

RWE

Compliance Report
2021

A decorative graphic in the bottom right corner of the page, consisting of a series of thin, light blue lines that curve and intersect to form a grid-like pattern. The lines are more densely packed in the lower right and become sparser as they move towards the top and left.

COMPLIANCE REPORT 2021

COMPLIANCE. PROVIDING ORIENTATION.

Integrity and compliance with the law are fundamental to our business activities. Our Code of Conduct, which is binding for all of our employees, sets out the goals and principles in this regard.

The main objective of our Compliance Management System is to permanently embed rule-compliant behaviour in the thoughts and actions of all our employees and to consistently strengthen the compliance culture within the RWE Group in the long run. Our Compliance Management System therefore focuses particularly on identifying potential structural corruption risks and preventing corruption as well as non-compliant behaviour within the RWE Group. Furthermore, the avoidance, as well as the appropriate handling of conflicts of interest, also play an important role in the integrity and sustainability of our business and promote trust among our employees, business partners, customers and shareholders as well as the public.

Besides the risk of reputational damage to the RWE Group, corruption can hinder economic growth, limit equal opportunities and contribute to an increase in poverty. For this reason, we base all business activities and decisions on our compliance guidelines. Corruption and any kind of non-compliance will not be tolerated.

We joined the United Nations Global Compact initiative in January 2004. By subscribing to the underlying ten principles, we explicitly commit to respecting human rights and labour standards, promoting environmental protection in our business activities and preventing corruption.

The focus of our compliance activities is on combating corruption and related property crimes. We also deal with the prevention of money laundering and terrorist financing as well as export control compliance.

Audit of the Compliance Management System

Our Compliance Management System is regularly audited by an auditing firm in accordance with the Assurance Standard 980 of the German Institute of Public Auditors (IDW). The effectiveness audit of the Compliance Management System Anti-corruption was successfully completed at the end of 2021. The auditing firm confirmed the appropriateness, the implementation and the effectiveness of the Compliance Management System.

Regarding the new business of RWE Renewables preparatory assessments of the Compliance Management System were carried out. Measures were derived from the audit findings, which are also to be implemented with regard to the reorganisation of the companies. The implementation of the measures has already commenced.

Risk analyses

Regular compliance risk analysis is an important part of our Compliance Management System. We involve the departments and the operational units in our compliance risk analysis, starting from the identification and assessment of the main compliance risk areas, until the derivation of any necessary measures.

In addition to the risk assessments of the previous year, we carried out risk assessments for the areas anti-corruption, prevention of money laundering and export control compliance in further RWE Group companies. On the basis of the verified risk analysis, these RWE Group companies were subjected to a closer review with regard to the implementation of measures in order to mitigate the identified risks.

As part of its risk-oriented audit planning, the Group Audit department regularly includes various principles of our Code of Conduct as areas that are to be scrutinised. In case that the audits at the Group companies reveal indications of violations, these are reviewed and, if necessary, corrective measures are initiated, as part of a systematic follow-up process.

Organisation and Governance

Our compliance organisation is headed by the Chief Compliance Officer (CCO) of RWE AG. The CCO is responsible for the overarching control of our Compliance Management System. In addition, Compliance Officers have been appointed for RWE Group companies in Germany and abroad to seek to ensure consistent implementation of the group-

wide compliance principles for our Group companies (including their subsidiaries). The Compliance Officers report on a regular basis to the CCO. RWE Supply & Trading GmbH and RWE Renewables GmbH each have their own Compliance department, which also report regularly to the CCO.

The CCO of RWE AG regularly reports to the Executive Board and the Audit Committee of the Supervisory Board of RWE AG on compliance-relevant issues.

In addition, organisational requirements such as the four-eye principle, segregation of duties, authorisation concepts and approval regulations are the basis of our internal control system. The appropriateness of the underlying internal control system is regularly reviewed by the Group Audit department.

Transparency

As in previous years, our executives with personnel responsibility reported on the implementation of the Code of Conduct in their area of responsibility in the course of the so-called Executives' Compliance Reporting. The response rate to this report serves as an indicator of compliance awareness. We always strive for a response rate of 100 %, which was achieved for 2021 as well as in previous years.

In order to make compliance-sensitive processes more transparent, we use the Compliance IT-Tool, in which all donations, sponsorships and memberships, compliance-relevant consultant and agent agreements as well as gratuities granted to public and elected officials that are considered relevant according to our Group Directive, are to be recorded.

Raising awareness of our employees

The practical effectiveness of a Compliance Management System includes, in particular, raising awareness of critical issues in the working environment. Thus Compliance training is an essential part of establishing a compliance culture in the RWE Group. Our employees are informed through training about appropriate behaviour and measures, especially to avoid corruption and its appearance.

Our employees receive annual compliance training via a web-based training programme with changing focus topics. In 2021, the focus was on "Global Anti-Corruption". Participation is mandatory for all employees. Employees without PC access are provided training direct by their line managers.

In addition, employees take part in Compliance face-to-face training based on the risk associated with their respective activities. Due to the COVID 19 situation, the training continued to be conducted primarily in virtual form in 2021. The Executive Board is also integrated into this training concept.

Furthermore, we use internal RWE Group media channels to inform our employees about other compliance-relevant topics, such as recent trends, existing and new Group Directives, requirements for compliant behaviour as well as possible risks in the event of compliance breaches.

Reporting non-compliance with the Code of Conduct

We encourage our employees to report potential non-compliance with our Code of Conduct or other non-compliant behaviour to their line managers, the responsible Compliance Officer/Manager and/or the CCO. The contact details of the Compliance contacts are published on the intranet.

In addition, a group-wide web-based whistleblowing system has been available to our employees since 2019. This system allows whistleblowers, if desired on an anonymous basis, to report incidents such as non-compliance with our Code of Conduct or the General Data Protection Regulation, white-collar crimes and other activities that could be harmful to RWE.

Furthermore, there is a possibility of contacting an independent external contact person by telephone or e-mail. This external contact person is not only available to our employees, but also takes notifications from external parties, such as suppliers or other business partners. Notifications can be submitted in German or English as well as in various other national languages of our Group companies. These are treated confidentially and, if desired, anonymously. The international law firm Simmons & Simmons, partly supported by local law firms, acts as a long-standing, established external contact. The contact details of the external contact are published on the internet and intranet.

Notifications of potential breaches are recorded by our Compliance department, reviewed by the respective RWE Group functions responsible for the investigation and remedial measures are initiated, if necessary, as part of a systematic follow-up process.



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