

## Foreword



### Dear Readers,

Our energy system is currently experiencing far-reaching upheaval. This entails that many areas are currently being reviewed at RWE. However, we are keeping to one strategic target: Our business must become more sustainable. We are currently talking to our stakeholders to establish precisely what this means for us in concrete terms. We are addressing your expectations and taking account of them in our actions.

Establishing more climate-friendly electricity generation continues to be the biggest challenge. The exit from nuclear energy in Germany will shift the timing of our mitigation path for reducing CO<sub>2</sub> but even under these difficult conditions we are keeping to our established target. By 2020 we want to reduce CO<sub>2</sub> emissions for each megawatt hour of electricity generated at RWE power stations by 20 %. We are renewing our conventional power station portfolio in order to achieve this. In 2012, we brought on stream new gas-fired power stations with almost 5,000 MW. At the same time, we are continuing to expand renewable energies. 400 MW of capacity have been added during the year under review.

Energy efficiency is the second important lever for enhanced energy efficiency. Saving energy protects the environment and reduces costs over the long term. This is also an issue where our customers expect responses from us – particularly at this time when electricity prices are continuing to increase as a result of expenses incurred for the expansion of renewable energies.

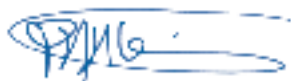
We are adapting our business model in order to fulfil this transition from being a conventional supplier to becoming a partner for our customers. Together with you, RWE wants to develop appropriate and affordable solutions to meet your energy requirement. We advise customers on energy savings and support them with services and products for energy management. At the same time, we are offering our customers the option of establishing stability by offering long-term tariffs with fixed prices as a hedge against changes in price. We are also partners for local authorities and municipal utility companies. We are joining forces to make the distribution grids fit for the energy transition

and to ensure security of supply. RWE remains a company with strong regional roots in its European core markets. This is where we want to restructure our business and make use of the opportunities offered by the energy transition. Our overall customer numbers have remained virtually stable and this demonstrates that our customers trust us – even in a market environment where a lot of new providers are entering the market and competition is becoming more intense.

This confidence provides motivation while at the same time strengthening commitment – this is because our stakeholders also assess the quality of our products by the degree of responsibility we apply when we procure the raw materials. In a globalised economy, procuring fuels is not just confined to the borders of the EU. We source significant amounts of hard coal and biomass from regions where environmental protection and labour rights are not given the same status as here. We are therefore developing our own approaches that will enable us only to work together with responsible business partners. The sector's "Bettercoal" initiative helps us to enhance transparency in the mining conditions for hard coal. The Group's own Biomass Policy commits us to sourcing fuels only from sustainable sources for use in generating electricity and heat. This commitment also represents a manifestation of the UN Global Compact which we already committed to in 2004.

We also foster communication in an atmosphere of trust with our internal stakeholders – our team of employees. Their work enhances the sustainable success of our company. Although we are having to contend with difficult economic framework conditions, we are extending the protection of jobs against redundancy until the end of 2014. We want to remain in dialogue with the community on issues like the environment, the marketplace and employees. We also want to talk to you.

Get in touch with us on: [responsibility@rwe.com](mailto:responsibility@rwe.com)



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