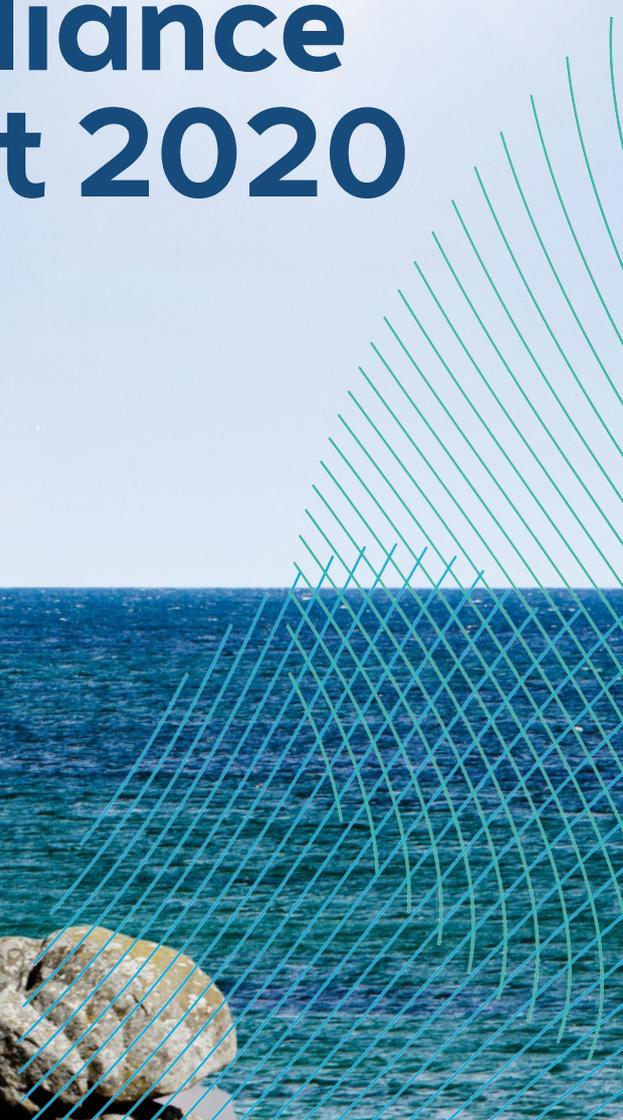


RWE



Compliance Report 2020



COMPLIANCE REPORT 2020

COMPLIANCE. PROVIDING ORIENTATION.

Integrity and compliance with the law are fundamental to RWE's business activities. The principles and goals of this culture are set out in the RWE Code of Conduct.

The main objective of RWE's compliance management system is to permanently embed rule-compliant conduct in the thoughts and actions of all employees and to strengthen the compliance culture throughout the Group in the long term. Our compliance management system therefore focuses, in particular, on identifying potential structural corruption risks and preventing corruption as well as non-compliant behaviour within the RWE Group. Also the avoidance or appropriate handling of conflicts of interest plays an important role in the integrity and sustainability of the business and promotes trust and support among employees, business partners, customers and shareholders, as well as the public.

Beyond the risk of damage to the Group's reputation, corruption can impede economic growth, limit equal opportunities and contribute to the increase in poverty. It is for this reason that we base all business activities and decisions on our compliance guidelines. Corruption and any kind of non-compliance will not be tolerated.

RWE joined the United Nations Global Compact initiative in January 2004. By subscribing to the underlying ten principles, RWE has expressly committed itself to respecting human rights and labour standards, promoting environmental protection in its business activities and preventing corruption.

Besides combating corruption, the prevention of money laundering and the financing of terrorism as well as export control compliance are among the priorities of compliance at RWE.

The compliance management system is regularly reviewed by an auditing company. After the integration of the Renewables-companies in 2020, an efficacy audit of the

Compliance Management System will be performed throughout the Group from 2021, beginning with corruption prevention. This will then be followed by an efficacy audit of the topic areas prevention of money laundering and export control compliance.

Raising the awareness of our employees

Raising the level of awareness among our employees is the key to preventing corruption. The most important document with respect to compliance is the RWE Code of Conduct, which is binding for all employees. It prohibits all forms of corruption and is tightly integrated with other Group Directives. Ten principles of conduct are set out at the beginning of the Code of Conduct, which summarise the most important statements and thus provide quick orientation.

Organisational requirements such as the double checking (four-eyes) principle, separation of functions, authorisation concepts and approval regulations ensure compliance with the Group Directives.

The appropriateness of the underlying internal control system is regularly reviewed by the Group's Internal Audit department.

Information and training on anti-corruption guidelines and procedures

For the practical effectiveness of a compliance organisation, it is of vital importance to create an awareness of critical issues in the work environment. Appropriate communication is therefore essential for the success of the compliance organisation. Internal Group media inform our employees about compliance issues, such as current developments, existing and new Group Directives, requirements for compliant behaviour as well as possible risks in the event of non-compliance.

Our employees also receive annual compliance training via a web-based training programme covering a variety of topics. Alongside general compliance principles, the programme in 2020 raised awareness for issues related to the Code of Conduct and compliant conduct in relation to conflicts of interest. Participation in the web-based training programme is mandatory for all employees. Employees without PC access are instructed by the line managers.

In addition, employees, based on the risk associated with their respective activities, take part in face-to-face training sessions conducted by the Compliance department. In 2020, these training sessions were primarily virtual owing to the COVID-19 situation (for

example via video conference or in online meetings). The Executive Board is also integrated in this training concept.

Organisation and management

Our compliance organisation is headed by the Chief Compliance Officer of RWE AG, who is responsible for the superordinate control of the compliance management system within the RWE Group. Furthermore, compliance officers have been appointed for Group companies in Germany and abroad to ensure consistent implementation of the Group-wide compliance principles for these Group companies (including their subsidiaries). The compliance officers report regularly to the Chief Compliance Officer.

RWE Supply & Trading GmbH has its own Compliance department, which also reports regularly to the Chief Compliance Officer.

Creating transparency

The Chief Compliance Officer of RWE AG regularly reports to the Executive Board and the Audit Committee of the Supervisory Board of RWE AG about compliance-relevant issues.

All executives with personnel responsibility must report annually on the implementation of the Code of Conduct in their respective area of responsibility. The response rate for this executives' compliance reporting serves as an indicator of compliance awareness at RWE. We strive to generate a response rate of 100 %, which has been achieved for 2020 as well as 2019.

There is always something 'secretive' about corruption offences. To make compliance-sensitive processes more transparent, we implemented a Compliance IT-Tool in 2010 that records all donations, sponsoring activities, compliance-relevant consultant and agent agreements as well as gratuities to public and/or elected officials that are considered relevant for the purpose of our Group Directive.

Risk analyses

Regular compliance risk analysis is an important part of our compliance management system. In 2020, risk assessments have been carried out for the areas of anti-corruption, money laundering prevention and export control compliance at RWE companies selected on a risk-oriented basis. The risk assessments will be continued for further RWE Group companies in 2021.

As part of its risk-oriented audit planning, the Internal Audit department regularly includes various principles of the Code of Conduct as audit areas. If the audits at the Group companies reveal indications of violations, these are reviewed and remedial measures are initiated, if necessary, through a systematic follow-up process.

Reporting non-compliance with the Code of Conduct

Information about possible non-compliance with the Code of Conduct or other non-compliant behaviour may be reported to the line managers, the responsible compliance officer and/or the Chief Compliance Officer. Contact information for the compliance contact persons is available on the intranet.

It is also possible to contact an independent external contact person by telephone or e-mail. The external contact person is not only available for employees, but also for external parties, such as suppliers or other business partners. Notifications can be submitted in the relevant national language of the RWE Group companies. These are treated confidentially and remain anonymous on request. Notifications relating to any potential breaches are recorded by the Compliance department. Each case is reviewed by the respective Group functions responsible for the investigation and remedial measures are initiated, if necessary, through a systematic follow-up process. The international law firm Simmons & Simmons, which is partly supported by local law firms, has been acting as the external contact partner for the entire Group since April 1, 2011. Contact information for the external contact person is available on the internet and intranet.

In addition to the existing communication and reporting channels, a web-based whistleblower system has been available to employees throughout the Group since 2019. This system allows whistle-blowers to report incidents – including anonymously – for example violations of the RWE Code of Conduct or the General Data Protection Regulation, commercial crimes and actions harmful to the business.



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