

RWE
Aktiengesellschaft
Essen

Statement by the Executive Board in response to the counter motions filed with regard to the Annual General Meeting

The counter motions concerning the agenda of our Annual General Meeting this year address various topics, on which we would like to issue the following statement.

Growing Green – our strategic guideline. RWE's Executive Board and Supervisory Board are spurring RWE's transformation into a power producer focussed exclusively on green energy at top speed. The pace of this transformation is exemplary. As part of our Growing Green growth strategy, we are significantly expanding our green generation capacity on attractive growth markets around the world while contributing to building a powerful hydrogen industry with full determination. Besides producing hydrogen from green electricity, this also involves importing green molecules, both of which are indispensable to the decarbonisation of industry. Furthermore, especially in light of the current situation, operating flexible generation capacity makes a major contribution to security of supply, which has become essential in view of geopolitical developments. Within the scope of Growing Green, RWE will invest a total of 50 billion euros in its green business worldwide by 2030. Some 90% of RWE's capital expenditure is already dedicated to projects classified as green and sustainable according to the EU taxonomy. The capital market is also rewarding RWE's continued strategic development. We refute the criticism expressed in the counter motions filed by individual shareholders.

Ambitious climate targets. We are pursuing a clear goal: the Group intends to be carbon neutral by 2040. At the Paris Climate Conference in 2015, the international community committed to limiting the rise in average global temperature to clearly under two degrees Celsius compared to the pre-industrial level. Our actions are aligned to this end. This was officially confirmed by the independent Science Based Targets Initiative (SBTi) [here](#) at the end of 2020. Unlike other, simplified, valuation models, the SBTi employs a method that assesses RWE's ambitious climate goals appropriately.

Now we are becoming even more ambitious by aiming for the 1.5 degree path. The coal power plant shutdowns are progressing on schedule. In 2021, we stopped generating electricity from hard coal in Germany and took five 300 MW lignite units offline.

It is true that, after reducing our emissions by a total of 62% over eight years and despite continued coal power station closures, we recorded an increase for the first time. Besides the recovery in demand for electricity, it was above all less favourable weather conditions for wind energy and competitive disadvantages of gas-fired power plants caused by a strong rise in fuel costs that led to a temporary increase in utilisation of our lignite-fired power stations. However, we are proceeding along our roadmap with resolve. We intend to be carbon neutral by 2040 while progressing as rapidly as possible in line with the 1.5 degree scenario.

Coal phaseout roadmap. A further acceleration of the coal phaseout in Germany by 2030 will depend on the speed at which renewable energy and grids are expanded. We are already proactively supporting this path through our investments in renewables in Germany and are ready to engage in a constructive dialogue with policymakers. This remains unaffected by the crisis in Ukraine. However, what is also for certain is that we will do our part if the German government decides that our coal-fired power stations are temporarily needed to ensure security of supply right now. After all, this would not be an about turn, but a side-step for a limited period of time.

Opencast mines in the Rhenish mining region. As a result of the shutdowns implemented in the coal business thus far, we will no longer produce more than half of the lignite reserves for which the relevant authorities have issued mining permits. Given the early demise of the Hambach opencast mine, only the Garzweiler opencast mine will remain to supply the power plants. Therefore, the German Coal Phaseout Act has classified it as necessary for the energy business. The expert opinion commissioned from DIW by Greenpeace, which was published in May 2020, had overestimated the amount of extractable coal in its analysis and is clearly invalidated by other studies.

The decision reached by the Münster Higher Administrative Court that confirmed the legality of the transfer of title in Lützerath in March 2022 is important for continuing opencast mining as planned. We welcome the fact that an amicable solution was found regarding the purchase of the property of the affected farmer and his relocation within a week from the decision.

If the coal phaseout is indeed accelerated, we will discuss the implications for the opencast mine with the decision-makers. This will include determining the extent to which there is no longer a need for the third settlement section. This depends on political decisions which are currently uncertain.

Dutch coal phaseout. We accept the coal phaseout unconditionally, but we find it unjust that the law does not envisage compensation for intervening in the property rights of the companies. This is why we have applied for an arbitration procedure under the Energy Charter Treaty with the International Centre for Settlement of Investment Disputes in Washington in order to preserve our chance of obtaining financial compensation. We feel this is our duty to the company as well as to our shareholders.

Minority shareholding in Urenco. As a British-Dutch-German joint venture, Urenco is obliged by intergovernmental treaties to make peaceful use of nuclear energy at all its locations and is closely monitored by state and international institutions. Operating activities are overseen by Urenco. As RWE merely owns one-sixth of the joint venture, it only has limited influence on its strategic orientation. As stated repeatedly, RWE is still interested in selling its minority stake in Urenco and is not otherwise involved in the development or marketing of nuclear reactors.

Municipal shareholders. Municipal shareholders have established themselves among the company's owners. We work with them and our other investors both well and constructively. Municipalities are major players in the energy transition especially in an increasingly distributed energy world which they provide with proactive local support while working in line with RWE's goals.

We find that the countermotions are unsubstantiated and uphold the proposals we made in the draft resolutions. The Supervisory Board has issued a separate statement regarding its proposal for the by-election of Thomas Kufen.

Essen, April 2022

RWE Aktiengesellschaft

The Executive Board