

## INTERVIEW WITH PETER TERIUM CEO OF RWE AG



**Mr Terium, four years ago you launched the programme “RWE 2015”. In 2015, are you now in a position to say: “Job done”?**

No, certainly not. It’s true that we have achieved a lot over the past four years. We have become more efficient in our work processes, reduced our debts and developed new business ideas. Nevertheless, the changes are going to continue. The transition in the European energy sector, and megatrends like “Sustainable Development” and “Digitisation” are challenging us anew every day.

**Is it possible to position a company sustainably if it is engaged in an ongoing process of transition?**

This is absolutely essential. We will only have a common benchmark for our actions on a day-to-day basis if our mission is clearly defined over the long term. That benchmark is: We are the credible and empowering partner for sustainable restructuring of the European energy system.

**How do you motivate your employees to commit to this mission?**

A transition of this nature cannot be ordered top down – it needs to be lived bottom up by everyone working for RWE. Over the past few years, we have introduced the project “We are RWE”, which is designed to achieve this objective. Since the project has been in existence, we have held discussions in small workshops about the new strategic direction of the Group and addressed new ways of thinking and working. This has involved around 60,000 employees.

**RWE has traditionally been a company defined by technology. Are supposedly soft topics like this taken at all seriously by colleagues?**

Fifteen years ago I would have had considerable doubts. However, today the mood is different. Everyone in the company is aware that technical excellence is no longer adequate on its own. Not only ‘what’ but also ‘how’ is a key factor in decision-making. We need employees who have creative powers and use their own initiative to develop new ideas independently. They then need to go on and develop these ideas in the interests of the customer.

**Does RWE have the right people on board for this task?**

There’s no question about it. And we also have the right mix with experts from the power plants, energy trading, distribution grids and the customer centre – each of them has their own special knowledge and experience. This is how innovative solutions are generated.

**How do you ensure that employees from the different RWE companies are able to come together, let alone cooperate together?**

We have formed our own innovation teams which are bundled in an “Innovation Hub”. Some colleagues work there full-time and others have a commitment in addition to their other functions. This creates an ideal balance between continuous cooperation and tight integration within the structure of routine business every day.

## “How is also a key factor”

The interview was conducted by Dr Matthias Kussin and Daniel Schneiders, RWE Corporate Responsibility

### Does RWE have the capital available to develop new products and take them to market?

We no longer have the funds to invest that we had ten years ago. But there again we are not building new, expensive power plants any more. Nevertheless, there is still money available for healthy growth. However, although the main fields where we want to focus our growth require a lower level of finance, they demand know-how and strategic partners in order to develop new business models and smart technologies.

### Who are you working with in concrete terms?

For example, we are working with the thermostat developer Nest. We have been selling intelligent heating controllers in the United Kingdom since April 2014 and since September of last year we have also been selling these exclusively in the Netherlands. A second example of this is our cooperation with Samsung. The SmartCams are now compatible with our Smart Home System for intelligent house control.

### Why is the topic of partnership so important for RWE?

The global world is too complex and dynamic for us to implement the energy transition alone. Joined-up action is the key. It provides information, opens up new markets for us and increases the level of acceptance for our role in the new energy world. Finance is also important, particularly finance for the expansion of renewable energies. Last year, we invested around 750 million euros in renewable energies. From 2015 until 2017, we are planning capex of one billion euros. We need partners to continue developing major new projects with this budget.

### In which areas are you experiencing a higher level of acceptance through joint ventures?

One example of this kind of success is setting up intelligent networks or building local-authority generating plants. The value of joint ventures is also evident in completely different areas, such as the purchase of hard coal from other countries. Our objective here is to ensure that standards for human rights and the environment are upheld at our producers. Working as an individual company we are unable to get much leverage on this issue. We are only able to exert an impact together with other companies in the Bettercoal sector initiative.

### Generating electricity from hard coal will undoubtedly also be an issue at this year's World Climate Summit in Paris. What are your hopes from this conference?

Most importantly, more reliability in relation to how international climate protection will be dealt with in the future. We have been demanding a binding international agreement for some time now. This will not only help the climate, it will also power economic development in Europe.

### What climate targets has RWE defined for itself?

We have set ourselves the goal of reducing our CO<sub>2</sub> emissions by 20 % compared with 2005. However, as far as we are concerned, sustainability is not just about climate protection. We have also set ourselves goals in the other CR areas for action. Our commitment to the United Nations Global Compact at an overarching level has been steadfast since 2004 and we continue to be dedicated to its principles.