

EON – Key Statements and Commitments from 2005 Report

Extracts from the E.ON Printed Summary CSR Report

Ref	Key Statement (blue) and Commitments (black)	Comment	Status
1	<p>The twin goals of securing the UK's energy supply and addressing climate change should be achieved through the development of new technologies, investment in infrastructure and implementing energy efficiency measures.</p> <p>In the next three years in the UK we plan to invest over £3 billion in renewable and cleaner gas-fired energy generation, gas storage and in modernising our electrical networks.</p>	2006/07 Report still states 3 years – should this be amended to 2 years?	Ongoing
2	<p>URS Recommendations</p> <p>To build further on the progress made in its corporate social responsibility, E.ON UK should consider:</p> <ol style="list-style-type: none"> 1. Developing a formal corporate social responsibility governance and management system to provide increased direction and review of existing programmes; 2. Including greater emphasis on reporting and management of non-financial issues into its risk management processes; 3. Clearer identification and reporting of objectives and targets; 4. Reviewing environmental and safety data collection processes and the associated guidance and validation to improve the robustness and transparency of the systems; 5. Including greater information on stakeholder engagement processes and outcomes as the new programme becomes more developed. 	Can EON please respond to each of these points, indicating whether they were: accepted and implemented; accepted but not yet implemented; not accepted?	

Extracts from the E.ON UK web site CSR Report

	Page	Key Statement (blue) and Commitments (black)	Comment	Met?
3	http://www.eon-uk.com/295.aspx	Looking ahead, we intend to continue refining our reporting framework to reflect stakeholder concerns and to engage in a more active dialogue with all our stakeholders to understand what they would like to see included in future reports.	Met – but still a need to better understand what stakeholders want to read in this report.	Met
4	http://www.eon-uk.com/938.aspx	We are particularly proud of our community and employee involvement programmes where we invested over £2 million last year targeted at those groups in our communities where we can make a real difference. Last year, for example, our education programme was used in 3,200 schools nationwide, we tested 4,100 electric blankets for the elderly and we supported over 1,700 of our colleagues in volunteering projects. We will continue to focus our efforts on areas where we believe we can make a genuine difference	Met – community programmes are ongoing	Met

5	http://www.eon-uk.com/702.aspx	Target	Business Unit	2005 Performance	2006 Target	Long term target	Energy Services - Achieved for Metering Services April 2006 and Home Installations January 2007	Met
		Extend EMS to all areas of the distribution business and audit to ISO14001 by late summer 2005.	Central Networks	Achieved September 2005.	Maintain ISO14001 standard EMS.	Maintain ISO14001 (or appropriate) standard EMS.		
		2nd audit of West business to complete coverage.	Central Networks	Completed (now subsumed into the above).	N/A	N/A		
		Establish EMS to ISO14001 standard.	Energy Services	N/A	Achieve ISO14001 certification.	Maintain ISO14001 (or appropriate) standard		
6	http://www.eon-uk.com/702.aspx	We are currently developing an improved electronic reporting system for environmental incidents and near hits to ensure that we are able to manage the impacts of incidents and our response to them as effectively as possible. A number of internal targets are in place within our business units aimed at reducing the occurrence of incidents caused by our operations.					Implemented	Met

7	http://www.eon-uk.com/702.aspx	The business also received notice of 457 environmental issues through its hazard and near-hit reporting process in 2005, against a target of 500. 60% of the issues raised have been addressed and closed out, and the process has been reviewed to improve this level further during 2006. This is a marked improvement from the 313 received during 2004, but further work is being done to speed up the resolution and close-out process.	Not quoted this year – can we see comparable figures? Environmental incidents quoted instead.	Ongoing
8	http://www.eon-uk.com/1101.aspx	Much of the water used in our plants is reused a number of times before finally being discharged. Water efficiency audits are planned to run over the next couple of years as part of the Integrated Pollution Prevention and Control (IPPC) improvement programme.	Same text this year – have these audits been undertaken? – “Water efficiency audits are planned to run over the next couple of years as part of the Integrated Pollution Prevention and Control (IPPC) improvement programme.”	Ongoing
9	http://www.eon-uk.com/710.aspx	We submitted 2.6 million ROCs to Ofgem in 2004/05 - more than any other UK supplier - and we are on track to repeat this in 2005/06	2.9 million	Met
10	http://www.eon-uk.com/710.aspx	Looking ahead, we will be using a pioneering new system to manage our wind farm operations on a centralised basis. Called SCADA (Supervisory Control and Data Acquisition System), this technology will allow us to monitor the performance of our sites and predict future power requirements.	Please clarify if this was in place during 2006	Ongoing
11	http://www.eon-uk.com/714.aspx	We are also working to manage our non-operational 'carbon footprint' and have set ourselves a 10% reduction target year on year. Our non-operational carbon emissions in 2005 amounted to nearly 26,000 tonnes of CO ₂ , excluding air travel. We are concentrating on reducing energy use (our office energy use was almost 48 GWh in 2005) and vehicle emissions, and actions include lowering office temperatures by 1°C and ensuring that PC monitors are switched off when they are not being used.	Ongoing – we have not seen evidence that office temperatures have been reduced by 1c.	Ongoing

12	http://www.eon-uk.com/714.aspx	Target	Business unit	2005 performance	2006 target	Long-term target	Not met – 4% increase	Not met
		10% reduction in CO ₂ from non-operational activities year on year	All businesses	N/A	10% against 2005 baseline	Ongoing		
13	http://www.eon-uk.com/1430.aspx	Our carbon intensity in 2005 (see Emissions of greenhouse gases for more details) was more than 20% lower than in the baseline year of 1990. We are aiming to reduce carbon intensity by 2012 by a further 10% compared with 2005.					Ongoing	Ongoing
14	http://www.eon-uk.com/1430.aspx	Target	Business unit	2005 performance	2006 target	Long-term target	2005 figure has been re-stated as 693kt/TWh. Confirmed.	Not met in 2006
		Reduce carbon intensity from generation	Energy Wholesale	636 kt/TWh	N/A	10% reduction by 2012 against 2005		

15	http://www.eon-uk.com/724.aspx	Target Biodiversity assessment for all sites over 50 hectares and Action Plans where impact is significant.	Business unit Central Networks and Energy Wholesale	2005 performance Central Networks agreed BAP by end of year. Energy Wholesale BAPs in place at Kingsnorth, Ratcliffe-on-Soar and Ironbridge power stations.	2006 target Implement biodiversity strategies. Maintain BAPs already in place and consider the requirements at remaining large sites.	Long term target Maintain BAPs	Met	Met
16	http://www.eon-uk.com/728.aspx	In the next three years in the UK, we plan to invest over £3 billion in renewable and cleaner gas-fired energy generation, gas storage and in modernising our electricity network.				Can we see what was invested in these areas in 2006?	Ongoing	

17	http://www.eon-uk.com/736.aspx	<p>Our investment allowance this time round (£1.2 billion) will help us maintain and improve the service we give to customers.</p> <p>This will include</p> <ul style="list-style-type: none"> • New rural and urban remote control schemes to restore supplies as quickly as possible • Automatic circuit breakers to limit the number of customers who experience faults • Putting select sections of cable underground to reduce the number of faults • Re-configuring 'rogue' circuits to reduce the number of customers experiencing faults, so allowing supplies to be restored more quickly. 	ongoing	ongoing
18	http://www.eon-uk.com/736.aspx	<p>In April 2005, Ofgem introduced the Registered Power Zone (RPZ), an initiative which provides a financial incentive to distribution companies to develop and implement innovative projects connecting distributed generation to networks where this may not have otherwise been economically feasible. We hope eventually to share data from the project with other network operators across the UK and potentially help address the challenge of connecting distributed generation to the distribution network....</p>	ongoing	ongoing
19	http://www.eon-uk.com/744.aspx	<p>We are one of the six major suppliers from the Energy Retail Association who joined forces to launch the 'customer transfer programme'. Customers should now find it easier and quicker to switch suppliers and we expect the number of complaints relating to this to fall. Under the programme, the six suppliers will aim to improve the accuracy of the customer's first bill, bill all new customers within three to four months of the supply start date and all old customers within one to two months of the supply end date.</p>	<p>Average figure for start date billing is 123days for D1 customers and 126 days for D2 customers. The data supplied indicates that the target of billing all customers within 4 months will not be met with the current control limits.</p> <p>Data on final bill performance is outstanding.</p>	Not met

20	http://www.eon-uk.com/746.aspx	We were disappointed in 2005 to fall to last place in energywatch's league table of customer complaints, and we have gone on record with a public commitment from our Board to regain our previous high position in the energywatch table by the end of 2006.	Met – exceptional performance achieved.	Met																								
21	http://www.eon-uk.com/746.aspx	From February 2006 onwards we have included on our bills a message asking customers with problems to call a dedicated complaints line. Calls to this line take priority and are now answered by a team of senior customer service representatives who have the authority to resolve most queries there and then. Any complaint that cannot be resolved this way is passed to our Customer Service Director, with a commitment to respond within 10 working days.	Met – max time for resolution 4 days	Met																								
22	http://www.eon-uk.com/768.aspx	The E.ON Group has set itself an aggressive improvement plan for the next five years based on delivering performance comparable with the petrochemical sector by 2010.	Met – and ongoing	Met																								
23	http://www.eon-uk.com/768.aspx	<p>Our aim is, by 2010, to be the leader in health and safety performance within the E.ON Group. This requires a significant improvement in our performance from current levels as outlined in the table below.</p> <table border="1"> <thead> <tr> <th></th> <th>2003</th> <th>2004</th> <th>2005</th> <th>2006 target</th> <th>2010 target</th> </tr> </thead> <tbody> <tr> <td>Total Recordable Injury Rate (TRIR) per 100,000 hours worked</td> <td>0.39</td> <td>0.86</td> <td>0.67</td> <td>0.60 (0.52)</td> <td>0.25</td> </tr> <tr> <td>Lost Time Injury Frequency Rate (LTIFR) per 1,000,000 hours worked</td> <td>N/A</td> <td>6.0</td> <td>4.1</td> <td>3.6 (2.9)</td> <td>1.0</td> </tr> <tr> <td>Sickness absence (average days lost per full time employee)</td> <td>11.97</td> <td>9.86</td> <td>12.11</td> <td>9 (12.11)</td> <td>5</td> </tr> </tbody> </table>		2003	2004	2005	2006 target	2010 target	Total Recordable Injury Rate (TRIR) per 100,000 hours worked	0.39	0.86	0.67	0.60 (0.52)	0.25	Lost Time Injury Frequency Rate (LTIFR) per 1,000,000 hours worked	N/A	6.0	4.1	3.6 (2.9)	1.0	Sickness absence (average days lost per full time employee)	11.97	9.86	12.11	9 (12.11)	5	Partially met – sickness absence unchanged.	Partially met
	2003	2004	2005	2006 target	2010 target																							
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Sickness absence (average days lost per full time employee)	11.97	9.86	12.11	9 (12.11)	5																							

24	http://www.eon-uk.com/768.aspx	We also aim to reduce our sickness absence rate. We are now focusing on introducing a new attendance policy and training for managers to help them address absence issues both professionally and sensitively. 2006 will see a wider range of activities to ensure that we fundamentally improve our health and safety performance and practice.	Not met	Not met
25	http://www.eon-uk.com/1108.aspx	In addition, we are planning to introduce a flexible benefits scheme called 'My Choice', which will allow employees to choose from a range of options to create the package that best suits them: for instance, trading part of their package for more holiday, childcare and retail vouchers, or travel and medical insurance.	Met – choices offered to senior management	Met
26	http://www.eon-uk.com/1112.aspx	During 2006 the introduction of Academy Online, a new learning management tool, will ensure that development programmes, guidance and support are much more visible and easier to access.	Met	Met
27	http://www.eon-uk.com/1112.aspx	In 2006 we will be looking at the possibility of bringing apprentices in from our parent company in Germany, where there is currently an oversupply of good candidates.	11 recruited from parent company	Met
28	http://www.eon-uk.com/770.aspx	Around 13% of our staff work part-time. We regularly review our employment policies to ensure that they support flexible and family-friendly working. We support requests for part-time working wherever possible and also consider specific initiatives favourably when requested e.g. term-time working, job shares and career breaks. We will continue to review our policies during 2006 to ensure that they support individuals who balance their careers with other responsibilities.	Achieved	Met
29	http://www.eon-uk.com/1136.aspx	During 2005, we began to develop the E.ON Energy Experience - a suite of engaging, interactive, multi-media resources that will teach young people (5-16 years) about the full range of energy issues through the Science and Geography curriculum. The resources, developed in conjunction with the education community, will be available to all schools in England, Scotland and Wales from autumn 2006.	Met – area of excellence	Met

30	http://www.eon-uk.com/1138.aspx	In 2005 we sponsored the National Rugby Community Programme, the largest rugby scheme of its kind in the world. The scheme is designed to take the sport into schools and rugby clubs local to the 12 Guinness Premiership clubs to enable as many youngsters as possible to get involved. By the end of 2006, 45,000 active participants will have taken part in the Powergen National Rugby Community Programme, 70% of whom will be new to the game of rugby.	Confirm figure in 2007 report – 400,000 quoted. Should this be 40,000?	Met
31	http://www.eon-uk.com/1140.aspx	Employee volunteering is a key part of E.ON UK's community programme, and there is a range of projects to suit everyone. We made real progress in 2005, with over 1,700 employees taking part in our Energy in the Community programme. We aim to increase this to 2,500 in 2006, which would mean that 20% of our UK employees would be involved in volunteering.	2700 took part	Met
32	http://www.eon-uk.com/1140.aspx	Another project is Information Systems (IS) Mentoring, which we piloted with Retail IS this year. They helped pupils at Morven Park Primary School, Kirkby in Ashfield to develop pupils' IT skills and learning. The IS volunteering programme is now being repeated at Limbrick Wood in Coventry with volunteers from Energy Wholesale IS and other business skills programmes will be launched throughout 2006.	Met	Met
33	http://www.eon-uk.com/1134.aspx	The 10.4 MW (megawatt) Ferndale wind farm project, which obtained planning permission in 2005, is intended to be the first scheme built by the wind cluster business. The aim is for the wind farm to be owned jointly by E.ON UK and the Arts Factory, a local community group.	Commitment carried forward	Ongoing
34	http://www.eon-uk.com/1134.aspx	In addition, the wind cluster business operates in a 'low-carbon' environment. The team continuously monitors its carbon footprint and has set yearly targets for carbon dioxide (CO ₂) emission reductions	Can we see how E.ON UK performed against these targets? 45% reduction	Met

35	http://www.eon-uk.com/1133.aspx	Target	Business unit	2005 performance	2006 target	Long-term target	Environment added but not yet CSR	Part met	
		Support Power Discovery Zone for five years until 2010	Central Networks	Extended to two trucks, replaced one, included web site and toured major shows	Include environment in Discovery Zone and include CSR	N/A			
36	http://www.eon-uk.com/1390.aspx	We are currently working to implement a standardised approach to supply chain management across E.ON UK in 2006. In addition, we are currently working on techniques to integrate social and environmental considerations into our purchasing decisions, and developing ways of monitoring our performance in this area.						Met	Met
38	http://www.eon-uk.com/1390.aspx	Target	Business unit	2005 performance	2006 target	Long-term target	Met	Met	
		Standardise responsible purchasing strategy and processes during 2005	All businesses	Target met	Monitor compliance with respect to 10 largest suppliers	N/A			
39	http://www.eon-uk.com/1116.aspx	We also operate a Competition Law Compliance policy. This is supported by training across the business. In the last quarter of 2005, we launched an innovative online training package. The training was undertaken by our top 40 managers by the end of 2005 and is now being rolled out to all appropriate employees.						Met	Met