



RWE

Energised by nature.

Sustainability Management Report 2023



Highlights from 2023



45 TWh

electricity from
renewable sources



89%

of our investments are
in green technologies



20,135



employees working for
sustainable and
reliable energy (FTE)



0

serious environmental
incidents

Further reports

-  [Annual Report with Non-financial Group statement 2023](#)
-  [Sustainability Strategy Report 2023](#)
-  [Sustainability Performance Report 2023](#)

Sustainability Management Report 2023

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Introduction

Year in review

We are RWE. Our company is at the forefront of the energy transition. Our operations around the globe ensure that people and businesses get the electric power they need in increasingly climate-friendly ways. Following the outbreak of the war in Ukraine in 2022, the situation on the energy markets was turbulent. At RWE, we worked hard to prevent a gas and electricity supply crisis and the situation eased somewhat in 2023. Despite the challenging environment, we hit a number of milestones in our growth strategy in the year under review.

Our renewable power generation increased. As of 31 December 2023, we had power generation assets with a total capacity of 44.4 GW. Compared with 2022, our generation capacity increased by 5.1 GW. At 39 %, renewables accounted for the largest share of our generation capacity at the end of 2023. Natural gas was in second place with 36 %. Our most important renewable energy source is wind power (11.9 GW), followed by photovoltaics (4.2 GW), biomass (0.8 GW) and hydropower (0.5 GW).

Our electricity production from renewables increased by 27 %, driven in particular by photovoltaics. This is due to the fact that we acquired the US energy company Con Edison

Clean Energy Businesses on 1 March 2023 and have included it in our figures since then. The aforementioned acquisition led to a 546 % increase in photovoltaic production compared to the previous year. In wind power, we recorded an increase of 9 %, primarily due to more favorable weather conditions and the continued expansion of our generation capacities.

More electricity from renewables than from coal for the first time. Of the total electricity we produced last year, 35 % came from renewable sources, which exceeded the share of coal (30 %) for the first time in the company's history. This milestone is testimony to the fact that we are pressing ahead with our ambitious 'Growing Green' strategy and making good progress with the transition to renewable energy.

In our mining area west of Cologne, the Rhenish mining region, we extracted 48.2 million metric tons of lignite last year. This is 17.1 million tons less than in 2022 - a consequence of the sharp drop in electricity production at our lignite-fired power plants.

Lower emissions, and a clear transformation path. Last year, our power stations emitted around 62 million metric tons of carbon dioxide equivalent, i. e. 23 million metric tons less than the year prior. This was attributable to lower emissions from conventional power generation, in particular. Our specific emissions, i.e. CO₂ emissions per megawatt hour of electricity generated, decreased from 0.55 metric tons to 0.48 metric tons.

Of our investments in the reporting period, 89 % were taxonomy-aligned. This means that the funds were

allocated to activities which are classified as sustainable under the EU taxonomy regulation. Our original goal was to achieve 90 % taxonomy-aligned CapEx by 2030. However, in 2023 we raised this target to 95 %.

To emphasise our efforts to transform, we have updated our climate targets with a clear commitment to a 1.5-degree aligned pathway: we are aiming to reduce our total Scope 1 and 2 emissions by 67.6 % and Scope 3 emissions by 42 %. 2022 will serve as a new base year.

A company that invests in its people – aiming for a safe and inclusive organisation. Our workforce remains committed to our purpose – this is reflected in yet another increase in our engagement index, which measures the motivation of our workforce in a Group-wide survey. In the year under review, our engagement index was up by 4 % on the previous year, coming in at 88 %. This exceeded our target of 80 %, meaning that all key indicators have improved based on a Group-wide participation rate of 78 % (2022: 74 %).

At RWE, we are committed to high standards in occupational health and safety: The key performance indicator established for occupational safety is the number of work-related accidents among in-house and contract staff resulting in at least one day of absence for every 1 million work hours (LTIF). The LTIF remained constant at the previous year's level of 1.5, outperforming the target within the RWE Group of 1.9. No fatal accidents occurred during the period under review.

Introduction

About this report

As the world faces increasing environmental and social challenges, the importance of sustainable business practices cannot be overstated. To ensure long-term success, it is essential for companies to be transparent about their impact on the environment and society. This report provides a detailed overview of our management of sustainability topics, including the steps we have taken to mitigate our environmental impact and promote social responsibility.

At RWE, we are proud to have been generating electricity for over 125 years now. A lot has changed since the day our company produced its first kilowatt hour – including the way we think about sustainability. Today, RWE is transforming into a global player in renewable energy. With our ‘Growing Green’ strategy, we will invest over € 55 billion in renewables. Our growth strategy is supplemented by our nine priority topics on sustainability – climate change, biodiversity and recultivation, innovation, circular economy, diversity, equity and inclusion, occupational health and safety, social responsibility, compliance and ethics, and sustainable investments. This report covers these topics and other issues where we and our stakeholders see the potential impact of and on our business activities.

Sustainability is at the heart of what we do. We believe that our responsibility is to lead the way to a net zero world. Power generation companies face a number of unique challenges when it comes to sustainability. One of the biggest is the significant environmental impact associated with generating electricity, particularly through the burning of fossil fuels such as coal, oil, and natural gas. This impact includes air and water pollution, greenhouse gas emissions, and the depletion of natural resources. While renewable energy is generally considered to be more sustainable than fossil fuels, there are still challenges associated with scaling up renewable energy production and integrating it into the grid.

We believe that by being open and honest about our performance, we can build trust with our stakeholders.

We recognise that stakeholder expectations for transparency about sustainability practices are increasing. This report is a key part of our commitment to transparency and accountability. To ensure the quality and comparability of our sustainability disclosures, we have adhered to the standards issued by organisations such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) when preparing this information.

- GRI has published a comprehensive set of sustainability reporting standards that cover economic, environmental and social performance.
- The SASB focuses on sustainability disclosure standards that are relevant to specific industries.

- The TCFD makes recommendations on climate-related financial disclosures to help companies understand and disclose the risks and opportunities associated with climate change.

These standards provide a framework for reporting on sustainability issues and help us to ensure that our disclosures are both relevant and reliable. By applying these standards, we can provide our stakeholders with consistent and comparable information about our sustainability performance, which helps to build trust and enhance our reputation. We also monitor the expanded landscape of expectations for our reporting, such as ESG ratings. We adapt our reporting to changing expectations and regularly evaluate whether new information is necessary or whether existing information still offers added value for our stakeholders.

This report sets out our approaches consistently and is an opportunity to get to know RWE better. In this report, we present the challenges posed by the different sustainability issues and set out our approach to tackling those challenges. We want to highlight how we are organising our work at RWE, what our goals are and what progress we made in the year under review. We hope that this report will serve as a valuable resource for our stakeholders and provide insights into our sustainability practices and performance.



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Environment

Climate change

The challenge

Climate change is one of the most pressing environmental issues facing businesses and society today. It is causing rising sea levels, more frequent severe weather events and increasing global temperatures. According to the Intergovernmental Panel on Climate Change (IPCC), human activity, particularly the burning of fossil fuels, is the main cause of climate change. To address this issue, businesses must reduce their greenhouse gas emissions and transition to cleaner energy sources.

Our ambitions

We want to be net zero in all three scopes of the Greenhouse Gas Protocol (GHG Protocol) by 2040. As part of this journey, we have set science-based emission reduction targets for 2030. We have updated our targets to fully commit to a 1.5-degree aligned pathway, by setting our sights on reducing total Scope 1 and 2 emissions by 67.6 % and our Scope 3 emissions by 42 %. Our base year for these assessments is 2022. For our updated targets, we are currently working to become certified in accordance with the standards of the Science Based Targets initiative (SBTi), which focuses on reducing rather than neutralising emissions in the energy sector.

Our approach

We are committed to the goals of the Paris Climate Agreement, which seeks to limit global warming to a maximum of 1.5-degrees Celsius above pre-industrial levels. Decarbonisation of the electricity sector is a major factor. We emit greenhouse gases above all from our conventional power stations. At the same time, however, our capital expenditure on renewable energy is enabling us to switch to climate-friendly electricity production. Our business activities also contribute to emissions outside of our own operations, which are referred to as Scope 3 emissions. These stem, for example, from the production of goods and services which we purchase as well as from the sale of gas and lignite products.

Our targets have been approved by the Executive Board, which is regularly consulted on the current situation as well as any adjustments that may need to be made. The implementation of concrete actions to meet our ambitious targets, is in the hands of our functions and Group companies.

By rapidly expanding renewable energy, we are making our contribution to decarbonising the electricity system. We will retrofit or close existing fossil-fuelled and conventional generation assets by 2030. We develop deployment schedules for our existing gas-fired power stations that enable them to generate electricity in a climate-friendly manner. Research in conversion to hydrogen plays a major role in this context, as does carbon capture and storage (CCS) technology in some countries. We are also working on making our indirect emissions even easier to measure and working with partners to reduce them.

Progress

- We are accelerating our growth in renewable energy: besides our raised climate reduction targets, we have updated our 'Growing Green' strategy as well. We are now aiming to build 65 GW of global capacity by 2030 to decarbonise our portfolio, with plans to invest € 55 billion in renewables, storage technologies, flexible generation and hydrogen projects.
- Our power plant portfolio emitted around 62 million metric tons of carbon dioxide equivalent, i. e. 23 million metric tons less than the year prior, which translates to a reduction in CO2 emissions of 27 % in fiscal year 2023. This was attributable to lower emissions from conventional power generation, in particular. Carbon intensity – i. e. Scope 1 and 2 emissions per unit of electricity generated – therefore dropped to 0.48 CO2e/MWh from 0.55 CO2e/MWh in the previous year.

Indicators

We report on our generation capacities and electricity production, as well as on the emissions from our power plants and on greenhouse gas emissions in accordance with the GHG Protocol. We also publish various intensity figures, which primarily relate to emissions per unit of electricity. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Environment

Biodiversity

The challenge

Biodiversity loss is a major environmental challenge that societies and businesses must tackle. Human activity, such as infrastructure development, agriculture and mining lead to habitat destruction and fragmentation, overexploitation and pollution, which is causing a significant decline in biodiversity worldwide. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), up to one million species are at risk of extinction. Their loss would have serious implications for ecosystems and human wellbeing.

Our ambitions

We aim for all our assets to achieve a net-positive impact on biodiversity from 2030 onwards.

Our approach

We have made biodiversity one of the priorities of our sustainability strategy. Comparable strict environmental legislation and approval conditions in the countries we operate in, set the baseline for our biodiversity activities. Through a variety of measures, audits, and assessments we comply with the often extensive permit requirements.

Responsibility for the fulfilment of our legal obligations relating to planning and building, operating as well as decommissioning our assets rests with the Group companies. Our experts follow our mitigation hierarchy to avoid, minimise, regenerate and if necessary compensate for potential biodiversity impacts. With our ambition of net-positive impact we want to go even further. These principles have been established in our biodiversity policy, which we put into effect in 2022.

As far back as 2015, we developed a set of guidelines that establishes measures to protect and promote biodiversity in the Rhenish lignite mining region in Germany. By taking early and continuous measures such as environmental compatibility audits and monitoring, we ensure that our activities have the least possible impact on existing ecosystems and their flora and fauna. Taking necessary precautions to protect biodiversity where possible and suitable is an integral part of the way we work.

We build knowledge on impacts on biodiversity and wildlife coming from the energy sector and promote collective learning and knowledge transfer. We follow best practice guidance in science-based target setting, such as from the Science Based Targets for Nature (SBTN). Our commitment to protecting biodiversity is also reflected in the fact that we were one of the first companies that adopted the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

Progress

- In 2023 we contributed to the development of cross-industry standards by trialling applications and providing feedback on them. We carried out a nature impact assessment according to the preliminary SBTN guidelines and shared learnings while testing their fresh water targets guideline. We are currently supporting the TNFD to develop guidance for the energy sector and are working with SBTN to ensure their guidelines are applicable to the energy industry.

- Operationally, we have progressed and launched pilot schemes, one example being our onshore wind farm in Nysäter (Sweden), where we are examining how best to encourage biodiversity in a forest setting. An environmental compatibility audit prompted us to create a 'creotope' to create habitats for ecologically important plants and animals, e. g. by transforming meadows with deadwood and sand piles. Redesigning these areas is expected to improve biodiversity. These pilot projects help us identify which measures can be best implemented in a forest environment. We will continually monitor the impact these changes have on biodiversity over the lifetime of the wind farm and apply these learning to other projects.

Indicators

We are currently assessing ways to measure our impact on biodiversity. As this is a challenge for businesses globally, we are committed to supporting initiatives such as the SBTN in order to establish new approaches for impact measurement. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Environment

Circular economy & Waste mgmt.

The challenge

The circular economy is a model of sustainable production and consumption that aims to minimise waste and maximise resource efficiency. We believe that the circular economy will have a positive impact and mitigate risks in the long run, since the world, and therefore RWE as well, faces growing resource scarcity and waste management challenges. As a transitioning business is significantly changing our asset portfolio to shift to renewable and flexible energy, a significant use of materials and components requires an increasing focus on circularity aspects.

Our ambitions

We gradually implement the principles of a circular economy in our way of working. Reducing the consumption of natural resources, minimising waste and designing our assets so that we maximise the reuse and recycling of materials, we aim to maximise our compatibility with the circular economy by 2050. One goal for our core business is to achieve a recovery rate of over 90 % by 2030. This figure reflects the share of

materials and components no longer needed as well as of our waste that is not disposed of in landfill sites or incineration plants but is instead put through a recovery, extraction or recycling process to ready it for reuse. This quota does not consider ash from our lignite-fired electricity generation that is used internally to recultivate land in line with applicable permits.

Our offshore wind business, for example, is aiming to transition to using completely recyclable blades wherever possible by 2030 and increase the portion of recycled steel in any new procurements to 40 % by 2030. Our Renewables Europe & Australia business wants to raise the average lifetime of assets and the share of reused and refurbished components.

Our approach

We have detailed our efforts to help build a circular economy in a Group policy and framework. The framework highlights three core circular principles, namely reducing consumption and increasing the inflow of circular materials, enhancing material (re)use and lifetime as well as minimising end-of-life treatment. Every Group company carries the responsibility to derive a goal-orientated roadmap through to at least 2030 and then implement.

With waste specifically, we follow the waste hierarchy: avoid, reuse or recycle and, if necessary, dispose. Designated waste officers monitor the application of prescribed measures and take appropriate precautions. We reduce the amount of waste produced as far as possible by optimising our plants and also by ensuring that waste management is a key part of our planning and

procurement processes.

Progress

- Especially Renewables companies continued to implement the chosen measures around reuse and refurbishment of components. We continued with engaging in partnerships with suppliers for joint development of circularity measures.
- We integrated the newly acquired US business Clean Energy and further improved the quality of data regarding outflow / waste in identified business areas. This will allow us to report on e.g. a recycling rate as a dedicated fraction of recovery in future, for example.
- Following successful testing at our German offshore wind farm Kaskasi, in 2023 we decided to equip 44 of 100 wind turbines in RWE's largest construction project Sofia off the British coast with recyclable rotor blades. These rotor blades can be dismantled at the end of their life cycle and recycled for reuse of the material.
- The dedicated team in Conventionals continued to optimize circularity in the dismantling of our nuclear and other power plants. In numerous also small-scale projects we sell redundant forklift trucks, chemicals or surplus stock and identify recycling and recovery opportunities. In demolition projects we achieve recovery rates of >95 %.

Indicators

We have achieved a recovery rate for our core business of 83 % in 2023. Further waste and circularity figures can be found in our Sustainability Performance Report 2023 that we publish separately.

Environment

Electricity production and efficiency

The challenge

In view of the constantly growing global demand for energy, it is crucial to make the best possible use of available resources and increase efficiency. Therefore, measures to enhance production hours and energy efficiency play an important role.

Our ambitions

RWE is constantly working to improve its energy and environmental performance so as to avoid unnecessarily burdening the climate, the environment and society. Our environmental protection and energy efficiency measures go beyond merely complying with statutory and licensing requirements.

Our approach

To ensure sustainable, cost-effective production of energy, we focus on implementing technological improvements while conscientiously using energy in our power plants,

office buildings, vehicle fleets and other facilities. To help our customers use energy responsibly, RWE offers high-quality, tailored technical solutions relating to power plant operations, energy infrastructure and energy trading. With a wide range of services, we enable companies and organisations to make their operations more efficient, safer and more sustainable.

Where renewable energy is concerned, it is paramount to optimise efficiency – especially by selecting appropriate sites. Wind and insolation conditions in particular play crucial roles in successfully generating electricity. We regularly evaluate potential new locations worldwide from both technical and economic perspectives. This helps us identify the sites with the best prospects for harvesting renewable energy. Where wind energy is concerned, optimising the details of wind farm designs and turbine layouts is an important step for using available wind resources more efficiently while maximising the energy output of installed turbines. Among other things, it is essential to optimally space them to prevent wake interactions and throttling from reducing the yield. RWE's Resource Assessment team applies a variety of methods and tools to help minimise wind farms' systemic losses and costs while maximising the energy they produce. We are also achieving more efficient power generation by modernising our portfolio of conventional power plants and gradually decommissioning older ones. Other measures include tapping the potential of combined heat and power (cogeneration) in our plants. We use the heat to meet our own needs and / or supply it to companies in the form of thermal energy or steam.

Progress

- In the year under review, our production sites in Northern and Central Europe reported similar wind speed velocities to the long-term average, while those in Southern Europe and North America measured lower wind speeds. In comparison to 2022, wind conditions have improved at most RWE sites in Europe, whereas wind levels were lower in the United Kingdom and North America. The utilisation of run-of-river power stations depends on precipitation and melt water volumes. In Germany, where most of the RWE Group's hydropower plants are located, these volumes were above the long-term average and also significantly above the previous year's figure.

- Our Major Correctives team implemented RWE's self-perform model, collaborating with various stakeholders to efficiently execute main component exchanges across multiple wind farm sites and platforms in Europe from March to November 2023. We safely and successfully replaced 49 main components within schedule and budget, including significant first-time tasks such as main bearing exchanges at our Rampion and Amrumbank West offshore wind farms. Looking ahead, the team aims to enhance processes, expand team capacity, and share expertise across RWE.

Indicators

We report on the average wind farm utilisation in our Annual Report for both our onshore and offshore business. Further metrics can be found in our Sustainability Performance Report 2023 that we publish separately.

Environment

Water

The challenge

Water is essential for life and at the same time an indispensable raw material. At RWE, we are committed to taking a resource-saving approach to this finite resource. It includes conserving water and regularly monitoring our operations to reliably protect the environment and comply with legal requirements and constraints. We also actively endeavour to prevent surface water bodies and groundwater from being polluted by taking appropriate technical precautions, performing regular checks and appropriately treating wastewater.

Our ambitions

As an energy company, we regard it as our duty to manage water responsibly. This requirement applies to using water, extracting it from water bodies and other sources and discharging it mainly into surface water. We also make sure that we always obtain the necessary legal permits.

Our approach

Water is required for the operation of power plants, and we use a variety of power generation technologies that utilise water in different ways. In the case of thermal power plants

especially, cooling water plays an essential role. Conversely, it is important to extract groundwater to keep our opencast-mines dry. We go to great lengths to design our hydroelectric plants in such a way as to minimise their impact on the surrounding landscape.

In order to protect this resource and the environment, RWE is following a water management approach. Our environmental policy and our environmental Group directive state that environmental protection is an integral part of RWE's sustainability policy and serves as a basis for water-related performance standards. RWE is committed to complying with environmental requirements and contributing to the avoidance of environmental pollution through the continuous improvement of processes. This involves taking steps to prevent our activities from negatively impacting water bodies and aquatic ecosystems. If this is not possible, we strive to keep any effects to a minimum and compensate as best we can for any unavoidable adverse consequences. We record all our activities that have or could have an impact on surface waters. We record environmental impacts for rivers, surface waters and groundwater on the basis of existing licences, limits and expert reports, as well as the operating results of the previous year. The relevance of these results is assessed for their importance by our internal specialist departments and a group of experts from government agencies, associations and accredited external experts.

In Germany, the Netherlands and the United Kingdom, water is withdrawn from various sources depending on the power plant technology: for gas, this is from water channels, rivers, and groundwater, for hard coal, the sea and rivers, for lignite, ground water and rivers and for our

decommissioned nuclear power plants, rivers and groundwater. In Turkey, where we operate a combined cycle gas-fired power station, water is taken from deep water wells. All withdrawals are carried out in accordance with national regulations which also form the basis for our operation licences.

Progress

In 2023 we set ourselves a new environmental target at the Group level for 2030 of reducing water consumption per MWh by 40 %. This target refers to our specific water consumption, which is the difference between water withdrawal and water discharge divided by the generated electricity.

Indicators

We report on water consumption, water withdrawal, and water discharge, including intensity figures. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Environment

Pollution and air quality

The challenge

Apart from greenhouse gases, electricity and heat generation in our conventional power plants also produce other emissions that could have potentially negative effects on the environment and are subject to increasingly strict regulations. Conventional generation units emit sulphur dioxide (SO₂), nitrogen oxides (NO_x), and mercury (Hg).

Our ambitions

Since decades we have implemented comprehensive measures to keep emissions below the thresholds identified to protect human health and nature. We have tight monitoring facilities and are always in close exchange with the different authorities for our individual sites. We aim to further reduce pollutants emitted by our plants and continue research activities to avoid future emissions. With the phase-out of significant shares of our conventional portfolio, we target to also significantly reduce pollutants.

Our approach

Sulphur dioxide, mercury and nitrogen oxides are produced

in conventional generation units. Dust and fine-dust emissions are also produced in the course of operating our opencast mining facilities and these can adversely affect the surrounding areas. These substances reduce the quality of the air and can impact health. We use wide-ranging clean-air purification measures to avoid risks of this nature.

We operate the majority of our conventional power plant portfolio in the European Union and in the United Kingdom. The EU Commission has adopted the Best Available Techniques Reference Document for Large Combustion Plants (BREF LCP) to promote the further reduction of pollutants such as nitrogen oxides, sulphur dioxide, dust and mercury. We are continuing to keep within the statutory limits for emissions at our plants including mercury, SO₂, NO_x and dust with the help of primary emission reduction measures. Examples of these measures include optimisation of firing technologies and secondary emission reduction measures such as dust removal and desulphurisation in the course of operation. The work in the context of our research activities is continuously focusing on a further reduction of pollutant emissions from our power plants.

Progress

- In 2023 we set ourselves new environmental targets at the Group level for 2030: We are aiming to further reduce NO_x emissions by 35 % (per MWh) and SO₂ emissions by 70 % (per MWh) until 2030.
- Through the comprehensive measures and monitoring facilities as well as the latest technology, we successfully

ensured the thresholds in 2023.

Indicators

We report on certain air pollutants. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.



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Social

Occupational health and safety

The challenge

Occupational health and safety is a critical issue for businesses, since it can have a significant impact on the wellbeing of employees and the productivity of the organisation. According to the International Labour Organization (ILO), over 2.7 million workers die each year as a result of work-related accidents and diseases, and millions more suffer non-fatal injuries and illnesses. Organisations need to promote occupational health and safety by implementing effective health and safety management systems, providing training and education, and ensuring compliance with regulations and standards.

Our ambitions

The health, safety and wellbeing of our employees are particularly important to us as an employer. To keep an eye on all matters related to the variety of workplaces we have, occupational health and safety (H & S) has become a firm fixture in our corporate policy. The guiding principle 'All accidents are avoidable – we give priority to occupational health and safety' expresses our ambition in this area. Our key performance indicator established for occupational

safety is the number of work-related accidents among in-house and contract staff resulting in at least one day of absence for every 1 million work hours (lost time incident frequency – LTIF). The RWE Group's target LTIF was 1.9 in 2023 and 1.8 for 2024. We continue to strive to prevent any work-related accidents among our staff or the employees of our partner companies.

Our approach

The Occupational Health and Safety Group Policy helps us to organise and comply with H & S standards throughout the entire RWE Group. Designated Executive Board members and managing directors at the Group companies ensure implementation and compliance with H & S regulations. Each Group company is obligated to make at least one member of its executive or management board responsible for occupational H & S. We have established occupational safety management systems in our Group companies to facilitate achieving the company's H & S goals. The systems define structures, goals and procedures. Corresponding guidelines and processes are monitored systematically and constantly improved adhering to the plan-do-check-act cycle. Furthermore, Group companies are advised to obtain external certification for their occupational safety management systems (e.g. ISO 45001). The International Health Standard (IHS) of the RWE Group specifies which health products and services should be available to every RWE employee such as counselling to assist them in overcoming professional and personal challenges, referrals to specialised physicians and emergency care on business trips.

Progress

- In the year under review, the LTIF remained constant at the previous year's level of 1.5. The LTIF for RWE personnel was 1.1 and also remained stable compared to the preceding year. In the year under review, there were no fatal accidents.
- In order to communicate essential knowledge and skills related to occupational health and employee safety, all of the Group's companies carry out prevention programmes targeting managers. They are designed to run for several years.

Indicators

We report on accidents, Lost Time Injury Frequency (LTIF) and further health indicators. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Social

Diversity, equity and inclusion

The challenge

Diversity, equity and inclusion are important issues for businesses to address, as they can lead to more innovation and creativity as well as a better financial performance. However, there are still significant disparities in representation and access to opportunities for under-represented groups. According to the consulting firm McKinsey, companies in the top quartile for gender, racial and ethnic diversity are more likely to outperform their peers financially.

Our ambitions

Here at RWE, we see diversity as one of our strengths, as it helps the company grow and be more successful. We want to create an inclusive working environment for our employees with a zero tolerance policy on discrimination and where any barriers to personal development are removed. RWE has introduced a target on the proportion of women in management positions: by 2030, 30 % of managerial positions throughout the Group in the core business have to be held by women (i. e. excluding the non-core business Coal / Nuclear). This objective only applies to

our core business as setting a goal for the non-core business is not deemed practical given the personnel cuts necessary in this part of our company.

Our approach

Diversity, inclusion and antidiscrimination are enshrined throughout the Group in our Code of Conduct. We expressly oppose all forms of discrimination. In 2023, we reinforced our ambition in the RWE antidiscrimination policy. In addition to the Corporate Diversity & Inclusion team, which specifies objectives and measures, companies within the Group are also accountable for spurring activities going above and beyond this. Diversity champions are nominated for this. As regards employees, many groups and networks are active at RWE, including the advocate group for the disabled, the Women's Network, the LGBT*IQ & Friends Network, Diversity Ambassadors and the Empower Network for Disability, Neurodiversity and Mental Health.

To promote gender diversity, RWE has established the rule that all leadership and management positions shortlist a woman. In our companies for example, hiring measures include a variety of approaches to overcome systemic bias. We raise awareness through campaigns and purpose-designed measures in the fields of personnel development, training, employment and health as well as suitable workplace designs and accessibility.

Progress

- We reaffirmed our antidiscrimination policy in the year under review and also published an RWE statement on diversity, equity and inclusion. It underpins our ambition to

create and nurture an open and inclusive working environment devoid of all discrimination and harassment throughout our entire organisation.

- In 2023, RWE once again hosted a Diversity Week inspired by this year's theme 'Energising our inclusive culture'. Around the world, RWE employees participated in online seminars with interesting keynote speakers and attended exciting, innovative on-site sessions. Events such as these help us nurture and share our inclusive culture.
- Digital accessibility was also spurred Group-wide in the year under review. Over 280 apps were reviewed and improvements for employees with disabilities were initiated and implemented. For the first time, external stakeholders also requested accessible PDF documents.
- Our networks continue to grow across borders. With over 450 and 1,200 members in many countries, the LGBT*IQ & Friends Network and our Women's Network host their own online and offline events. Many employees that are not affiliated with a network also actively help action measures to foster a lived, inclusive corporate culture.

Indicators

We report on the gender distribution in our company as a whole and at key levels such as the Supervisory Board, Executive Board and upper management. We also publish further indicators on other aspects of diversity and inclusion. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Social

Social responsibility

The challenge

Against the backdrop of the energy transition, our company is undergoing a comprehensive transformation. This is affecting both our employees and local communities. Despite the differences between these stakeholder groups, it is very important to us to be open and honest with all affected stakeholders to enable just change.

Our ambitions

It is our ambition to make a positive contribution to the communities in which we operate. To us, a just transition translates into treating employees, partners and communities both fairly and responsibly, especially whenever disruptive steps are unavoidable. Besides that, we also promote equal opportunities and social participation, especially for children and young people.

Our approach

Social responsibility has long been part of RWE's DNA and is therefore one of the priorities of our sustainability strategy with a focus on the parts of our business and the

communities impacted by the change and transformation brought about by the energy transition.

For decades, RWE has engaged with a high number of stakeholders on a daily basis. We strive to always take the interests of our relevant stakeholders into account to ensure that their views are considered in our goals and plans across the whole life cycle of an asset. This starts with project development and continues through construction, operation, decommissioning, demolition and reuse of sites. Responsibilities are assigned to different parts of the organisation depending on the stakeholders.

Progress

- We have progressed well with our community engagement activities at RWE. In 2023 we published a policy statement and also introduced a central complaints process. This allows affected stakeholders to voice their concerns and highlight any issues.
- We brought all employees involved in stakeholder engagement from the different Group companies together to develop a common framework on community engagement at RWE. This framework connects the good practices across the Group. It serves as a guideline for our employees and helps to ensure the successful implementation of our community engagement activities.
- In the reporting year, we also started to enhance both our internal and external communications to raise awareness of social responsibility among our employees and external stakeholders.

- In 2023, we created the RWE Foundation, which aims to promote equal opportunities and social participation for children and young people in particular. To support charitable projects, we gave the Foundation € 125 million in starting capital to mark the Group's 125th anniversary. More information on the projects supported by the RWE Foundation, is available at www.rwe-foundation.com.

Indicators

Measuring social responsibility is a challenge as it encompasses the engagement with numerous stakeholders. We report on certain engagements we conduct including our volunteering activities and our engagement with communities, but there is no general indicator that would enable progress in local engagement to be measured. However, we want to become better and improve our Community Engagement Strategy by finding ways to measure our impact on the communities in which we operate. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Social

Employment

The challenge

Attracting and retaining top talent is a vital task for businesses, particularly in a competitive job market. For RWE, it is important to cement our position as an employer of choice so that we can continue to attract new talent and retain skilled employees. The company's transformation has impacted our human resources (HR) management in a variety of ways. Whereas our growth business is focused on recruiting new staff, we are already confronted with necessary decommissioning activities in the Coal / Nuclear business.

Our ambitions

RWE is growing and changing fast on an international level. To ensure the success of our Growing Green strategy, we need to attract, recruit and retain the best talent from around the world. In parallel, decommissioning of sites will affect our staff. As a company, we want to ensure this transition is socially acceptable.

Our approach

We want to attract the best talents and promote the potential of our employees in the best possible way. With their skills, they should open up new opportunities for the company and help to create a reliable and sustainable energy world. We offer our employees much more than an attractive salary. They also enjoy flexible working hours, parental leave, sabbaticals and a well-designed onboarding process. Implementation of these measures is overseen by the human resources departments of the individual Group companies. We are also establishing a framework for the working world of the future, dubbed 'Hybrid Working', which addresses principles such as a flexible hybrid office concept, as well as health, flexibility and trust.

While we grow in renewables and aim to attract new talent in these parts of the company, we offer responsible solutions for those employees affected by the phase-out of fossil-fuel power generation. To RWE, responsible restructuring means supporting affected employees by offering them other jobs. If it isn't possible for them to switch to another suitable position within the Group via our internal job market, the HR department helps them learn about new opportunities outside RWE. For example, we work closely with the German state employment agency; among other things, we have jointly created a newsletter with information on job vacancies elsewhere. Several employees have already found new careers in this way.

Progress

- In the year under review, we expanded the availability of flexible working hours within the Group to optimise work-life balance, for example.
- In 2023, we rolled out our hybrid office concept as the Group-wide standard for all new office spaces. This mainly involves redesigning team rooms and offices in order to create a more comfortable and modern working environment and strike a balance between individual work stations and breakout spaces, where colleagues can collaborate more effectively.
- For RWE, it is important to cement our position as an employer of choice so that we can continue to attract new talent and retain skilled employees. Throughout fiscal 2023, we continued to drive our employer branding, established last year under the strapline 'Our energy has impact', as well as our employer value proposition across the Group. HR guidelines and tool kits designed specifically for recruiters ensure our employer brand remains consistent.

Indicators

We report on various human resources indicators. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Social

Training and skills development

The challenge

Our company's success depends to a great extent on our employees' knowledge and skills. It is only with competent and committed employees that we can master the challenges of the energy transition.

Our ambitions

We offer all of our employees a wide range of training courses so that they can develop their personal skills and competencies further. In addition, we support our leaders in giving their employees opportunities to try out new things, get involved in challenging projects and work with different people to learn from each other. Varying challenges let our employees tap their potential more effectively and make greater strides.

Our approach

We support the development of every employee and cultivate their unique strengths. We continue attracting young, talented individuals to RWE, and train around 200 apprentices each year. Another focus is on encouraging

young women to enter technical professions. The training and development departments of the corresponding Group companies actively approach members of the relevant target groups to recruit new employees for all entry levels. To accomplish this, we offer attractive training opportunities and working conditions, and have instilled a corporate culture in which all employees are valued and appreciated. Learning and development opportunities at RWE also support strengthening RWE's Essential Behaviours that highlight the drivers for RWE's success. It is also important to engage in a dialogue with other stakeholders, for example in society, in order to jointly address social challenges and work on solutions. To ensure that potential employees continue to regard us as an attractive employer, we approach members of relevant groups to inform them about employment and career opportunities and the associated activities at RWE.

Vocational training has a long tradition in the RWE Group and continues to be an integral part of our approach to managing human resources. In Germany, we focus primarily on the dual education system, which combines training at a vocational school with an apprenticeship at a company. At 12 different locations, we offer candidates opportunities to learn a total of 20 industrial-technical, commercial and other professions that extend beyond our own needs. We also offer our employees a range of opportunities to extend their qualifications and learn new skills in areas ranging from IT to project management. They can also attend more specialised courses on aspects ranging from technical subjects, occupational safety and compliance standards to leadership training. RWE's HR portal lets them take advantage of face-to-face training, blended learning, web-based learning, videos and much

more. In addition, we offer talent programmes for various target groups within the RWE companies, such as for experts, project or leadership paths, in order to support the career development and visibility of employees within the RWE Group. Within the RWE companies, the HR departments and functions support corporate development through various services by purposefully shaping learning, development and change processes.

Progress

- We have worked on streamlining and updating our talent processes at RWE by introducing a Group-wide talent framework. This framework makes the concept of talent tangible for managers and employees, and it sets out our level of ambition. All talent identification processes within the Group are based on the same criteria and follow aligned quality standards.
- In 2023, over 140,000 training courses were booked via the HR portal.

Indicators

We report on the number of our apprentices as well as on the use of training opportunities by our employees. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Social

Human rights

The challenge

As an international energy company, RWE directly and indirectly impacts people's living conditions in many countries. Our value chain is shaped in response to different conditions and needs, including the various political and economic situations in different regions. Respecting human rights is therefore paramount, despite being a complex task. Additionally, the German Supply Chain Due Diligence Act obliges our companies to observe due diligence obligations relating to human rights and environmental matters in our supply chain in a reasonable manner.

Our ambitions

We are signatories to the United Nations Global Compact, we respect and support the United Nations Universal Declaration of Human Rights, and we use our influence to prevent violations of human rights. In the RWE Code of Conduct, which all RWE employees are required to follow, we specifically commit ourselves to respecting human rights. We therefore also expect our business partners and service providers to commit themselves to upholding it in connection with their own actions.

Our approach

To accomplish our ambitions, we adhere to the United Nations Guiding Principles on Business and Human Rights, according to which business enterprises have the responsibility to respect human rights wherever they operate and avoid contributing to human rights violations committed by others, as well as our own guidelines, which are set out in the Policy Statement on RWE's Human Rights Strategy and RWE Code of Conduct. We established dedicated processes across the entire RWE Group in line with the German Supply Chain Due Diligence Act to ensure our human rights due diligence obligations are observed appropriately. As a result, we introduced a Human Rights Risk Management System for all material and relevant business activities. The system allows us to identify potential human rights and environmental related risks, avoid, end or minimise these risks and initiate remedial action as part of a systematic follow-up process if concrete violations are discovered.

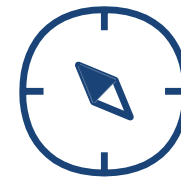
We appointed the Head of Strategy & Sustainability as the RWE Group's Chief Human Rights Officer, a position which oversees RWE's human rights-related risk management and reports to the Executive Board of RWE AG once a year. He is supported by a team of experts which collaborate closely with other stakeholders within the RWE Group including legal and procurement professionals. With our Human Rights Risk Management, we have developed an effective risk management system enshrined in all relevant business areas through various measures and processes to obtain a basis for assessing actionable areas.

Progress

- In 2023, we published our approach to respecting human rights in a policy statement adopted by the Executive Board.
- Besides establishing and adjusting processes to operationalise the management approach, we also carried out a risk analysis as part of our human rights risk management activities. The analysis identified no significant risks within our own business operations. However, a number of relevant risks were discovered in our direct supply chain. As a result, we further assessed current and prospective business partners (above a certain value threshold) in greater detail to gain a deeper understanding of measures taken to safeguard their human rights commitments. Appropriate measures were taken on the basis of the findings, usually with the aim of improving local conditions.
- Our Group companies operating in the UK, RWE Supply & Trading GmbH, RWE Renewables UK Limited, and RWE Generation SE, have issued an annual Declaration of Compliance relating to the UK Modern Slavery Act.
- We expanded our whistleblower system to include human and labour rights violations and issues.

Indicators

We report what percentage of our purchasing volume was covered by contractual relationships in which the RWE Code of Conduct (including the principles of respect for human rights) was an integral part.



04 Governance

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Governance

Compliance

The challenge

Compliance with laws, regulations and ethical standards is a key challenge for businesses, as non-compliance can lead to legal and reputational risks. This includes environmental regulations, labour laws, anti-corruption measures and data privacy regulations. Businesses must ensure that they comply with all applicable laws and regulations and adopt ethical business practices to protect their reputation and maintain the trust of stakeholders.

Our ambitions

We seek to grow while adhering to applicable laws and staying true to our own values and principles. In this context, we believe compliance translates into preventing corruption and bribery while being guided by our values when working with our vendors and partners. They must meet the standards we impose on ourselves.

All managers are obliged to report on the implementation of the Code of Conduct within their sphere of responsibility. This is referred to as 'executives' compliance reporting', and is conducted once a year, in order to create transparency with respect to adherence to the Code of Conduct and to provide an overview of compliance awareness at RWE. The feedback rate of this executives' compliance reporting

serves as an indicator of attention to compliance. We aim to achieve a feedback rate of 100 %.

Our approach

All our business activities and decisions meet pre-established compliance requirements. Corruption and all other types of compliance infractions are not tolerated. As a preventive measure, we set up a Compliance Management System (CMS) for the RWE Group, which is regularly reviewed in accordance with the IDW 980 Audit Standard of the Institute of Public Auditors in Germany and was last subjected to a review in 2021. The system is overseen by the Chief Compliance Officer. Group companies in Germany and abroad have designated compliance officers, who work to ensure uniform implementation of Group-wide compliance policies. The compliance officers report to the Chief Compliance Officer, who keeps the RWE AG Executive Board and Supervisory Board's Audit Committee abreast of relevant compliance issues such as legislative developments, CMS updates and leads on potential compliance violations. The main objective of the CMS is to permanently ingrain compliant behaviour in the mindset and actions of all staff members and strengthen the compliance culture within the Group in a sustainable manner.

In our Code of Conduct, which is binding for all employees, we have also listed overarching targets and principles on integrity and observing the law. A regular compliance risk analysis is an integral component of the CMS. Departments and Group companies are involved in the risk assessment conducted by the Compliance Department, which starts by identifying and assessing the key compliance risk fields and ends by deriving necessary measures.

Our employees attend training sessions to learn about specific behaviours and measures, in particular to avoid corruption and the appearance thereof. They take part in annual mandatory compliance courses via an online training platform with changing subjects. Furthermore, employees attend in-person training sessions depending on the risks to which their work is exposed. Executive boards and management boards also participate in mandatory online courses and in-person training.

Progress

- In our efforts to avoid corruption, we concentrated on sensitising our workforce in 2023 once again. During the year under review, the annual mandatory online compliance training was dedicated to whistleblowing.
- Our employees were regularly informed via in-house channels of further compliance topics such as new developments, existing and new Group policies, requirements for compliant behaviour, and potential risks arising from infractions.

Indicators

We met our target for our feedback rate of 100 % in 2023. Further information can be found in our Sustainability Performance Report 2023 that we publish separately.

Governance

Data protection

The challenge

Data protection is not only a legal obligation but is becoming increasingly important in today's digitally interconnected world. While awareness of the need for effective data protection is constantly rising, there is also a growing economic interest in this type of data.

Our ambitions

Data protection is important to us and we believe that our employees and external stakeholders should always feel safe and comfortable when their data is processed. Our goal is to protect personal data from misuse and thus to build up and strengthen the trust of our employees, partners and other stakeholders.

Our approach

We have put both technical and organisational measures in place to ensure we comply with all relevant legislation at all times. To ensure a consistent standard of data protection throughout the Group, we have implemented a corresponding management system. In addition to the RWE Code of Conduct and our sustainability principles, we have defined guiding principles for responsibly handling personal data. These provide a framework for legally compliant

processing of personal data, both in-house and externally on our behalf. It is very important to us to ensure the confidentiality of the personal data of our customers, business partners and employees. Data protection must be integrated into all processes, involving personal data ('data protection by design' and 'data protection by default'). In order to achieve the desired security of personal data, the security objectives of availability, confidentiality, integrity and resilience of the systems must be ensured, tested and the compliance thereof demonstrated by the respective process owner.

Each employee is responsible for the implementation of data protection requirements within his or her area of responsibility. Employees can contact the data protection officer with any questions regarding the application of the requirements. The company provides employees with the resources, and other support necessary to comply with the specifications. The Executive Boards of each company of the RWE Group are responsible for compliance with data protection regulations. Each company appoints a representative of the Executive Board or the Management Board to whom the subject of data protection is assigned as an area of responsibility.

Depending on the categories of data processed (e.g. customer data, employee data) or the categories of tasks / processes, responsibility for certain processing activities involving personal data may be delegated to subordinate bodies or responsible officers.

Every employee is obliged to maintain confidentiality when handling personal data. Working with data protection coordinators in individual departments and units that support the implementation of relevant measures, the

Group Data Protection department constantly promotes awareness of data protection requirements amongst employees and management. Particular attention is drawn to raising awareness, safeguarding data subjects' rights, and dealing with data protection violations. The Group Data Protection Officer regularly reports to the Executive Board of RWE AG on relevant data protection matters.

Progress

- Further development of the data protection management system has been driven forward, in particular by updating the internal standards and introducing modern and intuitive data protection software.
- The existing whistleblower setup has been expanded to fulfil the requirements of the EU Whistleblower Protection Directive, including the creation of additional notification channels to make (anonymous) reporting of incidents such as violations of the RWE Code of Conduct or the European General Data Protection Regulation, white-collar crimes and other acts that are harmful to the company even more user-friendly.
- In structural terms, the global data protection organisation has been adapted to reflect the ongoing internationalisation of the Group. The design and establishment of a Group-wide framework for the responsible, ethical and legally compliant use of artificial intelligence technologies is being managed by the Group Data Protection department.

Indicators

We do not publish indicators on this topic.

Governance

Cyber security

The challenge

While digital technologies, including cloud solutions, have made power stations, trading platforms, and associated systems more modern, interconnected, and efficient, they also entail new risks. Incident, such as cyberattacks on generation assets (power plants or wind farms) or trading platforms, can cause widespread disruptions and have far-reaching consequences for daily life. It could also jeopardise the safety and health of people working in or near power plants, as well as our company's future business prospects.

Our ambitions

We aim to implement security aspects into all business decisions and use only digital technologies with cyber security incorporated from the beginning of the product life cycle. Our overriding goal is to prevent breaches of cyber security from happening in the first place.

Our approach

Cyber security is a central function at RWE; however, it is also part of the responsibilities of the Group companies. We practice appropriate planning and training so that we are ready to deal with a wide range of possible events. We provide security services to monitor, detect and respond to

security incidents for all aspects of Information (IT) and Operational Technology (OT). This includes highly improbable events that would have a significant impact if they occurred.

Our cyber security enterprise programme seamlessly blends IT and OT cybersecurity and provides centralised governance and risk management, global threat monitoring, and incident response management. The cyber security programme protects RWE's business operations and goals against cyber threats. Risks relating to the availability and protection of data (information security) and to the security of IT systems are managed by the Group Cyber Security department of RWE AG. It analyses the risk situation and works to ensure that our Group companies take the necessary hedging measures. Group Cyber Security now includes IT security to ensure sustainable management of cybersecurity and IT security. Its tasks include protecting RWE's business assets and interests against worldwide threats as well as anticipating risks and responding to them in a timely and effective manner while ensuring RWE's global growth in a secure and resilient manner. This consists of managing user access rights and enterprise security architecture to build a robust security landscape following the security-by-design approach. Group Cyber Security also puts employee awareness measures in place as part of its Human Firewall campaign, assesses risks for the Group, and coordinates the handling of critical security incidents.

Our Cyber Security Incident Response team and the IT Security Operations Centre are also part of our Group Cyber Security. They are responsible for the handling of cybersecurity incidents. Incident handling at RWE takes a

holistic approach, addressing the entire spectrum of possible business-critical failures and disruptions. To be prepared for attacks, whether they are physical or arrive over the internet, and be able to respond to them promptly, we continuously analyse and evaluate the threat situation.

Progress

- In 2023, our employees once again undertook training designed to raise awareness of cyber security issues. Several events and a communication programme contribute significantly to the company's efforts to mitigate cyber security risks. In parallel, we continuously monitored the effectiveness of all security measures, and we evaluated new security technologies and incorporated them in a tailored and targeted approach for RWE.
- In 2023, we not only evaluated and integrated new security technologies but also elevated our 'Human Firewall' awareness campaign.
- We significantly expanded our cyber security organisation in 2023 by further strengthening our operational efficiency and internal and external collaboration.

Indicators

We do not publish indicators on this topic.

Governance

Security

The challenge

As an international power generator and energy trader, RWE is part of the critical infrastructure, due to the fact that a reliable supply of power is indispensable for modern societies. In our capacity as an operator of critical infrastructure, we are, for example, required to submit reports to the authorities, detailing how we are prepared for possible emergency scenarios. We are aware of the very important role that we play for society as a whole.

Our ambitions

RWE wants to ensure security of supply and contribute to making energy supply more crisis-proof. Apart from legal requirements, it is essential for RWE and its stakeholders to identify and appropriately protect business-critical processes, facilities and information.

Our approach

Due to their importance, the energy markets are faced with different kinds of threats. In its governance function, the Group Security department monitors and evaluates these security threats on behalf of RWE. Based on these analyses, security standards are developed and implemented to mitigate these risks and protect our business activities. As part of this approach, we pay particular attention to protecting our employees. As international networking increases, the importance of travel security is also growing. Group Security is therefore also responsible for strengthening our operational business activities and instilling a culture of security at RWE. We have developed a wide range of security measures and regularly review their effectiveness. We design detailed scenarios in order to be as well-prepared as possible for any disruptions or temporary failures. In addition, we continuously hone our risk management strategy and adapt it to new challenges as required. Emergency drills are usually carried out in collaboration with local authorities such as the police and fire brigades.

As digitalisation advances, security risks are also growing. Power supplies are a particularly attractive target for hostile parties, as their failure has great potential for inflicting damage on society and the economy. As an operator, we are aware of this situation and take our responsibility for all of our generation facilities very seriously. Based on the current hazard situation, we regularly carry out risk assessments. Together with third-party safety analyses, they enable us to identify our critical facilities and take appropriate technical and organisational measures to safeguard them.

Progress

RWE is currently involved in discussions about increasing security requirements in almost all of its core markets. These discussions are the result of an increased awareness of the risks arising from geopolitical volatility in particular the war in the Ukraine, the Covid pandemic and the effects of advancing climate change. The scope of these potential emerging security measures extends significantly beyond the existing emphasis on cybersecurity threats.

Indicators

We do not publish indicators on this topic.

Governance

Tax

The challenge

Taxation is increasingly being interpreted in the context of corporate strategy and sustainability goals. Meanwhile many stakeholders no longer regard tax as merely a cost item, instead also seeing it as an instrument for benefiting society and meeting the United Nations Sustainable Development Goals (SDGs). The global taxation and regulation landscape is also rapidly shifting. A new trend is being driven by changes in legislation, tax management regulations and codes of conduct. Numerous international initiatives have been urging greater tax transparency and a crackdown on tax avoidance. The concept of 'fair share' has also entered the public debate on taxes.

Our ambitions

Tax transparency and responsible tax management are top priorities at RWE. As an international energy company, we have to comply with a wide range of national tax laws and regulations. Our policy is to consistently pay all applicable taxes and avoid all violations such as committing or facilitating tax evasion.

Our approach

We continually review, develop and improve RWE AG's tax compliance management system. Every employee is expected to actively help implement tax compliance measures and programmes in their area of work, for example by supporting and attending relevant training courses. They are also obliged to report any possible tax compliance violations that they become aware of.

The objective is to maintain credibility and integrity both in relation to our business partners and among ourselves. Tax compliance violations can be reported via the whistleblower system that has been implemented throughout RWE. As part of managing tax compliance, we have defined targets for meeting relevant requirements and especially for complying with statutory regulations. Specifically, these involve meeting all deadlines for tax notifications and declarations, avoiding erroneous or incorrect tax declarations or notifications, providing other information such as on ownership of domestic and foreign shareholdings to the German tax authorities and meeting deadlines for paying advance and overdue taxes. Where cash tax management is concerned, our aim is to make advance payments on time in order to avoid interest and penalties.

Tax compliance risks are systematically recorded and evaluated, and preventive measures to mitigate risks implemented as appropriate.

Group companies that provide services to one another and the central tax department of RWE AG are responsible for implementing and complying with the principles and requirements defined in the guidelines. These include timely preparation of transfer pricing documents and prompt reporting of extraordinary business transactions.

Progress

- In 2023 we further adapted and improved our tax management system. Preparations have been made to add further tax types in the future.

Indicators

We publish our tax payments for our major countries separately in our Sustainability Performance Report 2023

Governance

Stakeholder dialogue and advocacy

The challenge

We are in constant dialogue with a wide range of stakeholders. We welcome feedback on numerous topics that relate to our business. We need the support of parties outside our organisation to grow and prosper – this is why we engage in a trustworthy manner.

Our ambitions

We aim to be a trustworthy and preferred partner for the further development of the energy system of the future. We regard our stakeholders as comprising all persons and organisations maintaining a relationship or engaging in dialogue with us, seeking to communicate and / or share their views with us or otherwise interested in our company. There is no preliminary selection process.

Our approach

Our presence in numerous markets and the physical nature of our assets means there is a wide range of stakeholders

who have a direct interest in RWE and whose views and opinions must be considered if we are to achieve our business objectives. Due to the importance of electricity generation for our customers and the role the energy transition plays in achieving sustainability targets, we interact with many groups on a regular basis. Often we share our expertise and views on questions that are important for our business and society as a whole. We understand that being a reliable and trustworthy partner is key to our ability to operate and grow.

Our approach to stakeholder engagement seeks to ensure that stakeholder points of view are built into our discussions and decision making as well as in the different steps we take to develop our business further: from project planning, and project delivery through to long-term operations. Therefore, our open and transparent approach to stakeholder engagement is supported by accountability at both Group and operating company level. RWE adopts a range of engagement methods to build those reciprocal relationships. We have offices in nearly all of the countries we are active in, mainly operating from Berlin, Brussels and London. We are engaged in political discussions on energy-related topics and further areas that are important for our business. In all these engagements we adhere to the high compliance and transparency standards that are outlined in our Code of Conduct and further documents.

At a local level, we pursue a transparent information policy in relation to our operational activities when communicating with residents as well as citizens' and regional initiatives. Our operational activities include construction activities, investment projects and approval processes. We are happy to listen to suggestions and

constructive proposals. We also conduct a regular dialogue with our suppliers. To this end, we organise an annual Suppliers' Day at which we exchange ideas and information on current market developments. RWE executives also participate in roadshows and conferences together with colleagues from Investor Relations. In line with the recommendations of the German Corporate Governance Code, the chairman of the Supervisory Board regularly talks with and answers the questions of investors on relevant topics.

Progress

- We took part in a number of political consultations, mainly in our core markets. The consultations covered a wide range of topics but focused on the further development of the energy markets and the framework conditions for the growth of renewable energy and hydrogen production.
- We released an updated Industry Associations Climate Review in spring 2023. In the assessment we checked the alignment of certain associations with RWE core climate positions. The assessment involved examining and evaluating the public statements of some 34 renewables associations. No deviations from RWE's core positioning were identified during these evaluations.

Indicators

We do not publish indicators on this topic.

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