



**Together we turn
passion into
sustainability**

Sustainability Management Report 2022



Highlights from 2022



35 TWh

electricity from
renewable sources



83%

of our investments are
in green technologies



18,310

employees working
for sustainable and
reliable energy



0

serious environmental
incidents

Further reports

- [Annual Report with Non-financial Group statement 2022](#)
- [Sustainability Strategy Report 2022](#)
- [Sustainability Performance Report 2022](#)

Sustainability Management Report 2022

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Introduction

Year in review

We are RWE. Our company is at the leading edge of the shift to sustainable energy. Our operations around the globe ensure that people and businesses get the electric power they need in increasingly climate-friendly ways. In 2022, the energy industry has been affected by the impacts of the war in Ukraine. Despite the challenging environment, we have managed to hit a number of milestones in our growth strategy and to deliver on our sustainability ambitions.

Our renewable power generation increased. As of December 31, 2022, we had power generation assets with a total capacity of 39.3 GW. Compared with 2021, our generation capacity increased by 2.3 GW. Last year we completed, among others, the North Sea wind farms Triton Knoll (857 MW) and Kaskasi (342 MW), the Texas onshore wind farms El Algodon Alto (200 MW) and Blackjack Creek (240 MW), and the ground-mounted photovoltaic facility Hickory Park (196 MW) in the US state of Georgia. This was offset by the fact that Unit A (294 MW) of the Neurath lignite-fired power plant was taken off the grid in the wake of the German coal phase-out. In terms of generation capacity, gas is our number one energy source, with a 36% share at the end of 2022. Renewables are in second place with 33%. RWE generated 156,794 GWh of electricity last year, 2%

less than in 2021. The decline is mainly due to the fact that the Gundremmingen C unit was taken off the grid on December 31, 2021, as part of the German nuclear phase-out. Our electricity production from renewables increased by 11% to 35,499 GWh.

An accelerated coal exit frees way to be aligned with the 1.5-degree goal. We have ambitious climate targets that we even want to rise going forward. At the beginning of October 2022, we reached an agreement with the German federal government and the state of North Rhine-Westphalia that we will end our lignite-fired power generation in the Rhenish mining region as early as 2030. That is eight years earlier than originally planned. The new phase-out timetable was enshrined in law in December 2022. Compared with the old scheme, the total amount of coal that is mined and converted into electricity will be reduced by around 280 million metric tons.

Higher emissions, but a clear transformation path. Due to the Ukraine war and the turmoil on the international power markets we had to operate our lignite-fired power plants at much higher load, leading to an increase of our power plant emissions to 83 million metric tons of CO₂. Our specific emissions, i.e. CO₂ emissions per megawatt hour of electricity generated, rose from 0.50 metric tons to 0.53 metric tons. In addition to the higher level of coal-fired generation, this was also due to the sharp reduction in the volume of generation from CO₂-free nuclear energy. This was countered by the increase in our electricity production from climate-friendly energy sources such as wind power and photovoltaics. Of our investments in the reporting period, 83% were taxonomy-compliant. This means that the funds

were allocated to activities which are classified as sustainable under the EU taxonomy regulation.

A workplace that invests in its people – aiming for a safe and inclusive organisation. Our workforce remains committed to our purpose – this is reflected in yet another increase in our engagement index. In 2022 we launched our new employer value proposition 'Our energy has impact' to retain and attract talent for the purpose of further transforming our company. At RWE, we are committed to high standards in environmental protection and occupational health: Our environmental management system and established reporting to cover potential environmental events are important mainstays of our endeavours to protect the environment. In 2022, we achieved 100% coverage of our environmental management system either via certification or internal audits. In addition, we aim to avoid severe environmental incidents, which, based on our definition, have serious ramifications that are of substantial public interest and can only be controlled or managed with external support. Once again, there were no such incidents in the reporting year. The key performance indicator established for occupational safety is the number of work-related accidents among in-house and contract staff resulting in at least one day of absence for every 1 million work hours (LTIF). The figure of 1.5 for 2022 outperformed the target within the RWE Group of 1.9. Unfortunately a contract worker had a fatal accident while cleaning a coaling system at one of our power plants in November 2022.

Introduction

About this report

As the world faces increasing environmental and social challenges, the importance of sustainable business practices cannot be overstated. To ensure long-term success, it is essential for companies to be transparent about their impact on the environment and society. This report provides a detailed overview of our management of sustainability topics, including the steps we have taken to mitigate our environmental impact and promote social responsibility.

At RWE, we are proud to have been generating electricity for over 125 years now. A lot has changed since the day our company produced its first kilowatt hours – including the way we think about sustainability. Today, RWE is transitioning into a renewable energy global player. With our ‘Growing Green’ strategy, we will invest over €50 billion (gross) in renewables. Our growth strategy is supplemented by our nine priority topics on sustainability – climate change, biodiversity and recultivation, innovation, circular economy, diversity, equity and inclusion, occupational health and safety, social responsibility, compliance and ethics, and sustainable investments. This report covers these topics and other issues where we and our stakeholders see the potential impact of and on our business activities.

Sustainability is at the heart of what we do. We believe that our responsibility is to lead the way to a climate-neutral world that takes care of impacts. Electricity producing companies face a number of unique challenges when it comes to sustainability. One of the biggest is the significant environmental impact associated with generating electricity, particularly through the burning of fossil fuels such as coal, oil, and natural gas. This impact includes air and water pollution, greenhouse gas emissions, and the depletion of natural resources. While renewable energy is generally considered to be more sustainable than fossil fuels, there are still challenges associated with scaling up renewable energy production and integrating it into the grid.

We believe that by being open and honest about our performance, we can build trust with our stakeholders.

We recognise that stakeholders are increasingly demanding transparency about sustainability practices. This report is a key part of our commitment to transparency and accountability. To ensure the quality and comparability of our sustainability disclosures, we have adhered to the standards issued by organisations such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) when preparing this information.

- GRI has published a comprehensive set of sustainability reporting standards that cover economic, environmental and social performance.
- The SASB focuses on sustainability disclosure standards that are relevant to specific industries.

- The TCFD makes recommendations on climate-related financial disclosures to help companies understand and disclose the risks and opportunities associated with climate change.

These standards provide a framework for reporting on sustainability issues and help us to ensure that our disclosures are both relevant and reliable. By applying these standards, we can provide our stakeholders with consistent and comparable information about our sustainability performance, which helps to build trust and enhance our reputation. We also monitor the expanded landscape of expectations for our reporting, such as ESG ratings. We adapt our reporting to changing expectations and regularly evaluate whether new information is necessary or whether existing information still offers added value for our stakeholders.

This report shows our approaches consistently and is an invitation to get to know RWE better. In this report, we present the challenges posed by the different sustainability issues and show our approach. We want to highlight how we are organising our work at RWE, what goals we have and what progress we made in the year under review. We hope that this report will serve as a valuable resource for our stakeholders and provide insights into our sustainability practices and performance.



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Environment

Climate change

The challenge

Climate change is one of the most pressing environmental issues facing businesses and society today. It is causing rising sea levels, more frequent severe weather events and increasing global temperatures. According to the Intergovernmental Panel on Climate Change (IPCC), human activity, particularly the burning of fossil fuels, is the main cause of climate change. To address this issue, businesses must reduce their greenhouse gas emissions and transition to cleaner energy sources.

Our ambitions

We want to be climate neutral in all three scopes of the Greenhouse Gas Protocol by 2040. On the way there we have set science-based emission reduction targets for 2030. We aim to even increase our ambition as soon as possible, to be compliant with the 1.5-degree pathway.

Our approach

We are committed to the goals of the Paris Climate Agreement, which seeks to limit global warming to a maximum of

1.5-degrees Celsius above pre-industrial levels. Decarbonisation of the electricity sector is a major factor. We emit greenhouse gases above all from our conventional power stations. At the same time, however, our capital expenditure on renewable energy is enabling us to switch to climate-friendly electricity production. Our business activities also contribute to emissions outside of our own operations, which are referred to as Scope 3 emissions. These stem, for example, from the production of goods and services which we purchase as well as from retail sales of gas and lignite products. We want to be climate neutral in all three scopes of the Greenhouse Gas Protocol by 2040. For 2030, we have set targets that have been validated by the Science Based Targets Initiative: We aim to reduce our combined Scope 1 and 2 carbon intensity by 50 % from a 2019 base. In Scope 3, we aim to reduce our absolute emissions by 30 %. These targets have been approved by the Executive Board, which is regularly consulted on the status and possible adjustments. The implementation of concrete actions is in the hands of our functions and companies. By rapidly expanding renewable energy, we are making our contribution to decarbonising the electricity system. We will retrofit or close existing fossil-fuelled and conventional generation assets by 2030. We develop deployment schedules for our existing gas-fired power stations that enable them to generate electricity in a climate-friendly manner. Research in conversion to hydrogen plays a major role in this context, as does carbon capture and storage (CCS) technology in some countries. We are also working on making our indirect emissions even easier to measure and working with partners to reduce them.

Progress

- We are accelerating our growth in renewable energy: Our 'Growing Green'-Strategy implementation is in full swing, with major power plants starting operation in 2022. With the acquisition of the Con Edison Clean Energy Business we have made another large step to be a global renewables player, adding a promising pipeline of wind and solar projects in the US.
- In early October 2022, we agreed with the German federal government and the state of North Rhine-Westphalia to stop producing electricity from lignite in the Rhenish mining region by 2030. Bringing forward our lignite phase-out by eight years compared to the previous legal requirement will reduce coal mining and firing by about 280 million metric tons. This will significantly reduce our Scope 1 emissions from 2030 onwards.
- Our power stations emitted 83 million metric tons of carbon dioxide in 2022, 2.1. million more than in the preceding year. This was due to higher capacity utilisation of our lignite-fired power plants caused by gas shortages.

Indicators

We report on our generation capacities and electricity production, as well as on the emissions from our power plants and on greenhouse gas emissions in accordance with the GHG Protocol. We also publish various intensity figures, which primarily relate to emissions per unit of electricity. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.

Environment

Biodiversity

The challenge

Biodiversity loss is a major environmental challenge that societies and businesses must tackle. Human activity, including habitat destruction and fragmentation, overexploitation and pollution, is causing a significant decline in biodiversity worldwide. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), up to one million species are at risk of extinction. Their loss would have serious implications for ecosystems and human wellbeing.

Our ambitions

We want all new assets to have a positive net effect on biodiversity from no later than 2030 onwards – including measures implemented.

Our approach

We have made biodiversity one of the priorities of our sustainability strategy. Environmental legislation and approval conditions, which are often strict, set the framework for our operating activities in the regions in which we do business.

Responsibility for the fulfilment of our legal obligations relating to planning and building, operating as well as decommissioning our assets rests with the operating units, which have experts in every area. We try to avoid, reduce or offset negative effects. These principles have been established in our biodiversity policy / guideline, which we put into force in 2022. Since 2015, RWE has had a set of rules that establishes measures to protect and promote biodiversity in the Rhenish lignite mining region. In our growth business, we already meet permit conditions, which can be extensive, through a variety of audits and measures. By taking early and continuous measures such as environmental compatibility audits and monitoring, we ensure that our activities have the least possible impact on existing ecosystems and their flora and fauna. Taking necessary precautions to protect biodiversity where possible and suitable is an integral part of the way we work. RWE, all of its business units and employees are committed to the principles for protecting and enhancing biodiversity. We adhere to the mitigation hierarchy principles of avoid, minimise, regenerate / restore and if necessary compensate for potential biodiversity impacts. We build knowledge on impacts on biodiversity and wildlife coming from the energy sector and promote collective learning and knowledge transfer. We follow best practice guidance in science-based target setting like from Science Based Targets for Nature (SBTN).

Progress

- We have aligned and released a new Biodiversity Policy in 2022 that outlines our approach on biodiversity and the responsibilities in the Group. The policy is intended to

establish a reference framework for integrating the protection and promotion of biodiversity within the scope of our business activities.

- We launched a pilot project to increase the variety of species on and surrounding our onshore wind farms, which could act as a lighthouse for other ventures. Small bodies of water were created and piles of deadwood and stones were set up beside wind turbines on the site of the former lignite opencast mine near Bedburg to provide a new habitat for local animal species.

- RWE is part of the Dutch Black Blade study, which involves seven RWE wind turbines each being given one black and two white rotor blades. One of the goals of this study is to find out whether painting rotor blades black can help birds fly between the turbines more safely. The study builds on the assumption that black rotor blades create a starker contrast, thus increasing visibility and making it easier for birds to detect the wind turbines and avoid collisions.

Indicators

We are currently assessing ways to measure our impact on biodiversity. As this is a challenge for businesses globally, we are committed to supporting initiatives such as the SBTN in order to establish new approaches for impact measurement. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.

Environment

Circular economy

The challenge

The circular economy is a model of sustainable production and consumption that aims to minimise waste and maximise resource efficiency. This is becoming increasingly important as the world faces growing resource scarcity and waste management challenges. Businesses can contribute to a circular economy by adopting sustainable design principles, reducing waste generation and increasing the use of recycled materials. According to some sources (the Ellen MacArthur Foundation), a circular economy could create \$4.5 trillion in economic benefits by 2030.

Our ambitions

We implement the principles of circular economy in our way of working. We reduce the consumption of natural resources, minimize waste and design our assets so that we maximize the reuse and recycling of materials. We aim to become a company that follows the principles of the circular economy with every step we take. We aim to maximise our compatibility with the circular economy by 2050.

Our approach

Flanking RWE's Code of Conduct, which contains general goals regarding the protection of the environment and usage of resources, we have detailed our efforts to help build a circular economy in a Group policy and framework. The framework highlights three core circular principles, namely reducing consumption & increase inflow of circular materials, enhancing material (re)use and lifetime as well as minimizing end-of-life treatment. We aim to become a company that observes the principles of the circular economy with every step we take. One goal for our core business is to achieve a recovery rate of over 90 % by 2030. This figure reflects the share of materials and components no longer needed as well as of our waste that is not disposed of in landfill sites or incineration plants but is instead put through a recovery, extraction or recycling process to ready it for reuse. This quota does not consider ash from our lignite-fired electricity generation that is used to recultivate land in line with applicable permits. Responsibility for devising a roadmap through to at least 2030 and deriving goals from it lies within directly held Group companies. Implementation is up to the Management Board members in charge of sustainability and the environment.

Progress

- Having made the circular economy a fixture of our sustainability strategy for the first time in 2021, we completed an implementation project in the year under review. This resulted in uniform definitions, a framework and a roadmap for further steps and objectives. Our recovery rate target for 2030 is one of the outcomes.

- Initiatives promoting a resource-friendly economy were spurred within the Group. In the Offshore Wind segment, for example, recyclable rotor blades were installed at our Kaskasi offshore wind farm for the first time in 2022 and are now being tested in commercial operation. RWE's Spanish renewables business has joined the newly-created RenerCycle consortium. The move supports the ambitions of our renewables business to implement its comprehensive sustainability agenda, including measures to maximize the reuse or recycling of materials as a path towards achieving a zero waste renewables industry.

- An innovation competition for start-ups, scale-ups, research institutes as well as other individuals and organisations has looked for sustainable solutions in the renewables business. The winners were included in the winning bid of the wind farm Hollandse Kust West site VII. This competition will be repeated on a regular basis, looking for solutions in the domains of ecology, system integration and circularity in offshore wind.

Indicators

We are planning to report our recovery rate going forward. This indicator was first introduced in 2022. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.



Environment

Electricity production and efficiency

The challenge

Reliable power supply is indispensable, and for this, plants must be operational even under heavy stress. It is crucial to make the best possible use of existing resources. Measures to enhance the production hours and the energy efficiency play an important role in this. We are also engaged in improving overall efficiency by modernising our conventional power plants and decommissioning older ones.

Our ambitions

RWE is working steadily to improve its energy and environmental performance so as to avoid unnecessarily burdening the climate, the environment and society. Our environmental protection and energy efficiency measures go considerably beyond merely complying with statutory and licensing requirements.

Our approach

To ensure sustainable, cost-effective use of energy-related outputs, we focus on implementing technological improve-

ments while conscientiously using energy in our power plants, office buildings, vehicle fleets and other facilities. To help our customers also use energy responsibly, we provide them with innovative, high-efficiency products and services that include emergency and reserve power supplies. Where renewable energies are concerned, it is paramount to optimise efficiency – especially by selecting appropriate sites. Wind and insolation conditions in particular play crucial roles in successfully generating electricity. We regularly evaluate potential new locations worldwide from both technical and economic perspectives. This helps us identify the sites with the best prospects for harvesting renewable energy. Where wind energy is concerned, optimising the details of wind farm designs and turbine layouts is an important step for using available wind resources more efficiently while maximising the energy output of installed turbines. Among other things, it is essential to optimally space them to prevent wake interactions and throttling from reducing the yield. RWE's resource assessment team applies a variety of methods and tools to help minimise wind farms' systemic losses and costs while maximising the energy they produce. We are also achieving more efficient electric power generation by modernising our portfolio of conventional power plants and gradually decommissioning older ones. Other measures include tapping the potential of combined heat and power generation (cogeneration) in our plants. We use the heat to meet our own needs and / or supply it to companies in the form of thermal energy or steam.

Progress

- Utilisation and profitability of renewables assets are largely weather-dependent. This is why wind speeds are

extremely important. In the year under review, our production sites in Europe reported lower velocities than the long-term average, while those in North America measured similar if not higher speeds. In comparison to 2021, wind conditions have improved at the majority of our locations. The utilisation of run-of-river power stations depends on precipitation and melt water volumes. In Germany, where most of the RWE Group's hydropower plants are located, these volumes were below the long-term average and also fell short of the previous year's figure.

- In 2022, we worked to ensure and further increase the availability of our assets with regular maintenance. This applies to conventional power generation plants as well as to renewable energy power plants. An example in the reporting year was the successfully completed maintenance campaign of RWE offshore wind farms Amrumbank West and Nordsee Ost off the island of Heligoland. The maintenance was carried out in a four-month, 24-hour shift campaign. As part of this campaign, all mechanical and highly sensitive electronic components were thoroughly checked for suitability and cleaned or repaired if necessary amongst other steps. This is done according to precisely prescribed work steps.

Indicators

We report on the average wind farm utilisation in our Annual Report for both our onshore and offshore business. Further metrics can be found in our Sustainability Performance Report 2022 that we publish separately.

Environment

Water

The challenge

Water is essential for life and at the same time an indispensable raw material. At RWE, we are committed to taking a resource-saving approach to this finite resource. It includes conserving water and regularly monitoring and certifying our operations to reliably protect the environment and comply with legal requirements and constraints. We also actively endeavour to prevent surface water bodies and groundwater from being polluted by taking appropriate technical precautions, performing regular checks and appropriately treating wastewater.

Our ambitions

As an energy company, we regard it as our duty to manage water responsibly. This requirement applies to using water, extracting it from water bodies and other sources and discharging it into surface water or groundwater. We also make sure to obtain the legal required permits for every use.

Our approach

Water is a need for all power plant operations and in order to protect the environment. RWE employs a variety of power generation technologies that use water in different ways. In the case of thermal power plants, cooling water plays an essential role. Conversely, it is important to extract groundwater to keep our open-pit mines dry. We take pains to design our hydroelectric plants in such a way as to minimise their impact on surrounding areas.

RWE is supporting a water management approach. Our integrated sustainability guidelines and our environmental Group directive expresses that environmental protection is an integral part of RWE's sustainability policy and serves as a basis for water-related performance standards. RWE is committed to comply with environmental requirements and contributing to the avoidance of environmental pollution through continuous improvement of processes. This involves taking steps to prevent our activities from negatively impacting water bodies and aquatic ecosystems. If this is not possible, we at least strive to keep their effects to a minimum and compensate as well as possible for any unavoidable adverse consequences. 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. In Germany, the

Netherlands and the United Kingdom, water is withdrawn from various sources depending on the power plant technology: For gas, this is water channel, river and groundwater; for hard coal the sea, water channel, for lignite ground water and rivers and for the existing nuclear power plants rivers. In Turkey, where we operate a combined cycle power plant, water is taken from deep water wells. All withdrawal is according to national regulations which also forms the basis for our operation licenses.

Progress

- We have set ourselves the goal of ensuring that our environmental management system applies to all relevant activities throughout our corporate group. In 2022, the year covered by this report, we have once again achieved this objective.
- There have been no serious environmental incidents in the reporting year. This covers potential water-related incidents or events with impacts on water resources, e.g. spills.

Indicators

We report on water consumption and water withdrawal, including intensity figures. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.

Environment

Pollution and air quality

The challenge

Apart from greenhouse gases, electricity and heat generation in our conventional power plants also produces other emissions. Conventional generation units emit sulphur dioxide (SO_2), mercury (Hg) and nitrogen oxides (NO_x).

Our ambitions

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.

Our approach

Sulphur dioxide, mercury and nitrogen oxides are produced in conventional generation units. 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 impact health. We use wide-ranging clean-air purification measures to avoid risks of this nature.

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 for Large Combustion Plants (BREF LCP) to promote further reduction of pollutants such as nitrogen oxides, sulphur dioxide, dust or mercury. 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.

Progress

- Due to the increased use of our fossil energy generation plants, the values of various air emissions have also changed accordingly. Through regular checks and the latest technology, we have ensured that the limit values have been complied with in 2022.

Indicators

We report on certain air pollutants. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.

Environment

Waste management

The challenge

RWE is committed to sustainably managing waste in accordance with the waste hierarchy shown below. We only dispose of waste that we can neither avoid nor recycle. While doing so, we comply with the applicable regulations and take all necessary safety precautions.

Our ambitions

Sustainably using resources includes responsible management of waste. We avoid waste as far as is feasible and recycle as much as possible. Only what is then left over is professionally disposed of while complying with legal requirements. Designated waste officers monitor the application of prescribed safety measures and take appropriate precautions.

Our approach

We deal with waste in the following sequence, which we call waste hierarchy: Firstly, avoid, secondly, recycling and, if necessary, thirdly, disposal. All organisational units constantly monitor opportunities for optimally managing waste

generated in connection with the activities they are responsible for. We reduce the amount of waste produced as far as possible by optimising our plants and also in connection with planning and procurement.

When it is impossible to prevent waste, we strive to recycle it. In particular, we focus attention on the recyclable portion of waste produced in connection with the conventional plants operated by RWE Power in Germany. This waste accounts for the largest share in terms of quantity. We recycle it both in our own disposal facilities and externally at contracted service providers (without energy recovery).

Coal-fired power plants account for the largest share of the waste generated by RWE, for the most part consisting of ash and flue gas desulphurisation (FGD) gypsum. We dispose of 100 % of the ash from lignite-fired power plants in our own power plant waste landfills. Flue gas desulphurisation of our coal-fired power plants generates gypsum, most of which we market as power plant by-products. Other waste produced in connection with our operations is dealt with in accordance with our defined waste hierarchy.

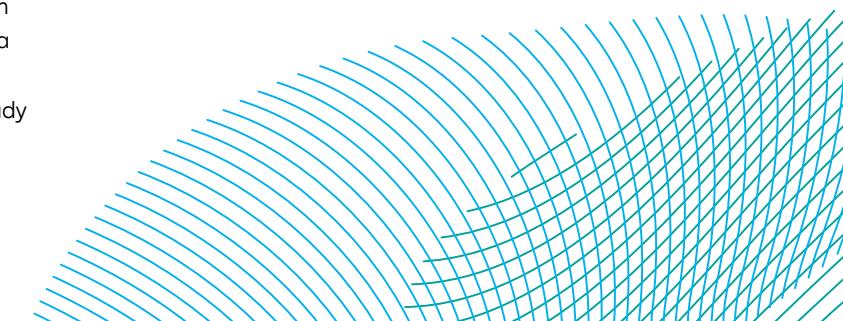
Progress

- We continued with our approach to avoid waste as far as possible, supported by our waste hierarchy. 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 planning and procurement processes.

- A major task is the dismantling of our nuclear power plants. Here, too, an attempt is made to sell parts for reuse. Supported by the dismantling teams and experts on the subject of recyclables at the nuclear power sites, the spectrum of sales projects follows the maxim 'recyclables instead of waste': On the one hand, there are lengthy and large-volume projects, such as the sale of a phase shifter or the dismantling of large-scale metallic components, such as generators. On the other hand, there are also numerous and small-scale sales projects in which, for example, redundant forklift trucks, chemicals or surplus stock are handled.

Indicators

We report on waste and circularity figures. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.





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Social

Occupational health and safety

The challenge

Occupational health and safety is a critical issue for businesses, since it can have a significant impact on the wellbeing of employees and the productivity of the organisation. According to the ILO, over 2.7 million workers die each year as a result of work-related accidents and diseases, and millions more suffer non-fatal injuries and illnesses. Organisations need to promote occupational health and safety by implementing effective health and safety management systems, providing training and education, and ensuring compliance with regulations and standards.

Our ambitions

The health, safety and wellbeing of our employees are particularly important to us as an employer. To keep an eye on all matters related to the variety of workplaces we have, occupational health and safety (H & S) has become a firm fixture in our corporate policy. The guiding principle 'All accidents are avoidable – we give priority to occupational health and safety' expresses our ambition in this area.

Our approach

The Occupational Health and Safety Group Policy helps to organise and comply with H & S standards throughout the entire RWE Group. Designated Executive Board members and managing directors at the Group companies ensure implementation and compliance with H & S regulations. Each Group company is obligated to make at least one member of its executive or Management Board responsible for occupational H & S. We have established occupational safety management systems in our Group companies to facilitate achieving the company's H & S goals. The systems define structures, goals and procedures. Corresponding guidelines and processes are monitored systematically and constantly improved adhering to the plan-do-check-act cycle. Furthermore, Group companies are advised to obtain external certification for their occupational safety management systems (e.g. ISO 45001). The International Health Standard (IHS) of the RWE Group specifies the health products and services that must be offered to every RWE employee such as counselling to assist them in overcoming professional and personal challenges, referrals to specialised physicians and emergency care on business trips.

Progress

- Sadly, in November 2022 an employee of a partner company of RWE Power AG was fatally injured while doing cleaning work. 'Root cause analysis' is being applied to systematically identify the fundamental causes of this accident and develop measures and strategies for preventing any further accidents of this kind from occurring in future. All fatal accidents are

systematically investigated, as well as all events and activities which pose a considerable risk of serious or fatal injuries.

- In order to communicate essential knowledge and skills related to occupational health and employee safety, all of the Group's companies carry out prevention programmes targeting managers. They are designed to run for several years.

- Minimum standards for measures to protect staff from Covid-19 have not been defined for the entire RWE Group internationally since February 2022; this is now the responsibility of the individual companies. To prevent infections in the context of operations, Group companies or sites take appropriate steps depending on the assessed risk on site. They can include, for example, personal hygiene and distancing rules, use of face masks, remote work, restrictions on business trips, events and meetings, and free Covid-19 tests.

Indicators

We report on accidents, the so-called Lost Time Injury Frequency (LTIF) and further health indicators. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.

Social

Diversity, equity and inclusion

The challenge

Diversity, equity and inclusion are important issues for businesses to address, as they can lead to improved innovation, creativity and financial performance. However, there are still significant disparities in representation and access to opportunities for marginalised Groups. According to the consulting firm McKinsey, companies in the top quartile for gender, racial and ethnic diversity are more likely to outperform their peers financially.

Our ambitions

We create an equitable and inclusive working environment that promotes diversity. We have set clear targets for different levels of our Group and diversity dimensions.

Our approach

Diversity, inclusion and antidiscrimination are enshrined throughout the Group in our Code of Conduct. We expressly oppose all forms of discrimination. In 2022, we reinforced our ambition in the RWE antidiscrimination policy. In addition to the Corporate Diversity & Inclusion team, which specifies

objectives and measures, companies within the Group are also accountable for spurring activities going above and beyond this. Diversity champions are nominated for this. As regards employees, many groups and networks are active at RWE, including the advocate group for the disabled, the Women's Network, the LGBT*IQ & Friends Network, Diversity Ambassadors and the Empower Network for Disability, Neurodiversity and Mental Health. In addition to the network members, a large number of further employees actively helps to take measures and implement a truly inclusive corporate culture. To promote gender diversity, the general rule at RWE is that all leadership and management positions shortlist a woman. Additional initiatives are carried out at the operational level. For example, hiring measures include a variety of one-on-ones with the aim of overcoming systemic bias. We raise awareness through campaigns and purpose-designed measures in the fields of personnel development, training, employment and health as well as suitable workplace designs and accessibility. One objective is to have women in 30% of managerial positions throughout the Group in the core business (i. e. excluding the Coal / Nuclear segment). This objective only applies to our core business as setting a goal for the Coal / Nuclear segment is not deemed practical given the personnel cuts necessary in this part of our business.

Progress

- We adopted a new antidiscrimination policy in the year under review. It underpins our ambition to create and nurture an open and inclusive working environment devoid of all discrimination and harassment throughout our entire organisation. Amongst other things, the policy establishes

how to handle potential incidents of discrimination and harassment within the company.

- To get our workforce involved in this topic, the Diversity & Inclusion Week was again held as a virtual event and given an international focus. During the week, Management Board members got together with external guests to demonstrate RWE's commitment to diversity and inclusion.
- Our networks continue to grow across borders. With over 300 and 600 members in many countries, the LGBT*IQ & Friends Network and our Women's Network host their own online and offline events. A new focal point is the Diversity Ambassador Community, which operates internationally as a collective of disseminators and allies throughout the entire RWE Group.

Indicators

We report on the gender distribution in our company as a whole and at key levels such as the Supervisory Board, Executive Board and upper management. We also publish further indicators on other aspects of diversity and inclusion. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.

Social

Social responsibility

The challenge

Our company is undergoing a process of transformation. This is affecting both our employees and local communities. Despite the differences between these stakeholder Groups, it is very important to us to interact with them honestly to enable just change.

Our ambitions

It is our ambition to make a positive contribution to the communities in which we operate. To ensure a just transition, we stand by those of our employees whose jobs are affected by the energy transition and come up with socially acceptable solutions and prospects for them. To us, a just transition translates into treating employees, partners and communities both fairly and responsibly, especially whenever disruptive steps are unavoidable.

Our approach

RWE interacts with a large number of stakeholders on a daily basis. We take their interests into account to ensure that their views are considered in our goals and plans, from project

planning and execution to operation. Accountabilities vary within the Group from one set of stakeholders to the next. As plants are decommissioned, sites that have often been operated for years will have to be closed down. This will affect employees, suppliers, partners and local communities. At the same time, the construction and expansion of new power generation technologies will also impact neighbours around the assets.

Progress

- RWE is proud to support the communities around the wind farms that we operate. We have a long history of making positive contributions to tackle key issues across the United Kingdom. In 2022, investments of over €5 million have been made for 488 grants. To date, wind farm projects operated by RWE in the country have invested over €37 million.

- It is more important than ever to lay the foundations for corporate social responsibility in regions where we do not yet have an established relationship with local communities in the new markets that we intend to operate in or a proven track record of community engagement. In Taiwan we actively sponsor and participate in events and farmers markets near to future offshore wind projects, so that we can build strong relationships with local communities early on in development.

- In February 2022, Community Offshore Wind was successful in acquiring its lease area in the New York Bight, the area between Long Island and New Jersey, with a potential capacity of 3 GW of offshore wind. Community Offshore

Wind has made significant community investments by improving marine ecosystems and revitalising oyster habitats on Long Island, collecting over 900 pounds of waste and debris at Earth Day cleanups in Queens, and funding training for Minority and Women-Owned Business Enterprises (MWBEs) to enter the offshore wind supply chain. The project also distributed over 30,000 meals of fresh, local seafood to food banks across New York, donated 900 winter coats to families in need, partnered with Hudson River Community Sailing to teach young people about wind power, and partnered with the YMCAs of Long Island and Greater New York to offer swim lessons to children in underserved communities. In total, Community Offshore Wind has donated more than 400 volunteer hours and attended 50 community events to stay engaged with the residents they will serve.

Indicators

Measuring social responsibility is a challenge as it encompasses the engagement with numerous stakeholders. We report on certain engagements we conduct including our volunteering activities and our engagement with communities in the United Kingdom. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.



Social

Employment

The challenge

Attracting and retaining top talent is a vital task for businesses, particularly in a competitive job market. According to the 2021 Deloitte Global Millennial Survey, the top factors that younger generations consider when choosing an employer are a company's purpose, social responsibility and diversity and inclusion practices.

Our ambitions

RWE is growing and changing fast on an international level. To be successful with our Growing Green strategy, we need to attract, recruit and retain the best talent from around the world.

Our approach

We want to attract the best talents and promote the potential of our employees in the best possible way. With their skills, they should open up new opportunities for the company and help to create a reliable and sustainable energy world. We offer our employees much more than attractive incomes. They also enjoy flexible working hours,

parental leaves, sabbaticals and a well-designed onboarding process. Implementation of these measures is overseen by the human resources departments of the individual companies. We are also establishing a framework for the working world of the future, dubbed 'Hybrid Working', which addresses principles such as learning and openness to new things, as well as health, flexibility and trust. To involve employees in the process of strategically developing the RWE Group, we strive to establish new ways of thinking and working within it. It includes, for example, our groupwide New Ways of Working (NWoW) programme. By means of this project, we are working to strengthen our employees' performance and customer focus and involve them more extensively in decision-making processes. At the same time, we are striving for more efficient collaboration and a shared working culture across the Group by establishing new standards in areas such as operational excellence and holistic process management. Initiatives are also ongoing to strengthen managers' competencies. RWE's leadership DNA, corresponding to the levels of self, team and organisation, constitutes a consistent framework for competence-related topics and the roles of the Group's managers. By serving as role models for enacting RWE's leadership mission statement, top managers lay the foundation for successfully introducing transformation processes in the Group companies and divisions that they run.

While we grow in renewables and aim to attract new talent in these parts of the company, we offer responsible solutions for those employees affected by the phase-out of fossil-fuel power generation. To RWE, responsible restructuring means supporting affected employees by offering them other jobs. If it isn't possible for them to switch to another

suitable position within the Group via our internal job market, the HR department helps them learn about new perspectives outside RWE. For example, we work closely with the German state employment agency; among other things, we have jointly created a newsletter with information on job vacancies elsewhere. Several employees have already found new livelihoods in this way.

Progress

- RWE AG's HR organisation was restructured in the year under review to support the continued growth strategy. A focal point of the new structure will primarily consist of creating and improving services and processes, for instance when onboarding new staff members, identifying talent or recruiting new employees.
- For RWE, it is important to attract new talent and retain skilled labour while increasing the staff's identification with our company. To this end, an employer brand under the motto 'Our energy has impact' and an employer value proposition were developed and launched in the year under review.

Indicators

We report on various human resources indicators. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.

Social

Training and skill development

The challenge

Our company's success depends to a great extent on our employees' knowledge and skills. It is only with competent and committed employees that we can master the challenges of the energy transition.

Our ambitions

We offer all of our employees a wide range of training courses for developing their personal skills and competencies further. In addition, we support our leaders in giving their employees opportunities to try out new things, carry out challenging projects and work with different people to learn from each other. Varying challenges let our employees tap their potential more effectively and make greater strides.

Our approach

We support the development of every employee and cultivate their unique strengths. We continue attracting young, talented individuals to RWE, and train around 200 each year. Another focus is on encouraging young women

to enter technical professions. The training and development departments of the corresponding Group companies actively approach members of the relevant target Groups to recruit new employees for all entry levels. To accomplish this, we offer attractive training opportunities and working conditions, and have instilled a corporate culture in which all employees are valued and appreciated. It is also important to engage in a dialogue with other stakeholders, for example in society, in order to jointly address social challenges and work on solutions. To ensure that potential employees continue to regard us as an attractive employer, we directly approach members of relevant Groups to inform them about employment and career opportunities and the associated activities at RWE.

Vocational training has a long tradition in the RWE Group and continues to be an integral part of our approach to managing human resources. In Germany, we focus primarily on the dual education system, which combines training at a vocational school with an apprenticeship at a company. At 12 different locations, we offer candidates opportunities to learn a total of 20 industrial-technical, commercial and other professions that extend beyond our own needs. We also offer our employees a range of opportunities to extend their qualifications and learn new skills in areas ranging from IT to project management. They can also attend more specialised courses on aspects ranging from technical subjects across compliance with occupational safety and compliance standards to leadership training. RWE's HR portal lets them take advantage of face-to-face training, blended learning, web-based learning, videos and much more.

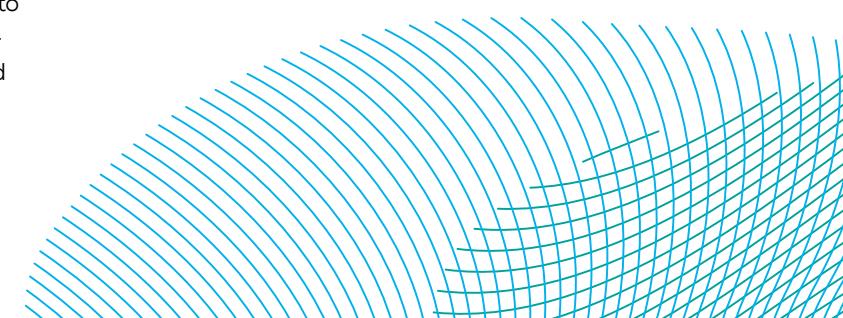
Within the RWE companies, the HR departments and functions supports corporate development through various services by purposefully shaping learning, development and change processes.

Progress

- We have worked in streamlining and update our talent processes at RWE. For example at RWE AG, we introduced self-nomination for potential talents and build a new attractive programme from scratch to identify and develop corporate leaders of tomorrow.
- In 2022, over 100,000 training courses were booked via the HR portal.

Indicators

We report on the number of our apprentices as well as on the use of training opportunities by our employees. Further information can be found in our Sustainability Performance Report 2022 that we publish separately.



Social

Human rights

The challenge

As an internationally active energy supplier, RWE directly and indirectly impacts people's living conditions in many countries. Our value chain is shaped in response to diverse conditions and needs and differing political and economic situations across regions. Respecting human rights is therefore paramount, despite being a complex task. To accomplish this, we adhere to the United Nations Guiding Principles on Business and Human Rights (UNGPs) as well as our own guidelines, which are set out in the RWE Social Charter and RWE Code of Conduct.

Our ambitions

We respect and support the United Nations Universal Declaration of Human Rights and wield our influence to prevent violations of human rights. In our RWE Code of Conduct, which all RWE employees are required to follow, we specifically commit ourselves to respecting human rights. We therefore also expect our business partners and service providers to commit themselves to upholding it in connection with their own actions. In addition, we adhere to the United Nations Guiding Principles on Business and

Human Rights, according to which business enterprises have the responsibility to respect human rights wherever they operate and avoid contributing to human rights violations committed by others.

Our approach

In order to give this matter due attention and care, we have systematically reorganised our responsibilities for human rights. Within the RWE Group, the Chief Human Rights Officer of RWE AG now has overall responsibility for this task, also for all of the companies of our corporate Group and the countries in which they operate. He or she regularly informs the Executive Board of RWE AG on these matters. Responsibility for our Code of Conduct rests with the Compliance Department of RWE AG, which also regularly submits reports to the Executive Board of RWE AG. With our Human Rights Risk Management, we developed an effective risk management system enshrined in all relevant business areas through various measures and processes. To help us comply with our due diligence obligations in connection with human rights, we conduct risk analyses to obtain a basis for assessing actionable areas. In 2022, we looked at our areas of business and those parts of our supply chain that are especially important to us. Where our own business activities are concerned, this review revealed that steps have already been taken in connection with various aspects of human rights within the Group. Based on the results of the risk analysis, we concluded that there is a low risk of harmful activities in our direct business relationships, but more severe risks do exist in the deeper supply chain. We have therefore initiated required processes and defined appropriate responsibilities.

Progress

- In the UK, the UK Modern Slavery Act demands that we do everything to prevent any type of modern slavery occurring along our value chain. Our Group companies operating in the UK, RWE Supply & Trading GmbH and RWE Generation SE, have issued an annual Declaration of Compliance relating to the UK Modern Slavery Act.
- In 2022, we released a policy statement outlining our approach to human rights. The statement on RWE's Human Rights Strategy forms the basis for the implementation of human rights standards at RWE.
- We expanded our whistleblower system to include human and labour rights violations and issues. We maintain communication channels for external stakeholders, for example via a separate e-mail address or via an external law firm. All contact channels are available in multiple languages to ensure easy access.

Indicators

We report what percentage of our purchasing volume was covered by contractual relationships in which the RWE Code of Conduct (including the principles of respect for human rights) was an integral part.



04 Governance

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Governance

Compliance

The challenge

Compliance with laws, regulations and ethical standards is a key challenge for businesses, as non-compliance can lead to legal and reputational risks. This includes environmental regulations, labour laws, anti-corruption measures and data privacy regulations. Businesses must ensure that they comply with all applicable laws and regulations and adopt ethical business practices to protect their reputation and maintain the trust of stakeholders.

Our ambitions

We seek to grow in adherence to applicable laws while staying true to our own values and principles. In this context, we believe our priority topics compliance and ethics translate into preventing corruption and bribery while being guided by our values when working with our vendors and partners. They must meet the standards we impose on ourselves.

Our approach

All our business activities and decisions meet pre-established compliance requirements. Corruption and all types of

compliance infractions are not tolerated. As a preventive measure, we set up a Compliance Management System (CMS) for the RWE Group, which is regularly reviewed in accordance with the IDW 980 Audit Standard of the Institute of Public Auditors in Germany and was last subjected to a review in 2021. Overarching control of the system is handled by the Chief Compliance Officer. Furthermore, Group companies in Germany and abroad have designated compliance officers, who work to ensure uniform implementation of groupwide compliance. The compliance officers report to the Chief Compliance Officer of RWE AG, who keeps the Executive Board and the Supervisory Board's Audit Committee abreast of relevant issues such as developments in legislation, the refinement of the CMS and leads on potential compliance violations.

The main objective of the CMS is to permanently ingrain compliant behaviour in the mindset and actions of all staff members and strengthen the compliance culture within the Group in a sustainable manner. A regular compliance risk analysis is an integral component of the CMS. Departments and operating units are covered by the risk assessment conducted by the Compliance department, which starts by identifying and assessing the key compliance risk fields and ends by deriving any necessary measures from the analysis.

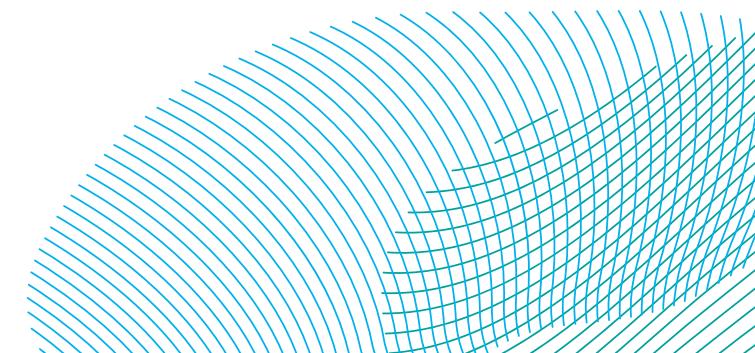
Progress

- In our efforts to avoid corruption, we concentrated on sensitising our workforce in 2022 once again. The compulsory annual compliance training via a web-based programme focused on dealing with business partners. In addition, our employees are regularly informed via in-house

communication of further compliance matters such as breaking developments, existing and new Group policies, the requirements of compliant behaviour, and potential risks arising from infractions.

Indicators

We report on the response rate of a management survey that aims in particular to ensure compliance with our Code of Conduct.



Governance

Privacy

The challenge

Data is not only a legal obligation but is becoming increasingly important in today's digitally interconnected world. While awareness of the need for effective data protection is constantly rising, there is also a growing economic interest in this type of data.

Our ambitions

Privacy is important to us and our employees and external stakeholders should always feel safe and comfortable when data are processed. Our goal is to protect personal data from misuse and thus to build up and strengthen the trust of our employees and customers.

Our approach

We have put both technical and organizational measures in place to ensure we observe the relevant legislation at all times. To ensure a consistent standard of data protection throughout the Group, we have defined guiding principles and implemented a corresponding management system. In addition to the RWE Code of Conduct and our sustainability

principles, we have drawn up guiding principles for responsibly handling personal data. These provide a framework for legally compliant processing of personal data, both in-house and externally. It is very important to us to ensure the confidentiality of the personal data of our customers, business partners and employees. Data protection must be integrated into many processes in order to ensure an adequate level of protection. In times of continuing digitalization, data protection is inconceivable without information security. In order to achieve the desired security of personal data, the security objectives of availability, confidentiality, integrity and resilience of the systems must be ensured, checked and proven by the responsible.

Each employee is responsible for the implementation of data protection requirements within his or her area of responsibility. The employee can contact the data protection officer with any questions regarding the concrete application of the specifications. The company provides the employees with the resources, operating resources and other support necessary to comply with the specification. The Executive Boards of each company of the RWE Group is responsible for compliance with data protection regulations. The company appoints a representative of the Executive Board or the Management Board to whom the subject of data protection is assigned as an area of responsibility. Depending on the categories of data processed (e.g. customer data, employee data) or the categories of tasks/processes, responsibility for certain processing activities involving personal data may be delegated to subordinate bodies or task carriers.

Every employee is obliged to maintain confidentiality when handling personal data. The aims are to meet data protection requirements, protect personal data from misuse and thus lastingly strengthen the trust that our employees, business partners and customers place in us. Working together with data protection officers in individual departments and units that coordinate relevant measures, Group Privacy continually promotes awareness of data protection requirements amongst employees and managers. Particular attention is paid to raising awareness, safeguarding data subjects' legal rights, and dealing with data privacy violations. Group Privacy also defines appropriate processes and responsibilities for appropriately handling relevant data protection incidents. The Group Privacy Officer regularly reports to the Executive Board of RWE AG on data protection issues.

Progress

- A web-based whistleblower system has been available to our employees groupwide since 2019, with the extension in 2022. They can use the system to report incidents, also anonymously, such as violations of the RWE Code of Conduct or the European General Data Protection Regulation, white-collar crimes and other acts that are harmful to the company.

Indicators

We do not disclose indicators on that topic.

Governance

Cybersecurity

The challenge

While digital technologies, including cloud solutions, have made power plants, trading platforms, and associated systems more modern, interconnected, and efficient, they also entail new risks. A significant incident, such as a cyberattack on generation assets (power plants or wind farms) or trading platforms, can cause widespread disruptions with far-reaching consequences for everyday life. It could also endanger the health and lives of people who work at power plants or live nearby and our company's future business prospects.

Our ambitions

We aim to implement security aspects into all business decisions and use only digital technologies with Cybersecurity incorporated from the beginning of the product life cycle. We practice appropriate planning and training to be ready to deal with a wide range of possible events. We provide security services to monitor, detect and respond to security incidents for all aspects of Information (IT) and Operational Technology (OT). This includes highly improbable events that would have a significant impact if they occurred. Our

overriding goal is to prevent them from happening in the first place.

Our approach

Cybersecurity is a central function at RWE; however, it is also part of the responsibilities of the segments or business units. Cybersecurity is a robust enterprise programme that seamlessly blends IT and OT cybersecurity and provides centralised governance and risk management, global threat monitoring, and incident response management. The Cybersecurity programme enables and protects RWE's business operations and goals against cyber threats. Risks relating to the availability and protection of data (information security) and to the security of IT systems are managed by the Group Cybersecurity department at RWE AG. It analyses the risk situation and works to ensure that our Group companies take the necessary hedging measures. Group Cybersecurity now includes IT security to ensure sustainable management of cybersecurity and IT security. Its tasks include protecting RWE's business assets and interests against worldwide converging threats as well as anticipating risks and responding to them in a timely and effective manner while ensuring RWE's global growth in a secure and resilient manner, applying international standards. This consists of managing user access rights and enterprise security architecture to build a robust security landscape following the security-by-design approach. Group Cybersecurity also puts employee awareness measures in place as part of its Human Firewall Campaign, assesses risks for the Group, and coordinates the handling of critical security incidents. While harmonising and monitoring information security in the Group compa-

nies, the CISO receives support from the security partners in the relevant Group companies and, if applicable, from the associated investments.

Incident handling is another component of this approach. Our Cybersecurity Incident Response Team and the IT Security Operations Center are part of Cybersecurity. They are responsible for the handling of cybersecurity incidents. Incident handling at RWE takes a holistic approach, addressing the entire spectrum of possible business-critical failures and disruptions. To be prepared for attacks, whether they are physical or arrive over the internet, and be able to respond to them promptly, we continuously analyse and evaluate the threat situation.

Progress

- In 2022 we continued and expanded our groupwide Human Firewall cybersecurity awareness campaign, we continuously monitored the effectiveness of all security measures, and we evaluated new security technologies and incorporated them in a tailored and targeted approach for RWE.
- We identified global partners with local representation to be close to the business.
- We ensured, using appropriate and automated measures, that principles like need-to-know and least privileges are applied across the entire Group.

Indicators

We do not disclose indicators on this topic.

Governance

Security

The challenge

As an international electricity producer, RWE forms part of the so-called ‘critical infrastructure’, due to the fact that a reliable supply of electric power is indispensable for modern societies. We are aware of the very important role that we play for society as a whole. Apart from legal requirements, it is essential for RWE and its stakeholders to identify and appropriately protect business-critical processes, facilities and information.

Our ambitions

Within the scope of its governance function, Group Security establishes groupwide security standards and monitors compliance with all of their aspects. We pay particular attention to protecting our employees. Where lignite-fired power generation in Germany is concerned, we focus our attention on protecting property as this technology entails greater risks than others. As international networking increases, the importance of travel security is also growing. Group Security is therefore also responsible for strengthening our operational business activities and inculcating a culture of security at RWE.

Our approach

To ensure security, we have developed a wide range of security measures and regularly review their effectiveness. We design detailed scenarios in order to be as well-prepared as possible for any disruptions or temporary failures. In addition, we continuously hone our risk management strategy and adapt it to new challenges as required.

A reliable supply of electricity is indispensable in today's societies, and is therefore increasingly regulated. As an operator of critical infrastructure, for example, we are required to submit reports to the authorities, with which we also work to prepare for possible emergency scenarios. Emergency drills are usually carried out in cooperation with local authorities such as the police and fire brigades.

As digitalisation advances, security risks are also growing apace. Power supplies are a particularly attractive target from an enemy's standpoint, as their failure has great potential for inflicting damage on society and the economy. As an operator, we are aware of this situation and take our responsibility for all of our generation facilities very seriously. Based on the current hazard situation, we regularly carry out risk assessments. Together with third-party safety analyses, they enable us to identify our critical facilities and take appropriate technical and organisational measures to safeguard them.

Indicators

We do not disclose indicators on this topic.

Governance

Tax

The challenge

Taxation is increasingly being interpreted in the context of corporate strategy and sustainability goals. Many stakeholders have meanwhile ceased to regard it as merely a cost item, instead also seeing it as an instrument for benefiting society and meeting the United Nations Sustainable Development Goals (SDGs). The global taxation and regulation landscape is also rapidly shifting. A new trend is being driven by changes in legislation, tax management regulations and codes of conduct. Numerous international initiatives have been urging greater tax transparency and a crackdown on tax avoidance. The concept of 'fair share' has also entered the public debate on taxes.

Our ambitions

Tax transparency and responsible tax management are top priorities at RWE. As an internationally operating energy utility, we have to comply with a wide range of national tax laws and regulations. Our ironclad policy is to consistently pay all applicable taxes and avoid all violations such as

committing or facilitating tax evasion. We appropriately train our employees and encourage them to report any instances of tax non-compliance that come to their knowledge.

Our approach

We continually review, develop further and improve RWE AG's tax compliance management system. Every employee is expected to actively help implement tax compliance measures and programmes in their area of work, for example by supporting and attending relevant further training courses. They are also obliged to report any possible tax compliance violations that come to their knowledge.

The objective is to maintain credibility and integrity both vis-à-vis our business partners and among ourselves. Tax compliance violations can be reported via the whistleblower system that has been implemented throughout RWE. As part of managing tax compliance, we have defined targets for meeting relevant requirements and especially for complying with statutory regulations. Specifically, these involve meeting all deadlines for tax notifications and declarations, avoiding erroneous or incorrect tax declarations or notifications, providing other information such as on ownership of domestic and foreign shareholdings to the German tax authorities and meeting deadlines for paying advance and overdue taxes. Where cash tax management is concerned, our aim is to make advance payments on time in order to avoid interest and penalties.

Tax compliance risks are systematically recorded and evaluated, and preventive measures to mitigate risks implemented as appropriate.

Group companies that provide services to one another and the central tax department of RWE AG are responsible for implementing and complying with the principles and requirements defined in the guidelines. These include timely preparation of transfer pricing documents and prompt reporting of extraordinary business transactions.

Progress

- Also in 2022 we have further adapted and improved our tax management system. Preparations have been made to add further tax types in the future.

Indicators

We publish our tax payments for our major countries separately.

Governance

Stakeholder dialogue and advocacy

The challenge

We are in constant dialogue with a wide range of stakeholders. We welcome feedback and the discourse on numerous topics that are close to our business. We need the support from parties outside our organisation to grow and prosper – this is why we engage with our expertise and positions in a trustworthy manner.

Our ambitions

We aim to be a partner of trust and want to and be a sought-after discussion partner for the further development of the energy system of the future. We regard our stakeholders as comprising all persons and organisations maintaining a relationship or engaging in dialogue with us, seeking to communicate and/or share with us or otherwise interested in our company. There is no preliminary selection process.

Our approach

Our presence in numerous markets and the physical nature of our assets means there is a wide range of stakeholders who have a direct interest in RWE and whose perspectives

must be considered if it is to achieve its business objectives. Due to the importance of electricity generation for our customers and the role of the energy transition to reach sustainability targets, we interact with many groups on a regular basis. Often we share our expertise and perspective on questions of high importance for our business. We understand that being a reliable and trustworthy partner is paramount for our licence to operate and growth.

Our approach to stakeholder engagement seeks to ensure that stakeholder perspectives are built into our discussions and decision making and in the different steps we take to develop our business further: from project planning, project delivery and onwards to long-term operations. It therefore promotes an open and transparent approach to stakeholder engagement which is supported by accountability at both Group and operating company level. RWE adopts a range of engagement methods to build those reciprocal relationships. We have offices in Berlin and Brussels and are engaged in political discussion on energy-related topics and further areas with business importance. In all these engagements we adhere to high standards that are outlined in our Code of Conduct and further documents.

At local level, we pursue a transparent information policy on our operational activities vis-à-vis residents and both citizens' and regional initiatives. These include construction activities, investment projects and approval processes. We are happy to listen to suggestions and constructive proposals. We also conduct a regular dialogue with our suppliers. To this end, we organise an annual Suppliers' Day at which we exchange ideas and information on current market developments. RWE executives also participate in

roadshows and conferences together with colleagues from Investor Relations. In line with the recommendations of the German Corporate Governance Code, the chairman of the Supervisory Board regularly talks with and answers the questions of investors on relevant topics.

Progress

- We took part in a number of political consultations, mainly in our core markets. The consultations covered a wide range of topics but focused on the further development of the energy markets and the conditions for renewable energy growth.
- We released an updated Industry Associations Climate Review. In the assessment we have checked the alignment of certain associations with RWE core climate positions. In some cases we have taken action to support a better alignment.

Indicators

We do not disclose indicators on this topic.



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