We welcome your feedback on this report, please contact us at csr.feedback@rwenpower.com or write to Anita Longley, Head of Corporate Responsibility, at the above address.
“To be successful we must respond to the social and environmental challenges facing our business. It is also our responsibility to ensure that all of our stakeholders, from our customers and suppliers to our employees and neighbours, are informed about our operations. I am therefore pleased to present our Corporate Responsibility Report covering the period from 1 January to 31 December 2004.”

Andrew Duff, CEO
The report describes our performance in achieving the targets we set ourselves last year and our continued efforts to integrate the concept of corporate responsibility (CR) into all aspects of our business. It is also an opportunity to set out the improvements which we will be pursuing over the course of the next year and to invite discussion with all those who influence or are affected by our activities. We believe that our adoption this year of the Global Reporting Initiative’s indicators, as far as practicable, will assist all our stakeholders to assess our performance against globally applicable reporting guidelines. As in previous years, the data contained in this report have been verified by an independent organisation, Enviros Consulting Ltd.

Our key highlights in 2004 include:
• An improvement in our ranking in the Business in the Community’s (BitC) Corporate Responsibility Index to 14th, compared to 36th last year. For the second year running we were also awarded the BitC’s PerCent Club standard in recognition of the fact that we donated more than 1% of pre-tax profits to the community
• Significant improvements to the overall standards of service we offer our customers although we recognise that we have more to do to deliver the first-class service that our customers expect
• Extending our range of programmes offering assistance to disadvantaged customers and providing an additional £1.5 million to support our Health Through Warmth initiative, which aims to help those living in cold, damp homes
• Actively raising awareness of CR issues amongst our suppliers and our employees
• Development of a statement of business principles and ‘speak up’ policy
• Implementing monitoring and reporting schemes at each of our power stations to meet the requirements of the EU Greenhouse Gas Emissions Trading Scheme
• Extending our environmental management system (EMS) to cover all our office buildings
• Increasing the number of employees volunteering to take part in community-based projects and increasing the number of school pupils involved in our education programmes.

Our objectives for 2005 are set out in full on pages 46–48 of this report. We will pursue these within the overall framework set by our corporate responsibility principles:
• To continue to participate in activities that have a social or environmental benefit
• To formalise the assessment of social and environmental issues when making business decisions
• To work with our stakeholders so that they are aware of our responsibilities and provide opportunities to discuss and shape our strategy
• To focus our community strategy explicitly on the themes of health, education and environment
• To work with local communities around our operational sites and offices to develop effective partnerships
• To continuously review and improve the management of our social and environmental impacts.

I would welcome your feedback on the contents of the report. Please take the time to contact us at csr.feedback@rwenpower.com or to write to us at the address which appears on the back cover.

Andrew Duff
Chief Executive Officer
Company Overview

RWE npower, part of the RWE Group, is a leading integrated UK energy company. We are one of the UK’s largest energy suppliers. We have over 8,000MW of generation capacity in the UK from our diverse portfolio of flexible, low-cost generation assets. We sell our expertise in power generation in key markets and are market leaders in renewable energy development.

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1 RWE npower posted an organic increase in the operating result of the underlying business of 17%. However, because the UK trading operations were transferred to RWE Trading as of 1 January 2004, the operating result for RWE npower fell in 2004.

2 Converted to full time equivalent.
npower

We are one of the UK’s largest energy suppliers, with around 6 million customer accounts, serving residential consumers and the industrial and commercial sector. We are also committed to developing innovative products which allow our customers to make sustainable energy choices, such as our domestic ‘green’ energy product, npower Juice, which has over 45,000 customers.

Generation and Renewables

RWE npower owns and operates one of the largest and most diverse portfolios of power generating plant in the UK, including large coal, oil and gas-fired power stations, cogeneration plant and renewables facilities such as wind farms and small-scale hydroelectric power stations. In addition to over 8,000MW of fossil fuel power plant, we operate 15 wind farms with a total capacity of more than 250MW.

We have strong in-house operations and engineering capabilities that allow us to achieve high reliability and efficiency on a low cost base and without compromising safety or environmental compliance. Our commercial expertise allows us to optimise our plant operation to exploit market opportunities.

We are a leading developer of new renewables generation in the UK through our renewable energy business, npower renewables. We are also playing a leading role in helping to achieve the Government’s targets to increase renewable energy generation – a target recently increased from 10% by 2010 to 15% by 2015. We are market leaders in both onshore and offshore wind energy developments and operation and small-scale hydroelectric development in the UK. We operate 14 onshore wind farms with a combined capacity of 207MW with many more projects at various stages of development.
We have 11 hydroelectric power stations in Scotland and Wales, with a combined capacity of 50MW.

Our Technology Services division provides power plant engineering, environmental, workshop and other technical services to our own power plant operators and developers and also to external customers. These external services are marketed jointly with RWE Power, under the brand RWE Power International.

**Shared Services**
Together with Thames Water UK, we have established a Shared Services Centre to provide services to RWE npower and RWE Thames Water in the UK. We believe that this will deliver best practice and best value for the RWE Group. Included within the Shared Services function are Human Resources, Information Systems, Finance, Procurement, Legal and Facilities departments.

### RWE npower Electricity and gas sales volume/revenue

<table>
<thead>
<tr>
<th></th>
<th>Electricity</th>
<th>Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td><strong>External Sales Volume</strong></td>
<td>TWh</td>
<td></td>
</tr>
<tr>
<td>Private and commercial customers</td>
<td>22.5</td>
<td>24.9</td>
</tr>
<tr>
<td>Industrial and corporate customers</td>
<td>37.0</td>
<td>34.1</td>
</tr>
<tr>
<td>Other</td>
<td>TWh</td>
<td></td>
</tr>
<tr>
<td><strong>External revenue</strong></td>
<td>€ million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,154</td>
<td>4,068</td>
</tr>
</tbody>
</table>
How we provide energy

The electricity and gas markets in the UK involve generators, traders, gas producers and shippers, transportation of gas and electricity, suppliers, system operation and customers.

As an integrated energy business we produce electricity at our generating facilities, our trading operation buys and sells electricity and gas, we ship gas on the gas network, and supply gas and electricity to our customers.

The electricity we generate at our coal, gas and oil-fired power stations and at our renewable energy facilities is sold into the wholesale electricity market through our sister company, RWE Trading.

RWE Trading buys and sells in the electricity, gas, coal and oil markets for the fuel we need for our generating plant and to supply our customers with electricity and gas.

The electricity from our power stations is carried around the UK on high voltage transmission lines. As this electricity nears its final destination the voltage is reduced and distribution lines deliver it to customers.

Gas has a similar journey; it is produced offshore by companies such as Shell or BP. As a gas shipper we ship this gas through the gas transportation network which is owned by National Grid Transco (NGT) to our power stations, and via the gas distribution network to our customers.

RWE npower power plant capacity by primary energy source
Balance at: 31/12/2004 (MW)

Total: 8,637
- Hard coal (4,415)
- Gas (2,546)
- Oil (1,484)
- Other \(^1\) (192)

\(^1\) This does not include renewables capacity in the Zephyr fund.
Company Overview

1. Coal, gas and oil-fired power stations
2. Renewable energy facilities
3. Electricity, gas, coal and oil markets
4. Customers (Industrial)
5. Customers (Commercial)
6. Customers (Residential)

Useful website links
- www.rwenpower.com/index.asp
- www.rwenpower.com/cr/docs/PowerStations
- www.rwepi.com
- www.npower.com
- www.npower-renewables.com
- www.rwe.com
Corporate Responsibility Policy

Our Corporate Responsibility policy is supported by other company-wide policies and sets out our approach to managing the environmental and social impacts of the business. The policy is published on our website and is included in induction training for new staff.

Throughout our businesses we will aim to 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 Responsibility into our business decision-making processes. We recognise the importance for the company of Corporate Responsibility covering environmental, social and ethical issues and we have objectives and targets to support this.

To ensure effective communication and dialogue with stakeholders. Effective communication is an essential component of our business performance. This includes dialogue with all our stakeholders including customers, suppliers, 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 continuously improve the management of environmental and social issues in our businesses. We will meet and, where appropriate, exceed the requirements of all relevant legislation. We have established appropriate systems to manage environmental and social issues at corporate, business and site level, and have set quantifiable targets to improve our performance continuously.

To recognise and encourage the contribution of our employees to improved business performance and also their contribution to the wider community. We will educate, train and provide incentives for 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.
Strategy and Integration

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

Our activities touch many aspects of people’s lives and we are committed to carrying out our business with a sense of responsibility for the environment, our customers, our employees and the communities where we operate. We aim to integrate the principles of sustainable development into our business practice. We support the UK Government’s Sustainable Development Strategy, which states that an improved quality of life should incorporate improvements to the environment, the economy, natural resources and social progress. We recognise that we have a key role to play in delivering this strategy and that a partnership approach with Government and all sectors of society is critical to achieving that aim.

We must find a balance between economic, social and environmental objectives. In considering the way in which the country’s future energy needs are met, we must reconcile the conflicting demands of sustainability, security of supply and cost to the consumer. In the UK, our energy needs are presently met through a diverse mix of fuels and renewable sources. We believe that a market-based approach combined with initiatives to conserve energy and promote its efficient use will deliver a sustainable energy strategy as we move to a low-carbon economy.

Where practical, we seek to work in partnership with our stakeholders to find innovative and practical solutions to social and environmental challenges. We recognise that we still have more to do in order to fulfil the expectations of all our stakeholders and our approach is explained in this report.

We are working closely with our parent company, RWE AG, to develop a shared understanding of corporate responsibility and to spread best practice across all the RWE Group operating companies, while recognising that individual operating companies may face different challenges.

Group Level Strategy

The RWE Group’s sustainability strategy focuses on six priority areas identified through internal and external stakeholder surveys. They are: climate protection, social responsibility, stakeholder dialogue, sustainability management, resource efficiency and biodiversity. At the corporate level, the Group Environmental Coordinator manages sustainability issues through a network of environmental management units. The Group has developed a ’roadmap to sustainability’ which covers the period up to 2010 and provides a framework to support the operating companies’ CR activities.

The RWE Group produces a CR report every two years. RWE has been listed in the Dow Jones Sustainability Index since 1999 and was ranked in first place among electricity suppliers in 2004. For more information on CR activity at the RWE Group level go to www.rwe.com and follow the RWE Group link to ’Responsibility’.

Delivering our Strategy

Working in partnership with external stakeholders provides opportunities to deliver social and environmental benefits and to share best practice with other companies, our community partners, suppliers, and customers. For example, our npower Juice product which aims to meet our customers’ demand for renewable energy, was developed with Greenpeace.
We are addressing fuel poverty in partnership with National Energy Action (NEA) and the NHS through our Health Through Warmth programme aimed at identifying vulnerable customers who may be eligible for assistance. We also actively participate in networks that aim to encourage the exchange of best practice. Examples of this are Business in the Community’s (BitC) peer group, which is working with other CR practitioners from industry to look at the practicalities of CR reporting, and the Utilities CSR Steering Group, which aims to help the suppliers of goods and services to the utility sector understand and address CR issues.

Annual reporting provides an opportunity to update our stakeholders on our business and enables us to review what progress has been made in an open way. In preparing the report, we have responded to the recommendations of Enviros, the independent verifiers of this report, and organisations including Forum for the Future and Earthwatch who provide us with valuable feedback on our reports. Setting annual targets for CR activities provides a discipline to monitor progress and to make year on year comparisons. This year we have integrated the Global Reporting Initiative’s (GRI) indicators into our reporting as far as possible in order to progress towards current international best practice in sustainability reporting (see pages 49-50).

We have therefore reported against economic sustainability impacts, as well as environmental and social impacts. We will continue to apply the GRI indicators and to use those indicators that are most relevant to our business in future years.

We seek to raise awareness and understanding of CR amongst our employees and provide opportunities for them to participate in specific projects and influence future decision making and direction. Our ‘Ambassadors Group’ (see page 15) and staff focus groups, for example, provide a forum to debate issues and advise on how to communicate them. Our Business Review Forum (nBRF) enables senior management to discuss current business performance and the company’s future plans with staff and trade union representatives.

Our extensive volunteering programme also gives employees the chance to get directly involved in local community projects.

Training and development opportunities are provided to our employees on specific CR issues such as environmental management and health and safety. We encourage staff with specific CR responsibilities to study for the Sustainability Learning Network Diploma and last year three individuals successfully completed this course. CR training is provided through the Chronos online learning tool, which allows users to improve their understanding of sustainability issues and consider how the company can make the most of sustainable development opportunities.

Corporate Responsibility Committee
Establishing and communicating CR objectives requires leadership and commitment from top management. We integrate CR principles into our business activities and decision-making by involving senior managers through our CR Committee. This Committee is independently chaired by Yvonne Constance, a former Non-Executive Director of the company, and is responsible for developing policy, setting targets and objectives and reviewing performance against those targets at its quarterly meetings. Its members include our Chief Executive, Andrew Duff, other Board members and senior managers. We have a separate Board-level Health and Safety Review Committee which promotes health and safety best practice.

Our CR and health and safety performance, and our performance in meeting company values, are taken into consideration when determining the level of bonus awards to employees.

Corporate Governance
The RWE Npower Holdings plc Board1 meets quarterly and is responsible for the management and governance (both organisational and financial) of the company. The npower management group meets weekly and is responsible for the day-to-day operations of the company.

1 www.rwenpower.com/docs/company/management.asp
Strategy and Integration

The Board recognises its responsibility to manage the company in accordance with corporate governance best practice. This requires the Board to ensure that appropriate controls are maintained with respect to all existing and future aspects of our activities. In particular, risk management processes are in place to meet the requirements of the Turnbull guidance on corporate governance.

The integration of the RWE Group operating companies is managed through the Group Business Committee (GBC). The GBC is made up of the Executive Board of RWE AG, the CEOs of the operating companies, the CEO of RWE Dea, and the Head of Corporate Development.

RWE npower does not make political donations. However, as part of our stakeholder engagement programme we engage with a number of non-government organisations (NGOs) and think-tanks. In 2004, we supported a seminar on Energy Efficiency organised by the Socialist Environment Resources Association (SERA), an affiliate of the Labour Party, and an event on Renewable Energy and Planning issues. Expenditure on these activities was £1,000 and £3,525 respectively.

Business Conduct

We recognise that our reputation for conducting business with integrity and respect for those who are affected by our activities is critical to our success. We have produced a statement of business principles and our employees are expected to demonstrate the highest standards of behaviour.

We are committed to observing the principles contained in the Universal Declaration of Human Rights. In 2004, we developed our Human Rights policy which we observe in the conduct of our business, including the right of our employees to join Trade Unions. We have been working with the Basic Services Human Rights Network to look specifically at the human rights implications for vulnerable customers and arising from the activities of our suppliers. Our parent company, RWE AG, joined the Global Compact of the United Nations in December 2003. Companies taking part in this initiative promote a common set of core values which address human rights, labour standards and environmental practices.

In November, we held a business ethics workshop for senior managers, facilitated by the Institute of Business Ethics, to review our business conduct and principles. As a result of the workshop we amended our statement of business principles, introduced a ‘speak up’ policy and provided an external helpline for employees who wish to raise concerns about any business issues confidentially.

Managing Risk

Our risk management framework captures risks at a business level across all areas of the company. We recognise that protecting our brand and reputation is integral to the value of our business and an important part of risk management.

We review issues and risks that are important both to us as a business and to our stakeholders so that our CR strategy takes into account all relevant risks and opportunities. These have also been taken into account in the development of our CR targets for 2005.

Useful website links

www.sustainable-development.gov.uk
www.dowjones.com
www.greenpeace.org/international
www.forumforthefuture.org.uk
www.earthwatch.org
www.globalreporting.org
www.nea.org.uk
www.bitc.org.uk/index.html
www.sera.org.uk
www.unglobalcompact.org
www.ibe.org.uk
www.dti.gov.uk/cld/financialreview.htm
www.rwe.com
www.rwenpower.com/cr/docs/policyoverview
www.rwenpower.com/docs/company/management.asp
We have an established risk committee, which has representatives from across the business, including the CR and the Health and Safety Review committees. This committee is responsible for examining the risks facing the company systematically and ensuring actions to mitigate risks are appropriate. This ensures a consistent approach to risk management across the company. Risks are identified in the following categories: market, operating, financial, structural (political, social and legal) and other (including communication, corporate governance, culture and leadership). Processes are in place to meet the requirements of our parent company and to work to UK best practice and both internal and external audits are in place to support best practice.

Although we are not listed on the UK Stock Exchange, we intend to follow the spirit of the impending UK Operating and Financial Regulations guidelines in future reporting practice. During 2005, we will provide additional briefing for our Board Directors on the identification and management of non-financial risks.

**Benchmarking our CR Performance**

We work closely with organisations like BitC and Forum for the Future to develop our CR activities and to ensure that we are using best practice. The BitC CR Index helps us to benchmark our performance against other leading UK companies in the four key areas of community, environment, marketplace and workplace. Following the feedback we received from the Index, we focused our activities in 2004 on supply chain issues, human rights and community investment.

We were ranked 14th in the BitC CR index for 2004 with a score of 93%. This represents a significant improvement on the previous year’s ranking of 36th. We scored particularly well in the areas of corporate strategy, community management and environment management. A number of areas were identified for improvement. These included involving external stakeholders in risk identification, testing our CR principles and policy statements in the public domain, establishing a ‘speak up’ procedure (which has subsequently been implemented), training and development and establishing key performance indicators (KPIs) for supply chain issues. The graph below shows our performance in the key impact areas against which we chose to report compared with the average scores achieved by all participants.

**BitC Corporate Responsibility Index**

Performance against key impact areas compared to average performance of all participants (%)

<table>
<thead>
<tr>
<th>Environment Impact</th>
<th>Social Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC-O</td>
<td>OHS</td>
</tr>
<tr>
<td>WRM</td>
<td>CI</td>
</tr>
<tr>
<td>EA</td>
<td>EW</td>
</tr>
<tr>
<td>Overall</td>
<td>Overall</td>
</tr>
</tbody>
</table>

- RWE npower
- Average of all participants

**Graph Details**

- CC-O: Climate Change (Overall KPI)
- WRM: Waste and Resource Management
- EA: Emissions to Air
- OHS: Occupational Health and Safety
- CI: Community Investment
- EW: Employee Welfare
CR Committee Responsibilities

Mike Bowden  
Company Secretary and MD of Shared Services  
Ethics, supply chain and charity

Allison Cole  
Director, Corporate Communications  
Community and communication

Yvonne Constance  
Former Non-Executive Director  
Independent chairman

Andrew Duff  
Chief Executive Officer  
Policy and strategy

Philip Kear  
Director, Energy Services and Social Action  
Marketplace

Anita Longley  
Head of Corporate Responsibility  
Integration and strategy

John McElroy  
Head of Environmental Strategy  
Environment

Dr Hans-Peter Meurer  
Manager, Environmental Affairs, RWE AG  
Interface with RWE AG

Kevin Miles  
Managing Director, npower Residential Marketplace

John Rainford  
Site Manager, Didcot A and B Power Stations  
Environment

Alan Robinson  
Director, UK Markets, RWE Trading  
Pensions and interface with RWE Trading

Saudagar Singh  
Human Resources Director  
Workplace

Yvonne Constance  
Former Non-Executive Director  
Independent chairman

CR Committee Responsibilities

Targets for 2004

- Continue to use the BitC CR Index to inform our CR activities and maintain a score above the index average.
- Undertake key stakeholder audit in December 2004.
- Develop systems to manage carbon allowances ahead of the implementation of the EU emissions trading scheme.
- Publish a statement of business principles.
- Pilot the Chronos training tool on sustainable development with the leadership team and review its use in the company.

Progress

- We used the 2003 results to identify gaps in our CR strategy. In 2004 we were ranked 14th in the Index.
- We did not undertake a general audit in 2004. However, we involved stakeholders in the development of our new community strategy.
- Monitoring and reporting plans for carbon emissions have been agreed with the Environment Agency. Processes for internal monitoring of CO₂ against allocations are in place (see Environment section of this report).
- Our statement of business principles and ‘speak up’ policy were implemented in March 2005.
- The Chronos training tool was trialled by selected senior managers, and has been made available to all staff through our intranet.
Working with Stakeholders

Stakeholders are those who either affect or are affected by our business activities. Working with and listening to our stakeholders helps us to be more forward-thinking and provides business benefits which range from better service to our customers to improving staff morale and motivation.

Because our stakeholders are many and varied and their expectations evolve over time, our challenge is to ensure that we have an effective and ongoing discussion with them. The table on page 16 describes some of our principal stakeholders, how we interact with them and key issues. These have been identified through stakeholder mapping activities and audits over the last two years and through ongoing contacts.

We believe that as a stakeholder in the UK economy we have a wider role. We make a positive contribution to sustainable development through our participation in sector specific and industry wide groups including the UK Business Council for Sustainable Energy, the Energy Retail Association, the Association of Electricity Producers, and the Government’s Fuel Poverty Advisory Group. Our employees are involved in the communities local to our operations through our extensive volunteering programme.

We have an ongoing dialogue with our regulators and Government agencies and are engaged with policy makers on issues affecting the power industry. As an integrated energy company with a large customer base, we are able to bring a broad perspective to discussions on issues such as sustainable energy policy, environmental protection and assisting the fuel poor. In 2004, for example, we were actively engaged in discussions on carbon trading and the National Allocation Plan. We also participated in Government consultations on emerging issues such as the UK’s new sustainability strategy.

We work with key partners to deliver a number of initiatives, which provide a social or environmental benefit. For example, our Health Through Warmth scheme is delivered in partnership with NEA, the NHS, local authorities and other regional groups to alleviate fuel poverty. Each power station has a Local Liaison Committee, which meets regularly and provides an opportunity for local residents to discuss issues and activities related to our power station operations. We have an extensive consultation process, which formally involves local community groups and interest groups in discussions about the siting process for new operations, for example, wind farms.
We regularly monitor our customers’ views and perceptions through focus groups and programmes of research. These may address specific issues such as energy efficiency or awareness of ‘green’ energy, but we also monitor customer satisfaction throughout the year. We also sought customer views during the development of our revised community strategy.

In 2004, we became foundation corporate partners (FCP) with Forum for the Future. FCPs are selected for their commitment to sustainable development principles. The three-year partnership provides us with strategic advice and helps us to address our sustainability impacts through a detailed, customised work programme. In return, we provide the Forum with support for its own learning, communication and development programmes in order to maximise the reach of its charitable objectives. Our main activities in 2004 included a sustainability masterclass for our Directors, work on communicating CR to employees and a project to develop the education activities that we support across the business.

Engaging Employees
During 2004, we focussed on improving the way we communicate with employees about responsible business practice. Employee focus groups recommended that we make communication more relevant to specific business units and use more ‘face to face’ communication. As a result, we created an ‘Ambassadors Group’ comprising representatives from all areas of the business. This group provides feedback and advice on CR activities and reviews the CR targets within the company, and its members act as ambassadors for CR in their part of the business.

The ‘Ambassadors’ have been consulted during the preparation of this report and will help to prepare a CR report specially tailored to our employees. Our 2003 staff survey was followed up by focus groups at each business unit to review and recommend actions. We will be repeating this survey in 2005 across the whole company. Our Business Review Forum (nBRF) provides a platform for senior management to share information on current performance and consult staff representatives and trade union representatives about the company’s future plans and strategy.

Useful website links
www.energy-retail.org.uk
www.npower.com/Health_Through_Warmth
www.dti.gov.uk/energy/consumers/fuel_poverty
www.achilles.com/Group
www.defra.gov.uk/environment/energy/eec
www.ofgem.gov.uk/ofgem/index.jsp

www.dti.gov.uk
www.cnp.org.uk/corporateforum.htm
www.hm-treasury.gov.uk
www.dh.gov.uk/Home/fs/en
www.macmillan.org.uk
www.environment-agency.gov.uk
We have identified our stakeholders through stakeholder mapping and audits. Our dialogue with them enables us to identify the issues that are important to them.

<table>
<thead>
<tr>
<th>Our Stakeholders</th>
<th>Key Issues</th>
<th>How we engage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Community involvement Company values Equal opportunities Health and Safety Pay and benefits Pensions Recruitment and retention of staff Training and development</td>
<td>360-degree feedback Ambassadors Group Business Review Forum Charity committee Community and charitable involvement Confidential ‘speak-up’ helpline CR focus groups and workshops Employee performance review considers company values Employee survey Health and Safety Conference Internal communications – employee magazine, fortnightly nformer and team briefings Pension trustee open meetings and Insight magazine for pensioners Site Health and Safety Advisory Committees Trade Unions Training and development activities Volunteering programme</td>
</tr>
<tr>
<td>Customers</td>
<td>Brand image Energy efficiency Price Service and reliability Supply of renewable energy</td>
<td>Business customer seminars Complaints monitoring Customer contact centres Customer focus groups and panels Customer research Sales information</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Environment, health and safety Management systems Payment of bills</td>
<td>Governance arrangements with key suppliers Regular visits and meetings Workshops e.g. with the UVDB working group</td>
</tr>
<tr>
<td>Communities</td>
<td>Environment Impact of other business operations Power station operations Staff retention and recruitment Support to local communities</td>
<td>Charitable activity Community Involvement strategy Corporate National Parks Forum membership Education programme Education Business Network, teachers, pupils Education website Formal consultations under Schedule 9 of the Electricity Act Regular local liaison committee meetings at power stations Regular meetings with community partners and charities (e.g. Macmillan, CSV) Volunteering programme</td>
</tr>
</tbody>
</table>
Marketplace

Providing affordable energy and excellent service to our customers is vital to our success as an energy supplier. We are therefore committed to responsible selling practices and customer service which help us to attract and retain customers and we endeavour to meet the demands of our customers for renewable energy. We have a responsibility to provide energy advice and services for our vulnerable customers, particularly the fuel poor.

In 2004, we supplied 3.8 million domestic electricity customers and 1.9 million domestic gas customers. Included in these numbers are the 1.4 million customers who purchased both gas and electricity from npower. We supply gas and electricity to over 300,000 small and medium enterprise (SME) sites and to industrial and commercial customers with over 100,000 sites.

Customer Service and Responsible Selling Practices

The reduction of customer complaints remains a high priority for us. Our sales, transfer and billing complaints are carefully monitored through the sales and quality service steering groups. These groups ensure complaints are carefully monitored against key performance indicators and that activities in the business support the reduction in complaint levels. We have established a second line support team to deal with complex billing issues and strengthened our operations support teams to provide speedy resolution to escalated customer issues.

Within sales we have further improved our training of both internal and third party sales agents. The Sales Audit Team ensures all Direct and Agency Sales are audited against the Association of Energy Suppliers (AES) code of practice and for compliance with npower processes and procedures. All of our offices have been audited on a quarterly basis and we have also been awarded a pass following an independent audit.

energywatch, the consumer body for electricity and gas customers, collects and publishes information on customer complaints on its website www.energywatch.org.uk. This provides us with an important benchmark to monitor and improve our services to gas and electricity customers.

In 2004, there were significant reductions in sales (65%) and transfer (42%) related complaints to energywatch compared to 2003. Overall complaints fell by 16% from 15,173 to 12,688. Although we did not achieve a reduction in account and billing related complaints, we were encouraged by a falling number of complaints in this area during the last quarter of 2004. We have set ourselves a target of reducing overall energywatch complaints in 2005 by a further 20%.

In some circumstances, customers seek the assistance of a Member of Parliament or a member of the press to resolve their issue with us. Last year we aimed to reduce complaints made to the press and MPs by 10%. In fact, we received 478 complaints from the press, which represents a 46% improvement compared to 2003. However, we failed to meet our targets on complaints from MPs, which increased by 29%. We will continue to address this in 2005 by working more closely with MPs’ constituency offices in key customer regions.
In 2004, we focussed on creating more effective customer services in order to improve quality and responsiveness. For example, we set ourselves a service level target of answering 70% of all calls received at our contact centres within 20 seconds. We actually answered 80% of the 11.7 million calls within 20 seconds, compared with only 62% in 2003. In an independent survey, over 80% of respondents said they were mostly or completely satisfied with the company’s services.

An Advertising Standards Authority (ASA) adjudication was upheld against the company in 2004 regarding a direct mailing promoting a £50 annual discount to customers who receive both their electricity and gas supplies from us. Because customers with no access to mains gas could not receive a discount, the ASA concluded that the mailing was misleading and advised us to either target the offering only to customers who had access to mains gas or to amend the front of the mailing to make clear that the discount was available only to customers who took both electricity and gas from the company.

Business Customers
We have developed a range of services that allow business customers to receive energy efficiency advice tailored to their needs. Our services range from simple free advice from a local helpline to a more detailed paying service. An online energy efficiency guide includes contact details for a wide range of sources of further information and assistance.

Business customers can also use our ‘half hourly online’ service which allows them to view their energy consumption for any half-hour of any day. This enables them to see when and where energy is used in their business and to identify trends in usage, allowing them to take quick action to resolve any problems.

We are making further investments to ensure that our sales, take on and billing processes are improved. The additional investment we made

Total Number of energywatch complaints – npower

energywatch complaints statistics are provided by energywatch on a monthly basis and refer to all sales, transfer, account administration and billing complaints.
this year in a SME complaints team will give customers a dedicated contact. We have also improved customer service at our SME customer contact centres where we doubled the percentage of calls answered in 20 seconds and outstanding queries have been reduced by 30%. During 2004, we migrated a large number of customer data systems to a single system which will allow us to improve the service and products we can offer our customers.

Providing Services for Vulnerable Customers

Priority Service Register
Our Priority Service Register (PSR) now stands at over 46,000 customers. PSR customers receive services appropriate to their circumstances, from setting up a password to check caller’s identity, to moving a meter free of charge to help a disabled person adapt their home to their needs. Many customers regularly receive bills and other correspondence in alternate formats – Braille and large print or on audiocassette or CD.

We also completed work on our customer website npower.com in 2004 to ensure that it was fully accessible to disabled users, particularly visually impaired readers, who require the use of assistive technologies to read the website. This has been tested by the company fhios and the site now meets level single-A of the Web Content Accessibility Guidelines, set down by the World Wide Web Consortium. It also meets most of the guidelines for level triple-A.

Green contract with British Telecom
Under a three-year agreement we will supply BT with almost 1 TWh of ‘green’ electricity. 400 GWh of this will come from a range of sources including wind generation and hydroelectric schemes. The remainder will be made up of ‘good quality combined heat and power’ (GQCHP) generation, which has a lower environmental impact than conventional fossil fuel energy generation methods. The contract will supply BT’s 6,500 telephone exchanges, satellite earth stations, offices and depots.

1st Step Programme
Our 1st Step programme, initially being trialled with customers in the Midlands, is designed to help vulnerable customers who are in debt and cannot afford to pay for their fuel use and the outstanding debt. Identified customers will be provided with a package of measures tailored to their needs, including setting up a payment plan to cover existing consumption, energy efficiency advice and measures, a benefits health check and, where appropriate, referral to other applicable schemes. Customers in extreme hardship may qualify for assistance from a fund established as part of the programme.

Targets for 2004

For every npower Juice customer, contribute £10 to npower Juice Fund to sponsor research and development into renewable energy technologies. Invite and fund applications up to around £190,000 in 2004.

Achieve 10% awareness of green energy and npower Juice. Achieve npower Juice sales to 26,000 customers.

Raise awareness and understanding of Health Through Warmth (HTW) and increase referrals to 4,000. Initiate £1.5 million worth of grant-aided measures in homes through HTW.

Progress

Regen SW received £195,000 for a project to collect data to assess the viability of a potential wave energy project off the North Cornish coast.

We undertook a survey of UK consumers which showed that 80% of those asked were aware of renewable energy and 7% were aware of npower Juice. By the end of 2004, we had achieved an additional 27,300 sales of npower Juice.

4,415 referrals were achieved in 2004 initiating grants of over £4 million to households. We initiated a range of awareness activities including support for Warm Homes Week. HTW won the International 2004 Energy Institute Community Initiative Award.
people who are living in cold, damp homes to improve their living conditions and health through the installation of energy efficiency measures and heating in their homes. Through the scheme, householders are able to access Government grants and benefit checks. In addition we have established a crisis fund so that those households ineligible for other assistance can still receive help. The scheme operates in eighteen areas around England and Wales and uses existing networks in local communities.

We recognise that those people most in need may be the least likely to ask for help, although they could qualify for assistance from a number of sources. Accessing grants can often be complicated. Through HTW we train key health and community workers so that they are able to identify homes at risk and refer them to us to facilitate access to existing grant schemes, including our crisis fund and our energy efficiency programme (EEC).

Since the start of the scheme we have trained 9,190 key workers in the operational areas. 10,075 referrals have been made initiating grants of over £10 million to households. The scheme has built up significant momentum and, in 2004, 4,415 referrals were received, initiating approximately £4 million worth of grant-aided measures. In addition, the scheme won the International 2004 Energy Institute Community Initiative Award.

Fuel Poverty
We have continued to develop our programmes specifically targeted at helping the fuel poor. An important element of these programmes is to increase public awareness of the assistance that is available.

Health Through Warmth
Our Health Through Warmth (HTW) partnership was set up in 2000 between npower, the NHS and the charity NEA. Its objective is to help vulnerable
We initially committed £5.7 million to the HTW scheme for four years. For 2005 we have allocated a further £1.5 million of support. We are now reviewing our strategy and focussing particularly on raising awareness of fuel poverty within the health sector, integrating the scheme into our community programme and involving more employees in its delivery.

Warm Zones
Warm Zones (WZ) is run by NEA, and provides a proactive and systematic household assessment process, which enables householders to access all relevant grants and support. It also incorporates assistance with benefits health checks, financial advice and a wide range of energy efficiency support.

npower is the main supporter of three Warm Zones: Hull, Northumberland and Sandwell. The three npower zones contain over 350,000 households and by the end of 2004 more than 185,000 homes had been visited and assessed. More than 20,000 fuel poor households have been identified and total investment in measures for homes is now estimated to exceed £14 million. In 2004, we also became the key supporter of an associated Warm Wales Project in Neath and Port Talbot.

Programme Areas
There are 18 active Health Through Warmth partnerships embracing 55 primary care trusts and 51 local authorities across England and Wales. We are the supporters of three npower-led Warm Zones and one Warm Wales project.

Warm Zones
A Northumberland
B Hull
C Sandwell

Warm Wales
A Neath and Port Talbot

HTW Partnerships
A Newcastle
B Middlesbrough
C East Riding of Yorkshire
D Leeds
E Merseyside
F Wrexham and Flintshire
G Staffordshire
H Wolverhampton
I Leicester
J Dudley
K Birmingham
L Hereford
M Vale of Glamorgan
N London
O Wiltshire
P Kent
Q The New Forest
R Portsmouth
Energy Efficiency

The Energy Efficiency Commitment (EEC) is a regulatory obligation to achieve energy efficiency improvements in our customers’ homes. The current programme runs from April 2002–March 2005 and our energy saving target was set at 8,117 GWh with 50% of the energy savings target being achieved in the Priority Group 1. We had achieved the vast majority of these savings by the end of 2004.

The energy savings benefit our customers both financially and in terms of comfort. From April 2005 we will be working towards our new EEC target for April 2005–March 2008, which will require us to achieve approximately twice the amount of energy savings of the first EEC programme.

Meeting the Demands of our Customers for Renewable Energy

We continue to develop innovative products to meet the demands of our customers for renewable energy. Last year we commissioned a survey to assess the public’s familiarity with ‘green’ energy products. 80% of respondents said they were familiar with the term ‘renewable energy’, with ‘wind power’ being the most commonly known form. Our npower Juice product achieved a recognition factor of 7% amongst those people who were aware of ‘green’ energy providers.

npower Juice

npower Juice is an innovative partnership between npower and Greenpeace which gives customers a simple way to support the generation of electricity from renewable sources. For every unit of electricity a Juice customer uses, the same amount of electricity generated from renewable sources is fed into the electricity network.

For every npower Juice customer, we will make an annual contribution of £10, up to a maximum of £500,000 per year, to the npower Juice fund, which supports renewable technologies in the early, pre-commercial phases of development.

Targets for 2004

- Improve customer service standards and reduce customer complaints – reduce press and MP complaints by 10%.
- Monitor customer perspectives of our performance through an independent customer survey (80% of customers agreeing that the service they have received is satisfactory).
- Reduce energywatch billing complaints (gas and electricity) by 25% based on 2003 benchmark.

Progress

- We received 478 complaints from members of the press – a total reduction of 46% – and 194 complaints from MPs – an increase of 29%.
- An independent survey found that a total of 86% of respondents were either mostly or completely satisfied with our service.
- Sales complaints reduced by 65%
- Transfer complaints reduced by 42%
- Our billing complaints increased by 1%
- Overall reduction in all energywatch complaints of 16%.

1 The Priority Group is defined as householders in receipt of one or more of a number of specified benefits.
An award of £195,000 has been made to Regen SW from our Juice fund for a project to measure the wave energy resource off the North Cornish coast.

**Developing Other Renewable Sources**
Following a trial programme conducted initially in conjunction with Solar Century, we now have some 200 customers using photovoltaic (PV) technology in their homes. We pay customers for the electricity generated surplus to their own needs and all our PV customers are also npower Juice customers.

We are reviewing other technologies such as micro wind turbines and micro hydroelectric installations. During 2005 we will work towards integrating micro-renewable products into a commercial proposal for npower customers. Together with Ofgem and the DTI we are considering the metering and contractual requirements for fully commercial products and how they may be integrated into the Government’s renewables legislation.

**Business Customers**
We work closely with our business customers who wish to take advantage of energy supplies from ‘green’ sources in order to reduce the impact of their operations. Their needs are met from renewable energy, subject to availability, and any balance is met from good quality combined heat and power (GQCHP).

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**Energy Prices**
During the past year, higher wholesale gas and electricity prices meant that we had to review and increase the prices that our customers pay for their electricity and gas. The industry regulator Ofgem conducted an investigation into movements in the wholesale gas market and concluded that market forces, including the declining output from UK gas fields and the subsequent need to import more expensive gas from Europe, were the principal reason for gas price increases. As the UK is increasingly reliant on gas-fired generation for its electricity, higher gas prices have led to an increase in the prices that npower and other energy suppliers must charge both for gas and electricity supplies.

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**North Hoyle offshore wind farm**

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**Energy Efficiency Targets and Performance**

<table>
<thead>
<tr>
<th>EEC data</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>EESOP (2000–2002)</td>
<td>606 GWh</td>
<td>700 GWh</td>
</tr>
<tr>
<td>npower (excludes Yorkshire and Northern)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEC (2002–2005)</td>
<td>8,117 GWh</td>
<td>9891.905 GWh</td>
</tr>
</tbody>
</table>
During 2004, we raised average tariffs by some 7% for electricity and by 11% for gas. We sought to mitigate the impact of these price increases by freezing prices for domestic customers until 2006\(^1\) and are seeking to help customers contain and reduce their energy costs through our energy efficiency advice programmes.

**Supply Chain**

In 2004, we included our CR principles in our new procurement policy. We use the Achilles utility vendor database (UVDB), which provides a list of pre-qualified suppliers. At present the pre-qualification process requires suppliers to provide information on health and safety, employment practices, environmental management and commercial risk. More stringent criteria are applied to high risk, high impact projects, such as large-scale civil engineering projects, in consultation with internal specialist functions.

We have been working with other utilities through the Utilities CSR Steering Group to review the integration of broader CR issues into the pre-qualification process. For example, the group has been working with the Basic Services Human Rights Network (of which we are a member) to determine what additional issues might be included and what assurances might be required. We have been actively involved in raising awareness of CR amongst our suppliers through our participation in the UVDB industry liaison group.

In 2003, our CR verifiers encouraged us to develop performance targets relating to the supply chain and we have incorporated these into our targets for 2005. Key challenges include the development of a sustainability procurement guide and raising awareness of CR issues amongst suppliers.

**Useful website links**

- [www.energy-retail.org.uk](http://www.energy-retail.org.uk)
- [www.npower.com/Health_Through_Warmth](http://www.npower.com/Health_Through_Warmth)
- [www.nea.org.uk](http://www.nea.org.uk)
- [www.solarcentury.co.uk](http://www.solarcentury.co.uk)

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\(^1\) Applicable to domestic contracts signed before 30 June 2005.
Environment

We are committed to improving our environmental performance and to ensuring that environmental factors are integrated into our business decisions and processes. We review our management systems and performance regularly.

Over the next few years, decisions on how we operate and invest in our power stations will increasingly be driven by new and tightening environmental legislation. The introduction of greenhouse gas emissions trading from January 2005 means that the cost of carbon emissions has to be factored into decisions on when our coal or gas-fired power stations generate electricity. Tightening limits on emissions of sulphur dioxide (SO$_2$) and nitrogen oxides (NO$_x$) that come into effect in 2008 and how this legislation is implemented in the UK, will influence decisions on whether to invest in Flue Gas Desulphurisation (FGD) plant at our existing power stations. Similarly, decisions on future investment in new plant will be determined by this legislation. We have already invested significantly in our renewables portfolio as a consequence of legislation that has been introduced to support the UK’s objective of 10% of electricity generation from renewable sources by 2010.

Environmental Management

All our major generating sites and our larger combined heat and power (CHP) stations have separate environmental management systems (EMS) certified to ISO 14001. Other parts of the business have an EMS certified to ISO 14001 where appropriate. We have continued to benchmark our environmental performance against other companies through Business in the Environment’s (BiE) Environment Index. In the 2004 survey we were ranked 21st in the index compared with 31st in 2003. Feedback from the 2004 survey (based on data for 2003) indicated that, in general, our environmental management and performance were very good. Areas where we did not score as highly were supply chain issues and improvement in our emissions of carbon dioxide (CO$_2$). Supply chain issues are discussed in the Marketplace section of this report; CO$_2$ emissions are discussed below.

During 2004, we reviewed our approach to environmental management across both operational sites and office buildings. Following the integration of facilities management into the Shared Services division, we have extended its EMS to cover the facilities functions at all RWE npower office buildings and MeterPlus, our meter reading business, and have achieved ISO 14001 accreditation. Our renewables business is also in the process of implementing a formal environmental management system and is anticipating accreditation to ISO 14001 by October 2005.

We have reviewed the need for a more formal management system at the corporate level to take account of RWE Group best practice and identified a number of areas for improvement. We have already enhanced our internal reporting of environmental performance and initiated a review of our corporate environmental target setting and reporting process. We have identified further areas for improvement during 2005 to ensure that, at a corporate level, our processes are fully consistent with the requirements of ISO 14001.

Station Environmental Performance

We believe that the overall standard of environmental management within the company remains high – this has been confirmed by audits of sites certified to ISO 14001 and also corporate level audits by our parent company, RWE AG.
### Coal-Fired Power Station Environmental Overview

#### Emissions
- **Sulphur Dioxide**
  - **Potential Impacts**
    - Contributes to ‘acid rain’ and has been implicated in the loss of sensitive ecosystems.
    - Near field impacts of high concentrations include adverse effect on respiratory health.
    - Elevated levels can reduce crop yields.
  - **How We’re Improving as a Company**
    - Emissions are limited to values set by the Environment Agency (EA).
    - Emissions have been reduced by the increased use of low sulphur coal and the switch to gas.
    - We have consent for a FGD plant at Aberthaw. If built, the removal target efficiency will be to remove 95% of sulphur dioxide from the flue gas.

- **Oxides of Nitrogen**
  - **Potential Impacts**
    - Contributes to ‘acid rain’.
    - Deposition can lead to over-enrichment with nitrogen and changes in biodiversity.
    - Medium and far field – NO\(_X\) can play a significant role in the formation of ozone. High levels of ozone may have adverse effects on both human health and vegetation.
  - **How We’re Improving as a Company**
    - Emissions are limited to values set by the EA.
    - Emissions have been reduced by the installation of low-NO\(_X\) burners at our coal-fired plants and the switch to gas-fired generation.

- **Carbon Dioxide**
  - **Potential Impacts**
    - Combustion of fossil fuels is a major source of greenhouse gas emissions. There is evidence that these are contributing towards global warming and climate change.
  - **How We’re Improving as a Company**
    - From January 2005, the EU Greenhouse Gas Emissions Trading Scheme which will reduce the emission of CO\(_2\) across Europe.

#### Diagrams
- **Sales of Ash** (ktonnes)
- **Recycled Waste (Power Stations)** (tonnes)

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*Corporate Responsibility Report 2004*
Environment

Following the ratification of the Kyoto Protocol for reducing emissions of greenhouse gases, the Protocol entered into force in February 2005 and became legally binding on its signatories. The first phase of the Kyoto targets relates to the period 2008 to 2012. The EU Greenhouse Gas Emission Trading Scheme, which came into effect on 1 January 2005, is an important mechanism for the UK to meet its Kyoto targets and will have significant implications for the way we manage our business. In preparation for emissions trading we implemented monitoring and reporting schemes which meet the requirements of the directive at each of our power stations.

Emissions trading involves buying and selling emissions ‘allowances’ or the right to emit a single tonne of CO$_2$. Under the EU emissions trading scheme we have been allocated a set number of allowances for each of our power stations for each year from 2005 to 2007. These allowances can be traded with other operators covered by the scheme across Europe. At the end of each year, we are required to report our annual emissions from each power station and surrender a number of allowances equal to our emissions. If we surrender an insufficient number of allowances to cover our emissions, then we are liable to financial penalties.

Emissions trading provides a mechanism to encourage all participants to reduce emissions in the most cost effective way.

### EU Greenhouse Gas Emissions Trading Scheme

Climate Change

We are committed to reducing our greenhouse gas emissions and helping the UK Government to meet its climate change targets and fully support the Government’s commitment to using market-based mechanisms where appropriate to deliver its wider energy and environmental policy goals.

Additional information on environmental performance and our power station operations can be found at www.rwenpower.com/cr/docs/PowerStations.
Those with lower abatement costs have an incentive to invest and sell any surplus in allowances to participants with higher abatement costs.

If we reduce our emissions below the number of allowances we have been allocated, we can keep the surplus for use in future years or sell it to those with a shortfall.

**Performance During 2004**

Total emissions of CO$_2$ from our power stations during 2004 were significantly lower than emissions in 2003, emissions fell from 27.5 to 23.1Mt – this was primarily as a result of lower generation at Didcot A power station in 2004. Emissions of CO$_2$ per unit of electricity generated also fell from 708g/kWh to 678g/kWh.

**Atmospheric Emissions**

Emissions of pollutants such as SO$_2$, NO$_x$, and particulates are an inevitable consequence of burning fossil fuels in power stations. Authorisations from the Environment Agency set limits on the amounts of pollutants that we can release into the environment.

From October 2004, we were required to meet lower limits for emissions of SO$_2$ from our coal and oil-fired power stations. In order to maintain levels of generation from our power stations we have had to reduce emissions per unit of electricity generated. These reductions have been achieved through burning coal with lower sulphur content. As a consequence, emissions of SO$_2$ per unit of electricity generated fell during 2004 from 2.5 to 2.2g/kWh – the reduction will continue during 2005 when limits tighten further in October 2005.

From 2008, our power stations will be required to comply with new emission limits set by European Legislation (the Large Combustion Plant Directive). The final details of how this legislation will be implemented in the UK have not yet been decided by UK Government and this decision will influence our decisions on how we will operate coal and oil-fired plant in the future.

We submitted a planning application in 2003 to build a Flue Gas Desulphurisation (FGD) plant at Aberthaw power station and this received consent in 2004. If built, this plant would enable Aberthaw to meet the revised emission limits from 2008 onwards.

**Air Quality**

The UK National Air Quality Strategy, which implements EU legislation on ambient air quality, came into effect in January 2004. This legislation sets targets for levels of SO$_2$ and nitrogen dioxide (NO$_x$) in the air that should not be exceeded for more than a certain number of hours or days during the year. These limits apply from 1 January 2004. Our authorisation conditions now reflect these limits and require us to change our operations if emissions from the power stations result in these limits being exceeded. In addition to the limits set by the EU, the UK Government has set a further target for levels of SO$_2$ and NO$_x$.

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**SO$_2$, NO$_x$, and Dust emissions**

(ktonnes)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO$_2$</td>
<td>91.8</td>
<td>75.2</td>
<td>61.5</td>
</tr>
<tr>
<td>NO$_x$</td>
<td>96.4</td>
<td>73.7</td>
<td>59.2</td>
</tr>
<tr>
<td>Dust</td>
<td>2.61</td>
<td>3.41</td>
<td>2.41</td>
</tr>
</tbody>
</table>

**SO$_2$, NO$_x$, and Dust emissions**

(g/kWh)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO$_2$</td>
<td>2.65</td>
<td>2.48</td>
<td>2.21</td>
</tr>
<tr>
<td>NO$_x$</td>
<td>2.63</td>
<td>1.90</td>
<td>1.74</td>
</tr>
<tr>
<td>Dust</td>
<td>0.08</td>
<td>0.09</td>
<td>0.07</td>
</tr>
</tbody>
</table>
that applies for the highest 15 minute concentrations of these pollutants in the atmosphere. These targets are effective from 1 January 2005.

We report quarterly and annually to the EA on the impacts of our power stations on local air quality and separately report any occasions when we monitor levels close to the air quality limits. During 2004 measured levels of SO\textsubscript{2} and NO\textsubscript{2} around our power stations were well within the 1 day and 1 hour air quality standards.

**Renewables**

We are committed to increasing the proportion of the country’s electricity generated from renewable resources.

In 2004, we generated a total of 765 GWh from renewables, corresponding to 2.2% of our total electricity generation. This was an increase of over 60% on our renewables generation in 2003.

We have supported the introduction of the Renewables Obligation (RO) as a means of stimulating investment in new renewable energy projects. This requires suppliers to supply an increasing proportion of electricity from renewable sources or to pay a ‘buy-out’ price. The funds raised from the ‘buy-out’ fund are recycled to suppliers and further support the development of renewables projects.

Between April 2003 and March 2004 our RO and Scottish RO were a total of 2.5 TWh of which we redeemed 16% by submitting Renewable Obligation Certificates (ROCs) and made ‘buy-out’ payments against the remainder.

**Wind Power**

During 2004, we completed a financing deal for our wind power business. At the end of 2004, 128MW of our wind power assets were owned by an investment fund, Zephyr, and we intend to transfer other wind power assets into the fund in due course. We own one-third of the fund and

**Stanley Mills**

The Stanley Mills Hydro Scheme on the River Tay at the Stanley Mills Complex in Perthshire was officially opened in May 2004. Originally designed by Sir Richard Arkwright during the 18th century, Stanley Mills first used the River Tay to generate hydro-electricity back in 1921. The site was closed in 1989 until Historic Scotland converted it into an attractive business and residential complex. The renovated project is in perfect keeping with the existing mill complex and is capable of producing over 800 kilowatts, enough to meet the average annual needs of around 1,200 homes. Each year it will also save around 1,600 tonnes of CO\textsubscript{2} emissions that would otherwise have been released from power stations burning fossil fuels.
the remaining two-thirds are owned by financial partners. This deal will enable us to continue investing in the development of new onshore and offshore wind farms.

During 2004, we completed construction of Causeymire Wind Farm (48MW) and obtained permission for the installation of up to 129MW of new capacity although 6MW of this is conditional on discharging various planning conditions. A planning inquiry was held into our proposed 78MW wind farm at Little Cheyne Court in Kent. We are expecting to hear the results of this inquiry later in 2005.

**Hydro**

In 2004, our 840kW hydro scheme Stanley Mills, came into full operation. We also completed a long-term agreement with Northumbrian Water to operate, maintain and sell the energy from the 6MW Kielder hydro scheme in Northumbria. Ownership of the power station remains with Northumbrian Water.

**Biomass**

We have continued to trial options for co-firing fossil fuels with alternative ‘CO₂ neutral’ fuels at some of our power stations. During 2004, we generated 71 GWh from biomass, an increase of over five times the generation in 2003. At Aberthaw, Tilbury and Didcot A we have received authorisation for the commercial operation of the station with wood as a replacement for some of the coal. At Tilbury and Didcot we are trialling the co-firing of palm kernel biomass and, at Aberthaw, we are using tallow to replace some of the heavy fuel oil used for start-up and combustion support.

**Biodiversity**

Our biodiversity framework focusses on conserving and enhancing biodiversity within our boundaries, minimising the effects of our operations beyond our boundaries where we may have a direct effect, and promoting biodiversity beyond any effects of our operations by supporting specific biodiversity initiatives. In 2004, we published an overview of our biodiversity activities at Aberthaw power station¹.

**Useful website links**

- www.iso14000.com
- www.unfccc.int/essential_background/convention/items/2627.php
- www.defra.gov.uk/environment/airquality
- www.english-nature.org.uk/baps/intro.htm


**Use of Resources in Office Buildings**

(excluding npower renewables based at Reading)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas MWh</th>
<th>Electricity MWh</th>
<th>Water m³</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>4,026</td>
<td>44,799</td>
<td>51,858</td>
</tr>
<tr>
<td>2003</td>
<td>3,654</td>
<td>32,553</td>
<td>52,179</td>
</tr>
<tr>
<td>2004</td>
<td>4,352</td>
<td>28,788</td>
<td>57,406</td>
</tr>
</tbody>
</table>

Biomass crops for fuel

At Didcot A, we have signed a letter of intent with ESD Biomass to offer contracts for local growers and landowners to supply at least 30,000 tonnes per year of short rotation coppice (SRC) willow for renewable electricity generation. This would involve the cultivation of around 3,000 hectares of land and the energy crops would come straight from the field and be co-fired at the existing Didcot power stations. This would replace a proportion of fossil fuel consumption and help to reduce carbon dioxide emissions.
During 2004, a number of surveys were carried out by the Wildlife Trust of South and West Wales in the area surrounding the saline lagoon at Aberthaw, including general insect, reptile and fungi surveys. One of the highlights of the year was finding brown banded carder bumblebees *Bombus humilis* in the grassland surrounding the saline lagoon. This species is considered endangered and is one of five species of bumblebee included in the UK Biodiversity Action Plan and in English Nature’s species recovery programme. During 2005, Aberthaw will be hosting a bee seminar with the Wildlife Trust of South and West Wales.

At Fawley power station, staff volunteers helped improve the habitat along the Western Ditch, cutting back overhanging trees, clearing debris and encouraging the growth of bank-side grasses which make up a large part of the vole’s diet. The Hampshire Wildlife Trust and Hampshire Butterfly Conservation surveyed for moths around the station looking for reed bed moths. We are still awaiting the report, but an initial estimate was that well over 100 species of moths were identified.

A similar project was also undertaken at our customer contact centre at Peterlee in County Durham where staff volunteers worked with the Durham Wildlife Trust to improve the habitat along the Wapping Burn, a small stream that runs through the business park.

**Use of Resources**

Improving the efficiency in the use of natural resources is a key part of moving towards a more sustainable future. Whilst our most significant impacts on the environment are from the operation of our power stations we believe that it also makes good business sense to ensure that we do not waste resources in our office-based activities.

The introduction of the EU emissions trading scheme reinforces the value of improvements in station operating efficiency. We are currently evaluating a number of options for investing in our existing portfolio which will lead to improvements in their efficiency.

At Didcot A power station we are investing in a new plant which removes unburnt coal from pulverised fuel ash, which remains as a by-product after the combustion of coal. This will enable the ash to meet the necessary standards for use in the manufacture of concrete.

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**Targets for 2004**

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve 84MW consent for wind and 8MW hydro renewables generation.</td>
<td>We gained consent for Farr wind farm for up to 112MW, plus additional wind farm capacity of up to 16.6MW. No new hydro sites were consented but we acquired the operating rights for the Kielder 6MW hydro plant.</td>
</tr>
<tr>
<td>Maintain an above average score in the BIE environment benchmark.</td>
<td>We achieved a position of 21st out of 168 participants in the index.</td>
</tr>
<tr>
<td>Review EMSs across the business based on the results of an RWE audit. Develop an action plan to ensure a consistent approach across RWE npower including corporate centre.</td>
<td>We have reviewed EMSs across the business. An RWE environmental audit process was piloted and an action plan has been developed to improve our approach to environmental management.</td>
</tr>
<tr>
<td>Aim for no environmental exceedences that result in improvement conditions from the EA.</td>
<td>There were no environmental exceedences that resulted in an improvement condition. Four exceedences reported to the EA did not result in improvement conditions.</td>
</tr>
<tr>
<td>Fully comply with SO₂ authorisation conditions and demonstrate compliance with NAQS targets.</td>
<td>We were fully compliant with the 2004 National Air Quality Standard (NAQS) targets.</td>
</tr>
</tbody>
</table>
As part of the EMS for our office buildings, we have continued to introduce a number of measures for improving resource use. We have introduced an energy management system in our Swindon offices and this will continue to help identify where improvements in energy use can be made.

We achieved some of our resource use targets at some of our office sites during 2004 but failed to meet targets on energy and water use. During November, photocopiers at our Swindon offices were switched to default to double-sided copying and printing. The following month saw a 40% reduction in paper use compared to the same month in 2003. As a consequence of not meeting targets in 2004, we will be undertaking a benchmarking study of energy and resource use in offices in order to understand where it would be most effective to seek further reductions.

During 2004, we held a number of events to encourage staff to think about the impact of their activities on the environment. We held an environment awareness day for staff at Swindon. The aim of the day was to inform and encourage staff to adopt a few simple measures that can help to create a more sustainable future. A quiz encouraged staff to suggest additional measures that could be implemented and a number of these have now been put into effect. Similar events are planned for 2005.

Additional information on environmental performance and our power station operations can be found at www.rwenpower.com/cr/docs/PowerStations.

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**Gwynt y Môr Exhibition**

The proposed Gwynt y Môr offshore wind farm would be situated in Liverpool Bay, 13–15 kilometres off the coast of North Wales. An integral part of the design process is consultation with key stakeholders, including those people living in areas local to the proposed wind farm.

We organised six public exhibitions during September and October 2004 to introduce the project to people living in nearby communities, and provide opportunities for local people to discuss the project with the company and feed back their comments, opinions and suggestions. The information provided to the public included preliminary visual representations, and information about studies being undertaken as part of the Environmental Impact Assessment (EIA).

The public exhibitions are part of a wider local consultation programme that will include briefings for local councillors, Welsh Assembly Government members and Members of Parliament, as well as discussions with a wide range of local interest groups. The feedback that we receive from our consultations with all interested parties will provide us with valuable information towards finalising the project design.

Selling more of the ash will reduce the amount that we send to landfill. In addition, the high carbon product can be refired as fuel in the power station to recover what would have been ‘lost heat’.

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**Targets for 2004**

- Improve energy efficiency, resource use and recycling in office accommodation:
  - reduce our baseline energy use by 4%
  - reduce paper use by 10%
  - reduce baseline water use by 2%
  - increase recycling of materials by 5%
- Introduce travel plans to three more sites.

**Progress**

1. Based on comparable (year on year) data and does not include all office sites.

- We have introduced a number of initiatives to improve resource use in office accommodation. These include an Environmental Awareness Day in Swindon and environmental training.
  - 0.2% increase in electricity use
  - increase in gas use of 7%
  - 6% increase in water use
  - For paper use at sites where we have monitoring data, we achieved a 15% reduction in Swindon but a 10% increase at our sites in the North East.
  - recycling of paper, plastic cups and cans increased by more than 50% at retail offices
- As part of the npower travel plan we have arranged changes to local bus timetables at Peterlee and Thornaby, promoted cycling to work at Kingswinford and North East sites and undertaken travel survey at Limewood.
Workplace

We are committed to supporting staff development, effective succession planning and career management. Promoting equal opportunities and diversity is essential for attracting, retaining and developing a diverse workforce that is better able to meet the needs of our diverse customer base. A safe working environment, the prevention of work-related ill health and the promotion of staff well-being are the fundamental elements of our approach to health and safety.

Company Values
We recognise that the success of our business depends upon the commitment and hard work of our staff. We also know that staff need more than the basics to feel part of a real team. People want to feel motivated and work with other people who have similar standards to their own and to work towards shared goals and objectives.

Our company values have, therefore, been developed to both describe and encourage the sort of standards and behaviour we want our staff to experience and demonstrate in their day-to-day work.

During 2004, a large number of senior managers and staff participated in focus groups, interviews, meetings and workshops to help define this set of values. Then, to help us develop and interpret our company values into meaningful statements, we sought feedback from staff right across the business through additional focus groups and questionnaires to gauge their views on the company, and the behaviours that are important to them.

Responsibility for emphasising the day-to-day role and importance of values in our business is divided between company-wide initiatives and encouraging more local, grass roots take up and ownership amongst our staff. To further reinforce and support these activities, the company values also form a key part of the performance management processes across the company.

Staff Survey
This year we followed up the feedback from our 2003 staff survey. Although employees were positive about their relationship with their peers and current managers and their working conditions, three principal cross-company concerns were identified relating to salaries and benefits, job security, and career and training opportunities.

We initiated a review of pay and overall grade structures in a number of areas of the company. The outcome of the review of the retail business areas, which was conducted in partnership with our trade unions, is now being implemented. We have sought to address concerns over job security by improving channels of communication and ensuring that employees are informed about organisational change issues at the earliest possible opportunity. In response to concerns about training and development, we have taken steps to improve awareness of existing training resources and increase the effectiveness of personal development plans.

We will conduct a further staff survey in 2005 across the whole business in order to monitor our progress. Our aim is to achieve a 5% improvement in the levels of satisfaction in relation to the three principal cross-company concerns.
**Monitoring Performance and Training**
We review the performance of our employees by monitoring progress against agreed objectives. Personal development plans are used in most business areas and support our employees in identifying their development and training needs and enhancing their performance in conjunction with their managers. A key part of this process is the practice of 360-degree feedback. This is a tool which allows managers and team leaders to gain feedback about the impact of their approach on others. In 2005, we will implement a common 360-degree assessment tool across the company. We aim to improve our employees’ skills and knowledge through structured programmes identified during the personal development plan process. In 2004, for example, 107 employees completed an accredited junior and middle management programme and we expect a further 199 to complete their accredited studies in 2005. The company supports and funds a wide range of training courses to support employees at all levels in the organisation to enable them to realise their full potential. In addition, we continue to use volunteering opportunities to support the development of their skills and competences.

**Leadership Development**
Having a pool of talented managers available for succession planning purposes helps us to manage business risk and ensure the sustainability of our senior management team.

We have conducted an in-depth assessment of the development needs of our leadership group of 86 senior managers including high potential individuals (those with short or medium-term potential to achieve a senior management position). For many, this leads to attendance at one of the five-day programmes run for managers from across the RWE Group: the International Management Development Programme (IMDP) or the International Leadership Programme (ILP). In 2004, 40% of our senior managers attended either the ILP or the IMDP.

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**RWE International Management Development (IMDP) Programme**
The IMDP programme is a five-day residential programme that brings together employees from companies within the RWE Group. Its objectives are to expose course members to current management issues and aspects of Group international strategy. It also provides a forum for participants to build relationships with colleagues throughout the Group businesses. Rob Laddle, who works in the Executive Support Team in Swindon and attended the course last year, said: “It’s a great opportunity to network with colleagues from across the business and to share ideas and experiences.”

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**RWE npower Company Values**

- **Customer focus**
- **Forward thinking**
- **Performance**
- **Trust**
- **Reliability**
By the end of 2005, over 70% of our senior management team will have attended at least one of these two programmes.

**Equal opportunities and diversity**
We believe that diversity means creating an inclusive work environment which values the characteristics that make individuals unique and able to contribute to making our business successful through their different perspectives, skills and talents. We welcome and respect differences in cultural background, working style and education.

We updated our Equal Opportunities and Diversity (EOD) policy last year, and we have been seeking to improve the implementation of our EOD strategy by raising staff awareness in all our businesses. We have been actively engaged with and supported the work of Opportunity Now, the Employees Forum on Age and the Employees Forum on Disability.

This year we have created a Diversity Action Group (DAG), whose purpose is to develop and communicate the understanding of diversity issues throughout the company. Group members assist each business area in taking ownership of diversity, identifying and developing awareness of diversity issues and promoting the incorporation of good practice in all areas of the company.

While we have made some progress in positioning diversity within the business, there is still work to be done. We have appointed an external consultant to provide advice on areas for improvement and we are developing a diversity strategy for implementation from mid-2005. This strategy will focus on a robust audit and analysis, the engagement of senior managers, internal and external communication and measurement and monitoring.

**Corporate Games**
In June last year we entered a team for the first time in the UK Corporate Games which took place in Newcastle. The objectives of the Games include fostering morale, team spirit and business fitness and building employee confidence and loyalty. Our team incorporated staff from many of our locations across the UK and eventually comprised 254 competitors who went on to take part in 17 of the 23 sports. Our achievements, which included the ‘Sport for Life Grand Award’ and ‘Championship Division Award’, recognise the company’s contribution in the area of health and fitness and teamwork and reflect a positive company spirit.

**Diversity in senior management team**

<table>
<thead>
<tr>
<th>Role</th>
<th>Male (%)</th>
<th>Female (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>86%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Diversity in high potential group**

<table>
<thead>
<tr>
<th>Role</th>
<th>Male (%)</th>
<th>Female (%)</th>
<th>Other ethnic groups (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76%</td>
<td>24%</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role</th>
<th>Male (%)</th>
<th>Female (%)</th>
<th>Other ethnic groups (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>88%</td>
<td>12%</td>
<td>6%</td>
</tr>
</tbody>
</table>
In the short-term, we will identify how the current employee diversity in our different businesses and locations compares with that of the local employment market and other companies. We will establish better links with diversity groups in these areas in order to improve the employment participation rates of ethnic and disabled people. We are already seeking to improve employee retention rates at our call centres by attracting more diverse and mature candidates.

We have also continued to audit the accessibility of our sites to physically disabled people. We can confirm that all of our key locations provide dedicated disabled parking and that generic risk assessments of access arrangements have been conducted. Where possible, we have consulted existing disabled employees to identify potential access problems.

To date, the emphasis has been on physical access but we are able to respond to the site-specific requirements of individuals as they arise. Where appropriate, we seek advice from Access to Work (AtW), part of Job Centre Plus, which is able to provide practical advice and guidance on a case by case basis to assist us in ensuring that we provide the appropriate facilities and arrangements for prospective or existing disabled colleagues.

Diversity Indicators
We measure key indicators of diversity, principally by collecting data during recruitment, in order to assess the profile of our workforce. These processes are currently under review to make them more effective. Summary data on workforce diversity is presented in the charts below. While the breakdown of employees by gender and age is broadly the same as 2003, inadequacies in the data collection process have led to an apparent increase in the unstated category to 24% compared to 14% last year. We have also provided data on our senior management team and our high potential group. We recognise that this area presents us with certain challenges which will require determined effort over an extended period.

We intend to improve our data in 2005 through a comprehensive audit of our HR records. This will provide us with the detailed information required to assess diversity systematically and accurately in the company and to analyse the success of our policies and actions. In addition, we will review all our HR policies and procedures for diversity compliance in accordance with best practice.

Health and Safety
We are committed to protecting our staff, business partners, customers and the public from injury and illness caused by our activities. Our safety management systems seek to avoid the penalties, both to staff and to the company, of accidents.

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**RWE npower staff male/female ratio**
(December 2004)

- Male (60%)
- Female (40%)

**RWE npower staff by ethnicity**
(December 2004)

- White British Employees (72%)
- Employees from ethnic minorities (includes Asian, Black, Chinese, Mixed Race and White Irish) (4%)
- Not Disclosed (24%)

**RWE npower staff by age**
(December 2004)

- 16–25 (25%)
- 26–35 (28%)
- 36–45 (23%)
- 46–55 (18%)
- 56–65 (6%)\(^1\)

1 Includes 0.06% of individuals aged 65 and over.
Our occupational health policies and activities also benefit us by improving motivation and productivity. Safety and occupational health failures could have serious consequences both in economic terms and for our image and reputation and could negatively affect our stakeholders.

Health and safety performance targets are set, monitored and reviewed by our Board-level Health and Safety Review Committee which is independently chaired by Sir Robin Mountfield. Committee members include senior managers with operational responsibility for health and safety matters, including the Chief Executive Officer, and specialist advisers.

Our Health, Safety and Security policy statement sets out our policy, management and employee responsibilities and explains our safety management systems and procedures.

Safety Performance
Our safety record in comparison with other companies remains good and we continue to be within the upper quartile of companies assessed on their health and safety performance in the SHEiiBA benchmarking database.

Performance was notably good in our Generation and Renewables business, with a marked reduction in accidents. However, we were disappointed at performance in our Retail division, specifically in our MeterPlus business where accidents rose above the 2003 levels; although the nature of these businesses means that most of the accidents in these areas were not of a life-threatening nature, serious work is needed to improve performance. This is in hand, but it will take a long time to bring about a significant improvement and return the company’s overall accident numbers to a downward track. Our commitment for 2005 is therefore that our overall accident rates will be no worse than 2004, leading to an actual reduction in 2006.

Safety Culture and Training
Basic health and safety training is provided as part of our company induction programme and is also specific to the business and location where an employee will be based, in compliance with legal requirements. Specialised safety training is provided to employees working in hazardous or potentially hazardous environments as a matter of course and to other employees as a result of needs identified during the personal development planning process.

### Accident Frequency Rate (AFR)

<table>
<thead>
<tr>
<th></th>
<th>Target 2004</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>Less than 0.28</td>
<td>0.32</td>
</tr>
<tr>
<td>Contractor</td>
<td>Less than 0.57</td>
<td>0.40</td>
</tr>
<tr>
<td>Combined</td>
<td>Less than 0.31</td>
<td>0.33</td>
</tr>
</tbody>
</table>

### Serious Injury Rate (SIR)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Target 2004</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>Less than 0.14</td>
<td>0.21</td>
</tr>
<tr>
<td>Contractor</td>
<td>Less than 0.38</td>
<td>0.36</td>
</tr>
<tr>
<td>Combined</td>
<td>Less than 0.17</td>
<td>0.23</td>
</tr>
</tbody>
</table>

### Number of Dangerous Occurrences

<table>
<thead>
<tr>
<th></th>
<th>Target 2004</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 5</td>
<td>4</td>
</tr>
</tbody>
</table>

\(^1\) All accidents as defined under RIDDOR, including lost time accidents (over 3 days) per 100,000 hours worked.
Every year we hold a health and safety conference attended by a cross-section of employees from across the business. In 2004, the conference was attended by 130 people.

Although quantitative targets for accident reduction are an important issue, good health and safety performance is rooted in encouraging the correct culture within the company. Our employee-led safety (ELS) programme was fully implemented in December 2003 and encourages interaction between workers and management that leads to open and effective communication. An important element of ELS is that our employees are encouraged to identify potential safety risks themselves and take immediate action.

**Benchmarking Safety**

We also seek to compare our performance against other companies. We are therefore participating in a new index the Corporate Health and Safety Performance Indicators project, an initiative sponsored by the Health and Safety Executive. We were placed in 11th position out of 61 participating organisations in 2004. We recognise that it is important to compare ourselves against similar companies as even companies within the energy sector have different balances of activity. Given the issues in our meter reading business, we will identify opportunities for exchanging data with other meter reading companies.

**Occupational Health**

**Promoting Wellbeing**

During the year, we extended our Get Healthy Stay Healthy programme so that staff in all parts of the company had access to voluntary health screening. We have increased the total number participating in the programme by 6% from 2,286 to 2,430.

The annual analysis of screening data demonstrates differences in health between our businesses and, where repeat screenings have been carried out, enables us to identify trends and therefore target health promotion initiatives on a local basis.

### Stress Management Training

A confidential web-based stress questionnaire allows managers and team leaders to assess the risk of stress in their teams. Once employees have completed the questionnaire, managers are given electronic access to collated, but anonymous, team results. The group then discusses with their manager what may lie behind any areas of high risk. The team agree the types of interventions that should reduce these risks and the manager completes the assessment by entering details of the interventions on the system. These then form part of a database which is available to other managers and provides a guide to the practical measures that can reduce stress.

### Targets for 2004

Deliver objectives from business diversity action plans and demonstrate improvements in diversity across the company based on 2003 benchmarks.

Put into action a high potential programme to ensure we have a talented pool of senior managers.

### Progress

While we undertook to develop diversity action plans, with the support of the Diversity Action Group we have identified gaps in our existing data collection process, which will be addressed in a bio data audit, planned for 2005.

Our programme for high potential individuals was implemented during 2004.
Workplace

We have made progress in addressing work-related stress. Almost 250 managers have attended workshops, which aim to enhance their understanding of stress and equip them with the skills to recognise possible signs in their staff and to perform risk assessments for stress. To this end, we have introduced a confidential web-based stress questionnaire which managers use in their teams. When employees have stress problems, they have access to our occupational health team and to our confidential external helpline.

We recognise there are benefits to employees who are absent with mental ill health if we can assist them to come back to work as quickly as possible; an early return is known to reduce the likelihood of a long-term disability and prolonged absence. For this reason, we encourage our managers to refer such staff to our Occupational Health department after only a few weeks of absence so that a clinical assessment can be made and a rehabilitation plan developed. Temporary adjustments to the employee’s role and working hours will allow them to come back to work and have a therapeutic benefit on their mental health.

**Work Related Ill Health**

Risk based health surveillance has continued for those staff who use hand held vibrating tools or work in a noisy environment (where there is a possibility of damage to hearing). We have also introduced respiratory health surveillance for those who work with biomass fuels at power stations. Very few cases of ongoing harm to health have been detected, confirming that control of these health risks is adequate.

We have also continued to collect data on other cases of work related ill health from across all our businesses. We appreciate that the systems we have in place are novel and, at present, we are not confident that we have sufficient baseline data to enable us to set targets for a reduction in occupational ill health.

Overall sickness absence has risen slightly during the year from 3.0% to 3.1% lost time but remains below the latest CBI national figure of 3.2%. The majority of absences are due to ill health not caused by work. Time lost from work related injuries represents only a small percentage of the total.

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**Targets for 2004**

| Implement initiatives arising from the staff survey, demonstrate improvements and monitor staff satisfaction in key areas. |
| Review use of company values in staff assessment and how values are communicated and demonstrated. |

**Progress**

| Action groups were formed in individual businesses to debate issues arising from the survey and actions have been taken by the company to address key concerns. A new survey will be conducted in 2005. |
| Our values were defined through a number of focus groups, interviews, meetings and workshops. We also sought feedback from staff to help develop and interpret our company values into meaningful statements. Values also form a key part of the performance management process. |
Pension Scheme
We sponsor one of the largest Groups within the Electricity Supply Pension Scheme (ESPS) with around 38,000 members, more than 25,000 of whom are pensioners. This pension scheme is managed by nine trustees, six of whom are directly elected by the members. The trustees’ primary responsibility is to act in the best long-term interests of the members in managing the scheme’s assets and in administering the benefits. The trustees do not impose specific ethical investment restrictions on the fund managers but do require them to monitor and report on the governance arrangements and behaviour of companies whose shares they hold.

The trustees communicate with the members through quarterly newsletters and by holding five open meetings each year in various locations around the country.

We recommenced employer contributions to the pension scheme in April 2004, one year earlier than required. Previously, the company had been able to offset this liability against a company surplus built up over a long period of time. From 1 April 2005, the company has also agreed to make additional employer contributions over an anticipated 12-year period to repair a 4% ongoing funding deficit. All members were informed of this action and the reasons for it in a special newsletter.

The company’s defined benefit pension scheme remains open for new entrants and we have introduced a new defined benefit arrangement for new employees. All existing employees not in a company defined benefit arrangement will be given a one-off opportunity to join this new arrangement.

In 2004, the Pensions Act and Finance Act outlined radical pension reform and tax simplification measures. At the moment, not all the detail is available and implementation will be phased well into 2006 and beyond. Members of the scheme will be kept informed of all relevant changes.

Useful website links
www.efa.org.uk/latest/default.asp
www.thepensionsregulator.gov.uk
Community

Our operations have the potential to affect the local residents and wider communities where we operate. We believe that it is right to put something back into these communities and this is an important part of being a good neighbour. Effective community relationships bring positive benefits including improved staff morale and retention, protecting our corporate reputation and building trust.

We work in partnership with community groups on both a national and regional basis and we contribute to the community by:

- giving money to charities or investing in community programmes, often through community partnerships
- giving time through volunteering and through management of community initiatives
- giving ‘gifts in kind’.

In 2004, we were awarded BitC’s PerCent standard for the second time, making us one of only 152 companies nationwide who invest more than 1% of pre-tax profits into the community.

Review of Community Strategy

Last year we reviewed our community strategy. The challenge was to develop a strategy which incorporated our values and business drivers and had real benefits to the communities in which we operate. We worked with BitC to ensure our review process identified relevant issues and we used the London Benchmarking model to assess the community and business benefits of our current schemes. Internal and external stakeholders were involved in the review process, including employees and customers.

The strategy takes into account business risks and opportunities, identified through dialogue with employees and business unit heads. These include: maintaining our ‘licence to operate’, improving recruitment, retention, and motivation of employees, adding warmth and trust to the brand and supporting environmental and energy efficiency objectives.

Guiding Principles

In developing the community programme, we established a set of guiding principles to ensure consistency in the execution and delivery of community activity across the company. They are to:

- Set corporate objectives and targets for corporate community involvement
- Regularly review at Management Group level our Corporate Community Involvement performance and adopt high standards of reporting, using the London Benchmarking Group model.
- Support our employees’ contribution to the wider community
- Encourage our employees to support community projects, which enhance the natural environment and promote the safe and wise use of energy
- Provide appropriate training for employees on Corporate Community Involvement
- Recognise and encourage the value of diverse cultures and backgrounds in building an effective community
- Ensure that the level of our community investment is relevant and applicable to the size, scale and impact of the site
- Consult internal and external stakeholders when reviewing the scope and impact of our Corporate Community Involvement
- Ensure that impact on the community is taken into consideration when making business decisions.
Strategy Themes
Following our strategy review and consultation, we have decided to group our community activities under the themes of health, education and environment, which we consider are most relevant to our business. We believe that adopting these themes will help us to communicate the programme both inside and outside the company.

Health
‘Health’ is a new and evolving theme for 2005, building on our existing Health Through Warmth scheme and our strong occupational health record. We continued our ‘npower Active’ programme, a partnership with the English Federation of Disability Sports. The programme encourages disability sport at a grass root level and supports the Government’s strategy to widen access to sport and promote regular exercise. We supported over 60 disability sport events last year and over 9,000 people with disabilities took part, many for the first time. We will develop new health-based community programmes during 2005.

npower renewables has continued to invest in a series of community funds local to operational wind farm developments. The Bears Down fund in Cornwall recently helped to support a football tournament for over 1,000 local children.

Education: ‘Energy to live, energy to learn’
We support life-long learning both for employees and people in those communities in which we operate. We have developed, in conjunction with teachers, educational resources which help students learn about sustainable energy, energy generation, the environment and energy efficiency. These are delivered through our interactive website, in-school presentations and interactive power days.

Through our sponsorship of the npower Test Series we supported the Pride Side Den. This is an educational initiative led by the English Cricket

Our approach to community strategy

- Corporate community involvement
- Key business issues/risks
- Guiding principles
- Values
- Community
  - Education
  - Environment
  - Health

Jags Parekh works in our Major Business Accounts department and is a volunteer e-mentor supporting children in the Leeds Education Action Zone. Being an e-mentor means providing support via email on a regular basis to develop a trusting relationship with a pupil. Without leaving her desk, Jags can help her mentee with homework and help build their confidence and self esteem. Jags said: “By taking just a few hours a month out of my job, I know that I can make a real difference to the attitude and aspirations of a young person. I get enormous personal satisfaction from this and I’m proud to work for a company that gives its staff the chance to be involved in such a scheme.”
Board to encourage children between the ages of 5 and 12 to combine developing their numeracy and literacy skills with a day at an npower Test match. A new cricket related fun and educational activity book – ‘Sticky Wickets Cricket’ – was produced in partnership with Worcestershire County Council and teachers and was distributed to all 1,500 children who attended the Test Series.

Our educational guided tours around our power stations, our in-school presentations and our interactive educational Power Days, allowed us to reach over 15,000 pupils, far exceeding our target of 9,000 pupils. We continue to focus support on the Government’s Education Action Zones (EAZs) and in 2004 the EAZs received potential matched funding of some £57,821.

Education was one of the key elements of our exhibition at the Ideal Home Show. A new resource, the ‘Family Power Pack’, was produced providing interactive activities to help families learn how they can save energy, water and money. We also hosted a workshop at the National Education Business Partnership Conference, to share best practice with other education providers. In 2004, we updated our dedicated education web site www.npower.com/education to include information on renewable energy, sustainability and energy efficiency. During 2005, we intend to review how we can build on our support for the applied GCSE in engineering to raise awareness and interest in engineering in schools.

Environment
Our environmental policy commits us to set objectives and targets for environmental improvement and to support employees’ involvement in community projects that enhance the natural environment. We work in partnership with the Wildlife Trust in three core customer regions and around other operating sites to support innovative environmental projects. In 2004, these included Birdwatch in Schools, Churchyard Awards and the Conservation Awards.

Stourminster School
Last year, the npower direct sales team volunteered to spend a day helping Stourminster Special School to tidy up an area of wasteland. The team found the experience so rewarding that they agreed to ‘adopt’ the school and to go back on a regular basis to develop and maintain the grounds. The school had a large area of land, including a stream, shallow pond and a nature area, which had been unsafe to use. The npower team drained and repaired the pond, clearing the stream and removing fallen trees. They then rebuilt steps leading down to the pond and nature area and set up boardwalks so that the children can now walk safely around the special area.

<table>
<thead>
<tr>
<th>Targets for 2004</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review and publish our community strategy.</td>
<td>Our new community strategy has been published and is described in this section of the report.</td>
</tr>
<tr>
<td>Reach at least 9,000 pupils through our ‘Energy to live, energy to learn’ programme.</td>
<td>Our educational programme allowed us to reach 15,000 pupils.</td>
</tr>
<tr>
<td>Increase to 800 the number of staff in community volunteering and monitor feedback.</td>
<td>Over 800 employees volunteered in 2004.</td>
</tr>
<tr>
<td>Aim for no justified complaints at our operational sites.</td>
<td>There were nine justified complaints at our power station sites.</td>
</tr>
</tbody>
</table>
These projects also provide volunteering and learning opportunities for employees and last year employees completed 80 days’ work, involving a range of activities from tree-planting to building wooden walkways through marshland. A number of individual Wildlife Trusts have contributed to the formulation and execution of power station biodiversity action plans. The Environmental Centre at Sutton Courtney, close to Didcot power station is managed by Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust and educates visitors about environmental and sustainability issues.

In 2004, we supported eight projects through the Landfill Tax Credit scheme to the value of £100,252. Through this scheme we support projects that demonstrate visible partnership in environmental initiatives close to our operations – these ranged from a teaching resource at the Sutton Courtney Environment Centre to support to the Wildlife Trust for restoration projects and biodiversity protection.

Any complaint about our power station operations is viewed as a serious matter. Although we had set ourselves a target of no justified complaints at our operational sites in 2004, there were in fact nine such complaints during the year. A justified complaint is one which, following careful investigation, we conclude has arisen as a result of our own activities. We have a thorough process for investigating each complaint individually and ensure that appropriate action is taken.

Volunteering
Our volunteering programme, run in partnership with Community Service Volunteers (CSV), provides opportunities for employees to develop their skills and make a positive contribution to the community. It also helps to give a face to our company and build trust within communities. In 2004, over 800 employees volunteered (equivalent to over 12,337 employee hours), 90% of these employee volunteer tasks were environmental projects.

Lydiard Park
We have continued to support the Lydiard Park Renaissance project in Swindon close to our company headquarters. The project aims to preserve and enhance a historic landscape whilst improving access, leisure and educational opportunities on the site. Throughout the year, 77 staff volunteers from the company have helped to clear vegetation, excavate key archaeological sites and remove debris from the site. In addition, one of our employees has been seconded on a part time basis to help manage the restoration project.

Useful website links
- www.standard.gov.uk/onlinehelp/eaz
- www.corporatecitizenship.co.uk/community/lbg.asp
- www.wildlifetrusts.org
- www.ltc.org.uk
- www.csv.org.uk
- www.macmillan.org.uk

In 2004, we became one of 152 companies awarded Business in the Community’s PerCent standard. The PerCent standard is a voluntary benchmark and seeks to promote corporate behaviour that improves the impact that business has on society. The logo is awarded to those companies that donate at least 1% of their pre-tax profits to the community – this includes a combination of cash, employee time, gifts in kind and management costs.

Community contributions for 2004 following the London Benchmarking Group (LBG) model which provides a standard for community reporting.
We have aligned the opportunities available in our volunteering programme with our company 'core competencies' so that employees can use volunteering to achieve their personal development plan objectives and bring positive benefits to the community. We also encourage employees to volunteer for specific community initiatives, such as HTW training and in-school presentations. Our target for 2005 is to improve synergies between our community initiatives and volunteering programme by increasing the percentage of volunteers involved with our Charity of the Year, key community partners and programmes to 25%. We also aim to increase the total number of staff volunteering to 1,000.

For employees who prefer to volunteer from their desks, we have extended our e-mentoring programme to a further four schools within the Leeds EAZ. A total of 75 e-mentors are now active and over 1,600 employee hours were dedicated to the project throughout the year.

Charitable Donations
Our Charities Committee has representatives from across the company and is chaired by Mike Bowden, Company Secretary and MD of Shared Services. Our support is focussed on charities and community groups close to our operational sites. During 2004, £340,000 was donated to over 70 organisations. Also, through our £4£ Scheme, 290 employees took part in fundraising activities for charities and their efforts were matched by the company. This meant a further £130,000 was given to charities close to the hearts of our employees. We raised over £620,000 for our corporate charity Macmillan Cancer Relief during 2004 this included a ‘gift in kind’ of £150,000 of TV advertising in support of ‘Coffee Morning’. Employees from across the business took part in fundraising activities in support of the Macmillan Cancer Relief Coffee Morning and raised £41,000. All of the money raised will be directed to Macmillan appeals local to our operational sites across the country. During 2005, we hope to build on this and achieve a ‘Million Pound Partnership’ with Macmillan.

Macmillan Coffee Morning
Employees from across the company, from power stations to call centres, supported the Macmillan World’s Biggest Coffee Morning and raised over £40,000. Employees at Tilbury power station, one of the Group’s sites, used all their energy to prove that raising money can be great fun. Apprentices at the site went to extraordinary lengths to transform a giant industrial boiler into a larger than life ‘boiling kettle café’. The café was erected on a scaffolding platform inside boiler number 7 where employees were able to enjoy coffee and cakes for Macmillan.

Community Investment 2003

- Charitable (£492,484)
- Community Investment (£600,787)
- Commercial Activity (£128,437)
Total: £1,221,708

Community Investment 2004

1 This year we have included investment in the community through our HTW scheme, which is described in the Marketplace section of this report. Landfill Tax Credit funds of £10,000 are included.

- Charitable (£272,435)
- Community Investment (£2,667,744)
- Commercial Activity (£69,594)
Total: £3,009,773
## Targets for 2005

### Objective/Issue

#### Marketplace

- **Meeting the demands of our customers for renewable energy**
  - 1. Support the development of new sources of renewable energy through the npower Juice fund.
  - 2. Match Juice customer numbers and demand to our wind generated energy new build capacity - increase Juice customers to 70,000.

- **Responsible selling**
  - 1. Reduce sales complaints by 10% from 2004 level.

- **Improve service to our customers**
  - 1. Maintain customer service levels for telephone and correspondence customer contact (more than 75% of all calls answered within 20 seconds and correspondence replies within 5 days).
  - 2. Reduce energywatch recorded complaints on all categories (account billing and customer transfer complaints) by 20% below 2004 levels.

- **Meet and exceed customers’ expectations**
  - 1. Maintain customer perspectives of our performance with 80% of customers agreeing that the service they have received is satisfactory, measured through an independent survey.
  - 2. Reduce MPs’ and Press Complaints by 10% respectively based on 2004 benchmark.

- **Provide services for vulnerable customers**
  - 1. Refer 4,000 'at risk' homes and initiate £4 million grant-aided measures through our Health Through Warmth Scheme.
  - 2. Run 1st Step trial and consider opportunities for integration into the residential business.

- **Integrate corporate responsibility into our procurement activities within the supply chain**
  - 1. Develop and implement a sustainable procurement guide as a standard for risk assessment in the supply chain.
  - 2. Include CR in procurement teams job descriptions and objectives.
  - 3. Provide training on environmental supply chain issues to the procurement team.

#### Environment

- **Contribute to UK and European reductions in emissions of carbon dioxide through participation in the EU Emissions Trading Scheme, development of renewables, increased use of CHP within our portfolio and delivery of customer energy efficiency commitments**
  - 1. Generate 1,000 GWh of renewable electricity in 2005.
  - 3. Increase the proportion of good quality CHP plant in our Cogen portfolio.

- **Reduce the environmental impact of our operations through optimisation in energy efficiency, waste management and use of resources**
  - 1. Undertake baseline assessment to deliver strategy for reducing water use and improving energy efficiency at power stations in preparation for IPPC.
  - 2. Identify potential for reducing amounts of special waste at power stations.
  - 3. Benchmark energy and resource use in office accommodation against internal (e.g. use per employee) and external (e.g. Chartered Institute of Building Service Engineers) benchmarks.
  - 4. Source electricity for our main office buildings from renewable or CHP generation sources (i.e.> 80% of office use of electricity).
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| Improve internal processes for taking account of environmental issues when making procurement decisions | 1. Review current approach to environment risks from procurement decisions at power station sites to ensure consistency with RWE npower ‘sustainability guide for buyers’.  
2. Provide appropriate training to all staff on environmental awareness  
   1. Undertake training needs analysis at power stations sites, produce appropriate training material and programmes to implement in 2006 in preparation for IPPC.  
   2. Review environmental awareness training at Swindon and other office sites – ensure 20% of RWE npower office based staff undertake environmental awareness training in 2005. |
| Continuously improve our methods and approaches to environmental management    | 1. Implement action plan developed from review of corporate environmental management to ensure all components of a formal EMS are included.  
2. Implement Madison, the health, safety and environmental reporting system, as the preferred method of recording and investigating potential environmental incidents at operational sites. |
| Comply with all applicable environmental regulations and related authorisations and permits and aim for no exceedences of environmental limits | 1. Extend ‘Environmental Incident Response’ procedure to ensure all stations have a consistent approach to incidents with minor potential to cause environmental harm.  
2. Reduce emissions of SO₂/MWh generated and meet revised lower authorisation limits for total emissions from our portfolio.  
3. Demonstrate best practice management at stations to ensure compliance with National Air Quality Strategy targets around power stations introduced from 01.01.05.  
4. Submit applications for IPPC permits at all power stations by March 2006. |
| **Workplace**                                                                 |                                                                                                                                                                                                                       |
| Promote equal opportunities and diversity in the workforce                   | 1. Review all HR policies and procedures for diversity compliance with input from an external diversity advisor. Utilise annual staff survey to assess levels of awareness and understanding of diversity issues in the workplace and permit comparison with similar data from comparable organisations.  
2. Conduct a bio data audit of HR records to improve knowledge of workforce ethnic composition and disability and permit more effective audit across the whole range of diversity issues.  
3. Initiate diversity training programmes, initially on a pilot basis, to embed the diversity agenda amongst the management population. Target 25% of the management population in 2005.  
4. Establish, through the work of the DAG, better links with appropriate diversity groups in areas where we have an operational presence to improve our employment participation rates particularly of ethnic and disabled people:  
   a. identify target groups from each location.  
   b. prioritise those groups we will work with. |
Objective/Issue | Targets/Priorities 2005
---|---
**Workplace**
Succession planning and career management | 1. Identify successors for all key positions and their development needs. Review opportunities for High Potential employees to broaden their experience in new positions.
2. Additional 30 senior managers to attend International Training Programmes (37% of eligible population). An additional 22% of the eligible population to complete an accredited junior and middle management programme – e.g. Diploma in Management or Certificate in Management.

Communicating and consulting with employees and Trade Unions | 1. Conduct a staff survey across the whole business. Achieve a 5% improvement in each of the main areas of concern identified in the 2003 survey; pay, job security and development opportunities.


Company values and business ethics | 1. Provide team briefing on business code of conduct, issue code to all new staff and include in induction training. Develop and deliver tailored business ethics training for the leadership team.

Health, safety and wellbeing | 1. Ensure continuous improvement in H&S performance.
2. Review performance against external benchmarks.
3. Ensure zero prosecutions for H&S.

These targets are set and managed by the company’s Health and Safety Review committee
The independent Chairman of the Review Committee makes an overall assessment of performance at the end of the year
Progress against these targets is measured quantitatively and qualitatively through the following KPIs:
- Serious incident rates (SIR)
- Sickness absence rates
- Work related ill health rates
- Training programme achievement
- Time saved through rehabilitation
- Voluntary health screening take up

We have set the following targets:
Combined Accident Frequency Rate <0.31
Combined Serious Incident Rate <0.19

**Community**
Maintain and develop a company-wide community involvement programme which provides effective relationships with the local communities where we operate. | 1. Increase the percentage of volunteers involved with our Charity of the Year, key community partners and programmes from 18% to 25%.
3. Ensure mechanisms are in place to accurately assess the impact of all of our Community Investment programmes.

Being a good neighbour | 1. Aim for no justified complaints at our operational sites.

Increase awareness of community programme amongst staff | 1. Develop and execute internal and external communications plans to communicate the revised community strategy to key target stakeholders. Ensure the community and business benefits of the programmes form part of the communication.

Increase staff involvement in the community | 1. Increase the number of volunteers across the company to 1,000.
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<sup>1</sup>Partially covered  
<sup>2</sup>London Benchmarking Group
### GRI Report content (key indicators)

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Verification Statement

Verification Objectives
Enviros Consulting Limited has conducted an independent verification of the RWE npower Corporate Responsibility (CR) Report 2004. The objectives were to review the accuracy and balance of the report to ensure statements made reflect business practices within RWE npower and to review systems for data collection.

The information and presentation of data within the CR Report 2004 is the responsibility of RWE npower. This statement is the responsibility of Enviros and represents our independent opinion.

Verification Method
The verification was conducted by meetings, telephone discussions and email correspondence with staff responsible for collating and reporting the data on which the report was based, and for managing specific operational issues. Both quantitative and qualitative data were substantiated through these meetings and supporting core data were sampled for accuracy, completeness and interpretation.

Opinion
The text and data presented in the CR Report 2004 are considered materially accurate. Material issues to report have been identified by RWE npower through stakeholder mapping and audits. Stakeholder engagement continues to be a key driver for corporate responsibility and reporting at RWE npower. However, it is not clear in the report how far this engagement includes contractors.

The data collection systems appear robust for those areas where data collection and collation are more mature e.g. health and safety data and regulated environmental data and also information relating to the community programme.

Non-regulated environmental data (eg. utility data for retail buildings) and data collected in support of the newer indicators such as diversity require focus in 2005 in order to ensure the same degree of assurance in completeness.

RWE npower has continued to make improvements within the CR reporting process since last year. Examples of this include continuing stakeholder engagement, development of performance targets in relation to the supply chain and including future Health and Safety targets. This year’s report also presents a comparison against the Global Reporting Initiative (GRI) indicators and it is understood that RWE npower will continue to address these indicators in future reports.

Recommendations for Future Reports and Corporate Responsibility Programme

- Continue to develop stakeholder dialogue to identify material issues for future reporting and CR programme development.
- The consistency of the non-regulated environmental data (eg. utility data for retail buildings) and data collected in support of the newer indicators such as diversity would benefit from development of guidelines which set out the methodology and responsibilities for data collection.
- RWE npower should consider an overarching data collection system which encompasses existing management systems and is aligned with GRI indicators.

Rachel Pickering
Consulting Group Director, Enviros Consulting Ltd
Glossary

Glossary of abbreviations used in this report. Please see our website for a full glossary of terms and definitions.

AES Association of Energy Suppliers
AFR Accident Frequency Rate
AtW Access to Work
BIE Business in the Environment
BitC Business in the Community
CEO Chief Executive Officer
CHP Combined Heat and Power
CO₂ Carbon dioxide
CR Corporate Responsibility
CRI Corporate Responsibility Index
CSR Corporate and Social Responsibility
CSV Community Service Volunteers
DAG Diversity Action Group
DEFR A Department of the Environment, Food and Rural Affairs
DTI Department of Trade and Industry
EZ A Education Action Zone
EBITDA Earnings before Interest, Taxes, Depreciation and Amortisation
EEC Energy Efficiency Commitment
ELS Employee led safety
EMS Environmental Management System
EOD Equal Opportunities and Diversity
ERA Energy Retail Association
ESPS Electricity Supply Pension Scheme
EU European Union
FCP Foundation Corporate Partner
FGD Flue Gas Desulphurisation
GBC Group Business Committee
GQCHP Good Quality Combined Heat and Power
GRI Global Reporting Initiative
GW Gigawatt
GWh Gigawatt hour
H&S Health and Safety
HR Human Resources
HSE Health and Safety Executive
HTW Health Through Warmth
ILP International Leadership Programme
IMDP International Management Development Programme
IPPC Integrated Pollution Prevention and Control
ISO International Organisation for Standardisation
kW Kilowatt
kWh Kilowatt hour
MW Megawatt
MWh Megawatt hour
nBRF npower Business Review Forum
NEA National Energy Action
NGO Non-Government Organisation
NHS National Health Service
NO₂ Nitrogen dioxide
NOₓ Nitrogen oxides
Ofgem Office of Gas and Electricity Markets
PSR Priority Services Register
PV Photovoltaic
RIDDOR Reporting of Injuries, Diseases and Dangerous Occurences Regulations
RO Renewables Obligation
ROC Renewables Obligation Certificate
ROCE Return on Capital Employed
SERA Socialist Environment Resource Association
SHEiBA Safety, Health and Environment Intra Industry Benchmarking Association
SIR Serious Injury Rate
SME Small and Medium Enterprise(s)
SO₂ Sulphur dioxide
SOₓ Sulphur oxides
SRC Short rotation coppice
TWh Terrawatt hour
UVDB Utility Vendor Database
WACC Weighted Average Cost of Capital
WZ Warm Zone
Produced utilising waterless printing, which eliminates water consumption and the release of VOCs (volatile organic compounds) into the atmosphere.

Printed on Hanno Art Silk, a Totally Chlorine Free (TCF) paper, which has been bleached without any chlorine chemicals and made exclusively of wood from sustainable forests.