

2022

Report of the RWE Group on payments made to public authorities pursuant to Section 341 q-y of the German Commercial Code

Payment report of the RWE Group

Basis of the report

Pursuant to Section 341q of the German Commercial Code, large stock corporations and large commercial partnerships with domestic headquarters that are active in the mineral extraction industry or logging in primary forests are obligated to prepare an annual payment report.

Headquartered at RWE Platz 1 in 45141 Essen, Germany, RWE AG is a stock corporation as defined by Section 341q of the German Commercial Code. As a parent company as defined by Section 290 of the German Commercial Code, pursuant to Section 341v, Paragraph 1 of the German Commercial Code, RWE AG is obligated to prepare a report as at least one of its subsidiaries is active in the mineral extraction industry. None of the RWE Group companies is currently active in the logging business in primary forests.

Pursuant to Section 341s, Paragraph 2 of the German Commercial Code, stock corporations included in the consolidated payment report are exempt from the obligation to prepare their own payment report.

Reportable payments are those made to public authorities if at least €100,000 in payments are made to a single public authority (Section 341t, Paragraph 4 of the German Commercial Code) and one of the reasons for the payments is in accordance with Section 341r, Item 3 of the German Commercial Code. Disclosure on such payments must be broken down by receiving public entity, reason of payment and project.

Companies included in the report with activities in the mineral extraction industry

Activities in the mineral extraction industry as defined by Section 341r, Item 1 of the German Commercial Code are necessary in the RWE Group due to the opencast mines used for electricity generation from lignite (NACE Code A0520 pursuant to EU Regulation No. 1893/2006). The term 'activity' as defined by Section 341r, Paragraph 1 of the German Commercial Code is interpreted by the RWE Group within the meaning of the infection theory for the reporting duty. Therefore, it must be determined which fully consolidated Group companies are active in the mineral extraction industry as of 31 December of every year. Companies with a reporting duty within the RWE Group in fiscal 2022 were RWE Power AG ("RWE"), Cologne and Essen, due to its opencast mining operations, and Rheinische Baustoffwerke GmbH ("RBS"), Bergheim, the business activities of which consist of gravel and sand extraction. Both of these companies are domiciled in Germany and made payments to German state authorities.

RWE Power AG, Cologne and Essen

The fields of business of RWE, a subsidiary wholly owned by RWE AG, are the commercial operation and maintenance of its power stations consisting of lignite-fired and hydroelectric power plants as well as of the opencast mines in Germany.

For the preparation of the payment reports, the opencast mines are considered projects.

Rheinische Baustoffwerke GmbH, Bergheim

RBS is a subsidiary wholly owned by RWE and operates plants for the extraction of gravel and sand. The main market is largely in the greater Cologne-Düsseldorf-Krefeld-Aachen area where RBS ranks among the largest gravel and sand companies. Furthermore, RBS operates receiving points for uncontaminated excavated earth and rubble and trades in purchased building materials (gravel and sand as well as solid rocks such as basalt and lava).

The gravelworks are jointly presented as a single project.

Payment report of the RWE Group for fiscal 2022

Recipient Projects (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
Düsseldorf District Administration			
Garzweiler opencast mine		285,000	285,000
Sum		285,000	285,000
Cologne District Administration			
Across all projects		1,626,671	1,626,671
Sum		1,626,671	1,626,671
Entwicklungsgesellschaft indeland mbH			
Inden opencast mine		674,970	674,970
Sum		674,970	674,970
Erfurt Water Authority			
Gravelworks		17,438	17,438
Across all projects		4,433,035	4,433,035
Sum		4,450,473	4,450,473
Bergheim Tax Authority			
Hambach opencast mine		1,112,056	1,112,056
Sum		1,112,056	1,112,056
Düren Tax Authority			
Hambach opencast mine		186,870	186,870
Sum		186,870	186,870
Erkelenz Tax Authority			
Garzweiler opencast mine		1,289,827	1,289,827
Sum		1,289,827	1,289,827
Grevenbroich Tax Authority			
Garzweiler opencast mine		298,841	298,841
Sum		298,841	298,841
Jülich Tax Authority			
Hambach opencast mine		241,289	241,289
Sum		241,289	241,289
SUBTOTAL		10,165,997	10,165,997

Recipient Projects (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
CARRYFORWARD		10,165,997	10,165,997
Merzenich Municipal Treasury			
Hambach opencast mine		293,824	293,824
Sum		293,824	293,824
Kolping City of Kerpen			
Gravelworks	112,456		112,456
Hambach opencast mine		215,452	215,452
Sum	112,456	215,452	327,908
Heinsberg District Waterworks			
Garzweiler opencast mine		289,448	289,448
Sum		289,448	289,448
Kreiswerke Grevenbroich GmbH			
Garzweiler opencast mine		164,937	164,937
Sum		164,937	164,937
NRW Nature, Environment and Consumer Protection Agency			
Gravelworks	99,219	13,380	112,599
Garzweiler opencast mine	955,858	11,250	967,108
Hambach opencast mine	9,395,979	8,800	9,404,779
Inden opencast mine	2,654,908	54,254	2,709,162
Across all projects		102,937	102,937
Sum	13,105,963	190,621	13,296,584
Geological Bureau of the State of North Rhine-Westphalia			
Across all projects		164,900	164,900
Sum		164,900	164,900
NRW Roadworks Agency			
Garzweiler opencast mine		100,100	100,100
Across all projects		822	822
Sum		100,922	100,922
NEW Netz GmbH			
Garzweiler opencast mine		346,330	346,330
Sum		346,330	346,330
SUBTOTAL	13,218,419	11,932,431	25,150,849

Recipient Projects (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
CARRYFORWARD	13,218,419	11,932,431	25,150,849
Rhine District of Neuss			
Across all projects		251,986	251,986
Sum		251,986	251,986
Ruhr University of Bochum			
Across all projects		143,616	143,616
Sum		143,616	143,616
RWTH Aachen			
Across all projects		123,223	123,223
Sum		123,223	123,223
SEG/Neuland Hambach GmbH			
Hambach opencast mine		165,411	165,411
Sum		165,411	165,411
City of Bedburg			
Across all projects		1,062,738	1,062,738
Sum		1,062,738	1,062,738
City of Elsdorf			
Hambach opencast mine		249,184	249,184
Sum		249,184	249,184
City of Erkelenz			
Garzweiler opencast mine		779,408	779,408
Sum		779,408	779,408
Stadtwerke Düren GmbH			
Across all projects		154,699	154,699
Sum		154,699	154,699
Stadtwerke Jülich GmbH			
Hambach opencast mine		256,664	256,664
Sum		256,664	256,664
Technical University of Dresden			
Across all projects		121,844	121,844
Sum		121,844	121,844
SUBTOTAL	13,218,419	15,241,203	28,459,622

Recipient Projects (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
CARRYFORWARD	13,218,419	15,241,203	28,459,622
Eifel-Rur Water Association Across all projects		436,930	436,930
Sum		436,930	436,930
Zukunftsagentur Rheinisches Revier GmbH Across all projects		120,000	120,000
Sum		120,000	120,000
Joint Cologne Peripheral Channel Association Across all projects		640,000	640,000
Sum		640,000	640,000
Garzweiler Opencast Mine Consequence(s) Association Garzweiler opencast mine		196,736	196,736
Sum		196,736	196,736
SUM TOTAL	13,218,419	16,634,869	29,853,288

water withdrawal fees paid by RWEP and RBS. Credits in the period under review relating to water withdrawal fees paid in earlier years were not deducted (cf. IDW comments 1/2017, note 73).

- ③ Reported payments to the Garzweiler Opencast Mine Consequence(s) Association, Entwicklungsgesellschaft indeland mbH, and Strukturentwicklungsgesellschaft (SEG)/Neuland Hambach GmbH include payments in kind resulting in part from transfers of use. Payments to the City of Bedburg include payments in kind resulting from land transfers. Payments in kind were valued on the basis of the costs incurred by RWEP to provide them and of market values.
- ④ RWEP and RBS are controlled companies that belong to the tax group of RWE AG. The corporate and trade tax payments made by RWE AG as controlling company are not reported as the activities of RWEP and RBS in the mineral extraction industry are not the focal point of the activities of the RWE Group. In accordance with IDW comments 1/2017, note 109, the tax payments are not categorised.

Commentary on the payment report

- ① RWEP's opencast mine development work normally involves swapping assets – in particular land – with the municipalities located within the opencast mining area and with other state authorities. If the value of the assets relinquished is below the value of the assets received, compensatory payments are made by RWEP to the corresponding state authorities. These compensatory payments are included in the balance of the payment report (cf. IDW comments 1/2017, note 84).
- ② The usage fees paid to the Nature, Environment and Consumer Protection Agency of the State of North Rhine-Westphalia are

Essen, 7 June 2023

The Executive Board



Dr. Markus Krebber



Dr. Michael Müller



Zvezdana Seeger