

2020

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

RWE

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 2020 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 public entities.

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 2020

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
Cologne District Administration			
Across all projects		449.180	449.180
Sum		449.180	449.180
Entwicklungsgesellschaft Inland mbH			
Inden opencast mine		879.400	879.400
Sum		879.400	879.400
Erfurt Water Authority			
Gravelworks		11.073	11.073
Across all projects		4.228.753	4.228.753
Sum		4.239.826	4.239.826
Aachen County Tax Authority			
Hambach opencast mine		101.838	101.838
Sum		101.838	101.838
Bergheim Tax Authority			
Gravelworks		5.269	5.269
Hambach opencast mine		711.208	711.208
Sum		716.477	716.477
Düren Tax Authority			
Hambach opencast mine		407.782	407.782
Sum		407.782	407.782
Erkelenz Tax Authority			
Garzweiler opencast mine		4.427.794	4.427.794
Sum		4.427.794	4.427.794
Jülich Tax Authority			
Hambach opencast mine		384.818	384.818
Sum		384.818	384.818
SUBTOTAL	-	11.607.115	11.607.115

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
CARRYFORWARD	-	11.607.115	11.607.115
Merzenich Municipal Treasury			
Hambach opencast mine		232.682	232.682
Sum		232.682	232.682
IRR Innovationsregion Rheinisches Revier			
Across all projects		120.000	120.000
Sum		120.000	120.000
County Seat of Bergheim			
Across all projects		259.449	259.449
Sum		259.449	259.449
Heinsberg District Waterworks			
Garzweiler opencast mine		1.555.586	1.555.586
Sum		1.555.586	1.555.586
Kreiswerke Grevenbroich GmbH			
Garzweiler opencast mine		108.720	108.720
Sum		108.720	108.720
NRW Nature, Environment and Consumer Protection Agency			
Gravelworks	104.536		104.536
Garzweiler opencast mine	1.181.540		1.181.540
Hambach opencast mine	9.334.963		9.334.963
Inden opencast mine	2.530.488		2.530.488
Across all projects		178.966	178.966
Sum	13.151.527	178.966	13.330.493
Geological Bureau of the State of North Rhine-Westphalia			
Across all projects		104.602	104.602
Sum		104.602	104.602
SUBTOTAL	13.151.527	14.167.120	27.318.647

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
CARRYFORWARD	13.151.527	14.167.120	27.318.647
NRW Roadworks Agency			
Garzweiler opencast mine		279.193	279.193
Hambach opencast mine		1.733.591	1.733.591
Across all projects		313.047	313.047
Sum		2.325.831	2.325.831
NEW Netz GmbH			
Garzweiler opencast mine		599.002	599.002
Sum		599.002	599.002
Rhine District of Neuss			
Across all projects		250.400	250.400
Sum		250.400	250.400
RWTH Aachen University Aachen			
Across all projects		211.616	211.616
Sum		211.616	211.616
City of Erkelenz			
Garzweiler opencast mine		910.417	910.417
Sum		910.417	910.417
City of Eschweiler			
Inden opencast mine		392.796	392.796
Sum		392.796	392.796
Kerpen Municipal Treasury			
Gravelworks	93.116		93.116
Hambach opencast mine		295.668	295.668
Sum	93.116	295.668	388.784
Stadtwerke Jülich GmbH			
Hambach opencast mine		156.114	156.114
Sum		156.114	156.114
SUBTOTAL	13.244.643	19.308.964	32.553.607

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
CARRYFORWARD	13.244.643	19.308.964	32.553.607
Eifel-Ruhr Water Association Across all projects		436.350	436.350
Sum		436.350	436.350
Joint Cologne Peripheral Channel Association Across all projects		745.000	745.000
Sum		745.000	745.000
Garzweiler Opencast Mine Consequence(s) Association Garzweiler opencast mine		166.457	166.457
Sum		166.457	166.457
SUM TOTAL	13.244.643	20.656.771	33.901.414

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 include payments in kind primarily resulting from transfers of use. Payments to the City of Eschweiler 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 the 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 entities. 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 entities. These compensatory payments are included in the balance of 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 water withdrawal fees paid by RWEP and RBS. Credits in the period

Essen, 8 June 2021

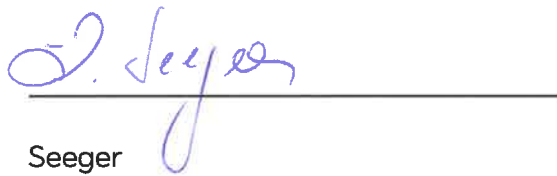
The Executive Board

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Krebber

A handwritten signature in blue ink, appearing to be 'Müller', written over a horizontal line.

Müller

A handwritten signature in blue ink, appearing to be 'Seeger', written over a horizontal line.

Seeger