

## Press release

### The new RWE: carbon neutral by 2040 and one of the world's leading renewable energy companies

- **Ambitious CO<sub>2</sub> reduction plan: resolute and responsible phasing out of fossil fuels – massive investments in wind and solar energy as well as high-performance storage technologies**
- **Outstanding starting position in renewables to be build upon with a net investment of 1.5 billion euros per annum**

Essen, 30 September 2019

#### **Dr. Rolf Martin Schmitz, CEO of RWE AG:**

“Digital society wants and needs more and more energy. The new RWE will generate the electricity necessary to enable sustainable life – clean, secure and affordable. We will be a carbon neutral company by 2040. What drives us at RWE is our energy for a sustainable life.”

Carbon neutral by 2040, one of the world's leading renewable energy companies, a responsible producer of power from all energy sources – this is the formula behind the new RWE. Based on a three-stage CO<sub>2</sub> reduction plan, the company has set itself ambitious goals for its strategic realignment. RWE intends to become a carbon neutral company within the next 20 years.

RWE decreased its carbon dioxide emissions by one-third from 2012 to 2018, representing a decline of 60 million metric tons. An additional reduction of approximately 70 percent is envisaged by 2030. RWE will decommission its last coal-fired power station in the United Kingdom to this end. In Germany, more of the Group's coal power plants will gradually be taken offline, following the recommendations of the Commission for Structural Change. The Dutch government wants its country's coal-based electricity generation to end by 2030. RWE is in the process of converting the plants in Eemshaven and Amer to fire biomass. The objective is to transform electricity generation from fossil fuel in order to achieve carbon neutral production. In addition to a large international portfolio including wind turbines and photovoltaic units which the company intends to expand continuously, RWE will then place its chips on storage, biomass and gas-fired power stations primarily fired by 'green' gas, which will be indispensable to achieving security of supply. “This presents RWE with a huge task. But we have a very clear idea of how to achieve our goal: We will phase out fossil energy sources both consistently and responsibly. We will make huge investments in wind and solar power as well as in high-capacity

# RWE

storage technologies. The new RWE is and will remain one of the major players in the electricity generation business,” declares Rolf Martin Schmitz, CEO of RWE AG.

Growing renewable energy is the clear focus of the new RWE. The renewable energy portfolios of E.ON and innogy, combined to form RWE Renewables, will turn the company into a “global player made in Germany” with an installed capacity of more than 9 gigawatts. Added to this are further assets with a combined capacity of 2.6 gigawatts under construction that will be completed in the near future. The world’s No. 2 in offshore wind and Europe’s No. 3 in renewable energy – these are the starting positions that the company intends to consolidate and strengthen. RWE will provide an annual 1.5 billion euros in net capital expenditure for both offshore and onshore wind turbines as well as photovoltaics and storage. Project partnerships have the potential to increase total investment to between 2 and 3 billion euros per annum.

Diversification via technologies and regions as well as scale and financial strength are the key success factors in the renewables business. Diversification, in order to minimise interdependencies resulting from changing regulatory and political framework conditions. Scale, in order to put technological progress into practice and reduce electricity generation costs. Financial strength, in order to spur growth. These are the decisive factors RWE where to develop renewables projects around the globe.

RWE’s transformation is reflected in its earnings as well. Going forward, only 20 percent of EBITDA (adjusted earnings before interest, taxes, depreciation and amortisation) will come from the conventional business. Three times as much, i.e. about 60 percent, will be earned from business with renewable energies, while energy trading will be contributing 10 percent. The remaining 10 percent will come from financial investments, including Amprion, Kelag and E.ON. “In the last few years, we have worked hard to give RWE a robust financial setup and make the company fit for the future. Today, our operations are profitable, our processes are efficient, and we offer our shareholders an attractive dividend. We have the financial, strategic and personnel power required to run renewable energy operations all over the world. This is an outstanding basis from which to seize the opportunities of the future,” underlines CFO Markus Krebber.

The tasks are distributed clearly. In addition to a lean holding company, the new RWE and its 20,000 employees worldwide will consist of four operating companies: RWE Renewables, RWE Supply & Trading, RWE Generation and RWE Power.

“Lignite and nuclear energy have laid the foundations we are building the new RWE on. Past, current and future employees working in conventional areas have our utmost respect. But every form of energy has its time. Now we are opening a new chapter of our corporate history, which looks back on over 120 years. With great enthusiasm for the new world, without forgetting where we came from. Openness, fairness and respect for each other’s work will characterise the new RWE as well,” says Rolf Martin Schmitz.



**For further inquiries:**

Stephanie Schunck  
RWE AG  
Head of Corporate Communications  
& Energy Policy  
T +49 (0) 201 12 22088  
M +49 (0) 162 2655588  
E [stephanie.schunck@rwe.com](mailto:stephanie.schunck@rwe.com)

Lothar Lambertz  
RWE AG  
Head of the Group Press  
Office  
T +49 (0) 201 12 23984  
M + 49 (0) 162 2845484  
E [lothar.lambertz@rwe.com](mailto:lothar.lambertz@rwe.com)

**RWE AG**

*With its four subsidiaries RWE Renewables, RWE Generation, RWE Power and RWE Supply & Trading and a portfolio of around 46 gigawatts of generation capacity, the new RWE supplies clean, reliable and affordable electricity in the future. Following the completion of the transaction with E.ON, RWE's generation capacity from renewables will be more than 9 gigawatts. The company intends to further expand this position by investing up to net €1.5 billion annually in onshore and offshore wind power, photovoltaics and storage. In addition, RWE generates electricity from hard coal, lignite, nuclear power, gas, hydropower and biomass. RWE Supply & Trading is the interface between RWE and the energy markets around the world. In order to push ahead with the energy transition, RWE is investing in innovative projects such as heat storage power plants, the generation and use of hydrogen as an energy source and Power-to-X processes. The group employs a total of around 20,000 people worldwide. RWE AG is headquartered in Essen, Germany.*

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