



Managing risk through effective team-based decision making

RWE npower's operating environment



It is important, when assessing risk, to be aware of the operating circumstances of the business. The energy industry is at the heart of any modern economy. Electricity and gas suppliers provide the essential power supplies for industry as well as for our homes. They seek to keep energy costs low while operating for 365 days a year.

What does RWE npower do?

RWE npower is an integrated energy company. It is the third largest supplier of electricity and gas in the UK, through its npower brand, and one of the largest electricity generators. It is also part of the larger RWE Group which is one of the largest European energy utilities. Its main markets are the UK, Germany, and Central Eastern Europe (including Hungary and the Czech Republic).

RWE npower is involved in activities all through the supply chain of electricity and gas.

	2005		2004	
	€million	£million (approx.)	€million	£million (approx.)
Total revenue	6,385	4,405	5,605	3,860
Capital employed	6,645	4,580	6,378	4,400
Number of people employed	10,125		9,555	

RWE npower not only provides and supplies to the national grid (electricity) and to the national transmission system (gas), it also provides a huge economic contribution. This is illustrated by the figures for turnover, capital employed and employment.

As one of the UK's leading companies RWE npower contributes to the economy by:

- * providing exciting jobs with prospects
- * selling energy to households and businesses, enabling a better standard of living
- * investing in huge capital projects such as the building of power stations (including the development of alternative power supplies such as wind farms and biomass plants).

The most visible face of the company is its huge power stations such as those at Didcot in Oxfordshire and Littlebrook in Kent. These power stations supply energy to the national grid.

The energy industry

The energy industry is very competitive. It is a deregulated market in which companies are free to compete in supplying gas and electricity.

RWE npower places a strong emphasis on sustainability.

Sustainability means using existing resources so that supplies of natural resources and raw materials are passed on to future generations. For RWE npower sustainability involves creating energy supplies with less pollution.

This is a major consideration in modern engineering decisions. A major aspect of energy efficiency is that of seeking the best possible 'green solutions'. A 'green solution' is an environmentally friendly one. In this way RWE npower engineers and other employees play a significant role in working towards a sustainable future.

Health and safety underpins every action that RWE npower takes. For example, the company has its own safety system based on years of experience of managing safety issues. RWE npower sells its expertise in providing safe and sustainable energy supplies to other businesses around the world.

