

**RWE**  
Aktiengesellschaft  
**Essen**

**Statement by the Executive Board in response to the countermotions filed in respect of the Annual General Meeting**

The countermotions filed in respect of this year's Annual General Meeting object to the proposed appropriation of distributable profit and the approval of the acts of the Executive Board and the Supervisory Board for fiscal 2020 as well as to the new elections to the Supervisory Board. In substance, they address various issues, on which we would like to comment in this statement.

**The new RWE: driver of the energy transition.** Thanks to an intelligent asset swap with E.ON, RWE has become a world-leading provider of electricity from renewable energy. This makes us an important driver of the energy transition and particularly responsible for achieving the emission reduction goals in the energy sector.

We aim to become carbon neutral by 2040. In December 2020, we set our sights on further ambitious emission reduction goals for 2030 relating to all direct and indirect greenhouse gas emissions within the Group. These goals have been reviewed extensively by the Science-Based Target initiative (SBTi), an independent initiative of the WWF, UN Global Compact, World Resources Institute and CDP. Based on findings by climate scientists, the SBTi has certified that RWE's climate protection targets are in line with the Paris Climate Agreement and its goal to limit global warming to clearly below 2 degrees. This has also been confirmed by the independent investor initiative Transition Pathway Initiative.

Of course, ambitious goals must be underpinned with measures – we are rolling out our timeline with resolve. From 2012 to 2020, we reduced our annual carbon dioxide emissions from electricity generation by 62%; the target for 2030 is at least 75%.

The exit from coal-based electricity production plays a major role in this context. Both of the company's hard coal blocks placed winning bids in the first shutdown auction held by the German Network Agency. These units were shut down at the end of 2020. We also shut down the last hard coal-fired power station in the UK in 2020. At the same time, we are implementing the legally mandated lignite phase out. We shut down the first 300 MW

block in the Rhenish lignite mining region as early as the end of 2020. In 2021/2022, we will decommission a further 2.5 GW of generation capacity there, and from 2030 onwards, we will only operate our three state-of-the-art 1,000 MW units.

Additional elements of our emission reduction strategy are the rapid expansion of zero-carbon renewable energy, the increased use of storage technologies, and the use of carbon-neutral fuels to generate electricity.

Until enough green electricity can be generated to supply the entire population, our gas-fired power stations, most of which are state-of-the-art, will be a good partner to renewable energy, because they have low carbon dioxide emissions and can react quickly to load fluctuations on the grid. In the future, we will be able to co-fire our gas power plants with zero-carbon fuels, e.g. green hydrogen, once they have been converted for this.

We also discuss our climate targets and clear coal phaseout roadmap with our business partners and stakeholders, with whom we maintain constant dialogue on our strategic orientation.

**Coal phaseout and jobs.** The redundancies associated with the coal phaseout will be cushioned in a socially acceptable manner. This will be ensured by regulations concerning the adjustment allowance and compensation for reductions in benefits from the statutory pension insurance scheme as well as the Coal Phaseout collective agreement. We intend to generally renounce forced redundancies. Quality internal and external further qualification measures are designed to transfer employees who are not entitled to the adjustment allowance from job to job. Educational, training and takeover arrangements demonstrate that RWE intends to assume its social responsibility in the future as well. Until 2030, the company will continue to offer high quality training to more apprentices and trainees than needed to meet its own needs. Good training and education is an investment in the future of young adults. RWE is thus underscoring its ambition to be a reliable and attractive employer.

The individual who filed a countermotion putting the development of our workforce in relation to the “70,000 jobs in 2010” has obviously misunderstood something, which we would like to clarify: A significant portion of these jobs is attributable to the personnel-intensive supply and grid business, which was sold to E.ON. These jobs, which were created by RWE in the past, are thus no longer allocable to the RWE Group.

**Opencast mines in the Rhenish lignite mining region.** The shutdowns in the coal business also have severe ramifications for the opencast mines. More than half of the lignite

reserves, for which the relevant authorities issued a mining permit, will remain underground. Hambach Forest will be preserved. Garzweiler will be the only one of our three opencast mines in the Rhenish lignite mining region in operation from 2030 onwards, in order to supply the remaining generation assets with lignite. The German Coal Phaseout Act has determined that the Garzweiler II opencast mine is essential to the energy sector. We are aware of the fact that the required relocation process affects the interests of the local people significantly. We are in dialogue with the affected individuals on site, with a view to avoiding financial and social hardship. We have already reached agreements with many of the affected residents. Negotiations with further residents are ongoing. We will bring the relocation to an end as quickly as possible, satisfying the wishes of the vast majority of the local population.

**CO<sub>2</sub> price development.** We have already commented on the debate concerning the development of CO<sub>2</sub> prices. Rising CO<sub>2</sub> prices do not affect us greatly, as we are hedged against the market via long-term transactions.

**Dutch coal phaseout.** We expressly endorse the energy transition in the Netherlands. Unlike the German Coal Phaseout Act, however, the Dutch law does not envisage appropriate compensation for the intrusion into the companies' ownership rights. We believe that this is illegal. We consider it our duty to take legal recourse against this, if only to safeguard the interests of our shareholders.

**Safety of our nuclear power stations.** The dates on which our nuclear power plants have to be switched off have been set in the German Nuclear Energy Act. And we will comply with them.

As far as the Emsland nuclear power station is concerned, since the health of our employees, the staff of partner companies and the people living in the region is our top priority as is the safety of operations, the scope and handling of the last maintenance work performed on our site in Lingen were adapted to the circumstances resulting from the coronavirus pandemic. The focal point in this context is the implementation of the hygiene concepts agreed upon with the health authorities. Of course, this did not curtail safety. All work and inspections required pursuant to nuclear energy law are performed completely and without limitation and monitored by the regulator's independent expert.

As regards the Gundremmingen C nuclear power plant, safety is also our utmost priority with respect to this station. The permanent monitoring of operations ensures at all times that any faulty fuel elements are detected early and appropriate measures can be taken. This does not jeopardise the safety of plant operations.

**Minority stake in Urenco.** Given its status as a British/Dutch/German joint venture, Urenco is bound to intergovernmental accords for the peaceful use of nuclear energy and is closely monitored by state and international institutions. Operating activities are run by Urenco. Given its mere one-sixth shareholding, RWE has limited influence on the company's strategic alignment. As communicated repeatedly, RWE continues to be interested in selling its minority interest in Urenco and is not involved in the development of nuclear power plants.

**Dividend proposal.** The proposed dividend of 85 cents per share reflects RWE's solid earnings. Yes, we have navigated the corona crisis successfully, in part because our opencast mine and power plant workers see to it every day that people and businesses are supplied with electricity at all times during the crisis.

We find that the countermotions are unfounded and uphold our proposals regarding the associated resolutions.

Essen, April 2021

RWE Aktiengesellschaft

The Executive Board