RWE

# Focus on tomorrow.

## Sustainability Report 2021

RWE Our energy for a sustainable life

## Environment

**28.4%**

share of renewable energies in installed capacity (pro rata)

$CO_2$

$CO_2$ intensity of the power generation capacity of the RWE power plant portfolio 2021:

**0.41 t $CO_2$ / MW**

**3,100** species of animals and **1,500** species of plants and fungi in recultivation areas

# Climate neutral by 2040

88% share of taxonomy-eligible activities in CAPEX in 2021 (2020: 84%)

**€ 50 billion**

investments in renewable energies by 2030

## Society

**> 960**

patents and patent applications (€ 22 million in R&D expenses)

RACE TO ZERO

Member of the UN-sponsored campaign "Race to Zero"

SUSTAINABLE DEVELOPMENT GOALS

We support the Paris Climate Agreement, the UNGC and the SDGs

## Employees

**18,246**

FTEs, including 1,105 external new hires

**19%**

share of women in management positions (Group-wide, in core business)

**94.7%**

health ratio

**International presence in 22 countries**

## 1898

It all started more than 120 years ago with the founding of the Rheinisch-Westfälisches Elektrizitätskraftwerk – or RWE for short. This company supplied the city of Essen with electricity. The strategy of the company was to supply people efficiently and on a large scale with low-cost electricity.

## 1914

RWE started producing electricity from lignite with the Goldenbergwerk power plant in 1914. A few years later, RWE commenced lignite mining in order to ensure the availability of combustion fuel.

## 1928

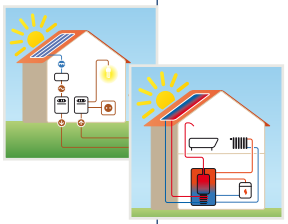
At the end of the 1920s, RWE constructed the first national high-voltage line in Germany in the form of the North-South Powerline. For the first time, this enabled electrical power to be distributed between the electricity grids in northern and southern Germany in response to demand.

## 1955

In the post-war era, the demand for electricity soared. In 1955, three new lignite-fired power plants went into operation at RWE in order to cover the increased demand.

## 1970

The energy crisis in the 1970s led RWE to intensify its research into alternative renewable energy sources during this period. For example, work was done on electricity generation from solar thermal energy and photovoltaics.



## 1990

When energy markets were deregulated in the 1990s, RWE concentrated on its core business of energy supply and started to sell off its other business activities. RWE also started to expand the international business.

## 2016

RWE is continuing to expand its renewable energy business in order to meet the challenges of the 21st century and from 2009 bundled its renewables business under the name RWE innogy. From 2015, innogy SE operated as an independent subsidiary company of RWE and took a listing on the stock exchange in the following year.

## 2019

The two big energy utilities E.ON and RWE reach an agreement on an exchange transaction. This involved RWE receiving all the renewable energy activities from E.ON and the renewable energy business from innogy. By the same token, E.ON is now focused on grid operations and consumer business.

## 2021

Growing Green Strategy of RWE was presented with the core of the new strategy including sustainability.
€ 50 billion are being invested in this strategy with the objective of driving forward the renewable energy business.

## 2030

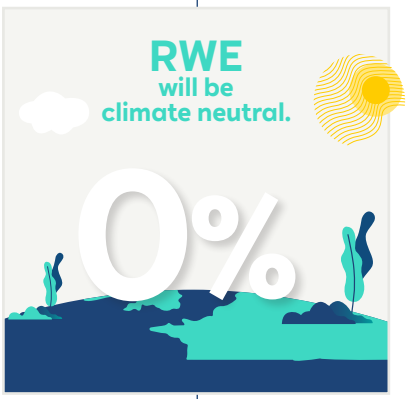
By this year, the offshore wind-farm capacity is to be increased threefold to a total capacity of 8 GW.

Furthermore, onshore wind and solar power are to increase to 20 GW and

By this year, RWE is targeting expansion of green generation capacity to 50 GB.

battery storage to 3 GW.

## 2040



# Foreword

## Dear Readers,

GRI 102-14

Once more, we look back on an extraordinary year, which was again defined for many of us by the coronavirus pandemic. RWE is acutely aware of its responsibility and against this background does everything in its power to protect employees and safeguard electricity generation for society as a whole. Last year, we also successfully achieved this goal.

At the same time, we drove forward the transformation of RWE. On the back of a success story spanning 120 years, we are today already a leading utility supplying electricity generated from renewable energy across the world. We have reinforced this success by adopting our new, comprehensive investment and growth strategy. The key core messages are for us to have green generation capacity with an output of 50 gigawatts by 2030 – we plan to invest 50 billion euros to achieve this goal. We have also set our sights on the long-term target of climate neutrality by 2040.

The name of our growth strategy – "Growing Green" – highlights the fact that this is an integrated corporate and sustainability strategy. More than ever before, sustainability is anchored firmly in our strategic and operational business activities. In 2021, we defined priorities in sustainability issues so as to achieve this and underpinned our priorities with aspirational ambitions – priorities that extend far beyond the topic of climate protection. Over the current year, we will be working strategically on making our ambitions a reality. You will find information on what we already achieved in 2021 in this Sustainability Report. At this point, I should like to express my sincere thanks to all the employees at RWE, who have driven forward the topic of sustainability in their work every day.

Our performance in the area of sustainability is good and our new strategy will help us to increase these achievements further. The fact that we have made good progress is demonstrated through the continuous increase in our ESG rating results. For example, over the past year, we were granted a "Prime" Rating by ISS ESG for the first time and we were saluted by S&P as an "Industry Mover" in recognition of our advances on issues relating to sustainability. The external recognition in the wider world also provides us with motivation as we go forward to continuously improve.

We want our sustainability reporting to inform all our stakeholders transparently about our achievements. This Sustainability Report 2021 also constitutes our progress report for the UN Global Compact. Consequently, we set out here how we are implementing the ten principles of the UN Global Compact. At the same time, our reporting also presents our contribution to the UN Sustainable Development Goals (SDGs). In common with last year, we are publishing the Non-financial Report in a separate document.

I would like to take this opportunity to thank you for your interest in our Sustainability Report. If you would like to know more about RWE and our sustainability achievements, we would be delighted to hear from you.

Yours,

Markus Krebber
Chief Executive Officer of RWE AG

# Fundamentals of our reporting

GRI 102-50 This report entitled "Focus on tomorrow 2021" (referred to below as "Sustainability Report") is aimed at analysts and investors, non-governmental organisations (NGOs), customers and suppliers, policymakers and government agencies, at our employees and the people living in the communities where we do business. It describes the most important social, environmental and economic challenges facing our core business. It also presents the strategy we are pursuing in order to address these challenges.

The reporting period is fiscal year 2021 and it covers 1 January 2021 to 31 December 2021.

GRI 102-48 GRI 102-49 The RWE Group is presented in its current structure in this Sustainability Report 2021. Explicit reference is made to any exceptions from this.

GRI 102-45 The financial and marketing data were taken over from the RWE Annual Report 2021. We present financial data denominated in the relevant national currency or have converted these based on the average annual values for 2021, see the → RWE Annual Report 2021, page 99. Entities included in the consolidated financial statements are listed in the → RWE Annual Report 2021, page 184.

RWE AG is meeting the obligation to publish a Non-financial Report envisaged pursuant to the German Commercial Code (HGB) in a → separate document.

## External assurance

GRI 102-56 The professional services firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft performed an engagement audit on the sections indicated with ☑ and for these elements of the report provided a limited assurance relating to compliance of the reported disclosures with the GRI Standards. The audit only covered the appropriately highlighted sections of the report and not sections within this report or websites referred to.

The limited assurance engagement was carried out in accordance with the auditing principles of the International Standard on Assurance Engagements (ISAE) 3000 (revised), for Assurance Report see → page 127.

## Frameworks

GRI 102-54 This report has been prepared in accordance with the GRI Standards: "Core option".

GRI 102-55 The GRI Content Index is shown on page 107 et seq. The values were not available to us with the necessary differentiation for a number of the disclosures derived from the GRI. We have provided a justification in each case and used disclosures which came closest to the requirements.

The report "Focus on the Future 2021" was available to the Global Reporting Initiative (GRI) for the implementation of the GRI Materiality Disclosures Service, see → GRI Content Index, page 107 et seq.

The report also serves as our progress report for the Global Compact of the United Nations and provides information on the 17 UN Sustainable Development Goals (SDGs) we make a contribution to, see → page 129.

## Selection of topics

The Sustainability Report of RWE AG conforms with the GRI Standards (2016) in a selection of topics relevant for our business that we determined on the basis of a Materiality Analysis. In the meantime, new standards have been published by the GRI for individual sections from this report. We apply these standards as the basis for the relevant sections (GRI 207 Tax, GRI Standard 2019, GRI 303 Water and Effluents GRI Standard 2018 and GRI 306 Waste Standard 2020, GRI 402 Labour / Management Relations Standard 2018 and GRI 403 Occupational Health and Safety Standard 2018).

In addition, we also report on material in-depth topics based on the GRI requirements for the electricity industry. These were formerly applicable as the Electric Utilities Sector Disclosures and they no longer form part of the GRI Standards.

## For reference

GRI 102-51
GRI 102-52

This report is published electronically in pdf format in German and English. The Executive Board of RWE AG has approved the report for publication. The editorial deadline was on 15 March 2022. This report continues our policy of annual reporting. The last report was published in April 2021. The next report will be published in spring of 2023.

## Archive Sustainability reports

GRI 102-49

The structure of the report is based on ESG criteria (Environmental, Social, Governance) and it is divided accordingly into the sections Environment, Social and Governance. We provide insights into the company in other sections and highlight its strategic direction with focus on sustainability. The Sustainability Report contains an overview of all key performance indicators, see → page 117.

All references to people, such as “employees”, “shareholders”, etc. naturally apply equally to all gender identities.

## Forward-looking statements

This report contains forward-looking statements regarding the future development of the RWE Group and its companies as well as future economic and political developments. These statements are assessments that we have made based on information available at the time this report was drawn up. In the event that the underlying assumptions do not materialise or additional developments arise, results may deviate from the performance expected at present. We are therefore unable to assume any responsibility whatsoever for the accuracy of these statements.

# 1 Corporate profile

“We are not only aware of our responsibility, it drives us.”

Giuseppe Dattilo, Onshore Operations Europe IT



# Corporate profile

## Business model, products and markets

GRI 102-1
GRI 102-3

RWE AG is a leading international company in the area of climate-friendly electricity generation headquartered in Essen, Germany. The robust commitment to wind, solar and hydropower, along with the areas of hydrogen, battery storage, biomass and biogas mean that we have significantly expanded our portfolio as a power generator producing electricity from renewable energy. Our role is that of an all-rounder in electricity generation. We are a driving force at the leading edge of creating a sustainable energy system. Our flexible power plants and our trading company empower us to contribute to safeguarding the energy supply.

**The new RWE:**
**international energy utility with a climate-friendly portfolio**

GRI 102-2
GRI 102-6
GRI 102-10

Our main business is broken down by energy source for electricity generation. This results in the following five segments:

- Offshore Wind:
  We present our business relating to offshore wind here. It is overseen by our Group company RWE Renewables.
- Onshore Wind / Solar:
  This is the segment in which we pool our onshore wind and solar business, as well as parts of our battery storage activities. Here again, responsibility lies with RWE Renewables.
- Hydro / Biomass / Gas:
  Generation from our run-of-river, pumped storage, biomass and gas-fired power plants is pooled here. The segment also includes the Dutch Amer 9 and Eemshaven power plants, which run on biomass and hard coal, as well as individual battery storage systems. The project management and engineering consulting company RWE Technology International and our 37.9% stake in Austrian energy utility KELAG are also allocated to this segment. The activities are overseen by RWE Generation. In addition, since 2021, this management company has been responsible for designing and implementing our hydrogen strategy.
- Supply & Trading:
  Proprietary trading of energy commodities is at the core of this segment and is overseen by RWE Supply & Trading. The company also acts as an intermediary for gas, supplies key accounts with energy, and undertakes a number of additional trade-related activities. Our German and Czech gas storage facilities also form part of this segment
- Coal / Nuclear:
  This is where we report on the activities which are not part of our core business as their importance is declining over the long term due to the course set by the energy policy in our domestic market, Germany. First and foremost, these consist of our German electricity generation from coal and nuclear fuel, as well as our lignite production in the Rhenish mining region to the west of Cologne. This is also where we report on our investments in Dutch nuclear power plant operator EPZ (30%) and Germany-based URANIT (50%), which holds a 33% stake in uranium enrichment specialist Urenco. Most of the aforementioned activities and investments are overseen by RWE Power. RWE Generation is responsible for our German hard coal-fired power plants. The main focus here now is on decommissioning because we shut down the last two stations in mid-2021.

## International business locations

GRI 102-4

RWE is an international group which is represented at business locations in 22 countries.

Business locations in 22 countries

The key business operations are distributed across the following countries and regions:

- Germany
- Netherlands, Belgium and Luxembourg
- United Kingdom and Ireland
- Central Eastern and South Eastern Europe (Czech Republic, Poland and Turkey)
- Northern Europe (Denmark and Sweden)
- Western and Southern Europe (Spain, Portugal, France and Italy)
- Singapore
- USA and Canada
- Mexico and Chile
- Australia
- Asia Region (China, India, Indonesia, South Korea and Japan)

We are also active in other countries. For example, we are currently preparing our market entry into Greece where we want to work with local partners to set up solar projects. We would also like to implement offshore wind-power projects with local partners in Taiwan.

## RWE as an economic engine

GRI 201
GRI 103

The change in energy systems in Europe also entails a change in our market environment and the demands placed on the RWE Group by society. In order to play an active role in the energy transition, RWE has successfully completed a comprehensive, strategic realignment. We are underpinning this with our investment and growth strategy "Growing Green". By 2030, we will have expanded our sustainable generation capacity to 50 gigawatts and we are investing a total of 50 billion euros gross in this. RWE is targeting a high pace of growth in renewable energy, particularly wind power and photovoltaics, along with powerful storage facilities. This will enable RWE to play a major role in shaping the climate-neutral transition of the energy world. We will secure a climate-neutral society with flexible backup capacities and green hydrogen. We have a robust financial position as a company to take on this challenge. Creative, motivated and competent employees are helping us to meet the requirements over the long term.

### Moving forward with a clearly-defined target

Leading European energy utility

RWE is a leading European energy utility and focuses on the production of electricity. Our primary objective is to grow strongly in the area of sustainable electricity generation and here we are absolutely committed to the renewable energy sources wind and solar power. The proportion of renewable energy is now at 30% for electricity generation capacity. Our business strategy is directed towards continuing to increase the proportion of renewable energy and thereby to make a contribution to decarbonising electricity generation. Furthermore, storage facilities and backup capacities ensure that the balance between electricity demand and electricity generation is dependably covered. And ultimately over the longer term, a hydrogen economy, in other words energy supply with hydrogen produced without any $CO_2$ emissions, will contribute to complete decarbonisation of other sectors in the economy. As a Group, we playing a proactive role in the highlighted topics and we are contributing to shaping the energy transition.

Flexibility is a key competitive advantage

One of our key competitive advantages involves the flexibility to actively embrace changes and implement them within the company. RWE is supporting the internal processes of change with various transformation programmes. The Corporate Transformation Department, which reports directly to the Chief Executive Officer, coordinates and drives forward these transformation programmes. The department cooperates with the managers and employees in a needs-based approach. The focus is on issues where improvement potential has been identified or the employees want to develop further. At the same time, the department acts as a motivator for creating a high-performing and future-oriented RWE.

Our key objective is anchoring the transformation project within the organisation. The focus here is on promoting cross-company and interdisciplinary cooperation. This needs to be associated with an increase in the speed of decision-making and implementation of measures soon after decisions have been reached.

In order to view the organisation holistically as a social system, we focus in particular on the employees who carry out the change. This is because the success of transformation projects stands or falls with the willingness of our employees to support and contribute to the process. The Executive Board and the managers operate as role models by proactively supporting and exemplifying the transformation. We support and firmly establish structural and cultural changes and thereby make an important contribution to the successful roll-out of our company's strategy.

## Growing as a company

GRI 102-7

**Scale of the organisation**

| | Unit | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Employees | FTE | 18,246 | 19,498 | 17,287 |
| | Headcount | 19,387 | 20,637 | 18,244 |
| Number of countries with fully consolidated companies | Countries | 22 | 23 | 27 |
| Revenue (without natural-gas / electricity tax) | € million | 24,526 | 13,688 | 13,125 |
| Net debt | € million | 360 | –4,432 | –7,159 |
| External electricity sales volume | billion kWh | 203.1 | 194.5 | 192.0 |
| External gas sales volume | billion kWh | 45.7 | 36.5 | 56.6 |

## Creating value for the company and its stakeholders

GRI 201-1

RWE creates value for stakeholders with its products and solutions along all stages of the value chain. This value also takes the form of jobs and purchasing power generated by wages and salaries. As a result of payment of taxes and deductions to the government we contribute towards financing society and thereby also support public infrastructure. Our shareholders also participate in our corporate success through a dividend.

More than € 4 billion added value

Last year, the value added of the Group amounted to € 4.024 million, by comparison with € 3,851 million in 2020.

**Distribution of value added by the Group**

| in € million | Total 2021 | Total 2020 |
|---|---|---|
| Total | 4,024 | 3,851 |
| to employees (wages, salaries, social security contributions) | 2,502 | 2,365 |
| to the government (taxes and deductions)[1] | 690 | 376 |
| Earnings share to other shareholders | 111 | 59 |
| Net income / earnings shares of the shareholders of RWE AG[2] | 721 | 1,051 |

1 Partly adjusted prior-year figures as a result of a change in the recording of promotional tax breaks for production of renewable energy in the USA.

2 Dividend proposal of RWE AG for the fiscal year 2021, subject to the adoption of the resolution by the Annual General Meeting on 28 April 2022

## Financial assistance received from government

GRI 201-4

RWE does not receive any government grants or subsidies for its operating business. Furthermore, we finance all capital expenditure from our own resources. However, we receive financial assistance from government agencies for projects in research and development (R&D), for example a grant from the EU to finance a test site for high-altitude wind turbines in Ireland. Another example is the ALIGN-CCUS project financed by the Federal Ministry of Economics and Technology (BMWi) and the EU, see → Research and Innovation, page 54.

406,000 € agricultural subsidies

In some cases, RWE has to carry out temporary agricultural management over a limited period of time for reinstatement of former opencast mining sites. This mainly applies to agricultural land. We receive agricultural subsidies from the EU for these operations. In 2021, these subsidies amounted to around € 406,000.

In the electricity markets we operate in, RWE receives state funding for expansion and electricity from renewable energy, for example from Contract-for-Difference agreements (CfD, state funding to fix the electricity price) or credits to expand renewable capacities (Tax Equity Funding). As a result of regulatory changes in the energy sector, RWE receives compensation payments based on the gradual shutdown of coal-fired electricity generation and accelerated phaseout of nuclear energy.

## Customer-centric orientation and products

GRI 417
GRI 103

We provide our industrial and commercial customers with a secure and reliable supply of electricity, gas and heat. Our aim is to give all customers comprehensive and transparent information about the energy mix of the individual product and the associated environmental impacts. They are only able to reach an informed decision about a product if it is appropriately labelled. There are different statutory regulations on labelling in the various countries where we supply customers as an energy utility. Particularly detailed regulations for labelling in relation to electricity are on the statute book in Germany.

### Requirements for transparent product labelling

GRI 417-1

Electricity labelling is an instrument for increasing market transparency in the electricity market. All electricity bills issued by the RWE Group throughout Europe include information on the energy mix, and on the $CO_2$ emissions and radioactive waste associated with electricity supply in accordance with the statutory regulations. Furthermore, the relevant information is also available online 24 / 7 at

→ https://www.rwe.com/en/the-group/organisational-structure/rwest/.

### Supplying industrial and commercial customers with energy and heat

GRI 102-7

The size of the external sales in our RWE Supply & Trade segment makes up a proportion of around 35% of electricity sales and 100% of gas sales in the segment of Industrial and Corporate Customers.

The coal-based proportion of external revenue of RWE was 22% in the year under review 2021.

| External electricity sales volume | Residential and commercial customers | | Industrial and corporate customers | | Distributors | | Total | |
|---|---|---|---|---|---|---|---|---|
| **billion kWh** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| Offshore Wind | – | – | 2,639 | 847 | 973 | 1,146 | 3,612 | 1,993 |
| Onshore Wind / Solar | – | – | 2,931 | 3,670 | 17,305 | 15,428 | 20,236 | 19,098 |
| Hydro / Biomass / Gas | 12 | 11 | 2,949 | 3,689 | 4,775 | 4,524 | 7,736 | 8,224 |
| Supply & Trading | – | – | 70,355 | 64,862 | – | – | 171,297 | 164,964 |
| Other, consolidation | – | – | – | – | – | – | – | – |
| Core business | 12 | 11 | 78,874 | 73,068 | 23,053 | 21,098 | 202,881 | 194,279 |
| Coal / Nuclear | 221 | 193 | 21 | 16 | –22 | –23 | 220 | 186 |
| **RWE Group** | **233** | **204** | **78,895** | **73,084** | **23,031** | **21,075** | **203,101** | **194,465** |

| External gas sales volume | Residential and commercial customers | | Industrial and corporate customers | | Distributors | | Total | |
|---|---|---|---|---|---|---|---|---|
| **billion kWh** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| Offshore Wind | – | – | – | – | – | – | – | – |
| Onshore Wind / Solar | – | – | – | – | – | – | – | – |
| Hydro / Biomass / Gas | – | – | – | – | – | 59 | – | 59 |
| Supply & Trading | – | – | 45,721 | 36,404 | – | – | 45,721 | 36,404 |
| Other | – | – | – | – | – | – | – | – |
| Core business | – | – | 45,721 | 36,404 | – | 59 | 45,721 | 36,463 |
| Coal / Nuclear Energy | – | – | – | – | – | – | – | – |
| Consolidation | – | – | – | – | – | – | – | – |
| **RWE Group** | **–** | **–** | **45,721** | **36,404** | **–** | **59** | **45,721** | **36,463** |

More information on the company is also available under Key sustainability indicators, → page 117.

## Company structure

The company is structured in the legal form of a joint-stock corporation and the majority of the shares are held by institutional shareholders from Germany, the USA, Canada and the United Kingdom. RWE is subject to the "dual governance system" and is managed by a three-strong Executive Board. In turn, this body is itself advised and monitored by the Supervisory Board. The Executive Board manages the company with the objective of generating sustainable value added. The compensation of the board members includes a performance-related component linked to a number of factors including sustainability criteria.

### Ownership

GRI 102-5

Broad shareholder base

Based on our latest survey, at the end of 2021, an estimated 87% of the total volume of 676.2 million RWE shares were held by institutional investors and 13% were owned by private individuals (including employee shareholders). Institutional investors from Germany owned 23% of RWE's capital stock. This investor group accounted for 16% in other countries of Continental Europe, 14% in the United Kingdom / Ireland and 26% in North America. RWE AG's single-largest shareholder was the US asset management company BlackRock with 7%.

The state does not hold any shares in RWE. For more information, see the → RWE Annual Report 2021, page 19.

### Governance structure and responsibilities

GRI 102-18

The corporate governance of RWE AG as a German joint-stock company listed on the stock exchange is primarily determined by the Stock Corporation Act (Aktiengesetz) and also by the regulations of the German Corporate Governance Code (GCGC) in their latest respective version.

Pursuant to the statutory regulations, RWE is subject to the "dual governance system". This is characterised by a strict separation of personnel between the Executive Board as a management body and the Supervisory Board as a monitoring body. The Executive Board and the Supervisory Board work closely together in pursuing the interests of the company.

### Executive Board: management under joint responsibility

GRI 102-18
GRI 102-19
GRI 102-20

The Executive Board manages the company with the objective of generating sustainable value added under its own responsibility. The principle of overall responsibility applies to their work, and this means that the members of the Executive Board bear joint responsibility for the entire executive management. They develop the corporate strategy and ensure its implementation in consultation with the Supervisory Board.

Powers of attorney are granted by the Executive Board in the form of procurations and powers to act to the individual departmental and section managers. These are empowered to take decisions independently within their sphere of responsibility, so long as a higher level of authority has not reserved the right to approve certain decisions.

CEO Markus Krebber is responsible for sustainability in the Executive Board

In 2020, the Supervisory Board of RWE AG already charted the course for personnel in order to take forward the ongoing successful development of the company. Markus Krebber is the Chief Executive Officer and he is therefore chair of the Board. Mr Krebber is supported on the Executive Board of RWE AG by Zvezdana Seeger and Michael Müller. Mr Krebber is responsible for Communication, Energy Transition & Regulatory Affairs, Legal, Compliance and Insurance, M & A, Strategy & Sustainability, and Corporate Transformation. Ms Seeger is responsible for HR Services & Analytics, Employee Relations, People Management & Talent Attraction, Information Technology, and Internal Audit & Security at RWE AG. Furthermore, she is also Labour Director. Mr Müller has the position of Chief Financial Officer on the Executive Board of

RWE AG. He is responsible for Accounting, Controlling & Risk Management, Finance & Credit Risk, Investor Relations and Tax. The Group Executive Board reports to the Supervisory Board of the company as the highest governance body.

### Supervisory Board: advising, monitoring and defining compensation

GRI 102-22
GRI 102-23

The Supervisory Board is a non-executive supervisory body. The Supervisory Board advises the Executive Board on managing the company and oversees its activities. The Supervisory Board is involved in all the key corporate decisions. In addition, the Supervisory Board appoints and dismisses members of the Executive Board, decides on the compensation system for the members of the Executive Board and submits the relevant resolution to the Annual General Meeting for approval, and defines individual total compensation packages for each member. The Supervisory Board has defined long-term performance incentives for sustainable corporate governance by linking part of the variable compensation package with sustainability indicators, see → Non-financial Report, page 4.

Board remuneration based on sustainability indicators

The Supervisory Board is made up of 20 members. Out of these members, ten are elected by the Annual General Meeting pursuant to the provisions of the German Stock Corporation Act. A further ten members are elected by the employees pursuant to the provisions of the Co-determination Act dated 4 May 1976 ("MitbestG"). A Staggered Board was introduced for the first time in the Supervisory Board of RWE AG with the new elections to the Supervisory Board at the Annual General Meeting in 2021. Five of the newly elected shareholder representatives were elected for a period of office lasting four years and five other candidates were elected for a period of office of three years. At future re-elections or new elections to the Supervisory Board, there would be a staggered election for a period of office of three years in each case. The newly elected employee representatives for the Supervisory Board in September 2021 were elected for a period office. This period of office continues until the end of the Annual General Meeting which passes a resolution

Staggered structure in the supervisory board

on the discharge for the actions of the Supervisory Board for the fourth fiscal year after the commencement of the period of office. At the moment, the Supervisory Board of RWE AG includes seven women, of which three were elected by the employees. RWE AG thereby complies with the statutory gender quota of 30% in the Supervisory Board. The Chairman of the Supervisory Board Dr Werner Brandt is not a member of the Executive Board and has also not held this position in the past.

Quota of women on the supervisory board exceeded at 35%

An overview of the number of memberships on other statutory supervisory boards and / or comparable domestic and foreign supervisory bodies of commercial enterprises of the individual members of the Executive Board and the Supervisory Board is provided in the description of governance bodies in the → RWE Annual Report 2021, page 220.

### Committees: preparing topics and resolutions

GRI 102-18

The RWE Supervisory Board currently has five permanent committees and the Executive Committee: the Mediation Committee pursuant to Article 27 Section 3 Co-determination Act (MitbestG), the Personnel Affairs Committee, the Audit Committee, the Nomination Committee, and the Strategy and Sustainability Committee.

The committees are charged with preparing topics and resolutions for plenary sessions of the Supervisory Board. In certain cases, they exercise decision-making powers if they have been conferred on them by the Supervisory Board. The Supervisory Board is informed of the work of the committees by their chairs at every ordinary meeting.

All personnel decisions taken by the Supervisory Board are prepared by the Human Resources Committee. This committee takes decisions about concluding, amending and terminating the employment contracts with the Members of the Executive Board. Conversely, decisions about compensation for the Executive Board are reserved for the full Supervisory Board.

In addition, shareholder and employee representatives regularly hold separate preparatory meetings before Supervisory Board meetings. For further detailed information on the concrete work of the Supervisory Board and its committees, see Supervisory Board Report in the → RWE Annual Report 2021, page 9.

### The best possible appointments for the highest governance bodies of the company

**GRI 102-22**
**GRI 102-24**

Competence and requirement criteria for the Supervisory Board

The Supervisory Board resolved to draw up a competence profile for its governance body and a requirements role for the Supervisory Board members of RWE AG. This profile is regularly reviewed and updated as necessary. The aim of the board is to achieve a fit and proper composition of the Supervisory Board. It is also intended to ensure a compliant election process. Objective competence and requirement criteria are applied taking appropriate account of the regulations of the GCGC for the election and lawful appointment of new members of the Supervisory Board of RWE AG. In the fiscal year 2020, this competence and requirements profile was already revised and amended in light of the upcoming elections for the Supervisory Board in 2021. A further revision was carried out in 2021, in order to meet the requirements of the Act to Strengthen Financial Market Integrity (Gesetz zur Stärkung Finanzmarktintegrität, "FISG"). Detailed information is provided in the → Corporate Governance Declaration together with the integrated Corporate Governance Report.

As defined in the Rules of Procedure for the Supervisory Board, the Nomination Committee convenes as necessary and proposes suitable candidates to the Supervisory Board as its nominations for election by the Annual General Meeting. When the committee selects the nomination proposals, it takes into account the international operations of the company, potential conflicts of interest and diversity. Furthermore, the competence and requirements profile adopted by the Supervisory Board for members of the Supervisory Board is intended to ensure an appropriate composition of the Supervisory Board.

Requirement profile for the Executive Board

The Supervisory Board has also adopted a requirements profile for Members of the Executive Board. This is intended to secure the long-term succession planning for making appointments to the Executive Board. Apart from statutory regulations, particular attention is paid to the recommendations of the GCGC. This profile also includes the requirements for diversity relating to this Executive Board of RWE AG. Requirements profiles were also drawn up for making appointments to the positions of the Chairman of the Executive Board (CEO), the Chief Financial Officer (CFO) and the Chief Human Resources Officer (CHO). The Members of the Executive Board meet the conditions of these requirements profiles.

“With the commitment of each individual, we make a contribution to the energy transition.”

Lasse Norgaard, RWE Wind Services Denmark

# 2 Sustainability strategy and management



# Sustainability strategy and management

RWE mission statement "Our energy for a sustainable life" encompasses our purpose as a company and confirms that sustainability is a principle that guides our actions. We consistently follow this guiding principle for our company, also with the intention of making our contribution to the success of the energy transition. Our goal is clearly defined here: RWE will be climate neutral by 2040. We will make an active contribution to decarbonisation of other sectors and branches of industry by building up a hydrogen infrastructure. However, our aspiration extends far beyond climate protection – we have launched a large number of activities with the aim of becoming even more sustainable. In 2021, we identified our areas for actions that we want to prioritise in our operations.

## Energy transition as a social function

- **Ensuring security of supply by energy mix**
- **Climate-neutral electricity production as a goal**
- **Coordinating power plant decommissioning and recultivation**

GRI 203
GRI 103

A secure and stable energy supply at all times is a basic enabler for the smooth-running of our economy. In the near future, the supply must be made completely climate neutral. This means that the energy transition is an absolutely massive task for our society. RWE is making a bigger commitment to renewable energy in order to combat climate change and facilitate climate-neutral energy supply. It perceives important opportunities for storage technologies and in innovative hydrogen projects. We empower our customers with individual, tailor-made concepts. They can make good use of the potential for efficiency and flexibility in the energy market and therefore cut down consumption and reduce costs at the same time. As the decommissioning phase for our power plants proceeds, we are already engaging in dialogue with local communities and other stakeholders about the introduction of measures for further use or reuse. The measures we have carried out for recultivation of former opencast mines are regarded as international role models for this process.

Significant impact as an energy industry player

### Promotion of sustainable development in society

We can only succeed over the long term if we ensure society's acceptance by embracing our corporate responsibility. As a player in the energy economy, RWE exerts a significant influence on the economy and society. We want to be a highly credible partner for the energy transition and our aim is to enhance trust in our company both within our regional and local environment, and in society as a whole. As the RWE Group, we feel committed to social responsibility. Safe and sustainable electricity generation, provision of jobs and allocation of orders to local companies enable us to make an important contribution to the regional economy.

Great expertise in renewable energies

### Climate-friendly energy supply

As a supplier of renewable energy over the entire technology spectrum, RWE has evidence-based knowledge and skills. This covers the entire value chain of renewable energy. In the period to 2030, we will be investing billions of euros in wind power and solar to strengthen our position as one of the world's biggest producers of electricity from renewable energy in order to put our electricity production on a stable footing for the long term. Our objective is to be climate neutral by 2040 – with clean, secure and affordable electricity. However, the availability of wind and solar energy largely depends on the weather conditions and the time of day or year. Sometimes electricity production from renewable sources might only cover a small proportion of the demand. At other times, it exceeds local demand so much that it has to be throttled back. Our flexible power plant portfolio helps to smooth out fluctuations in energy production from sun and wind, while at the same time investing massively in the expansion of renewable energy. Storage technologies

and over the longer term a hydrogen infrastructure will contribute to facilitating the organisation of energy supply to be climate neutral.

**Security of supply from reserves**

Our aim is to play a role in ensuring that the volatile feed-in from solar and wind power plants can be smoothly integrated in the energy system. Consequently, we have one of the most flexible and most powerful power plant portfolios in Europe. If – despite all efforts – a blackout should occur at any time in the electricity grid or in parts of this grid, we have power generation capacities that are able to support reinstatement of the grid systems without the need for any external supply of electricity. These primarily include pumped-storage power plants that can supply electricity to the grid within a few seconds and can be available for many hours. These plants will be expanded by battery capacities that will be extended further over the coming years.

Battery capacities and pumped-storage power plants are available if needed

**Optimising the deployment of power plants**

Particularly when their power is urgently needed, the responsible divisions of the company control the availability of our power plants. The board members of RWE AG and the operating companies are kept regularly informed about the availabilities and the planned and unplanned downtimes.

We control the power plant units in accordance with a continuous cycle based on the PDCA principle (PDCA = Plan-Do-Check-Act). As part of medium-term planning, we calculate technical and commercial outages, in other words non-availabilities, and take account of the projected non-availabilities, and necessary maintenance and repairs. Alongside commercial aspects, requirements of the transmission system operators are also incorporated into the plans with the objective of ensuring a higher level of availability.

**Making use of generation potential**

**Availability and reliability (G4), GRI 103**

We offer all types of balancing outputs to guarantee a stable electricity supply. This is arranged by our trading company RWE Supply & Trading as the commercial hub within the Group. Furthermore, RWE Supply & Trading markets the electricity produced by our generation companies and controls the commercial optimisation of power plant use.

As a supplier of renewable energy, we run modern operating centres in Europe and the USA. The team members at the centres ensure safe and reliable grid operation every day and handle supply transactions 24 / 7. The centres are responsible for planning and distribution of electricity, remote management of electricity and voltage, and the supply agreement within the framework of various contracts.

The "special network technology equipment" also contributes to reinstating the security and reliability of the energy supply if there is a local outage in the transmission system. Security of supply in Germany is currently in a good position – but when the last German nuclear power plants are taken out of the grid at the end of 2022, there could be a shortage of electricity, particularly in Southern Germany. In order to prevent this, RWE generation is building a new gas-fired power plant at the Biblis location. The plant is to be used as special network equipment and is scheduled to feed up to 300 megawatts of electricity into the grid with a high level of reliability from October 2022.

For information on our capacities and our generation, see the → Appendix, page 117 and → RWE Annual Report 2021, page 49. RWE also publishes comprehensive and timely data online about electricity generation in its power plant portfolio at → https://www.rwe-production-data.com/list/ and at → www.eex-transparency.com.

**Energy-efficient products and services (G4), GRI 103**

## Energy efficient products and services

### Making use of potential flexibility

Exploiting efficiency and flexibility potential

Exploiting additional potential for efficiency and flexibility on the demand side in the energy market is one of the success factors in the energy transition. The existing flexibilities need to be intelligently networked and controlled. With this in mind, we identify consumers in the market who are prepared to adjust their consumption behaviour. This can be achieved, for example, by proactively switching off, throttling back or switching on their production systems. RWE Supply & Trading provides customers with technical support for this.

We take the appropriate demand for electricity out of the market in bottleneck situations or make it available to the electricity market in the form of an additional generation offering. When prices are high on the balancing energy market, it can be worthwhile for customers to market their flexibilities. We thereby help our customers to optimise their electricity costs and their capacity requirement. At the same time, we make a contribution to security of electricity supply. The market for flexibility is a key area of interest for RWE. There is potential growth here for industrial customers in particular.

### Advice for the energy transition

RWE Technology International (RWE TI) is a company of RWE specialised in project management and engineering services. It offers independent services internationally.

At the beginning of 2020, the management of RWE TI decided with immediate effect and in line with Group strategy not to undertake new-build projects in the area of coal any more (power plants and opencast mining). Existing power plants and mines continue to receive support on their journey to decarbonisation, for example by efficiency upgrades for power plants or with measures making a contribution to environmental protection.

The experience already gathered by RWE on this journey is being made available to customers around the world also embarking on this process. One example involves making conventional power plants more flexible until they are finally shut down. In parallel with expansion of renewable energy, this can secure a stable supply of electricity for acceptable costs. After shutting down thermal power plants, RWE TI then provides support for safe decommissioning of the large and complex plants, and in the repurposing of the sites.

Another field undergoing rapid growth involves engineering related to large battery storage projects. Alongside a large number of internal RWE projects, RWE TI was awarded a long-term consulting contract for building a 120 MW battery storage plant in Mongolia in the middle of 2021. This project initiated by the Mongolian Energy Ministry is receiving financial support from the Asian Development Bank (ADB). Alongside technical components, the project also comprises training for women so that they are enthusiastic about engineering professions and motivated to upskill and get the right qualifications.

Green hydrogen as the most important topic for the future

The most important future topic at RWE TI is the area of green hydrogen. RWE TI is working on projects for other RWE companies and for external customers. Among other things, RWE TI and its technical experts are heavily involved in the lighthouse project “GET H2 Nucleus”, drawing up the tender documents and negotiating the technical framework conditions with the suppliers of the electrolysers, or hydrogen generators – the heart of the entire project.

In the area of mining consultancy, RWE TI combines the know-how of low-emission energy supply with experience in the extraction of raw materials in opencast mining. Many mining companies have set themselves the goal of drastically reducing their $CO_2$ emissions over the coming years. In addition, RWE TI is also providing advice across the world on the safe usage of slag heaps and embankments for installation of photovoltaic plants and electrification of opencast mining operations, recultivation and reforestation as a $CO_2$ sink, and increasing biodiversity.

**Decommissioning and dismantling of power plants and reinstatement of mining sites (G4), GRI 103**

## Power plant shutdowns and new location perspectives

The energy transition is exerting enormous impacts on our power plant portfolio, particularly in Germany. We will shut down our last nuclear power plants by the end of 2022. We have agreed a shutdown timetable for our lignite-fired power plants with the German Federal Government. This includes the legally-mandated security standby. 2.7 GW of lignite-fired power plants were gradually transferred to this reserve by October 2019. Legislation providing the legal basis for the phase-out of coal-fired electricity generation was passed in 2020.

### Hard coal and lignite – ambitious targets enshrined in legislation

The "Growth, Structural Change and Employment Commission" convened by the Federal Government agreed a consensus on the phaseout of coal-fired electricity generation. This consensus led to the Act on Coal Phaseout (Gesetz zur Reduzierung und Beendigung der Kohlenverstromung, KVBG) and this law was passed in 2020.

The law provides for a reduction in and ending of hard coal-fired electricity generation within the scope of a tender process. We successfully participated in the first nationwide shutdown auction with our two remaining hard coal-fired units and were awarded commissions for the 800 megawatt Unit E at the Westfalen power plant in Hamm and the 800 megawatt Unit B at the Ibbenbüren plant. Both units were no longer positioned in the market from 31 December 2020 and they were finally closed for good in 2021. This means that RWE no longer operates any power plants that are fuelled solely with hard coal.

No more hard coal power generation in Germany since 2021

The arrangements for the phaseout of lignite were also laid down in a public-private contract between the Federal Government and the energy producers. Following approval by the German Federal Parliament (Bundestag), the contract was signed in February 2021. As set out in the legislation, RWE will subsequently shut down its lignite-fired power plants gradually by 2038 and RWE will receive compensation amounting to € 2.6 billion in return for their early decommissioning. On the basis of these arrangements, around 1.2 GW of lignite-fired power plant capacity were finally shut down in two stages by 31 December 2021. Other plants with total capacity of some 1.6 GW will follow by 31 December 2022.

Successive lignite exit

The Dutch Government has decided to end electricity generation from coal by 2030. In the Netherlands, we are planning to gradually convert coal-fired power plants operated by RWE there to biomass plants. Currently, the two relevant power plants – Amer and Emshaven – are already being operated on 80% and 15% biomass respectively.

The United Kingdom has defined a phaseout of electricity generation from coal by 2025. We already shut down our last hard coal-fired power plant Aberthaw B (1,560 megawatts capacity) in Wales in March 2020. The existing obligations of the power plant arising from the British capacity market were transferred to third parties by September 2021.

### Preparation for subsequent use of power-plant and opencast sites

Land occupied by opencast lignite mining sites will be repurposed for other uses after the shutdown. We are forming appropriate provisions to secure financial viability for this work. We are applying a rolling system for this purpose. Recultivation and water management precautions are generally already carried out during ongoing operations and this means we have to continually make provisions for this on a rolling basis. At the same time, we form new provisions each year for the ongoing decommissioning. We have provided a report on the mining shutdowns in the → RWE Annual Report 2021, page 57.

We also want to achieve subsequent use for the occupied land at the power plant sites after the shutdown of the last unit in each case. We are already making significant progress on development of a concept for follow-on use

before the final shutdown of a power plant for the land previously occupied by the plant. Our property departments are working on this together with the local communities affected. If decommissioning is necessary in the course of subsequent use, we implement dismantling in accordance with the relevant applicable state-specific standards.

Support the reuse of areas that are no longer needed

At the site of the former Mülheim-Kärlich nuclear power plant, we have been working together with the affected local authorities since 2012 to draw up a development plan for a technology and commercial park covering an area of approximately 40 hectares. In 2020, the last parcel of land was sold so it has been possible to allocate a follow-up use to all the land in the park.

After four years of reserve service as legally-mandated security standby, the last two units P and Q at the Frimmersdorf site were finally shut down on 30 September 2021. The last unit at the Neurath Alt site will be finally shut down on 30 September 2023. Against this background, RWE joined forces with the town of Grevenbroich and the Rhine District of Neuss to initiate an application for a change in the regional planning designation for zones of commercial and industrial use for submission to the district administration Düsseldorf.

Key objectives were formulated for the development at Frimmersdorf with the city and district authorities. These took into account the concerns relating to the neighbouring water meadows of the Erft River and its near-natural development. After completion of the regional planning designation and taking into account the aspects of preservation requirements, the land-use planning proceedings are likely to begin in 2022. This would then create the first planning enablers in order to settle sustainable and structurally effective development follow-up uses in the form of a technology and commercial park covering an area of at least 47 ha.

As a result of the adoption of the "Act for the Reduction and Cessation of Generating Electricity from Coal" (Coal Phaseout Act, Kohleausstiegsgesetz), the State of North Rhine-Westphalia and the communities in the Rhenish mining region, along with RWE, are confronted with the major challenge of rapidly moving structural change forward in the region. RWE is the owner of parcels of land that will no longer be needed for its operations in the context of the phaseout of coal based on the defined schedule. It is the common understanding of the state and RWE that structural change in the Rhenish mining region should be initiated at an early stage and to a high level of quality on individual, specially selected parcels of land that are no longer necessary for operational purposes. To this end, we already signed the notary contract to establish the company Perspektive.Struktur.Wandel GmbH (PSW) together with the State of North Rhine-Westphalia on 7 December 2021, in addition to our bilateral projects with the local authorities.

In the United Kingdom, we also make power-plant sites no long required available for effective follow-up use. RWE has safely decommissioned the land at our closed British sites at Didcot, Aberthaw and Tilbury. We want to transfer the majority of the locations to other companies for new, alternative developments. These companies will develop the sites with the aim of providing new industries and offering jobs to the local communities where they are based.

### Nuclear power plants – coordination of fit-and-proper decommissioning

The remaining lifetime of the German nuclear power plants is defined in the Nuclear Energy Act (Atomgesetz, AtG). The authorisation for power operation of the Gundremmingen Unit C nuclear power plant ended on 31 December 2021 and the licence for the Emsland nuclear power plant ends on 31 December 2022.

In 2017, the Federal Government legislated on new arrangements for the disposal of nuclear waste in Germany. Since then, the responsibility for processing and financing intermediate storage and a final repository to hold radioactive waste has been with the state. The operators of the nuclear power plants continue to bear responsibility for the shutdown and decommissioning of their nuclear power plants and for proper packaging of radioactive waste.

All related activities for RWE nuclear power plants are bundled into RWE Nuclear GmbH. RWE had and has formed provisions during commercial power operation to carry out these operations. These provisions encompass the costs of all stages after operations have finished including shutdown, disposal of the fuel rods and disposal of the radioactive waste from operation through to final decommissioning. The Act on Transparency of Costs relating to Shutdown and Decommissioning of Nuclear Power Plants and Packaging of Radioactive Waste (Transparenzgesetz) dated 27 January 2017 defines how these costs have to be reported.

In 2021, we successfully continued the shutdown and decommissioning operations at the sites Biblis, Gundremmingen (Unit B), Lingen and Mülheim-Kärlich. These works included adjustments to residual operation, and the installation of appropriately dimensioned replacement systems for provision of heat, cooling and compressed air. Some systems no longer required were shut down and other decommissioning measures and the installation of infrastructure were carried out for processing materials resulting from decommissioning.

## Our focus on more sustainability

GRI 102-32

Anchoring sustainability in business strategy

Sustainability has become increasingly important on many levels. At the political level, various sustainability aspects are addressed through legislative procedures. Investors take account of significantly more sustainability factors in their decisions than was the case a few years ago. The topic has also come to the fore more in social terms and many facets are now included in daily decision-making. At RWE, we have anchored sustainability in our purpose. Furthermore, we have integrated sustainability aspects more robustly in our Group strategy and underpinned it with targets and measures. As a platform, we have focused on topics that are of particular relevance for our internal and external stakeholders and that we have determined and evaluated in a Materiality Analysis. On the back of this foundation, we have defined areas for action where we can exert a positive impact through our company-specific activities.

### Sustainability – core element of our corporate strategy

We have encapsulated our Corporate Mission in the guiding principle "Our energy for a sustainable life". This affirms that sustainability is the overarching principle of our actions. In order to anchor sustainability aspects even more firmly in our business strategy, we reset our course on the area of sustainability last year. We joined forces with all the Group companies, external specialist consultants and our stakeholders to work out the most important areas for action for RWE and to establish the ambitions we propose to pursue. We believed it was particularly important to involve wide-ranging participation and thereby develop a robust, sustainable strategy.

Targeted measures were worked out in relation to each area for action and they were then launched. We will present these in the Sustainability Report for the coming year. Furthermore, we will establish a continuous strategic process during the course of 2022. This procedure will ensure that our sustainability strategy is continuously developed. It will include modifying the areas for action as necessary. The same approach will be applied to a review of existing goals, developing them further and defining new objectives. This will enable us to define and implement measures strategically. The Group companies will also be closely integrated in this process. After all, sustainability is not a central function. It is part of our business and as such is implemented by our employees. Our Board Members and the management will have the function of role models.

The importance of sustainability for RWE is evident from our ambitions and the goals we have defined, also in our strategy. The most important of them will be incorporated in the remuneration model for the Executive Board. The achievement of the ESG goals exerts a direct impact on the level of compensation for the Executive Board.

## Priority areas for action at RWE

Nine priority fields of action in terms of sustainability

This procedure has enabled RWE to define nine sustainability topics with particular priority for the year 2021 and beyond. In each case, three topics are attributed to the three categories of Environment, Social and Governance. For the category Environment, these topics are Climate Change, Biodiversity & Recultivation, and Innovation. In the category Social, the identified issues are Social Responsibility, Diversity, Equality & Inclusion and Health & Safety. In the category Governance, the topics identified are Sustainable Investments, Compliance & Ethics and Circular Economy.

We have engaged in detail with these topic areas and analysed how we are positioned in relation to them within the Group. We have also defined our own ambitions for each of these topics. So as to live up to these ambitions, we have developed a plan assigned to each area for action and we will develop this further for subsequent years. All this will empower us to make our contribution to a sustainable future.

| Area for Action | Our ambitions and our goals |
|---|---|
| Climate Change | RWE is to be climate neutral by no later than 2040. On the way there, our ambition is to reduce our emissions in line with a 1.5° compliant pathway. |
| Biodiversity & Recultivation | Because we care about the biodiversity impact of our business, we commit to the highest standards in recultivation. For new assets, we aim for a net-positive contribution to biodiversity by 2030. |
| Innovations | We accelerate the adoption of technologies for a zero-carbon energy system. |
| Social Responsibility | We make a positive contribution to the communities in which we operate. In the sense of a Just Transition, we stand by our employees who are impacted by the energy transition and find socially responsible solutions and perspectives. |
| Diversity, Equal Rights & Inclusion | We create an equitable and inclusive working environment which promotes diversity. We will strengthen the share of women in management, targeting 30% in our core business by 2030. |
| Health & Safety | We protect the physical and emotional wellbeing of our people. |
| Sustainable Investments | Our growth is sustainable: More than 90% of our investments by 2030 will flow into sustainable projects according to the EU Taxonomy. |
| Compliance & Ethics | We have a strong compliance culture and act in accordance with our values. |
| Circular Economy | We implement the principles of a circular economy in our way of working. We reduce the consumption of natural resources, minimise waste and design our assets so that we maximise the reuse and recycling of materials. |

Sustainability at RWE is a topic with a very high priority that is relevant for everybody. Many colleagues have made a contribution to this Sustainability Report and it has been reviewed and approved by the Executive Board of RWE AG.

### Anchoring sustainability throughout the Group

GRI 102-20

The Strategy & Sustainability Department at RWE AG is responsible for projects at Group level and drives them forward. The Head of Department reports directly to the Chief Executive Officer. Some of the larger company subsidiaries have appointed their own Sustainability Officers. These managers are responsible for the topic of sustainability at the level of the subsidiary companies. They are the first point of contact in the companies for the Sustainability Department of RWE AG. Representatives of RWE AG and the main operating companies collaborate on specific topics as necessary in order to exchange views about experiences and consult on joint activities.

### Our remuneration policy

GRI 102-26
GRI 102-35

The Members of the Executive Board receive a bonus linked to the business performance of the RWE Group and the development of individual and collective targets of the Members of the Executive Board. The bonus of each individual Board Member is calculated by multiplication of company bonus with the individual performance factor. This depends on the achievement of (1) individual targets, (2) general collective targets and (3) collective performances in the area of CSR / ESG and employee motivation.

More detailed information on the compensation policy and criteria for the Executive Board, including disclosures on components of the compensation package, is included in the → remuneration report published.

### Contribution to the UN Sustainable Development Goals (SDGs)

Contribution to nine SDGs

The 17 Sustainable Development Goals were adopted by 193 countries in 2015 and provide a compass for environmental, social and economic sustainable development. RWE is operating in line with the SDGs through the application of new technologies, the reduction of greenhouse gas emissions and combatting discrimination and inequalities. RWE places the main focus on nine goals, which are in direct and indirect connection with our business activities. The focus is not simply on the overall goals of the SDGs but on our concrete measures for the total of 169 formulated targets. Furthermore, potential negative impacts are also listed along with the positive influences exerted by RWE on the SDG objectives, see → page 129.

## Survey of stakeholders

GRI 102-15
GRI 102-46

By surveying our stakeholders, we wanted to find out which topics they consider relevant to RWE. We took into account the topics of our stakeholders identified in this way when preparing this Sustainability Report. We carried out an online survey in July 2021 and asked our stakeholders about the aspects of environmental concerns, employee concerns, social concerns, respect for human rights and combatting corruption and bribery. Before the survey was carried out, we had assigned a total of 25 topics to these five aspects. These had been derived from the expectations we had of our company, the GRI standards and the Sustainability Report from the previous year. This allocation took into account their individual significance for our business, the expectations of our stakeholders and the associated effects. We also assigned sub-topics to all these topics so as to provide comprehensive cover for all the relevant concerns. The stakeholders had the opportunity to add to these.

Stakeholders believe that climate change simultaneously creates opportunities through the expansion of renewable energy and risks as a result of electricity generation from conventional power plants. Anti-corruption and ethical principles were also evaluated as important topics by stakeholders.

Stakeholders also regarded sustainable investments and social responsibility as material. This related in particular to the impacts on society by factors such as structural change.

An additional focus is on the topic area of Research & Development, with a clear weighting on storage technologies and hydrogen projects. Energy efficiency was also assessed by stakeholders as an important topic.

Other aspects of sustainability impacts are the availability and reliability of electricity supply and the occupational safety of our own operatives and the occupational safety of employees working for partner companies engaged by us.

## List of material topics

**GRI 102-47**

The relevant individual topics identified in the Materiality Analysis are at the centre of this Sustainability Report and they determine the scope of the report. Other key aspects encompassed within our reporting are presented in the → Non-financial Report, page 4.

We draw a distinction in the presentation of the analysis between the value-chain phases in which the key impacts of the topic are generated. RWE regards its particular responsibility as covering those activities that take place within our company and at our production sites. In addition to these issues, we would also like to exert a maximally positive impact on sustainability in upstream and downstream stages of the value chain.

Overview of material aspects and their impacts on the phases of the value chain:

| Material topics | Corresponding GRI topics | Upstream phase of the value chain | RWE | Consumption phase / Downstream value generation phase |
|---|---|---|---|---|
| **Environmental Concerns** | | | | |
| **Biodiversity** | | | | |
| Quality of recultivation | GRI 304 – Biodiversity | | ■ | |
| Impact of renewable energy on areas with a high biodiversity value | GRI 304 – Biodiversity | | ■ | |
| **Climate Protection** | | | | |
| Expansion of renewable energy | GRI 201 – Economic Performance<br>GRI 305 – Emissions | ■ | ■ | ■ |
| $CO_2$ emissions in power plants | GRI 305 – Emissions<br>GRI 417 – Marketing and Labelling | ■ | ■ | ■ |
| **Emissions (apart from greenhouse gases)** | | | | |
| $NO_X$, dust and mercury emissions from power plants | GRI 305 – Emissions | | ■ | |
| **Energy efficiency** | | | | |
| New technical developments | Research and development<br>Energy-efficient products and services<br>GRI 302 – Energy | ■ | ■ | ■ |
| **Water** | | | | |
| Resource-saving approach to water | GRI 303 – Water and Effluents | | ■ | |

| Material topics | Corresponding GRI topics | Upstream phase of the value chain | RWE | Consumption phase / Downstream value generation phase |
|---|---|---|---|---|
| **Materials** | | | | |
| Environmental standards in the supply chain | GRI 204 – Procurement Practices<br>GRI 308 – Supplier Environmental Assessment | ■ | ■ | |
| Procurement of components for renewable energy | GRI 204 – Procurement Practices<br>GRI 308 – Supplier Environmental Assessment<br>Human rights | ■ | ■ | |
| **Waste** | | | | |
| Circular economy | GRI 306 – Waste | | ■ | ■ |
| **Environmental Management** | | | | |
| Environmental Management System | GRI 307 – Environmental Compliance | | ■ | |
| Safe operation of power plants and opencast mines | GRI 307 – Environmental Compliance<br>Catastrophes and emergency planning | | ■ | |
| **Shutdown and Decommissioning** | | | | |
| Reinstatement of use for the land occupied by production | Shutdowns and decommissioning of power plants and reinstatement of use after mining operations | | ■ | |
| **Employee Concerns** | | | | |
| **Occupational Health and Safety** | | | | |
| Work-related accidents | GRI 403 – Occupational Health and Safety | ■ | ■ | |
| Safety of employees of partner companies | GRI 403 – Occupational Health and Safety | ■ | ■ | ■ |
| **Labour Relations** | | | | |
| Training and further training for employees | GRI 401 – Employment<br>GRI 402 – Labour / Management Relations<br>GRI 404 – Training and Education | | ■ | |
| Employee development | GRI 401 – Employment<br>GRI 402 – Labour / Management Relations<br>GRI 404 – Training and Education | | ■ | |

| Material topics | Corresponding GRI topics | Upstream phase of the value chain | RWE | Consumption phase / Downstream value generation phase |
|---|---|---|---|---|
| **Diversity** | | | | |
| Avoidance of discrimination | GRI 405 – Diversity and Equal Opportunity | | ■ | |
| Proportion of women in the workforce and management | GRI 404 – Training and Education<br>GRI 405 – Diversity and Equal Opportunity | | ■ | |
| **Social Concerns** | | | | |
| **Catastrophe and Emergency Planning** | | | | |
| Mitigation of risks | Catastrophe / Emergency planning and response<br>Security | | ■ | |
| **Economic Performance** | | | | |
| Resilience of the business model | GRI 201 – Economic Performance | | ■ | |
| **Availability and Reliability** | | | | |
| Expansion of renewable energy | GRI 201 – Economic Performance<br>GRI 203 – Indirect Economic Impacts | ■ | ■ | ■ |
| Security of supply | Availability and Reliability | | ■ | |
| **Research and Development** | | | | |
| Hydrogen and battery storage | GRI 201 – Economic Performance<br>Research and Development | ■ | ■ | ■ |
| **Regional Relationships** | | | | |
| Structural change | GRI 203 – Indirect Economic Impacts<br>GRI 401 – Employment | | ■ | |
| **Relationships with Politics** | | | | |
| Transparency on the content of lobbying | GRI 415 – Public Policy | | ■ | |

| Material topics | Corresponding GRI topics | Upstream phase of the value chain | RWE | Consumption phase / Downstream value generation phase |
|---|---|---|---|---|
| **Respect for Human Rights** | | | | |
| **Human Rights and Social Standards** | | | | |
| Respect for human rights in the supply chain | GRI 204 – Procurement Practices<br>GRI 414 – Supplier Social Assessment<br>Human Rights | ■ | ■ | |
| **Anti-corruption and Combatting Bribery** | | | | |
| **Ethical Principles** | | | | |
| Implementing and monitoring compliance with the Code of Conduct | GRI 205 – Anti-corruption | | ■ | |

## Acknowledgement of our performance

### Our results in current sustainability rankings

RWE is regularly evaluated in relevant sustainability rankings.
You will find an overview of our results here.

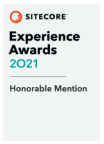
| **ESG Rating** | **Result** (status 31 December 2021) | **Scale** (Best score to worst score) |
|---|---|---|
| MSCI ESG | A | AAA to CCC |
| Sustainalytics | 22.7 (medium risk) | 0 to 100 |
| S&P Global CSA | 69 | 100 to 0 |
| ISS ESG Corporate Rating | B– (Prime Status) | A+ to D– |
| ISS E&S Disclosure and Governance Quality Score | Environmental: 2<br>Social: 3<br>Governance: 3 | 1 to 10 |
| CDP | Climate Change: B<br>Water Security: B– | A to D– (F, if insufficient information) |
| Ecovadis | 65 (Silver status) | 100 to 0 |
| V.E | 61 | 100 to 0 |

## Overview of current awards

Many people at RWE engage in sustainability issues and ensure that RWE takes responsibility for environmental conservation and climate protection, social concerns and respect for human rights. This commitment is also highly praised outside the company. In 2021, RWE also earned a large number of awards. They salute very different aspects of our sustainability activities.

The following table presents a list of the awards conferred on us in 2021.

| Logo | Award | Score |
|---|---|---|
| | **Financial Times "Diversity Leaders Award"** | 110th place out of 850<br>Second place in the utilities sector (Europe-wide) |
| | **Uhlala Dax 30 (LGBT and Diversity Ranking)** | 77.08% (among the Top 15) |
| | **Pride Champion LGBTIQ+ Diversity Employer Seal** | Silver Award |
| | **PROUT AT WORK "Rising Star Award"** | First place of the Initiative LGBT*IQ & Friends |
| | **Germany Outstanding Security Performance Award "Ospa Winner"** | Winner in the category<br>"Outstanding Initiative for Security Training" |
| | **German Brand Institute and German Design Council "German Brand Award"** | Best of Best in "Corporate Brand of the Year"<br>Gold in "Excellent Brand" |
| | **Britain's choice "Superbrands"** | Conferment of the British Superbrand Status |

| Logo | Award | Score |
|---|---|---|
|  | **UK "The Energy Awards"** | Winner of the category "Lockdown Energy Champion" |
|  | **Sitecore "Experience Awards"** | Winner in the category<br>"Best Innovation with Emerging Technologies" |
|  | **S & P Global Platts "Global Energy Awards"** | Conferment of the "Award of Excellence" in the category<br>Upstream Transformation |
|  | **German Investor Relations Association<br>"German Investor Relations Prize"** | Second place in the category<br>"Best Investor Relations by a Company" |
|  | **S & P Global** | Included in the "Sustainability Yearbook 2022"<br>Winner in the category "Industry Mover" |
|  | **Job Crowd Award "Top Company for Graduates to work for"<br>Job Crowd Award "Apprentices"** | 22nd place out of 50 (Top 50)<br>18th out of 50 (Top 50) |
|  | **Rate my Placement NUE Awards "Best Medium-sized Schemes"** | 33rd out of 45 |
|  | **Focus Money** | Germany's best training businesses |
|  | **Best recruiters Germany** | Silver 2021<br>71st place out of 400<br>Fourth place in the energy sector |

# 3 Environment



“Climate-neutral energy is precious. We don't just take care of the production, we also ensure that we act in a way that conserves resources.”

Kathrin Schmelter, Head of Markinch Biomass Power Plant
Photo: Herdecke pumped storage power plant

# Environment

Environmental and climate protection is a global challenge. We too want to take responsible decisions directed towards overcoming these difficulties. We are underpinning our commitment to climate protection through our corporate strategy directed towards significantly driving forward the expansion of renewable energy and realising future technologies in research projects. Other issues we believe in include the promotion of biodiversity and the careful use of natural resources. We perceive additional levers in our measures for energy efficiency and handling waste in a responsible way.

## Climate and environmental protection

- **Expand renewable energy and reduce emissions from electricity generation**
- **Forward looking management of climate risks in conformity with TCFD requirements**
- **Groupwide environmental management implemented**

Commitment to the Paris climate agreement

RWE is committed to the Paris Climate Agreement and to the climate protection targets that lawmakers define in the relevant markets. As a leading international supplier of energy, we are continuing to expand our core business with the expansion of wind farms, solar power and batteries in our portfolio. The improvement of energy efficiency will also contribute to achieving this goal. The increasingly ambitious legislation on climate protection and heightened awareness of this topic offers huge opportunities for our company, above all for the expansion of renewable energy. RWE is extremely well positioned to achieve this. At the same time, there are opportunities for our modern and efficient power plant portfolio if the demand for electricity cannot be covered by generation from renewable energy.

We have used our science-based targets to define our goals for all direct and indirect greenhouse gas emissions. RWE is also pursuing a “Net Zero” strategy by aligning our business model on climate neutrality. Environmental compliance is a top priority for us. We have therefore linked corresponding indicators to remuneration for the Executive Board, see → Non-financial Report, page 4. We too want to contribute to protecting the environment with our activities and measures to safeguard biodiversity, further reduction of emissions, the careful use of water and reuse of waste.

### Climate-friendly energy supply

GRI 102-29
GRI 201-2

Climate change mitigation and measures to enhance climate protection are key elements of our corporate strategy. The responsibility for climate and environmental protection is situated with the CEO of RWE AG. Furthermore, every Group company has a board member with responsibility for the environment. In the segments, we have appointed environmental officers down to site level.

Renewable energy already accounts for 30% of generation capacity

Meanwhile, the share of renewable energy represents 30% of our generation capacity. As a result, we have established a position that is more profitable and more resistant to crises. At the same time, our conventional power plant portfolio is made up of modern and flexible power plants that are capable of balancing the fluctuating feed-in of renewable energy. They therefore continue to contribute to security of supply for electricity in our core markets.

Furthermore, we will be reviewing many other options for safeguarding security of supply as the proportion of renewable energy continues to grow, for example by storage backup capacities or various Power-to-X technologies. Aside from dedicated trading operations, our trading subsidiary RWE Supply & Trading offers appropriate services for major industrial customers. In addition to pure energy supplies, the company also has specialist commercial service offerings in order to optimise single units or power plant portfolios, and make them more flexible.

## Environmental compliance

GRI 307
GRI 103
GRI 307-1

RWE protects the environment and society at large by implementing strategic measures. We have implemented an established Environmental Management System in conformity with ISO 14001 in segments and business units. We regularly monitor this system by internal and external audits. The Environmental Management System is also certified in many parts of the company. Owing to the special importance of environmental compliance for the RWE Group, we have linked the associated indicators with remuneration for the Executive Board. Environmental compliance, its organisation and measures are described in the → Non-financial Report, page 18.

No serious environmental event

During the reporting period, no serious environmental events involving spills of harmful substances were recorded in the regular internal survey for RWE.

## Continuing established environmental protection measures

GRI 102-11

As part of our activities, we continuously make strenuous efforts to avoid or at least to minimise potential negative impacts on the environment as far as possible. We take a wide range of measures as part of this commitment. However, in order to live up to the statutory responsibilities and indeed our own aspirations, in the sphere of environmental protection, we spend large amounts on appropriate measures.

Almost € 2 billion in environmental protection expenditure

**Environmental protection expenses € million**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Air pollution control | 172.6 | 136.8 | 184.3 |
| Nature conservation and protection of the landscape | 40.9 | 35.3 | 41.3 |
| Water protection | 97.7 | 105.1 | 129.5 |
| Waste disposal | 383.9 | 357.0 | 306.4 |
| Noise abatement | 52.3 | 4.7 | 5.3 |
| Polluted sites, soil contamination | 0.9 | 0.6 | 6.3 |
| Climate protection | 1,224.5 | 1,036.7 | 719.4 |
| **Total** | **1,972.8** | **1,676.1** | **1,302.5** |

## Management of climate-relevant risks (TCFD)

In the middle of 2017, the TCFD task force set up by the Financial Stability Board for the G20 published recommendations for the type and scope of future reporting on climate risks. This primarily affects the emission of greenhouse gases. In 2018, we already started to implement the recommendations in our processes. In addition, an interdisciplinary working group was established at RWE. This group merges all the relevant functions at Group level and brings together representatives of subsidiary companies, and it meets on a regular basis with at least two meetings a year. In particular, the areas of strategy, risk management and sustainability have active roles in the working group.

We have also introduced an evaluation of climate-relevant risks and opportunities in addition to the existing risk categories in the current risk management. This facilitates efficient identification of the climate risks in conformity with the regulations of the TCFD. This was already the foundation of our prior-year reporting.

We have identified regulatory developments that could exert an impact on conventional electricity generation as potential climate risks. These might relate to requirements that extend beyond the current coal shutdowns established in statutory legislation. There are also unknowns in the case of renewable energy. For example, amendments to government subsidy systems can lead to the recoverable payments being reduced and render new projects no longer attractive to us.

However, every risk also represents a climate opportunity. The framework conditions can improve because the demand for renewable electricity might increase or payments can rise. All the climate risks and opportunities highlighted here are included in our risk report, see section → 2.10 Development of Risks and Opportunities in the combined review of operations in the RWE Annual Report 2021, page 70.

Strategic chances

When evaluating strategic opportunities, we were able to identify key opportunities for our company resulting from the transition of the energy sector. We perceive these chances particularly in the growth potential of renewable energy. Our company is able to move forward sustainably, particularly through this potential for growth, and further increase the corporate value. Additional opportunities will undoubtedly emerge from the foreseeable increasing level of electrification. There are opportunities here for generating financial returns through green PPAs (Power Purchase Agreements). We also perceive our investments in renewable energy as climate opportunities. Above all, the potential for expansion of offshore wind offers increasing opportunities throughout the world because an increasing number of countries are leveraging their growth targets. The technological progress will also enhance the competitiveness of Floating Wind Offshore, which in turn entails additional possibilities for growth. Moreover, there are additional opportunities in a burgeoning need for storage technologies and the rising use of renewable energy in hydrogen projects. RWE is already active in all the highlighted topic areas so that implementation of our strategic alignment gives us strong and crisis-resistant income mainstays.

Events related to climate change

In the fiscal year 2021, the RWE Group was affected by two events that could be connected to climate change. At the beginning of the year, extreme weather conditions in Texas resulted in outages at RWE wind turbines. RWE had to buy in shortfalls for electricity at increased electricity prices in order to fulfil our supply obligations. This resulted in burdens amounting to € 400 million. The high electricity prices resulted from an exceptionally inflated demand for electricity with simultaneous outages in the electricity infrastructure due to icy conditions. In the middle of 2021, a flooding catastrophe occurred in Germany impacting on a number of RWE power plants and the Inden opencast mine. The impacts of the torrential rain event are projected to impact negatively on RWE Power in the years 2021 and 2022 with total expenditure in the area of middle double-digit million euros.

These extreme weather events should be assessed as a climate risk in conformity with TCFD. There are fundamental difficulties associated with such extreme scenarios because most of them only have a very low probability of occurrence. Furthermore, they can be manifested in a variety of different ways. Nevertheless, we analyse incidents of this nature in order to collect additional findings for our business from these incidents. We also included a new risk of “Extreme natural events” in our list of risks at the beginning of the year. In future, this is intended to encompass all extreme weather events, including rarer weather events that are otherwise not shown. This approach brings us into line with the TCFD recommendations. So as to be in a position to identify climate risks and opportunities ahead of time and initiate systematic improvements on a continuous basis, the Sustainability Department regularly reports to the Executive Board and the Audit Committee of the Supervisory Board as part of integrated compliance reporting. Reporting is carried out on a quarterly basis in accordance with the recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD).

Since 2020, our external reporting in accordance with TCFD regulations has been carried out in our Sustainability Report. In 2021 we started with a scenario analysis as an area for action that was still open. We used deployment

planning of conventional power plant capacities from existing internal systems, which were already aligned with our strategic business model, as a database. In addition, commercial and regulatory aspects and transition effects have already been taken into account, to the extent that these are realistically quantifiable. Long-term planning extends to 2040, which is the year RWE is targeting for climate neutrality.

On the right path in line with the Paris climate agreement

As the next stage, we compared the specific $CO_2$ emissions of our conventional power plant capacities within our science-based targets. This analysis shows that we are already on the right path for the roadmap defined in the Paris Climate Agreement with our current plans and the correspondingly reduced greenhouse gas emissions.

We will use these results to further intensify our ambitions relating to climate targets. Furthermore, our activities have revealed that not all information is available to us with the necessary granularity to permit a climate scenario analysis. We are therefore targeting a scenario analysis based on external climate models. These should then include physical climate risks, to the extent that climate models permit this to the required accuracy.

During the reporting year, RWE was registered officially as a "TCFD Supporter", in a strong commitment to the TCFD recommendations.

**GRI 201-2** The following overview shows the places where further information on TCFD can be found. Additional information can be found in the CDP Climate Change Questionnaire:

| TCFD mainstay | Targets in accordance with TCFD mainstay | Description | Other information |
|---|---|---|---|
| Governance | Robust corporate governance for managing climate-relevant risks and opportunities | We have established an Environmental Management System at RWE. This system sets our responsibilities, for example the responsibility for environmental protection is with the CEO of RWE AG. Environmental officers are appointed in the RWE companies, starting with the responsibilities at the executive management level. As part of integrated compliance reporting, the Executive Board and the Audit Committee of the Supervisory Board are regularly informed about climate-relevant risks and opportunities. In addition, the Executive Board of RWE AG is incentivised to continue reducing the $CO_2$ intensity of the power plant portfolio. | See → Environmental Compliance in the Non-financial Report, page 18<br>See → Compensation Report |
| Strategy | Clearly-defined corporate strategy that takes account of climate-relevant risks and opportunities | RWE has set itself the goal of being climate neutral by 2040. Our investment and growth strategy is directed towards accelerating the expansion of renewable energy. Furthermore, the share of generation from our conventional power plant capacities will be reduced in the foreseeable future. This strategy positions us more robustly as a company, also in regard to financial issues, minimises climate-relevant risks and makes use of our climate-relevant opportunities. | See → section 2.1 Strategy in the combined review of operations in the RWE Annual Report 2021, page 23<br>See → Business Model in the Non-financial Report, page 2 |
| Risk management | Robust risk management for identifying and evaluating climate-relevant risks and opportunities | In order to identify climate-relevant risks and opportunities, we have introduced an additional evaluation according to TCFD in the existing risk management. A constituent element of the risk management is a risk assessment with the probability of occurrence, potential level of loss or damage, and appropriate mitigation measures as necessary. | See → section 2.10 Development of Risks and Opportunities in the combined review of operations in the RWE Annual Report, page 70<br>See → Environmental Compliance in the Non-financial Report, page 18 |
| Figures and goals | Linking business strategy and targets with climate-relevant risks and opportunities | The foundation of our business strategy is based on linking strategic opportunities with possible associated risks and opportunities. This also includes an evaluation of climate-relevant risks. In order to achieve the international climate goals, we are aligning our business with the reduction of greenhouse gases. We publish details of greenhouse gas emissions in accordance with the European Emissions Trading System and the international Greenhouse Gas Protocol in the Non-financial Report. We pursue the ambition of reducing our emissions in line with the 1.5° goal and we have set ourselves the goal of being climate neutral by 2040. | See → section 2.1 Strategy in the combined review of operations in the RWE Annual Report 2021, page 23<br>See → Business Model in the Non-financial Report, page 2, and → Environmental Concerns in the Non-financial Report, page 13 |

GRI 304
GRI 103
GRI 304-1
GRI 304-2

## Biodiversity

- **Strong commitment to environmental responsibility as a principle for all measures**
- **Recultivating opencast mines and creating new habitats**
- **Analysing ecosystems on the basis of selected indicator species**

Protecting the diversity of species is one of the biggest environmental challenges to our planet. Nature conservation defines measures for this through expertise and clearly defined goals. However, many different players are responsible for the success of protective measures – alongside the fishing industry, agriculture, forestry, they also include industry and energy supply. As an energy generator dependent on the use of the countryside and natural resources, we have a special responsibility for making a contribution to the protection of biodiversity and for integrating this into our corporate actions. We are therefore committed to the highest standards for recultivating land previously occupied by mines and disused sites. In the case of new plants, we are targeting a net positive contribution to biodiversity by 2030.

Aim for a net positive contribution to biodiversity from 2030 for new plants

### Our commitment to biodiversity

We make use of natural resources with our plants for electricity generation and the activities for lignite extraction, and we intervene in natural ecosystems – on and in water systems and on land. We therefore take account of potential negative impacts on the environment and diversity of species at the planning stage and arrange our activities so as to avoid, minimise or mitigate such impacts. Even during the construction and production phase of our assets, and right through to decommissioning, we want to contribute to various measures that promote diversity of species. For RWE Renewables, we have defined our commitment to issues such as maintenance of biodiversity with the "Care Commitments" in the HSE Policy Statement.

In the case of our conventional power plants and in opencast mines, we also want to avoid negative environmental impacts as far as possible, strategically promote biological diversity in all our areas of activities and foster nature conservation. This has been anchored in a dedicated Biodiversity Policy.

### Safeguarding and promoting biodiversity

Biodiversity principles set out in Care Commitments

We have defined our principles and values for the activities of RWE Renewables in the "Care Commitments". These form the basis for our activities, starting with the planning of new assets through to operation and decommissioning. The relevant project development departments are responsible for adequately taking account of biodiversity aspects within the framework of planning for the technologies Wind Offshore, Wind Onshore and Photovoltaics. This entails evaluation of negative impacts on species diversity and in preliminary studies and environmental compliance studies. During the operating phase of the assets, the relevant operating divisions are responsible for compliance with our principles. Furthermore, potential improvement measures are initiated and implemented by the operating divisions.

Biodiversity policy since 2015

Since 2015, RWE has had a Biodiversity Policy. This guideline describes the approach of RWE to the protection and promotion of biodiversity in the Rhenish lignite mining region. In 2018, we developed a biodiversity strategy for the Rhenish lignite mining region on the basis of the general RWE Biodiversity Policy. The targets of our biodiversity strategy are geared towards environmentally sensitive indicator species that are representative for holistic ecosystems. We use these indicator species to develop measures in order to optimise the habitat conditions in recultivation and then to implement them. As part of the monitoring function, we assess the environmental status of the indicator species by ecological mapping carried out in scientifically appropriate environmental cycles and on representative partial areas of the recultivation. The results are evaluated by specialists with reference to the specific species. We then upgrade the measures as appropriate.

In 2019, RWE Power set up an organisational process for controlling and implementing the biodiversity strategy. This comprises a steering council encompassing all the relevant decision-makers from different specialist areas and the recultivation research office. This office organises the process and cooperates with different technical experts from the three areas for action – forest, open land and surface waters – in order to make arrangements for the activities necessary to implement the biodiversity strategy.

### Strategically aligning protection measures

In most countries, there are strict regulations for the protection of nature and ecosystems. The aim of these regulations is always to avoid impacts or – where this is not viable – to minimise such impacts. We follow these regulations and protect species diversity strategically if natural habitats are disturbed by our activities. This same approach continues as we reinstate substitution habitats or facilitate the population of existing habitats. We design the specific protection measures individually to match the requirements for the affected species and types of habitat, and in relation to the types of intervention. A concrete survey of the species is carried out using specialist mapping in advance of each intervention or an evidence-based potential analysis is implemented. We derive species protection measures from this data.

Promoting species beyond what is legally requested

The steering council has defined environmentally sophisticated indicator species in relation to the areas for action of the biodiversity strategy. They are representative for entire ecosystems and the working group develops concrete measures to promote biodiversity. In 2021, we worked intensively on implementing the biodiversity strategy for selected indicator species. An important building block is recording the current status quo in a baseline survey. This can form the platform for evaluating the development of indicator species over the coming years. At the same time, we rolled out the first measures geared to boosting the species beyond the extent necessary under statutory legislation, for example on the northern edge of the Garzweiler I opencast mine to the south of Jüchen. Simultaneously, an ecological evaluation of the habitats based on special evaluation methods is carried out before and after the intervention. On the one hand, this yields the measure for mitigation in relation to landscape and environmental parameters that has to be subsequently carried out. On the other hand, functionally appropriate measures can be planned here.

Environmental compatibility of wind turbines

Wind farms in particular can impact on flora, fauna and marine life. We are already carrying out an environmental impact analysis to review potential negative influences at the project development stage in order to take account of these influences. The relevant environmental requirements are strictly monitored and complied with throughout the entire construction phase and subsequent operation of the wind farm. However, we take measures that extend beyond this. For example, we have launched a study at our site in Eemshaven to investigate the impact of the colour of the rotors at the offshore wind farm. It also investigates whether collision between birds and rotors can be prevented. As part of this three-year study, a number of rotors were painted black, and the number of bird strikes was compared with those occurring in the case of unpainted rotors. It is believed that the paint prevents birds flying against the rotors and thereby suffering injury. If the assumption is confirmed by the study we will roll out these measures in new projects.

Projects to promote biodiversity

At the Clocaenog Forest Wind Farm (North Wales) in the United Kingdom, RWE is involved in a rewilding programme. This is intended to create 130 hectares of rewilded heathland out of a former spruce plantation. Newly introduced highland cattle are one of the measures to ensure that the heath and its plant life are maintained in a healthy condition. This work will benefit an array of different animal species, including birds, mammals and reptiles, which will gradually repopulate the area over time. RWE also supports the Clocaenog Red Squirrel Trust (CRST) in its efforts to re-establish red squirrels in the woodland after their significant decline during recent decades. Research is also being carried out into the behaviour of the hazel dormice which live in this woodland. The results of these investigations will then be used to

promote the preservation of all dormice throughout the United Kingdom and across Europe.

Similar programmes are also demonstrating their benefits at the Brechfa Forest West Wind Farm. Steadily increasing breeding numbers for a species of swallow demonstrate here that the expanded open spaces are exerting a positive effect. A number of artificial natal den boxes have been installed for the pine martens living in the forest.

At Little Cheyne Court Wind Farm located on the south coast of England, RWE is supporting the work of the Bumblebee Conservation Trust (BCT). This project is intended to provide more habitat for the rare short-haired bumblebee by planting suitable wild flowers around the turbine bases. This species was already classified as extinct in the United Kingdom in 2000. The activities of the BCT in cooperation with partners like RWE have contributed to reintroducing this species into part of their original distribution area.

Potential effects on species diversity are also taken account of in photovoltaic plants. For example, the management and maintenance of open spaces with grass swards ought to have a positive effect on the biodiversity of plants and insects. Sometimes this relates to small things that exert a big effect. Hence, at our solar park in Kerkrade, the surrounding fence deliberately has a gap left between the fence and the ground that allows small animals to pass underneath.

### Recultivating habitats

We compensate the use of land for our opencast mining by recultivating the extraction sites. This approach enables us to establish new woodlands and return rehabilitated areas of land to agriculture and other uses while also creating space for nature conservation where we can strategically boost biological diversity. The objective of recultivation is to reinstate the development potential of the landscape and, if possible, improve it. Semi-natural forest is developed as key building blocks and agricultural land is also created.

### Protecting particularly endangered species

The quality of reinstatement for opencast mines is continually being enhanced. Ecological comparative analyses provide evidence that symbiotic communities (biocoenoses) in recultivation have at least an equivalent diversity of species to those in high-value reference habitats in other areas of North Rhine-Westphalia. Special biotopes are a key factor here. They have to be deliberately established on account of their extreme and rare site conditions, and they can be regarded as “hot spots” of species diversity. The numbers of species in recultivation are frequently above the numbers before the areas of land were used for mining. This applies in particular to mining districts in overwhelmingly agricultural regions.

This large species diversity depends on the diverse habitats and microstructures that are created in the course of agricultural and forestry recultivation. The comparatively low level of fertiliser at the new sites also makes a positive contribution here. The biodiversity footprint for recultivation shows that designing a new landscape also provides big opportunities to upgrade the ecological characteristics.

**23,000**
hectares of reinstated area in the Rhenish region

We have already reinstated a total area of around 23,000 hectares in the Rhenish mining region. Around 12,800 hectares are being used for agricultural purposes, around 650 hectares were reinstated for water management, and around 8,500 hectares have been returned to woodlands, forests and green corridors. Meanwhile, more woodland areas overall have been recultivated here than the actual amount of land that was originally used for mining operations.

As a result of many years of research into recultivation, around 3,100 animal species as well as around 1,500 plant and fungus species have been identi-

fied over the entire recultivation process. Many of these recorded species are very rare and classified as "endangered" or "under threat from extinction" according the Red List in North Rhine-Westphalia.

### Bringing species protection to life

Measures for promoting biodiversity are not simply intended for nature conservation and species protection. They also promote human wellbeing and improvement of the landscape overall. To this end, one of the projects involved us in creating a nature experience trail on the Sophienhöhe Hill near Jülich in the Rhenish lignite mining region in 2018. A showcase for the diverse world of animals and plants on the recultivated outside dump was provided along the trail at the various stations. The process of creating the Sophienhöhe Hill is also described, linked up with nature and the natural landscape and transformed into a tangible experience. The nature experience trail on the Sophienhöhe Hill is extremely popular and in 2020 earned an award as a project of the UN "Biological Diversity" decade. Various themed trails in the recultivated area will be continuously updated and expanded in the "Experience RWE" App and on analogue hiking maps.

GRI 305
GRI 103
GRI 305-5

## Emissions

- **Recording greenhouse gas emissions in detail and consistently reducing them**
- **Ambitious reduction targets in line with the Paris Climate Agreement**
- **Reducing nitrogen oxide and other pollutants based on technical innovations**

Climate change and the associated greenhouse gas emissions are currently one of the key global challenges. All companies and societies are challenged to make a positive contribution. That's why we have defined the ambitious target to be climate neutral by 2040. This relates to all direct and indirect emissions. We have aligned our Group activities on attaining this target. The focus here is very clearly on the reduction and avoidance of emissions.

### Consistent reduction of greenhouse gas emissions

Reduction of $CO_2$ emissions linked to Executive Board remuneration

The reduction of greenhouse gases is a top priority for RWE in order to limit the impacts of climate change. We also want to consistently reduce other airborne pollutants that arise in the course of electricity generation. $CO_2$ emissions increased again for the first time in the reporting year despite the continued closure of coal-fired power plants. The higher load factor at lignite-fired power plants can be attributed to several factors. In addition to the recovery in demand for electricity, the extremely high gas price level and weak wind conditions contributed to this. However, we expect to be able to return to our ambitious emissions reduction path in the coming year.

Since the reduction of $CO_2$ emissions plays a key role in the strategy of RWE, we have linked them directly to the compensation of the Executive Board, see → Remuneration Report. We additionally present the concept in relation to $CO_2$ emissions and the $CO_2$ footprint in accordance with the European Emissions Trading System in the → Non-financial Report, page 16.

Other measures relating to $CO_2$ emissions in accordance with the GHG Protocol and emissions of $NO_x$, $SO_2$, mercury and dust are described below. Furthermore, the $CO_2$ emissions in accordance with the GHG Protocol are also a constituent element of the → Non-financial Report, page 13.

### Defining science-based targets

The strategic focus of RWE on renewable energy and the time-limited use of coal means that our direct $CO_2$ emissions from electricity generation will continue to fall for the foreseeable future. Additional emissions of the upstream and downstream activities will be a more important element of our overall emissions in future so that we already proactively account for these

emissions in more detail. Since 2020, we have been following the international Greenhouse Gas Protocol Standard (GHG) for this purpose and we have also published a comprehensive → methodology on the issue. We intend to use this to create transparency for our stakeholders about our activities and their impacts. Building on that, we have defined ambitious targets for us to reduce direct and indirect emissions.

Our goals envisage reducing the direct greenhouse gas emissions from Scope 1 and the indirect emissions from Scope 2 by 50% by 2030 compared with 2019. The emissions in Scope 3 are projected to come down by 30% by 2030 compared with 2019.

Confirmed Science Based Targets

This goal has also been confirmed by the Science Based Targets initiative as being in line with the Paris Climate Agreement.

A detailed presentation on this is also given in the → Non-financial Report, page 13.

**Recording greenhouse gas emissions**

GRI 305-1
GRI 305-2
GRI 305-3
GRI 305-4

Alongside direct emissions, indirect emissions that also contribute to greenhouse gases are becoming increasingly important for companies and stakeholders. RWE as a company has a clearly defined goal of ensuring that the emissions from all scopes are climate neutral by 2040. The transition of RWE has presented us with an opportunity to account for our emissions in even greater detail. This creates more transparency for our stakeholders. We determine and report our greenhouse gas emissions based on the international Greenhouse Gas Protocol (GHG) as the acknowledged standard for accounting of emissions, see → Non-financial Report, page 13. This includes all emissions for greenhouse gases, including carbon dioxide, methane, nitrous oxide and sulphur hexafluoride.

We determine the direct Scope 1 carbon emissions from thermal power plants on the basis of the volumes of combustion fuel used. Scope 1 also includes other emissions resulting from our direct activities. This includes our vehicle fleet and ships that operate for us. We determine the resulting greenhouse gas emissions primarily by energy consumption and the corresponding emission factors. Moreover, the $CO_2$ emissions from our own power plant portfolio still make up the largest proportion of the Scope 1 emissions generated by RWE.

The reporting of Scope 2 emissions includes the indirect greenhouse gas emissions resulting from the generation of the electricity that RWE buys and consumes. Examples of use include the electricity required within our office buildings but also the electricity necessary for running our power plants. We calculate the Scope 2 emissions mainly by multiplying the purchased amounts of electricity by country-specific emission factors. In future, we will also strive to report these emissions in a market-based approach as a supplement to the current site-based reporting.

The figures for Scope 3 greenhouse gas emissions comprise the upstream and downstream emissions divided into 15 sub-categories. We report the greenhouse gas emissions according to Scope 3 in the individual categories that are material for RWE. These were estimated on the basis of a groupwide internal evaluation as material for our Scope 3 emissions.

| **Greenhouse gas emissions based on the GHG Protocol** | | | | |
|---|---|---|---|---|
| | **Description** | **Unit** | **2021** | **2020** |
| **Direct greenhouse gas emissions (Scope 1)[1]** | Direct emissions from electricity generated in own power plants and our direct activities | **million mt $CO_2e$** | **86.9** | **70.2** |
| **Indirect energy-related greenhouse gas emissions (Scope 2) – site related[2]** | Indirect emissions from generation of purchased and used electricity | **million mt $CO_2e$** | **2.7** | **3.1** |
| Greenhouse gas intensity Scope 1 + 2, electricity generation[1, 2] | We calculate the intensity of the greenhouse gas emissions as the total of Scope 1 and Scope 2 emissions (site related) divided by the total electricity generation | mt $CO_2e$ / MWh | 0.499 | 0.538 |
| Category 1: purchased goods and services[3] | Upstream emissions from the manufacture and transport of purchased goods and services | million mt $CO_2e$ | 0.9 | 0.7 |
| Category 2: capital goods[2, 3] | Upstream emissions from the manufacture and transport of purchased capital goods | million mt $CO_2e$ | 1.4 | 0.8 |
| Category 3: combustion fuel and energy-related emisions[2, 4] | Emissions from the production and (partly) transport of purchased combustion fuels | million mt $CO_2e$ | 6.5 | 5.5 |
| Category 4: upstream transport and distribution | Upstream emissions from the transport of purchased energy sources | million mt $CO_2e$ | 0.3 | 0.3 |
| Category 5: waste | Emissions from waste which are incurred in RWE operations or are disposed of by us | million mt $CO_2e$ | 0.1 | 0.1 |
| Category 6: business travel[5] | Emissions from the travel activities of our employees | million mt $CO_2e$ | < 0.1 | < 0.1 |
| Category 7: commuting by employees | Emissions from our employees commuting between home and workplace | million mt $CO_2e$ | < 0.1 | < 0.1 |
| Category 9: downstream transport and distribution | Emissions from transport of finishing and other products. | million mt $CO_2e$ | < 0.1 | < 0.1 |
| Category 10: processing of sold products | Emissions from further processing of products sold by us, e. g. mineral building products or gypsum | million mt $CO_2e$ | 0.1 | 0.1 |

| **Greenhouse gas emissions based on the GHG Protocol** | | | | |
|---|---|---|---|---|
| | **Description** | **Unit** | **2021** | **2020** |
| Category 11: use of sold products [6] | Emissions from the use of our sold products with the end customer | million mt $CO_2e$ | 13.4 | 12.5 |
| **Total of Scope 3 emissions listed above [2, 7]** | | | **22.7** | **19.9** |

1 Our electricity generation amounted to 166,560 GWh in the fiscal year 2021, 146,755 GWh in the fiscal year 2020. Contracted power plants are included in the $CO_2$ and electricity figures, but not in other figures, e. g. waste, water, input materials.

2 Greenhouse gas emissions for the fiscal year 2020 were adjusted retrospectively by using a more appropriate data item. It is not possible to exclude the possibility that shares from Scope 2 emissions are already taken account of in Scope 1 emissions as a consequence of the underlying data used.

3 The greenhouse gases are calculated by using input / output modelling based on our procurement volume.

4 The emission factors applied in the fiscal year 2021 were optimised. Since 2021, we have been increasingly using updated emission factors from public databases such as DEFRA.

5 The emission factors used do not take account of any radiative forcing.

6 Includes a number of figures such as sold gas volumes to end customers. Trading transactions without delivery to the end customer are not included. A change in the figure also results for 2020 by correction of an emission factor.

7 The total amount of Scope 3 emissions includes the individual categories listed in the table.

## Ambitious measures for the reduction of greenhouse gas emissions

GRI 305-5

Up to now, direct emissions from conventional power plants have constituted the largest proportion of our emissions due to electricity generated using fossil combustion fuels in conventional power plants. The phaseout of coal-fired electricity generation constitutes a key building block for emission reduction in the energy sector. RWE has already exited electricity generation from hard coal in Germany and the United Kingdom. In 2020, 1,600 MW of hard-coal capacity was shut down in Germany. The coal-fired power plants still operating in the Netherlands are being converted to biomass. RWE will also take around 2,800 MW of capacity from lignite-fired power plants in Germany out of the grid during the course of 2022. In the year 2021 alone, three additional lignite-fired units generating around 900 MW were removed from the grid in Niederaußem, Weisweiler and Neurath. The shutdown of further power-plant capacities will follow over the coming years.

Reduction of emissions from the upstream chain

A further lever for reduction of greenhouse gas emissions is provided by indirect emissions. This is where we see an opportunity to reduce emissions in the upstream chain. The purchase of hard coal makes a significant contribution to indirect emissions. Since the purchase of hard coal will be discontinued in the foreseeable future, indirect emissions will also come down alongside direct emissions. Furthermore, we will continue to massively ramp up the proportion of electricity generation from renewable energy, as projected in our growth programme "Growing Green". The objective of decarbonising electricity generation therefore contributes in a variety of different ways to continuing the reduction of indirect emissions alongside direct emissions.

In addition to the shutdown of fossil-fired power plants, we also pursue other measures in order to avoid or reduce direct greenhouse gas emissions. Examples of these efforts include the future use of shipping with emission-free engines to service offshore wind farms or the procurement of climate-friendly switchgear systems.

There is huge potential for the reduction of greenhouse gases in the shipping essential for the operation of offshore wind farms. Ships are needed for maintenance work at the wind farms in order to transport engineers and equipment to the generation assets. In future, decarbonisation of ships' engines will make a significant contribution to reducing the environmental footprint. For example, the "Clean Maritime Initiative Operation Zero" was launched at COP 26 in the United Kingdom with the objective of facilitating the use of emission-free ships in the offshore wind sector by 2025 if at all possible. RWE joined this initiative as a founding member.

RWE founding member of the Clean Maritime Initiative

Sulphur hexafluoride ($SF_6$) has an application as an insulating gas in switchgear systems at medium and high-voltage installations. In order to reduce the use of this potent climate gas, we regularly put out tenders asking for alternatives. Apart from climate relevance, the main criteria for our selection decisions are adequate testing of alternative products alongside analysis of their profitability. A key challenge is that there is frequently still a lack of equivalent products free of $SF_6$. Independently of this, we are testing the first $SF_6$-free switchgear systems, for example at the 10kV and 20kV voltage level, so as to gather experience in the use of these products.

### Reducing other emissions and pollutants

Apart from greenhouse gases, electricity and heat generation in our conventional power plants also produces other emissions. Sulphur dioxide ($SO_2$), mercury (Hg) and nitrogen oxides ($NO_X$) are produced in conventional generation units. We have detailed records of the emissions and we aim to significantly reduce emissions with our measures. Naturally, we keep within the relevant national limits applicable for the countries where our operating sites are located. Our research activities are also directed towards continuously reducing the pollutants emitted by our plants.

Dust and fine-dust emissions are also produced in the course of operating our opencast mining facilities and these can be a burden on the surrounding areas. These substances reduce the quality of the breathing air and can be a burden on health. We use wide-ranging clean-air purification measures to avoid risks of this nature.

### New limits in the EU and the 13th / 17th Federal Immission Control Act (BimSchV)

We operate the majority of our conventional power plant portfolio in the European Union and in the United Kingdom. The EU Commission has adopted the Best Available Techniques Reference Document Large Combustion Plants (BREF LCP) to promote further reduction of pollutants such as nitrogen oxides, sulphur dioxide, dust or mercury in July 2017. The Federal Government anchored the new requirements defined in BREF in the amending regulation to the new version of the 13th and amendment to the 17th Federal Immission Control Act. Compliance with the new limits has been compulsory for existing power plants since August 2021.

**40%**
less $NO_X$ and $SO_2$ emissions by 2023

By 2023, we expect a reduction in $NO_X$ and $SO_2$ emissions from our plants in the area of some 40% by comparison with 2017. This includes the reduction effects arising from implementation of European regulations for clean air with new requirements for coal-fired plants in national law. Likewise, a positive contribution is made through the transfers of our five lignite-fired units to legally-mandated security stand-by, auctioning for shutdown of hard coal-fired power plants and the achievement of the shutdown roadmap for lignite, as a consequence of which power plants are being shut down pursuant to the Coal Phaseout Act (Kohleausstiegsgesetz). By 2030, we want to reduce emissions by around 75% on this basis. This means that RWE will be making a significant contribution to assisting the Federal Republic of Germany in achieving the targets defined for clean air.

**Improving technical innovations for emission reduction**

We are continuing to keep within the statutory limits for emissions at our plants including mercury, $SO_2$, $NO_x$ and dust with the help of primary emission reduction measures. Examples of these measures include optimisation of firing technology and secondary emission reduction measures such as dust removal and desulphurisation in the course of operation.

During the reporting period, no incidents relating to protection against air pollutants, events relevant for spills or limit breaches occurred at our sites that would have resulted in consequences under administrative law during the reporting period.

Independently of this, work in the context of our research activities is continuously focusing on a further reduction of pollutant emissions from our power plants. As a result of this, a mercury-capture system was installed at each of the three 1,000 MW lignite-fired units with the aim of safeguarding compliance with the new limit for mercury emissions of 0.007 mg / $Nm^3$ during the course of operation. Furthermore, unit-specific measures were developed and implemented at the lignite-fired units in order to reduce the $NO_x$ emissions and thereby comply with the new mandatory $NO_x$ limit of 175 mg / $Nm^3$ for the annual average applicable from 1 January 2022. These measures range from advanced firing technologies to changing the burners at two 600 MW units.

**Reduction of dust and noise**

Legislation requires opencast mines to be structured and operated so as to prevent harmful environmental impacts that can be avoided using state-of-the-art technologies. Unavoidable environmental impacts should be kept to a minimum. We are able to fully comply with these obligations. Environmental impacts connected with the operation of opencast mines are primarily dust and noise pollution. We adopt a case-by-case approach for suitable measures to reduce these emissions that take into account the operational conditions and local circumstances.

We reduce noise emissions by measures such as the use of low-noise machinery, equipment and installations, encapsulating drive units, as well as the use of noise-optimised rollers. Setting up protective ramparts and walls, or implementing planting schemes across sound propagation pathways also make an effective contribution to noise abatement. In addition, we restrict the works necessary during the night to the absolute minimum for normal operations. One example of this is by minimising the use of earth excavators and transport times for large items of machinery. When procuring new auxiliary equipment, we will naturally comply with the sound power level defined by the German Machine Noise Prevention Regulations (32nd BImSchV). Furthermore, monitoring stations covering operations at opencast mines are available 24 / 7 for any citizens with issues. This means that we can rapidly put short-term remedies in place if there is an incident involving acute noise pollution.

We take a number of measures to reduce dust emissions (dust precipitation) including treatment of open surfaces to prevent dust being dispersed. This comprises covering with materials that will not be blown away, spraying large areas with water and other methods of binding dust to the surface. Measures with a targeted impact were also developed so that no fine dust is created or dispersed. These include cleaning facilities for the lignite conveyor belts and sprinklers on bunker equipment and coal excavators. We always consult with the supervisory authorities on these matters.

GRI 305-7

### Nitrogen oxides ($NO_X$), sulphur dioxides ($SO_X$) and other significant air emissions

| Absolute Emissions [1] | | | | |
|---|---|---|---|---|
| | Unit | 2021 | 2020 | 2019 |
| $NO_X$ emissions | thousand mt | 47.2 | 38.8 | 50.5 |
| $SO_2$ emissions | thousand mt | 13.9 | 11.9 | 17.0 |
| Dust emissions | mt | 1,367 | 994 | 1,454 |

1 Data in 2021 and 2020 for the RWE Group, data in 2019 for RWE without the renewable energy business. There is no reporting based on continuous measurements for mercury at our power plants in Germany, this system is just being established; most of the measurements from previous years related to the results of individual measurements.

| Specific emissions [1] | | | |
|---|---|---|---|
| in g / kWh | 2021 | 2020 | 2019 |
| $NO_X$ emissions | 0.29 | 0.27 | 0.33 |
| $SO_2$ emissions | 0.09 | 0.08 | 0.11 |
| Dust emissions | 0.01 | 0.01 | 0.01 |

1 Data in 2021 and 2020 for the RWE Group, data in 2019 for RWE without the renewable energy business. Data for 2020 partially adjusted retrospectively.

### Keeping the use of ozone-depleting substances low

GRI 305-6

Negligible amounts of ozone-depleting substances, which primarily relate to chlorinated hydrocarbons, are used in core processes at RWE so that we do not record these separately.

GRI 303
GRI 103

## Water

- **Using water responsibly**
- **Avoiding contaminants and processing effluents**
- **Environment management system provides the foundation for how we use water**

Resource-efficient use of water

Water is essential for life and simultaneously not an unlimited resource. RWE is committed to conserving this limited resource when we use it. That's why we use water sparingly and have our operations regularly monitored and certified to ensure that the environment is protected and complies with statutory limits. We avoid contaminants in surface waters and groundwater by taking technical precautions, carrying out regular checks and running our own treatment plants for wastewater.

### Scarce and valuable resources

Water is a limited resource. Companies are exposed to the risk of production outages in regions with restricted or endangered water supply. At the same time, they can put the water supply at risk for the environment and the local population as a result of their consumption.

### Structuring interventions to exert a benign effect on the environment

As an industrial operation, we believe we have an obligation to adopt a responsible approach to water. This relates to water consumption and the withdrawal of water from rivers and surface waters, and the discharge of wastewater into surface waters or groundwater. All the licenses necessary for any use of water and surface waters are underpinned by statutory regulations.

Water is used at RWE by various generation technologies and activities. Resource-saving water use is not just important in the supply of thermal power plants with cooling water. Keeping our opencast facilities dry by withdrawal of groundwater is an operational necessity and therefore unavoidable. Our Hydropower plants also exert an impact on the areas where our production sites are located. We make these interventions in a maximally environmentally friendly way.

The topic of water is embedded in our Environmental Management System, see → Non-financial Report, page 18. Owing to the diverse statutory obligations and requirements for management, RWE Renewables, RWE Generation and RWE Power have implemented an integrated management system in relation to various issues including the environment for synergetic reasons. Apart from compliance, these include the areas of energy, water, biodiversity, emissions and wastewater, and waste depending on the business requirements.

Group-wide coverage with environmental management system

We have defined the objective of covering all our relevant activities throughout the Group by the Environmental Management System. Once again, we achieved this target in the fiscal year 2021.

### Sensitive habitat

We want to contribute to preserving water as a habitat and to maintaining the biotopes dependent on it. Our objective is to avoid negative consequences arising from our interventions in surface water and ecosystems or – where this is not viable – to minimise such impacts as far as possible. We aim to mitigate unavoidable negative consequences to the maximum extent feasible.

**Recording and minimising risks systematically**

Minimizing impacts on ecosystems

We record all activities of RWE that have or could have an impact on surface waters and we determine the type of impact on the ecosystem. We record environmental impacts for rivers, surface waters and groundwater on the basis of existing licences, limits and expert reports, and the operating results of the previous year. The relevance of these results is assessed for their importance by our internal specialist departments and a group of experts taken from government agencies, associations and accredited external experts.

Key issues are the potential level of damage and the frequency or probability of occurrence of the environmental impact. We assess measures already introduced for minimising risks and accident avoidance on this basis. If this action is not adequate, other measures are developed and introduced. As an example, building work on an additional mine water treatment plant has been ongoing since 2021 in the Rhenish mining region. This is because the Coal Phaseout Act (Kohleverstromungsbeendigungsgesetz, KVBG) has introduced changes in the management of opencast mining and a higher quantity of water now has to be treated.

**Safeguarding protection of rivers and surface waters and treatment of wastewater**

We want to protect aquatic habitats and other ecosystems linked to such habitats against any negative consequences to the maximum extent feasible. Furthermore, we avoid environmental impacts by the use of methods such as recirculation in power plants, intensification of usage for pumped water, the use of collected rainwater and reuse of process water.

We prevent potential contaminants of water by our internal wastewater treatment facilities, and their regular internal and statutory monitoring by government agencies. This process enables us to avoid negative impacts for the natural environment and health.

The licensing authorities limit the pollutant concentrations for wastewater from operational facilities with specification of monitoring values. These parameters are defined in the relevant permits under water legislation. We review these by means of in-house monitoring systems and in the course of our regular in-house and independent monitoring surveys carried out by government agencies. By complying with the permissible monitoring values, we ensure that the wastewater discharges are not in contravention of the water management targets for surface waters.

### Using sea surfaces efficiently

Hybrid wind farm demonstration projects started

However, production can also impact negatively on surface waters and sources in regions where adequate water is available, with a consequent negative impact on the environment and the local population. In the case of renewable energy, special measures are necessary to protect the marine environment in offshore wind farms. For example, The Dutch Marine Energy Centre is project managing the offshore energy project European Scalable Offshore Renewable Energy Sources with the aim of reducing the area of the sea required for offshore wind farms. The objective of this project is to combine the potential of wind, wave and solar energy in hybrid offshore wind farms so that electricity can be produced continuously, efficiently and affordably. Two demonstration projects have already been started. Off the Belgian coast, an offshore photovoltaic plant has been combined with a ground-anchored wind farm, whereas a wave power plant has been combined with a floating wind farm off the coast of Portugal. The partners in the consortium hope that these innovative and hybrid energy concepts will increase the electricity yield and the increased power per surface area will reduce the sea surface required by comparison with today's concepts.

### Essential protection against flooding

All operating plants are protected against flooding in conformity with statutory regulations.

### Total water withdrawal

GRI 303-3

| Total water withdrawal by source | | |
|---|---|---|
| **in million m³** | **2021** | **2020** |
| Freshwater | | |
| Surface water | 1,520 | 1,734 |
| Groundwater | 502 | 523 |
| Water from third parties | 3 | 4 |
| Other water | | |
| Seawater / brackish water | 2,722 | 1,981 |
| **Total water withdrawal** [1] | **4,747** | **4,242** |

1 Water produced in the RWE Group is not shown separately.

### Return of water

GRI 303-4

| Return of water by destination | | |
|---|---|---|
| **in million m³** | **2021** | **2020** |
| Freshwater | | |
| Surface water | 3,382 | 3,159 |
| Water from third parties | 38 | 40 |
| Other water | | |
| Seawater / brackish water | 1,160 | 887 |
| **Total water return** [1] | **4,580** | **4,086** |

1 Water return as groundwater is not shown separately in the RWE Group.

**Water consumption**

GRI 303-5

| | Unit | 2021 | 2020 |
|---|---|---|---|
| Total water consumption | million $m^3$ | 168 | 155 |
| Specific total water consumption [1] | million $m^3$ / MWh | 1.04 | 1.10 |

1 Specific total water consumption, standardised to electricity generation (without contracted power plants).

## Energy efficiency

- **Conserving resources and facilitating more sustainability**
- **Increasing the efficiency of our plants through innovations**
- **Energy consumption of power plants in the RWE Group reduced**

A key factor for successful climate protection is to use the available resources in the best way possible. Energy-efficiency measures make a significant contribution to this. As a producer of heat and electricity, we have a particular responsibility to ensure energy efficiency. In order to increase the energy efficiency of our plants, we ensure that our renewable energy plants are positioned at locations where the wind and sun can be optimally used. We enhance the efficiency of conventional technologies by modernising our power plant portfolio and taking older plants out of operation.

### Sustainable combustion fuels and efficient processes

RWE is continually working at improving the energy and environmental footprint in order to avoid putting an unnecessary burden on the climate, environment and society. Our measures for environmental protection and energy efficiency extend significantly beyond compliance with statutory and legal licensing requirements.

The topic of energy is established thematically in our integrated management system, see → Non-financial Report, page 18. Owing to the special leverage effect for energy efficiency, our conventional segments have a dedicated Energy Management System at their disposal with the corresponding organisational structure. Suitable measures are identified and launched there, and their implementation is monitored.

**Conserving resources and reducing costs**

On the one hand, we deploy advanced technical developments in production. On the other hand, we focus on a conscious and responsible approach to the use of energy in our power plants, office buildings, vehicle fleets, and other assets. In this way, we ensure that the energy-related performance is sustainable and deployed profitably.

Recycling of rotor blades

The recycling of rotor blades is currently a major challenge for renewable energy. We are adopting a proactive approach to this issue and one of the measures involves collaboration with Veolia North. Rotor blades were exchanged as part of a repowering project in Texas. The removed rotor blades are reprocessed by Veolia and then reused. This procedure means that nearly 90% of the material can be reused, for example in the production of cement as a substitute for coal, sand and clay.

**Empowering customers to do business sustainably**

So that our customers can adopt a responsible approach to energy, we also supply highly efficient and innovative products and services to them, for example in the area of emergency electricity and reserve energy supply.

**Certification of energy management systems**

GRI 302
GRI 103

RWE Generation SE and RWE Power AG established an energy management system in conformity with ISO 50001 in 2013 with the aim of bringing about a sustainable improvement in energy efficiency and environmental protection, as well as the energy-related performance at the German operating facilities. Meanwhile, this system has now been recertified a number of times. The process was last carried out in 2019. The proportion of certified Energy Management Systems (based on FTE = Full Time Equivalent) was 59% for RWE in 2021 (2020: 61%).

## Efficiency of our plants

The efficiency of our plants is a key factor for the energy efficiency of our company and hence for our contribution to climate protection. We carry out regular reviews to establish where there is additional potential for increasing efficiency and how we can make use of this.

**Renewable energy: Making use of site advantages and technical scope**

Identification of potential areas for the expansion of renewable energies

In the area of renewable energy, optimisation of efficiency is a key issue – particularly in relation to the selection of sites. Most importantly, wind and sun conditions exert a significant influence on electricity generation. We regularly assess the potential of new areas around the world on the basis of technical and commercial aspects. Furthermore, we are able to identify sites with the greatest scope for generating renewable energy. In the case of wind energy, optimisation of the detailed wind-farm design and the turbine layout is an important step in order to improve efficiency in making use of the available wind resources and maximising the wind yield of the installed turbines. During this process, it is important for issues like gaps between the turbines to be taken into account so as to minimise interaction losses from the aerodynamic wake downstream from the turbine rotor and avoid any potential turbine throttling. The Resource Assessment Team from RWE uses different methods and tools, which help to minimise system losses and the costs of a wind farm, as well as optimising energy production. Not least, RWE has a rolling programme of ongoing R&D activities that are directed towards further improving the capabilities of the industry to develop efficient wind farms. This is achieved either by improving the quality of established models or developing new technologies to increase the energy yield of our wind farms.

**Conventional plants: exploiting potential and enhancing efficiency**

We will achieve a higher level of efficiency in the production of electricity by measures including the modernisation of our conventional power plant portfolio and shutting down older plants. In addition, there is the option of further use of potential from combined heat and power in our plants. The heat produced during the electricity generation is sufficient to cover our own requirements or alternatively is supplied as heat or steam to trade and industry.

Furthermore, we monitor the overall efficiency of energy use from our conventional plants in order to measure the efficiency. On the consumer side of the plant, this includes the primary energy use for power generation and the purchase of electricity from outside sources for our own use. The production side, the generated electricity, and steam and heat products are recorded.

### Reducing energy consumption within the company

GRI 302
GRI 103

At 44.6%, we succeeded in slightly improving the average efficiency of our thermal power plants compared with 2020 (44%). Current market conditions can exert a positive as well as a negative influence here on the mode of operation and hence the efficiency of the power plant portfolio. A renewed increase in the use of gas-fired power plants exerted a positive impact in the United Kingdom during the year under review, while in Germany and the Netherlands less gas was used to generate electricity. The hard coal-fired power plant in the Netherlands co-fired with biomass increased generation in a year-on-year comparison. At the end of 2020, the German hard coal-fired power plants ceased commercial operation. Electricity production has increased year on year and as a result of the economic recovery this makes a positive contribution to increased levels of efficiency in virtually all thermal generation technologies.

**44.6%**
average efficiency of thermal power plants

The continuous monitoring using our advanced operating management systems enables us to implement progressive optimisation of the energy-related output and hence achieve maximally high utilisation of the primary energy sources used in all operating statuses of the plants. Furthermore, we gain valuable findings from the data analysis for research and development requirements. The continuous improvement in energy-related output is reviewed annually by our external certifier. This confirms that our measures and processes are operating efficiently.

### Energy consumption during generation

GRI 302-1

In 2021, we succeeded in bringing down the energy consumption of our plants by 8% in comparison with 2020. Electricity distribution grids are not operated by RWE.

**Energy consumption within the organisation**

| | Unit | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Primary energy consumption [1] | million GJ | 924 | 804 | 934 |
| Energy consumption of the sites [2] | TWh | 5.8 | 6.3 | 7.6 |
| Energy consumption of the grids [2] | TWh | 0 | 0 | 0.04 |
| Specific energy consumption (sales) [2, 3] | GWh / € million | 0.237 | – | – |

1 Data in 2021 and 2020 for the RWE Group, data for 2020 adjusted retrospectively using a new basis for calculation, includes the fossil energy sources used, and biomass and partly used auxiliary materials. Data for 2019 for RWE without the renewable energy business. Fossil energy sources used, not including biomass and energy sources recorded under "Other combustion fuels". This does not include transport.

2 Data for the RWE Group.

3 Data collected for the first time in 2021, we therefore do not report any prior-year data.

GRI 302-1

**Efficiency of energy use of thermal power plants** [1]

| in % | 2021 | 2020 | 2019 |
|---|---|---|---|
| Germany | | | |
| Lignite | 36.7 | 37.6 | 37.5 |
| Hard coal | 22.7 | 39.0 | 38.8 |
| Gas | 58.8 | 54.2 | 58.3 |
| Waste | 45.5 | 36.7 | 40.3 |
| United Kingdom | | | |
| Gas | 55.9 | 54.9 | 55.9 |
| Netherlands | | | |
| Hard coal | 44.7 | 44.3 | 45.3 |
| Gas | 60.0 | 59.4 | 63.2 |

1 Power plant in Turkey is not included.

GRI 306
GRI 103

## Waste management

- **Avoiding waste through optimisation of plants and processes**
- **Reusing unavoidable waste or disposing of it safely**
- **Wide-ranging recovery of power-plant waste**

RWE is committed to sustainable waste management in accordance with the waste hierarchy outlined below. We only dispose of waste that we cannot avoid, recover or remove. This process involves us in observing the statutory regulations and all the necessary safety regulations.

### Avoidance of waste based on the principle of the materials pyramid

Sustainable waste management is also part of a responsible approach to resources. We avoid waste where this is feasible, while if possible we recover unavoidable waste properly or we dispose of it in accordance with the statutory regulations. The designated waste officers ensure that all statutory safety regulations are complied with and relevant precautions are taken.

The topic of waste is anchored firmly in our Environmental Management System, see → Non-financial Report, page 18. Owing to the diverse statutory obligations and requirements for management, RWE Renewables, RWE Generation and RWE Power have implemented an integrated management system in relation to various issues including waste for synergetic reasons. Apart from compliance, these include the areas of environment, energy, water, biodiversity, emissions, and wastewater and waste.

### Avoiding waste in accordance with a clearly defined hierarchy

Waste – avoidance, recovery, disposal

We deal with waste in accordance with the following waste hierarchy: 1. Avoidance, 2. Recovery and as a last option 3. Disposal. All organisational units therefore carry out continuous checks to establish the options available for the waste generated in their area of responsibility. We reduce the volume of waste as far as possible through optimisation of our plants but also already at the stage of the planning and procurement process.

If waste cannot be avoided, we seek to recover it. In particular, we analyse the recoverable proportion of waste from our conventional plants of RWE Power in Germany in order to minimise the volumes of waste. This waste by volume includes the biggest proportion and we recover this at our own disposal plants and also externally at service providers (not including recovery of energy). External parties also hand over waste to us for recovery. When recovering our own waste from conventional plants and waste supplied to us from third

parties, we succeeded in achieving a recycling rate of 75% in the reporting year 2021.

We only dispose of the waste if recovery is not technically feasible or is not commensurate with commercial requirements.

GRI 306-2

| Waste | | |
|---|---|---|
| **in thousand mt** | **2021** | **2020** |
| Recovery of ash as a by-product [1] | 323 | 240 |
| Recovery of gypsum as a by-product [1] | 791 | 673 |

1 Additionally reported since 2020

### Disposal of unavoidable waste

The volume of waste generated at RWE is dominated by power-plant residues from our coal-fired power plants. These essentially consist of ash and gypsum generated by flue-gas desulphurisation (FDG). We eliminate 100% of the ash from our lignite-fired power plants in our power-plant residue deposits. Gypsum is generated during the flue-gas desulphurisation process at our coal-fired power plants. Most of this gypsum is marketed as power-plant by-products. Where other waste products are generated from our activities we proceed in accordance with the waste hierarchy.

Residues are produced during the operation or result from decommissioning of power plants. These have to be processed accordance with the Radiation Protection Ordinance (Strahlenschutzverordnung). After they have been processed by the approval procedure, the residues are forwarded for conventional recovery or disposal.

Radioactive waste is treated and properly packaged at appropriate plants in accordance with the statutory regulations. The resulting waste containers are placed in temporary storage until they can be transferred to a third party commissioned by the Federal Government to take care of intermediate storage or are sent to the Konrad final repository.

GRI 306-4

| Total weight of the waste diverted from disposal | | |
|---|---|---|
| **in thousand mt** | **2021** | **2020** |
| Total weight of the waste diverted from disposal | 716 | 591 |
| of which hazardous waste | 38 | 40 |
| of which non-hazardous waste | 678 | 552 |

GRI 306-5

| Total weight of the waste sent for disposal | | |
|---|---|---|
| **in thousand mt** | **2021** | **2020** |
| Total weight of the waste sent for disposal | 3,828 | 3,269 |
| of which hazardous waste | 17 | 9 |
| of which non-hazardous waste | 3,811 | 3,260 |

| Other waste categories | | | |
|---|---|---|---|
| | **Unit** | **2021** | **2020** |
| Radioactive operating waste from nuclear power plants | mt | 200.0 | 251.6 |
| Spent fuel rods | mt | 200.0 | 95.6 |
| Specific hazardous waste per investment volume [1] | mt / € million | 14.76 | – |

1 Data collected for the first time in 2021, we therefore do not report any prior-year data.

**Taking disposal into account already at the stage of project planning**

During the project phase, the new-build, the maintenance and decommissioning of plants, we evaluate the potential harm caused by the disposal of waste and provide appropriate protective measures. When disposal services are carried out, for example during decommissioning, disposal information systems are used. These information systems guarantee compliance with all the applicable statutory and contractual conditions in the professional disposal of waste generated.

Comprehensive waste management ensures that the waste generated in our operations is disposed of properly in compliance with waste legislation. Our Environmental Management System also regulates the handling of waste so that comparable standards are implemented here.

Research and development (G4), GRI 103

## Research and innovations

- **Developing innovative technologies and materials**
- **Reducing the costs for renewable energy systems**
- **Cooperating with strong partners**

The success of the energy transition doesn't simply hinge on the dedication with which we implement it.

Actively promote innovations and new technologies

A key factor is also how innovative we are. In order to identify the best possible solutions for the energy system of the future, RWE is proactive in driving forward continuous innovations and new technologies. Renewable energy and green hydrogen are the focus here. For renewable energy sources, we want to reduce the electricity production costs over the entire lifecycle, increase the yield and provide a sustainable structure for the construction and operation of our plants. Green hydrogen primarily produced through renewable energy is regarded as a key technology for the target of climate neutrality. RWE has joined forces with project partners like Kawasaki in order to drive green hydrogen products forward.

$CO_2$ scrubbing pilot plant developed

One of the solutions we have developed relates to a $CO_2$ scrubbing pilot plant in order to reduce emissions in our conventional plants. Furthermore, we have been carrying out research into using lignite as a material for the production of basic chemicals. This technology has paved the way for our entry into a carbon-based circular economy. The research activities coordinated by our Innovation Teams located in our Group companies are geared to specific technologies. We frequently cooperate with partners from academia and industry on our research and development programmes, for example with the Jülich Research Centre and Freiberg Technical University.

**Research into renewable and alternative energy sources**

In the area of wind energy, our intention is to reduce the costs for construction and operation while simultaneously increasing the energy output for future wind farms. We are also carrying out research into the possibilities of designing our wind farms to be maximally sustainable and environmentally friendly.

The activities related to research into renewable energy sources are primarily carried out at RWE Renewables. The segment is divided by generation technology into wind onshore, wind offshore and photovoltaics. Owing to the requirements of the individual technologies, each of the three areas has their own Innovation Teams.

Environment

## Environmentally friendly innovations for offshore wind farms

Offshore wind farms are among the principal mainstays for the restructuring of the energy industry. However, wind farms can also impact on the environment in different ways, for example through the construction of the wind farm or the manufacture of the materials necessary for construction. RWE works intensively together with its suppliers in order to reduce potential negative impacts on the environment. Innovative products and processes are needed to achieve this. We are currently piloting such products at our Kaskasi offshore wind farm located off the coast of Heligoland. After the total of 38 wind turbines is fully commissioned at the end of 2022, Kaskasi will supply around 400,000 households with green electricity each year.

The innovations currently being tested relate to an improved methodology that is being applied at the Kaskasi offshore wind farm in a world first. In order to embed the foundations for the wind turbines up to their final depth in the seabed more quickly and more sustainably than previously, an innovative vibration pile-driving technology is being used – "Vibro Pile Driving". Alongside a significantly shorter installation period, the generation of noise has also been significantly reduced compared to the previous process using a hydraulic pile driver. These two effects will substantially benefit the marine environment. The pilot application is being accompanied by a comprehensive research programme. The results are projected to be available at the beginning of 2023.

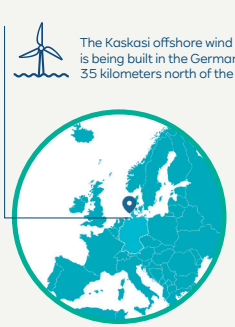
VISSKA
Paving the Way for Vibro Piling

Furthermore, a sustainable product is celebrating its premiere in Germany: Siemens Gamesa and RWE will erect a number of wind turbines with recyclable rotor blades. The rotor blades are 81 meters in length and they are the first of their kind that can be recycled at the end of their life time and used for new applications. They are therefore helping to pave the way for the complete recyclability of wind power turbines. Up to now, the composite materials used to manufacture the rotor blades were difficult to recycle because all the components were cast in resin and therefore connected. An innovative resin is used in the new recyclable rotor blade and the chemical structure allows the components to be efficiently separated. At the end of the recycling process, individual materials can then be reused in industries such as automaking or in consumer goods.

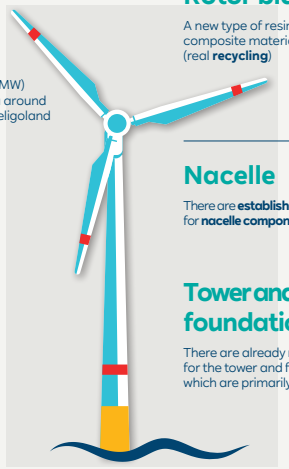
RWE

### RWE is testing the world's first recyclable rotor blade at its Kaskasi offshore wind farm

The Kaskasi offshore wind farm (342 MW) is being built in the German North Sea around 35 kilometers north of the island of Heligoland



**Our goal:**
**Complete circular economy**



**Rotor blades**
A new type of resin allows the composite materials to be **reused** (real **recycling**)

**Nacelle**
There are **established recycling processes** for **nacelle components**

**Tower and foundation**
There are already **recycling processes** for the tower and foundation, which are primarily made of **steel**

**100%**
Contribution to full recyclability of wind turbines

85 to 90% of the materials are already recyclable today

**Developing offshore wind farms**

The number of offshore wind farms on the open sea is increasing because the wind strength is greater there and winds blow more uniformly on the high seas enabling more electricity to be generated. One of our objectives is to reduce the costs for constructing and operating offshore wind farms. We are therefore carrying out research, for example, into innovative methods for designing and installing plant foundations for wind turbines and we are continually improving our operational and maintenance concepts. We are also pursuing the goal of increasing the energy yield, most importantly for plants in the future. Optimising the use of the available wind resources is absolutely critical for achieving this aim. In relation to this, we are testing various measuring and modelling methods, and we are also investigating a number of different factors, including the upstream effect and downstream flows, and their impacts on our wind farms or individual wind turbines. Alongside the profitability of our wind farms, their environmental compliance is a key issue for RWE. For this reason, we are testing the world's first recyclable rotor blade at our Kaskasi offshore wind farm off the coast of Heligoland. We are also carrying out research into the behaviour of marine life and birds. This will enable us to design maximum environmental compliance into the construction and operation of our wind turbines.

Testing of recycable rotor blades

**Testing floating wind-farm and photovoltaic plants**

By designing and testing floating wind turbines, we are embarking on the next stage in our development for deep-water operations at locations where production is not cost-effective using wind turbines that require fixed foundations. These include the TetraSpar, DemoSATH and New England Aqua Ventus Demonstrators. Floating photovoltaic power plants also have potential for electricity generation and climate protection that has been virtually unexplored so far. These plants allow renewable energy to be expanded without taking up any space on land. In contrast to open-space plants, the PV modules are installed on floating platforms and positioned on standing waters or on the sea. We carry out analysis of our planned demonstrators to investigate factors such as the technical challenges, the environmental impacts, the acceptance and the profitability of these plants. In 2021, a floating photovoltaic platform was erected at our Dutch power-plant site in Amer. More than 13,000 solar modules are positioned on this platform, which together generate output of 6.1 MW.

Floating photovoltaic power plants

**Making green hydrogen usable**

Green hydrogen generated with electricity from renewable sources will be a key building block for a successful energy transition. Hydrogen offers huge potential for transport and storage of large amounts of renewable energy. It also offers the possibility of providing substantial support for decarbonisation in the industrial and mobility sectors. Green hydrogen is a firm fixture in our investment and growth strategy "Growing Green". We want to build up 2 GW of our own electrolysis capacity by the end of the decade. We are cooperating with a lot of other partners in various initiatives and projects to achieve this ambitious target. RWE is an active member of the initiative "GET H2" and an associated partner company at TransHyDE, which is targeting a contribution to public hydrogen infrastructure throughout Germany. We are also contributing our experience in NortH2 by working together with project partners in northern Netherlands on an integrated green hydrogen project. In the United Kingdom, we are currently reviewing whether green hydrogen can be produced and distributed at the Pembroke site.

Investment and Development Strategy "Growing Green"

**Driving forward the carbon-based circular economy**

RWE has been carrying out research into using lignite for the production of basic chemicals for many years. This technology paves the way for use of waste and biomass as materials, and therefore increasingly forms the entry point into a carbon-based circular economy. In this context, we have been collaborating with regional universities and research institutes to launch a multi-raw-materials project (ITZ-CC: Innovation and Technology Centre for

material use of sustainable carbon sources) for high-temperature conversion of sewage sludge and other input materials, including phosphorus recovery. As part of this project, we are operating a pilot plant for gasification of residues at our Niederaußem site. The corresponding activities are being coordinated by the Research & Development Department based at RWE Power.

Fuse Reuse Recycle project

RWE is developing a project at the Limburg site in the Netherlands in order to generate hydrogen from residues. The aim of the FUREC project (Fuse Reuse Recycle) is to replace the natural gas previously used in the chemicals industry with hydrogen and thereby make the industry's production processes more sustainable. Limburg has the potential to establish itself as a hub for the circular economy. If appropriate infrastructure were set up, hydrogen could be transported from there to industrial companies in Rotterdam and to the Ruhr region.

Developing environmentally friendly and climate-friendly fuels

We are currently investigating the application of additional energy sources, such as deep geothermal heat, through collaboration in a number of projects. Activities of this nature are primarily carried out at our Weisweiler power-plant site from which district heating is also being fed in for the Aachen region.

### New fuels and storage technologies

We are working steadily on reducing emissions and conserving resources at our plants. Examples of these are initiatives to increase efficiency and further advance flue-gas desulphurisation, along with the development of measures for reducing the release of mercury and cutting down nitrogen-oxide emissions, as well as measures for separating out $CO_2$ and making use of it.

**Generating alternative fuels through $CO_2$ scrubbing**

At the innovation centre in Niederaußem, our $CO_2$ scrubbing pilot plant forms the platform for international projects on climate-friendly production of synthetic fuels and raw materials from $CO_2$ and $H_2$. A detergent is used here to separate $CO_2$ from flue gas from the power plant. A properly piloted process for carbon capture serves as a basic enabler for additional technologies that use carbon dioxide as a raw material for the production of low-emission fuels and basic materials for industry.

As part of the EU project ALIGN-CCUS, the diesel substitute fuel DME was used for the first time. It is being produced in an environmentally and climate friendly process, before being used in an emergency power generator to produce electricity. We are currently continuing to operate the ALIGN-CCUS plant in the EU project TAKE-OFF in order to synthesise aviation fuel from hydrogen and $CO_2$. In the projects OCEAN and LOTER.CO2M, the same starting materials will be used to produce basic chemical materials for industry in an electrochemical process.

**Optimising innovative materials**

We are also developing a forecasting procedure for assessing the behaviour of materials under changing loads. This objective is to focus on various projects we are working on in relation to safeguarding and enhancing the availability and safety of our plants. We are transferring experiences and results from the area of conventional power plant technology to applications in the generation of renewable energy. This is currently leading to the development of Structural Health Monitoring for fibreglass composite materials in conventional power plants, which is also available for the assessment of rotor blades in wind turbines.

### Research programmes and partnerships

**€ 22 million**
research expenses in 2021

We are working in various research and development programmes, primarily on advanced and sustainable technology and plant concepts. Here we draw on the competences of our employees and on the expertise offered by our partners at universities, research institutions and in industry. Furthermore, collaborative projects also mean that the costs are distributed over several partners. Our research expenses in 2021 amounted to approximately € 22 million.

For example, RWE is working as a one of the partner companies on the Offshore Wind Accelerator (OWA) programme. The aim of this initiative is to accelerate innovations in the area of offshore wind. These innovations are intended to help wind power developers to reduce the costs for offshore wind farms, overcome market barriers and stimulate the development of new sector standards. Furthermore, RWE is part of the GROW (Growth through Research, development & demonstration in Offshore Wind) programme based in the Netherlands. This is also targeting the economic development of offshore wind farms through further developments and innovations.

### High level of the creativity of our employees

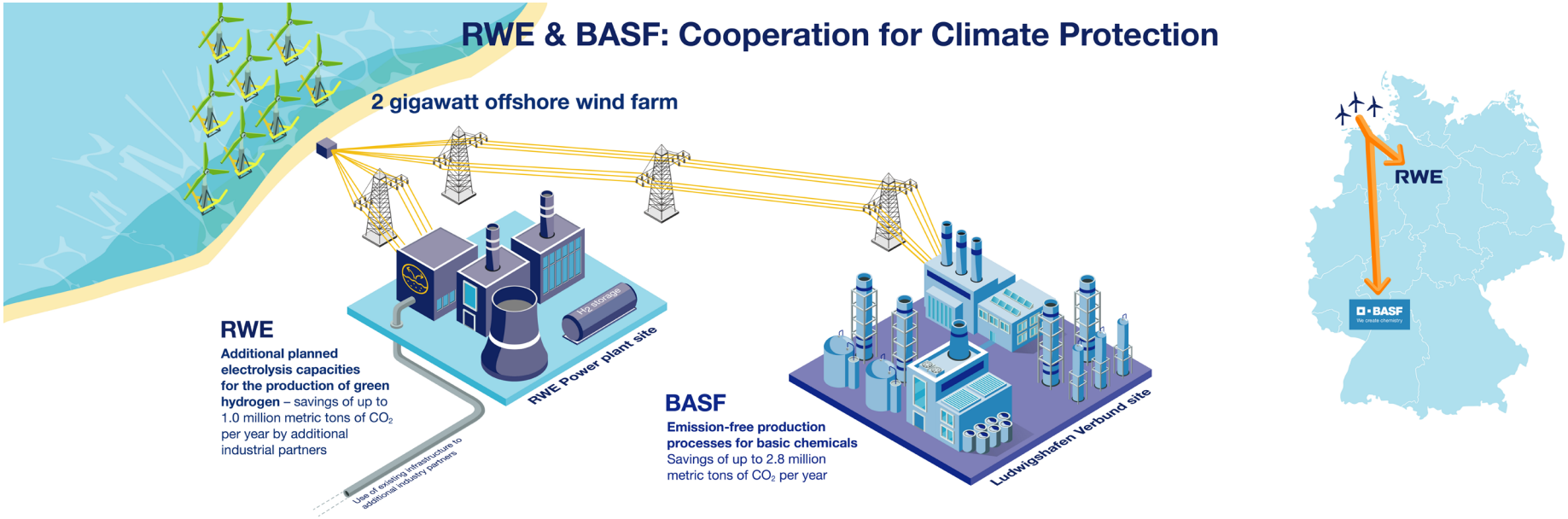
**960**
patents and patent applications

Our projects are situated in a wide range of research fields and we are continually registering new patents. In 2021, approximately 400 employees were working full-time or part-time on around 200 R & D projects. We number among the leading group of European utilities with more than 960 patents and patent applications.

### Subsidies for our R & D projects

GRI 201-4

For example, RWE receives state subsidies in the Netherlands to finance biomass upgrades for power plants and the operation of these power plants. RWE receives financial support for the pilot project in Lingen carrying out research into hydrogen technologies. RWE is working together with Kawasaki here to pilot a hydrogen-powered gas turbine. The TransHyDE project receives funding to work on establishment of a hydrogen infrastructure in Germany. RWE is driving the project forward with other partners. The EU Transparency Register is one of the sources providing information on R & D projects with EU subsidies.




**Environment**

## Together for green hydrogen

Hydrogen plays a key role in the decarbonisation of energy-intensive sectors. Alongside the reduction of $CO_2$ emissions in industrial plants, hydrogen could become a sustainable fuel for the transport sector and over the medium term also a sustainable fuel for provision of heat.

Together with its partners, RWE is currently driving forward more than 30 projects for green hydrogen. Our positioning along the entire value chain offers ideal framework conditions for the establishment of a smooth-running hydrogen economy: in onshore and offshore wind power, in the development of generation plants for green hydrogen, by operating large gas-fired power plants and for storage. We contribute our comprehensive knowledge and experience to the development of hydrogen projects throughout Europe. This includes, for example, GET H2, NortH2 and AquaVentus.

Furthermore, we concluded a far-reaching cooperation with BASF in 2021. The aim here is to supply the chemicals facility at Ludwigshafen with green electricity by setting up an additional offshore wind farm. By supplying green electricity for the production processes that have previously been based on fossil energy sources, basic chemicals can be processed at this location using $CO_2$-free electricity. Green electricity and innovative production technology could transform the chemicals location Ludwigshafen into a beacon for climate protection in the chemicals industry.

# 4 Social

"We can only achieve our goals if everyone has the chance to get the best out of themselves."

Lisa Otten, Specialist trainer for warehouse logistics specialists



# Social

As a company operating on the international stage, we want to be an attractive employer for our employees. In order to ensure this, we offer attractive training and working conditions, and RWE has established a corporate culture that values all employees. Furthermore, the exchange of ideas with other players, for example from civil society, is important in order to jointly address social challenges within society and to work on solutions.

GRI 401
GRI 103

## Attractive employer

- **Offering employees new perspectives**
- **Protecting rights of employees**
- **Promoting the work-life balance between career and family**
- **Strengthening diversity**

RWE is rapidly realigning itself. As a result, we are driving forward the energy transition and making ourselves future-proof. The transition demands flexibility and willingness to change. Our lived working culture offers the foundation for this. We are establishing new ways of thinking and working in the RWE Group with assistance from various programmes. We are strengthening orientation on performance and the participation of our employees through the competency programme New Ways of Working (NWoW).

New Ways of Working

We are applying agile methods in pilot projects and rolling out business agility throughout the Group. Agile methods can help to plan and implement projects more efficiently. They are also intended to generate additional momentum in order to strengthen the transformation projects within the Group. Other programmes are dedicated strategically to the qualification of managers.

At RWE, we value our employees and we also promote their career development during our cultural change process. In particular, we make a commitment in the RWE Social Charter to open and trusting cooperation. RWE is dedicated to the principle of equal treatment and the rights granted to our employees working in many countries extend beyond the legal requirements there.

### Responsible realignment

The realignment of our company requires increased flexibility from our employees and simultaneously opens up to them the prospect of new opportunities. Against this background, we therefore offer individual development opportunities within the company. Our approach is intended to ensure that we remain competitive in the market and attractive for our existing and future employees.

### Facilitating career development inside the Group

Support the development of our employees

We offer our employees the opportunity of progressing their careers within the RWE Group through our internal job market. The internal employment market is an established tool for promoting and supporting a new start for many colleagues. The framework conditions for this are defined in a collective bargaining agreement and the measures are supported by the human resources development departments of the companies. We use a number of tools to evaluate the success of our internal job market, including the number of internal and external applications for each job. Job changes in our Group are supported by the relevant human resources departments of Group companies.

**Facilitating career development outside the Group**

Responsible restructuring at RWE involves support for employees affected by the structural change and they consequently need to be referred to new jobs. If a suitable change in position is not possible within the Group through our internal job market, the HR Department will highlight new perspectives for these employees outside RWE. For example, we work closely together with the employment agency and we have established a joint newsletter that provides information about vacancies in the job market. Several employees have already found new jobs by this route.

**Establishing a new mindset and working practices**

Our objective is to establish new mindsets and new ways of working within the RWE Group so as to integrate employees in the strategic development of the Group. This approach enables us to ensure that as many employees as possible benefit from the offers provided for this purpose.

It includes the competency programme New Ways of Working (NWoW) established throughout the Group. This is primarily managed by the Corporate Transformation Department at RWE AG. The project is enabling us to strengthen the performance and customer orientation of our employees and to involve them more than ever before in decision-making processes. At the same time, we are facilitating more efficient cooperation and a common working culture within the Group, and establishing new standards in the areas of Operational Excellence and Universal Process Management.

RWE Leadership DNA

In addition, initiatives in the area of Management & Alignment are already up and running with the objective of expanding the capability of our managers further. The RWE Leadership DNA is focused on the levels of self, team and organisation. It forms a uniform, fundamental structure for competence-related issues and the approach adopted by managers within the Group. By acting as role models representing the RWE leadership mission, executive managers also lay the foundation stone for successful introduction of transformation processes into the individual Group companies and divisions.

Another building block in today's world of work for establishing new mindsets and ways of working is the topic of agility. Elements of agile ways of working include favouring individuals and interaction through processes and tools, and embracing changes in the course of projects as opposed to strict planning. We are currently working on the expansion of agile ways of working and upskilling employees in order to establish business agility within the Group.

Business agility pilot project

Business Agility is being initiated as a pilot project in different departments within the RWE Group so as to raise the profile of agile ways of working in the Group and highlight the relevance and efficiency of these approaches within the practical framework. An example of this is the TranS4mer Project, in which cross-functional teams in various workstreams are working on the implementation of a new SAP system in the Group and the accompanying empowerment journey for system users.

However, agile working methods also include additional initiatives. In this way, cross-functional teams are able to promote transparency through knowledge and work statuses of all those involved. Hybrid working, i.e. the combination of classic working methods in a digital world of work is part of this. The coronavirus pandemic in particular has significantly increased the need for hybrid work models and also the focus on integrating them in the group.

### Promoting cultural change also in a decentralised approach

Promoting culture change

Cultural change was also a key element of the transformation offerings throughout the Group in 2021. Transformation is relevant in all business enterprises as a locally managed topic in relation to requirements arising from the energy transition and digitalisation.

### Protecting employee rights

As a company, we have high aspirations in relation to all issues affecting our employees and we comply with all the applicable laws and statutory regulations in the individual countries. In some areas, we go significantly beyond these for the benefit of our employees. As early as 2010, we jointly adopted the RWE Social Charter for this purpose together with the European Works Council. Their goals and principles provide a guideline for the relationship of governance in respect of employees and for the conduct between individual employees. The Labour Director of RWE AG is responsible for the Social Charter at Group level. Furthermore, RWE has already had its own Code of Conduct since 2005. This is managed by the Compliance Department of RWE AG. The guidelines set out in both documents are binding for all employees of the RWE Group.

GRI 102-29
GRI 102-31

In order to protect the employees of our service providers and business partners, we require them to accept the principles for conduct defined in the Code of Conduct as the basis for cooperation. We particularly expect them to support and implement the principles on human rights, employment relationships, environmental protection and anti-corruption set out in the framework of the United Nations → Global Compact Initiative. Our managers, the Compliance Department, Human Resources Management and Purchasing, and our Co-determination monitor that these precepts are being followed. Management information systems support our managers in this area.

### Relationship between employee and employer

GRI 402
GRI 103

We intend to make any restructuring and staff transfers socially acceptable and implement them in a responsible manner. We are therefore continually in discussions with the employee representative bodies in the Group and with the social partners. Of course, we will be following the individual applicable national legislation for RWE and we will define our business practices in compliance with the regulations.

### Cooperation in an atmosphere of trust

In Germany, the Works Constitution Act (Betriebsverfassungsgesetz, BetrVG) regulates the comprehensive information, consultation and co-determination rights of the Works Council. This act provides the basis for trusting cooperation between the Executive Management and the Works Council. RWE goes beyond these regulations through its commitment to open and trusting cooperation in the RWE Social Charter. Apart from the Group Works Council and the European Works Council, there are other forms of employee representation across the Group, at company level and at operational level. Specific interest groups, such as spokesperson committees, representative bodies for people with disabilities, and youth and apprentice representations are also included. In view of the changes within the company, we comply with all obligations to provide information and involve employee representatives at an early stage.

### Expressing appreciation for our employees

GRI 402-1

We offer our employees much more than simply an attractive income. Our package of benefits includes flexible working hours, parental leave, sabbaticals and a well-structured onboarding process. The measures are implemented by the relevant human resource departments of the companies. We are establishing an orientation framework for the working world of the future

with hybrid working. This deals with aspects such as learning, and openness to new concepts, as well as health, flexibility and trust.

Furthermore, we offer our employees the opportunity to have a shareholding in the company and to participate in the success of the enterprise through employee share programmes in Germany and the United Kingdom. More than 80% of the employees in our Group are entitled to take advantage of this scheme.

**Guaranteeing the principle of equal opportunity**

GRI 401-2

The equal treatment of our employees is our goal. The principle of equal treatment is paramount across the Group at RWE, irrespective of whether somebody works full time, part time or on a fixed-term contract. We have a principle of equal pay for employees in comparable positions. The Diversity Officers in our companies ensure that the principle of equal treatment is observed. However, it is permissible to diverge from this principle because in some cases shorter terms may apply than for permanent employees in the case of employees working on a temporary basis and particularly those on short-term contracts.

GRI 405-1

**Headcount of employees**

| | 2021 | | | 2020 | | | 2019[1] | | |
|---|---|---|---|---|---|---|---|---|---|
| | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| Germany | 1,981 | 12,618 | 14,599 | 2,031 | 13,697 | 15,728 | 1,646 | 13,124 | 14,770 |
| United Kingdom | 564 | 1,720 | 2,284 | 571 | 1,830 | 2,401 | 400 | 1,466 | 1,866 |
| Netherlands / Belgium | 67 | 512 | 579 | 62 | 534 | 596 | 53 | 502 | 555 |
| Central Eastern and South Eastern Europe | 96 | 316 | 412 | 88 | 307 | 395 | 25 | 71 | 96 |
| Other countries | 328 | 1,185 | 1,513 | 290 | 1,227 | 1,517 | 209 | 748 | 957 |
| RWE | 3,036 | 16,351 | 19,387 | 3,042 | 17,595 | 20,637 | 2,333 | 15,911 | 18,244 |
| Part-time employees | | | 1,310 | | | 1,269 | | | 1,026 |
| Full-time employees | | | 18,077 | | | 19,368 | | | 17,218 |
| Permanent contract | | | 18,656 | | | 19,779 | | | 17,511 |
| Fixed-term contract | | | 731 | | | 858 | | | 733 |

1 Employee data for 2019 relate to the RWE Group without the integration of innogy operations still outstanding until the end of the year, but including operations already acquired from E.ON.

GRI 102-8

RWE contracts permanently employed staff from partner companies (sub-contractors) to carry out operational functions. We contract them for service and service packages, and for construction and assembly work.

**Collective bargaining agreements and composition of the workforce**

GRI 102-41

29% are non-payscale employees and 62% are payscale employees in the RWE Group. In addition, 4% of the workforce are apprentices, 2% are other employees and 4% are executive employees.

**Employee turnover and new employee hires**

GRI 401-1

At RWE, we are in favour of our employees changing their role within our Group. At the same time, employees leave and new employees also join the Group.

In 2021, the rate of dismissals by the employer was very low at around 10% of all dismissals. However, the job markets vary considerably between different countries and the increasing internationalisation of the business may lead to a slight increase in the turnover rate.

Social concerns

## New positioning for an international #TeamRWE

For a number of years, RWE has been consistently aligned on the future. This can only be successful with highly skilled and committed employees. We need the most talented high-flyers for our #TeamRWE, in order to meet our ambitious growth targets. In 2021, we therefore established a foundational project in order to provide us with answers to some essential core issues.

It is a priority for RWE to continue to attract the most talented individuals in the sector to our company in the future and to be able to develop them as motivated employees over the long term. We have identified answers to these issues for our Group. RWE has redefined its strategy, tactics and positioning, and the human resources departments want to use these factors to proactively support our company in its future international growth strategy.

Since 1 January 2022, personnel affairs at RWE AG have been set up in three areas, in line with the core issues: "Employee Relations", "People Development & Talent Attraction" and "Services & Analytics".

In future, digitalisation will play an even more important role. Chief Human Resources Officer and Labour Director Zvezdana Seeger explains: "Quite simply, our fundamental aim is always to have direct and optimum contact on a personal and digital level with our most important resource within the Group – our employees, wherever they happen to be in the world."

**"Quite simply, our fundamental aim is always to have direct and optimum contact on a personal and digital level with our employees."**

Zvezdana Seeger
Member of the Executive Board of RWE AG, Chief Human Resources Officer and Labour Director

| RWE[1] | | | | |
|---|---|---|---|---|
| | **Unit** | **2021** | **2020** | **2019** |
| Fluctuation rate | % | 13.5 | 10.7 | 7.3 |
| External hirings[2] | FTE | 1,105 | 978 | 568 |

1 Data in 2020 for the RWE Group, the renewable energy business was reported pro rata with time in the second half of the year. Data in 2019 for RWE without the renewable energy business.

2 In 2021, 271 women were among the external new hirings.

Up to now, we have not provided differentiation in relation to fluctuation on the basis of additional criteria. However, we will change this in future because it is necessary for us as an employer to understand in the highly competitive markets how we can continue to enhance our appeal. We regularly report on the age structure and the breakdown of employees by gender.

### Combining family and career

GRI 405
GRI 103

Combining work and private life is a top priority at RWE and the company promotes getting the work-life balance right within the framework of the individual national circumstances and the specific opportunities available in the Group companies. We have created the structural conditions to combine family and career with mobile working and flexible working hours including in management positions. That allows people to get the work-life balance right between career and private life. The human resources departments of the companies are a central contact point for this.

Balancing family and work

We have created diverse offerings to make it easier for our employees to combine family and career and get the work-life balance right. This includes greater flexibility in the workplace in terms of time (flexible working time models) and location (mobile working). For this purpose, we are digitalising workplaces and structuring our facilities to meet the current needs of our workforce. We have also used the COVID-19 crisis to promote new forms of cooperation and new ways of working, such as introducing agile methods. We offer an orientation framework for the working world of the future with hybrid working. This deals with aspects such as learning and openness to new concepts, as well as health, flexibility and trust.

We have set up the Lumiland daycare nurseries in Essen, Dortmund and Cologne located close the company's premises to help (prospective) parents. We have increased the number of nursery places in Essen by 50%. Furthermore, we reserve 20% of these places for children from the neighbourhood, so as to support our surrounding region.

Additionally, RWE provides support to assist its employees in care scenarios with comprehensive services in the area of care, for example in the selection of care services or organising support in the home.

## Training and education

GRI 404
GRI 103

- **Training young people**
- **Acquiring qualified employees**
- **Developing and upskilling employees with qualifications**

Promoting young talent

The success of our company largely depends on the knowledge and skills of our employees. We will only be able to master the challenges of the energy transition with skilled and committed employees. That is why we promote our employees on the basis of their strengths and support them in their individual development. Furthermore, we want to continue to acquire talented early-career entrants for RWE and we train around 200 young people every year. We are also committed to motivating young women to take up technical careers. We proactively approach the appropriate target groups in the basic and further training departments of individual Group companies in order to reach out to new employees at all entry levels.

### Further training and qualification

We offer all our employees a wide variety of training sessions and courses designed to develop their personal skills and areas of expertise further. We provide assistance for managers in opening up new possibilities for their employees, trying out new things, carrying out challenging projects and cooperating with different people so that they can learn from each other. As a result of changing challenges, our employees are able to foster their development potential even better.

### Attracting new employees

So as to ensure that we continue to reinforce this perception of an attractive employer in potential employees, we are proactive in targeting specific target groups and inform them about the activities and the opportunities for employment in a career at RWE.

This process includes a range of different tools including our → career portal. We provide information to schoolchildren, students, graduates and prospective employees with career experience on this website. The aim is to get in contact with them and help them make a start on the career ladder in the world of work or give them advice on changing jobs to RWE. We focus our on-site activities on selected universities and career fairs in Germany and abroad – to the extent that this is currently possible as a consequence of the coronavirus pandemic. In 2021, the recruiting departments focused increasingly on digital channels for reaching out and making contact.

GRI 404
GRI 103

### Training

The RWE Group has a long track record of vocational training and it forms an integral part of our personnel management. In Germany, we focus primarily on the dual vocational training system. Theoretical instruction is also given at vocational schools alongside on-the-job training in the company. Overall, we offer apprenticeships at training locations in 12 cities for a total of 20 apprenticeship vocations in craft, engineering and commercial occupations, and in other areas. We train more people than are necessary for our own requirements.

**5.3%**
apprentices in Germany

Every year, around 200 young people begin their training in the RWE Group. This means that they are part of a cohort of nearly 800 apprentices of the Group. 5.3% of our employees in Germany are therefore apprentices.

In 2021, we also offered around 20 places in our entry-level qualification "I can do it" ("Ich pack' das!"). Here we help young people who have not yet found a training place and give them the knowledge and skills to enable them to achieve the necessary level in order to embark on basic training in a programme lasting one year.

### Strategically improving the competences of office-based employees

GRI 404-2

We offer our employees a series of development opportunities to achieve further qualification. These range from IT skills and project management, through specific topics like technical training courses, occupational safety and compliance, to management training courses. The HR portal of RWE offers in-person training sessions, blended learning, web-based learning, videos and lots more. In 2021, approximately 98,000 training sessions were booked on the HR portal.

**98,000**
trainings

All our employees take training courses every year. This includes mandatory training courses, as well as seminars and advanced training sessions extending beyond this and tailored to particular needs. We support employees in the acquisition of certificates and particularly necessary qualifications wherever this is required to carry out their work. Human resource departments and managers work together to identify and implement further training measures with employees.

GRI 405
GRI 103

## Diversity and equal opportunity

- **Anchoring diversity in the corporate culture**
- **Bringing more women into management positions**
- **Comprehensively promoting people with disabilities**

The world we live in is steadily becoming more international and culturally more diverse. At the same time, globalisation and technological progress have brought about significant change in our business environment. We want to master these challenges with a team based on diversity. RWE provides women with strategic support in joining the company and rising through the ranks. The company has defined the goal of appointing more women to management positions than was previously the case. We reject any form of discrimination and promote diversity in our team. We have defined clear goals in the Diversity & Inclusion strategy for our company. We have developed the RWE Action Plan Inclusion in order to integrate people with disabilities in all company activities. A disability officer at every location is responsible for monitoring implementation of this plan. We are confident that an open and respectful culture will be worthwhile for our company – and also for our workforce.

RWE Action Plan Inclusion

### Diversity management

We are committed to diversity in our company culture. We believe it is important to create a working environment where all employees are able to grow individually and each employee is supported in their own personal life phase. In a nutshell: at RWE, everyone may be just as they are. Our commitment to diversity is enshrined in our Social Charter, our corporate values and our corporate mission. We reject any form of discrimination and promote a diverse corporate culture and honest cooperation. Our diversity management plays a key role here.

We interpret diversity management as a long-term management function in order to deploy the right competences at the correct place in the company. The Diversity Office is situated in the Human Resources Department. It defines a framework for the entire RWE Group, with the decentralised Diversity Champions as the driving forces in the individual companies. Together with the Board Members of the subsidiaries, they establish binding goals and priorities. In addition, employees from all over the Group engage as volunteers in a wide range of different manifestations and consequently make a significant contribution to an inclusive corporate culture. With this aim in mind, RWE also launched the Diversity Ambassadors initiative. This is a groupwide international programme that encourages employees to play an active role in promoting diversity and inclusive culture in their working environment and to act as multiplicators.

**Promoting diversity through networks and events**

This year's Diversity Week was an entirely virtual event for the second time owing to COVID-19. It was a huge success! Employees from all areas and companies of RWE took part in the event. Diversity Day was a day of action initiated by the Charter of Diversity (Charta der Vielfalt e.V) and RWE has expanded this occasion into Diversity Week. The event is intended to give companies and institutions a forum to publicly demonstrate their commitment to the topic of diversity by taking action within the company or outside. Over a period of five days, we offered a total of 14 webinars on a wide range of different diversity topics. Every day, experts presented a different, interesting topic and the participants were then able to discuss the topics live with the experts after the presentations. The virtual concept enabled us to reach out to lots of employees who would not have been able to attend in-person events. We are committed to various networks, such as the enei network, one of the biggest diversity networks in the English-speaking world, and The Boss's Business Initiative. This is our way of making a commitment to the topic of diversity beyond the confines of the company.

We took another step towards an inclusive corporate culture with our LGBT*IQ & Friends network established in 2020. Our network combines nearly 200 LGBT*IQ employees and their supporters from six nations. The network provides employees with a contact point for swapping ideas, sharing experiences and advice about topics like coming out in the workplace or gender transition.

Rising Star Award 2021

In 2021, the network won the "Rising Star Award" conferred by the organisation PROUT at Work, a foundation committed to strengthening the rights of LGBT*IQ individuals in the workplace. RWE was also awarded the PRIDE Champion Employer's Seal of Approval in Silver by the LGBT*IQ-Organisation UHLALA in 2021. In November, we made it to a ranking among the first 15% of "Diversity Leaders 2022" and this positions us in second place among energy utilities for the third time in succession. This is the first ranking of this type where employees directly assess companies in the following dimensions: gender distribution, age distribution, openness to all forms of sexual orientation, ethnic distribution and inclusiveness. In 2021, the award for the 850 best companies was assessed after a comprehensive survey was answered by more than 100,000 employees in 16 European countries.

**Age structure in the RWE Group**

| in % | 2021 | 2020 | 2019[1] |
|---|---|---|---|
| Proportion < 20 Years | 1.5 | 1.4 | 1.5 |
| Proportion 20 – 24 Years | 5.0 | 4.7 | 4.8 |
| Proportion 25 – 29 Years | 7.5 | 7.4 | 6.6 |
| Proportion 30 – 34 Years | 10.3 | 10.5 | 7.5 |
| Proportion 35 – 39 Years | 11.5 | 10.7 | 8.8 |
| Proportion 40 – 44 Years | 10.4 | 9.9 | 7.7 |
| Proportion 45 – 49 Years | 9.5 | 9.5 | 10.0 |
| Proportion 50 – 54 Years | 14.9 | 16.0 | 19.5 |
| Proportion 55 – 59 Years | 21.3 | 21.5 | 24.1 |
| Proportion ≥ 60 Years | 8.1 | 8.4 | 9.5 |

1 Data in 2019 for RWE without the renewable energy business.

A survey of data on minorities is subject to the individual national regulatory standards. Differentiation of our employees is therefore only possible on the basis of gender, see → page 65, and age. For disclosures on the composition of the Executive Board and the Supervisory Board see → RWE Annual Report 2021, page 220 and the → RWE website.

## Gender ratio at RWE

GRI 405-1

Women's network promotes exchange and careers

As a technology-based company, we have to contend with the ongoing challenge of attracting women as employees. We therefore provide women with strategic support for entering our company structure and climbing up the career ladder at RWE. The women's network at the RWE Group brings together nearly 400 women. As the biggest network of the Group with numerous initiatives, programmes and movements, it unites female colleagues from all locations and companies in Europe. The network promotes groupwide com-

munication on the latest challenges in the energy industry and generates momentum to enable women to develop their individual career paths.

MINT women

We will continue to support other network initiatives, for example MINT Women. This initiative brings together women in our company who have taken scientific and engineering degrees and it strengthens their profile. Around 80 women from different hierarchical levels within the Group have taken part in the initiative. The women's networks are independently organised and are supported by sponsors at the level of the Executive Board and by the Diversity Office.

At the Supervisory Board meeting held on 23 June 2017, the Supervisory Board passed a resolution defining goals relating to quotas for women in the compliance period to 30 June 2022. The Supervisory Board defined a target quota of 30% for the first management level. The target quota of 20% women in the second management level takes account of the current appointment situation and the difficult conditions in the employment market.

**33.3%**
women in the Executive Board

The number of women on the 20-strong Supervisory Board of RWE AG is currently seven, of which three are drawn from the employee side. The Executive Board of RWE AG is currently made up of three members. Ms Zvezdana Seeger joined the Board and we therefore have one woman at this management level. The proportion of women represented on the Executive Board is therefore 33.3%.

**30%**
women in management positions by 2030

At year-end 2021, the proportion of women in management positions in the core business of the RWE Group was 19% and this was therefore above the proportion of women in the workforce overall. On Capital Market Day 2021, RWE presented new targets for women in management positions. By 2030, the proportion of women in management positions is projected to be 30% across the Group. The percentage was 25% for the first management level below the Executive Board of RWE AG, and 28.6% for the second management level below the Executive Board of RWE AG.

**Diversity in governance bodies and employees**

| Proportion by gender in the RWE Group | | | |
|---|---|---|---|
| **in %** | **2021** | **2020** | **2019[1]** |
| Proportion of women in the company | 15.7 | 14.7 | 12.8 |
| Proportion of men in the company | 84.3 | 85.3 | 87.2 |
| Proportion of women in management positions[2] | 19.0 | 16.6 | 15.8 |

1 Data related to the employees of RWE including operations acquired from E.ON, but without the E.ON operations taken over later.

2 Data in 2021 are for the core business of the RWE Group. Data in 2020 are for the RWE Group, data in 2019 comprise RWE AG, RWE Generation SE, RWE Power AG and RWE Supply & Trading GmbH.

**Paying the same basic salary for the same positions**

GRI 405-2

At RWE, women receive the same salary as men when they are in equivalent positions. We observe the principle that employees at RWE receive remuneration on the basis of the activity carried out, independently of gender. The amount of pay is therefore dependent on the activity being carried out, the necessary qualifications and the experience of the employees. Alongside the human resource departments of the Group companies, the employee representatives also ensure that the principle of equal treatment is observed.

RWE implements all the statutory regulations relating to the Pay Transparency Act (Entgelttransparenzgesetz) in Germany and answers all enquiries from employees within the defined framework.

### Promotion of inclusion

RWE uses the RWE Inclusion Agreement to promote the diversity of its employees. This involves also integrating people with disabilities in all the company's activities. The human resource departments of our companies ensure compliance with the agreed targets in the companies of the RWE Group. This is demonstrated, for example, in the consistent employment rate for people with disabilities within our Group. The impact is also demonstrated in the package of internship places for young people with disabilities and the sustainable, barrier-free establishment of workplaces for people whose ability to take part in the workplace is compromised.

Our community and social responsibility towards people with disabilities is defined across Europe in the Social Charter and our commitment to the Charter of Diversity. We will continue to highlight this issue among our employees in a practical way through campaigns to raise awareness and strategic measures in human resource development, training, employment and health measures, and appropriate workplace design and a barrier-free approach.

**8.2%**
disablility ratio 2021

Employees working as disability representatives monitor that inclusion is lived within RWE. These advocates are strategically proactive in implementing the rights, interests and assistance services for people with disabilities. In 2021, the disability ratio with RWE employees in Germany was 8.2% (2020: 8.9% and 2019: 9.7%). We have therefore exceeded the statutory required ratio of 5.0%.

GRI 403
GRI 103

## Occupational health and safety

- **Protecting employees against accidents and health risks**
- **Overcoming the coronavirus pandemic**
- **Defining focuses in promotion of health wellbeing**

The occupational health and safety of our employees is an important asset for us. We want every employee to be protected against health and accident risks as best as possible. RWE therefore focuses on occupational health and safety. As an industrial company, we often deploy employees in workplaces where occupational health and safety presents special challenges. We establish robust rules and processes based on high standards with the aim of ensuring safe working conditions.

We are continuing to develop our workplace safety management systems, see → Non-financial Report, page 20. In 2021, our focus was on developing health and safety further and overcoming the coronavirus pandemic in the best possible way.

### Occupational health and safety in the workplace

Owing to its exceptional significance, occupational safety is linked to the remuneration of the Executive Board and is therefore a constituent element of the → Non-financial Report, page 4.

Our workforce and the employees of our partner companies often carry out their assignments at workplaces that are subject to special requirements for occupational health and safety. In particular, these include activities in the sphere of opencast mining, in technical areas at our power plants, and at wind turbines. These areas of application are subject to particular accident risks.

So as to protect employees, we are committed to sustainable development of occupational health and safety. As well as continuous improvement in working conditions, a respectful and trustworthy management culture is absolutely essential. We are also targeting the integration of health and safety leadership and conduct in management and human resources development.

Good occupational health and safety exerts a positive impact on the motivation and satisfaction of employees, as well as on the quality of their work. Furthermore, it demonstrates good corporate governance. This is why we maintain high standards, such as ISO 45001, and we are working on continuously improving our performance in this area. The number of work-related accidents with at least one day off work for every one million hours worked (LTIF) is the performance indicator for occupational safety. In 2021, our LTIF was 2.0, see → Non-financial Report, page 22. Root Cause Analyses are a standard for analysing events (accidents and near-misses) and we use these to establish the causes of accidents and derive measures to avoid further accidents in future.

LTIF of 2.0 achieved

The year 2021 was defined by the impacts of the COVID-19 pandemic throughout the world. As an operator of critical infrastructure, it was our priority to protect our employees against potentially getting ill and to secure electricity generation at the same time, see → Non-financial Report, page 22.

### Organisation of occupational company healthcare management

All the functions of healthcare management are bundled in the Health & Safety Department and allocated to the division of the Chief Human Resources Officer. These essentially include services provided by the Company Medical Centre and emergency medicine, the (further) development of offers relating to healthcare promotion and preventive screening, ergonomic workplace structure and occupational social counselling.

Company Healthcare Management supports employees

The aim of Company Healthcare Management (CHM) is to offer our employees needs-based measures, which will enable them to maintain and look after their physical, mental and social health and wellbeing.

Detailed organisation of healthcare management has been defined within the framework of the Workplace Safety Management System. Since the employees of the Company Medical Centre are part of the organisation of RWE Power AG and have contracts of employment with this company, healthcare management is part of the integrated management system of RWE Power AG.

However, the corresponding services are provided on the basis of service contracts for all employees of the RWE Group companies in Germany. Furthermore, we have implemented the organisation of occupational safety decentrally at local level. This is so that we are in the best possible position to better address the diverse and partly differing requirements, for example as a result of operational activities. The RWE Group companies are responsible for provision of the necessary health-related measures in the countries that are relevant for them.

### Focuses of health promotion

Health-related data available inside and outside the company are continuously analysed in the Health & Safety Department and requirements for action are identified. This analysis gives rise to concrete measures for the adjustment and amendment of its health-related service portfolio and to actions for prevention and healthcare promotion campaigns. In 2021, the focus was on managing the coronavirus crisis and specifically on effective protective measures in the RWE Group against the coronavirus in compliance with the workplace safety requirements. On the international stage, the RWE Group companies are responsible for compliance with the relevant regulations on protection measures for the coronavirus in the countries relevant for them. As part of implementation of the SARS-CoV-2 Workplace Safety Regu-

lation (SARS-CoV-2-Arbeitsschutzverordnung), at least two coronavirus tests have been offered to each employee in Germany every week since April 2021. From the beginning of June to the end of August, RWE employees were able to receive a coronavirus protective vaccination at all major locations in Germany. Since the beginning of December, booster vaccinations have been offered.

Vaccination offers in Germany

Furthermore, the Company Medical Centre offers an annual flu injection programme for all employees in Germany. As necessary, this is supplemented by individual vaccination advice, setting up a vaccination plan and any supplementary vaccines necessary on an individual basis according to an employee's health. The aim of flu injections it to avoid influenza infections among employees when annual "flu waves" come in winter and to improve the number of employees at RWE who have the vaccine, which is above average for Germany.

Supporting employee well-being

Over a period of many years, one of the most frequent causes of illness has been mental stress. During the coronavirus pandemic, this has once again undergone a significant increase. Against this background, we have continued to expand our offerings related to stress competence, resilience and mindfulness as part of health promotion and prevention. These programmes are intended to promote the ability of our employees to overcome personal crises by drawing on learned competences and to assist in personal development.

A training concept involving blended learning was developed for managers to help them communicate the content for occupational health and safety as a management function. The programme has been set up over several years.

**Tracking the health of the workforce**

GRI 403-9
GRI 403-10

A key indicator for the health of the workforce is the sickness rate (health-related absence). This reflects the periods of absence due to sickness including absence as a result of accidents and due to health cures. It is calculated as a function of the scheduled working hours for all employees. The health-related sickness rate of RWE was 5.3% in 2021 (2020: 5.9% and 2019: 6.8%).

In spite of all the measures, work-related injuries and illnesses can occur. We report on these in the → Non-financial Report, see 22.

GRI 203
GRI 103

## Social engagement

- **Promoting a sustainable society**
- **Fostering volunteering engagement by our employees**
- **Fast and unbureaucratic assistance in emergency situations**

We pursue a holistic approach at RWE with the aim of living up to our corporate responsibility. We make a valuable contribution to the wellbeing of all stakeholders through our social commitment and our activities. Profitability is not the only factor that plays a role in our entrepreneurial actions. We also include environmental, social and ethical perspectives when we plan and evaluate our actions. Each individual at RWE contributes to taking a responsible approach in their actions.

We are particularly committed to communities where we operate and we also promote volunteering engagement by our employees in these areas.

The Public Relations Department provides the framework for the social activities of the Group. The individual lines of business are aware of the relevant need and organise the implementation of the measures on site.

## Promoting sustainable development of society

Social engagement is something we are passionate about. As a company operating on the international stage, we take responsibility beyond our business operations in the regions and we constitute a strong partner for society. Lots of employees from RWE make an active contribution and volunteer for non-profit projects. We also support this engagement financially. Our support always meets the needs of local people on the ground for these and all other projects. A focus is in the social area, for example in helping children and young people. In the United Kingdom, we fund services in rural communities through the "Community Benefit" projects. These include local training opportunities, schools and social amenities. Our company also supports the maintenance of local customs and clubs that have been firmly established in communities for many decades.

Funding through community benefit projects

Furthermore, we are also playing a proactive role in the battle against the current pandemic. In Germany, RWE offered a vaccination protecting against the coronavirus not simply to employees and their families. A mobile vaccination team drove the "Vaccination Bus" to well-frequented places so that members of the public could also take advantage of the offer of a vaccination.

## Volunteering engagement of our employees

GRI 203-2

We promote volunteering engagement by our employees and promote a team effort to making social responsibility a reality through the volunteering programme "RWE Aktiv vor Ort" – RWE Active on Site. Volunteering might involve refurbishing the sports facilities of a local club, building a "green classroom" for teaching outside at a school or creating a field with brightly coloured plants for insects. Whatever the activity, volunteering engagement makes a contribution to vibrant social life within the local community which is highly respected and appreciated. In spite of the restrictions caused by the coronavirus, a total of around 140 employees dedicated their time to providing assistance for nearly 40 projects in the programme RWE Aktiv-vor-Ort – RWE Active on Site. The amount contributed to these projects totalled some € 40,000. Over the course of the coming year, we expect the projects that have fallen by the wayside owing to the coronavirus to once again return to a level that we had before the pandemic.

RWE Active on Site Volunteering

## Supporting communities in the area around our plants

The operation of opencast mines is unavoidably associated with interventions in the landscape and with the resettlement of local communities. The construction of wind farms can also lead to impacts on such communities. RWE is very much aware of the impacts of these interventions for the regions.

As a company, we are therefore committed to lending support for the communities where our plants are located. We regard it as our duty to provide concrete assistance for people outside our company. We therefore support local initiatives and people by providing them with funds and we can also give concrete help to local communities. The agreement of donation and sponsorship measures are the key instrument here. The primary focus is on sponsorship of projects from the areas of nature conservation and environmental protection, school education and fostering knowledge, social concerns, supporting customs and traditions, culture, sport, leisure and structural development. The scope of this funding is around € 4 million in Germany. We also develop wind farms with participation by the local community, for example in the village of Jüchen and the town of Bedburg on the recultivated land of the former Garzweiler opencast mine. The implementation here is in the responsibility of the generation segments.

£ 25 m so far in UK community benefit funds

RWE Renewables has a number of active Community Benefit Funds for our onshore and offshore projects in the United Kingdom. Over the past two decades, RWE has already invested around £ 25 million in projects that benefit British communities. An additional £ 70 million will be channelled into communities in Scotland, Wales and England over the lifetime of the fund. The

consultations with the population of the "Community Benefit" projects constitute a key building block of the stakeholder dialogue. Since 2020, we channelled more than £ 4.3 million into local projects as part of our wind power activities. We decide on the precise arrangements and application in close cooperation with the local community. The projects included provision of support for access to services in rural areas, local training opportunities, schools and social facilities. The local community has access to up to £ 11 million in one of our biggest community funds, the fund for the Brechfa Forest Wind Farm, for the entire duration of the project. Already in the first two years, 86 projects received support. The projects are very variable and comprise, for example, support for a local lunch club, the repair and modernisation of a community art gallery that had sustained storm damage, and the acquisition of an electric car for organising local community transport. In the USA, we also play a proactive role in communities where our projects are located and sponsor a lot of school and community-based events.

### Also providing reliable assistance in emergency situations

GRI 203-2

Provision of emergency aid

Solidarity and engagement are particularly welcome in emergency situations. Our company and our workforce also proved to be a reliable partner in 2021. After the catastrophic flooding in western Germany during the summer, many of our employees provided practical assistance at the scene. A large number of volunteers proactively lent a helping hand to ameliorate the devastating crisis. RWE gave them time off work and provided them with materials and tools. RWE also provided immediate financial aid totalling € 2 million, including donations from employees which were matched by the company. The funds went to the federal states of North Rhine-Westphalia and Rhineland-Palatinate, to affected administrative districts, local communities and district fire services in the region. Payments were also made to RWE employees and clubs that had suffered badly. And a lot of practical assistance was gratefully received at local level. After an extremely cold period in Texas, USA, in February 2021 with very untypically icy temperatures for the region, RWE supported people in need with emergency aid amounting to 250,000 US dollars.

GRI 201-1

**Regional engagement by the Group**

| in € million | Total 2021 | Total 2020 | Total 2019 |
|---|---|---|---|
| Donations [1, 2] | 5.4 | 1.08 | 0.8 |
| Sponsorship [1] | 1.7 | 0.67 | 1.95 |
| Volunteering [3] | 0.04 | 0.04 | 0.95 |

1 Data from 2019 for RWE not including the renewable energy business (rounded)
2 Data for 2021 including the Community Benefit Funds and the donation in connection with the flooding.
3 Data for 2019 up to 18 September 2019 including the operations of innogy SE.

GRI 413
GRI 103

## Dialogue with our stakeholders

- **Engaging in dialogue with all stakeholder groups**
- **Being a fair and trustworthy partner**
- **Positive developments through membership of initiatives**

As part of our business operations and particularly at the locations where we have active operations we interact with many different stakeholders. Our business operations have impacts on the business environment and therefore also on the interests of numerous different stakeholders. We therefore enter into regular dialogue with them.

Particularly against the background of the transformation of RWE, one of our top priorities is to know about and understand their positions, and by the same token to gain a better understanding of our actions. We have established a variety of different dialogue formats for this purpose. We inform interested private individuals about our activity and highlight possibilities for the local economy to benefit from our projects. Dialogue with politicians is also

important to us. We see ourselves as an advisor and business partner on energy policy.

RWE is a member of national and international organisations with the aim of advocating sustainability. These include, for example, the United Nations Global Compact and the initiatives Bettercoal and "Foundation Dutch Biomass Certification (DBC)", of which RWE is one of the co-founders.

### Different dialogue formats for our stakeholders

GRI 102-21
GRI 102-40
GRI 102-42

We regularly enter into dialogue through different formats with our stakeholders and we are in continual exchange.

Our stakeholders include all the people and organisations we have relationships with and engage in dialogue with. We also regard individuals and entities who seek communication with us, or who are interested in our company, as stakeholders. There is no prior selection process. Our stakeholder groups are very diverse: investors, analysts, customers, academics, policymakers, representatives of environmental organisations and other community groups, local government agencies, neighbours around our locations and other citizens. We also seek contact with players who are otherwise involved in issues relating to the energy industry, as well as the corporate activities of RWE and its impacts on society as a whole. When engaging in dialogues we focus on the issues that are most important for the individual groups and which they bring up with us. Our aim is to identify the individual aspirations and to take account of them in our corporate policy and our actions. The expectations that stakeholders have of RWE are nuanced and defined by their attitude towards energy, climate and other concerns relevant for the company, and the extent to which these stakeholders are affected by all those issues.

### Addressing supraregional topics related to energy supply

At supraregional level, we engage in discussions with our stakeholders on the following issues in particular: the positioning of RWE as a leading electricity producer from renewable energy, our contribution to the energy transition and climate protection, the future of the energy market, the potential of hydrogen for the energy transition, current and pending legislative and regulatory procedures, sustainability in international supply relationships and a responsible approach to our customers and the environment. As part of the World Climate Conference (COP26), RWE already engaged in the PreCOP in advance of the conference in order to make a positive contribution with the experience of our company on climate protection measures and the energy transition.

In 2021, the dominant issue in the context of the dialogue with stakeholders once again continued to be the contributions that the energy industry can make to achieving the national and international climate protection targets. We engaged in an intensive exchange of views at all levels on this issue with a large number of representatives from the political sphere, business, unions, civil society and the general public.

RWE Talks promote exchange with stakeholders

We hold regular events at European and German level, for example our parliamentary evenings – "RWE Talks" – in Berlin and Brussels. Owing to the pandemic situation, these were initially held virtually during the reporting year before being reinstated with in-person contact at the end of the year. Members of the Executive Board and Managing Directors reported in this forum on the latest developments in the energy industry and held discussions with a wide range of different special-interest groups including government, civil society, business and academia. The discussion topics included the Fit-for-55 Package of the European Commission and the development of the hydrogen economy.

At national level in Germany, an intensive dialogue took place relating to a number of issues including on the expansion and on further promotion of renewable energy, and on the role of hydrogen for the energy transition and on the setting of the corresponding political agenda. A particular focus here was on the structure of future funding measures. Likewise in the United Kingdom and the Netherlands, we are in regular contact with a large number of regional and national stakeholders. Alongside issues related to climate policy, the focus was on the structure of a hydrogen economy. Particularly in the Netherlands, the contribution of biomass to the reduction of greenhouse gas emissions continues to be an important topic in the dialogues.

### Creating transparency through local dialogues

At local level, we pursue a transparent information policy in relation to the company's operations. These include measures, investment projects and licensing procedures with regard to neighbouring residents, citizens' initiatives, local authorities and regional initiatives. We will be delighted to receive ideas and constructive suggestions on these matters.

Energy Dialogue in Germany, Energy Talks in the Netherlands / Belgium

Especially in the area of new development projects, dialogue with local stakeholders is absolutely critical for ensuring acceptance of our projects by neighbouring residents and other people impacted at local level and provision of support. This is particularly true in the area of onshore wind projects. The focus here is on the potential impacts on people, nature and the landscape. We integrate neighbouring residents, anyone affected and other stakeholder groups into our planning processes in order to provide information about our projects and to take account of all expectations as far as we possibly can. This enables us to engage in dialogue about the issues and ideas put forward.

### Remaining in dialogue with suppliers and customers

We are also in regular dialogue with our suppliers. We hold an annual suppliers' conference as a forum where we have discussions focusing on current market developments and ideas. In 2021, the event was organised in a virtual forum and offered our suppliers the opportunity to gather information and ask questions. There were discussions about issues associated with procurement in times of changing regional framework conditions in the Rhenish mining region.

We want our customers to remain loyal, to be interested in new products and to recommend our company to other people. We work together with our customers as partners to create individual solutions. Our usual high level of product quality, fast and streamlined processes, competitive prices, and a clear customer-centric focus in particular continue to remain our key objectives in this relationship.

Alongside regular individual discussions and exhibitions, we generally hold customer events every year. The "Energy Dialogue" is held in Germany. The "Energy Talks" take place in the Netherlands / Belgium. The exchange with our customers extends from the strategy of RWE Supply & Trading, through topics relating to innovation such as "Green Power Purchase Agreements" to market analyses. Owing to the restrictions imposed as a result of COVID-19, we have focused on using the online format "RWE Digi:talk" for communication with our customers. The issues at the top of the agenda for this event were the production of hydrogen from renewable energy and the potential of hydrogen applications in various industry segments.

### Informing shareholders, investors and analysts

We also engage in a transparent, regular exchange with various players in the capital market. The virtual Annual General Meeting in 2021 offered our shareholders the opportunity to find out detailed information about our company. As part of the Capital Market Day held in mid-November, our Executive Board Members presented our growth and investment strategy "Growing Green" to analysts and investors and answered questions about it. Additionally, managers and colleagues from Investor Relations participate in roadshows and conferences. In accordance with the recommendations of the GCGC, the Chairman of the Supervisory Board is regularly available to investors for discussions about matters specifically relating to the Supervisory Board.

Important topics for these stakeholder groups are primarily directed towards the structure of our business model in the context of expansion of renewable energy and the phaseout of coal. These also include other aspects such as regulatory framework conditions and development of commodity prices that could exert an influence on RWE.

GRI 102-21
GRI 102-43
GRI 102-44

### Establishing different online communication channels

We established the energy blog → www.en-former.com in order to give information to the maximum number of interested stakeholders on the latest topics in the energy industry. We also report in this format on topics that extend far beyond the activities of the company itself.

We have also set up a dedicated → home page for information on green hydrogen and our activities. This is intended to give any stakeholder the opportunity to keep up to date on the background and new developments.

In addition, interested stakeholders can find out about the development of the most important performance indicators of RWE using the → Indicators Tool.

GRI 413
GRI 103

### Conversation with our local stakeholders in an atmosphere of trust

Digital exchange formats in times of Corona

We want to find out about the attitudes of our local stakeholders and gain mutual acceptance through a dialogue between equals. The views and opinions of local people on the ground are very important to us. Our aim is to foster an exchange of ideas at all our locations where we have operations. We take account of various requirements that might differ nationally and regionally when we select our dialogue formats and the topics we address. The requirements relating to different situations, for example currently the coronavirus pandemic, also need to be taken into account in our dialogues. The event formats can therefore be very diverse. We present a number of current examples below.

#### Local dialogues and information opportunities

We are also making use of digital channels for constructive exchange in the public domain in connection with our offshore wind farm project "Dublin Array". Our virtual exhibition platform → http://www.dublinarray.com provides the latest project information and visual impressions of the future wind farm in digital form – the portal also facilitates dialogue on the topic.

In France, RWE Renewables France is in dialogue with local stakeholders. We want to keep residents and other interest groups up to date on every important step in the project development. We organised events to enable this to happen and present projects while also observing measures to provide protection against the coronavirus. Stakeholders were also given the opportunity to address their issues and if possible citizens were also involved in the development of the project. The event formats can vary considerably. We staged a party atmosphere for the official public launch of our wind farm "Les Pierrots"

(Centre Val de Loire, France), made it welcoming for children and invited neighbouring residents to come along. Aside from the events, newsletters and project home pages provide an opportunity for our regional stakeholders to find out about our activities any time they like.

Regional dialogue formats on the latest important topic of hydrogen are currently taking place in a number of places including the Netherlands. RWE is engaging proactively in conversations with different stakeholders on potential future promotional measures. The focus at local level is on regional energy strategies (RESs). RWE actually has a direct holding in some regional energy strategies.

**Supporting structural change in areas with opencast mining**

There is a great deal of public interest in the opencast mines and power plants of RWE in the Rhenish mining region. Over the past ten years, around 600,000 visitors have taken part in guided tours of the facilities and recultivation areas. However, all visitor tours had to be cancelled in 2021 owing to the ongoing coronavirus pandemic. Even in this situation, our objective was to provide visitors and neighbours with information about our operations by engaging transparently with them on the basis of facts. The "Experience RWE" app proved to be an ideal medium to become better acquainted with the recultivated areas of RWE, as demonstrated by the high download figures. The offering was continuously expanded by a knowledge database and now offers facts and figures about the different wind farms in the Rhenish mining region.

Get to know recultivation through the "Experience RWE" app

Targeted measures also allow us to made a contribution to a broad spectrum of jobs and training places at other companies in the areas around our opencast mines and power plants in the Rhenish mining region. These developments contribute to safeguarding the future in the region over the long term. The measures include development of building land and industrial zones on former opencast-mining sites or the expansion of research and leisure amenities. RWE, local authorities and administrative districts have already provided a total of several million square metres of commercial land in the Rhenish mining region. They have provided follow-on investment to create new jobs.

We are in dialogue with the companies affected by the structural change, for example in the → "Mine ReWIR" project developed by RWTH Aachen University or at the Supplier Day that we held online in 2021 on account of the coronavirus pandemic. Over a period of many years, we have been collaborating with the region to shape the transformational change by supporting initiatives which drive forward economic and structural development in the regions. These include the → Future Agency Rhenish mining region to manage and coordinate the structural change in the region and the opencast mining initiatives such as the → Indeland Development Company, the → Special Purpose Association Zweckverband Landfolge Garzweiler and → SEG Hambach (in future "Neuland Hambach" – New Site Hambach). Our contribution ranges from providing specialist and financial assistance, through cooperation on master plans to implementation of the first projects, such as the Green Band surrounding the Garzweiler opencast mine. The aim of the Green Band is to develop a systematic green band and landscape as a green infrastructure around the opencast mine, along the edge of the post-opencast landscape and radiating out into the individual local municipalities. The intention is to integrate people, nature, agricultural production and culture. There is to be space for conserving species, biodiversity, traditional and modern agriculture, mobility and leisure amenities. Supporting the initiatives in the opencast-mining areas is the responsibility of the Regional Initiatives and Projects department at RWE Power AG.

The Green Band in Garzweiler

Central and state governments are investing up to € 15 billion in bringing about structural change in the Rhenish mining region over the period up to 2038. This structural aid is to be coordinated and allocated fairly and effectively in accordance with criteria worked out in a joined-up way. The "Star Procedure" for selection of projects relevant to structural change as the basic enabler was established for a subsequent application submission as approval

**150**
structural change projects ready for implementation

of the region. This procedure is represented by the Supervisory Board of the Future Agency Rhenish mining region (Zukunftsagentur Rheinisches Revier), in which RWE Power has one vote. Since the end of 2019, most of the 150 project plans for the Rhenish mining region could be certified as conceptually ready for implementation in the Star Procedure.

RWE is not simply supporting structural change, it is also involved as an experienced project partner for example in the "Verbundprojekt Quirinus Control" – "Consortium Project Quirinus Control" or in the "Feasibility Study on Upgrading the Rail Infrastructure". There are lots of other projects, including "Excellence in Sustainable Construction", "Green Band" and "Innovation Park for Renewable Energy Jüchen", in which RWE Power is not listed as an official project partner but it will contribute to as a major land owner in the Rhenish mining region.

RWE is also involved in projects to safeguard the energy and industrial Weisweiler site and the immediate surrounding environment. This includes, for example, expansion of the intermunicipal Grachtweg industrial zone and the research project for making use of deep geothermal energy at the Weisweiler site.

**Structuring resettlement with a consensus**

Lignite from the Rhineland will safeguard the necessary electricity supply for a transition period. This requires the resettlement of communities in order to permit the extraction of lignite using opencast mining. Our objective is to restrict resettlements to the necessary and to minimise the impacts on village communities that are affected by the resettlement. When people are being resettled, the important issues associated with this topic are not simply about fair compensation for their material assets. Intangible assets like tradition, community and a sense of belonging also play a key role. So that these needs can be met as far as possible, RWE has been committed for decades to the offer of community resettlement with the aim of finding solutions that are ethical and socially compatible. The department responsible for resettlement is situated in the specialist land management and resettlement department and it coordinates the relevant activities.

Widespread participation of resettlers

The people being resettled are involved in the process on many levels from the planning stage to implementation. They receive comprehensive support through the relevant government agencies, local authorities, and most importantly from our company. Their requirements also play a central role within the framework of the required licensing procedure. They are involved in selecting the location of the resettlement site and they play a key role in designing the new village. This approach enables us to ensure that the majority of the people being relocated are always involved in the resettlement of the community. Vibrant new settlements can be created in accordance with the ideas of the citizens. They can be provided with robust new infrastructure. The citizens can continue their community life with familiar social structures and similar cultural life in the new village. Socially acceptable resettlement cannot be achieved without this input.

Since the 1940s, approximately 42,000 residents have been resettled in this socially acceptable way. So far, more than 30 new and vibrant localities have been created like this. In 2021, we acquired more than 20 properties in resettlement localities, along with agricultural and other parcels of land. The new resettlement locations of the Garzweiler opencast mine around Keyberg (new) are currently being built and community activities are increasingly being relocated to the new site. RWE takes part in ongoing close communication with the people being resettled and engages sensitively with their concerns. Around 210 new properties had already been occupied at the new site by the end of 2021. Around 100 more were being constructed and around 15 were at the planning stage.

### Structuring new landscapes

GRI 102-21
GRI 413-1
GRI 413-2

Extraction of lignite by opencast mining inevitably leads to a temporary impact on the landscape. However, a key attribute for lignite opencast mining in the Rhineland is that sustainable reinstatement of the original use is a constituent element of the operating processes. Recultivation is therefore part of opencast operations throughout the entire lifecycle. Once a coal seam has been mined, reinstatement of the arable land, forest and other land starts immediately in a process of recultivation. This takes account of the environmental requirements and the leisure and recreational needs of the local community. Recultivation in the Rhenish mining region looks back on a long tradition. Furthermore, the reinstatement of land is challenging and must take into account differing requirements, so that it can be used for agriculture or forestry. Today, forested areas more than 80 years old can be found in recultivated former opencast mining districts, for example in Ville. In addition, new water meadows have also been created along with areas of fertile agricultural land. This bears testimony to the fact that recultivation has been carried out to a high standard.

Model region for intelligent and sustainable land management

The development of structural building and commercial areas is partly in competition with agricultural use. In order to defuse this conflict, we joined the Rhineland Agricultural Association (Rheinischer Landwirtschaftsverband, RLV) and the Chamber of Agriculture (Landwirtschaftskammer) North Rhine-Westphalia in signing a declaration on high-quality arable land for agriculture. The document records our intent to use parcels of land no longer required for operational purposes (conversion parcels of land) primarily for subsequent commercial, industrial and residential purposes. RWE Power further confirms to the RLV and the chamber that it will continue to reinstate as much arable land as possible on former opencast mining land and return it to farmers. This is intended to transform the Rhineland Mining Region into a model region for intelligent and sustainable land management. All the operations are managed and coordinated by the Property Department at RWE Power.

## Engagement with energy policy

GRI 415
GRI 103

A secure and environmentally compatible supply of electricity is a constituent element of public service. The operation of power plants also contributes to this. It is subject to a large number of statutory and downstream regulations in the EU, and at national and partly also at regional level. Political decisions leading to changes in existing regulations or implementation of new regulations therefore exert a major influence on our business activity. Additionally, developments at international level outside the EU also exert an indirect influence.

### Conducting an evidence-based and factual dialogue with policymakers

RWE complies with the values and principles that we have made a commitment to in the Code of Conduct and other documents. Our aim is to be a credible business partner and meet the expectations placed on us by society. This is also important when we explain our actions and inform others about the impact of existing and planned legal and sublegal regulations. A top priority here is objective fact-based presentation. We also participate in dialogue at the political and community levels, both in direct personal contact and through the media and the Internet (social media channels). Communication with our stakeholders provides us with helpful ideas for aligning our entrepreneurial activities. We see ourselves acting as an advisor for a successful energy transition which achieves a balance between climate protection, competitiveness and security of supply.

### Contributing expertise to associations

GRI 415
GRI 103

Associations are important to us in political work and for the articulation of common interests to policymakers, social institutions and other players. As far as we are concerned, they are a place for exchanging ideas on positions and are therefore indispensable for our companies.

Our memberships in associations are always directed towards strategic objectives, and relate to current and future activities of the Group. We strive to contribute our perspective and specialist expertise to debates in the public domain. We engage in the political discussion about the EU Green Deal at European level partly through our association activities. We support the proposals put forward in the summer by the Commission for reform of the European Emissions Trading Systems (EU ETS) by bringing the target trajectory for $CO_2$ reduction further forward to 2030 along with the proposed increase of ambition for expansion of renewable energy in the Renewable Energy Directive.

As a member of associations, we exchange ideas on important topics with other companies and players. This means we also exert an impact on the positioning of the associations with varying intensity. When these positions are put forward in social and political discourse, they do not necessarily reflect our way of thinking. This may happen because a large number of other members are involved in decision-making. However, we expect that the associations will represent core positions of RWE, particularly on the topic of climate. We review this on a regular basis and publish the results. In the → current report, we highlight the positioning of 28 associations in relation to six key points of our conceptual thinking, including support for the Paris Climate Agreement. RWE is committed to the goals of the Paris Agreement and ambitious measures to achieve climate neutrality. Our review of the positions is intended to ensure that the selected associations are in harmony with our position.

Anchoring support for the Paris Climate Agreement also in association positions

The Group Communications & Public Affairs Department at RWE AG is responsible for coordinating our contacts. The Department Manager reports directly to the Chief Executive Officer. RWE maintains two liaison offices in Brussels and Berlin as points of contact. Since 2010, we have been entered in the → Transparency Register of the European Union and we publish relevant information there. A → Transparency Register was established in Berlin in 2021. We record our expenses for lobbying work in the Transparency Registers.

### Memberships of initiatives

GRI 415
GRI 103

We are a member of a large number of national and international organisations and initiatives so that we can make a commitment for the aspects affecting us also outside our company.

The Government Relations / Political Affairs Department at RWE AG is responsible for memberships. Support for content of the memberships is provided by the individual specialist departments.

### UN Global Compact and SDG

Since January 2004, the RWE Group has been a member of the "Global Compact" (GC) of the United Nations. By signing up to the ten principles underlying the Global Compact, RWE made a commitment to human rights and labour standards, promoting environmental protection in its business operations, and preventing corruption. We present the contribution we have made to global implementation of the principles of the Global Compact in an annual Progress Report. We also outline our contribution to the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 in the → Progress Report on the Global Compact 2020, page 129.

**Initiative Bettercoal**

GRI 102-12 In order to exert more leverage for the demands of sustainable production and transport conditions in the hard-coal supply chain, cooperation with other energy companies is absolutely indispensable. In 2012, we therefore joined forces with other large purchasers of hard coal to launch the Bettercoal Initiative. By the end of 2021, twelve major energy companies and three affiliates were members of the initiative. Bettercoal audits coal production sites throughout the world and makes the results gathered from assessment of its suppliers available to members.

**Membership in associations and interest groups**

GRI 102-13 We are an active member of a large number of different committees and specialist associations as part of our social, environmental and business responsibility. The following memberships are important for RWE AG:

- AGWE – Employers' Association of Gas, Water and Electricity Utilities (Arbeitgeberverband von Gas-, Wasser- und Elektrizitätsunternehmungen e. V.)
- American Clean Power Association (ACPA) / American Wind
- American Council on Renewable Energy (ACORE)
- ANEV – National Association of Wind Energy (Associazione Nazionale Energia del Vento
- Association for the Promotion of German Industry (Förderkreis der Deutschen Industrie e. V.)
- Association of Producers of Renewable Energy (Asociacion de Productores de Energias Renovables
- BDEW – German Association of Energy and Water Industries (Bundesverband der Energie- und Wasserwirtschaft e. V.)
- BDI – Federation of German Industries (Bundesverband der Deutschen Industrie e. V.)
- Bettercoal Ltd.
- "Boss's Business Initiative" (Initiative Chefsache – a network of leaders from industry and science)
- Business Europe
- BWO – Federal Association of Wind Farm Operators Offshore (Bundesverband der Windparkbetreiber Offshore)
- CertifHy
- Charter of Diversity (Charta der Vielfalt)
- Clean Energy Investor Group
- Climate Accord Implementation (Klimaatakkoord implementation)
- DAI – German Equities Institute (Deutsches Aktieninstitut e. V.)
- DEBRIV – Federal Lignite Association (Bundesverband Braunkohle)
- DGCN – German Global Compact Network (Deutsches Global Compact Netzwerk)
- DICO – German Institute for Compliance (Deutsches Institut für Compliance e. V.)
- DIIR – German Institute for Internal Auditing (Deutsches Institut für Interne Revision e. V.)
- DIRK – German Investor Relations Association (Deutscher Investor Relations Verband e. V.)
- Diversity Network Rhine-Ruhr (Diversity Netzwerk Rhein-Ruhr)
- DWV – German Hydrogen and Fuel Cell Association (Deutscher Wasserstoff- und Brennstoffzellen-Verband)
- econsense – Forum for Sustainable Development of the German Economy (Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e. V.)
- EFET – European Federation of Energy Traders
- enei – Employers Network for Equality & Inclusion
- Energy Association (AWEA)
- Energy Netherlands (Energie Nederland)
- Energy UK
- Eurogas
- France Energie Eolienne (FEE)

- GDD – Society for Date Protection and Data Security (Gesellschaft für Datenschutz und Datensicherheit e. V.)
- GetH2
- Global Wind Energy Council
- H2 Global Foundation (H2Global-Stiftung)
- H2 Network Rhein Ruhr
- Holland Solar
- Hydrogen Europe
- IETA (International Emission Trading Association)
- Integral Infrastructure Planning (II3050)
- Japan Wind Power Association
- Korea Wind Energy Industry Association
- KWS – Power Plant School (Kraftwerksschule)
- LGBTI*IQ Network Rhine-Ruhr (LGBTI*IQ Netzwerk Rhein-Ruhr)
- NortH2
- NVDE – Dutch Association for Sustainable Energy (Nederlandse Vereniging voor Duurzame Energie)
- NWEA – Dutch Wind Energy Association (Nederlandse WindEnergie Associatie)
- Polish Wind Energy Association (Polskie Stowarzyszenie Energetyki Wiatrowej)
- Power to X Allianz
- PROUT AT WORK Foundation
- Renewables UK
- Scottish Renewables
- Solar Energy Industries Association (SEIA)
- SolarPowerEurope
- Swedish Wind Energy Association – Svensk Vindenergi
- United Europe e. V.
- VdV – Association of the German Integrated Economy (Verband der Deutschen Verbundwirtschaft e. V.)
- VGB PowerTech e. V. – International technical association for generation and storage of power and heat
- VGN – Netherlands Gas Storage Association (Vereniging Gasopslag Nederland)
- Wind Denmark
- Wind Energy Ireland
- WindEurope
- WISE – Women in Science and Engineering
- Women's Career Index (Frauen-Karriere-Index)
- World Economic Forum
- World Energy Council (Weltenergierat)

# 5 Governance

"We at RWE have a big goal. On the way there, maximum transparency is essential for everyone involved."

Andreas Vaßen, Digital Technology RWE Power



# Governance

Responsible corporate governance is a key contribution for us as a company and a fundamental enabler for promoting sustainable actions. We ensure that our ambitions and values are observed and lived by principles defined throughout the Group. However, we have high standards not only for ourselves but also for our business partners and service providers. This applies in particular to procurement in global supply chains. It is important to protect the standards on human rights along the supply chain with suitable measures. As an operator of critical infrastructure, we would also like to guarantee that various security aspects are considered and underpinned with appropriate measures through robust corporate governance.

Human rights, GRI 103

## Human rights

- **Observing human rights**
- **Implementing social standards defined in the RWE Charter**
- **Achieving continuous improvements through international partnerships**

As an energy utility operating on the international stage, RWE exerts a direct and indirect impact on the living conditions of people in numerous countries. Depending on the region and the local political and economic situation, our value chain is subject to many different conditions and challenges. Respect for human rights is consequently a very important although complex function. We comply with the Guiding Principles on Business and Human Rights of the United Nations (UNGPs). A top priority is also compliance with our own guidelines as defined in the RWE Social Charter and the RWE Code of Conduct.

Achtung der Menschenrechte

### Clear commitment to human rights

We respect and support the Universal Declaration of Human Rights of the United Nations and use our influence to prevent negative impacts on human rights. All employees at RWE are bound by our RWE Code of Conduct in which we are expressly committed to respect for human rights. We therefore also expect our business partners and service providers to comply with the Code of Conduct in their actions and also to make a commitment to these principles. We follow the United Nations Guiding Principles on Business and Human Rights (UNGPs). These oblige companies not to violate human rights and also not to contribute to human rights violations by third parties.

So as to be in a position to devote the necessary care and attention to the topic, we have reorganised responsibility for the issue of human rights in a new and systematic way. In the RWE Group, the Chief Human Rights Officer of RWE AG will be responsible for this function. This also includes our Group companies and the countries where these companies are operating. The Chief Human Rights Officer regularly reports to the Executive Board of RWE AG. The Compliance Department of RWE AG is also responsible for the Code of Conduct. This department also reports to the Executive Board of RWE AG on a regular basis. Procurement is responsible for the supply chain, see

→ section on Procurement, page 93.

### Fulfilment of our corporate due diligence obligations

We carried out a risk analysis in 2021 in order to fulfil our due diligence obligations for human rights. We used this as a basis for appraising potential areas for action. We analysed our divisions and the parts of our supply chain that have a particular priority for us. In relation to our own business activities, our in-house review was able to establish that measures had already been implemented within the Group covering various aspects of upholding human rights. In 2022, alongside an explicit policy statement, we will also address

the lack of a whistleblower system for specific concerns in the area of human and labour rights, which has been lacking so far.

Development of supplier monitoring tool

In the risk analysis, we also established that risks with negative impacts are generally not expected in our direct business relationships but more particularly in the deeper supply chain. We initiated the necessary processes on the basis of these results and defined their responsibilities. Last year, we also started to establish and implement a supplier monitoring tool. This supplier monitoring tool enables us among other things to review aspects relating to human rights and labour conditions at our suppliers and to demand and review measures for improvement as necessary.

We are currently working on determining additional measures so as to address the risks in our supply chain. In addition, we are also joining forces with other companies to develop a corresponding multistakeholder sector initiative in order to jointly establish an effective lever for improving the standards of human rights in supply chains.

We are planning an even more detailed risk analysis for the year 2022. This is intended to create greater transparency and to tailor measures even more selectively to requirements. Furthermore, we are working towards establishing an effectiveness test in 2022 for our measures so that we can carry out adjustments where this is necessary.

The business activities of RWE are subject to different laws and regulations governing respect for human rights in the individual countries. The UK Modern Slavery Act in the United Kingdom requires us to do everything in our power in order to prevent modern slavery from occurring in our supply chains, see → Non-financial Report, page 9.

### Preparing for new legislation

On 11 June 2021, the German Federal Parliament (Bundestag) adopted the Supply Chain Due Diligence Act (Lieferketten-Sorgfaltsgesetz, LkSG). The law comes into force from 1 January 2023 for companies with more than 3,000 employees and with headquarters or a branch office in Germany. It regulates responsibility for human rights aspects and environmental aspects in their own area of business and in the supply chain. Furthermore, a legislative proposal was also presented on this matter at EU level. The European legislative proposal on due diligence obligations in the supply chain was presented at the beginning of 2022. Today, we are already taking precautions to comply with the requirements of future legislation.

### RWE Social Charter

Sustainable business entails maintaining a balance between economic success and social responsibility. The → RWE Social Charter is therefore an important document for us that defines key principles in the relationship between company and employees. RWE expressly acknowledges the following principles in our Social Charter:

- The right to freedom of association and collective bargaining
- High standards in occupational health and safety
- Further training measures for our employees
- Diversity and freedom from discrimination and a corporate culture of mutual respect and appreciation
- Involvement of employees in processes of change within the company
- Fair payment, paid holiday and combining family and career to get the work-life balance right
- Integration of employees with disabilities
- Mobility of employees
- Core labour standards of the International Labour Organisation (ILO) and compliance of all managers and employees with the Social Charter.

94% of employees at RWE work in Europe and are represented by the European Works Council. They are covered by the RWE Social Charter.

### Engagement in networks and sector initiatives

On the back of our active cooperation in sector initiatives, we ensure regular communication with our stakeholders – and we also adopt this approach in targeting improvements throughout the sector. This makes a contribution to strengthening human rights aspects through various initiatives. We also work together with econsense – Forum for Sustainable Development of the German Economy – and with Bettercoal. We are additionally a founding member at Bettercoal. Furthermore, we have been a Member of the Global Compact since 2004 and we are committed to its principles. The United Nations Global Compact is an international symbol of responsible and sustainable business.

Member of the UN Global Compact since 2004

## Compliance

GRI 205
GRI 103

- **Anchoring integrity in routine daily business**
- **Consistently avoiding corruption**
- **Safeguarding data protection throughout the Group**

Integrity and compliance with the law are key values for us. At RWE, we are well aware of our role in society and our responsibility to our customers, business partners, shareholders and employees. We have therefore defined clear principles that form the framework for our corporate and social actions. A Groupwide Compliance Management System creates the prerequisites for all our employees and managers to meet this requirement. A focus of the Groupwide Compliance Management System is identification of potential structural corruption risks and strategic measures for avoidance of corruption.

We have also worked out guiding principles and implemented a Data Protection Management System in order to guarantee a level playing field for data protection throughout the Group. Safeguarding the security of personal data for our customers, business partners and employees is a key issue for us.

### Our values and principles

GRI 102-16

Integrity, honesty, compliance with the law and respect for our fellow human beings and the environment form the basis of our entrepreneurial activity. The focus of our actions is on the common values of trust, passion and performance. These values are supplemented by our RWE Code of Conduct and the principles for conduct defined in the Code. Our employees are required to comply with the Code, see → Non-financial Report, page 11. The principles for behaviour set out in the Code of Conduct also define the benchmark for our cooperation with business partners and are intended to form a common basis for the contractual relationship.

DCGK as a guideline

We know that responsible management and supervision of the company rank among the cornerstones for long-term success. Our guiding principle is provided here by the German Corporate Governance Code (GCGC) in the relevant latest version. We fully comply with the recommendations of the GCGC. Following the mandatory review in December 2020, the Executive Board and Supervisory Board of RWE AG submitted a → Statement of Compliance pursuant to Article 161 Stock Corporation Act (AktG). This enables us to strengthen the trust placed in us by our investors, customers, employees and the general public. Details relating to corporate governance at RWE are included in the → Corporate Governance Declaration along with the integrated Corporate Governance Report.

**Making integrity and compliance with the law a reality**

It is important for us to be perceived as trustworthy and transparent. We earn this trust through fair conduct. Our actions are subject to laws, regulations and other rules and procedures. These conditions and the RWE Code of Conduct define the framework for carrying out our operations. As a responsible energy utility aware of its obligations, we have to safeguard the long-term profitability and stability of the Group. We also consider the security of assets and information as key factors for success. Any violation of regulations will damage the trust of our employees, customers, business partners and shareholders in the products and services of RWE. Additionally, any breaches may entail significant consequences for our financial result. Furthermore, any individual employees may also be personally liable. A top priority for our employees and business partners is that their conduct should be in accordance with the law and comply with ethical principles.

**Contributing to free competition**

We also keep within the law and comply with legislation even in competitive situations. Our best efforts are directed towards ensuring that all our business activities are in accordance with the conditions of fair competition at all times. We also observe regulatory requirements for unbundling and anti-trust regulations. Our operations are based on these rules. In this way, we live up to our responsibility as a major player in the economy.

In order to prevent anti-trust and anti-competitive behaviour, we raise the awareness of all our employees including management and Members of the Executive Board to this issue. We organise attendance events, online training sessions and individual needs-specific specialist presentations on the requirements relating to conformity with behaviour in accordance with competition legislation.

**Practical implementation of compliance**

The particular focus of the Compliance Management System is on identifying potential structural risks of corruption and on initiating strategic measures for avoidance of corruption. In addition, issues relating to prevention of money laundering and terrorist financing, and compliance with export control are the focuses of compliance at RWE. The Chief Compliance Officer of RWE AG reports at regular intervals on compliance issues to the Executive Board and to the Audit Committee of the Supervisory Board of RWE AG. In principle, these reports cover all the topic areas of the Code of Conduct with provision of consolidated information. Furthermore, every manager with disciplinary responsibility for personnel has to submit an annual report on implementation of the Code of Conduct within their area of responsibility.

**Organisation and management of compliance**

The Chief Compliance Officer of RWE AG defines the principles of general compliance and the Compliance Management System for the RWE Group. Compliance is supported at the level of RWE AG by Compliance Managers and at local level by Compliance Officers / Managers of the individual Group companies. RWE Supply & Trading GmbH has its own Compliance Department.

The compliance function at RWE AG also plays a coordinating and consolidating role for compliance areas such as competition and antitrust / energy law, capital market law, employment law including the General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz, AGG), tax law and environmental law / environmental management, health and safety, sustainability, security including information security and data protection law. The Chief Compliance Officer of RWE AG bundles information from these compliance areas within so-called integrated compliance reporting to the Executive Board and the Audit Committee of the Supervisory Board of RWE AG. However, responsibility for operational content always remains with the functions

bearing individual responsibility for areas such as legal affairs, employment law and Group data protection.

When carrying out its audits, Internal Audit also looks at whether the Code of Conduct is being complied with and carries out regular pre-emptive audits in selected compliance areas within the Group companies.

**Taking notices seriously**

GRI 102-17

We encourage our employees to discuss any issues relating to our Code of Conduct with their supervisors, the responsible Compliance Officers / Managers and / or the Chief Compliance Officer. The same applies to any indications relating to breaches of the Code of Conduct. The Compliance Officers / Managers are appointed for all divisions and Group companies, and they are always available as points of contact for such matters, particularly on the topic of corruption prevention. Contact details for compliance partners can be accessed on the Intranet.

Web-based whistleblower system since 2019

In addition, employees across the Group have had access to a web-based whistleblower system since 2019. Whistleblowers can use this system – also anonymously – to report incidents, e. g. violations against the RWE Code of Conduct or the General Data Protection Regulation, economic criminal offences and actions constituting a threat to the business.

It is also possible to contact an independent external ombudsperson by phone or email. This contact is available for employees but also accepts information from third parties outside the company, for example suppliers or other business partners. Notifications can be submitted in the relevant national languages of the companies of the RWE Group. These are confidential and remain anonymous on request. Notifications relating to any potential breaches are recorded by the Compliance Department. These will then be reviewed by the Group function responsible, and as far as necessary any remedial measures are initiated in the context of a systematic follow-up process.

External contact for notifications and complaints

Our external ombudsperson also accepts notifications and complaints relating to violations of the RWE Code of Conduct (such as corruption, money laundering, antitrust breaches).

**Reporting conflicts of interest**

GRI 102-25

Transparency is a core element of good corporate governance. In the fiscal year 2021, the Executive Board and the Supervisory Board therefore also paid particular attention to potential conflicts of interest.

In the fiscal year 2021, a Member of the Executive Board reported a potential conflict of interest and as a precautionary measure abstained from a vote on engaging a consultancy firm. A family member of the Member of the Executive Board is employed at this consultancy firm but was neither directly nor indirectly involved in the relevant project. The other Members of the Executive Board and the Supervisory Board did not report any conflicts of interest to us in 2021. Furthermore, no contracts were concluded between Members of the Supervisory Board and RWE AG.

The memberships in other governance bodies held by members of the Executive Board and Supervisory Board are disclosed transparently in the presentation of the governance bodies in the → RWE Annual Report 2021, page 220. RWE AG has no controlling shareholder. Transactions with related parties are included in financial reporting.

GRI 415-1

Our conduct in relation to policymakers is clearly regulated in the RWE Code of Conduct. We state there that from our standpoint dialogue with representatives of government institutions and political parties is indispensable. However, we want to avoid exerting undue influence in these contexts. We have therefore made a commitment to strict neutrality in relation to political parties and we do not make any donations to political parties, or organisations and foundations which are closely related to political parties.

We want to use the resources available to us effectively and in conformity with our compliance objectives. We have defined rules for the allocation of resources in our groupwide Guideline on Donations, Sponsorship and Memberships. According to our guidelines, relevant promotional gifts to holders of public office and governance mandates, donations, sponsorship measures and memberships, and consultancy and intermediary contracts relevant to compliance for the RWE Group are documented in a register.

**Provide information to employees and create transparency about incidents**

GRI 205-1
GRI 205-2

Integrity and compliance with the law are fundamental principles defining the entrepreneurial actions of the RWE Group. Owing to the major importance of this issue, combatting corruption is linked to the remuneration for the Executive Board and is described in the Non-financial Report, see → page 4.

Train employees on compliance issues

Internal Group media inform our employees about compliance issues, such as current developments, existing and new Group guidelines, requirements for compliance-conform behaviour and potential risks in the case of breaches. Furthermore, our employees receive annual compliance training on a web-based training programme with variable focus topics.

GRI 419-1

No financial penalties relating to cases of corruption were reported in our groupwide survey on fines due to incidents of corruption.

**Data protection**

GRI 419
GRI 103

We have adopted guidelines defining a responsible approach in the area of personal data to complement the RWE Code of Conduct and our sustainability principles. The guidelines provide an operational framework for a responsible approach towards processing personal data in accordance with legal regulations internally and externally. Each employee is obligated to a duty of confidentiality when handling personal data. The aim is to protect personal data against misuse and thereby sustainably strengthen the trust of our employees, business partners and customers over the long term.

Group-wide data protection management system

The Group Data Protection Department at RWE works closely together with the Information and IT Security Department. This approach is intended specifically to ensure implementation of data protection measures in accordance with the latest technological standards and to guarantee compliance with protection goals pursuant to data protection law, such as confidentiality, integrity and availability of data. The Group Data Protection Department is responsible for further development of the groupwide data protection management system and upholds a globally uniform understanding of data protection at RWE.

Working together with the data protection coordination officers and the data protection partners in the specialist departments, the Group Data Protection Department continuously strives to raise awareness of employees and managers for data protection requirements. A particular focus here is placed on awareness measures, dealing with the rights of affected persons in compliance with legal regulations and handling data breaches. The Group Data Protection Department is particularly responsible for ensuring adequate management of relevant data protection incidents based on clearly defined processes and responsibilities. The Group Data Protection Officer regularly reports on data protection issues to the Executive Board of RWE AG.

GRI 204
GRI 103

## Procurement

- **Monitoring and managing suppliers**
- **Sourcing biomass sustainably**
- **Improving global standards for hard-coal production**

RWE purchases large quantities of goods, services, plant components and raw materials. We want to shoulder our responsibility for people and the environment by consistently working on avoiding or minimising potential risks in our supply chain as far as possible. In doing so, we have to deal with a variety of different challenges in the procurement of goods and services, and the purchase of combustion fuels. This also applies to the procurement procedures for renewable energy because the supply chains can be substantially more international. We also expect our suppliers to comply with high environmental, social and ethical standards and make them a prerequisite for existing and new contracts. Owing to the major importance for our company, we link part of the remuneration for the Executive Board to progress in this area, see → Non-financial Report, page 4.

### Responsible purchase of combustion fuels

RWE has set itself the goal of being climate neutral by 2040. However, fossil combustion fuels will continue to be used for a transition period until complete climate-neutral electricity generation is achieved. This is necessary for a secure electricity supply while sufficient electricity from renewable energy is not available all the time. While fossil fuels are still being used, we ensure environmentally and socially compatible mining and production methods for the energy sources we purchase. This affects in particular the hard coal used in our conventional power plant portfolio. Furthermore, RWE uses biomass as a fuel which we purchase entirely with sustainable certificates.

Bettercoal for minimum standards in hard coal mining

### Promoting standards in the hard-coal supply chain

When we purchase energy sources through RWE Supply & Trading, we pay particular attention to the extraction conditions of the hard coal imported for our power plants and the effect that this mining has on the environment and the local population.

In order to support implementation of sector-wide minimum standards, RWE already joined forces with other large purchasers of hard coal to launch the Bettercoal initiative in 2012. The objective of the initiative is to achieve continuous improvements in the conditions under which hard coal is produced and transported. To this end, Bettercoal has developed a number of measures including a standard for the mining of coal recognised throughout the world, also using this as a basis for audits. The high aspirations of Bettercoal not only relate to environmental standards but also to social standards. They are expressed by the principles of the Bettercoal Code. The aim of Bettercoal is to bring about significant improvements and to ensure compliance with standards in all the important production countries through cooperation with producers.

Furthermore, RWE representatives meet with representatives of coal producers and critical stakeholders in civil society – independently of Bettercoal and concrete supply relationships – in order to identify additional terms of reference for establishing an approach to positive development.

### Documenting progress

Bettercoal provides its member companies with comprehensive information about hard-coal producers who have recognised Bettercoal. The names of the producers and summaries of their assessments are published on the → Bettercoal website. The information is obtained by independent auditors in the course of audits. Bettercoal derives binding improvement measures from the audit results, in order to eliminate potential deviations from the Better-

coal Code identified in the audit. Implementation of the measures is monitored by the expert assessors. This process is repeated on a regular basis with the aim of continuously improving the environmental and social conditions. RWE plays an active role in all the committees of Bettercoal – from the Executive Board to the working groups specific for each country.

Bettercoal wants to include the majority of producers in the improvement process in the individual supply countries. Focus countries are currently Colombia and Russia. In 2018, additional working groups were set up for both these countries. They prepare the audits, supported the producers in implementing the potential for improvement identified and help in communicating with all the relevant stakeholders. Since delegation visits to Russia and Colombia could not take place in 2021 owing to the coronavirus pandemic, virtual meetings were held instead. Once again, RWE actively participated in a virtual round table on the topic of biodiversity. During the course of these meetings, we shared a number of experience values and application cases from recultivation in the Rhenish mining region with Russian coal suppliers. In spring, RWE also took part in virtual meetings with the Colombian interest groups. Apart from the Colombian coal suppliers, these meetings included government agencies, international organisations, and trade unions.

**93%**
of hard coal covered by Bettercoal

Most of the purchased hard coal, around 93%, is sourced from Bettercoal suppliers. The hard coal used in the RWE power plants primarily originates from the USA and Russia. Against the background of developments in Ukraine, we consistently comply with the sanctions that have been imposed. Furthermore we are also currently not entering into any new business relationships for the supply of Russian hard coal or extend existing ones, even if they are not affected by sanctions. We will continue with current delivery relationships not affected by sanctions when this is necessary for maintenance of the security of supply in Germany and the EU.

**Hard coal used by supply countries**

| | 2021 Absolute quantity in metric tonnes | 2021 Proportion in % | 2020 Absolute quantity in metric tonnes | 2020 Proportion in % | 2019 Absolute quantity in metric tonnes | 2019 Proportion in % |
|---|---|---|---|---|---|---|
| Germany | 22,187 | 0.9 | 274,681 | 12.5 | 311,320 | 7.0 |
| Russia | 1,865,636 | 73.3 | 1,469,759 | 67.0 | 2,702,663 | 61.1 |
| USA | 524,660 | 20.6 | 170,375 | 7.8 | 1,023,745 | 23.1 |
| Other | 133,581 | 5.2 | 279,899 | 12.8 | 385,453 | 8.7 |
| Total | 2,546,064 | 100 | 2,194,714 | 100 | 4,423,181 | 100 |

**Guaranteeing sustainability for biomass**

Biomass fully sustainable certified

Our trading subsidiary RWE Supply & Trading is responsible for procurement of biomass. Since biomass is becoming an important input material at RWE for energy generation, the statutory sustainability standards are crucial for our procurement of this energy source. Appropriate rules and regulations are enshrined in the relevant national legislation and these must be documented in respect of the appropriate national registration agencies. In the Netherlands, these requirements have been established in law since January 2018. As a complement to this, RWE has further agreed more extensive, non-statutory requirements with environmental organisations. RWE also cooperated with other energy utilities to create the "Foundation Dutch Biomass Certification (DBC)" and provided it with a total endowment of € 3 million. The aim of the foundation includes promotion of forest certifications in South America. In the United Kingdom, we also ensure that wood pellets are procured from a source in sustainably managed forests.

RWE has been actively involved in the establishment of the initiative Sustainable Biomass Program (SBP). The SBP industrial standard promotes compliance with sustainability criteria along the entire supply chain. So far, alongside the Netherlands, the United Kingdom and Denmark have recognised the standard of the SBP certification system as being in conformity with the national sustainability criteria. In 2021, all the biomass traded through our trading company RWE Supply & Trading was provided with certificates under the Sustainable Biomass Programme (SBP) or comparable certificates such as GGL or Forest Stewardship Council (FSC®). This enabled us to meet our aspiration of only using verifiably sustainable biomass in our power plants. We are also Chain-of-Custody certified and pass on certificates. Furthermore, an accredited certifying agency can verify sustainability on the basis of the verification protocol applicable in the Netherlands.

A large proportion of the solid biomass used by RWE will continue to be made up of wood pellets. RWE Supply & Trading procure these primarily from international sources. The remaining quantity may be local biomass from the Netherlands as part of the SDE+ Programme, a Dutch programme for promotion of renewable energy, or a proportion of up to 15% may be waste, which does not require any certification.

**Procuring and selling uranium responsibly**

RWE has purchased uranium within the framework of long-term supply contracts with established international supply and trading companies for uranium. These companies produce the material in different regions of the world or source it as intermediate traders. Since the operation of our nuclear power plants is time-limited, uranium was last procured several years ago. The last German nuclear power plants will cease operation at the end of 2022 so it is unlikely that any further procurement will be necessary. In the case of potential sales of uranium, RWE places the same demands on business partners for responsible business practices equivalent to its own standards.

GRI 308
GRI 414
GRI 103

## Supplier management

Our suppliers also play a key role when it comes to making a contribution to various sustainability aspects. The production of goods and the provision of services in our supply chains should take place under comparable conditions to those prevailing in our own company.

**Creating transparency in the supply chain**

In the RWE Group, a total of three purchasing departments are currently involved in procurement procedures. Group Procurement is allocated organisationally to RWE Power AG and is responsible for the requirements of RWE AG, energy trading and most operational segments. Project procurement of RWE Technology International looks after the project-specific requirements of RWE Technology International. Purchasing for the renewable energy business is allocated to RWE Renewables GmbH. This is responsible for the direct needs of this division which are necessary for the development and realisation of projects and the operation and repair of the generation plants.

We procure components and services for Renewables in America, Europe and in Asia-Pacific countries. These are procured for all project phases from planning, construction, maintenance and repair to decommissioning, and if necessary repowering. The functions of the purchasing organisations comprise the selection and management of a broad spectrum of suppliers and service providers. There may be a large number of sub-suppliers in the numerous areas of activity. Within the framework of supplier relationship management, various measures provide transparency here for the supplier service and development of important supplier relationships, see → Non-financial Report, page 7.

**Suppliers must meet diverse criteria**

GRI 308-1
GRI 308-2
GRI 414-1
GRI 414-2

Depending on the tendered requirement, we ask our suppliers about various issues including environmentally relevant and social criteria in the course of prequalification. Central Group Procurement draws on relevant criteria in the tender process in order to assess the offers submitted by our suppliers.

We publish tenders for all capital expenditure projects and procurement processes with appropriately neutral formulation and we place them in the relevant national and as appropriate international procurement markets. Apart from economic aspects, the cost-benefit analysis we carry out on our suppliers focuses particularly on criteria of sustainability and occupational safety, as well as energy efficiency and environmental standards. On the basis of a risk assessment for specific product groups, we agree the regulations that the suppliers have to observe explicitly in separate contractual clauses.

### Strengthening global supply chains with sustainability criteria

GRI 102-9
GRI 308-1
GRI 308-2
GRI 414-1
GRI 414-2

We have the goal of anchoring ESG criteria more strongly in the international procurement for projects by the renewable energy business. Top priorities for our "Sustainable Procurement" are identification of potential ESG risks in the supply chain and measures for risk minimisation. Processes for supplier qualification and for supplier management are developed further for this identification. Fundamental criteria for supplier qualification are defined in the "Sustainable Procurement Policy". These have to be applied globally in all procurement processes for products relating to renewable energies.

Prequalifying suppliers

A comprehensive sustainability questionnaire is answered by our suppliers for qualification purposes and this allows key topic areas relevant for ESG to be reviewed before a contract is concluded with suppliers. In conjunction with the supplier management process, a new digital tool for supplier self-assessment and for social-media monitoring was also piloted. This will be rolled out further in the procurement processes for renewable energy business.

A dialogue on various sustainability topics was also started with important suppliers targeting collaboration on a sustainable supply chain in future. Within this framework, pilot projects on decarbonisation and on safeguarding social standards in the supply chain were planned and in some cases they have already been started. Examples of this include the investigation of alternative fuels for shipping and construction and the repair and maintenance of offshore wind-energy turbines, as well as the availability of "green steel" for components of wind turbines.

Over the upcoming years, the Procurement Department for the renewable energy business will continue to work more intensively with suppliers internally and externally in order to ensure a sustainable supply chain. The objective is to embed ESG criteria even more firmly in our supply chain and to minimise risks in the supply chain.

### Assessing our suppliers

GRI 308-1
GRI 308-2
GRI 414-1
GRI 414-2

Our supply chain exerts many different impacts on people and the environment. We have developed a number of different measures to ensure that our suppliers operate in a socially acceptable approach and in compliance with statutory legislation.

Assessing suppliers

The principles of the United Nations Global Compact constitute an integral element of the contracts for all new and existing suppliers of Group Procurement. The Group Procurement Department at RWE does not maintain any business relationships with suppliers if there is information in the public domain indicating that they breach the principles underlying the Global Compact. Information "in the public domain" relates to all generally accessible sources from which information can be obtained. Press reports containing merely the suspicion of a breach are not sufficient in this case. Rather, we base our approach on legally admissible or officially confirmed facts. Furthermore, we use published negative lists (World Bank Listing of Ineligible Firms and Non-Responsible Vendors) drawn up by the World Bank based in Washington / USA. The relevant purchaser carries out a background check on potential suppliers before any orders are awarded. The vendor accounts section carries out the review centrally in the case of existing suppliers. In view of the new Supply Chain Act (Lieferkettengesetz), we will monitor the topics of sustainability, environmental and social standards even more closely and we will use a tool from an external service provider for this.

Our aim is to review all potential trading partners before we engage in business relationships in the wholesale market. We carry out a regular review of suppliers who have been assessed in the Know Your Customer Process directed towards establishing whether there are indications of illegal activities such as money laundering or terrorism. This process is managed by the Compliance Department of RWE Supply & Trading. There are no direct supplier relationships in the case of procurement through wholesale markets. RWE has

therefore adopted a variety of different measures to ensure that these suppliers act in accordance with our Code of Conduct, the national legal systems and internationally recognised standards for compliance with social and ethical principles, see → Non-financial Report, page 9.

In the context of disposal services, additional requirements that are placed on suppliers need to be taking into account. When the Procurement Department commissions disposal services, a separate instruction and checklist must be used for commissioning in order to establish the supplier's suitability. Supplier assessments enable us to check whether the required criteria are complied with in these cases and they can then be used for future tender processes in the framework of the internal appraisal system.

### Procurement volumes and local suppliers

GRI 204-1

The procurement functions of the Group are responsible for carrying out the procurement processes necessary for our business activities. These comprise firstly the sourcing of goods, services and plant components, which is the responsibility of Group Procurement. Here, RWE is in direct contact and in contractual relationships with the service providers and suppliers. In 2021, the procurement volume of the RWE Group was about € 7.9 billion for these purchases. Secondly, an important part of our procurement processes relates to the purchase of energy sources, for example hard coal, gas, liquefied natural gas (LNG) and biomass, and trading in combustion fuels. These processes are carried out by RWE Supply & Trading as our trading company. In 2021, the procurement volume of combustion fuels (hard coal, natural gas and biomass) was around € 5.6 billion.

**€ 7.9 billion**
procurement volume for goods and services

We favour regional allocation of orders if offers are equivalent on economic and qualitative levels. Our aim here is to make a contribution to securing jobs in the region. For example, the proportion of local suppliers in the Rhenish mining region for the order volume of 2021 was approximately 26% (2020: 27%). Every year, RWE awards orders amounting to approximately € 524 million to companies in this region. Orders are also granted to local suppliers in the area of renewable energy, primarily for the construction of wind farms, in order to support the economy in these regions.

**26%**
local suppliers in the Rhenish mining region

Security, GRI 103

## Security and safety

- **Strengthening cyber security**
- **Protecting critical infrastructure**
- **Managing risks predictably**

As an international power producer, RWE is part of Critical Infrastructure because a secure electricity supply is an indispensable element of modern societies. We are well aware of our major macroeconomic responsibility to society as a whole. But independently of statutory regulations, RWE and its stakeholders have a strong interest in identifying and providing appropriate protection for critical business processes, plants and information.

A broad spectrum of security measures has been developed to guarantee this and we check their effectiveness on a regular basis. We go through potential scenarios so that we are maximally well prepared for disruptions or temporary outages. We also continually develop our risk management and adapt it to new challenges as necessary.

### Anchoring security organisationally

Group Security defines groupwide standards for security as part of its governance function and monitors compliance with all aspects of these standards. In this area, we pay particular attention to the protection of our employees. Furthermore, in the case of lignite-fired power generation in Germany, we

focus on facility protection since the risk here is higher than with other generation technologies. As business becomes more and more international, travel security is increasingly being foregrounded. Group Security contributes to strengthening operational business activities and it is also responsible for establishing a security culture at RWE.

Under the management of the Chief Information Security Officer (CISO), Group Cyber Security monitors information security and IT security within the Group, defines security requirements in the form of guidelines for the Group and develops concepts for implementation. It also puts awareness measures for employees in place as part of its Human Firewall Campaign, assesses risks for the Group and coordinates the handling of critical security incidents. In the course of coordinating and monitoring information security in the Group companies, the CISO receives support from the security partners in the relevant Group companies and, if applicable, from the associated investments.

Protecting critical infrastructure

Group Security and Cyber Security support and monitor implementation of international regulations for Critical Infrastructure of RWE in Germany, the United Kingdom, the USA and other countries.

### Far-reaching cyber security

Digital technologies have not only made the power plants and systems operated with them more modern and efficient, they also entail new risks. A major incident such as a cyber-attack on generating assets such as power plants or wind farm systems can result in nationwide supply outages with far-reaching consequences for everyday life in the public domain. Such an incident could also be a hazard for health and endanger life among the people working in the power plants or living in the surrounding area, as well as putting the future of our company as a going concern at risk. That's why (Cyber) Security Management is a key management function at RWE. We make preparations for a wide range of potential incidents by implementing appropriate planning and training sessions. This applies to incidents that are very unlikely but could exert a significant impact if they happened. Our main objective is to avoid incidents like this.

#### Prepared for worst-case scenario

RWE AG defines and monitors the groupwide requirements for security through Group Security and Group Cyber Security as part of its management functions (governance). Business Continuity Management (BCM) and Crisis Management are also the primarily constituent element of this model. The Cyber Security Incident Response Team is also anchored in Cyber Security as part of an integrated approach. This team supports the handling of cyber security incidents, forensic investigations and technical investigations in order to be able to respond quickly together with those affected in the event of cyber-attacks. BCM and crisis management at RWE are based on a holistic approach and take account of the entire spectrum of outages and interruptions that are critical to business operations.

So that we are prepared for physical or network attacks and are ready to respond to them if they happen, we continually analyse the threat situation and evaluate the findings.

#### Establishing a security culture for cyber security

In 2021, we continued and expanded our Cyber Security Awareness campaign "Human Firewall". This campaign was saluted in 2021 with the Outstanding Security Performance Award. In order to enrich the already comprehensive portfolio of measures, an interactive Cyber Security Arena was developed in which employees compete with each other by playing games on the topic of awareness. Since the COVID-19 pandemic and the associated restrictions mean that a large number of employees are working in their home offices, we also alerted them to potential threats and the correct behaviour at the virtual workstation. The effectiveness of the measures is con-

tinually tested using phishing campaigns initiated in-house. These involve sending emails to RWE employees which seek to simulate the gathering of access data using standard phishing techniques or exploiting security gaps. The number of clicks on the links or attachments included are used as a metric.

### Safe operation of power plants and assets

A secure electricity supply is an indispensable element in our modern society today and this is therefore also increasingly becoming the subject of statutory regulations. For example, as an operator of Critical Infrastructure, our reporting pathways in the government agencies involved are defined in legislation. We work together with government agencies to make preparations for potential emergency scenarios. Exercises simulating emergencies are carried out at local level and these generally take place in cooperation with the authorities operating on the ground there, for example the police and fire service.

**Monitoring plants and being prepared for a crisis situation**

Our commitment extends beyond statutory requirements. Along with other German companies operating in the international arena, RWE is a member of the Global Player Initiative of the Federal Criminal Police Office and the Alliance for Cyber Security (Allianz für Cybersicherheit) of the Federal Office for Information Security (BSI).

We have established an integrated crisis management organisation in order to meet the challenge of crisis situations. This comprises central and local crisis staffs. These are supported by crisis management plans. In addition, crisis exercises are carried out at regular intervals to deal with specific scenarios. These include the appropriate responses to groupwide crisis incidents and dealing with primarily site-specific emergency situations which result, for example, from generation technology and location.

**Maintaining high safety standards**

In accordance with the Nuclear Safety Officer and Reporting Ordinance (AtSMV), the operators of nuclear facilities in the Federal Republic of Germany must report any notifiable events occurring to the relevant responsible state supervisory authorities. The aim of the official reporting procedure is to monitor the security status of these plants. As a result of the findings obtained from the reported events, plants are also to be made safer over the long term.

Particularly at our nuclear power plants, we comply with a high level of safety standards and report notifiable events. The notifiable events occurring at the sites of our nuclear power plants were also reported to the relevant responsible supervisory authority in 2021 in accordance with the regulations of the Nuclear Safety Officer and Reporting Ordinance (AtSMV). The general public was also informed in press releases about all notifiable events.

Out of a total of six nuclear power plants operating in Germany in the year 2021, two nuclear power plants are operated by RWE Nuclear GmbH (Emsland and Gundremmingen Unit C). Units A and B of the Biblis nuclear power plant, unit B of the Gundremmingen power plant, the Mülheim-Kärlich nuclear power plant and the Lingen power plant (KWL) are being decommissioned.

Seven notifiable events were reported at the RWE nuclear power plants (nuclear power plant Emsland: 3, Gundremmingen C: 0, nuclear power plant Biblis: 3, nuclear power plant Lingen: 1, Mülheim-Kärlich: 0). All the notifiable events were classified at level 0 on the International Nuclear Event Scale (INES) for nuclear and radiological events. Level 0 applies to notifiable events with no significance for safety or very little.

**Identifying and protecting critical plants**

**Catastrophe and emergency planning (G4), GRI 103**

The security risks are tangibly increasing with the quickening pace of digitalisation. The electricity supply is a particularly lucrative target – from the perspective of an attacker, because outage has an especially high potential to cause a significant amount of loss and damage to society and business. As an operator, RWE is well aware of this situation and is conscious of its responsibility for all our generation plants. We regularly carry out risk assessments on the basis of the current level of hazard along with external security analyses to identify our critical plants, and we implement appropriate technical and organisational measures to protect them.

Setting up information security management systems

These protective measures also encompass setting up Information Security Management Systems (ISMS). If they are within the scope of statutory regulations, the first plants were successfully authorised with external certificates in 2021. These reviews covered plants and areas relating to all forms of generation, as well as to energy trading (power plant management).

In Germany, the relevant power plants of RWE Power and RWE Generation were audited on the basis of the IT Security List in Germany in accordance with the German Energy Act (Energiewirtschaftsgesetz). The aim of first certification was to prove that the IT Security List had been implemented and an ISMS had been introduced in accordance with the standards ISO 27001, ISO 27002 and ISO 27019 for the scope of power-plant specific IT. RWE was the pioneer here for the large power-plant operators in Germany and the involved certifying agency received accreditation through its work at RWE to carry out audits of further energy producers.

All the markets of RWE include comparable statutory regulations and external verification in various forms. Accordingly, we have set up internal project activities for this purpose. We expect additional statutory regulations and the amendment of these (e. g. the IT Security Act 2.0, IT-Sicherheitsgesetz 2.0) and we carefully analyse the developments in this respect and the impacts on RWE, and derive any necessary measures.

## Predictive risk management

Predictive risk management is a fundamental prerequisite for establishing appropriate measures for risk avoidance and minimisation. Risks can vary considerably so that an alert approach to risks is all the more important. We have already carried out a large number of measures to make our processes even more efficient, our organisation even more robust and our corporate culture more performance-oriented and flexible. Our risk management reflects financial risks arising, for example, from general climate protection policy and emissions trading in particular. In the case of emissions trading, we reduce these risks by concluding appropriate hedging transactions, see → Non-financial Report, page 17.

**Monitoring and developing risk management further**

**GRI 102-30**
**GRI 102-31**

The Executive Board of RWE AG is primarily responsible for risk management. The board monitors and manages the overall risk of the Group. This also includes financial risks and opportunities associated with climate change. In this connection, the board also reviews opportunities for minimising risks, for example through portfolio adjustments. However, we do not publish the quantified results for competitive reasons.

The responsibility for applying and developing the risk management system is at the level below the Executive Board with the Controlling & Risk Management Department of RWE AG. This department regularly reports to the Executive Board and the Supervisory Board of RWE AG on the risk position of the Group. The Internal Audit Department continuously reviews the quality and the functional capability of the risk management system.

The Executive Board of RWE AG is informed immediately if there are any significant changes to the risk situation. The management and supervisory bodies are informed about the risk situation as part of regular reporting at least on a half-yearly basis.

### Mitigating the opportunities and risks of climate change

GRI 201-2

Recording and evaluating climate risks have been part of our risk management for many years, see → section 2.10 Development of risks and opportunities in the combined review of operations in the Annual Report, page 70. We implemented an additional evaluation for climate risks in the existing risk management in order to guarantee efficient identification of climate risks in accordance with the regulations of the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we implemented greater integration of the mainstays defined in the TCFD of Strategy, Risk Management, Governance and Corporate Targets. For our more detailed reporting in accordance with the TCFD recommendations, see → section Management of climate-relevant risks (TCFD), page 33.

Climate risks as part of risk management

## Tax management

GRI 207
GRI 103

- **Anchoring tax integrity and transparency in everyday company routine**
- **Preventing violations by consistent tax management**

Tax transparency and responsible tax management are a top priority at RWE. As an energy utility operating on the international stage, we have to comply with a wide range of national jurisdictions and regulations governing tax law. We therefore pursue a policy of Tax Compliance in all relevant legal fields of tax law. We consistently pursue violations such as tax evasion or facilitating tax evasion. We provide our employees with appropriate training and encourage them to report tax compliance violations.

**As a leading global renewables company, RWE is aware of its social responsibility as a taxpayer and in respect of all other stakeholders – investors, states, employees, trading partners, the general public and the environment.**

**For us, this includes timely compliance with all the relevant tax regulations and obligations concerning declaration, documentation, disclosure and tax payment in all the countries where we have operations. A national and international Tax Compliance Management System has been put in place for purposes of implementing and monitoring this tax compliance in order to meet these requirements.**

**Our tax payments thereby promote economic and social development at our business locations and also serve our corporate purpose here:**

**Our energy for a sustainable life.“**

Michael Müller
Member of the Executive Board of RWE AG / Chief Financial Officer

Responsible tax compliance

## Culture of integrity and transparency

Within the framework of the RWE Code of Conduct and the RWE Tax Policy, the Executive Board of RWE AG and the executive managements of the companies of the RWE Group have made a commitment to comply with the Tax Compliance requirements. In addition, the Tax Policy of RWE in particular recognises and makes a commitment to tax transparency and responsible tax management. We take account of the claims of different stakeholders, such as governments, customers, shareholders and local authorities where RWE is operating.

The Tax Department is positioned organisationally under the Chief Financial Officer. The central Tax Department supports the Executive Board of RWE AG in carrying out its management and monitoring responsibilities with the aim of effectively implementing Tax Compliance within the RWE companies. The Supervisory Board and the Internal Audit Department perform a monitoring function in this process.

We foster a culture of integrity and compliance with rules in the area of tax and RWE has anchored this culture as a constituent element of various corporate processes. The Tax Department based at RWE AG has the lead role and bears Group responsibility. A Tax Compliance Organisation has also been established, which covers the subsidiary companies of RWE AG.

## Risk management and prevention

We believe it is essential to commit to compliance with binding legal standards and rules, also in the area of taxes. A Group regulatory policy defines the functions and responsibilities for Tax Compliance and Tax Compliance Management in the company organisation.

### Training employees and consistently clarifying violations

We are continuously developing, improving and reviewing the Tax Compliance Management System of RWE AG. Each employee is required to play an active role in their area of work, to implement tax compliance measures and programmes, for example by participation in and cooperation on further training measures. They are also obliged to report potential tax compliance violations. The objective is to maintain credibility and integrity in relation to our business partners and in dealings with each other. Notifications for violations of Tax Compliance can be made through the Compliance Whistleblower System set up throughout RWE.

As part of Tax Compliance Management, we defined targets for adherence to Tax Compliance requirements. This is primarily about meeting the statutory regulations. These relate specifically to complying with all the deadlines for tax notification and tax declarations, avoiding erroneous or incorrect tax declarations or notifications, initiating other reports, such as notifications about our ownership of domestic and foreign shareholdings to the tax authorities in Germany, and complying with payment deadlines for advance payments and tax arrears. We want to ensure with effective Cash Tax Management that advance payments of the appropriate amount are made and that interest charges are avoided.

### Recording and systematically assessing risks

Tax Compliance risks are systematically recorded and evaluated, and risk-mitigating measures are taken on a preventive basis as appropriate. At RWE, the national Tax Compliance Management System (Tax CMS) in Germany encompasses the following types of tax: turnover, energy, wage, corporation and trade tax. A total of 250 tax and organisational risks are monitored by a large number of tax-type specific checks and balances within the framework of the risk control matrixes. Checks are also carried out preventively and postoperatively through to daily reviews in order to further strengthen the

system. If corrections have to be made to declarations, we generally take these into account directly in the tax declarations to be submitted or agree them with the tax authorities in advance of company audits.

We monitor the compliance risks of the material foreign companies of the RWE Group within the framework of the International Tax Compliance Management System by the quarterly submission of the tax declaration, the tax payments and the tax risks.

**Tax management of international business relationships within the Group**

GRI 207-1

As a company operating in the international arena, there are diverse business relations between the business units. The structure of these relationships in conformity with compliance is defined with binding effect in the Group Guideline on Transfer Prices. To this end, the guideline defines uniform and binding principles throughout the Group for billing related to all cross-border business relationships. Furthermore, the guideline provides detailed instructions on which services can be offset and defines which international transfer pricing method recognised by the tax authorities is used to determine the remuneration for third parties. The Group companies involved in the exchange of services and the central Tax Department of RWE AG are responsible for implementing and complying with the principles defined in the guideline. This includes the timely preparation of the transfer pricing documents and the prompt reporting of extraordinary business transactions.

If there are reportable, cross-border tax arrangements (DAC 6), these are reported in good time. Such reports may occur despite adherence to all statutory regulations and if our compliance principles are observed, since owing to the vast amount of vague legal terms in the standards it is necessary to report facts that are legal and legitimate even in cases of doubt. In order to meet this obligation, a web-based IT tool was implemented throughout the EU, a specialist international team was set up within the tax departments and appropriate employee training sessions were carried out in order to raise the awareness of reportable facts.

RWE takes combatting tax evasion very seriously and therefore only carries on business in countries with non-cooperative jurisdictions for tax purposes, known as the EU Black List, if it is economically essential for trading. We carry out quarterly monitoring of our activities against the EU Black List countries in order to avoid possible tax conflicts.

### Country-by-country reporting

GRI 207-4

As an international group, RWE operates within different tax jurisdictions. This primarily involves the operation of national subsidiaries, however in this context we present them as the Group RWE AG. For the reporting year 2021, various forms of tax are relevant for RWE and we would like to present them in the table below.

| Tax types [€ million] | Revenues from business transactions with third-party companies [1] | Income from internal Group transactions with other tax jurisdictions [1] | Earnings before income tax [1] | Property, plant and equipment [1] | Income tax paid [1, 6] | Income tax incurred [1, 7] | Reasons for the difference | Energy tax [2, 3] | Wage tax [3] | **Total of paid taxes per country** |
|---|---|---|---|---|---|---|---|---|---|---|
| Germany | 54,258 | 9,194 | -520 | 68,925 | 210 [4] | -110 [5] | High loss carryforwards, remaining tax payment results from one-off effects | 255 | 365 | **410** |
| USA | 1,078 | 1 | -609 | 7,030 | 0 | 0 | High loss carryforwards and benefits from tax equity which are not recognised in tax expense | 0 | 15 | **15** |
| United Kingdom | 75,501 | 22,936 | 2,585 | 77,083 | -337 | -138 | Earnings before tax includes high portion of changes in market value arising from hedging transactions / derivatives | 0 | 119 | **456** |
| Netherlands | 947 | 1,999 | 160 | 1,815 | 0 | -1 | High loss carryforwards | 19 | 25 | **44** |
| Other [9] | 3,000 | 7,910 | -136 | 12,712 | -29 [8] | -20 [8] | Summary of different jurisdictions | - | - | **38** |
| **RWE Group** | **134,783** | **42,040** | **1,481** | **167,564** | **-156** | **-270** | | **275** | **523** | **963** |

1 Corresponds to the definitions of GRI 204, deviations from the consolidated financial statements are therefore possible.
2 Energy tax not including the British "climate change levy".
3 No figures were calculated for "Other" on account of materiality reasons.
4 Without taking account of one-off effects from the settlement of legal disputes from previous years, a tax payment in the amount of € 141.41 million would result.
5 Including one-off effects from provision for tax risks
6 In accordance with definitions from GRI 207, only taking account of the income taxes without ancillary services.
7 In accordance with definitions from GRI 207, only taxes from the period 2021 are stated.
8 No tax group above the limit and strongly counteracting effects in the individual countries.
9 Other countries on the basis of their importance in relation to portion of our revenue: Singapore, Czech Republic, Turkey, Italy, Poland, Spain, Denmark, Sweden, miscellaneous < 1%.

We report the number of employees by country on → page 65.

# 6 Appendix



"The path to climate neutrality is teamwork. We learn from each other for tomorrow's energy world."

Mary Drury, Plant Manager Amer Power Station

# Appendix

## GRI Content Index

This Sustainability Report 2021 was available to the Global Reporting Initiative (GRI) for the performance of the GRI Materiality Disclosures Service. The GRI Services Team reviewed that the "materiality disclosures" are clearly presented and the references for Disclosures GRI 102-40 to 102-49 align with appropriate sections in the body of the report. This service was performed on the German version of the report.


| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| **GRI 101: Foundation 2016** | | | | |
| **GRI 102: General Disclosures 2016** | | | | |
| **Organisational profile** | | | | |
| GRI 102-1: Name of the organisation | 5 | | ■ | |
| GRI 102-2: Activities, brands, products, and services | 5 | | ■ | |
| GRI 102-3: Location of headquarters | 5 | | ■ | |
| GRI 102-4: Location of operations | 6 | | ■ | |
| GRI 102-5: Ownership and legal form | 11 | | ■ | |
| GRI 102-6: Markets served | 5 | | ■ | ■ |
| GRI 102-7: Scale of the organisation | 8 | | ■ | |
| GRI 102-8: Information on employees and other workers | 65 | | ■ | |
| GRI 102-9: Supply chain | 97 | | ■ | |
| GRI 102-10: Significant changes to the organisation and its supply chain | 5 | | ■ | |
| GRI 102-11: Precautionary Principle or approach | 33 | | ■ | ■ |
| GRI 102-12: External Initiatives | 84 | | ■ | |
| GRI 102-13: Membership of associations | 84 | | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| **Strategy** | | | | |
| GRI 102-14: Statement from senior decision-maker | 1 | | ■ | |
| GRI 102-15: Key impacts, risks, and opportunities | 22 | | ■ | ■ |
| **Ethics and Integrity** | | | | |
| GRI 102-16: Values, principles, standards, and norms of behaviour | 89 | | ■ | |
| GRI 102-17: Mechanisms for advice and concerns about ethics | 91 | | ■ | |
| **Governance** | | | | |
| GRI 102-18: Governance structure | 11, 12 | | ■ | |
| GRI 102-19: Delegating authority | 11 | | ■ | |
| GRI 102-20: Executive-level responsibility for economic, environmental, and social topics | 11, 22 | | ■ | |
| GRI 102-21: Consulting stakeholders on economic, environmental, and social topics | 77, 79, 82 | | ■ | |
| GRI 102-22: Composition of the highest governance body and its committees | 12, 13 | | ■ | |
| GRI 102-23: Chair of the highest governance body | 12 | | ■ | |
| GRI 102-24: Nominating and selecting the highest governance body | 13 | | ■ | |
| GRI 102-25: Conflicts of interest | 91 | | ■ | |
| GRI 102-26: Role of highest governance body in setting purpose, values, and strategy | 22 | | ■ | ■ |
| GRI 102-29: Identifying and managing economic, environmental, and social impacts | 32, 63 | | ■ | |
| GRI 102-30: Effectiveness of risk management processes | 101 | | ■ | |
| GRI 102-31: Review of economic, environmental, and social topics | 63, 101 | | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| GRI 102-32: Highest governance body's role in sustainability reporting | 20 | | ■ | ■ |
| GRI 102-35: Remuneration policies | 22 | | ■ | |
| **Stakeholder engagement** | | | | |
| GRI 102-40: List of stakeholder groups | 77 | | ■ | |
| GRI 102-41: Collective bargaining agreements | 65 | | ■ | |
| GRI 102-42: Identifying and selecting stakeholders | 77 | | ■ | |
| GRI 102-43: Approach to stakeholder engagement | 79 | | ■ | |
| GRI 102-44: Key topics and concerns raised | 79 | | ■ | |
| **Reporting practice** | | | | |
| GRI 102-45: Entities included in the consolidated financial statements | 2 | | ■ | |
| GRI 102-46: Defining report content and topic Boundaries | 22 | | ■ | |
| GRI 102-47: List of material topics | 23 | | ■ | |
| GRI 102-48: Restatements of information | 2 | | ■ | |
| GRI 102-49: Changes in reporting | 2, 3 | | ■ | |
| GRI 102-50: Reporting period | 2 | | ■ | |
| GRI 102-51: Date of most recent report | 3 | | ■ | |
| GRI 102-52: Reporting cycle | 3 | | ■ | |
| GRI 102-53: Contact point for questions regarding the report | 139 | | ■ | |
| GRI 102-54: Claims of reporting in accordance with the GRI Standards | 2 | | ■ | |
| GRI 102-55: GRI content index | 107 | | ■ | |
| GRI 102-56: External assurance | 127 | | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| **Material Topics** | | | | |
| **GRI 201: Economic Performance 2016** | 7 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 7 | | ■ | |
| GRI 201-1: Direct economic value generated and distributed | 8, 76 | | ■ | |
| GRI 201-2: Financial implications and other risks and opportunities due to climate change | 32, 36, 102 | Quantitative results relating to risks and opportunities are subject to a specific confidentiality constraint. The quantified data are not disclosed for competitive reasons. | ■ | |
| GRI 201-4: Financial assistance received from government | 8, 58 | | ■ | |
| **GRI 203: Indirect Economic Impacts 2016** | 15, 74 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 15, 74 | | ■ | |
| GRI 203-2: Significant indirect economic impacts | 75, 76 | | ■ | |
| **GRI 204: Procurement Practices 2016** | 93 | | ■ | ■ |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 93 | | ■ | ■ |
| GRI 204-1: Proportion of spending on local suppliers | 98 | | ■ | |
| **GRI 205: Anti-corruption 2016** | 89 | | ■ | ■ |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 89 | | ■ | ■ |
| GRI 205-1: Operations assessed for risks related to corruption | 92 | We do not explicitly report on the total number and percentage of operations that are audited for corruption risks and on significant risks in connection with corruption that were determined by risk assessment since these were subject to specific confidentiality constraints. These data are confidential as they are business-relevant information. | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| GRI 205-2: Communication and training about anti-corruption policies and procedures | 92 | We do not explicitly report on any quantitative data relating to the total number and percentage of the members of the governance body, the office-based employees, business partners and other persons or organisations that were advised about the guidelines and procedures of the organisation for combatting corruption, since these were subject to specific confidentiality constraints. These data are confidential as they are business-relevant information. For the same reason, we do not report any quantitative data on training sessions. | ■ | ■ |
| **GRI 207 Tax 2019** | 102 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 102 | | ■ | |
| GRI 207-1: Approach to tax | 104 | | ■ | |
| GRI 207-4: Country-by-country reporting | 105 | We report with a breakdown of the material tax jurisdictions for RWE AG, all other tax jurisdictions are summarised under "Miscellaneous". | ■ | |
| **Availability and Reliability** | 16 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 16 | | ■ | |
| **Energy-efficient Products and Services** | 17 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 17 | | ■ | |
| **Research and Development** | 54 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 54 | | ■ | |
| **Shutdown and Decommissioning of Power Plants and Reinstatement of Opencast Mines** | 18 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 18 | | ■ | |
| **GRI 302: Energy 2016** | 50, 51 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 50, 51 | | ■ | |
| GRI 302-1: Energy consumption within the organisation | 51, 52 | We report on the primary energy consumption including the fossil energy sources used, biomass and partially used auxiliary materials. Reporting does not include a differentiated presentation by renewable / non-renewable sources and the survey standard. | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| **GRI 303: Water and Effluents 2018** | 46 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 46 | | ■ | |
| GRI 303-3: Water withdrawal | 48 | We do not have any further data relating to details from water-stressed areas. | ■ | |
| GRI 303-4: Water discharge | 48 | We do not have any details of important substances of concern and their treatment and details for water-stressed areas are not available. | ■ | |
| GRI 303-5: Water consumption | 49 | | ■ | |
| **GRI 304: Biodiversity 2016** | 37 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 37 | | ■ | |
| GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 37 | Continuous surveying for all our parcels of land would take up a disproportionately high input of resources. Furthermore, it is by no means certain that the digital data required from the authorities for such an updating process would be sufficiently up to date to provide an accurate determination. | ■ | |
| GRI 304-2: Significant impacts of activities, products, and services on biodiversity | 37 | | ■ | |
| **GRI 305: Emissions 2016** | 40 | | ■ | ■ |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 40 | | ■ | ■ |
| GRI 305-1 Direct (Scope 1) GHG emissions | 41 | We do not report separately on biogenic $CO_2$ emissions. | ■ | ■ |
| GRI 305-2: Energy indirect (Scope 2) GHG emissions | 41 | At present, we currently only report site-related Scope 2 emissions. | ■ | ■ |
| GRI 305-3: Other indirect (Scope 3) GHG emissions | 41 | We do not report separately on biogenic $CO_2$ emissions. | ■ | ■ |
| GRI 305-4: GHG emissions intensity | 41 | The direct emissions (Scope 1), and indirect emissions (Scope 2) were included in the calculation of the GHG intensity. This includes all emissions of greenhouse gas emissions, including but not limited to carbon dioxide, methane, nitrous oxide and sulfur hexafluoride. | ■ | ■ |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| GRI 305-5: Reduction of GHG emissions | 40, 43 | From 2012 to 2020, we reduced our $CO_2$ emissions in electricity generation by 62%. This relates to data on $CO_2$ emissions from electricity generation, which is subject to the EU ETS. The baseline year 2012 was selected as representative for the power plant portfolio at that time.<br>From the reporting year 2020 to 2021 our scope 1 emissions according to the GHG Protocol increased by a total amount of 16.7 million t $CO_2e$. This was due to higher electricity generation, primarily from our coal fired power plants, due to the combination of weak wind conditions and high gas prices. | ■ | ■ |
| GRI 305-6: Emissions of ozone-depleting substances (ODS) | 46 | | ■ | |
| GRI 305-7: Nitrogen oxides ($NO_X$), sulphur oxides ($SO_X$) and other significant air emissions | 46 | There is no reporting based on continuous measures for mercury at our power plants in Germany, this system is just being established; most of the measurements from previous years relate to the results of individual measurements. | ■ | |
| **GRI 306: Waste 2020** | 52 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 52 | | ■ | |
| GRI 306-2: Management of significant waste-related impacts | 53 | The disclosures and descriptions relate to the waste types ash and gypsum being produced in conventional electricity generation. We do not have any details of any other waste categories. | ■ | |
| GRI 306-4: Waste diverted from disposal | 53 | We do not have any details for breakdown of the categories by procedure for recovery and by site of recovery. | ■ | |
| GRI 306-5: Waste directed to disposal | 53 | We do not have any details for breakdown of the categories by disposal procedure and by site of recovery. | ■ | |
| **GRI 307: Environmental Compliance 2016** | 33 | | ■ | ■ |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 33 | | ■ | ■ |
| GRI 307-1: Non-compliance with environmental laws and regulations | 33 | | ■ | ■ |
| **GRI 308: Supplier Environmental Assessment 2016** | 96 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 96 | | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| GRI 308-1: New suppliers that were screened using environmental criteria | 96, 97 | | ■ | |
| GRI 308-2: Negative environmental impacts in the supply chain and actions taken | 96, 97 | | ■ | |
| **GRI 401: Employment 2016** | 61 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 61 | | ■ | |
| GRI 401-1: New employee hires and employee turnover | 65 | We do not distinguish further in relation to data on the fluctuation because the benefit is not commensurate with the financial expenditure. We report regularly on the age structure and the breakdown of employees by gender. | ■ | |
| GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees | 64 | | ■ | |
| **GRI 402: Labour / Management Relations 2016** | 63 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 63 | | ■ | |
| GRI 402-1: Minimum notice periods regarding operational changes | 63 | | ■ | |
| **GRI 403: Occupational Health and Safety 2018** | 72 | | ■ | ■ |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 72 | | ■ | ■ |
| GRI 403-9: Work-related injuries | 74 | We do not report by regions but by analogy with operational management in segments. Data on the number and rate of work-related injuries are collected in anonymised form for reasons of data protection.<br>For this reason, it is not possible to report on the types of work-related injuries and occupational risks.<br>Reporting relates to our employees including the employees of our partner companies. The number of working hours is not reported in the public domain for reasons of confidentiality. | ■ | ■ |
| GRI 403-10: Work-related ill health | 74 | We only have data in anonymised form for the number of work-related illnesses and work-related fatalities. For this reason, reporting in the required level of detail is not possible. | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| **GRI 404: Training and Education 2016** | 67, 68 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 67, 68 | | ■ | |
| GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes | 68 | | ■ | |
| **GRI 405: Diversity and Equal Opportunity 2016** | 69 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 69 | | ■ | |
| GRI 405-1: Diversity of governance bodies and employees | 65, 70 | Reporting of data on minorities is subject to the relevant national legal standards. It is therefore only possible to provide differentiation by gender and age. | ■ | |
| GRI 405-2: Ratio of basic salary and remuneration of women to men | 71 | | ■ | |
| **GRI 413: Local Communities 2016** | 76, 79 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 76, 79 | | ■ | |
| GRI 413-1: Operations with local community engagement, impact assessments, and development programmes | 82 | Detailed disclosure of the results is not practical owing to the large number of licensing procedures. | ■ | |
| GRI 413-2: Operations with significant actual and potential negative impacts on local communities | 82 | | ■ | |
| **Human Rights** | 87 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 87 | | ■ | |
| **Catastrophe / Emergency Planning and Response** | 101 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 101 | | ■ | |
| **Security** | 98 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 98 | | ■ | |

| GRI Standards | Page | Omission | CR | NfR |
|---|---|---|---|---|
| **GRI 414: Supplier Social Assessment 2016** | 96 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 96 | | ■ | |
| GRI 414-1: New suppliers that were screened using social criteria | 96, 97 | | ■ | |
| GRI 414-2: Negative social impacts in the supply chain and actions taken | 96, 97 | | ■ | |
| **GRI 415: Public Policy 2016** | 82, 83 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 82, 83 | | ■ | |
| GRI 415-1: Political contributions | 92 | | ■ | |
| **GRI 417: Marketing and Labelling 2016** | 9 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 9 | | ■ | |
| GRI 417-1: Requirements for product and service information and labelling | 9 | | ■ | |
| **GRI 419: Socioeconomic Compliance 2016** | 92 | | ■ | |
| GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3) | 92 | | ■ | |
| GRI 419-1: Non-compliance with laws and regulations in the social and economic area | 92 | | ■ | |

# Key sustainability indicators

## Economic performance indicators

### Installed capacity

| Power generation[1] as at 31.12.2021 | Renewables | | Pumped storage, batteries | | Gas | | Lignite | | Hard coal | | Nuclear | | Total[2] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **in MW** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| Offshore Wind | 2,312 | 1,918 | – | – | – | – | – | – | – | – | – | – | 2,318 | 1,918 |
| Onshore Wind / Solar | 7,082 | 6,858 | 28 | 20 | – | – | – | – | – | – | – | – | 7,110 | 6,877 |
| Hydro / Biomass / Gas | 1,285 | 1,325 | 168 | 172 | 13,901 | 13,901 | – | – | 1,469 | 1,474 | – | – | 17,115 | 17,165 |
| of which Germany | 393 | 391 | 168 | 172 | 3,807 | 3,807 | – | – | – | – | – | – | 4,407 | 4,409 |
| of which United Kingdom | 139 | 137 | – | – | 6,984 | 6,984 | – | – | – | – | – | – | 7,376 | 7,374 |
| of which Netherlands / Belgium | 753 | 748 | – | – | 2,323 | 2,323 | – | – | 1,469 | 1,474 | – | – | 4,545 | 4,545 |
| of which Turkey | – | – | – | – | 787 | 787 | – | – | – | – | – | – | 787 | 787 |
| Coal / Nuclear | 12 | 7 | – | – | 400 | 400 | 7,638 | 8,548 | – | – | 1,482 | 2,770 | 9,559 | 11,752 |
| **RWE Group[3]** | **10,697** | **10,108** | **199** | **194** | **14,301** | **14,301** | **7,638** | **8,548** | **1,469** | **1,474** | **1,482** | **2,770** | **36,104** | **37,714** |

1 No longer considers power plants taken offline as of 31 December. Assets scheduled for decommissioning are excluded from the capacity overview once they stop producing electricity. They include our lignite units in legally-mandated security standby. No longer considers generation assets in which RWE does not own the majority, but which we have long-term usage rights to. Prior-year figures adjusted accordingly. Commercial rounding can result in inaccurate sum totals.

2 Including production volumes not attributable to any of the energy sources mentioned (e.g. electricity from waste-to-energy plants).

3 Including insignificant capacity at RWE Supply & Trading.

In terms of generation capacity, gas is our main energy source, accounting for a share of 40% at the close of 2021. Renewables take second place with a share of 30%.

**Power generation by primary energy source**

| Power generation[1] | Renewables | | Pumped storage, batteries | | Gas | | Lignite | | Hard coal | | Nuclear | | Total[2] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **in GWh** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** | **2021** | **2020** |
| Offshore Wind | 7,564 | 7,009 | – | – | – | – | – | – | – | – | – | – | 7,564 | 7,009 |
| Onshore Wind / Solar | 16,709 | 16,762 | – | – | – | – | – | – | – | – | – | – | 16,709 | 16,762 |
| Hydro / Biomass / Gas | 7,899 | 5,832 | 41 | 80 | 52,257 | 46,894 | – | – | 6,952 | 3,584 | – | – | 67,321 | 56,600 |
| of which Germany | 1,645 | 1,546 | 41 | 80 | 5,988 | 8,576 | – | – | – | – | – | – | 7,846 | 10,412 |
| of which United Kingdom | 493 | 573 | – | – | 35,263 | 25,138 | – | – | – | – | – | – | 35,756 | 25,711 |
| of which Netherlands | 5,725 | 3,679 | – | – | 6,647 | 8,899 | – | – | 6,952 | 3,584 | – | – | 19,324 | 16,162 |
| of which Turkey | – | – | – | – | 4,359 | 4,281 | – | – | – | – | – | – | 4,359 | 4,281 |
| Coal / Nuclear | 18 | 19 | – | – | 147 | 726 | 45,916 | 36,649 | 188 | 2,549 | 22,704 | 20,682 | 69,179 | 60,833 |
| **RWE Group** | **32,190** | **29,622** | **41** | **80** | **52,404** | **47,620** | **45,916** | **36,649** | **7,140** | **6,133** | **22,704** | **20,682** | **160,773** | **141,204** |

1 No longer considers power purchases from generation assets in which RWE does not own the majority, but which we have long-term usage rights to. Prior-year figures adjusted accordingly.

2 Including production volumes not attributable to any of the energy sources mentioned (e. g. electricity from waste-to-energy plants).

## Corporate governance

| | Unit | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Revenues: proportion of taxonomy-eligible activities [1] | % | 18 | – | – |
| CAPEX: proportion of taxonomy-eligible activities [1] | % | 88 | – | – |
| OPEX: proportion of taxonomy-eligible activities [1] | % | 25 | – | – |
| R&D expenses [2] | € million | 22 | 20 | 21 |
| Proportion of women in the company [3] | % | 15.7 | 14.7 | 12.8 |
| Proportion of women in management positions [4] | % | 19 | 16.6 | 15.8 |
| Share of the RWE Group's revenue earned in countries with a high risk of corruption [5] | % | 3.4 | 6.5 | 7.8 |

1 In accordance with the RWE Annual Report 2021, page 35.

2 In accordance with the RWE Annual Report 2021, page 30.

3 Data for 2021 and 2020 for the RWE Group. Data for 2019 for RWE without the renewable energy business but including operations acquired from E.ON activities.

4 Data for 2021 for the core business of the RWE Group. Data for 2020 for the RWE Group, Data for 2019 include RWE AG, RWE Generation SE, RWE Power AG and RWE Supply & Trading GmbH.

5 Countries rated lower than 60 on a scale of 0 to 100 in the Corruption Perceptions Index by the anti-corruption organisation Transparency International (TI), with 100 corresponding to the lowest risk of corruption.

## Environmental performance indicators

| | Unit | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Specific $NO_x$ emissions[1] | g / kWh | 0.29 | 0.27 | 0.33 |
| Specific $SO_2$ emissions[1] | g / kWh | 0.09 | 0.08 | 0.11 |
| Specific dust emissions | g / kWh | 0.01 | 0.01 | 0.01 |
| Primary energy consumption[2] | million GJ | 924 | 804 | 934 |
| Specific total water consumption[1,3] | $m^3$ / MWh | 1.04 | 1.10 | 1.43 |
| $CO_2$ emissions EU ETS[4] | million mt $CO_2$ | 80.9 | 67.0 | 87.1 |
| Direct greenhouse gas emissions (Scope 1)[5,6] | million mt $CO_2e$ | 86.9 | 70.2 | 91.7 |
| Indirect energy-related greenhouse gas emissions (Scope 2) – site related[6,7] | million mt $CO_2e$ | 2.7 | 3.1 | 4.72 |
| Other indirect GHG emissions (Scope 3)[7,8] | million mt $CO_2e$ | 22.7 | 19.9 | 187.2 |
| Specific $CO_2$ emissions EU ETS[9] | mt $CO_2$ / MWh | 0.50 | 0.47 | 0.57 |
| Greenhouse gas intensity Scope 1 + 2, power generation[5,7,10] | mt $CO_2e$ / MWh | 0.499 | 0.538 | – |
| Share of the Group's power generation accounted for by renewable energy | % | 20.0 | 20.2 | 10.7 |
| Share of renewable energy in the installed capacity[11] | % | 28.4 | 24.8 | – |

1 Data for 2021 and 2020 for the RWE Group, data for 2019 for RWE without the renewable energy business. Data for 2020 partly adjusted retrospectively.

2 Data for 2021 and 2020 for the RWE Group, figure for 2020 retrospectively adjusted to the new calculation methodology, includes the fossil energy sources used, and biomass and the partly used auxiliary materials. Data for 2019 for RWE without the renewable energy business: fossil energy sources used, without biomass and energy sources recorded under "Other combustion fuels". Without taking transport into account.

3 Total water consumption, normalised to electricity generation (without contracted power plants).

4 Plants which fall under the scope of the European Emissions Trading Scheme (EU ETS). Since Turkey does not participate in the European Emissions Trading Scheme, we do not need any emissions allowances for the $CO_2$ emissions there. There is a corresponding British emissions trading system for the United Kingdom. Partly adjusted prior-year figures owing to a change in recording of electricity generation assets in which RWE does not own the majority, but which we have long-term usage rights to.

5 In 2021, our electricity generation amounted to 166,560 GWh, in 2020 to 146,775 GWh. Contracted power plants are included in $CO_2$ and electricity amounts but not in other amounts, e. g. waste, water, operational materials, etc.

6 Figures for 2019 are based on the old calculation method for our greenhouse gases which included emissions from divested businesses. This means that the boundary differs and the figures for 2019 still include emissions from innogy operations that are now no longer part of the RWE Group. Hence, the annual figures are not comparable.

7 For the reporting year 2020, the greenhouse gas emissions were adjusted retrospectively by using a more appropriate data item. It is not possible to exclude the possibility that shares from Scope 2 emissions are already taken account of in Scope 1 emissions as a consequence of the underlying data used.

8 A uniform methodology was applied for the years 2021 and 2020, which differs from the methodology used for the year 2019. The total for the Scope 3 emissions comprises the individual categories presented in the Non-financial Report, page 15.

9 Data for the RWE Group, calculated on the basis of power generation of the Group. Partly adjusted prior-year figures owing to a change in recording of electricity generation assets in which RWE does not own the majority, but which we have long-term usage rights to.

10 In the reporting for 2019, the greenhouse gas emission intensities were reported with a different boundary and these figures are not therefore shown.

11 Pro rata share includes 1.1 GW conventional generation capacity as part of the legally-mandated security standby / grid reserve.

## Social performance indicators

| | Unit | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Workforce [1] | FTE | 18,246 | 19,498 | 19,792 |
| Fluctuation rate [2] | % | 13.5 | 10.7 | 7.3 |
| Training days per employee (Germany) [2] | Number | 3.7 | 2.6 | 3.8 |
| Health rate [2] | % | 94.7 | 94.1 | 93.2 |
| Work-related and commuting accidents [2, 3] | LTIF | 2.0 | 1.5 | 2.1 |
| Number of work-related accidents [2, 3] | Number (LTI) | 121 | 89 | 96 |
| Fatal work-related accidents during working hours [2, 4] | Number | 1 | 0 | 2 |
| Fatality rate | Number per 100,000 own employees | 5.48 | 0 | 10.11 |

1 Employees of the RWE Group.

2 Data for 2021 and 2020 for the RWE Group, the renewable energy business was reported pro rata with time in the second half of the year. Data in 2019 for RWE without the renewable energy business.

3 Lost Time Incident Frequency (number of work-related accidents with at least one day off work for every one million hours worked); data including reports known to us from partner companies.

4 Data for the RWE Group including employees of partner companies.

## SASB Index – Electric Utilities & Power Generators

| Topic | Accounting Metric | Code | Additional information |
|---|---|---|---|
| Greenhouse Gas Emissions & Energy Resource Planning | (1) Gross global Scope 1 emissions<br>(2) Percentage covered under emissions-limiting regulations<br>(3) Emissions-reporting regulations | IF-EU-110a.1 | (1) Our gross global Scope 1 emissions in reporting year 2021 account to 86.9 million t $CO_2e$ according to our GHG reporting. Calculation of our emission inventory based on subsidiaries with „operational control".<br>(2) and (3): 93.1% of our gross global Scope 1 emissions fall under the European Emission Trading scheme (EU ETS), which is also an emissions-reporting based regulation. Additionally, RWE operates conventional power plants in the United Kingdom and Turkey. In the United Kingdom, a national Trading scheme for $CO_2$ certificates were established beginning of 2021. Since reporting year 2020, RWE reports its emissions according to the Science Based Targets approach.<br>See additionally<br>• Non-financial report, page 13<br>• CDP Climate<br>• GRI 305-1, page 41 |
| | Greenhouse gas (GHG) emissions associated with power deliveries | IF-EU-110a.2 | RWE's business activity is focused on electricity generation. We only have industrial customers. Our Scope 3, category 3.9 (Transportation and distribution, downstream) emissions account to 5,781 t $CO_2e$.<br>See additionally<br>• Non-financial report, page 15<br>• GRI 305-1, page 41 |
| | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | IF-EU-110a.3 | See<br>• www.rwe.com/emissions<br>• RWE Annual report 2021, chapter 2.1 Strategy, page 23<br>• Non-financial report, page 13 |
| | (1) Number of customers served in markets subject to renewable portfolio standards (RPS)<br>(2) percentage fulfillment of RPS target by market | IF-EU-110a.4 | (1) Not applicable<br>(2) Not applicable |

| Topic | Accounting Metric | Code | Additional information |
|---|---|---|---|
| Air Quality | Air emissions of the following pollutants:<br>(1) $NO_X$ (excluding N2O)<br>(2) $SO_X$<br>(3) particulate matter (PM10)<br>(4) lead (Pb)<br>(5) mercury (Hg)<br>Percentage of each in or near areas of dense population | IF-EU-120a.1 | (1) Total $NO_X$ (excluding $N_2O$): 47,241 tons<br>(2) Total $SO_X$: 13,936 tons<br>(3) Total particulate matter (PM10): 1,367 tons<br>(4) lead (Pb): There are no lead emissions in our power plants.<br>(5) mercury (Hg): Continous measuring of mercury emissions are currently set up.<br>Given number in (3) includes all of our dust emissions including PM10. We do not account and report the percentage of $NO_X$, $SO_X$, PM10, Pb, and Hg emissions from our facilities that are located in or near areas of dense population. Through rigorous monitoring and the application of the strict regulatory thresholds we limit the impacts from our assets. These emissions mainly occur in conventional power plants. Our lignite mining and power generation assets are historically embedded in areas with dense population. The Rhinish Lignite area is close (less than 50 km linear distance) to cities such as Cologne, Aachen, Mönchengladbach and Düren.<br>See additionally<br>• Sustainability report, GRI 305-7, page 46 |
| Water Management | (1) Total water withdrawn<br>(2) Total water consumed<br>Percentage of each in regions with High or Extremely High Baseline Water Stress | IF-EU-140a.1 | (1) Total water withdrawn: 4,747,522,482 $m^3$<br>(2) Total water consumed: 167,517,741 $m^3$<br>Data for regions with high or extremely high baseline water stress are not available.<br>See additionally<br>• Sustainability report, GRI 303-3, 303-4, and 303-5, pages 48 and 49<br>• CDP Water |
| | Number of incidents of non-compliance associated with water quantity and / or quality permits, standards, and regulations | IF-EU-140a.2 | During the reporting year, no serious environmentally relevant events were identified in an internal survey. Equally, no material monetary and no non-monetary sanctions in the environmental area were reported to us in an internal survey.<br>See<br>• Non-financial report, page 19 |
| | Description of water management risks and discussion of strategies and practices to mitigate those risks | IF-EU-140a.3 | See<br>• Sustainability report, GRI 303, page 46<br>• CDP Water |

| Topic | Accounting Metric | Code | Additional information |
|---|---|---|---|
| Coal Ash Management | Amount of coal combustion residuals (CCR) generated, percentage recycled | IF-EU-150a.1 | Amount of coal combustion residuals (CCR) generated: 3,784,840 tons<br>Percentage recycled: appr. 15%<br>See additionally<br>• Sustainability report, GRI 306-2, page 53<br>• RWE data tool |
| | Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment | IF-EU-150a.2 | RWE uses four of its own active power plant residue landfills. These are planned and approved by the mining authority or the relevant district government. The hazard potential classification of the coal incineration residues is non-hazardous waste for disposal. The structural integrity of the landfills corresponds to landfill class 1 in accordance with the Landfill Ordinance. |
| Energy Affordability | Average retail electric rate for<br>(1) residential,<br>(2) commercial, and<br>(3) industrial customers | IF-EU-240a.1 | (1) Not applicable<br>(2) Not applicable<br>(3) 62.80 € / MWh (net specific commodity price without any fees, taxes etc.).<br>Given numbers are for electricity. |
| | Typical monthly electric bill for residential customers for<br>(1) 500 kWh and<br>(2) 1,000 kWh<br>of electricity delivered per month | F-EU-240a.2 | Not applicable |
| | Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days | IF-EU-240a.3 | Not applicable |
| | Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory | IF-EU-240a.4 | RWE has a target to generate $CO_2$-neutral electricity by latest 2040, which is reliable and affordable.<br>See<br>• RWE Annual report 2021, chapter 2.1 Strategy, page 23 |

| Topic | Accounting Metric | Code | Additional information |
|---|---|---|---|
| Workforce Health & Safety | (1) Total recordable incident rate (TRIR)<br>(2) fatality rate, and<br>(3) near miss frequency rate (NMFR) | IF-EU-320a.1 | (1) Total recordable incident rate (TRIR): Instead of TRIR, RWE reports the LTIF rate, i. e. the number of accidents with at least one day off work for every one million hours worked. For reporting year 2021, the LTIF was 2.0.<br>(2) Fatality rate: RWE reports on number of fatalities: In reporting year 2021, one fatal accident occurred.<br>(3) Near miss frequency rate (NMFR): NMFR is not available for the whole RWE Group.<br>See<br>• Non-financial report, page 22 |
| End-Use Efficiency & Demand | Percentage of electric utility revenues from rate structures that<br>(1) are decoupled and<br>(2) contain a lost revenue adjustment mechanism (LRAM) | IF-EU-420a.1 | Not applicable |
| | Percentage of electric load served by smart grid technology | IF-EU-420a.2 | Not applicable |
| | Customer electricity savings from efficiency measures, by market | IF-EU-420a.3 | Not applicable |
| Nuclear Safety & Emergency Management | Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column | IF-EU-540a.1 | RWE Nuclear GmbH operates 2 nuclear power plants (Emsland and Gundremmingen C). There are 5 units in demolition phase (Biblis A and B, Gundremmingen B, Mülheim-Kärlich, and Lingen).<br>See<br>• Sustainability report, page 100 |
| | Description of efforts to manage nuclear safety and emergency preparedness | IF-EU-540a.2 | See<br>• Sustainability report, Catastrophe / emergency planning and response, page 100 |

| Topic | Accounting Metric | Code | Additional information |
|---|---|---|---|
| Grid Resiliency | Number of incidents of non-compliance with physical and / or cybersecurity standards or regulations | IF-EU-550a.1 | Not applicable |
| | (1) System Average Interruption Duration Index (SAIDI),<br>(2) System Average Interruption Frequency Index (SAIFI), and<br>(3) Customer Average Interruption Duration Index (CAIDI),<br>inclusive of major event days | IF-EU-550a.2 | Not applicable |
| | Number of:<br>(1) residential,<br>(2) commercial, and<br>(3) industrial<br>customers served | IF-EU-000.A | (1) Not applicable<br>(2) Not applicable<br>(3) 242<br>Given numbers are for electricity. |
| | Total electricity delivered to:<br>(1) residential,<br>(2) commercial,<br>(3) industrial,<br>(4) all other retail customers, and<br>(5) wholesale customers | IF-EU-000.B | (1) Not applicable<br>(2) Not applicable<br>(3) 21.9 TWh<br>(4) Not applicable<br>(5) 11.9 TWh<br>Given numbers are for electricity. |

## Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information [1]

To RWE AG, Essen

We have performed a limited assurance engagement on the disclosures denoted with ☑ in the sustainability report of RWE AG, Essen (hereinafter "the Company"), for the period from 1 January to 31 December 2021 (hereinafter the "Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol ☑.

**Responsibilities of the Executive Directors**

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

**Independence and Quality Control of the Audit Firm**

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Practitioner´s Responsibility**

Our responsibility is to express a limited assurance conclusion on the disclosures denoted with ☑ in the Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial

1 PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the sustainability report and issued an independent practitioner`s report in German language, which is authoritative. The following text is a translation of the independent practitioner`s report.

Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures denoted with ☑ in the Company's Report for the period from 1 January to 31 December 2021 has not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Analytical evaluation of selected disclosures in the Report
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance
- Random inspection of relevant documentation and evidence

**Assurance Conclusion**

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures denoted with ☑ in the Company's Report for the period from 1 January to 31 December 2021 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria.

**Intended Use of the Assurance Report**

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Düsseldorf, 15 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Aissata Touré
Wirtschaftsprüferin
(German Public Auditor)

ppa. Susanne Klages

## Progress Report on the Global Compact 2021

By signing the ten principles of the United Nations Global Compact (UNGC), RWE has expressly committed itself to upholding human rights and labour standards, to promoting environmental protection in its business activities and preventing corruption. RWE supports the UNGC and wants to make a contribution to the worldwide implementation of its ten principles. They form the basis for the RWE Code of Conduct. We also integrate them into our business processes and implement concrete actions for their enforcement.

The following table shows which concrete measures we have implemented and which achievements, as evidenced by key figures, we were able to demonstrate in the reporting period. It also illustrates how, by implementing the ten principles, we are contributing to the objectives of the Sustainable Development Goals (SDGs) relevant for us. The page numbers refer to corresponding content in this report and our → Non-financial Report (NfR).

| UN Global Compact | Sustainable Development Goals | Implementation at RWE | |
|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 1:** Support for human rights<br>**Principle 2:** Elimination of human rights violations<br>**Principle 6:** Elimination of discrimination |  <br>**5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life | **+ Basic values and programmes**<br>RWE has defined basic values for equal opportunities relating to participation in working life in our Code of Conduct and in our Social Charter. These apply to the entire RWE Group.<br>The support for women is taken forward through the following RWE programmes and initiatives: Initiative MINT women, enei network and Girls' Day.<br>**+ Combining career and family**<br>Mobile and flexible working is offered for all positions where this is operationally possible. We also offer childcare facilities for children.<br>**+ Equal pay**<br>RWE pays women the same salary as men in the same position.<br>**+ Increasing the proportion of women**<br>We have defined the goal of increasing the proportion of women in management positions to 30% by 2030. Our proportion of women in management positions is 19% in the core business in 2021.<br>**+ RWE-Social Charter**<br>Establishment of ILO core standards | **19%**<br>Proportion of women in management positions in the core business of the RWE Group<br>(see RWE Annual Report 2021, page 25)<br>**100%**<br>of the employees are subject to the RWE Code of Conduct (see page 89)<br>**94%**<br>of the employees are covered by the RWE Social Charter (see page 88) |

| UN Global Compact | Sustainable Development Goals | Implementation at RWE | |
|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 7:** Precautionary environmental protection<br><br>**Principle 9:** Development and dissemination of environmental technologies |  <br><br>**7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix<br><br>**7.3:** By 2030, double the global rate of improvement in energy efficiency | **+ Expansion of renewable energy**<br>We are investing intensively with more than € 50 billion for the expansion of renewable energy to achieve the goal of clean and affordable energy. We operate in the areas of wind, solar, hydropower, and biomass and biogas. By 2030, we are planning to increase by threefold the offshore wind-turbine capacity to 8 GW, and onshore wind and solar power to 20 GW, as well as raising battery storage to 3 GB.<br>The capacity of renewable energy at 30% forms the second biggest energy source in the company after gas.<br><br>**+ Energy efficiency of our plants**<br>The energy efficiency for renewable-energy plants will be increased by favourable selection of location. Optimised design for wind farms and turbine layout contributes to increased efficiency for wind farms.<br>The energy efficiency of conventional plants is achieved by measures to modernise the power plant portfolio. The energy consumption of our conventional power plants came down by 8% between 2020 and 2021.<br><br>**+ Innovation teams for efficiency enhancement**<br>RWE Renewables carries out research into renewable energy sources. Recyclable rotor blades are being piloted in projects at the Kaskasi offshore wind farm. Furthermore, projects involving floating wind farms and photovoltaic plants are also being tested.<br><br>**+ R&D in green hydrogen**<br>We are networked with other players in the economy and science with the aim of driving forward a green hydrogen infrastructure. At the moment, we are participating in about 30 hydrogen projects.<br><br>**– Use of conventional energy**<br>We are making use of flexible backup capacities for secure electricity supply in order to balance out fluctuations in the generation of renewable energy. | **€ 50 billion**<br>Planned investments in renewable energy (see page 7)<br><br>**20%**<br>Share of renewables in electricity generation (see page 118) and<br><br>**30%**<br>Share of renewables in installed capacity (see page 117)<br><br>**81%**<br>of the installed hard-coal capacity at the beginning of 2013 removed from the grid or converted to biomass combustion (see Non-financial Report, page 17)<br><br>**Since 2013**<br>an integrated energy management system in conformity with ISO 50001 (see page 50)<br><br>**Nearly € 2 billion**<br>expenditure on environmental protection (see page 33)<br><br>**€ 22 million**<br>R&D expenditure (see page 119) |

| UN Global Compact | Sustainable Development Goals | Implementation at RWE | |
|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 1:** Support for human rights |  | **+ RWE Code of Conduct**<br>The RWE Code of Conduct is binding on all employees. The underlying principles for conduct defined in the Code also set the benchmark for our cooperation with business partners and they are intended to form a common foundation for contractual relationships. | **100%**<br>of the contractual relationships with suppliers for goods, plant components and services are covered by the Code of Conduct (see Non-financial Report, page 9) |
| **Principle 2:** Elimination of human rights violations | **8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value | **+ RWE Social Charter**<br>Our Social Charter offers a guideline for the relationship between employees and the company management and with each other. We established the ILO core labour standards in the Social Charter. | **100%**<br>Of all new wholesale trading partners reviewed in the Know Your Customer process (see Non-financial Report, page 10) |
| **Principle 3:** Ensuring freedom of association | | **+ Supplier management**<br>Along with our general guidelines, supplier management ensures compliance with social standards at RWE suppliers. | **8.2%**<br>ratio of employees with disabilities at RWE in Germany (see page 72) |
| **Principle 4:** Abolition of all forms of forced labour | | **+ Promotion of inclusion**<br>We offer a barrier-free setup of workplaces for people who are impaired in their participation in the workplace. | **20**<br>places in entry-level qualification “I can do it” (“Ich pack’ das” [see page 68]) |
| **Principle 5:** Abolition of child labour | | **+ Career development for employees**<br>We want to facilitate further development opportunities, preferably within the Group, for our employees who will be seeking to change jobs within the foreseeable future owing to structural change. | |
| **Principle 6:** Elimination of discrimination | | **– Entire supply chain not reviewed**<br>We are generally only aware of the direct previous owner for most procurement processes, for example the wholesale markets. It is therefore a challenge to cover the complete supply chain. Hence, there is a risk that human rights impacts may occur in the supply chain. | |

| UN Global Compact | Sustainable Development Goals | Implementation at RWE | |
|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 7:** Precautionary environmental protection<br><br>**Principle 9:** Development and dissemination of environmental technologies |  <br><br>**9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all<br><br>**9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities | **+ Sustainable Biomass Partnership**<br>RWE has been involved in the Sustainable Biomass Partnership since it was founded. The SBP industrial standard promotes compliance with sustainability criteria along the entire supply chain for biomass.<br><br>**+ RWE Sustainability Principles**<br>We are committed to a resource-saving and future-oriented energy supply in our sustainability principles.<br><br>**+ Research and Development**<br>A focus of our research and development is in the area of green hydrogen because we consider this to be a key technology for a sustainable infrastructure. We are involved in more than 30 projects and networked with various players in business and academia.<br><br>**+ Innovation Teams**<br>RWE Renewables carries out research into renewable energy sources. Recyclable rotor blades are being tested at the Kaskasi offshore wind farm. Projects involving a floating wind farm and photovoltaic plants are also being piloted.<br><br>**+ Clean Technologies**<br>We are driving forward the expansion of renewable energy as part of our growth and investment strategy “Growing Green”. We are also driving forward pioneering technologies, for example with the recycling of rotor blades for wind turbines | **100%**<br>sustainably certified biomass<br>(see Non-financial Report, page 9)<br><br>**960**<br>patents and patent applications<br>(see page 58)<br><br>**62%**<br>reduction of annual $CO_2$ emissions from 2012 to 2020<br>(see Non-financial Report, page 17)<br><br>**100%**<br>level of coverage for environmental management<br>(see Non-financial Report, page 19)<br><br>**0**<br>serious environmental events<br>(see Non-financial Report, page 19) |

| UN Global Compact | Sustainable Development Goals | Implementation at RWE | |
|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 7:** Precautionary environmental protection<br><br>**Principle 8:** Initiatives to promote greater environmental responsibility |  <br><br>**12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse<br><br>**12.6:** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting | **+ Waste management**<br>Guidelines for dealing with waste are defined in our waste management. The supreme principle is the avoidance of waste. This should be achieved by using components with a higher share of recovery or a longer life time. Waste is processed in accordance with the waste hierarchy.<br><br>**+ Transparent sustainability information**<br>Alongside the Non-financial Report, we also publish a Sustainability Report, which highlights information about our company for the relevant reporting year.<br><br>**– Recycling rate**<br>In some areas, we already have a recycling rate of approximately 75%. A dedicated project to implement the sustainability strategy will also empower us to achieve a higher level of transparency in this area and work on increasing the recycling rate. | **75%**<br>recycling rate (see page 53) |

| UN Global Compact | Sustainable Development Goals | Implementation at RWE | |
|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 7:** Precautionary environmental protection<br><br>**Principle 8:** Initiatives to promote greater environmental responsibility |  <br><br>**13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries<br><br>**13.2:** Integrate climate action into national policies, strategies and planning | **+ Environment Compliance**<br>Our goal is to achieve 100% coverage by the Environmental Management System, either by certification or by internal auditing. Environmental management in the relevant divisions is also certified with accreditation in accordance with ISO 14001. In the reporting year 2021, we achieved coverage of 100%.<br><br>**+ RWE supports the TCFD recommendations**<br>We carry out reporting of climate-related risks and opportunities in accordance with the TCFD recommendations. Furthermore, we are registered TCFD supporters.<br><br>**+ Comparison with science-based targets and emission targets**<br>A comparison of our continuously falling $CO_2$ emissions with the Paris Climate Agreement shows that our climate protection targets are in line with the Paris Climate Protection Agreement. The Science Based Targets initiative was already officially confirmed to us at the end of 2020.<br>We have set our target as reducing Scope 1 and 2 emissions by 50% by comparison with 2019 and Scope 3 emissions by 30%. We also have the objective of becoming climate neutral as a Group by 2040.<br><br>**– Greenhouse gases**<br>From 2012 to 2020, we reduced our annual $CO_2$ emissions in our conventional power plant portfolio by 62%. We are targeting a further reduction for our emissions and we have set the target of climate neutrality by 2040. | **100%**<br>climate neutral by 2040<br>(see Non-financial Report, page 2)<br><br>**62%**<br>reduction of annual $CO_2$ emissions from 2012 to 2019<br>(see Non-financial Report, page 17)<br><br>**100%**<br>coverage for environmental management<br>(see Non-financial Report, page 19) |

| UN Global Compact | Sustainable Development Goals | Implementation at RWE | |
|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 7:** Precautionary environmental protection<br><br>**Principle 8:** Initiatives to promote greater environmental responsibility |  <br><br>**14.1:** By 2025, prevent and substantially avoid all forms of marine pollution, in particular from onshore activities and specifically marine rubbish and nutrient pollution.<br><br>**14.2:** By 2020 sustainably manage and protect coastal ecosystems. | **+ Make interventions in the environment sustainable**<br>Potential negative impacts on marine life are already taken account of during project development within the framework of the environmental compliance assessment and mitigated as necessary. Furthermore, we would like to drive sustainable energy forward with innovative solutions. We achieve this objective by holding innovation competitions in order to cooperate with other companies, start-ups or individual persons.<br><br>**+ Offshore projects**<br>We trial various technologies in our offshore wind farms so that we can run our operations more efficiently and in a more environmentally compatible way. Examples of projects are in the area of hybrid offshore wind farms or Vibro Pile Driving.<br><br>**+ RWE care commitments**<br>RWE Renewables is committed to observe and comply with biodiversity aspects within the scope of its care commitments. | **90%**<br>reuse of rotor blades from wind turbines<br>(see page 49) |

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|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 7:** Precautionary environmental protection<br><br>**Principle 8:** Initiatives to promote greater environmental responsibility<br><br>**Principle 9:** Development and dissemination of environmental technologies |  <br><br>**15.5:** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of diversity. | **+ Biodiversity**<br>As far as possible, negative impacts on natural ecosystems are taken into account and avoided at the planning stage. Strategies to promote and to protect biodiversity in the Rhenish lignite mining region are formulated in our biodiversity policy. RWE Renewables is committed to biodiversity within the scope of its Care Commitment.<br><br>**+ Recultivation of usable areas**<br>Nature conservation areas are created through land and forest recultivation of former opencast mining sites and biological diversity is promoted.<br><br>**+ Environmental management**<br>based on ISO 14001<br><br>**– Interventions in natural ecosystems**<br>We intervene in natural ecosystems with our plants for generating electricity. The measures already referred to are not always able to avoid this intervention but may only minimise or mitigate such intervention.<br><br>**+ RWE Code of Conduct:**<br>Commitment to resources and deployment of environmentally friendly technologies<br><br>**+ Supplier management:**<br>Survey of environmentally relevant criteria as part of pre-qualification | **100%**<br>coverage for environmental management (see Non-financial Report, page 19)<br><br>**3,100** species of animal and **1,500** species of plant and fungi in recultivation (see page 39)<br><br>**100%**<br>coverage by RWE Code of Conduct with commitment to an approach geared to conservation of resources (see page 46)<br><br>**100%**<br>pre-qualification of our suppliers with criteria relevant to the environment (see page 96) |

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|---|---|---|---|
| **Principles** | **Goal / Target** | **Our Contribution / Measures** | **Performance indicators** |
| **Principle 10:** Anti-corruption measures |  **16.5:** Substantially reduce corruption and bribery in all its forms | **+ Compliance Management** The Compliance Management System is set up to identify any potential corruption risks and to initiate targeted measures to combat corruption. In 2021, a professional services company confirmed the effectiveness of the Compliance Management System. Compliance Officers and Managers are available as contact partners, and employees inside the company and external workers can report any breaches anonymously through our whistleblower system. **+ RWE-Code of Conduct** The RWE Code of Conduct explicitly lists anti-corruption. | **100%** return rate for management survey (see Non-financial Report, page 12) |

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