

# CR Report

## 2014 highlights:



# £200k

At Gwynt Y Môr, **RWE Innogy** invested £200,000 to replace the fenders alongside Llandudno Pier, allowing cruise ships to return and giving tourism a real boost in North Wales.



# £500k

**RWE npower** raised over £500,000 for Macmillan Cancer Support in 2014, continuing the award-winning partnership with the charity and making a dramatic difference to the lives of people affected by cancer.



# 11%

Our **RWE Generation** technicians worked closely with industry experts to reduce our total UK carbon emissions by 11% in 2014.

We must remember we also have a responsibility to help our local communities and to safeguard the planet.



# A word from Paul Massara

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

## 80%

By 2050, we aim to reduce our carbon emissions by 80%.

As one of the UK's largest employers and with power stations all over the country, we have a duty of care to our people and our local communities. In 2014 we made huge progress in a number of areas including meeting all our carbon emission targets and we are on track to reduce them by a staggering 80% by 2050.

Our schemes like Health Through Warmth and our work with Macmillan assist the most vulnerable, providing help with paying bills and improving insulation.

The Community Benefit Funds associated with our power stations support a number of community charity projects and many of our employees are involved in local voluntary initiatives.

We've held nature walks for orchid lovers, carried out a study proving our output has had no effect on bird populations and contributed £32,000 towards the cost of repairing a village hall's roof.

And we've provided a brighter future for 16 new apprentices, one of whom has won the RenewablesUK Apprentice of the Year award.

RWE provides energy advice, information and services to big business - helping them to save energy. We're using new technology to allow for simple switching, up-to-the-minute usage data and straightforward, accurate billing.

We must put our customers' needs at the heart of everything we do. But we must remember we also have a responsibility to help our local communities and to safeguard the planet for our customers' children and grandchildren.

**Paul Massara**  
Chief Executive Officer, RWE npower  
RWE UK Country Chair

## 16

We've provided a brighter future for 16 new apprentices.

# Doing our bit: npower



RWE npower is one of the largest energy suppliers in the UK and has more than 6,000 employees. We serve around 5.4 million residential and business customers with electricity, gas and energy services.

## £5m

In 2014 we installed heating and insulation worth more than £5 million through our Health Through Warmth scheme.

We know we have more to do if we want to become Britain's most trusted energy supplier, so we're going to keep improving until our customers tell us we've got it right.

We had real problems with how we served our customers in 2014. We have made a huge amount of progress to improve the way we handle complaints after we discussed and agreed targets with Ofgem. And it was the sheer determination and monumental effort of the people who work throughout npower, that made sure we not only reached the regulator's targets but exceeded them.

We apologised to every single one of our customers and put in place a number of procedures to make sure our customers were happy with the way their complaints were dealt with. These included looking into the consistency of our procedures, making the language we use clearer and getting to the root cause of a complaint, understanding it and fixing it across the business.

It's really important that we look after not just our customers but our hard-working employees too. We understand that health and well-being is vital so we run workshops for our managers to not only help them, but to help them help their team. And if anyone ever needs one-to-one support they can use our in-house Occupational Health service.

We also encourage employees to engage in their local communities. Last year almost a third of our staff – 28% – volunteered in local community activities or raised funds for Macmillan.

2014 marked the ten-year anniversary of our award-winning partnership with Macmillan and, during that time, we've been able to make a dramatic difference to the lives of people living with cancer. Over the year, npower raised more than £500,000 for the charity for a team of dedicated energy advisors on the Macmillan Support Line.

This partnership has grown to be worth a staggering £11 million – a testament to the long-standing commitment that npower has made to supporting people affected by cancer with their energy bills. But our partnership is about much more than money – it is about working together to help all people facing fuel poverty.

In 2014, our Health Through Warmth (HTW) scheme helped 2,447 vulnerable homeowners across England and Wales to keep warm. We installed heating and insulation worth more than £5 million. More than £1.7 million was contributed from the unique HTW Crisis Fund and more than £598,000 was raised from charities to help pay for the work.

2014 marked the ten-year anniversary of our award-winning partnership with Macmillan and over the year we raised more than £500,000 for the charity.

# 2,447

Our Health Through Warmth Scheme helped 2,447 vulnerable homeowners across England and Wales to keep warm.

# 28%

Last year almost a third of our staff – 28% – volunteered in local community activities or raised funds for Macmillan.

## Richard and Suzy's story Derby

Richard and Suzy were together for 11 years when, in 2012, Suzy started to get agonising headaches. Things got so bad for Suzy that she lost her job and Richard gave up his job to look after her. Suzy was rushed to hospital where a tumour was found on her brain. The couple's finances were stretched beyond breaking point so Richard rang Macmillan's Support Line, and he was then referred to the Fuel Management Programme. They've been on the programme for two years and we'll be supporting them for two more. Richard said he 'couldn't thank npower enough'.

## Stuart's story Birmingham

Stuart was diagnosed with Hodgkin's Lymphoma in May 2014. During his second and third rounds of chemo, Stuart realised that he would no longer be able to continue working. He developed anxiety due to the worry of not being able to pay for his bills. When Macmillan referred him to the Fuel Management Programme, Stuart was able to worry about one less thing – his energy bills. He could now come home from treatment and put the heating on without worrying about the cost. Stuart can't praise npower enough.

## Diana's story Hampshire

Diana, aged 78, has arterial fibrillation and chronic obstructive pulmonary disease (COPD). Her old boiler only worked intermittently, and made banging noises which were so loud that the neighbours once called round as they were concerned that Diana was banging on the walls for help.

Diana contacted the Health Through Warmth team to ask if there was any assistance available. The team assessed her case and organised funds to pay for the installation of a new boiler, costing £1,900. Contributions were accessed from four different charities. The remaining balance was contributed from npower's unique Health Through Warmth Crisis Fund.

Diana said: "We wouldn't have been able to afford to replace the boiler ourselves. It is fantastic that everyone worked together to raise funding and get it installed for us."



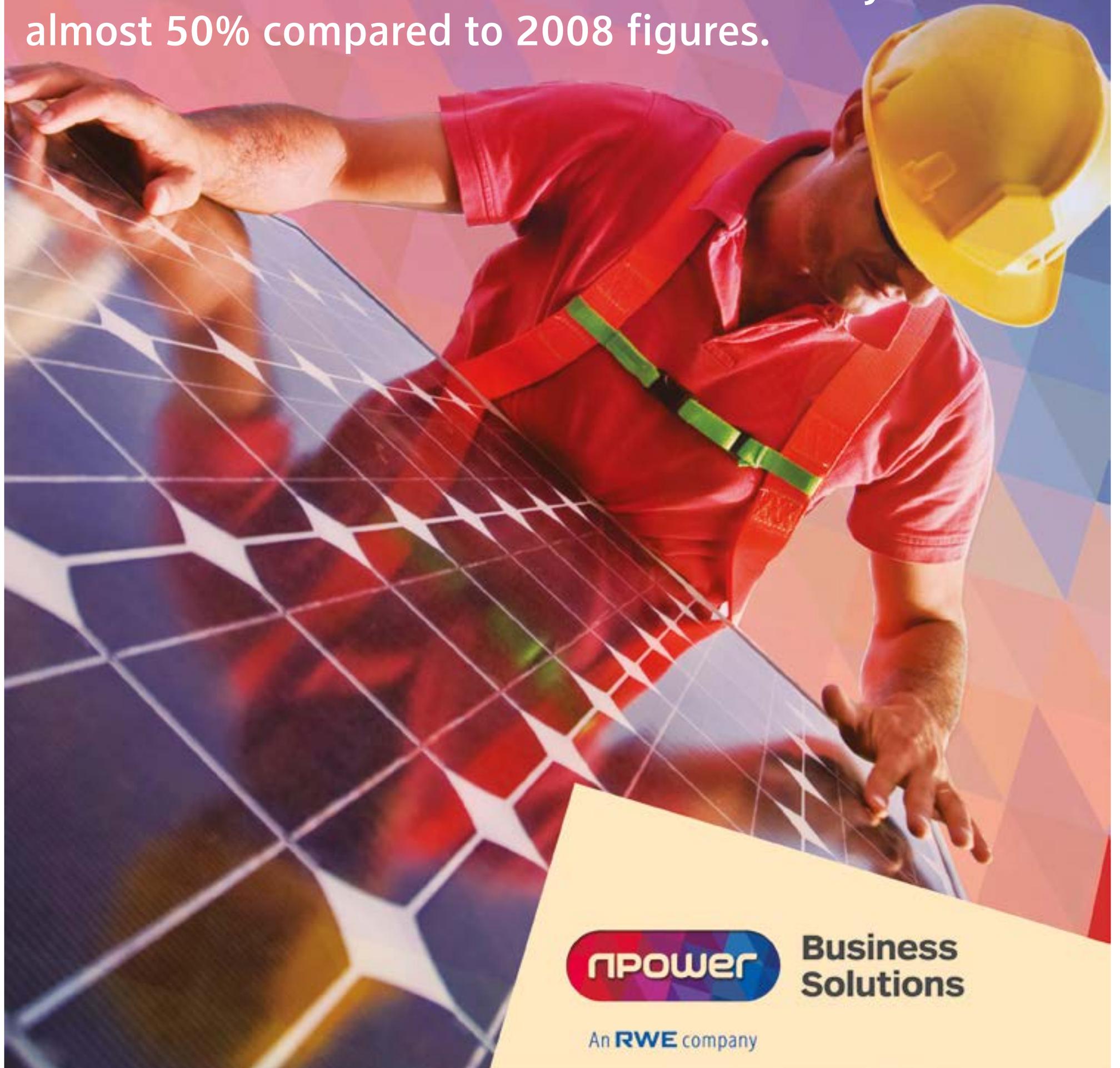
**Left**  
Richard and Suzy  
from Derby

**Bottom-left**  
Stuart from  
Birmingham

**Bottom-right**  
Diana from  
Hampshire



When it comes to sustainability, npower has to lead the way and in 2014 we reduced the amount of carbon emissions of our offices by almost 50% compared to 2008 figures.



**Business  
Solutions**

An **RWE** company

# Managing energy

# 4,800 2015

Our award-winning Climate Cops helped more than 70 schools, and more than 4,800 young people across the country, become greener.

We will show every day how much we are helping communities, charities and those most vulnerable through our ground-breaking initiatives including the npower Fuel Bank in 2015.

We believe we are the first major UK energy supplier to receive the ISO 50001 accreditation for office energy management.

**Our energy management team has the task of making sure every kWh works as effectively as it can. In 2014, working with colleagues in our Energy Solutions business, we showcased and trialled the latest in reduction technology, including:**

- the wind turbines and solar panels across many of our sites continue to generate renewable electricity for use in our offices
- the replacement of old and inefficient lighting with the latest LED technology and installing movement sensors and ambient controls to reduce usage
- pinpointing any areas of energy waste using npower's monitoring system 'encompass'.

We are proud to hold all three awards from The Carbon Trust for successfully measuring, managing and reducing greenhouse gas emissions, water use and waste. One thing we were particularly proud of in 2014 was retaining the ISO 50001 accreditation, helping us to integrate energy management right across the company.

We've demonstrated that we take our own energy efficiency very seriously and with just a few simple steps – which can easily be copied by other companies – we are leading the way in safeguarding our planet.

Another way we can protect our environment is through education. Our award-winning Climate Cops helped more than 70 schools, and more than 4,800 young people across the country, become greener.

And our team of energy specialists hit the road in 2014 and helped 4,000 people in the community with advice and support on how to save energy. Working together with a number of organisations including Citizens Advice, Age UK and the Royal British Legion, we were able to help thousands of people save money.

Working with Macmillan we also created the Fuel Management Programme for npower customers affected by cancer. Since it started in 2010, the Fuel Management Programme has wiped out over £2 million of debt for 2,400 people affected by cancer. It also caps the bills of those referred to the scheme, helping those who need it to keep warm without the worry of energy costs.

We also launched the Better Financial Health project which helped over 2,000 people resolve their debt issues and develop financially capable skills, knowledge, habits and behaviours.

So, we had a lot to be proud of in 2014. And we will have more to be proud of in 2015.

We've helped local communities, vulnerable customers and those affected by cancer stay warm and we hope, given them one less thing to worry about. We're working hard to make sure every single one of our customers, large and small, gets the service they deserve and we will continue to improve until we become number one for our customers.

We will show every day how much we are helping communities, charities and those most vulnerable through our ground-breaking initiatives including the npower Fuel Bank in 2015. This scheme will use the country's Food Banks to offer people with pre-payment meters a voucher to keep them warm during difficult times.

## Health and well-being

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

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

**Right**  
Charlotte and Lisa who have been helped through the Health Through Warmth programme.



# A better world: Innogy

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

**Right**

Pupils at Methven Primary School in Perth became mini 'eco warriors' when they teamed up with Rowanbank, education provider for RWE Innogy UK Ltd, to learn about climate change.

**Far right**

Impact on wildlife, such as the golden plover, is kept to a minimum.



**RWE Innogy is one of the UK's leading renewable energy producers and every member of the team believes that they are working hard – not just to reach renewable energy targets – but to safeguard the future for our children and grandchildren.**

Our engineers and scientists are harnessing the limitless power of wind and water, operating 22 hydroelectric power schemes, 32 onshore wind farms and four offshore wind farms. Our renewable energy portfolio includes the UK's first major offshore wind farm and last year alone we spent more than €800 million on making sure that everything we do has as little impact on the environment as possible.

From development, to construction and operation, our workforce is full of experts looking for ways to best use the energy sources which are naturally available to us. Innogy has offices across Wales, Scotland and England and works closely with local communities and wildlife experts. Take for example the ground-nesting golden plover. Last year marked the tenth anniversary of our work studying the effects of the Farr Wind Farm on the bird's population. We did not have to carry out this work but we understand the importance of limiting the impact of our wind farms. And the finished survey proved that to date there has been no biologically significant decline in numbers – which is great news for us and the golden plover.

We also work with a number of businesses including Siemens and in 2014 we completed the construction of Gwynt y Môr. Once fully operational, this offshore wind farm – the second largest in the world – will be capable of generating enough energy to power the equivalent of around 400,000 homes – around a third of the total number of homes in all of Wales. Located more than eight miles off the North Wales coast, it will provide a £19m community fund over its operating lifetime, which will provide a significant, long-term and positive impact on sustainable development in North Wales.

As well as helping our wildlife and the planet, we take care of the people living near our facilities. RWE Innogy UK has been putting local communities at the heart of all its decision making. We have set up special community funds to help as many people as possible living near our turbines with everything from after-school clubs to finding training opportunities. Examples include the Farr Wind Farm Community Fund which is providing Home Heating Grants of up to £250 and supporting small-scale renewable generation for local properties with grants of up to 20% of installation cost.

The community fund is also the main contributor in the Care in Strathnairn charity, set up to help older people with everything from gardening, plumbing works and basic property maintenance. They also run a friendship group to reduce social isolation. Both services enable older people to stay in their own homes for longer.

We've helped increase tourism in Wales. At Gwynt Y Môr we invested £200,000 to replace the fenders along Llandudno Pier, allowing cruise ships to return.

At Little Cheyne Court Wind Farm we have paid for the salaries of after-school club staff, creating local employment and helping to make it easier for parents to return to work.

We've also helped local people access training opportunities through the Carno Wind Farm Community Fund in Wales. They have completed courses and qualifications ranging from NVQs in professional catering to tree surgery, in many cases helping them back to work.

We're supporting community facilities like the Middlemoor Wind Farm Community Fund, contributing £32,200 towards the cost of repairing Eglington Village Hall's roof. We've also lent a hand to help rising young sport and musical stars living near the isolated Causeymire Wind Farm in Scotland. Innogy provided training and travel costs so they could compete nationally.

# €800m

Last year we spent more than €800 million on making sure that everything we do has as little impact on the environment as possible.

# £57.7m

Wind projects that have achieved planning consent will invest up to a further £57.7 million into local communities over their lifetime.

We've even helped save a badly needed local shop in Bradwell-on-Sea in Essex. The grant, of £3,500 from the ten-turbine site, meant the villagers of Bradwell-on-Sea were able to seek professional consultants to conduct a feasibility study and ensure that the project would be a viable one. But our community work is not the only thing we do to help the old and young people of our communities.

We currently employ 16 apprentices, one of whom was awarded the RenewablesUK Apprentice of the Year. Our apprenticeship scheme allows us to invest in our future and the future of the industry by creating a skilled engineering workforce and creating local long-term jobs.

Looking ahead we will continue to invest in communities, people and of course the environment. The RWE Innogy UK onshore wind projects that have been successful in achieving planning consent will invest up to a further £57.7 million into local communities over their lifetime.

# Securing energy supply: Generation

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

## 1,000

With a total power-generating capacity of 40,000 megawatts across Europe, RWE Generation makes a huge contribution to the energy mix. To put this into perspective, one megawatt could power about 1,000 homes.

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Our technicians across the UK work closely with industry experts to meet our target of reducing the amount of carbon we produce by 30% this year – and we're well on our way. In 2014 our total UK carbon emissions reduced by 11%. Two thirds of electricity generation came from natural gas-fired plant and 26% from coal plant.

Work has continued on demolishing Didcot A Power Station and we demolished three 100m tall southern cooling towers in 2014. These were brought to the ground in less than 10 seconds. Since then, work has continued and it's expected that the remaining three cooling towers will be demolished next year.

In August, RWE Generation decided to invest in technology which controls fuel and air mixing and reduces nitrogen oxides (NOx). Fitting low NOx boilers is expected to reduce Aberthaw Power Station (NOx) emissions by more than 60%. This is just one of the ways we are meeting emissions requirements. The installation costs for one unit are around £12 million.

Meanwhile, in September 2014 our Pembroke Power Station achieved its second birthday. Previously Pembroke, Europe's most efficient gas-fired power station, operated around the clock. Now, depending on demand, we start up in the morning and shut down at night, greatly reducing our emissions. In December 2014, RWE Generation entered the UK's first capacity auction – to keep the lights on when the sun doesn't shine and the wind stops blowing.

Managing the environmental impact of our power fleet and avoiding environmental harm is vital to building trust within our local communities. We do this in a number of ways. Last year, our power stations maintained a continued high level of environmental performance and compliance within our legal and social responsibility framework. There were no events or incidents that caused, or had the potential to cause, significant or major environmental harm. There were three events considered by the Environment Agency to have been non-compliant with our permit requirements and caused, or had the potential to cause, minor problems to the environment.

Local residents were introduced to the saline lagoon, woods and coastal path at the East Aberthaw Nature Reserve in an organised walk.



**Above**  
Wildlife projects are key in helping conservation at sites near by Aberthaw Power Station.

**Right**  
Special community funds help those living near our turbine sites.



Six events also resulted in complaints from the public that we considered to be justified. The six justified complaints in 2014 all related to noise. We give all complaints high priority and investigate them immediately. We continue to be ISO14001 accredited which means we have a system in place to help us reduce the environmental impacts of our operations. Our Pembroke site is currently working towards accreditation and we always review incidents and near misses with a view to improve.

And we are pro-active when it comes to safeguarding the natural world. At our Aberthaw Power Station for example we carried out a number of wildlife projects, including conservation days and educational and public events. In June, the site held a walk at its East Aberthaw Nature Reserve which has a saline lagoon, woods and a coastal path. The nature reserve is home to many types of wild orchid. The event was one of several regular walks held throughout the year to introduce local residents and nature lovers to the site's unique ecology.

At Didcot A Power Station, we removed diesel-contaminated soil and diesel tanks. The contaminated material was dug out until soil contamination fell below Environment Agency limits. The contamination had spread much further than initially thought but thanks to bio-remediation – which uses naturally occurring microbes to break down the diesel – most of the soil was re-used on site rather than being disposed of elsewhere.

In 2014, we also managed to reduce emissions of pollutant sulphur dioxide (SO<sub>2</sub>) by more than a fifth – 21% to 22.86 ktonnes – and nitrogen oxides (NO<sub>x</sub>) by 28% to 33.46 ktonnes. Dust particulates were also reduced by almost a third – 28% to 1.21 ktonnes – as a result of an overall reduction in generation and a higher proportion of generation from cleaner natural gas.

We have often gone above and beyond Government and Environment Agency targets because we passionately believe that our generation should have as little impact as possible on generations to come.

# £12m

Fitting low NO<sub>x</sub> boilers is expected to reduce Aberthaw Power Station (NO<sub>x</sub>) emissions by more than 60%. This is just one of the ways we are meeting emissions requirements. The installation costs for one unit are around £12 million.

# 28%

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# CR strategy and governance

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

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

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

## Responsible supply chain management

We have a corporate responsibility towards all our suppliers and our procurement department is in charge of making sure due diligence is always carried out. We require all our suppliers to adhere to the RWE Code of Conduct and we carry out extensive checks before any formal contract is awarded.

Those checks involve contacting international agencies for information, including the World Bank Listing of Ineligible Firms and Individuals and the World Bank Corporate Procurement Listing of Non-Responsible Vendors. We also have to check whether the companies involved are subject to EU Sanctions, have any connections with terrorist groups like al-Qaida or are on the OECD Tax Haven List.

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