

# RWE

## Report on the German Supply Chain Due Diligence Act 2023



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# 1. Context and Governance

## Information on the corporate and procurement structure

*Which sectors are the companies in your own division active in?*

RWE AG and its affiliated subsidiaries are involved in energy supply.

*Naming of all affiliated companies over which a decisive influence is exercised in accordance with Section 2 (6) sentence 2 LkSG.*

The entire list of companies over which RWE AG exercises a decisive influence can be found in the "Annual Report 2023", pp. 216 - 292. This can be found at <https://www.rwe.com/-/media/RWE/documents/05-investor-relations/finanzkalender-und-veroeffentlichungen/2023-Q4/2024-03-14-rwe-annual-report-2023.pdf>

*Are the affiliated companies directly affected by the scope of the law and therefore subject to reporting requirements due to exceeding their own number of employees in Germany from 2023 (3,000 employees) or from 2024 (1,000 employees)?*

The following is a list of affiliated companies and their employee counts which will also fall under the scope of the LkSG from 2023 and 2024:

- RWE Clean Energy LLC (1.500 employees)
- RWE Generation SE (3.000 employees)
- RWE Offshore Wind GmbH (2.400 employees)
- RWE Power AG (8.800 employees)
- RWE Renewables Europe & Australia GmbH (1.400 employees)
- RWE Supply & Trading GmbH (2.000 employees)

*Countries in which the affiliated companies have locations:*

Germany, Netherlands, United Kingdom, Czech Republic, Portugal, Spain, Luxembourg, Australia, Japan, India, Canada, France, Poland, Mexico, Chile, United States of America, Ireland, South Korea, Taiwan, Belgium, Denmark, Sweden, Italy, China, Indonesia, Greece

*Sector in which the affiliated companies operate:*

The affiliated companies are active in the energy supply sector.

*Selection of all areas of value creation in which the affiliated companies are active in the specified sectors:*

RWE is active in the value-adding areas of electricity generation and energy trading.

*All production countries from which goods and/or services were procured from direct suppliers during the reporting period:*

Procurement was mainly from the EU, the USA, Asia and the Middle East.

*Total number of direct suppliers in the reporting period:*

Approx. 15,000

*Product groups that are relevant to the business model:*

The main product groups are onshore and offshore wind turbines, solar power systems and storage modules, maintenance components for gas turbines such as boilers and scaffolding.

*Raw materials that are relevant to the business model:*

RWE purchases raw materials for electricity generation. These mainly include hard coal, natural gas and biomass.

## Monitoring of risk management & responsibility of the management board

*What responsibilities were defined for monitoring risk management in the reporting period?*

*Please state the name(s) and function(s) of the person(s) responsible for monitoring risk management.*

Kunal Chandra is Chief Human Rights Officer (CHRO) at RWE AG. He holds the role of Director of Strategy and Sustainability within the company and is therefore responsible for the groupe-wide implementation of the Human Rights Risk Management System. Human Rights Officers (HRO) have been appointed within each of RWE subsidiaries. They support the CHRO within the respective companies. The HRO's appointed are

- RWE Clean Energy LLC: Steven Marshall

- RWE Generation SE:\* Ulrich Kramer
- RWE Offshore Wind GmbH: Zsuzsanna Sessel-Zsebik
- RWE Power AG:\* Marie-Cecil Aufmkolk
- RWE Renewables Europe & Australia GmbH: Melanie Dreesen
- RWE Supply & Trading GmbH: Hendrik Voß

\* Note: In addition to RWE AG, RWE Power AG and RWE Generation SE fall directly under the scope of the LkSG, as both subsidiaries had more than 3,000 employees in 2023. This report was prepared for the RWE Group and also applies to both subsidiaries concerned.

*Describe the process that ensures reporting at least once a year or more regularly to the management board with regard to risk management.*

The Chief Human Rights Officer (CHRO) informs the Executive Board of RWE AG at least once a year about the fulfilment of human rights due diligence obligations. The CHRO uses the results of the quarterly meetings with the Human Rights Officers (HRO) and the written reports from the subsidiaries, which the CHRO receives regularly.

There is also a quarterly reporting to the Executive Board of RWE AG on sustainability, during which human rights issues can also be discussed.

For their part, the Executive Boards of the subsidiaries are informed by the respective Human Rights Officers.

## Policy Statement on the human rights strategy

*Is there a policy statement that has been prepared or updated on the basis of the risk analysis carried out during the reporting period?*

RWE has published a policy statement on its human rights strategy. This applies to RWE AG and all its subsidiaries. The policy statement is not only available in German and English, but also in Dutch, Chinese, French, Italian, Polish, Spanish and Turkish. The declaration is available on our website.<sup>1</sup>

The policy statement was communicated to employees and external stakeholders. This explicitly includes suppliers.

The policy statement is available to all our employees and was also presented in an online article in the company's internal employee magazine. Furthermore, it was published and made available on the RWE corporate website. The policy statement was discussed in advance with employee representatives. Direct suppliers receive the policy statement as part

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<sup>1</sup> <https://www.rwe.com/en/responsibility-and-sustainability/social-affairs-and-society/human-rights-due-diligence/policy-statement-on-rwes-human-rights-strategy/>

of the contract conclusion process, and reference is also made to the policy statement in the supplier training that RWE makes available to all suppliers.

*What elements does the policy statement contain?*

The policy statement describes how RWE respects human rights. It addresses the individual rights that are protected and also those rights that are of particular relevance to RWE's own activities and the supply chain. The policy statement also describes all the key processes that have been set up to respect human rights, as well as the corresponding competences and responsibilities.

*Description of possible updates in the reporting period and the reasons for them.*

The policy statement will be reviewed in the course of 2024 and updated if necessary.

## Embedding the human rights strategy within the organisation

*Which major departments/business processes was the human rights strategy embedded in during the reporting period?*

The annual risk analysis has shown that significant risks are not associated with our own business area, but are mainly to be found in the supply chain.

In order to support the implementation of the human rights strategy and fulfil our due diligence obligations, we have introduced an effective risk management system for human rights, the implementation of which applies throughout the Group. Through this holistic approach, RWE focused primarily on procurement processes and purchasing initiatives. The Group's procurement, legal and sustainability departments, among others, played a key role in this process.

*Describe how responsibility for implementing the strategy is distributed within the various departments/business processes.*

The Executive Board of RWE AG is responsible for the implementation of and compliance with the policy statement on RWE's human rights strategy. Within this framework, the Chief Human Rights Officer (CHRO) is responsible for monitoring human rights risk management as a whole. The respective Human Rights Officers (HROs) are responsible for compliance with human rights due diligence in the subsidiaries. The Human Rights Expert Team is based in the Group Sustainability department at RWE AG. This team is responsible for the further development, management and implementation of the human rights strategy. If necessary,

it supports the specialist departments involved in the operational processes and the subsidiaries.

*Describe how the strategy is integrated into operational processes and procedures.*

The complaints procedure includes three channels for reporting human rights or environmental risks or violations to RWE. External persons and interest groups can contact us directly via e-mail (humanrights@rwe.com) or contact an external law firm. If requested, anonymity can be maintained. RWE employees also have the option of submitting complaints via the internal “Business Keeper Monitoring System” tool. The human rights experts from the Human Rights Expert Team then process all complaints received.

The Human Rights Expert Team carries out annual and ad hoc risk analyses for the entire Group, including the subsidiaries. With the support of an external provider, a differentiated risk analysis is carried out for the company’s own business division and for all direct suppliers in the supply chain.

As a further preventive measure, RWE has introduced a qualification process for potential suppliers in which they are subjected to a review; suppliers undergo a screening focused on ESG, environmental protection, human rights and labour rights and a responsible supply chain. Whether suppliers have to undergo this screening depends on a fixed turnover threshold of 50,000 euros or more.

In a first step, the respective procurement departments carry out the so-called basic checks. This involves a media screening of the relevant suppliers.

Based on the results of the basic checks, an extended check can be triggered. For this purpose, the potential suppliers receive predefined questionnaires for self-disclosure, which the employees of the procurement departments evaluate.

Finally, an advanced check can be carried out, which can be triggered by the results of the basic and extended checks, risk analyses or complaints received. An advanced check can also be triggered independently of the results of the extended checks if the supplier has a risk that is identified by the abstract risk analysis (country or sector).

The Advanced Check is the responsibility of RWE AG’s Human Rights Expert Team. It is a detailed questionnaire that is specifically tailored to the situation and the supplier to be checked, which is designed to identify environmental and human rights risks. Any gaps identified are recorded in agreement with the supplier in a Human Rights Action Plan, which is intended to close these gaps. To this end, special measures and tasks are defined, the implementation of which is intended to minimise the risks. If the measures adopted do not lead to a satisfactory solution that meets both the legal and RWE’s own internal requirements, further formal reviews or a formal audit process may follow. RWE also reserves the right to reject suppliers or cancel existing contractual relationships..

To ensure that the human rights and environmental due diligence obligations are effective and complied with, RWE has introduced processes to monitor the due diligence obligations.



*Describe which resources & expertise are provided for the implementation.*

RWE has appointed a Chief Human Rights Officer (CHRO), Kunal Chandra, Director of Strategy and Sustainability, who is responsible for the Group-wide implementation of the Human Rights Risk Management System. Human Rights Officers have also been appointed in each subsidiary.

The Human Rights Expert Team reports to the CHRO and is entrusted full-time with the task of observing, protecting and promoting the implementation of human rights due diligence obligations. The members of the Human Rights Expert Team are appropriately trained for this task. They have contractual assurances freeing them to investigate complaints independently. There are also other employees who fulfil similar tasks in the sustainability departments of the subsidiaries. In addition, employees in the purchasing and legal departments are entrusted with human rights tasks. They too have undergone appropriate training or further training.

The established processes are supported by IT tools. This applies to the annual and ad hoc risk analyses. The review of individual suppliers is also carried out with the support of a corresponding IT platform. The complaints procedure is also supported by IT. An external law firm provides additional support here.

## 2. Prevention

### Execution, procedure and results of the risk analysis

*Has a regular (annual) risk analysis been carried out during the reporting period to identify, prioritise and assess human rights and environmental risks?*

A regular (annual) risk analysis was carried out during the reporting period in order to identify, prioritise and weigh up human rights and environmental risks.

*Describe the period in which the annual risk analysis was carried out.*

In preparation for the start of the LkSG in January 2023, the risk analysis was carried out in September 2022. All other annual risk analyses are carried out in the first quarter of the respective reporting periods and updated as required over the course of the year.



*Describe the risk analysis process.*

The risk analysis was carried out with the support of an external provider. The risk analysis focused on two main areas: country risk and sector risk.

Country risk: Based on the following sources, the countries in which suppliers operate were evaluated and weighted in order to assess the risk situation:

- World Bank Governance Indicators
- Global Slavery Index
- Childrens Rights in the Workplace Index

Sector risk: Based on the following sources, the sectors in which suppliers operate were evaluated and weighted in order to assess the risk situation:

- CSR Risk Check
- ILO: Encyclopedia of Occupational Health & Safety
- ILO: Workplace discrimination, a picture of hope and concern
- ILO: Occupational Hazard Datasheets

Note: As a result of the evaluation process, the external provider supporting the implementation of the risk analysis was changed from the 2024 reporting period onwards.

*Were ad hoc risk analyses also carried out during the reporting period? If no: Please explain your answer.*

In 2023, no findings could be derived from information/complaints.

*Which risks were identified as part of the risk analysis(s) in our own business area?*

Based on the abstract risk analysis, which was carried out on a sector and country-specific basis, ten potential risks were identified for RWE's own business area. These were:

- Use of unqualified security forces
- Restriction and/or violation of the freedom to travel
- Disregard of occupational health and safety
- Disregard of freedom of association
- Negative impact on communities
- Negative impact on landscapes, ecosystems and biodiversity
- Environmental pollution
- Unequal treatment in employment
- Withholding of an appropriate living wage
- Forced labour and all forms of slavery

*Which risks were identified as part of the risk analysis at your direct suppliers?*

Based on the abstract risk analysis, which was carried out on a sector and country-specific basis, twelve potential risks were identified for RWE's direct supply chain. These were:

- Use of unqualified security forces
- Restriction and/or violation of the freedom to travel
- Child labour
- Disregard of occupational health and safety
- Disregard of freedom of association
- Negative impact on communities
- Unlawful expropriation of land, forest and water
- Poor working conditions
- Environmental pollution
- Unequal treatment in employment
- Withholding of an appropriate living wage
- Forced labour and all forms of slavery

*If the risks identified were assessed in the reporting period, what criteria were used for their assessment and prioritisation?*

The risks were assessed and prioritised on the basis of various parameters. These include: the nature and scope of the business activities and RWE's ability to influence the direct perpetrator of a human rights or environmental risk or violation; the severity of the typically expected violation; the reversibility of the violation and the probability of a violation of human rights or environmental obligations occurring; as well as the nature of the company's causal contribution to the risk to human rights or environmental risks or else to the violation of a human rights or environmental obligation. All were also included in the assessment and prioritisation process.

The assessment and prioritisation was carried out by a multi-professional team with the support of the external provider who implemented the risk analysis. Indicators were defined on the basis of external databases and internal evaluation processes. The external databases include the Worldwide Governance Indicators of the World Bank, the Global Slavery Index of the Walk Free Foundation and UNICEF's Children's Rights in the Workplace Index. The following evaluation criteria were defined:

- The probability of occurrence is determined by the location and the industry, both in equal measure. Location risk includes an overall categorisation of country risk as an assessment of the regulatory environment and governance of the country insofar as they affect human rights conditions. Industry risk is determined based on the general

association with human rights violations, the qualification of the workforce, the labour intensity and the type of activity that characterises the respective industry.

- Another factor included in the assessment of the risk analysis is the impact of a potential risk or injury, expressed in the indicators of severity, reversibility and scope. The severity and reversibility are each weighted at 40 %, the scope at 20 %. The scope is weighted lower, as it makes no difference to an individual rights holder how many other rights holders are affected by a potential risk or violation.
- The degree of severity comprises the seriousness of the potential human rights violation or environmental offence. This is an overall assessment that is carried out according to best professional judgement. The reversibility of a risk or violation determines the permanence of the violation or infringement and the extent to which damage could be compensated. The financial, physical and emotional impact on the people affected is taken into account. The scope of a potential infringement or violation in relation to the company's own business area includes the total number of affected rights holders in the company; for the supply chain, the volume of expenditure per purchasing category is defined as an indicator.

*Were the results of the risk analysis(es) for the reporting period communicated internally to relevant decision-makers?*

The results of the risk analysis were communicated to the Executive Board of RWE AG. This information was also made available to the Chief Human Rights Officer and the Human Rights Officers of the subsidiaries and also shared with all relevant functions, e.g. the purchasing departments.

## Preventive measures in own business area

*Which risks were prioritised in our own business area during the reporting period?*

RWE has prioritised environmental pollution and negative impacts on landscapes, ecosystems and biodiversity that may have an impact on human rights-based livelihoods as potential risks.

The priority risks can occur during the construction, operation, maintenance and dismantling of plants associated with conventional energy generation and electricity generation based on renewable energies.

*What preventive measures were implemented for the reporting period to prevent and minimise the priority risks in the company's own business area?*

RWE has established a Group-wide environmental management system based on the ISO 14001 standard. Key tasks and responsibilities have also been set out in an internal guideline.<sup>2</sup>

RWE systematically records environmentally relevant incidents that occur as a result of activities in its own business area or are related to them and uses the data obtained to evaluate and improve preventive measures. The Executive Boards of RWE AG and its subsidiaries monitor the implementation, appropriateness and effectiveness of environmental protection measures. Effectiveness is also reviewed and ascertained in internal audits.

Our commitment to protecting biodiversity is anchored in the Biodiversity Policy and is expressed through a large number of measures and audits that RWE implements.<sup>3</sup> This ensures that our business activities have the least possible impact on flora and fauna.

The complaints procedure is also available to all persons involved. RWE employees also have the option of submitting a complaint via the internal Business Keeper Monitoring System in order to report a potential risk to RWE.

Training courses in our own business area are provided by internal and external experts and supervised by the internal specialist departments. RWE ensures that all relevant employees complete the training courses.

Internal control mechanisms ensure that the effectiveness and efficiency of the established measures correspond to our defined objectives, for which a large number of different key performance indicators (KPIs) are used, among other things.

A fundamental element of all established management systems is internal audits to review and continuously improve the measures implemented. In addition, some parts of the company's systems are certified externally, e.g. the environmental management system of RWE Generation SE<sup>4</sup>.

In addition, regular inspections of our facilities are carried out by the authorities for the purpose of checking legal and authorisation requirements.

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<sup>2</sup> The Environmental Protection Directive is available at <https://www.rwe.com/-/media/RWE/documents/09-verantwortung-nachhaltigkeit/environmental-protection.pdf>

<sup>3</sup> The Biodiversity Policy is available at <https://www.rwe.com/-/media/RWE/documents/09-verantwortung-nachhaltigkeit/rwe-biodiversity-policy.pdf>

<sup>4</sup> Certificates of RWE Generation SE can be viewed at <https://www.rwe.com/-/media/RWE/documents/09-verantwortung-nachhaltigkeit/managementsystemzertifikate/rwe-generation/rwe-generation-umwelt-de.pdf>

## Preventive measures for direct suppliers

*Which risks were prioritised for direct suppliers in the reporting period?*

RWE has prioritised six potential risks for direct suppliers: forced labour and all forms of slavery; child labour; poor working conditions; disregard of occupational health and safety; disregard of freedom of association and unlawful expropriation of land, forest and water.

The specific potential risks identified within the supply chain are based on the location and sector of the suppliers as well as suspected cases of potential human rights violations discovered during the media screening.

We have identified photovoltaic (PV) and battery production in particular as potentially risky. The production itself, but also the manufacture of preliminary products and the extraction of the raw materials required for this, takes place in countries and regions where there is a risk of human rights violations.

*What preventive measures were implemented for the reporting period to prevent and minimise the priority risks at direct suppliers?*

Together with its subsidiaries, RWE AG has established various preventive measures. These include prequalification of potential suppliers before contracts are concluded. This is carried out by the respective procurement departments and, if necessary, can be followed by further investigation by the Human Rights Expert Team of RWE AG as part of the High Risk Counterparty Process. The prioritised risks can be addressed directly if necessary. This is the case as soon as a supplier exhibits an increased abstract risk (based on country and sector) or there are indications of specific risks as a result of prequalification. Contractual clauses enable RWE to initiate measures in the event of a justified suspicion or an actual violation.

RWE also provides all suppliers with supplier training. The complaints procedure is openly available to all direct and indirect suppliers.

*Describe the measures implemented and the extent to which the delivery times, purchase prices or the duration of contractual relationships have been adjusted as a result.*

Together with its subsidiaries, in order to address risks effectively RWE AG has established various preventive measures for the prevention and minimization of priority risks at direct suppliers.

Before the contract is signed, potential suppliers undergo a prequalification process. Firstly, the purchasing departments of RWE AG or its subsidiaries carry out so-called basic checks, in which a media screening of potential suppliers is performed. Under certain circumstances, the results of the basic checks lead to further extended checks. These are based

on pre-designed questionnaires that are sent to the potential suppliers for self-disclosure. If the results of the extended checks are not sufficient to ensure that a potential risk can be prevented, the potential supplier in question is classified as a high-risk supplier and a final advanced check is carried out.

While the Basic and Extended Checks are carried out by the respective procurement departments, the Human Rights Expert Team is responsible for the Advanced Check. As part of this, the individually identified risks are reviewed. If necessary, a Human Rights Action Plan is developed to reduce or close identified gaps. The effectiveness of the measures is reviewed by RWE. Part of the review may take the form of audits of the suppliers' production facilities.

As a further preventive measure, RWE provides all suppliers with whom a contract is concluded with appropriate training material. This provides an overview of the objectives of the Supply Chain Due Diligence Act and the resulting expectations and obligations. The contracts themselves contain contractual clauses on compliance with human rights and environmental due diligence obligations of direct suppliers as well as a document that explains the expectations in the area of human rights and environmental due diligence obligations ("Human Rights Supplier Contract Appendix").<sup>5</sup> RWE does not consider incentivisation via contractual conditions to be a sensible approach to respecting human rights.

All direct suppliers also have the option of submitting a complaint through the channels established by RWE.<sup>6</sup>

*Describe how adjustments to your own procurement strategy and purchasing practices should help to prevent and minimise the priority risks.*

RWE carries out an assessment of key information on human rights and labour and environmental conditions at suppliers. This provides a starting point for more intensive discussions with suppliers about possible risks and improvement measures. We take into account the principle of appropriateness so that a human rights-based procurement decision can be made. Contractual agreements enable RWE to take action in the event of a justified suspicion or an actual violation, e.g. in the form of audits or by agreeing remedial measures. This can also lead to a decision not to conclude a contract with a supplier.

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<sup>5</sup> The „RWE Human Rights Suppliers Appendix“ is available at <https://www.rwe.com/en/products-and-services/supplier-portal/general-conditions/rwe-human-rights-supplier-contract-appendix/>

<sup>6</sup> The publicly accessible complaints procedure can be found at <https://www.rwe.com/en/responsibility-and-sustainability/social-affairs-and-society/human-rights-due-diligence/whistleblower-system/>

*Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.*

The Human Rights Action Plans activated as required on the basis of the Advanced Checks are appropriate and effective, as they are created especially for the identified risk situation. The employee training programmes are appropriate and effective, as they are primarily designed for employees in the relevant business areas.

The nature of the complaints procedure offers a low threshold for access, and it was simplified once again at the beginning of 2024. The numerous contact options that take into account the native language of the complainant and the possibility of anonymised complaints ensure an appropriate complaints procedure.

RWE regularly reviews the effectiveness of the Human Rights Risk Management System. To support this evaluation, an internal audit started in 2023 is ongoing. Any opportunities for improvement identified as a result will be implemented in working groups.

## 3. Measures

### Identification of violations and remedial measures in own business area

*Were any violations identified in your own business area during the reporting period?*

No violations were identified in our own business area during the reporting period.

*If no violations were identified, describe which procedures can be used to identify violations in your own business area.*

Violations in our own business area can be identified by analysing the risks in our own business area. In addition, violations can be identified on the basis of complaints submitted.

### Identification of violations and remedial measures for suppliers

*Were any violations identified at direct suppliers during the reporting period?*

No violations were identified at direct suppliers during the reporting period.



*If no violations have been identified, describe the procedures used to identify violations at direct suppliers.*

Violations at direct suppliers can be identified through the complaints procedure or through the results of the Advanced Checks. If RWE receives a complaint via the channels provided, it is analysed and a violation may be identified. As a result of the risk analysis, an Advanced Check can be carried out at the respective high-risk suppliers as part of the High Risk Counterparty Process. The results of the advanced checks can lead to the identification of risks and violations.

*Were any violations identified at indirect suppliers during the reporting period?*

No violations were identified at indirect suppliers during the reporting period.

## Establishment of or participation in a complaint procedure

*In what form was a complaints procedure offered for the reporting period?*

An external complaints procedure (whistleblower system) is available to all stakeholders. This can be used if violations of human rights or our Code of Conduct are identified or suspected. Reports can be sent directly by e-mail to RWE (humanrights@rwe.com) or to an external law firm (Simmons & Simmons LL.P).<sup>7</sup> The report can be made anonymously. The complaints procedure applies to RWE AG and all subsidiaries.

RWE employees also have the option of using the internally established Business Keeper Monitoring System as a complaints procedure.

*Describe the company's own process and/or the process in which your company participates.*

Complaints received are processed in accordance with the "Rules of Procedure", which is publicly accessible.<sup>8</sup> Each complaint is reviewed individually by the Human Rights Expert Team. If the complaint provides sufficient grounds for the suspicion of potential human

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<sup>7</sup> Information on external contacts can be found at <https://www.rwe.com/en/the-group/compliance/external-contact-partners/>

<sup>8</sup> RWE's "Human Rights Code of Procedure" provides a detailed description of the procedure. It is available in 9 languages: <https://www.rwe.com/en/responsibility-and-sustainability/social-affairs-and-society/human-rights-due-diligence/>

rights or environmental risks or violations, a process is initiated within the framework of the Rules of Procedure. The following steps are taken to process the complaint:

Step 1: Within a maximum of seven working days, the complaint is recorded via one of the specified (internal or external) communication channels. An acknowledgement of receipt is sent to the whistleblower and they are informed of the next steps in the process.

Step 2: An assessment is made as to whether the complaint is justified and how it relates to applicable laws, e.g. the German Supply Chain Due Diligence Act.

Step 3: If the complaint is justified, the case is investigated within 20 working days: The responsible employees investigate the case and seek a solution to the case either within the company and/or with direct or indirect suppliers, including seeking possible further information. Where possible, the opinion of the whistleblower will be taken into account when determining the remedial action to be taken.

Step 4: A maximum of eight working days after completion of the investigation (step 3), a solution/agreement is sought within the company, involving the whistleblower where possible/required. If the situation occurs within the supply chain, the supplier is informed and appropriate measures are agreed. The whistleblower is informed of the chosen solution. An implementation plan is drawn up.

Step 5: Implementation of the solution: Implementation begins within a maximum of three working days after finalisation of the implementation plan. The whistleblower is informed. All relevant records of the implementation are collected to assess the effectiveness of the complaints procedure.

Step 6: Once implementation has been completed, the whistleblower and other parties involved are informed. All documents are kept for at least seven years after the case is closed.

If no satisfactory solution can be found for one of the parties, the negotiations can be continued with external support. In this option, RWE will involve a third party with the consent of the person making the referral. This is done on condition that this third party does not benefit from the resolution of the dispute and that its mediation is accepted by both parties. If there is a disagreement, the whistleblower is free to take further action.

*Which potentially involved parties have access to the complaints procedure?*

All potentially involved parties have access to the complaints procedure. This includes employees of RWE AG and all subsidiaries as well as all direct and indirect suppliers and all persons involved within the supply chain.

*How is access to the complaints procedure ensured for the various groups of potentially affected parties?*

Complaints via the law firm Simmons & Simmons LLP can be submitted by e-mail or telephone. Contact persons are available for the following countries:

- Europe: Austria, Czech Republic, Denmark, France, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden
- North and South America: Chile, Canada, Mexico, USA
- Asia-Pacific: Australia, China, India, Indonesia, Japan, Singapore, South Korea, Taiwan, Turkey

The contact details can be found on the RWE homepage.

*Were the rules of procedure for the reporting period publicly available?*

Yes, the "Rules of Procedure" is publicly available on the RWE website. In addition to German and English, it is also available in French, Dutch, Polish, Spanish, Turkish, Czech and Chinese.<sup>9</sup>

*It is confirmed that the criteria contained in § 8 Para. 3 LkSG are met for the persons responsible, i.e. that they offer the guarantee of impartial action, are independent and not bound by instructions and are obliged to maintain confidentiality.*

The employees responsible for processing complaints are not bound by instructions for this activity. This is stipulated in their employment contract. The same applies to confidentiality.

*It is confirmed that measures were taken during the reporting period to protect potentially involved parties from being disadvantaged or penalised as a result of a complaint.*

Yes, it is confirmed that precautions have been taken to protect potentially involved parties from being disadvantaged or penalised as a result of a complaint. This is ensured in particular by the measures in connection with the Whistleblower Protection Act, which RWE AG and all subsidiaries comply with.

*Describe what measures have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.*

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<sup>9</sup> <https://www.rwe.com/en/responsibility-and-sustainability/social-affairs-and-society/human-rights-due-diligence/policy-statement-on-rwes-human-rights-strategy/>

The anonymity of the whistleblowers is guaranteed by contractual clauses in the employment contracts of the employees who process the complaints. Further clauses guarantee that the employees involved are not bound by instructions.

Retaliation against whistleblowers will not be tolerated. If the company is informed or becomes aware of retaliation, it will take the necessary (internal and/or legal) disciplinary measures to deal with it and prevent it from happening again.

In addition to providing information on the relevant websites, RWE has prepared an overview document for persons providing information.<sup>10</sup> In addition, there is an overview document that explains the procedure and process - the "Rules of Procedure".<sup>11</sup> This ensures process transparency.

## Implementation of the complaints procedure

*Did the company receive any information about the complaints procedure during the reporting period??*

During the reporting period, no complaints were received via the channels established by RWE that would have substantiated a case.

## Review of risk management

*Is there a process for reviewing the appropriateness and effectiveness of the risk management?*

The appropriateness and effectiveness of the risk management system is reviewed by the Human Rights Expert Team of RWE AG with the support of a cross-departmental task force and discussed at the level of the Human Rights Officers. The Human Rights Risk Management System (HRRMS) and all procedures and processes relevant to the HRRMS are reviewed regularly, but at least once a year, by the Human Rights Expert Team and updated if necessary.

Within the subsidiaries, the appropriateness and effectiveness of the measures are ensured by the respective specialist departments.

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<sup>10</sup> <https://www.rwe.com/en/the-group/compliance/external-contact-partners/>

<sup>11</sup> <https://www.rwe.com/-/media/RWE/documents/09-verantwortung-nachhaltigkeit/menschenrechtliche-sorgfaltspflicht/policy-statement-on-rwes-human-rights-strategy.pdf>

Key Performance Indicators (KPIs) have also been defined and are monitored by the Human Rights Expert Team at RWE AG. A report is submitted to the Executive Board of RWE AG at least once a year.

*Are there processes or measures in place to ensure that the interests of your employees, the employees within your supply chains and those who may otherwise be directly affected in a protected legal position by the economic activities of your company or by the economic activities of a company in your supply chains are adequately taken into account in the establishment and implementation of risk management?*

The Human Rights Risk Management System (HRRMS) was developed in cooperation with the relevant functions within RWE, for example which represent the interests of employees. RWE has established the Human Rights Expert Team within the Sustainability Department of RWE AG, which consists of qualified and trained experts, in order to effectively address the risks in its own business area and in the supply chain. The employees manage the implementation of the expectations put forward in the Policy Statement, internal guidelines and all associated processes and measures and ensure that the rights of the affected parties are safeguarded.

IT tools have been implemented to support RWE in protecting rights holders. New systems are being purchased and used alongside established systems.

As part of the Human Rights Risk Management System, preventive and remedial measures are developed and implemented taking into account the interests of the persons affected. We endeavour to take their views, expectations and needs into account when implementing specific steps within our processes.

*Describe how this audit is carried out for the respective area and what results it has led to, in particular with regard to the prioritised risks.*

2023 is the first reporting year, therefore the results of a review cannot be reported until 2024.

# Contact

This report was prepared by the Sustainability Department of RWE AG. If you have any comments or questions, please contact:

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