the most vulnerable, fuel poor households through pilot projects in the West Midlands



Our Values and Commitment

Innogy is one of the UK's leading integrated energy companies. Our company comprises five business areas: npower, our retail business; Trading and Asset Management; Operations and Engineering; Cogen and Renewables, and New Ventures, which is developing the energy storage technology, Regenesys.

Since our demerger from National Power in 2000, we have transformed the company into a customer-led integrated UK energy company. npower is now the UK's number one supplier of electricity and the number two supplier of gas, by volume. We are also the UK's leading developer and operator of wind farms.

Customers are at the heart of Innogy's strategy but we recognise the importance of our interactions with society at all levels. A measure of our success will be how well we build these relationships with our customers, shareholders and employees.

Our Values

Acting in a way that is consistent with our core values is fundamental in developing these relationships.

Our values include:

- Being professional in our approach, working as a team to deliver innovative solutions to our customers;
- Respecting the opinions of others: being honest, fair and open towards colleagues, customers and other third parties with whom we interact;
- Being flexible and open to change;
- Recognising our responsibilities to society and the environment; and
- Remembering that customers have a choice.

Innogy has adopted policies covering specific aspects of the way we operate. These policies identify our approach to environmental and social responsibility, health and safety, equal opportunities, diversity and business ethics. Our commitment to each of these areas is summarised below and copies of our policies will be available on our web-site www.innogy.com

Our Commitment

- Operating in an environmentally and socially responsible manner that reflects the aims of sustainable development;
- Protecting employees, business partners, our customers and the general public from ill health, injury and harm and promoting employee well being;
- Observing high standards of personal and corporate integrity; and
- Promoting equal opportunities and diversity.

Our Approach

We recognise that our success as a company cannot be measured solely by our financial performance. Other factors are important and in this context we are seeking to integrate the principles of sustainable development into our business practice. The UK Government's strategy for sustainable development, published in 1999, is based on meeting four objectives: social, economic, environmental and natural resources. We support fully the Government's view that an improved quality of life incorporates all of these aspects.

In this context, factors important to creating a successful business include:

- Delivering long-term shareholder value;
- Managing and mitigating our impact on the environment as represented by emissions, biodiversity and landscape resources;
- Encouraging efficient use of natural resources, by ourselves, our customers and suppliers;
- Taking account of our impacts on society including our customers, employees and the communities within which we operate.

Our approach to sustainable development has been to identify the key issues where we believe improved performance could lead to not only better economic performance but also help to deliver the Government's objectives as set out in its sustainable development strategy. We have called these issues our 'sustainability enablers' and we will use them in identifying future indicators and targets.

Our enablers include:

- Greater energy efficiency
- Improved resource productivity
- Increased renewables capacity
- Protection of the environment
- Effective stakeholder dialogue
- Customer relationship management
- Community involvement
- Reducing fuel poverty
- Employee development and motivation

By taking these factors into account we believe that we can deliver a range of business benefits, including:

- Enhancing our reputation

Our reputation with investors, employees, customers, Government and shareholders is key to our future. We believe that our 'enablers' play a significant part in maintaining our reputation.

- Improving dialogue with our stakeholders

A structured approach to dialogue allows us to better meet our stakeholders' needs and expectations.

It also leads to benefits through improved risk management and allows us to identify cross-business opportunities.

- Managing risk

We are seeking to be at the forefront of the UK energy market. Our key enablers help us to identify market and legislative trends and use them in our business planning.

- Creating opportunities

Our enablers also help us to identify opportunities through new markets opened up by the sustainable development agenda. They also facilitate identification of cost reductions through improved resource productivity.

Management of Corporate Social Responsibility

In recognition of our commitment to corporate social responsibility and to ensure that corporate social responsibility is integrated into the business decision making processes, the company has recently established a Board Committee chaired by Yvonne Constance, one of our non-executive Directors. The Committee will review performance, develop policy and set targets and objectives consistent with that policy. The Committee is also responsible for developing an action plan to progress integration further.

“Our vision for creating sustainable performance will be realised through the

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of environmental, social and economic objectives at every level of the business."

Our Values & Commitment

2000/2001 Targets	Progress	2001/2002 Targets
Increase the proportion of 'cleaner' electricity to 70%	45% of our electricity was produced from 'cleaner' generating plant. Changes in the company portfolio led to this reduction compared to 1999-2000	Develop an environmental management system at the corporate level
The environmental management of the supply chain: implement the system	Developing as part of the company repositioning. Our contribution to the SIGMA project and our work with 'Achilles' is an important part of our delivery of this target.	Review systems for assessing the environmental, social and ethical issues arising out of the supply chain
Achieve ISO 14001 at all new cogeneration sites	We continue to implement ISO 14001 at significantly sized plants where we have operational control	Implement processes to ensure effective stakeholder dialogue
Aim for no breaches of environmental authorisations	1 breach occurred compared to 13 in 1999-2000	Incorporate the recently enlarged retail business into reporting and target setting process
		Maintain a system for rolling out IPPC permits to relevant Cogen plants

At the heart of sustainability is the idea of ensuring a better quality of life for everyone, now and for generations to come



Policy. We recognise that for this to be truly effective we must develop mechanisms to ensure the results of consultations and communication with our stakeholders are fully taken into account throughout the company. Over the coming year we will be reviewing our approach to stakeholder dialogue, including customer concerns and complaints.

Environmental management systems have had a key role in ensuring environmental risks have been identified and managed in the operation of our generating systems. We will continue to develop and maintain these management systems and operate a comprehensive structured risk management system. However, electricity generation is now only one part of our business and we are currently developing environmental and social responsibility management systems to address these issues across the whole

Each of our businesses has identified a 'business champion' at senior management level who is responsible for ensuring that the concept of corporate social responsibility is integrated into their business. A key role of the business champion is in developing performance targets for the business. The approach we have adopted is to identify areas where there are strong links between our identified 'sustainability enablers' and our overall business targets.

In the light of our organisational changes, we are reviewing the process of setting targets. We have targets in place, which are reported in this Review, whilst we address the future form they should take. We intend to integrate environmental and social performance targets with our financial performance targets.

In addition to environmental and social responsibility targets we are developing Key Performance Indicators (KPIs) that are aligned with both our sustainability enablers and our business strategy. We are taking account of best practice to develop indicators for monitoring our ongoing environmental and social performance. We will seek stakeholder feedback in developing these indicators.

Communication and dialogue with our stakeholders is a key part of our Environmental and Social Responsibility



Novar wind farm Rosshire, Scotland: a 17MW wind farm developed, owned and operated by National Wind Power.

company. This includes identification of social and reputational risks in addition to environmental risks. This report reviews our achievements in these areas over the past year. Some of our key highlights include:

Health Through Warmth

We have committed to invest a core £5.7 million, in our Health Through Warmth scheme, with a view to raising total funds of up to £10 million from collaborative partnerships to tackle cold-related illness by providing warmer homes for a potential 20,000 households across the UK. Innogy's retail business, npower, operates the scheme in partnership with the National Health Service and the charity National

Energy Action (NEA). The scheme has the support of the UK Government, which has endorsed the partnership between those involved in energy, housing, healthcare and the voluntary sector. Health Through Warmth identifies those suffering from cold and damp and ensures that energy efficiency measures are taken which result in warmer living conditions and reduced fuel bills.

Community

The Bears Down Wind Farm in Cornwall, which will generate clean electricity for about 7,500 homes a year, is also bringing a number of other community benefits. We have involved the local community in a home energy efficiency scheme involving a six month programme of energy efficiency roadshows. We have also supported local primary and secondary schools through the provision of computer equipment and renewable energy science packs.

Cleaner Energy

The UK Government is working towards a target of providing 10% of electricity supplies from renewable sources by 2010. Innogy's wind power development company, National Wind Power, was nominated in the Financial Times Awards as the "best renewable energy company in the world."

Protection of the Environment

We recognise that we have a responsibility to protect the environment. Innogy has identified three key indicators which address this: emissions, biodiversity and landscape resources.

Emissions

Innogy manages its power station operation through the use of an internal market. As well as power and fuel, the internal market encompasses environmental emissions, and enables the company to forecast output as well as the cost of environmental impact mitigation.

This system provides economic incentives for emission reduction by identifying the optimum economic solution to meet regulatory emission constraints. This system could be developed to allow the exchange of permits with industry peers and other industry sectors, which in turn enables the UK to provide the most economic response to total emission targets that are becoming more stringent.

Across our portfolio of generating plant, individual stations have shown reductions in emissions of sulphur dioxide (SO₂), oxides of nitrogen (NO_x) and carbon dioxide (CO₂) per unit of electricity generated. This is also reflected in an increase of thermal efficiency at many of our power stations. However, the changes that have occurred in the balance of the portfolio and generation volume between coal, oil and gas generation from 1999-2000 to 2000-2001 has meant that overall the emissions of SO₂ have risen by 13%, NO_x by 28% and CO₂ by 14%. The management of our portfolio means that we will meet the authorised limits upon our plant whilst optimising the generation of electricity which we supply.

Over the past four years there has been a continual reduction in the sulphur content of the coal used at Innogy's power stations. We have systems in place to determine the value of sulphur and these are used to carry out commercial assessments of fuels and enhance the management of our portfolio of plant.

“Our commitment to sustainable development requires that we respect the environment, whilst utilising

The logo consists of a small blue dot above the lowercase letters 'in' in a bold, sans-serif font.



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and intellect to develop solutions which protect the environment and deliver business benefits."

Protection of the Environment

2000/2001 Targets	Performance	2001/2002 Targets
Reduce SO ₂ , NO _x , CO ₂ and dust emissions by 5% each	Across our portfolio of generating plant individual stations have shown reductions in SO ₂ , NO _x and CO ₂ emissions per unit of electricity generated. However, the changes that have occurred in the balance of the portfolio between coal, oil and gas generation from 1999-2000 to 2000-2001 mean that overall the emissions of SO ₂ have risen by 13%, of NO _x by 28% and CO ₂ by 14%.	Optimise generation of electricity to ensure emissions of SO ₂ and NO _x remain below continuously decreasing limits
Increase sales of by-products by 5%	The sales of our major by-product, ash, have fallen compared to last year. This is due to the significant changes in our portfolio since demerger and the sale of major coal-fired power stations.	Implement air quality management plans with the aim of no exceedences of UK National Air Quality Objectives by our operations by 2005
Assess how the DETR greenhouse gas indicator can be applied in Innogy	We have played our part in developing the electricity supply industry's sectoral guidance on greenhouse gas reporting. Changes in the company mean that it is best to implement this in the next year.	Continue the implementation of the biodiversity framework
Continue the development of Biodiversity Action Plans (BAPs) to encompass one operating and one new plant.	Overarching biodiversity framework now developed. BAPs at Aberthaw and Fawley underway. Corporate sponsorship of the Government's UK Business and Biodiversity Resource Centre undertaken.	
Assess how the concept of landscape character could be applied to Innogy's sites.	Our Operations and Engineering business and National Wind Power have scoped this issue and have specified a more detailed analysis to consultants. This work continues.	

Innogy's commitment to biodiversity includes working with Earthwatch and sponsoring the UK's Business and Biodiversity Resource Centre



Increasing renewables capacity plays an important part in the reduction of greenhouse gases. Innogy Hydro is developing potential new sites for hydro generation and National Wind Power is playing an active role in the developing offshore wind market, as well as its established leading position in the onshore wind market. National Wind Power has recently been allocated an offshore wind farm site, North Hoyle, situated approximately 6km off the North Wales Coast under the Crown Estate's bidding procedure. The operation of our wind farms and hydro power stations has saved the equivalent CO₂ emission of 280kt and 87kt respectively from conventional generation plant.

Biodiversity and Landscape

As part of its commitment to the protection of wildlife, Innogy has

developed a three-tier biodiversity framework. This framework is consistent with the UK Government's Biodiversity Action Plan (UKBAP). The three tiers of our framework are:

- promoting biodiversity within our boundaries;
- promoting biodiversity outside of our boundaries where we may have a direct effect; and finally
- promoting biodiversity not affected by Innogy's operations through participation in appropriate schemes.

This programme will contribute to and support the UKBAP. Innogy's commitment to this programme includes the sponsorship of the Government's Business and Biodiversity Centre run by Earthwatch in Oxford with

a donation of £42,000 spread over three years up until 2003. Innogy environmental staff will also assist with the Centre's work. Our work in this area has been recognised and endorsed by the House of Commons' Environment, Transport and Regional Affairs Select Committee in their Report on UK Biodiversity.

Lambrigg wind farm was opened in Cumbria in September 2000 after a brief pause in construction during the spring to allow a peaceful breeding time for birds present in the area.

On opening the farm, a competition for local schools was launched. The winners received "e-lab Renewable Energy set" for their school, a VIP trip to the wind farm open day, and their name on a turbine. Additionally, National Wind Power donated £600 to a local environmental adventure playground project.



The Didcot Nature Reserve adjacent to Didcot A and B power stations. We are building a new visitors centre which will provide educational facilities for local schools and youth groups.



Coal being unloaded at Bristol Port, on its way to being transported to our power stations by rail. Rail transport is the most environmentally efficient way of transporting bulk items such as coal. Virtually all of Innogy's coal supply is transported by rail.

Respecting the Earth's Resources

Innogy uses many renewable and non-renewable resources in the operation of its business. In electricity generation, renewable resources include wind and hydro power. Non-renewable fuels include coal, gas and oil. The resources used by non-generating sites are also important. Innogy recognises it has a responsibility to use all resources with care. The increased efficiency in resource usage also has business benefits.

Bridgewater Paper's site at Ellesmere Port is one of the UK's largest suppliers of newsprint for the major UK newspaper publishers. Cogen, Innogy's cogeneration business, has constructed a new £50 million Combined Heat and Power (CHP) plant at the site, which replaces the existing coal and oil-fired steam boiler plant, and began commercial operation in June 2000.

By using substantially less fuel than conventional methods of producing heat and power, a CHP plant can attain a much greater overall energy efficiency

which therefore brings environmental benefits. In addition, the new CHP plant allows the Bridgewater Paper site to reduce its emissions to air and meet the tougher regulations introduced in 2001.

Innogy has provided funding to enhance three existing ancient woodland sites that are classified as Sites of Special Scientific Interest (SSSIs). By coppicing some trees, the project will allow more light on to the woodland floor thus encouraging the development of habitats more suitable for birds such as nightingales, blackcaps and willow warblers. The provision of deer fencing will protect the coppiced trees and oxlip thereby encouraging growth. The maintenance of access rides will facilitate easy access for visitors plus improving habitat for butterflies and the common spotted orchid. The site is within six miles of Little Barford power station, in Cambridgeshire.

The funding has come through the landfill tax credit scheme with £30,000 paid in November 2000. The only other funding for this scheme is a sum of £10,000 from English Nature.

“In order to achieve sustainability,
it is paramount to use

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and respect when using
the earth's resources."

Respecting the Earth's Resources

2000/2001 Targets	Performance	2001/2002 Targets
Improve UK portfolio thermal efficiency by 0.5%	Across our portfolio of generating plant individual stations have shown improvements in efficiency of generation. However, the changes that have occurred in the balance of the portfolio between coal, oil and gas generation from 1999-2000 to 2000-2001 mean that overall efficiency has fallen by 2.3%.	In our offices: <ul style="list-style-type: none"> • Reduce usage of electricity and water by 2% • Reduce usage of gas by 5% • Increase recycling by 5%
Reduce water usage by 5%	Water usage per unit of production has significantly decreased.	Sell 'Green contracts' equal to 3rd party generation acquired by Concert Energy. Exceed energy efficiency commitment targets Develop energy efficiency products for domestic and industrial customers
Green Accounts, a three year target:2000/2001 commence roll-out	Developing as part of the company repositioning.	Generate 490 GWh from wind and 92 GWh from hydro plant
Improve recycling by 5%	This has increased from 37% in 1999-2000 to 46% in 2000-2001	Assess the feasibility of schemes to improve station water usage, recycling and ash improvements and assess changes to station efficiencies reflecting increased flexible operation

We recognise our responsibility to use all resources with care



Using landfill tax rebates, Innogy has assisted the Woodland Trust in buying a 52-acre plot of land, which joins two existing areas of ancient woodlands (Casehill Wood and Cwm George in South Wales). The Woodland Trust plans to plant thousands of native trees on this newly acquired land and create a 209 acre linked complex of native and ancient woodland, offering nature conservation, biodiversity and public amenity potential. This woodland would also have a CO₂ offset value of 15,000 tonnes thereby contributing to our annual emission reduction targets as identified in last year's Environmental Performance Review.

This donation of £175,000 is our largest in 2000/2001 from our landfill tax rebates and it equates to 52% of our total for the year. The land is within eight miles of Aberthaw power station.

As part of the Energy Efficiency Standards of Performance (EESoPs) Programme, npower is helping to replace

old inefficient fridges and fridge-freezers with modern, energy efficient models. This scheme involves supplying 10,000 new appliances over a two-year period to low income households therefore helping people to save money and energy.

As a community initiative, Innogy has provided funding to Track 2000, a charity which recycles or reuses obsolete computer equipment. Over 100 reused computer kits, from companies in Wales, have been supplied to local schools, community centres and voluntary groups. Of the trainees employed by Track 2000, some have gone on to find full time employment or higher education and many have achieved national Key Skills.



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Cultural and Social issues

Our relationship with all our stakeholders is important to us. This involves regular consultation with a wide range of organisations and promptly dealing with any complaints or enquiries received regarding our operations. An example of a stakeholder group is the Schedule 9 Consultees comprising representatives from English Heritage, English Nature, Countryside Agency, Countryside Council for Wales and Cadw. Our consultation with this group in 2000/01 involved a discussion on the impact of wind farms on the landscape and a visit to the Carno wind farm in central Wales.

The npower Power Pack has been launched to help improve the numeracy and literacy skills of Key Stage 2 pupils in England and Wales. Children can work through a variety of exercises designed to develop these skills in relation to real life situations including calculating bills, learning to budget and it also covers gas and electrical appliance safety. The subject of renewable energy

resources is also covered.

The pack, designed to meet the requirements of the national curriculum, was produced in association with teachers and representatives from Education Business Partnerships in the Birmingham, Worcestershire and Staffordshire areas. It is available free of charge to schools, and comes complete with teachers notes.

npower's Health Through Warmth scheme is due to expand during 2001 and experience gained in current operational pilot projects will assist in the development of new projects. Emphasis is being placed not only on assisting areas of urban deprivation, but also in tackling the complex issue of rural fuel poverty. Health Through Warmth represents an important example of npower working in an innovative way to fulfil its obligations under Ofgem's Social Action Plan. It also demonstrates our determination to be a responsible corporate citizen. The long-term goals of the scheme are substantial, and it is intended that the larger projects will see up to 20,000 fuel poor households being assisted over a five-year period. Ultimately it is intended that Health Through

“Our commitment to people is at the heart of our vision for sustainability. Our aim is to focus on the

in



dividual

and to listen to the views
of all our stakeholders."

Cultural and Social Issues

2000/2001 Targets	Performance	2001/2002 Targets
Aim for zero complaints	Eight justified complaints were received compared to 16 in 1999-2000 and 19 in 1998-1999.	Encourage increased participation in the Community Volunteering programme
		Improve performance in the Ofgem league table of supplier customer complaints with long-term aim of being in the top quartile of the Ofgem league table of suppliers
		Develop ways of measuring the number of homes implementing advice received through Health Through Warmth
		Develop suitable employee metrics
		Aim for no breaches of authorisations and no justified complaints

npower is working in partnership with other organisations to improve the health of the fuel poor



Warmth projects will make a significant contribution to the reduction of fuel poverty in many parts of England and Wales.

Innogy were joint sponsors of a seminar, organised by the Council for National Parks, to discuss the issues and options for telecommunications and energy infrastructure in National Parks. The seminar brought together those who deal with planning issues in the Parks and companies with relevant expertise, in order that barriers to and opportunities for enhancing National Park landscapes could be identified and options discussed. The aim was to enhance mutual understanding of the issues, to share successes and to come up with practical solutions.

All of these initiatives are aimed at addressing the responsibilities of our business in the wider community. We also appreciate the importance of having innovative, creative and energetic staff who are able to perform to the best of their ability and our Health and Safety Policy includes a commitment to promote staff wellbeing.

Employees

Innogy is committed to the development of all staff and the company has achieved 'Investors in People' (IIP) accreditation at all of its major sites and will seek to maintain the good practices that this demands. All our staff are encouraged to maintain personal development plans

and to pursue the training opportunities of their choice.

Our staff have seen major changes in the company over the last year and this has meant that effective communications are vital. All staff will receive a copy of this Review.

Equal Opportunities

Innogy is determined to play its part as a responsible corporate citizen and recognises the value that the wide-ranging knowledge and experience of individuals from all sectors of society brings to its business. We are, therefore, committed to equal opportunities as part of our sense of social responsibility but also because it makes sound business sense.



Nina Skorupska, Station Manager, standing in the control room of Didcot B power station.



Jamie Rowlands, Regional Operations Manager at Carno wind farm, Wales. This 33.6MW wind farm is currently the UK's most powerful wind farm.



Sarah Fenwick at our call centre in Peterlee, County Durham.

Health and Safety

We have in place a voluntary health-screening programme – “Get Healthy, Stay Healthy” – which enables staff to have a comprehensive check up at 2 – 5 yearly intervals. The screening process can detect certain diseases at an early stage and it includes a review of lifestyle.

Ensuring Our Workforce is Healthy

In promoting wellbeing, we also consider the pressures on staff from their work and home life. If these can be reduced and individuals’ coping mechanisms enhanced, the outcome is more likely to be employee growth rather than stress. Those with supervisory responsibility are encouraged to attend training courses in stress management and all staff have access to our nurses for confidential personal advice.

Health surveillance programmes are in place so that the health of staff exposed to specific hazards can be monitored and early evidence of harm detected. The absence of harm provides confirmation that engineering and other control measures are effective in controlling the risks to health.

Overall sickness absence is generally lower than the latest CBI national data, with 8.4 days lost per person per year in npower and 5.9 days in the rest of our businesses.

Our health service uses its confidential databases to record and analyse the precise medical causes of spells of sickness absence lasting more than seven days.

Extending these systems across the business will ensure that Innogy is well placed to adopt the targets for the reduction of work related ill health and days lost through illness, which are set down by the Government in their ten year strategy for occupational health entitled “Securing Health Together”.

Rehabilitation

We also have systems in place which help us move towards the rehabilitation target set in Securing Health Together that “by 2010 everyone currently in employment but off work due to ill health or disability is, where necessary and appropriate, made aware of opportunities for rehabilitation back into work as early as possible”.

Safeguarding People and our Assets

Our philosophy has always been that “good safety is good business”. We have inherited a strong and imbedded safety culture, which forms the foundation for successful health and safety management. A clear and concise policy and principles has been communicated throughout the businesses, which in turn have established business specific and appropriate health and safety management systems.

We believe that staff and stakeholder involvement in promoting safety and delivering continuous improvement is essential. This is achieved through formal consultation throughout our locations via Health and Safety Committees. Staff are encouraged to voice their concerns and ideas about improving safety.

Within our power generating businesses in 2000 we launched a series of employee-driven safety initiatives through vertical slice safety workshops involving station managers and operating staff representatives. These specifically use behavioural safety interventions to address immediate and underlying causes of unsafe acts and unsafe conditions.

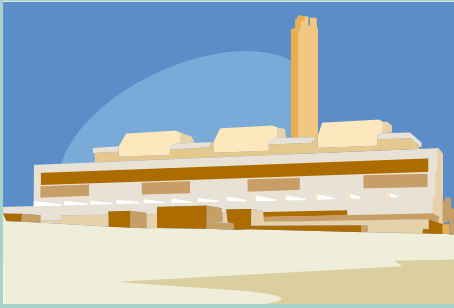
Safety Performance 2000/01

During the year across our businesses our staff have delivered a continued reduction in serious injury rates (Accident Frequency Rate – AFR – approx. 30%), more minor injuries (Reportable Injury Frequency Rate – RIFR). These are now being more positively reported and this has resulted in a plateau in our performance. Contractor performance with regard to both AFR and RIFR rates remains unacceptable and as such constitutes an improvement target.

For the future the management team want to set top-down improvement targets for the company. This is in recognition of our Health and Safety Policy and in line with the Government’s Revitalising Health and Safety initiative.

An illustration of a factory building with a brown chimney on the left and a tan building with brown trim on the right. The foreground is filled with various shades of green bushes and a blue body of water at the bottom. The text is overlaid on a dark green bush in the middle ground.

All of Innogy's main operational sites are certified to the ISO14001 standard of environmental management. The following pages contain highlights of the year from our main sites.



Aberthaw

Aberthaw power station is a 1,500 MW coal-fired station located on the River Thaw in South Wales. Water from the Bristol Channel is abstracted for cooling and returned to the sea slightly warmer.

Key Highlights

1. The site's rich biodiversity is partly due to a brackish lagoon. The site also contains an SSSI on the beach area that contains a population of rare flatworms.
2. Members of our environment department are on the Steering Committee for the River Thaw's Otters and River Project, in association with the Glamorgan Wildlife Trust.
3. Last year 56 hectares of land was landscaped. This work was timed to minimise disruption to the indigenous species in the area.
4. We have implemented several safety-related suggestions that have come from staff.
5. Although the waste oil produced last year increased, all of it was recovered as a fuel source.
6. Members of staff have continued to support the Young Enterprise Charity by donating their time and skills to helping school children build their own companies across the Vale of Glamorgan. Others have been involved with the RMC Greenlink schools project, which allows schools to work on environmental projects. We continue to support the Ty Hafan charity.

7. During the year we have had approximately 550 visitors to site.
8. The Local Liaison Committee meets to discuss the impact of our site on the local air quality. We are planning to install two additional air quality monitoring sites to help demonstrate our commitment to continuous improvement of local air quality.
9. Testing of the combustion process and different fuels has been carried out in order to achieve the new emission limits set by the Environment Agency.

Aberthaw Power Station, The Leys, Aberthaw, Barry, South Glamorgan CF62 4ZW.



Cogen

Cogen is an Innogy business that designs and delivers energy solutions through Combined Heat and Power (CHP) technology within the industrial sector. CHP can be described as the simultaneous generation of electrical power and heat at the host location.

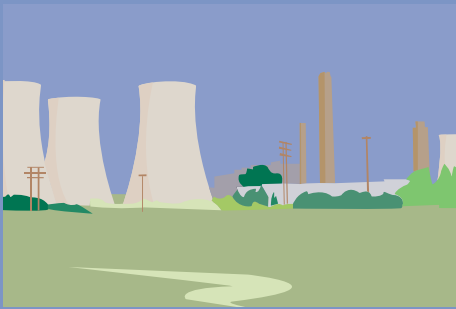
Key Highlights

1. Cogen has continued to expand its plant portfolio with the addition of the Bridgewater Paper CHP plant at Ellesmere Port and the completion of phase 2 of the CHP plant at Aylesford Newspaper Ltd in Kent. The addition of these new plants increases Cogen's operational plant portfolio to 785 MW electrical and 1236 MW thermal capacity. During the year, the operation of Cogen's plant prevented the release of over 1.5 million tonnes of CO₂ emissions.
2. Cogen's environmental performance is considered to be a key performance indicator and is reviewed annually by the Cogen management team.
3. All Cogen's operational sites are required to have an environmental management system (EMS). For those major sites where we hold the authorisation, we ensure these EMS are certified to ISO 14001. Last year, Cogen targeted three sites for certification of their EMS under ISO 14001. These targets were met with the certification of the CHP plant at Dow Corning in South Wales and Philips Petroleum and BASF,

both in Teesside. Two further Cogen CHP plants have been targeted to achieve certification in 2001.

4. Cogen continue to support community and business initiatives designed to promote environmental awareness such as Cogen's Aylesford Newsprint Ltd CHP plant's sponsorship of the Kent Business Environmental Initiative and support for air quality studies at Durham University.
5. The paper industry was required to submit applications for authorisation under the Integrated Pollution Prevention and Control arrangements. Innogy and Cogen staff were active in developing and co-ordinating applications with host site staff at the affected Cogen sites. This allowed the Cogen plant to continue to operate under licence.

Cogen, Cogen Court, Cranmore Boulevard, Shirley, Solihull B90 4LN.



Didcot 'A'

Didcot 'A' is a 2,000 MW coal and gas-fired power station in Oxfordshire. During the last year we have burnt coal which was mainly delivered by rail.

Key Highlights

1. We have completed all, but one, of our environmental improvement targets resulting in the commissioning of testing of our CO₂ dosing plant to solve the pH problem at the Radley Ash Lagoon. We have improved the control of our SO₃ injection plant resulting in improved chimney dust emission levels and have made significant improvement in the ash separation thereby reducing the amount of ash disposed at Radley.
2. £300,000 of landfill tax credits have been made available towards the building of a new Environmental Education Centre in a nature reserve on the site. The Centre will fulfil a vital role in education within our community. The Centre will, as far as possible, be built to operate sustainably.
3. We received an improved Operator Polluter Risk Appraisal assessment.
4. We have had four enquiries from the public regarding noise during safety valve lifting. There has been one enquiry regarding ash on cars and one enquiry after flooding the cycle path which is adjacent to the site. In all cases there was a response from a senior manager.

5. There has been one breach of the IPC Authorisation concerning release of caustic soda from the Water Treatment Plant to the cooling water system and after dilution in the cooling water system to the Thames. This did not cause any harm to the environment. The Environment Agency was informed and actions were taken to prevent incidents like this from occurring in the future.
6. There have been three environmental incidents this year concerning exceedence of the daily cooling water abstraction limit, exceedence of the suspended solids limit for return to the Thames and exceedence of the daily discharge flow to Moors Ditch. In addition we have had one incident at Radley with discharge of cenospheres to Pumney Farm Ditch. In all cases there were no adverse environmental effects.

Didcot 'A' Power Station, Didcot, Oxfordshire OX11 7HA.



Didcot 'B'

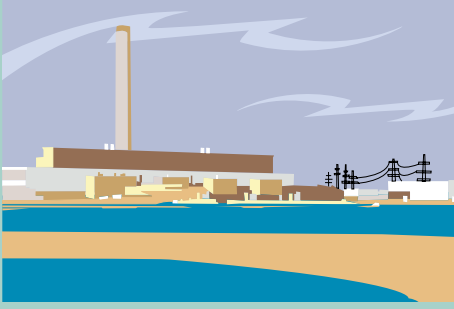
Didcot 'B' power station in Oxfordshire is a 1,400 MW Combined Cycle Gas Turbine (CCGT) plant that burns natural gas. The power station is designed to operate to the highest environmental standards and operates with an average thermal efficiency of 55%.

Key Highlights

1. We have had no breaches of our IPC authorisation and no enquiries or complaints from the public about our activities. We have received an improved Operator Polluter Risk Appraisal.
2. We are hosting a biodiversity study for a group of primary school pupils from Sutton Courtenay. Didcot B is also sponsoring an Education in Engineering Scheme carried out by A-level students to investigate the frequency and severity of the cooling tower plumes.
3. This year we have reduced the amount of water and chemicals used per unit of electricity generated. We have also reduced the amount of detergents used on site for gas turbine blade washing.

4. The Local Liaison Committee meets every three months and the activities of the combined 'A' and 'B' site are discussed. We have two air quality monitoring sites nearby measuring NO_x. The continuous monitoring has shown that the level of NO_x has been well below air quality standards, guidelines and compliance targets.
5. We have had five environmental incidents including low pH of the discharge to River Thames and high NO_x content of the stack emission. None of the incidents caused any damage to the environment. The Environment Agency was informed and a number of actions were taken to prevent similar incidents from occurring in the future.

Didcot 'B' Power Station, Didcot, Oxfordshire, OX11 7YU.



Fawley

Fawley is a 500 MW oil-fired power station, with fuel being supplied by the Esso refinery nearby. Staff at Fawley also support the operation and maintenance of the 140 MW Cowes power station across the Solent on the Isle of Wight. It is situated next to an SSSI and the New Forest.

Key Highlights

1. Over the past year we have undertaken a number of key tasks including further combustion improvements and operator control, new fuel oil instrumentation to give better control and accuracy of reporting, improved control and automation of water discharges and a removal of most PCB materials on site. At Cowes all test readings for PCBs are significantly below the 50 ppm threshold.
2. We have regular liaison with local people, the Environment Agency, New Forest Environmental Protection Liaison Committee and South Hampshire Responsible Care Group.
3. Despite an increase in electricity generation over the last year we have had no breaches of our authorisation or any complaints received from members of the public.

4. Our emissions to air have also been reduced due to higher efficiency operation. Per unit of electricity generated all emissions to air have decreased. Releases of SO₂ have shown the most significant improvement with a drop of approximately 20% per unit of electricity mainly due to the use of lower sulphur fuel.

Fawley Power Station, Fawley, Southampton, Hampshire. SO45 1TW.



Little Barford

Little Barford is a 680 MW CCGT power station in Cambridgeshire.

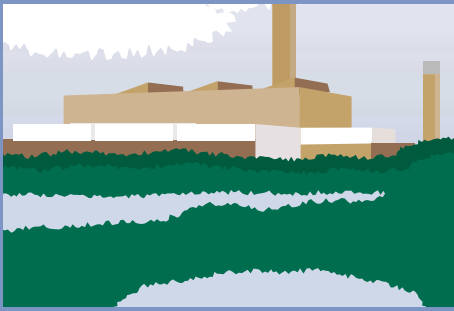
Key Highlights

1. Throughout most of last year, apart from maintenance periods and failure of a gas turbine alternator, Little Barford has operated at base load with a thermal efficiency of approximately 53%. We are currently modifying our cooling towers to improve further our thermal efficiency.
2. We have finished the installation of our replacement river water make-up and cooling water purge pipelines. These pipelines transfer water between the River Great Ouse and our cooling water system and had become badly corroded and silted. This reduction in water flow to our cooling system was contributing to higher than designed water temperatures and dissolved salts in the cooling water returned to the river.

3. The site has continued to support the Landscape 2000 scheme – this project is part funded by Innogy and works to improve the quality of the neighbouring environment. It works with the local community to plant and restore trees and enhance the quality of churchyards, ponds, parks and other green areas. Landscape 2000 is linked to the Bedfordshire and Cambridgeshire Biodiversity Action Plans. Project highlights from the last year have included the following:

- Over the winter 2500m of hedgerow was created in the surrounding villages and fifty trees planted.
 - Children have worked both in their school grounds and on community projects.
 - Removal of scrub, wildflower and bulb planting has restored an historic lane. Part of its boundary hedgerow has been laid to ensure its future existence.
4. There have been no breaches of our authorisation or licence condition and we have had no complaints from members of the public.

Little Barford Power Station, Little Barford, St Neots, Cambridgeshire, PE19 4YT



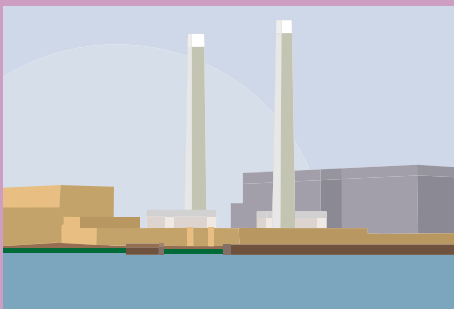
Littlebrook

Littlebrook power station is located on the river Thames. The station has three generating units, each rated at 685 MW. The station is fuelled by heavy fuel oil and this, coupled with the design of the plant, ensures that the station can readily meet the requirements to be flexible and reliable.

Key Highlights

1. Our location and fuel storage capacity enables us to use fuels from the international market. This enables us to reduce the sulphur content of our fuel. We are therefore well positioned to take advantage of any future regulations requiring the further reduction of sulphur emissions.
2. Previous investments by the station in environmental improvements are performing well and dust emission levels are significantly lower than the operating limits. The dust limits that have been set are tighter than those for any other fossil fuel-fired power station in the UK. Over the past year there have been no breaches of the conditions stipulated in our IPC authorisation.
3. Littlebrook works with the local community and actively participates in Dartford's Local Agenda 21 along with other local initiatives. We have had over 700 visitors to our site.
4. Any complaints received by the station are investigated and followed up, with the relevant operating factors reviewed to see if there are opportunities to improve environmental performance. Only one complaint was received this year and investigation revealed that the station was not the source of the problem.
5. We continue to investigate ways to improve our environmental performance including addressing biodiversity and maintaining and developing natural habitats on the site. A particular success is the use of the site by a pair of peregrine falcons.

Littlebrook Power Station, Manor Way, Dartford, Kent DA1 5PT



Tilbury

Tilbury power station is a 700 MW coal-fired station located on the River Thames in Essex. The coal is delivered by ship and the process is cooled by recirculating River Thames water. Nearly a third of the ash produced during combustion of the coal is sold for use in the construction industry.

Key highlights

1. Work started on bringing 350 MW of generating plant back into service, after it was mothballed in 1998.
2. Our Energy and Environment Centre celebrated its tenth anniversary in September 2000. Currently there are about 8000 schoolchildren visiting the centre every year.
3. "Women in Science and Engineering", which is a scheme to encourage women to make a career in science or engineering, was a great success again this year.
4. 2000 trees were planted on the grounds of the station to celebrate the millennium.
5. Along with other local businesses we are participating in the "Two Forts Walk" initiative. This involves constructing and improving the existing public footpath between Tilbury Fort and Coal House Fort.
6. There were no breaches of any of our Environment Agency Authorisation conditions during the year.
7. One complaint was received during the year and it was investigated and resolved.

Tilbury Power Station, Fort Road, Tilbury, Essex RM18 8UJ



Property Services and Facilities

Despite significant changes to plant portfolio and landholdings in the last year, Innogy has maintained a sound system of environmental management for its property holdings.

- Remediation – The regeneration process for Bold power station has successfully been completed through a partnership approach. A beneficial mixed development has been achieved consisting of residential land and open space. Lakes, streams, and a distinctive mix of flora and fauna have attracted an ecologically diverse mix of wildlife.
- Waste Management Licences – We have received a “Certificate of Satisfactory Completion” for Agecroft. Waste Management Licences for Thorpe Marsh and Skelton Grange are being transferred to the purchasers, and those for Willington and Uskmouth are in the course of surrender.
- Property Services provided further financial support to the Woodhall Archaeological Trust that is undertaking archaeological studies at the Gale Common site in Yorkshire. Their work was highly commended in the sponsorship section of the British Archaeology Sponsorship Award 2000.
- Both Facilities and Property maintained certification of the environmental management system to ISO 14001 with the scope increased to include demolition activities. Improvements are being made to devise a more efficient and effective system. The next surveillance is to be carried out in May 2001.

Environmental Data

Emissions

	Electricity generated (GWh)	Coal burn (ktonnes)	Oil burn (ktonnes)	Gas burn (ktonnes)	Coal ash produced (ktonnes)	Ash landfilled (ktonnes)	Ash sold (ktonnes)	Net water usage (Mtonnes)	Waste disposed (tonnes)	Waste recycled (tonnes)
Aberthaw	6,662	2,510	45	0	475	443	32	1	566	1,161
Didcot A	8,129	3,065	35	70	440	309	130	13	854	661
Didcot B	9,418	0	0	1,337	0	0	0	5	281	30
Fawley	105	0	33	0	0	0	0	0	259	682
Cowes	1	0	0	0	0	0	0	0	0	0
Little Barford	3,632	0	0	526	0	0	0	2	1,095	121
Littlebrook	235	0	74	0	1	0	0	0	197	283
Tilbury	3,575	1,360	17	0	203	139	64	0	229	507
Cogen	2,356	0	1	790	0	0	0	1	190	0
Hydro	96	0	0	0	0	0	0	0	16	2
Wind Power	386	0	0	0	0	0	0	0	0	3
Total	34,593	6,934	206	2,723	1,118	892	226	23	3,688	3,449

	CO ₂ emissions (ktonnes)	SO ₂ emissions (ktonnes)	NO _x emissions (ktonnes)	HCl emissions (ktonnes)	Dust emissions (tonnes)	CO ₂ emissions (g/kWh)	SO ₂ emissions (g/kWh)	NO _x emissions (g/kWh)	HCl emissions (g/kWh)	Dust emissions (g/kWh)
Aberthaw	6,054	47	23.6	0.8	1,571	909	7.02	3.54	0.12	0.24
Didcot A	7,342	66	20.7	3.3	1,133	903	8.15	2.54	0.40	0.14
Didcot B	3,495	0	2.9	0.0	0	371	0.00	0.31	0.00	0.00
Fawley	106	1	0.5	0.0	2	1,010	10.42	4.75	0.00	0.02
Cowes	1	0	0.0	0.0	0	1,093	0.96	4.81	0.00	0.00
Little Barford	1,382	0	1.5	0.0	0	381	0.00	0.40	0.00	0.00
Littlebrook	230	3	0.8	0.0	60	979	11.76	3.53	0.00	0.00
Tilbury	3,226	20	12.4	1.0	265	902	5.52	3.48	0.29	0.07
Cogen	1,347	0	1.3	0.0	0	572	0.00	0.55	0.00	0.00
Hydro	0	0	0.0	0.0	0	0	0.00	0.00	0.00	0.00
Wind Power	0	0	0.0	0.0	0	0	0.00	0.00	0.00	0.00
Total	23,183	137	63.6	5.1	3,031	670*	3.95*	1.84*	0.15*	0.09*

* Company average

Environmental Data

Cogeneration

Site	Electricity generated (GWh)	Gas consumption (ktonnes)	Oil consumption (tonnes)	Steam/water (ktonnes)	NO _x (tonnes)	NO _x (g/kWh)	CO ₂ (ktonnes)	CO ₂ (g/kWh)	Waste disposed (tonnes)
AM Paper	38.9	18.0	n/a	79	26.1	0.67	30.5	783.4	3
Aylesford	278.4	108.6	6	806	193.8	0.7	167.2	600.6	18
BASF	212.8	60.7	n/a	261.5	147.5	0.69	147.8	694.4	18
Bridgewater	217.8	102.4	0	767.2	75	0.34	140.2	643.6	23
ChiRex	33.9	9.5	0.8	68.5	19.9	0.59	22.4	659.3	3
Derby	0	0	n/a	0	0	0	0	0	18
Dow	96.6	61.5	4.7	684.2	81.8	0.85	70.6	730.8	23
Esso	701.2	223.2	1,434	818.5	204.6	0.29	286.9	409.1	18
Fort James	70.3	20.6	4.8	163.2	48.8	0.69	54.7	778.4	6
Lancaster	8.6	3.0	1.4	0	29.2	3.4	6.7	774.8	3
Lindsey	314.3	78.5	0	500	113.6	0.36	182	579.1	18
Oldbury	27.7	7.8	0	7.7	18.3	0.66	20.5	739.5	6
Phillips	258.7	81.8	n/a	0	127.4	0.49	142.9	552.3	18
Whitehaven	53.4	14.6	14.7	149.0	61.6	1.15	43.2	808.7	12
Whitegate	43.4	XXX	n/a	0	140	3.23	31.9	735.4	3
Total	2,356	790.2	1,466.4	4,304.6	1,287.6	0.55*	1,347.0	571.8*	190

* Company average
n/a = not applicable

Summary of Inventory of Sources and Releases (calendar year)*

RELEASES TO AIR	Cadmium (kg)	Lead (kg)	Mercury (kg)	Total VOC (tonnes)	Total PAH (kg)	Dioxins (grammes)	Carbon monoxide (tonnes)	Nitrous oxide (tonnes)	PM10 (tonnes)
Aberthaw	23.33	1,121.55	101.38	58.07	169.28	1.1	2,397	152.42	1,328
BASF Cogen	n/a	n/a	n/a	n/a	n/a	n/a	74	n/a	brt
Bridgewater Cogen	n/a	n/a	n/a	n/a	n/a	n/a	128	n/a	n/a
Cowes	n/a	n/a	n/a	brt	n/a	n/a	brt	brt	brt
Didcot A	27.5	1,430	116	66	194	1.25	2,720	175	2,190
Didcot B	n/a	n/a	0.172	355	n/a	brt	94.8	brt	n/a
Dow Cogen	brt	brt	brt	n/a	brt	brt	47.64	brt	n/a
Fawley	6.2	16.2	2	brt	0.624	0.02	51	brt	brt
Fawley Cogen	n/a	n/a	n/a	brt	n/a	n/a	brt	n/a	brt
Little Barford	n/a	n/a	brt	brt	n/a	n/a	130	brt	brt
Littlebrook	6.46	brt	2.88	1.11	1.67	0.06	137	n/a	brt
Phillips Cogen	n/a	n/a	n/a	n/a	n/a	n/a	43	n/a	brt
Tilbury	10.6	580	46.9	26.9	78.7	0.501	1,090	70.8	891

RELEASES TO WATER	Arsenic (kg)	Cadmium (kg)	Chromium (kg)	Copper (kg)	Lead (kg)	Mercury (kg)	Nickel (kg)	Zinc (kg)
Aberthaw	n/a	brt	n/a	62.7	n/a	brt	50	n/a
Didcot A	82	brt	107	1,000	brt	brt	brt	510
Didcot B	82	brt	107	1,000	brt	brt	brt	510
Fawley	n/a	brt	brt	brt	brt	brt	brt	brt
Little Barford	6.6	brt	brt	brt	brt	brt	brt	brt
Littlebrook	n/a	brt	brt	brt	n/a	brt	brt	brt
Tilbury	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

NON-SPECIAL WASTE	Disposal - landfill (tonnes)	Disposal - incineration (tonnes)	Disposal - other (tonnes)	Recovery - as a fuel (tonnes)	Recovery - other (tonnes)	Re-cycle (tonnes)	SPECIAL WASTE	Disposal - landfill (tonnes)	Disposal - incineration (tonnes)	Disposal - other (tonnes)	Recovery - as a fuel (tonnes)	Recovery - other (tonnes)	Re-cycle (tonnes)
Aberthaw	411,274	7.62	0	0	33,922	1,201.54		69.68	0	0	57.1	0	0
BASF Cogen	1	0	0	0	0	0		1.58	0	0	0	0	0
Bridgewater Cogen	7	0	0	0	0	0		0	0	0	0	0	28
Cowes	5.6	0	0	0	0	0		0	0	0	0	0	98
Didcot A	252,893	0	0	0	0	142,402		123	19	0	110	0	0
Didcot B	270.76	0	8.71	0	0	0		4.24	0	5	0	26.65	0
Dow Cogen	3	0	0	0	0	0		0	0	15.6	0	0	0
Fawley	125	0	0	0	0	25		68	0	0	0	0	655
Fawley Cogen	74	0	0	0	0	0		0	60	2.6	0	0	0
Little Barford	611	0	603	0	0	55		46	0	42	5	0	0
Littlebrook	61.38	0	0	438.95	0	256.34		132.68	0	0	0	0	0
Phillips Cogen	1.5	0	0	0	0	0		0.8	0	0	0	0	0
Tilbury	110,000	n/a	58,500	n/a	n/a	n/a		192	n/a	n/a	n/a	5	n/a

* The full inventory can be accessed via the Environment Agency's internet site (www.environment-agency.gov.uk)
brt = below reporting threshold; n/a = not applicable



Lloyd's Register Quality Assurance Limited (LRQA) has verified Innogy plc's 'Environmental and Social Performance Review 2001' (ESPR). Based on the verification scope, information in their ESPR was found to be accurate. However, the report remains the responsibility of, and has been approved by, the Directors.

Recommendations

In the opinion of LRQA progress against last year's recommendations¹ and suggestions for future improvement are:

- Corporate audits continue in the UK and have now assessed sites without ISO 14001 certification – the international standard for environmental management systems.
 - Ensure future audits are performed across all Innogy businesses and the audit scope is extended to also validate Social, Health and Safety Performance data.
- Performance reporting is established in power generation (Innogy's traditional business) with data being collated correctly and in a similar manner to previous years.
 - Data reporting systems need developing fully within Innogy's remaining businesses.
 - Validating the accuracy and completeness of source data remains an on-going issue, together with identifying inherent limitations in data whether caused by errors, omissions or other irregularities.
- Reporting performance statistics associated with all environment aspects of all Retail activities has been superceded. Innogy, as a new company, is taking the opportunity to re-examine presented topics and information.
 - Future ESPRs should reflect clearly how the Government's sustainable development strategy is being implemented through Innogy's economic, environmental, social and natural resource objectives. Likewise links to performance indicators/enablers must be evident in each of Innogy's businesses.

Scope of LRQA's Verification

Verification of the ESPR 2001's data covered all reported aspects of UK operations and only environmental performance data for National Wind Power, America.

The verification was executed utilising a sampling process² and covered the following activities:

- reviewing Innogy's ESPR for accuracy and balance³ in reporting business practices by gathering sufficient evidence from interviews, company records and other strategic papers to validate published statements.
- appraising Innogy's in-house checks to prevent erroneous information from being published
- verifying environmental performance data by assessing the integrity of systems used by Environ (Innogy's consultants) for authenticating data gathering/calculating mechanisms.
- verifying health and safety data by assessing data collection and reporting mechanisms.
- sampling of Innogy's Cogen & Renewable site activities for monitoring, measuring and reporting Health, Safety and Environmental data to corporate offices.

on behalf of LRQA:

Deborah Evans

expiry date: June 2002

1. Following National Power 's demerger, progress against recommendations associated with only Innogy operations have been confirmed.

2. The assessment was based on the requirements in ISO 14010 and 14011 (international guidelines relating to the general principles of auditing and audit procedures).

3. Innogy's EPR was not evaluated for conformance with corporate social responsible indexes such as World Business Council for Sustainable Development (WBCSD) & Green Reporting Index (GRI)



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