

**RWE**

# Compliance Report

**2022**

**Glad you are here.**

## **A word from our Chief Compliance Officer**

*"It is my pleasure to present our annual Compliance Report to you again this year. The energy industry is in a constant state of change and the speed of new business models in this sector is continuously increasing. In an everchanging field, compliance is particularly important and we look forward to the challenges that this transformation also brings for our work."*



**Ilka Röhrhoff**

Chief Compliance Officer

Dear readers,

2022 was an eventful year - not only for the RWE Group, but for all of us. Despite facing unknown situations, our corporate values are and always have been the benchmark for our way of working - including with each other - and make decisions. These values further show how we want to be perceived by our customers, business partners and society. Because we measure ourselves against them, they contribute to us remaining a reliable and powerful partner for the sustainable transformation of energy supplies.

Whether globally or in individual countries and business areas, we are pleased that we were able to maintain the excellent dialogue with all our stakeholders despite the challenges in 2022.

### **The Compliance Year 2022 in the RWE Group**

Our compliance activities cover a broad spectrum. With this report, we would like to present the year 2022 from a compliance perspective as well as the compliance structures and our focus within the RWE Group.

# Compliance Management System

## Our structure

**Corruption and any other compliance violations are not tolerated.**

We base the entirety of business activities and decisions on defined compliance requirements, for which we have set up a Compliance Management System (CMS) in the RWE Group. The CMS is based on the Group's risk situation and is regularly reviewed - most recently in 2021 - in accordance with the IDW assurance standard 980. The aim of the CMS is to consistently comply with statutory provisions alongside internal company guidelines and requirements.

Our CMS serves to identify corruption and other compliance risks as well as to prevent violations of applicable laws and other requirements. The CMS describes a large number of processes and measures that are implemented in the Group. These include individual advisory activities, extensive training of our employees and compliance-related risk analyses.

### Organisation and control

The Chief Compliance Officer (CCO) of RWE AG is responsible for the overall management of the CMS. Compliance Officers have been appointed for Group companies in Germany and abroad to work towards uniform implementation of the Group-wide directives and regulations of RWE AG. This decentralised structure ensures uniform compliance standards throughout the Group. The Compliance Officers also take local laws and regulations into account. Furthermore, both measures and processes are implemented in accordance with the business model of the respective Group company.

The Compliance Officers report regularly to the CCO. Some Group companies - Supply & Trading and the Renewables companies - have their own compliance departments, which also report to the CCO on a regular basis.

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

# Compliance Management System

## Our structure

### Risk analyses and internal control system

The compliance risk analysis is a central part of the CMS. In a first step, compliance risks are identified and categorised with the involvement of the specialised functions and operational units. In a second step, appropriate measures are derived where necessary.

In addition, our internal control system (ICS) is the basis for preventing process errors and human error. This includes organisational requirements such as the dual control principle, separation of functions, authorisation concepts and approval procedures. The appropriateness and effectiveness of the entire ICS is regularly reviewed by the Internal Audit department of RWE AG.

### Transparency

Each Executive is required to report on the implementation of the Code of Conduct in their area of responsibility. This Executives' Compliance Reporting is carried out once a year and serves to create transparency with regard to compliance with the Code of Conduct and to obtain an overall impression of compliance awareness at RWE. We aim for a response rate of 100%. This was accomplished once more in the year 2022.

For transparency purposes, the RWE Group uses a compliance IT tool for compliance-sensitive processes. Donations, sponsorships and memberships as well as compliance-relevant consultancy and agency contracts are documented here. Furthermore, donations to public officials and mandate holders are recorded which are considered relevant according to our Group guideline.



## Awareness of our employees

### #TEAMRWE

#### **Business activities in accordance with laws and our values is a key factor for us.**

The goal of our CMS is to integrate compliance as an essential part in the thoughts and actions of our employees and to sensitise them to compliance-critical issues. Thus, all employees regularly attend Compliance trainings, which outline adequate procedures and measures that they can apply in their professional environment. Various training formats are offered and used for this purpose.

Through a web-based training programme, the entire workforce receives mandatory compliance training on a yearly basis with a varying focus topic. In 2022, the topic of this training was "Dealing with business partners". Moreover, the training concept provides for training in small groups based on the risk classification of the employees' activities. While these individual trainings could only take place virtually for the most part in recent years due to the COVID-19 pandemic, classroom training is now gradually being offered again.

Both the mandatory web-based training as well as classroom trainings include the members of the Executive Board and the management of the RWE Group.

In order to continue to draw the attention of our employees to compliance topics, we provide information at regular intervals and on an ad-hoc basis on news as well as basics relating to our Group guidelines, compliance-adequate behaviour and possible risks of violations. For this purpose, a wide variety of communication channels are used to reach all employees.

We also encourage our employees to report potential violations of our Code of Conduct or other non-compliant behaviour to their supervisors, the responsible Compliance Officers/Managers and/or the CCO. Our employees can use various whistle-blower channels - anonymously if they wish - to inform the Compliance department if they become aware of violations or actions that are harmful to the company. The contact details of the Compliance contacts are published on the intranet.

The avoidance and appropriate handling of potential conflicts of interest also plays an important role in the integrity and sustainability of our business and promotes trust among our employees, business partners, customers and shareholders as well as the public.

# Code of Conduct

## The core of our actions

### **Our Executive Board and our employees are guided by our corporate values.**

Our Executive Board and our employees are guided by our corporate values.

These are not only lived internally, but also describe how we would like to be seen externally by our partners, customers and society: passionate, trustworthy and high-performing.

Our Code of Conduct formulates a set of rules that apply to all employees of the RWE Group without exception. Diversity, inclusion and anti-discrimination are central topics and our employees are committed to personal accountability, honesty, loyalty and respect for all people and the environment. We expect the same standards from our business partners, who are therefore generally obliged to accept the principles listed in our Code of Conduct as a basis for cooperation.

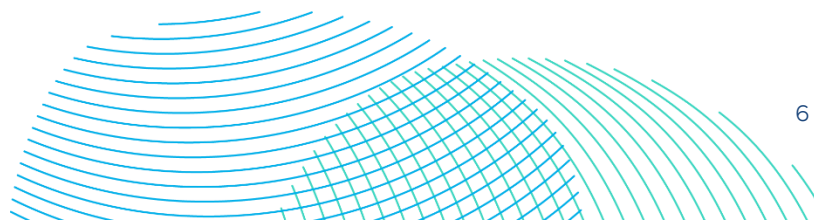
In January 2004, we joined the United Nations Global Compact Initiative and signed the ten underlying principles. In doing so, we explicitly committed ourselves to consistently respecting human rights and labour standards, strengthening environmental protection in our business activities and actively preventing corruption.

### **Adherence to the Code of Conduct**

Misconduct and violations of our Code of Conduct of any kind will not be tolerated. Not only our employees are encouraged to report potential violations of our Code of Conduct or other non-compliant behaviour, but also our business partners such as suppliers or other stakeholders.

A web-based whistleblowing system is available to our employees throughout the Group for this purpose. This system allows informants - anonymously if they wish - to report not only violations of our Code of Conduct but also other non-compliant behaviour such as non-compliance with the General Data Protection Regulation, economic offences or other actions that are harmful to the company.

In addition, our employees as well as those outside the company can contact independent external contacts by phone or email. An international law firm is supported by local law firms. The contact details of the external contact persons are published on the internet as well as on the intranet.



## Code of Conduct

### The core of our actions

We always follow up on indications of possible compliance violations. If compliance violations by employees and/or business partners are identified, necessary and appropriate measures are initiated.

As part of its risk-oriented audit planning, our Internal Audit regularly includes various principles of our Code of Conduct as areas to be audited. If audits within the Group companies indicate potential violations, these are reviewed and corrective measures are initiated where necessary, as part of a systematic follow-up process.

### Business partner checks & stakeholders

The focus of our compliance activities is to combat corruption and related financial crimes. We also deal with the prevention of money laundering and terrorist financing as well as export control compliance. Our expectation towards our suppliers and other business partners is that they show the same standard of ethical and value-oriented behaviour as we do.

We review business relationships with our partners not only when it becomes publicly known that they have violated the principles of the UN Global Compact. We strive towards a regular review of all business partners. All potential trading partners are screened before we enter into business relationships in the wholesale energy market. This is done in a standardised and multi-stage process - our Know-Your-Customer process. As part of this process, we use various information systems and channels as well as international databases to check for possible misconduct on the part of our trading partners. In case of findings, we take what we consider to be necessary and appropriate risk-based measures.



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