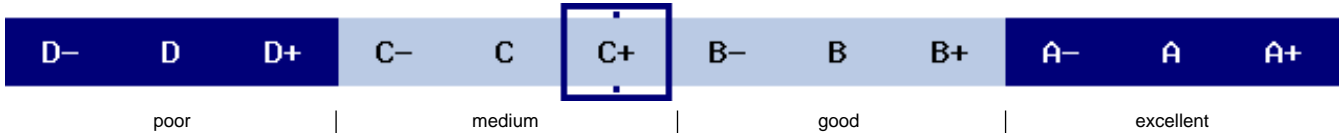


oekom Corporate Rating

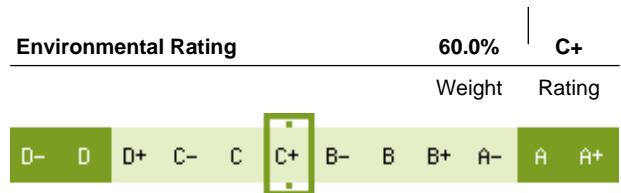
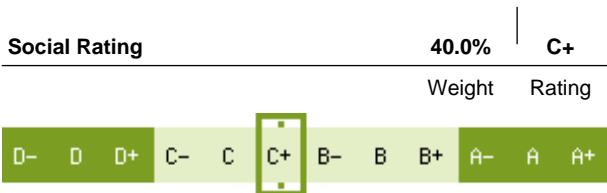
RWE AG

Industry: Utilities
 Country: Germany
 ISIN: DE0007037129
 MSCI: UTS Multi-Utilities

Status **Not Prime**
 Rating **C+**



- A company is classified as "Prime" if it ranks among the world's best companies within the same industry and fulfills the sector-specific minimum requirements defined by oekom research (best in class).
- The highlighted sections on the rating scales indicate the range of ratings achieved within the industry. The average rating is marked with a vertical line.
- If relevant information is not made available, it may result in a poorer rating of the company within the applied rating method.
- A company is classified as F (failed) if, based on the definition by oekom research, it lacks transparency or has only very limited activities with respect to sustainability issues. In this case it does not qualify for a detailed assessment and the rating process is curtailed.



Company Profile

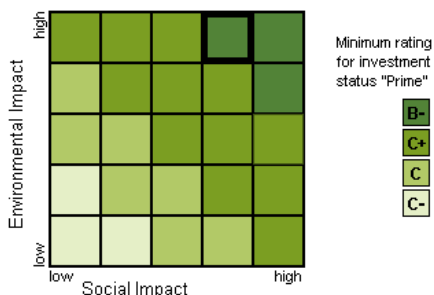
RWE mines lignite and generates electricity from coal, nuclear fuel and gas. The company operates through seven divisions - Germany, Netherlands/Belgium, United Kingdom, Central and Eastern Europe, Renewables, Upstream Gas and Oil, and Trading/Gas Midstream. The Germany division consists of the Generation, and Sales and Distribution Networks business areas. The Netherlands/Belgium division includes the business of Essent, a Dutch energy company taken over in September 2009. The United Kingdom division includes RWE npower and encompasses the entire UK generation and supply business. The Central and Eastern Europe division covers RWE's companies in Poland, Hungary, the Czech Republic and Slovakia. Renewables pools the company's renewable energy activities, including onshore and offshore wind farms in Europe, as well as hydroelectric power plants and biomass projects. Upstream Gas and Oil produces gas and oil, focusing on Europe and North Africa. Trading/Gas Midstream runs RWE's European energy trading operations and optimises its non-regulated gas activities.

Strengths and Weaknesses

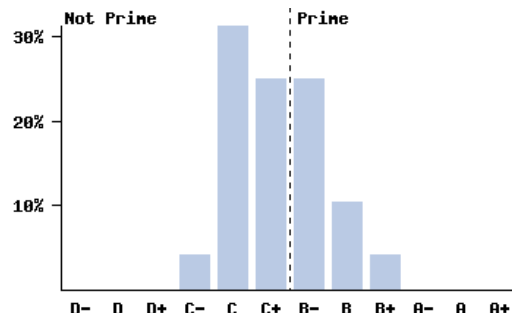
- + advanced mine closure and rehabilitation procedures in place
- + various measures taken to ensure reliability of electricity networks and low level of minutes lost per customer per year
- + comprehensive measures taken to prevent leakage of gas transmission and distribution systems
- high carbon intensity of power generation
- low average thermal efficiency of fossil-fuelled power plants
- major controversies regarding business ethics in recent years, e.g. regarding electricity pricing

Industry

Classification



Breakdown of Ratings (48 plus 0 F-Ratings)

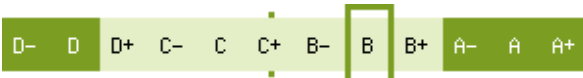


RWE AG

Social Rating

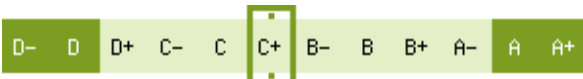
<i>Staff and Suppliers</i>	30.0%	B
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	Weight	Rating
- staff		
- freedom of association		
- work-life balance		
- safeguarding of jobs		
- health & safety		
- equal opportunities		
- training & education		
- subcontractors/suppliers		



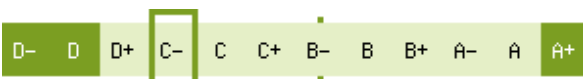
<i>Society and Product Responsibility</i>	50.0%	C+
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	Weight	Rating
- society		
- human rights		
- community		
- gov.relations/influence on publ.pol.		
- stakeholder dialogue		
- customer and product responsibility		



<i>Corporate Governance and Business Ethics</i>	20.0%	C-
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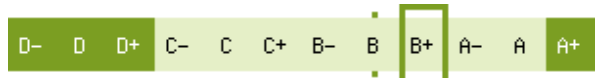
	Weight	Rating
- corporate governance		
- board independence/effectiveness		
- shareholder democracy		
- executive compensation		
- shareholder structure		
- business ethics		



Environmental Rating

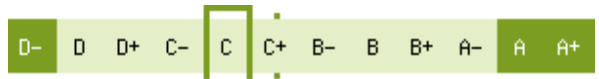
<i>Environmental Management</i>	20.0%	B+
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	Weight	Rating
- environmental policy		
- environmental management system		
- external reporting		
- environmental performance indicators		
- climate change strategy		
- travel and transport		



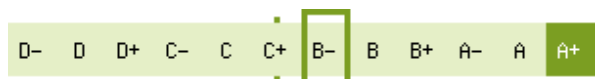
<i>Products and Services</i>	70.0%	C
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	Weight	Rating
- strategy towards sustainable fuel mix		
- environ. impacts of energy generation		
- electricity transmission/distribution		
- gas transmission/distribution		
- water supply		
- wastewater treatment		
- waste services		



<i>Eco-efficiency</i>	10.0%	B-
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	Weight	Rating
- energy use		
- water use		
- GHG emissions		
- SOx emissions		
- NOx emissions		
- dust emissions		
- total waste		



RWE AG

Exclusionary Criteria

Business Areas

	Risk Industry	Yes Producer	Yes User/ Retailer	No	No Info	
Abortion	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Alcohol	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Biocides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Chlororganic Mass Products	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Embryonic Research	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Furs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Gambling	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
GMOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Military	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Nuclear Power	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Generation, trading and marketing of nuclear power accounted for more than 10% of net sales in 2010.
Pornography	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Tobacco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Business Practices

	Risk Industry	Yes Company	Yes Supplier	No	No Info	
Animal Testing	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Business Malpractice	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	2008-2009: Several fines imposed by competition authorities for e.g. excessive pricing and price-fixing.
Controversial Env. Practices	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2008-2010: Stake in controversial nuclear power project in Cernavoda.
Violations of Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2010: Alleged supply chain relations with controversial coal mine in Colombia (Cerrejón mine).
Violations of Labour Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2010: Alleged supply chain relations with controversial coal mine in Colombia (Cerrejón mine).

Comments

1. The information regarding Exclusionary Criteria is based on company documentation and/or external sources.
2. Risk Industry: indicates that the industry is frequently active in controversial business areas or prone to controversial business practices.
3. An overview of the way in which the individual exclusionary criteria are applied in practice can be found at www.oekom-research.com.

RWE AG

Additional Company Information

Business Data

	Revenues (EUR m)	Net. Income (EUR m)	Number of Employees
2008	47,500.00	2,558.00	65,908
2009	46,191.00	3,571.00	70,726
2010	50,722.00	3,308.00	70,856

Financial Year ends: 12/2010

Company Locations

The company is active worldwide and has major operations in Germany, the United Kingdom, Hungary and other European countries. It also has exploration and production sites in Egypt, Libya, Turkmenistan, Algeria, Morocco, Mauritania, and Trinidad and Tobago.

Breakdown of Revenues

External Revenue by Business Segment 2010:

Germany	36.6%
United Kingdom/Netherlands/Belgium	26.8%
Central and Eastern Europe	9.9%
Renewables	0.7%
Upstream Gas and Oil	2.5%
Trading/Gas Midstream	14.1%
Other	9.4%

Breakdown of Employees

Employees by Region 2010:

Germany	58.9%
United Kingdom	19.2%
Hungary	7.4%
Czech Republic	5.4%
Netherlands	5.4%
Other European countries	3.3%
Others	0.4%

Participation in Rating Process

Apart from publicly available information, the company provided additional information and feedback on the rating upon request.

Company Contact

Mr Daniel Schneiders
Corporate Responsibility
Opernplatz 1
DE - 45128 Essen
Fon +49 201 12 16566
Fax
Email daniel.schneiders@rwe.com
Internet www.rwe.com/responsibility

oekom research Contact

Analyst: Ms Susanne Marttila
Goethestrasse 28
DE - 80336 Munich
Fon +49 89 544184 90
Fax +49 89 544184 99
Email marttila@oekom-research.com
Internet www.oekom-research.com

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