

Environmental Friendliness (5/5/17)

Web Article

<https://sustaincase.com/case-study-how-e-on-is-developing-environmentally-friendly-products-and-services-to-ensure-it-is-the-partner-of-choice-for-energy-solutions/>

Case study: How E.ON is developing environmentally friendly products and services to ensure it is the partner of choice for energy solutions

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E.ON, a European German-based Energy service provider is facing up to a changing landscape and embracing new significant challenges by applying greater focus on climate-friendly products and services. In the words of E.ON's C.E.O., Dr. Johannes Teyssen "A new energy world is emerging, one that's decentralized, green, and interconnected. E.ON's entire business is now geared toward this emerging world".

This case study is based on the 2014 Sustainability Report by E.ON published on the Global Reporting Initiative Sustainability Disclosure Database that can be found at the following [link](#). Through all case studies, we aim to demonstrate that CSR / sustainability reporting done responsibly is achieved by identifying a company's most important impacts on the environment and stakeholders and by measuring, managing and changing.



FBRH Sustain Case

Research by well-recognized institutions is clearly proving that responsible companies can look to the future with optimism.

Sustainability reporting using the Global Reporting Initiative's Standards is essentially a four-step process: **Identify – Measure – Manage – Change.**

By becoming aware of your company's most important impacts towards the environment and all your key stakeholders – investors, clients, employees, suppliers and the wider society – you will be able to measure, set targets, take action to minimize your negative impacts and increase your positive impacts.

Using the GRI Standards in order to maintain and increase the value of your company

With each article in this series the FBRH team will highlight one key impact identified by a company reporting in accordance with the GRI Standards and show how it has taken a structured, systematic approach to improving performance. With such positive action companies build trust, by dealing responsibly and conscientiously with their impact on the environment and on their stakeholders: clients, suppliers, shareholders, local communities, NGOs or local government.

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Abstract

Developing environmentally friendly products and services is a key priority for

E.ON [Tweet This!](#) amidst the transformation of the energy industry and its efforts to combat climate change. As a result, E.ON has been able to offer green power products, promote climate-friendly mobility through the use of Electric vehicles (EVs) and Natural-gas-powered vehicles (NPVs) and provide consumers with smart meters and energy-saving solutions. Through various partnerships and research projects E.ON has also developed smart technology for homes and commercial buildings that offers significant energy savings.

What are the material issues the company has identified?

In its 2014 Sustainability Report E.ON identified a wide range of material issues, such as the environmental impacts caused by greenhouse-gas emissions, customer satisfaction including pricing and labelling, waste management, including radioactive waste, emergency preparedness and response plans, responsible handling of customer data. Among these, the need to develop environmentally friendly products and services stands out as a critical issue.

Stakeholder engagement in accordance with the GRI Standards

The Global Reporting Initiative (GRI) defines the Principle of Stakeholder Inclusiveness when identifying material issues (or a company's most important impacts) as follows:

[“The organisation should identify its stakeholders, and explain how it has responded to their reasonable expectations.”](#)

Stakeholders must be consulted in the process of identifying a company's most important impacts and their reasonable expectations and interests must be taken into account. This is an important cornerstone for CSR / sustainability reporting responsibly.

Key stakeholder groups E.ON engages with:

Stakeholder Group
Customers
Shareholders and investors
Employees
Suppliers and business partners
Communities and regions
Policymakers, society, and the general public

How stakeholder engagement was made to identify material issues

E.ON interacts with its stakeholders in a variety of ways and forums, depending on the stakeholder group and the issue. These range from simply providing information to involving stakeholders closely in its decision-making processes. In 2014 E.ON held stakeholder surveys and discussions on the development of its corporate strategy. The basis of these were the eight megatrends identified the year before by its Strategy department in close collaboration with renowned external experts from the scientific and political community, customers, business partners and the company's own senior executives. This was followed up during the year by numerous internal workshops and events with employees. In them, E.ON discussed strategy elements, options and corporate values. The rounds of discussions were a key component of the overall strategy process. This ensured that E.ON's new strategic focus had a broad base and met key stakeholders' expectations.

In 2014 E.ON Sverige conducted a regional materiality analysis with customers, journalists, environmental and sustainability experts, politicians and other stakeholders. 250 people were invited to complete an online survey. Of those, 134 (over half) provided feedback.

As part of the E.ON in Dialog communications campaign launched in Germany in 2006, E.ON deploys its employees as E.ON ambassadors. This enables them to field stakeholders' questions, concerns and complaints. In 2014 around 165 employees were involved in the campaign, spending 78 days spread throughout the year working as ambassadors. They proactively engaged in dialogue with visitors at 36 events to explain E.ON's position on current energy policy issues. Almost 30,000 visitors – of whom 2,600 were from a political background – visited one of E.ON's dialogue booths. For the first time in 2014 E.ON also organised micro-conferences in Germany as part of E.ON in Dialog, holding 34 events of this type in Hamburg at the leading international trade fair WindEnergy.

E.ON also participates in a number of international forums and initiatives, such as Bettercoal, an initiative established by leading European power companies that aims to improve sustainability in the coal supply chain and the World Energy Council (WEC), campaigning globally for an affordable, reliable and eco-friendly energy supply.

What actions were taken by E.ON to develop environmentally friendly products and services?

E.ON set the following targets regarding the development of environmentally friendly products and services, based on the Group's approach to materiality – on taking action on what matters, where it matters:

- **Offering green power products**

E.ON offers residential and business customers a variety of green power products in response to the public's heightened environmental awareness. E.ON sold 10 TWh of green power in 2014, which represented 4.5 percent of its total retail sales volume in its eleven markets. In the summer of 2014 E.ON introduced a TÜV-certified green power product for wholesale customers in

response to their demand to support renewable energy producers directly. At least 60 percent of the guarantees of origin came from E.ON assets, half from hydroelectric stations in Germany, half from wind farms in Italy.

- **Promoting climate-friendly mobility**

E.ON promotes low-carbon mobility with vehicles powered by electricity and natural gas. With manufacturers offering better electric vehicles, E.ON expects this market segment to grow significantly and undertook projects to raise awareness and encourage people to embrace e-mobility. Natural-gas-powered vehicles (NPVs) emit approximately 25 per cent less carbon dioxide than comparable gasoline-powered vehicles. E.ON currently operates more than 120 NPV fuelling stations in Germany and 63 in Sweden, of which 42 are open to the public and 21 are for public transport vehicles.

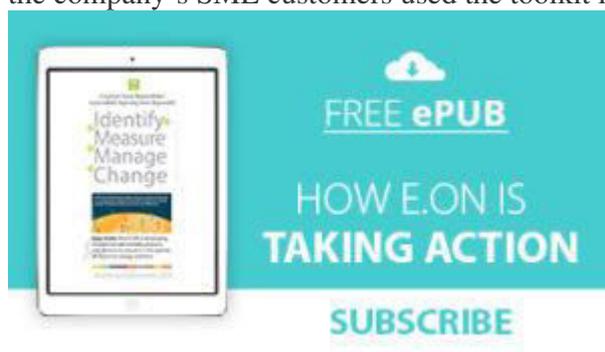
- **Providing consumers with smart meters and energy-saving solutions**

An EU directive enacted in 2009 requires member states to provide end-customers with smart power and gas meters that enable them to continually monitor their energy usage. Its purpose is to give consumers a more pro-active role in the energy market and to create incentives for greater energy efficiency. E.ON has completed the rollout of smart meters in Sweden and Spain and began the rollout in the United Kingdom in 2012, expecting to equip all of its 8 million plus customers there with a smart meter by 2021. A smart meter is an essential component for many energy-saving solutions, including “100Koll”, a toolkit E.ON designed for residential customers in Sweden. They can use it to monitor their electricity consumption in real time. It also gives customers the capability to remotely turn on and off appliances and other electronic devices. In 2014 E.ON provided the 100Koll toolkit to more than 120,000 customers, making it the company’s biggest-ever product launch. Another solution – the Customer Engagement Toolkit, which E.ON introduced in October 2013 – enables E.ON’s residential customers in the United Kingdom to monitor their energy usage and compare it with that of similar households. Participants can use social media like Facebook and Twitter to share their energy-saving successes with others.

- **Providing business customers with energy-efficiency solutions**

In 2014 E.ON Connecting Energies (ECT) significantly expanded its service offerings to industrial, commercial and public-sector customers. ECT designs, finances, installs and operates on-site generation equipment and systems that deliver average savings of 50 percent and in some cases up to 80 percent. The decisive incentive is that customers bear little cost in becoming more energy efficient because ECT pays the up-front costs and guarantees savings. The wider portfolio of services includes ECT Potsdam which provides companies with the ability to monitor and control equipment powered by all types of fuel 24/7. E.ON’s small and medium-sized enterprise customers in the United Kingdom have access to the Saving Energy Toolkit, which provides a variety of tips, including advice on energy-saving machinery and equipment. More than 40,000 of

the company's SME customers used the toolkit in 2014.



- **Developing smart technology for homes and commercial buildings that delivers tangible energy savings**

A series of pilot projects called “E-Energy: Smart Energy made in Germany” demonstrated that smart technology can help households reduce consumption by up to 10 percent and businesses by up to 20 percent. E.ON is helping to realise this potential through a variety of research and pilot projects. In early 2014 E.ON expanded its partnership with U.S.-based GreenWave Reality to improve its ability to offer customers secure, individually tailored solutions combining energy management and smart home infrastructure. In the same year E.ON also became an investor and partner in Leeo, a U.S.-based company that develops and provides smart home solutions consisting of simple and intelligent plug-and-play devices and related data services.

Which GRI indicators/Standards have been addressed?

The GRI indicators/Standards addressed in this case are:

- 1) **G4-EN4:** [Energy consumption outside of the organization](#) – the updated GRI Standard is: [Disclosure 302-2 Energy consumption outside of the organization](#)
- 2) **G4-EN7:** [Reductions in energy requirements of products and services](#) – the updated GRI Standard is: [Disclosure 302-5 Reductions in energy requirements of products and services](#)
- 3) **G4-EN27:** [Extent of impact mitigation of environmental impacts of products and services](#)

E.ON Facts and Figures:

E.ON is an international privately-owned energy supplier which is focused on renewables, energy networks and customer solutions, which are the building blocks of the new energy world. The conventional generation and energy trading businesses were combined into a distinct company, Uniper, as per 1st January, 2016. E.ON did spin off the majority of Uniper to E.ON's shareholders and Uniper has been independently listed since September 12, 2016.

E.ON Group highlights

EUR in millions	2015	2014	+/- %
Electricity sales (billion kWh)	780.9	780.2	–
Gas sales (billion kWh)	1,721.8	1,171.0	+47

Sales	116,218	113,095	+3
EBITDA	7,557	8,376	-10
EBIT	4,369	4,695	-7
Underlying net income	1,648	1,646	–
Investments	4,174	4,637	-10
Employees (at year-end)	56,490	58,811	-4

References:

1) This case study was compiled using published information by E.ON, which is located at the links below. For the sake of readability, we did not use brackets or ellipses but made sure that the extra or missing words did not change the report's meaning. If you would like to quote these written sources from the original please revert to the following links:

http://www.eon.com/content/dam/eon-com/Nachhaltigkeit/CS-Report2014/downloads/E.ON_Sustainability_Report_2014.pdf

<http://www.eon.com/en/sustainability/social/societal-interaction/dialogs.html> (April 2016)

<http://www.eon.com/en/sustainability/governance-and-integrity/customer-orientation/climate-friendly-products-and-services.html> (April 2016)

<http://www.eon.com/en/about-us/profile.html>(Retrieved Oct 2016)

<http://www.eon.com/en/about-us/profile/facts-and-figures.html> (Retrieved Oct 2016)

2) <http://www.fbrh.co.uk/en/global-reporting-initiative-gri-g4-guidelines-download-page>

3) <https://g4.globalreporting.org/Pages/default.aspx>

4) <https://www.globalreporting.org/standards/gri-standards-download-center/>