

A couple wearing bright yellow raincoats and dark boots are walking hand-in-hand on a sandy beach. The ocean waves are breaking gently on the shore. In the background, a line of wind turbines is visible against a cloudy sky. The overall scene is serene and suggests a connection to nature and sustainable energy.

# RWE

## New ways for a sustainable future.

Sustainability Report 2020

[rwe.com](https://www.rwe.com)

## Environment

RWE has established one of the most ambitious programmes in the industry for reducing CO<sub>2</sub> emissions.



**20.2%**

share of renewable energy in electricity generation (25% share of renewable energy in generation capacity)

## Carbon neutral by 2040



**€ 5 billion**

net investment for approx. 4 GW wind and solar power by 2022

## Employees

Committed and motivated employees are a key factor for the corporate success of RWE.



**19,498**

employees, of which 978 are new colleagues



**16.6%**

share of women in management positions (14.7% share of women in the company)



**94.1%**

health quote



**0.45 t**

CO<sub>2</sub>/MW

CO<sub>2</sub> intensity of the electricity generation output of the RWE power plant portfolio



SCIENCE  
BASED  
TARGETS

Confirmation of Science Based Targets Initiative

## Society

Corporate Responsibility is part of RWE's contribution to sustainable development and responsible business.



AROUND

**100**

employees engaged in social and community projects



We support the Paris Climate Agreement, the UNGC and the SDGs

## International presence in 23 countries

+ additional market entries in preparation



# About the report

The report entitled “Our Responsibility 2020” (referred to below as “Sustainability Report”) is aimed at analysts and investors, non-governmental organisations (NGOs), customers and suppliers, policymakers and government agencies, at our employees and the people living in the regions where we do business. It describes the most important social, environmental and economic challenges facing our core business, the conflicting aims that can arise, and the strategy we are pursuing.

RWE AG is meeting the obligation to publish a Non-financial Report envisaged pursuant to the German Commercial Code (HGB) in a separate document. This differs from the structure of reporting in the previous year in which the Non-financial Report was integrated in a separate section within the Sustainability Report.

This Sustainability Report is published electronically in pdf format. The professional services firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft performed an engagement audit on the sections indicated with  and for these elements of the report provided a limited assurance relating to compliance of the reported disclosures with the criteria of the Global Reporting Initiative (GRI). The audit only covered the appropriately highlighted sections of the report and not sections within this report or websites referred to. Linking the report content with the Sustainable Development Goals (SDGs) is also not part of the examination.

The limited assurance engagement was carried out in accordance with the auditing principles of the International Standard on Assurance Engagements (ISAE) 3000 (revised),

 see [→ page 128](#). The Sustainability Report includes an overview of all the key indicators, see [→ page 118](#).

## Approach

The Sustainability Report of RWE AG is published as a GRI Report and conforms with the GRI Standards (2016) of the Global Reporting Initiative in a selection based on a Materiality Analysis of the topics relevant for our business. In the meantime, new standards have been published by the GRI for individual sections from this report so that we are using the standards as the basis for the relevant sections (GRI 207 Tax, GRI Standard 2019, GRI 303 Water and effluents GRI Standard 2018, GRI 403 Occupational Health and Safety GRI Standard 2018).

In addition, we also report on material in-depth topics based on the GRI requirements for the electricity industry, which were formerly applicable as the G4 Electric Utilities Sector Disclosures, and no longer form part of the GRI Standards. This report has been prepared in accordance with the GRI Standards: “Core option”. The report “Our Responsibility 2020” was available to the Global Reporting Initiative (GRI) for the implementation of the GRI Materiality Disclosures Service, see  [→ GRI Content Index, page 108](#). The report also serves as our progress report for the Global Compact of the United Nations and provides information on the Sustainable Development Goals (SDGs) we make a contribution to, see  [→ page 131](#).

## Data (GRI 102-45)

The period under review is fiscal 2020, which began on 1 January and ended on 31 December 2020. The RWE Group

 is presented in its new structure in this Sustainability Report 2020, see → [GRI 102-2, page 7](#). Explicit reference is made to any exceptions from this. The financial and market data were taken from the RWE Annual Report 2020. We present financial data denominated in the relevant national currency or have converted these based on the average annual values for 2020, see → [RWE Annual Report 2020, page 113](#).

#### **For reference**

This report is published in German and English. The Executive Board of RWE AG has approved the report for publication. The editorial deadline was on 10 March 2021. This report continues our policy of annual reporting. The next report will be published in the spring of 2022. All references to people, such as “employees”, “shareholders”, etc. naturally apply equally to all gender identities.

#### **Archive Sustainability Reports**

#### **Forward-looking statements**

This report contains forward-looking statements regarding the future development of the RWE Group and its companies as well as future economic and political developments. These statements are assessments that we have made based on information available at the time this report was drawn up. In the event that the underlying assumptions do not materialise or additional developments arise, actual performance may deviate from the performance expected at present. We are therefore unable to assume any responsibility whatsoever for the accuracy of these statements.

# Foreword

## Dear Readers,

Last year was an unusual time for us all. This statement is undoubtedly particularly true for 2020. COVID-19 affected all of us and continues to present us with huge challenges. RWE is playing its part in overcoming these challenges. We are ensuring a stable supply of electricity generation. And we are protecting our employees by working from home wherever possible.

There was another reason why 2020 was a special year for RWE. After more than two years, the transaction with E.ON was closed on 1 July. This has made us a new, bigger and more diverse RWE. And it's an RWE in line with the Paris Climate Agreement. At the end of the year, the Science Based Target Initiative provided further confirmation of our status. This represents another milestone on our journey to becoming climate neutral by 2040 at the latest.

However, we are not simply defining targets. We are also following up with actions. Hence, in 2020, we succeeded once more in significantly reducing our greenhouse gas emissions – meanwhile for the eighth year in succession. This is the most tangible example of RWE living its purpose “Our Energy for a Sustainable Life”. But sustainability is about much more than just CO<sub>2</sub>. This report demonstrates everything we achieved in the year 2020 to become an even more sustainable company.

Contrary to past practice in recent years, our Non-Financial Report no longer forms part of this Sustainability Report. Rather, it will be published separately. This enables us to improve accessibility and transparency for information relating to non-financial aspects.

In 2020, our Sustainability Report simultaneously constitutes our progress report on the UN Global Compact. By signing the Global Compact, we declared our commitment to actively promoting human rights, decent working conditions and environmental protection within our sphere of influence, and taking decisive action against corruption and bribery. This progress report sets out how we at RWE implement the ten principles of the Global Compact. And we showcase the contribution we are making to achievement of the Sustainable Development Goals.

This Sustainability Report is intended to present RWE's performance in the area of sustainability over the past year to all our stakeholders. We are proud of our achievements. And we are going to keep working on improving our contribution further. We will therefore be delighted to receive your feedback on this matter.

Yours,

Rolf Martin Schmitz

## Overview of the current ranking results

	<b>Result</b> (status 4 March 2021)	<b>Scale</b> (Best score to worst score)
<b>ESG Ratings</b>		
MSCI	A	AAA to CCC
Sustainalytics	33.4 (Percentile Rank 41, 'High Risk')	0 to 100
ISS ESG	C+	A+ to D-
S&P SAM	63 (12th out of 68 Multi and Water Utilities)	100 to 0
CDP	Climate: B Water: B-	A to F
Ecovadis	65 (Silver Status)	100 to 0
V.E	62	100 to 0
<b>Indexes</b>		
V.E	RWE is listed in the Index of 120 Best Companies in the Eurozone.	
Bloomberg Gender Equality Index	RWE is listed in the Bloomberg Gender Equality Index (GEI).	

## Overview of current awards

Many people at RWE engage in sustainability issues and ensure that RWE takes responsibility for environmental conservation and climate protection, social concerns and respect for human rights.

This commitment is highly praised outside the company and this acknowledgement is reflected in the large number of awards that we earned in 2020. They cover many different aspects and range from the areas of Diversity and Corporate Health Management through the award for “Strongest Achiever” to awards for the best training company.

The following table presents a complete list of the awards conferred on us in 2020.

Logo	Award	Score
	<b>Bloomberg Gender Equality Index</b>	RWE was listed in this Index in 2020
	<b>Financial Times “Diversity Leaders Award”</b>	87th place out of 850
	<b>Uhlala Dax 30 LGBT + Diversity Index 2020</b>	12th place out of 30
	<b>Women’s Career Index</b>	Fifth place out of 42
	<b>Workforce Disclosure Initiative</b>	RWE was listed in the Index in 2020
	<b>Forbes 2020 – World’s largest companies</b>	297th place out of 2000

Logo	Award	Score
	<b>YouGov Survey “The Ten Strongest Achievers”</b>	Third place out of 10
	<b>Handelsblatt Seal of Approval “Corporate Health Award 2020”</b>	Winner in the category “Energy Industry”
	<b>Job Crowd Award “Top Company for Graduates to work for” and “Top Company for Graduates to Work for in the Energy &amp; Utilities Sector”</b>	First place out of 100
	<b>Job Crowd Award in the category “Apprentices”</b>	25th place out of 100
	<b>Focus Money / Deutschlandtest</b>	“Best Training Business” and “Fairest Employer”
	<b>Stern Study “Companies with a future”</b>	Four out of five stars
 Attraktivster Arbeitgeber 2020 Für Absolventen Ingenieurwissenschaften trendence	<b>Trendence “Most Attractive Employer in 2020 for Engineering Graduates”</b>	RWE was listed in this index in 2020

# General Disclosures

## Organisational profile

In addition to the information provided below, more information is also available in section 2.1 Strategy in the  [→ combined review of operations in the RWE Annual Report 2020, page 22.](#)

### GRI 102-1 Name of the organisation

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RWE Aktiengesellschaft

### GRI 102-2 Activities, brands, products, and services

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Leading international company in  
the area of renewable energy

Our asset swap with E.ON has turned us into one of the world's leading renewable energy companies. We are now an all-rounder in electricity generation at the forefront of creating a sustainable energy system. In addition, we will ensure security of supply with our flexible power plants.

In our (financial) reporting for 2020, we present the RWE Group in a new structure. We no longer state "innogy – continuing operations" and "acquired E.ON operations" separately as they have become integral parts of the RWE Group. Our main business is now broken down by energy source for generating electricity, whereas energy trading is still presented separately. This results in the following five segments: (1) Offshore Wind, (2) Onshore Wind / Solar, (3) Hydro / Biomass / Gas, (4) Supply & Trading and (5) Coal / Nuclear. Segments (1) to (4)

represent our core business. This is where we want to grow. In (5), we have pooled our German electricity generation from lignite, hard coal and nuclear fuel, which will lose importance due to the exit roadmaps established by the German state.

 For more information, see [→ GRI 102-6, page 8.](#)

### GRI 102-3 Location of headquarters

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Essen, Germany

### GRI 102-4 Location of operations

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RWE is an international group which including the operations of the renewable energy business is represented at business locations in 23 countries.

The key business operations are distributed across the following countries and regions:

- Germany
- Netherlands, Belgium and Luxembourg
- United Kingdom and Ireland
- Central Eastern and South Eastern Europe (Czech Republic, Poland and Turkey)
- Central and Northern Europe (Denmark, France and Sweden)
- Western and Southern Europe (Spain, Portugal and Italy)
- Singapore
- USA and Canada
- Australia
- Asian Region (China, India, Indonesia and Japan)

We are also active in other countries. For example, we are currently preparing to enter the market in Taiwan and South Korea where we want to undertake offshore wind power projects together with local partners.

### **GRI 102-5 Ownership and legal form**

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According to our latest survey, at the end of 2020 an estimated 87% of the total volume of 676.2 million RWE shares were in the hands of institutional investors, while 13% were held by private individuals (including employee shareholders). Institutional investors from Germany held 24% and from the United Kingdom 19% of RWE shares. In other countries of Continental Europe, this investor group accounted for 12% of the equity capital; in the USA and Canada, their share amounted to 24%. The biggest single shareholder in RWE AG at the end of the year was the American asset manager BlackRock with 7% of the subscribed capital.

 For more information, see the [→ RWE Annual Report 2020, page 20](#).

### **GRI 102-6 Markets served**

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 We report on our business model and our markets in the combined review of operations in the [→ RWE Annual Report 2020](#) in section 2.1 Strategy and in the [→ Non-financial Report, see page 2](#).

The RWE Group is divided into five segments. A more detailed description of the segments is provided below.

- Offshore Wind: In this segment, we report on our business in offshore wind, which is overseen by the Group company RWE Renewables.
- Onshore Wind / Solar: This segment encompasses our activities with onshore wind, solar power and battery storage. RWE Renewables also has operating responsibility here.
- Hydro / Biomass / Gas: Activities with run-of-river, pumped storage, biomass and gas-fired power plants are bundled in this segment. It also contains the Dutch hard coal-fired plants Amer 9 and Eemshaven, which are increasingly co-firing biomass, and the company RWE Technology International, which specialises in project management and engineering services. This segment is the responsibility of RWE Generation. Since the beginning of 2021, this company has also been responsible for developing and implementing the hydrogen strategy of RWE. The 37.9% stake in the Austrian energy utility KELAG, formerly held by held by innogy, is also part of the Hydro / Biomass / Gas segment.
- Supply & Trading: This segment contains our own energy trading with energy-related commodities. This segment is the responsibility of RWE Supply & Trading, which also operates as an intermediary trader in gas, supplies major customers with energy and carries out a range of other activities related to trading. Additionally, gas storage facilities in Germany and the Czech Republic that we took over from innogy also belong to Supply & Trading.
- Coal / Nuclear: This segment covers German electricity production using the energy sources lignite, hard coal and nuclear power, as well as lignite mining operations in the Rhineland Mining Region to the west of Cologne. It also includes the investment in the Dutch nuclear power operator EPZ (30%) and in the German company URANIT (50%), which has a 33% stake in uranium enrichment specialist

Urenco. The aforementioned operations and shareholdings are the responsibility of our Group companies RWE Power (lignite, nuclear) and RWE Generation (hard coal).

**GRI 102-7 Scale of the organisation**

Around 20,000 RWE employees worldwide

**Scale of the organisation<sup>1</sup>**

	Unit	2020	2019
Employees	FTE	19,498	17,287
	Head-count	20,637	18,244
Number of countries with fully consolidated companies	Countries	23	27
Revenue (without natural gas / electricity)	€ million	13,688	13,125
Net debt	€ million	4,432	7,159
External electricity sales volume	billion kWh	194.5	192.0
External gas sales volume	billion kWh	36.5	56.6

1 Data for the RWE Group

### Number of industrial and commercial customers of RWE

The size of the customer base in our RWE Supply & Trading segment makes up a proportion of around 33% of electricity sales and around 100% of gas sales in the segment of Industrial and Business Customers.

The proportion of revenue from coal-fired electricity and other coal products in the total revenue of the RWE Group was 23% in the year under review 2020.

External electricity sales volume billion kWh	Residential and commercial customers		Industrial and corporate customers		Distributors		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Offshore Wind	-	-	847	311	1,146	408	1,993	719
Onshore Wind / Solar	-	-	3,670	1,070	15,428	8,109	19,098	9,179
Hydro / Biomass / Gas	11	11	3,689	1,731	4,524	3,357	8,224	5,099
Supply & Trading	-	-	64,863	55,295	-	-	164,964	174,116
Other, consolidation	-	-	-	-	255	-	255	-
<b>Nuclear</b>	11	11	73,069	58,407	21,353	11,874	194,534	189,113
Coal / Nuclear	193	193	16	20	-23	2,647	186	2,860
Of which nuclear energy	13	22	-	-	3	2,647	16	2,711
Of which lignite	179	171	16	-	-	-22	196	169
Of which hard coal	-	-	-	-	-26	-	-26	-
Of which other	-	-	-	-	-	-20	-	-20
Consolidation	-	-	-	-	-255	-	-255	-
RWE Group	204	204	73,085	58,427	21,075	14,521	194,465	191,973

External gas sales volume	Residential and commercial customers		Industrial and corporate customers		Distributors		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Offshore Wind	-	-	-	-	-	-	-	-
Onshore Wind / Solar	-	-	-	-	-	-	-	-
Hydro / Biomass / Gas	-	-	-	-	60	114	60	114
Supply & Trading	-	-	36,404	36,785	-	19,741	36,404	56,526
Other, consolidation	-	-	-	-	-	-	-	-
<b>Core business</b>	-	-	36,404	36,785	60	19,855	36,464	56,640
Coal / Nuclear	-	-	-	-	-	-	-	-
Of which nuclear energy	-	-	-	-	-	-	-	-
Of which lignite	-	-	-	-	-	-	-	-
Of which hard coal	-	-	-	-	-	-	-	-
Of which other	-	-	-	-	-	-	-	-
Consolidation	-	-	-	-	-	-	-	-
RWE Group	-	-	36,404	36,785	60	19,855	36,464	56,640

More information on the company is also available under

 [→ Key sustainability indicators, page 118.](#)

**GRI 102-8**  
**Information on employees and other workers**

**Headcount of employees**

	2020 <sup>1</sup>			2019 <sup>2</sup>		
	Women	Men	Total	Women	Men	Total
Germany	2,031	13,697	15,728	1,646	13,124	14,770
United Kingdom	571	1,830	2,401	400	1,466	1,866
Netherlands/Belgium	62	534	596	53	502	555
Central Eastern and South Eastern Europe	88	307	395	25	71	96
Other countries	290	1,227	1,517	209	748	957
RWE	3,042	17,595	20,637	2,333	15,911	18,244
Part-time employees			1,269			1,026
Full-time employees			19,368			17,218
Permanent contract			19,779			17,511
Fixed-term contract			858			733

1 Data for the RWE Group

2 Employee data for 2019 relate to the RWE Group without the renewable energy business, but including Operations acquired from E.ON.

RWE only contracts a small proportion of permanently employed staff from subcontractors (partner companies) to carry out operational functions. We contract them for service and service packages, and for construction and assembly work.

**GRI 102-9 Supply chain**

The procurement functions of the Group are responsible for carrying out the procurement processes necessary for our business activities. These comprise firstly the sourcing of goods, services and plant components, which is the

responsibility of Group Procurement. Here, RWE is in direct contact and in contractual relationships with the service providers and suppliers. In 2020, the procurement volume of the RWE Group was about € 4.3 billion for these purchases. Secondly, an important part of our procurement processes relates to the purchase of energy sources, for example hard coal, gas, liquefied natural gas (LNG) and biomass, and trading in combustion fuels. These processes are carried out by RWE Supply & Trading as our trading company. In 2020, the procurement volume of combustion fuels (hard coal, natural gas and biomass) was around € 2.7 billion.

**GRI 102-10 Significant changes to the organisation and its supply chain**

See → [GRI 102-6, page 8](#) for material organisational changes.

**GRI 102-11 Precautionary Principle or approach**

For disclosures on risk management, see → [Non-financial Report, page 3](#), and the → [RWE Annual Report 2020, page 69](#).

Nearly € 1.7 billion expenditure on climate protection in 2020

Environmental protection in € million		
	2020	2019
Air pollution control	136.8	184.3
Nature conservation and protection of the landscape	35.3	41.3
Water protection	105.1	129.5
Waste disposal	357.0	306.4
Noise abatement	4.7	5.3
Polluted sites, soil contamination	0.6	6.3
Climate protection	1,036.7	719.4
Total	1,676.1	1,302.5

**GRI 102-12 External initiatives**

**UN Global Compact and SDG**

Since January 2004, the RWE Group has been a member of the “Global Compact” (GC) of the United Nations. By signing up to the ten principles underlying the Global Compact, RWE made a commitment to human rights and labour standards, promoting environmental protection in its business operations, and preventing corruption. We present the contribution we have made to global implementation of the principles of the Global Compact in an annual Progress Report. We also outline our contribution to the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 in the → [Progress Report on the Global Compact 2020, page 131](#).

**Initiative Bettercoal**

Cooperating with other energy companies is absolutely essential for us. This places us in a position to exert more pressure and meet demands for sustainable production and transport conditions in the supply chain for hard coal. In 2012, we joined forces with other large purchasers of hard coal to launch the Bettercoal Initiative. By the end of 2020, eleven major energy companies and five affiliates were members of the initiative. Bettercoal audits coal production sites throughout the world and makes the results gathered from assessment of its suppliers available to members, see → [GRI 204, page 43](#).

16

companies are members of the Bettercoal Initiative

## GRI 102-13

### Membership of associations

We are an active member of a large number of different committees and specialist associations as part of our social, environmental and business responsibility. The following memberships are important for RWE AG (in alphabetical order):

- AGWE – Employers’ Association of Gas, Water and Electricity Utilities (Arbeitgeberverband von Gas-, Wasser- und Elektrizitätsunternehmen e. V.)
- American Clean Power Association (ACPA) / American Wind Energy Association (AWEA)
- Asociación de Productores de Energías Renovables (ES)
- Associazione Nazionale Energia del Vento (IT)
- BDEW – German Association of Energy and Water Industries (Bundesverband der Energie- und Wasserwirtschaft e. V.)
- BDI – Federation of German Industries (Bundesverband der Deutschen Industrie e. V.)
- Federal Association of Wind Farm Operators Offshore (Bundesverband der Windparkbetreiber Offshore (BWO))
- Bettercoal Ltd.
- Business Europe
- Charter of Diversity (Charta der Vielfalt)
- Clean Energy Investor Group (AUS)
- DAI – German Equities Institute (Deutsches Aktieninstitut e. V.)
- DEBRIV Federal Lignite Association (Bundesverband Braunkohle)
- DGCN – German Global Compact Network (Deutsches Global Compact Netzwerk)
- DICO – German Institute for Compliance (Deutsches Institut für Compliance e. V.)
- DIIR – German Institute for Internal Auditing (Deutsches Institut für Interne Revision e. V.)
- DIRK – German Investor Relations Association (Deutscher Investor Relations Verband e. V.)
- Diversity Network Rhine-Ruhr (Diversity Netzwerk Rhein-Ruhr)
- econsense – Forum for Sustainable Development of the German Economy (Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e. V.)
- EFET – European Federation of Energy Traders
- enei – Employers Network for Equality & Inclusion
- Energy Netherlands (Energie Nederland)
- Energy UK
- Eurogas
- France Energie Eolienne (FEE)
- GDD Society for Data Protection and Data Security (Gesellschaft für Datenschutz und Datensicherheit e. V.)
- Global Wind Energy Council
- Hydrogen Europe
- IEA Greenhouse Gas R&D Programme & IEA CIAB
- IETA (International Emission Trading Association)
- If.E Innovation Forum for the Energy Transition of IG BCE (Innovationsforum Energiewende If.E der IG BCE)
- LGBTI\*IQ Network Rhine-Ruhr (LGBTI\*IQ Netzwerk Rhein-Ruhr)
- NVDE – Dutch Association for Sustainable Energy (Nederlandse Vereniging voor Duurzame Energie)
- NWEA Dutch Wind Energy Association (Nederlandse WindEnergie Associatie)
- Polskie Stowarzyszenie Energetyki Wiatrowej (Polish Wind Energy Association)
- Promotion Group for German Industry (Förderkreis der Deutschen Industrie e. V.)
- PROUT AT WORK Foundation

- Renewables UK
- Solar Energy Industries Association (SEIA, USA)
- SolarPowerEurope
- Svensk Vindenergi
- The 'Boss's Business Initiative' (Initiative Chefsache – a network of leaders from industry and science)
- United Europe e. V.
- VdV – Association of the German Integrated Economy (Verband der Deutschen Verbundwirtschaft e. V.)
- VGB PowerTech e. V. – International technical association for generation and storage of power and heat
- Vindmølleindustrien (Danish Wind Industry Association)
- VRB – Association of Raw Materials and Mining (Vereinigung Rohstoffe und Bergbau e. V.)
- WindEurope
- WISE – Women in Science and Engineering
- Women's Career Index (Frauen-Karriere-Index, FKi)
- World Economic Forum
- World Energy Council (Weltenergierat)

RWE carries out a check of the association positions in relation to their stance on the Paris Climate Agreement, see also

 → [GRI 415, page 102.](#)

## Strategy

### GRI 102-14

#### Statement from senior decision-maker

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 See → [Foreword, page 3.](#)

### GRI 102-15



#### Key impacts, risks, and opportunities

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As a top priority, key sustainability impacts were identified as the environmental aspects associated with conventional power generation that guarantees a secure energy supply. These are currently a particular focus of debate in the public domain and they shape the direction of government policy. In future, the greenhouse gas emissions will continue to decrease, see

 → [Non-financial Report, page 10.](#) Key reasons for this reduction are the exit from coal-fired electricity generation, the rapid expansion of CO<sub>2</sub>-free renewable energy, increased use of storage technologies and the use of climate-neutral combustion fuels for electricity generation. Opportunities result for RWE from the renewable energy business as a new operating mainstay with high regulated income. We are therefore aiming to become not only more profitable but also more resilient in times of crisis. We surveyed the stakeholders as part of the Materiality Analysis in 2020 for this Sustainability Report and according to their assessment there are simultaneously potential risks arising from the expansion of renewable energy and hence from the availability of the generated electricity. The security of supply was also assessed as relevant. For explanations of material risks and opportunities, see the → [Annual Report 2020, section 2.9, page 69.](#)

In addition, the stakeholders regarded human rights aspects, particularly in the supply chain, as material. This is particularly reflected in the sustainability requirements for social standards in the supply chain, see → [Human Rights, page 96](#) and the → [Non-financial Report, page 4.](#)

An additional focus is on the area of occupational health and safety. This relates to our own employees and to employees of subcontractors commissioned by us. We want every employee and partner to be healthy and to stay healthy. Furthermore, a great deal of attention is focused on the area of prevention of corruption.

Other aspects of sustainability impacts are the reusability of plant components and environmental standards in the supply chain, the transparency of lobby work and the area of biodiversity and reinstatement of land used for mining.

## Ethics and Integrity

### GRI 102-16

#### Values, principles, standards, and norms of behaviour

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At RWE, we are well aware of our role in the community and of our responsibility towards customers, business partners, and shareholders and employees. We therefore have clearly defined principles which form the framework for our corporate and community engagement. The focus of our actions is on the common values of trust, passion and performance. These values are supplemented by the RWE Code of Conduct and the principles for good conduct defined in the Code. Our employees should comply with the Code, see [→ Non-financial Report, page 8](#). The principles for behaviour set out in the Code of Conduct also define the benchmark for cooperation with business partners and are intended to form a common basis for the contractual relationship.

Responsible management and supervision of the company rank among the cornerstones for long-term success. The

benchmark is provided here by the German Corporate Governance Code (GCGC) in the relevant latest version. We comply with all of the recommendations of the GCGC, see more information under [→ GRI 102-18, page 17](#). Following the mandatory audit in December 2020, the Executive Board and Supervisory Board of RWE AG submitted a [→ Statement of Compliance](#) pursuant to Article 161 Stock Corporation Act (AktG). This enables us to strengthen the trust placed in us by our investors, customers, employees and the general public.

On 16 December 2019, the Government Commission for the German Corporate Governance Code adopted a completely revised version of the GCGC. The new GCGC was published in the German Federal Gazette (Bundesanzeiger) on 20 March 2020 and thereby finally came into force. Details relating to corporate governance at RWE are included in the [→ Corporate Governance Declarations along with the integrated Corporate Governance Report](#).

### GRI 102-17

#### Mechanisms for advice and concerns about ethics

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Every single employee is encouraged to be proactive in bringing any issues relating to our Code of Conduct and compliance with the Code to the attention of their supervisor, the responsible Compliance Officer and/or the Chief Compliance Officer. The same applies to any indications relating to breaches of the Code of Conduct. Compliance officers are appointed for all divisions and Group companies, and they are always available as points of contact for such matters. In particular, they receive information about issues relating to prevention of corruption. Contact details for compliance partners can be accessed on the Intranet.

It is also possible to contact an independent external ombudsperson by phone or email. This contact is available for employees and also accepts information from third parties outside the company, for example suppliers or other business partners. Notifications can be submitted in the relevant national languages of the companies of the RWE Group. These are confidential and remain anonymous on request. Notifications relating to any potential breaches are recorded by the Compliance Department. Each case is reviewed by the Group function responsible, and as far as necessary any remedial measures are initiated in the context of a systematic follow-up process.

Our external ombudsperson also accepts all notifications and complaints relating to negative environmental, social and human-rights impacts, and regarding working practices.

In addition to the existing communication/reporting system, employees across the Group have had access to a web-based whistleblower system since 2019. Whistleblowers can use this system – also anonymously – to report incidents, e.g. violations against the RWE Code of Conduct or the General Data Protection Regulation, economic criminal offences and actions constituting a threat to the business.

## Governance

### GRI 102-18 Governance structure

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The corporate governance of RWE AG as a German joint-stock company listed on the stock exchange is primarily determined by the Stock Corporation Act (Aktiengesetz) and also by the

regulations of the German Corporate Governance Code (GCGC) in its latest version.

Pursuant to the statutory regulations, RWE is subject to the “dual governance system”. This is characterised by a strict separation of personnel between the Executive Board as a management body and the Supervisory Board as a monitoring body. The Executive Board and the Supervisory Board work closely together in pursuing the interests of the company.

The Executive Board manages the company with the objective of generating sustainable value added under its own responsibility. The principle of overall responsibility applies to their work, and this means that the members of the Executive Board bear joint responsibility for the entire executive management. They develop the corporate strategy and ensure its implementation in consultation with the Supervisory Board.

The Supervisory Board advises the Executive Board on managing the company and monitors its activity. It is involved in all the key corporate decisions. Furthermore, the Supervisory Board appoints and dismisses members of the Executive Board, passes resolutions on the compensation system for the members of the Executive Board and defines individual total compensation packages for each member.

The RWE Supervisory Board currently has five permanent committees and the Executive Committee: the Mediation Committee pursuant to Article 27 Section 3 Co-determination Act (MitbestG), the Personnel Affairs Committee, the Audit Committee, the Nomination Committee, the Strategy and Sustainability Committee. The committees prepare topics and resolutions in advance of meetings of the Supervisory Board.

They sometimes also have decision-making powers delegated to them by the Supervisory Board. The chairs of the committees regularly inform the Supervisory Board about the work of the committees. In addition, shareholder and employee representatives regularly hold separate preparatory meetings before Supervisory Board meetings. For further detailed information on the concrete work of the Supervisory Board and its committees, see [→ Supervisory Board Report in the RWE Annual Report 2020, page 11.](#)

### **GRI 102-19 Delegating authority**

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Powers of attorney are granted by the Executive Board in the form of procurations and powers to act to the individual departmental and section managers. These are empowered to take decisions independently within their sphere of responsibility, so long as a higher level of authority has not reserved the right to approve certain decisions.

### **GRI 102-20 Executive-level responsibility for economic, environmental, and social topics**

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In 2020, the Supervisory Board of RWE AG charted the course for personnel to take forward the ongoing successful development of the company. In July, it passed a resolution to retain Markus Krebber for an additional period of office on the Executive Board (until 30 June 2026) and to take the helm of the Board going forward. Mr Krebber will take over from Chief Executive Officer Rolf Martin Schmitz on 1 May 2021 after his contract comes to an end. The Supervisory Board expects the Group to maintain its strategic direction. Mr Krebber has been Chief Financial Officer of RWE AG since 2016. Together with

Mr Schmitz, he moved RWE forward to become one of the leading renewable energy companies.

Mr Krebber will be supported by Zvezdana Seeger and Michael Müller. The Supervisory Board appointed the two executives to the Board on 1 November 2020. Ms Seeger is responsible for human resources and IT. Furthermore, she has been Labour Director since 1 November 2020, succeeding Rolf Martin Schmitz who had held the position jointly. Mr Müller will have responsibility on the Executive Board for finance, tax and business services. He is to succeed Mr Krebber as Chief Financial Officer when the latter takes up the position of Chief Executive Officer. Until 30 April 2021, Mr Müller will also continue to carry out his current activity at RWE Supply & Trading in a joint position. The Group Executive Board will report to the Supervisory Board of the company as the highest governance body.

The Group-wide implementation and realisation of Corporate Responsibility is coordinated by the Group Corporate Responsibility Team within the Group Communication & Energy Policy Team. The Head of the Group Communication & Energy Policy Department reports directly to the Chief Executive Officer. Representatives of RWE AG and the key operating companies come together in relation to specific themes as necessary in order to swap experiences and to agree activities jointly.

**GRI 102-21**  
**Consulting stakeholders on economic, environmental, and social topics**

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The Annual General Meeting takes place on 28 April 2021

The Annual General Meeting in 2020 was held virtually and offered our shareholders the opportunity to engage in dialogue. We will also hold a virtual Annual General Meeting in 2021 owing to the present COVID-19 situation.

An investors' and analysts' teleconference takes place on publication of the business results. Additionally, managers take part in virtual roadshows and participate in conferences. In accordance with the recommendations of the GCGC, the Chairman of the Supervisory Board is regularly available to investors for discussions about matters specifically relating to the Supervisory Board.

 For dialogue formats with other stakeholders, see [→ GRI 102-43, page 23](#), and [→ GRI 415, page 102](#).

**GRI 102-22**  
**Composition of the highest governance body and its committees**

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The Supervisory Board is a non-executive supervisory body. It consists of 20 members, ten of which are elected by the Annual General Meeting pursuant to the provisions of the German Stock Corporation Act (Aktiengesetz). Ten of the members are elected by the employees pursuant to the Co-determination Act (Mitbestimmungsgesetz, MitbestG) dated 4 May 1976. In accordance with the provisions of the German Stock Corporation Act, the period of office for current members of the Supervisory Board continues until the end of the Annual

Quota for women of 30% on the Supervisory Board complied with

General Meeting which passes a resolution on the discharge for the actions of the Supervisory Board for the fourth fiscal year after the commencement of the period of office. At the moment, the Supervisory Board of RWE AG includes six women, of which three were elected by the employees. RWE AG therefore complies with the statutory gender quota of 30% in the Supervisory Board.

 A presentation of the Executive Board and the Supervisory Board is given in the description of the governance bodies in the [→ RWE Annual Report 2020, page 226](#). It provides an overview of other important positions or obligations held by the individual members of the Executive Board and the Supervisory Board, the number of mandates and the type of obligations.

The Supervisory Board resolved to draw up a competence profile for the governance body and a requirements profile for the Supervisory Board members of RWE AG. The aim of the board is to achieve a fit and proper composition of the Supervisory Board. It is also intended to achieve a compliant election process based on objective competence and requirement criteria taking appropriate account of the regulations of the GCGC, and to ensure election and lawful appointment of new members of the Supervisory Board of RWE AG. This competence and requirements profile was revised and amended in light of the upcoming elections for the Supervisory Board in fiscal year 2020. Detailed information is provided in the [→ Declaration on Corporate Governance with the integrated Corporate Governance Report](#).

 For more information, see the Report of the Supervisory Board in the [→ RWE Annual Report 2020, page 11](#), and on our [→ website](#).

### **GRI 102-23 Chair of the highest governance body**

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The Chairman of the Supervisory Board Dr Werner Brandt is not a Member of the Executive Board and he has not held this position in the past.

### **GRI 102-24 Nominating and selecting the highest governance body**

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As defined in the Rules of Procedure for the Supervisory Board, the Nomination Committee convenes as necessary and proposes suitable candidates to the Supervisory Board as its nominations for election by the Annual General Meeting. When the committee selects the nomination proposals, it takes into account the international operations of the company, potential conflicts of interest and diversity. Furthermore, the competence and requirements profile adopted by the Supervisory Board for members of the Supervisory Board is intended to ensure a heterogeneous composition of the Supervisory Board, see

 → [GRI 102-22, page 19](#).

The Supervisory Board has adopted a requirements profile for Members of the Executive Board in relation to longer-term succession planning for making appointments to the Executive Board in accordance with the recommendations of the GCGC and pursuant to the statutory regulations. This also takes account of the requirements for diversity relating to this governance body. In the case of new appointments to be made to positions on the Executive Board from November 2020 or from May 2021, an external human resources consultancy firm was commissioned to draw up requirements profiles for making appointments to the Executive Board. These comprise the requirements profiles for the positions of the Chairman of

the Executive Board (CEO), the Chief Financial Officer (CFO) and the Chief Human Resources Officer (CHO). The Members of the Executive Board newly appointed to their positions in fiscal year 2020 meet the requirements of these newly prepared requirements profiles used by the Supervisory Board as the basis for their decision-making process involved in selecting the appointments to be made. All personnel decisions taken by the Supervisory Board are prepared by the Human Resources Committee. This committee takes decisions about concluding, amending and terminating the employment contracts with the Members of the Executive Board. Conversely, decisions about compensation for the Executive Board are reserved for the full Supervisory Board.

### **GRI 102-25 Conflicts of interest**

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Transparency is a core element of good corporate governance. The Executive Board and the Supervisory Board therefore also need to pay particular attention to potential double mandates within the Group in the fiscal year 2020, and the entailed potential conflicts of interest. The Members of the Executive Board and the Supervisory Board did not report any conflicts of interest in 2020. Furthermore, no contracts were concluded between Members of the Supervisory Board and RWE AG.

The memberships in other governance bodies held by members of the Executive Board and Supervisory Board are disclosed transparently in the presentation of the governance bodies in the → [RWE Annual Report 2020, page 226](#). RWE AG has no controlling shareholders. Transactions with related parties are included in financial reporting.

**GRI 102-26**  
**Role of highest governance body in setting purpose, values, and strategy**

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The Supervisory Board has created long-term incentives for sustainable corporate governance in which part of the variable compensation for the Executive Board has been linked to CR indicators, see → [Non-financial Report, page 3](#).



**GRI 102-29**  
**Identifying and managing economic, environmental, and social impacts**

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See → [GRI 102-31, page 21](#). For the section on climate risks, see → [GRI 201-2, page 37](#).



**GRI 102-30**  
**Effectiveness of risk management processes**

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The Executive Board of RWE AG holds the principal responsibility for the risk management system. The board monitors and manages the overall risk of the Group. The responsibility for applying and developing the risk management system is at the level below the Executive Board with Controlling & Risk Management of RWE AG. This department regularly reports to the Executive Board and the Supervisory Board of RWE AG on the risk position of the Group.



For the section on climate risks, see → [GRI 201-2, page 37](#).

The Internal Audit Department regularly reviews the quality and the functional capability of the risk management system.

**GRI 102-31**  
**Review of economic, environmental, and social topics**

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The Executive Board of RWE AG is informed immediately if there are any significant changes to the risk situation. The management and supervisory bodies are informed about the risk situation as part of regular reporting at least on a half-yearly basis.

The entrepreneurial actions of RWE are defined by integrity and compliance with the law. The RWE Code of Conduct defines the corresponding targets and principles for this, and forms the basis for the corporate culture. The particular focus of the Compliance Management System is on identification of potential, structural risks of corruption, see → [Non-financial Report, page 8](#). In addition, issues relating to prevention of money laundering and terrorist financing, and compliance with export legislation/export control are also focuses of compliance at RWE. The Chief Compliance Officer reports at regular intervals to the Executive Board of RWE AG and to the Audit Committee of the Supervisory Board of RWE AG on compliance-relevant issues. In principle, these include all the topic areas of the Code of Conduct and the Chief Compliance Officer provides consolidated information about this. Furthermore, every manager with disciplinary responsibility for personnel has to submit an annual report on implementation of the Code of Conduct within their area of responsibility.



Occupational health and safety is a top priority at RWE. The health and safety of our employees and subcontractors is an especially important issue for us. We want to ensure that every employee is healthy and remains so. Occupational safety management systems were set up for this purpose and these

 undergo continuous development, see → [Non-financial Report, page 16](#).

As a company, we have high aspirations in relation to all matters relating to our employees and we comply with all the statutory laws and regulations applicable in the individual countries where we are operating. In some cases, we even go beyond the statutory requirements for the benefit of our employees. In order to protect the most important rights of our

 employees, we adopted the → [RWE Social Charter](#) in collaboration with the European Works Council as early as 2010. In order to protect our employees, our service providers and business partners, the latter are also required to recognise the Code of Conduct and therefore to make a commitment to compliance with the principles of the United Nations Global Compact. Our managers, the Compliance Department, Human Resources Management and Procurement, along with our co-determination procedures monitor compliance with these requirements. Management information systems provide our managers with appropriate assistance in this respect.

**GRI 102-32**   
**Highest governance body's role in sustainability reporting**

The Sustainability Report was checked and approved by the Executive Board of RWE AG.

**GRI 102-35 Remuneration policies**

The performance-related remuneration for the Executive Board is taken into account by weighting the company bonuses with an individual performance factor. This depends on the achievement of (1) individual targets, (2) general collective

Variable remuneration for the Executive Board linked also to CR targets

The RWE Social Charter covers 94.5% of RWE employees

targets and (3) collective targets in the area of Corporate Responsibility (CR) and employee motivation. Success in the sphere of CR depends on the attainment of environmental and social targets and is documented in sustainability reporting.

 More information on the compensation policy and criteria for the Executive Board, including disclosures on components of the compensation package, is included in the remuneration report published in the → [RWE Annual Report 2020, page 82](#).

**Stakeholder Engagement**

**GRI 102-40 List of stakeholder groups**

 Our company regularly engages in different means of communication with investors, analysts, customers, academics, policymakers, representatives of environmental organisations, local government agencies, neighbours around our locations and other citizens. We also seek contact with players who are otherwise involved in issues relating to the energy industry, as well as the corporate activities of RWE and its impacts on society as a whole, see → [GRI 102-44, page 23](#).

**GRI 102-41 Collective bargaining agreements**

94.5% of the employees at RWE work in Europe and are represented by the European Works Council. The RWE Social Charter covers 94.5% of our employees. 27.1% are non-payscale employees and 62.0%ayscale employees in the RWE Group.

### **GRI 102-42 Identifying and selecting stakeholders**

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Our stakeholders include all the people and organisations we have relationships with and engage in dialogue with. We also regard individuals and entities who seek communication with us, or who are interested in our company, as stakeholders. There is no prior selection process. In order to identify the various aspirations and take account of them in our corporate policy, we are in continuous dialogue with our stakeholders. Expectations that stakeholders have of RWE are nuanced and defined by their attitude towards energy, climate change and other concerns relevant for the company, and the extent to which these stakeholders are affected by all those issues.

### **GRI 102-43 Approach to stakeholder engagement**

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Dialogue with the different stakeholders is important to us – starting with policymakers, continuing through associations and employees, and including environmental and consumer organisations. With this end in mind, we are continuously engaging in discussions in the public domain, monitoring the positions of our stakeholders in relation to all sustainability issues and making good use of opportunities to exchange views with them. This communication gives us valuable ideas for the orientation of our corporate activities. Especially against the background of the new direction being taken by RWE, it is particularly important for us to discuss expectations and projections about the future of energy supply with external stakeholders. At the same time, this dialogue provides us with the opportunity to showcase our company decisions, and convey them and our underlying motivation more effectively.

The dialogue takes place at different levels. This empowers us to pursue a transparent information policy in relation to the company's activities at local level and engage with neighbouring residents and citizens' initiatives, local authorities and regional initiatives. These conversations might relate to, for example, construction measures and approval proceedings. We are very pleased to receive ideas and constructive proposals on these matters. At national level, we engage in discussions with our stakeholders on the following issues in particular: the "new" RWE, our contribution to the energy transition and climate protection, the future of the energy market, the potential of hydrogen for the energy transition, current and pending legislative and regulatory procedures, sustainability in international supply relationships and a responsible approach to our customers and the environment.

### **GRI 102-44**

#### **Key topics and concerns raised**

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In 2020 as in the previous year, the dominant issue in the context of the dialogue with stakeholders continued to be the contributions that the energy industry can make to achieving the national and international climate protection targets. We engaged in an intensive dialogue at all levels on this issue with a large number of representatives from the political sphere, business, unions, civil society and the general public.

Particularly in the area of onshore wind, dialogue with local stakeholders is absolutely critical for ensuring local acceptance of our projects. The focus here is on the potential impacts on people, nature and the landscape. We integrate neighbouring residents, anyone affected and other stakeholder groups into our planning processes in order to provide information about

our projects and to take account of all expectations as far as we possibly can. Also in 2020, we managed – in spite of the COVID-19 pandemic – to engage in dialogue with citizens and stakeholders about our renewable energy projects. This communication also took place on a personal level – and in compliance with social distancing rules and out in the open air. This enabled us to address questions asked by citizens and engage directly with ideas put forward. In another case, we used a flyer to contact all the houses located in a community associated with one of our sites in order to offer neighbouring residents the opportunity to obtain information, make contact and engage in dialogue even during a pandemic.

An intensive and constructive dialogue with stakeholders is also particularly important when developing new business areas. In 2020, the focus was on hydrogen as an energy source. For example, RWE is pursuing the aim of creating a hydrogen infrastructure throughout Germany in the initiative "GetH2", see → [Infobox, page 24](#). Furthermore, RWE Renewables succeeded in uniting different players along the value chains offshore wind and hydrogen on the Island of Helgoland in the initiative "AquaVentus". The combined vision is to set up electrolysis plants in the North Sea with a total volume of 10 GW by 2035. This will enable up to 1 million metric tons of green hydrogen to be generated. The project will make a significant contribution to the German and European hydrogen strategy and hence to achievement of the climate targets. Companies of varying size, public agencies and numerous research institutes are cooperating on the implementation of this ambitious master plan.

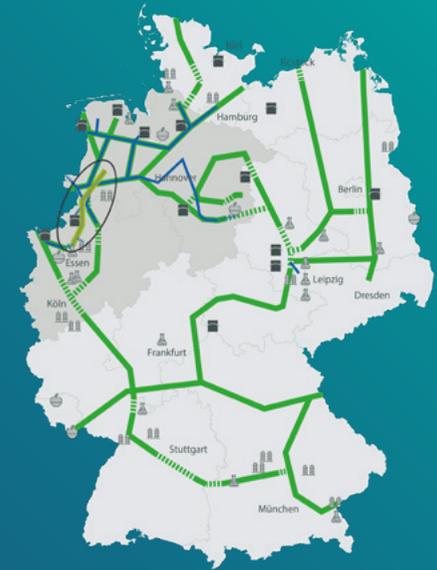


By the year 2035, up to 1 million metric tons of green hydrogen can be generated

GET H2 Nukleus

### Hydrogen as a contribution to a future with lower CO<sub>2</sub> levels

Hydrogen is an important building block of the future for a successful energy transition. This approach involves electricity generated from renewable energy being converted into hydrogen and then distributed along existing gas pipelines converted to H<sub>2</sub>. RWE Generation is a member of the initiative "GET H2" and it is working together with other partners on a dedicated nationwide hydrogen infrastructure throughout Germany along the entire value chain. The implementation of a 135 km section from Lingen to Gelsenkirchen is planned as the first segment in the project "GET H2 Nukleus". The aim is to make a significant contribution to a lower CO<sub>2</sub> future with a publicly accessible hydrogen network by 2024.



Source: FNB Gas (association of German transmission system operators). The map shows the "visionary H2 grid" and the status of discussion of the current grid development plan under discussion.

- Potential cavern storage
- Refinery
- Steel industry
- Chemicals
- Potential new-build areas for H<sub>2</sub> lines
- H<sub>2</sub> lines after potential conversion of existing natural gas pipework

<https://www.rwe.com/en/our-portfolio/innovation-and-technology/hydrogen/hydrogen-project-get-h2/>

In 2020, on the one hand, the focus in Germany was on implementation of the consensus recommendations made by the “Growth, Structural Change and Employment Commission” set up by the Federal Government and published in January,  see → [Non-financial Report, page 12](#). On the other hand, intensive communication also took place on the expansion and the further progression of renewable energy, as well as the role of hydrogen for the energy transition and on the corresponding shaping of policymaking at government level.

There was also dialogue in local and regional forums on issues relating to the energy transition, climate protection and the exit from coal. For example, in the Rhineland Mining Region, there was interaction at the level of local authorities. Other key issues related to security of supply, the outlook for a hydrogen economy, job security and perspectives for the future at the locations.

Hybrid public events were held in conjunction with developing the new guideline ruling by the State of North Rhine-Westphalia for the Rhineland Lignite Mining Region – with strictly applied measures in place at the time to combat the coronavirus. At these events, RWE engaged in dialogue with stakeholders dealing with state policy and regional players. These events could also be followed online.

In 2020, we also continued to cooperate with the Future Agency Rhineland Mining Region (Zukunftagentur Rheinisches Revier), which is responsible for implementing structural change in the lignite-producing region. RWE also supports the initiatives in the sphere of opencast mining (the Indeland development company, the Special Purpose Association Zweckverband Landfolge Garzweiler, SEG Hambach). The

dialogue format “Future Forum Paffendorf (“ZukunftFORUM Paffendorf”) was continued for purposes of shaping the region in future.

The Federal Government also adopted the Structural Development Act (Strukturstärkungsgesetz) as part of implementing the recommendations of the Growth, Structural Change and Employment Commission. This includes funding opportunities for the regions affected by the exit from coal in order to support the structural change. The Future Agency Rhineland Mining Region (Zukunftagentur Rheinisches Revier) established regional hubs so that these funds could be deployed in a targeted approach. An economic and structural development programme was instituted and published in December 2019. It focuses on the topics of “Space”, “Infrastructure & Mobility”, “Energy”, “Industry”, “Innovation & Education” and “Agrobusiness & Resources” in the six regional hubs. In 2020, this initial draft was discussed by various specialist committees and with the citizens living in the Rhineland Mining Region in a broadly based public participation process. RWE supported this process.

In 2020, we continued with our transparency initiatives at our nuclear power plants. These events are used to inform policymakers, representatives from the community and the media about operations at the locations. The objective of these is to create even more transparency in the future for providing information about licensing procedures currently under way to various regional special-interest groups through dialogue opportunities directed towards different target groups. Openness in relation to planning for decommissioning and the process involved is also part of this approach.

We are also in regular dialogue with our suppliers. We hold an annual suppliers' conference as a forum for discussion focusing on current market developments and ideas. The event was cancelled in 2020 owing to the COVID-19 pandemic.

We continue to hold regular events at European and German level, for example our parliamentary evenings – "RWE Talks" – in Berlin and Brussels. During the reporting year, these occasions took place as virtual events on account of the pandemic situation. Members of the Executive Board and Managing Directors reported in this forum on the latest developments in the energy industry and held discussions with a wide range of different special-interest groups including government, civil society, business and academia. The discussion topics included sustainable finance and the future investment framework for offshore wind energy.

Over the course of 2020, representatives from RWE in the United Kingdom engaged in a dialogue on a variety of issues relating to energy and environmental policy with the regulatory authorities and policymakers. The focus of these discussions with the Department for Business, Energy and Industrial Strategy (BEIS) was on further expansion of renewable energy. There were also discussions on various other subjects including Brexit, its shape and the potential impacts on the energy industry, and the future of CO<sub>2</sub> pricing, as well as on facilitation for a British hydrogen economy.

Likewise, RWE was in regular contact with a large number of regional and national stakeholders in the Netherlands. These included parliamentarians, policymakers, NGOs and academics. In particular, we contributed to the discussion about the ongoing climate protection policy directed towards

achieving the climate goals for 2030 and 2050. Following on from last year, we also participated in conversations about compliance with the climate agreement that was signed in 2019. Furthermore, we engaged in discussion relating to the extent to which biomass can contribute to the reduction of greenhouse gas emissions and which sustainability requirements should be fulfilled for biomass. These discussions were held with various stakeholders, including policymakers and NGOs. Working together with project partners, we set up a new platform, Biomassafeiten.nl, with the aim of transparently presenting facts and current developments relating to biomass.

Hydrogen is currently a key topic in the Netherlands. RWE is engaging proactively on potential future promotional measures with a variety of stakeholders.

At regional level in the Netherlands, the focus is on regional energy strategies (RES'en). A total of 30 regions are developing their own strategy for the energy transition in order to reduce CO<sub>2</sub>, generate more electricity from renewable energy and make preparations for natural-gas exit. Since these strategies are relevant for the position of our power plants and for the expansion of our wind and solar portfolios, we are directly involved with a number of RES'en initiatives and we have been analysing the ongoing development of other strategies.

### **In dialogue with customers**

We want our customers to remain loyal, to be interested in new products and to recommend our company to other people. We work together with our customers as partners to create individual solutions. Our usual high level of product quality, fast

and streamlined processes, competitive prices, and a clear customer-centric focus in particular continue to remain our key objectives in this relationship.

Alongside regular individual discussions and exhibitions, we generally hold customer events every year. The “Energy Dialogue” is held in Germany and the language is German. The “Energy Talks” take place in the Netherlands/Belgium and they are conducted in English. The exchange with our customers extends from the strategy of RWE Supply & Trading, through topics relating to innovation such as “Green Power Purchase Agreements” to market analyses. Owing to the restrictions imposed as a result of COVID-19, we replaced these by introducing the online format “RWE Digi:talk” in 2020. This allows us to match the exchange with our customers to the new conditions. In addition, we have continued to receive a great deal of constructive feedback from customers. We have been able to derive concrete proposals for improvement and new ideas from this communication. We are continuing to evaluate these and put them into practice, for example customer-oriented advanced development of green electricity contracts and expanded functionality of the online customer portal, as well as expansion of online activities.

We are in regular and intensive communication with our customers

### Development of renewable energy projects

During the development phase for each of our projects in the area of renewable energy, we carefully investigate the potential impacts on the environment and on wildlife. We then adopt a proactive approach to any issues, partly in cooperation with other companies and nature conservation organisations. We want to ensure that our projects are as environmentally friendly as possible and protect biological diversity.

## Reporting Practice

### GRI 102-45 Entities included in the consolidated financial statements

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See list in the → [RWE Annual Report 2020, page 192](#), and → [About the report, page 1](#).

### GRI 102-46

#### Defining report content and topic Boundaries

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We take into account the relevant issues that we have determined and evaluated in a Materiality Analysis for the management of sustainability aspects and for reporting. This approach corresponds to the current GRI Standards of the Global Reporting Initiative (GRI) which form the basis for this report.

Orientation to GRI

So as to determine the material topics for sustainable corporate governance at RWE, we have focused on the topics that are particularly relevant for our external and internal stakeholders. Our approach involved conducting a Materiality Analysis through interviews with 20 external and internal stakeholders who make a tangible contribution to our sustainability management.

We used a standardised questionnaire to survey the stakeholders and collect information about aspects relating to environment concerns, employee concerns and social concerns, respect for human rights and combatting corruption/bribery. Upfront, we allocated a total of 20 topics to these five aspects, which were derived from the known set of expectations relating to our company, from the GRI Standards

and from last year's Sustainability Report. Our deliberations covered their individual importance for our business, the expectations of our stakeholders and the associated impacts. We allocated additional sub-topics to all the topics so as to achieve maximally comprehensive coverage of all the relevant issues. The stakeholders were able to supplement these. A distinction was also drawn by the stakeholders between topics where the biggest potential for change lies within the company itself and topics that primarily affected our supply chain or our business relationships, see → [GRI 102-47, page 28](#).



### **GRI 102-47 List of material topics**

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In preparation for drawing up the Sustainability Report, an analysis of material topics is carried out for the RWE Group every year. This includes holding a survey of selected stakeholders. This survey was held in October 2020. The relevant individual topics identified in this Materiality Analysis determine the reporting scope of this Sustainability Report. Other key aspects encompassed within our reporting are presented in the → [Non-financial Report, section "Aspects", page 3](#).



The topics below present the results of our Materiality Analysis carried out in 2020, as described in → [GRI 102-46, page 27](#). The topics identified in the Materiality Analysis and presented in the table below shape the scope of reporting in this Sustainability Report. We draw a distinction in the presentation of the analysis between the value-chain phases in which the key impacts of the topic are generated. As far as possible, RWE would also like to positively influence activities in the upstream and downstream stages of our value chain, even if these take place outside our company. However, we are only able to



directly manage those impacts that are caused within our company.

**Overview of the material aspects and where their impacts are caused:**

Material topics	Corresponding GRI topics	Upstream value phase	RWE	Consumption phase/ Downstream value generation phase
<b>Environmental Concerns</b>				
<b>Biodiversity</b>				
Quality of recultivation	GRI 304 – Biodiversity		■	
Impact of renewable energy on areas with a high biodiversity value	GRI 304 – Biodiversity		■	
<b>Climate Protection</b>				
Expansion of renewable energy	GRI 201 – Economic Performance GRI 305 – Emissions	■	■	■
CO <sub>2</sub> emissions in power plants	GRI 305 – Emissions GRI 417 – Marketing and Labelling	■	■	■
<b>Emissions (apart from greenhouse gases)</b>				
NOx, dust and mercury emissions from power plants	GRI 305 – Emissions		■	
<b>Energy Efficiency</b>				
New technical developments	Research and development Energy-efficient products and services GRI 302 – Energy	■	■	■
Reduction of own energy requirements	GRI 302 – Energy		■	

Material topics	Corresponding GRI topics	Upstream value phase	RWE	Consumption phase/ Downstream value generation phase
<b>Water</b>				
Lowering of the groundwater table by opencast mining	GRI 303 – Water and Effluents		■	
<b>Materials</b>				
Environmental standards in the supply chain	GRI 204 – Procurement Practices GRI 308 – Supplier Environmental Assessment	■	■	
Origin of hard coal	GRI 204 – Procurement Practices GRI 308 – Supplier Environmental Assessment	■	■	
<b>Waste</b>				
Nuclear energy Polluted sites Intermediate storage and final repository	GRI 306 – Effluents and Waste		■	■
<b>Environmental Management</b>				
Environmental Management System	GRI 307 – Environmental Compliance		■	
Safe operation of power plants and opencast mines	GRI 307 – Environmental Compliance		■	
<b>Shutdown and Decommissioning</b>				
Reinstatement of use for the land occupied by production	Shutdowns and decommissioning of power plants and reinstatement of use after mining operations		■	■
<b>Employee Concerns</b>				
<b>Occupational Health and Safety</b>				
Occupational accidents	GRI 403 – Occupational Health and Safety	■	■	
Safety of employees at subcontractors	GRI 403 – Occupational Health and Safety	■	■	■

Material topics	Corresponding GRI topics	Upstream value phase	RWE	Consumption phase/ Downstream value generation phase
<b>Labour Relations</b>				
Digitalisation and automation / New Way of Working (NWoW)	GRI 401 – Employment		■	
Job cuts and reorganisation	GRI 401 – Employment GRI 402 – Labour/Management Relations GRI 404 – Training and Education		■	
<b>Diversity</b>				
Avoidance of discrimination	GRI 405 – Diversity and Equal Opportunity		■	
Proportion of women in the workforce and management	GRI 404 – Training and Education GRI 405 – Diversity and Equal Opportunity		■	
<b>Social Concerns</b>				
<b>Catastrophe/Emergency Planning</b>				
Protection of infrastructure against cyber-attacks	Catastrophe/Emergency planning and response Security		■	
Security and protection of nuclear power plants	Catastrophe/Emergency planning and response		■	
<b>Economic Performance</b>				
Transaction and integration of renewable energy	GRI 201 – Economic Performance		■	
<b>Availability and Reliability</b>				
Expansion of renewable energy	GRI 201 – Economic Performance GRI 203 – Indirect Economic Impacts	■	■	■
Security of supply	Availability and Reliability		■	

Material topics	Corresponding GRI topics	Upstream value phase	RWE	Consumption phase/ Downstream value generation phase
<b>Research and Development</b>				
Hydrogen	GRI 201 – Economic Performance Research and Development	■	■	■
<b>Regional Relationships</b>				
Structural change	GRI 203 – Indirect Economic Impacts GRI 401 – Employment		■	
<b>Relationships with Politics</b>				
Transparency on the content of lobbying	GRI 415 – Public Policy		■	
<b>Respect for Human Rights</b>				
<b>Procurement, Supplier Selection and Assessment</b>				
Respect for human rights in the supply chain	GRI 204 – Procurement Practices GRI 414 – Supplier Social Assessment Human Rights	■		
<b>Anti-corruption and Combatting Bribery</b>				
<b>Anti-corruption, combatting bribery and granting and accepting advantages</b>				
Implementing and monitoring compliance with the Code of Conduct	GRI 205 – Anti-corruption		■	

### **GRI 102-48 Restatements of information**

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 The information for the RWE Group is shown separately in this report. For further information, see [→ GRI 102-6, page 8](#).

### **GRI 102-49 Changes in reporting**

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  For information on the changed reporting structure, see [→ GRI 102-6, page 8](#). For determination of material topics, see [→ GRI 102-46, page 27](#), and [→ GRI 102-47, page 28](#).

### **GRI 102-50 Reporting period**

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Fiscal year 2020: 1 January 2020 – 31 December 2020

### **GRI 102-51 Date of most recent report**

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April 2020

### **GRI 102-52 Reporting cycle**

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Annually

### **GRI 102-53 Contact point for questions regarding the report**

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### **GRI 102-54**

#### **Claims of reporting in accordance with the GRI Standards**

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This report has been prepared in accordance with the GRI Standards: Core option.

### **GRI 102-55 GRI content index**

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 The [→ GRI Content Index](#) is shown on page 108. We prepared the report in accordance with the GRI Standards (2016) in order to facilitate a comparison of our performance with that of other companies. We also report on in-depth material topics based on the GRI requirements for the electricity industry. These were formerly valid as the “G4 Electric Utilities Sector Disclosures” but they are no longer part of the GRI Standards. The values were not available to us with the necessary differentiation for a number of the disclosures derived from the GRI. We have provided a justification in each case and used disclosures which came closest to the requirements.

### **GRI 102-56 External assurance**

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The disclosures marked with  were subject to a limited assurance engagement performed by professional services firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The audit was implemented taking into account the International Standard on Assurance Engagements (ISAE) 3000 (Revised). For the [→ Independent Practitioner’s Assurance Engagement Report](#) see page 128.

GRI 201 to GRI 207-1

# Economic

- 35 GRI 201: Economic Performance
- 36 GRI 201-1: Direct economic value generated and distributed
- 37 GRI 201-2: Financial implications and other risks and opportunities due to climate change
- 40 GRI 201-4: Financial assistance received from government
- 40 GRI 203: Indirect Economic Impacts
- 42 GRI 203-2: Significant indirect economic impacts
- 43 GRI 204: Procurement Practices
- 45 GRI 204-1: Proportion of spending on local suppliers
- 46 GRI 205: Anti-corruption
- 46 GRI 205-1: Operations assessed for risks related to corruption
- 46 GRI 205-2: Communication and training about anti-corruption policies and procedures
- 46 GRI 207: Tax
- 48 GRI 207-1: Approach to tax
- 48 Availability and reliability
- 51 Energy-efficient products and services
- 52 Research and development
- 54 Shutdown and decommissioning of power plants and reinstatement of opencast mines

## Research and development



>200

R&D projects



€ 20 million

R&D spending



390

employees worked full-time or part-time



>900

patents and patent applications



€ 3,056 million

total value added by the Group

No

reported sanctions in environmental and compliance matters

# Material topics

## Economic



### GRI 201 Economic Performance

#### GRI 103



#### Management approach (including 103-1, 103-2, 103-3)



#### Challenges

The change in energy systems in Europe also entails a change in our market environment and the demands placed on the RWE Group by society. We are committed to solving this challenge. The development of the electricity market in Germany largely depends on the expansion and increased feed-in of renewable energy. This means that the RWE Group needs to invest in wind power, photovoltaics and storage technologies, entry into the production of green hydrogen and gradual winding down of coal-fired electricity generation. The enablers for complete electricity generation from renewable energy are already in place with fast-paced growth for renewable energy, particularly in wind power and photovoltaics, and powerful storage facilities. Hydrogen will also be an important building block. We perceive growing importance for the energy source gas in the area of conventional electricity generation.

The general economic development and other factors influence earnings performance. Notwithstanding the situation with COVID-19, 2020 was a successful fiscal year for RWE. Furthermore, very good performance for energy trading and high-capacity utilisation for our wind farms on the back of

favourable weather conditions were the main factors driving the results.

The speed of change continues to gather pace. The markets we are operating in demand that we undergo continual change and develop in order to be successful. If we are to meet future requirements, it is important to address the ongoing challenges with creative, motivated and competent employees.

#### Organisation and management

RWE is one of the biggest European energy utilities and will succeed in operating competitively in the marketplace. We want to grow in the area of sustainable electricity generation. As a consequence, we have revised our strategy and now generate around 20% of our electricity from renewable energy. As a utility providing security of supply, we deliver secure and affordable energy for economies, companies and most importantly for people with the clearly defined objective of sustainable electricity generation.

Furthermore, RWE Technology International (RWE TI) is our specialist company, focusing on project management and engineering services see [→ Energy Efficient Products and Services, page 51](#).



A key competitive advantage relates to mastering the transformation quickly

A key competitive advantage is mastering the transition quickly. RWE is supporting the required and necessary internal processes of change with various transformation programmes. These are coordinated and driven forward by the Corporate Transformation Department, which reports directly to the Chief Executive Officer. As necessary, the Corporate Transformation Department works together with managers and employees on

issues that they want to improve or develop further. At the same time, the department acts as a motivator for creating a high-performing RWE.

Our central focus is on anchoring the transformation project within the organisation. Achieving this successfully entails analysing the aspects of strategy, structure and culture. However, our overriding aim is to treat the people who are implementing the transformation and the organisation as a social system. The success of transformation projects stands or falls with the willingness of our employees to support and contribute to the process. The Executive Board and the managers operate as role models by proactively supporting and exemplifying the transformation. We support and firmly establish structural and cultural changes and thereby empower an important roll-out of our company's strategy.

### Measures and performance measurement

In 2020, we shut down further power plants in order to adapt our power plant portfolio to the market conditions, see

 → [Shutdown and decommissioning of power plants and reinstatement of opencast mines, page 54](#). We report on the corresponding fall in CO<sub>2</sub> emissions in the  → [Non-financial Report, page 10](#).

A large proportion of the value added generated by us flows back into the regions where we are operating, for example in the form of tax, deductions or salaries. We thereby make a contribution to regional development. Our value-added statement provides a transparent presentation of how profits

 are distributed, see  → [GRI 201-1, page 36](#).

### GRI 201-1

#### Direct economic value generated and distributed

Distribution of value added by the Group in € million	Total 2020	Total 2019
Total	3,056	11,774
to employees (wages, salaries, social security contributions)	2,365	2,526
to the government (taxes and deductions) <sup>1</sup>	-363	92
Earnings shares of hybrid capital lenders of RWE AG	-	15
Earnings share to other shareholders	59	643
Net income / earnings shares of the shareholders of RWE <sup>2</sup>	995	8,498

1 Only the taxes paid are included, not tax expenses.

2 Dividend proposal of RWE AG for the fiscal year 2020, subject to the adoption of the resolution by the Annual General Meeting 2021. Net earnings from extraordinary effects in 2020 lower than in 2019, see the  → [Annual Report 2020, page 55](#).

Regional engagement by the Group in € million	Total 2020	Total 2019
Donations <sup>1</sup>	1.08	0.8
Sponsorship <sup>1</sup>	0.67	1.95
Volunteering <sup>2</sup>	0.04	0.95

1 Disclosures for 2019 for RWE not including the renewable energy business (rounded).

2 Disclosures for 2019 up to 18 September 2019 including the activities of innogy SE.

## GRI 201-2

### Financial implications and other risks and opportunities due to climate change

Climate protection continues to be at the centre of energy policy and it is therefore the principal driver for RWE. The key factor is the ongoing expansion of renewable energy. The issue of climate change offers RWE huge opportunities and therefore creates a favourable environment for the global growth of renewable energy. As a result of our swap transaction with E.ON, we are well positioned to be more profitable and more crisis resistant with a high proportion of renewable energy. At the same time, our conventional power plant portfolio will continue to guarantee security of electricity supply with advanced and flexible power plants to compensate for the fluctuating feed-in of renewable energy. Furthermore, we will be reviewing many other options for safeguarding security of supply as the proportion of renewable energy continues to grow, e.g. storage or different Power-to-X technologies. Aside from dedicated trading operations, our trading subsidiary RWE Supply & Trading offers appropriate services for major industrial customers. In addition to pure energy supplies, the company

also makes specialist commercial service offerings, such as optimisation and enhanced flexibility for portfolios and plants. Alongside the service packages outlined above, RWE Supply & Trading also markets the electricity produced by these power plants, see → [Energy-efficient products and services, page 51.](#)

### Impacts associated with risk or opportunity

RWE is committed to the Paris Climate Agreement and to the climate protection targets that lawmakers define in our markets. We also support expansion of renewable energy and improvement of energy efficiency at European level and at the level of the member states, see → [Non-financial Report, page 10.](#) Furthermore, we are addressing the enormous challenges that these objectives present for us in terms of competitiveness, innovative power and financial strength.

### Taskforce on Climate-related Financial Disclosures (TCFD): identifying and managing climate-related risks and opportunities

In mid-2017, the Task Force on Climate-related Financial Disclosures (TCFD) set up by the G20 Financial Stability Board published recommendations relating to the type and scope of future reporting on climate risks, particularly those resulting from the emission of greenhouse gases. We are already following parts of these recommendations in reporting standards and ratings we participate in. In 2018, we already started with the implementation of recommendations at RWE by carrying out an analysis of the existing reporting processes. This review revealed that the internal processes in the TCFD mainstays of Governance, Strategy and Risk Management already meet the TCFD recommendations. In 2019, we

adopted the TCFD regulations in already established processes and tested them. For the current reporting year 2020, we are formally applying the TCFD regulations for the first time in our external reporting.

So as to provide a better overview and transparent reporting, we refer in individual TCFD mainstays – apart from our information in the CDP Climate Survey – to the following reports:

TCFD mainstay	Goals in accordance with the TCFD mainstay	Additional information
Governance	Robust corporate governance for managing climate-relevant risks and opportunities	See Environmental Compliance in the → <a href="#">Non-Financial Report, page 14</a>
Strategy	Clearly-defined corporate strategy that takes account of climate-relevant risks and opportunities	See → <a href="#">section 2.1 Strategy in the combined review of operations in the RWE Annual Report 2020, page 22</a> See Business Model in the → <a href="#">Non-financial Report, page 2</a>
Risk management	Robust risk management for identifying and evaluating climate-relevant risks and opportunities	See → <a href="#">section 2.9 Development of Risks and Opportunities in the combined review of operations in the RWE Annual Report 2020, page 69</a> See Environmental Compliance in the → <a href="#">Non-financial Report, page 14</a>
Figures and goals	Linking business strategy and targets with climate-relevant risks and opportunities	See → <a href="#">section 2.1 Strategy in the combined review of operations of the RWE Annual Report 2020, page 22</a> See Business Model in the → <a href="#">Non-financial Report, page 2</a> and Environmental Concerns in the → <a href="#">Non-financial Report, page 10</a> See Sustainability Report, → <a href="#">GRI 305 including GRI 305-1 to 305-7, page 71</a> → <a href="#">RWE emissions inventory</a>



Climate risks have been recorded and evaluated as part of risk management for many years, see → [section 2.9 Development of Risks and Opportunities in the combined review of operations in the RWE Annual Report 2020, page 69](#). An evaluation of climate-relevant risks and opportunities has also been introduced in addition to the existing risk categories in the current risk management. This is intended to guarantee efficient identification of the climate risks in conformity with the TCFD regulations.

Primarily regulatory risks in relation to conventional electricity generation were identified in this analysis as potential climate risks. For example, this might be requirements that extend beyond the current coal shutdowns established in statutory legislation. There are also unknowns in the case of renewable energy business. For example, amendments to government subsidy systems can lead to the recoverable payments being reduced and render new projects no longer attractive. However, a climate opportunity can be derived from any risk by improving the framework conditions, for example the demand for renewable electricity increases or payments increase. All the climate risks highlighted here are included in our risk report. As a result of our transformation to a leading supplier of electricity from renewable energy, the risk situation of the RWE Group has continuously improved overall during recent years, see → [section Development of Risks and Opportunities in the combined review of operations in the RWE Annual Report 2020, page 69](#).



When evaluating strategic opportunities, we were able to identify two relevant openings for RWE. On the one hand, this represents a potential acceleration of so-called sector coupling, i.e. electrification in the areas of buildings and

transport. An opportunity for RWE would be presented in association with this development if the demand for renewable electricity were to rise. On the other hand, another option is presented in the rising requirement for storage technologies and the increased use of renewable energy in hydrogen opportunities. These chances highlight the fact that at RWE we have a strong and crisis-resistant mainstay for income with renewable energy business.

Climate protection and measures to enhance climate protection are key elements of our corporate strategy. The responsibility for environmental protection is situated with the CEO of RWE AG. As part of integrated compliance reporting, the Chief Compliance Officer reports climate risks and opportunities in accordance with the TCFD recommendations to the Executive Board. Reporting is carried out on a quarterly basis so as to be able to launch continuous, systematic improvements.

RWE is targeting the next optimisation as continuing to improve existing processes still further and establishing a systematic scenario analysis in conformity with the TCFD recommendations. We will address these areas for action in the business year 2021 so as to comply with all the recommendations of the TCFD.

**Financial consequences of the risk or opportunity before action is taken**



We have already carried out a large number of measures to make our processes even more efficient, our organisation even more robust and our corporate culture more performance-oriented and flexible, see → [GRI 201, page 35](#). Financial risks

associated, for example, with general climate protection policy and emissions trading in particular are reflected in our risk management. We reduce these risks in the case of emissions trading by concluding appropriate hedging transactions, see [→ Non-financial Report, page 13.](#)

Potential future deviations and a higher level of volatility in climate and weather conditions could exert a negative impact on the operation and income generated by our assets from renewable sources because the service life of the plants extends over a number of decades. We need to take these risks into account in our decisions on capital expenditure and mitigate them by diversification of our portfolio through technology and geographical location.

The Executive Board of RWE AG monitors and manages the overall risk of the Group companies. These include financial risks and opportunities associated with climate change in the control processes. This also includes the review of further options for risk mitigation, for example through portfolio adjustments. However, the quantified results are not disclosed for competitive reasons.

**GRI 201-4**  
**Financial assistance received from government**

RWE does not receive any financial grants or subsidies from the government for its operating business. Furthermore, we finance all capital expenditure from our own resources. However, we receive financial assistance from government agencies for projects in research and development (R&D) activities, for example a grant from the EU to finance a test site for high-altitude wind turbines in Ireland. Another example is

20 million euros of expenditure on R&D in 2020

the ALIGN-CCUS project financed by the Federal Ministry of Economics and Technology (BMWi) and the EU, see [→ Research and development, page 52.](#)

The EU Transparency Register is one of the sources providing information on R&D projects with EU subsidies. For example, RWE received state subsidies in the Netherlands to finance biomass upgrades for power plants and the operation of these power plants, and in the United Kingdom for a British wind power project.

We also receive agricultural subsidies from the EU for operational areas used for agriculture. These subsidies are for interim agricultural use in the course of reinstating former opencast mining sites and they last for a limited period of time. In 2020, these subsidies amounted to around € 387,000.

The state does not hold any shares in RWE. As a result of regulatory changes in the energy sector, RWE should receive compensation payments based on the gradual shutdown of coal-fired electricity generation and accelerated exit from nuclear energy.



**GRI 203 Indirect Economic Impacts**

**GRI 103**   
**Management approach (including 103-1, 103-2, 103-3)**

**Challenges**

We can only succeed over the long term if we ensure society's acceptance by embracing our corporate responsibility. As an economic player, RWE exerts a significant influence on the

economy and society. We want to be a highly credible partner for the energy transition and our aim is to enhance trust in our company both within our regional and local environment, and in society as a whole. As the RWE Group, we feel committed to social responsibility. By securing the cost-effective supply of electricity and gas at all times, RWE makes an important contribution to the regional economy. The provision of jobs and allocation of orders to local companies constitute additional important contributions to local businesses. We promote community developments through initiatives in social, environmental and cultural spheres, with support for volunteering engagement by RWE employees and through financial assistance.

The energy transition is associated with shifts in energy generation that will lead to rapid expansion of renewable energy but will also result in the shutdown of conventional plants. We are participating in shaping the structural change so that the transformation can be organised in so as to be maximally smooth-running for the affected regions, our employees and indeed for us. Some of the recultivation areas are ideal for the expansion of renewable energy. Three RWE wind farms are already located there. However, we also have a social commitment in areas where we are driving forward the expansion of renewable energy. In 2020, RWE completed wind farms and solar plants with total output of more than 800 MW.

### Organisation, management and performance measurement

#### Allocation of resources in compliance with rules

We want to use the resources available to us effectively and in conformity with our compliance objectives. We have defined

rules for the allocation of resources in our Guideline on Donations, Sponsorship and Memberships which applies throughout the Group.

Promotional gifts and resources that are relevant in accordance with our guidelines are documented in each case in a register. These include gifts and resources provided to holders of public office and governance mandates, donations and sponsorship measures and memberships, and consultancy and intermediary contracts relevant to compliance for the RWE Group. For information on donations, sponsorship and memberships see → [GRI 201-1, page 36](#).

#### Promotion of volunteering engagement by our employees

See → [GRI 203-2, page 42](#).

#### Promotion of education on energy and engineering issues

RWE wants to use the energy blog at [www.en-former.com](http://www.en-former.com) to provide interested stakeholders with as much information as possible on current issues in the energy industry. The intention is also to report on topics that extend far beyond the activities of the company itself.

#### Support for local communities

As a company with an enhanced focus on renewable energy, we are committed to supporting the local communities where wind turbines are located. We believe it is our part of our mission to provide people outside our company with concrete assistance. Our support goes to local initiatives and people by

providing them with funds and we can also give concrete help to local communities.

RWE Renewables has a number of active Community Benefit Funds for our onshore and offshore projects in the United Kingdom. Although these funds are voluntary, we unreservedly support their role within small rural communities. The local community has access to up to 11 million pounds in one of our biggest community funds, the fund for the Brechfa Forrest West Wind Farm, for the entire duration of the project. Already in the first two years, 86 projects received support. The projects are very variable and comprise, for example, support for a local lunch club, the repair and modernisation of a community art gallery that had sustained storm damage, and the acquisition of an electric car for organising local community transport. In the USA, we also play a proactive role in communities where our projects are located and sponsor a lot of school and community-based events.

### Supporting structural change in areas with opencast mining

Targeted measures can also make a contribution to a broad spectrum of jobs and training places in other companies located in areas around opencast mines. These developments will contribute to safeguarding the future in the region over the long term. The measures include the development of building land and industrial zones on former opencast-mining sites or the expansion of research and leisure facilities. We are therefore collaborating with the region to shape the transformational change by supporting initiatives which drive forward economic and structural development in the regions. These include the Future Agency Rhineland Mining Region and

RWE is shaping the structural change together with the region

joint ventures between local authorities, such as the Indeland Development Company, the Special Purpose Association Zweckverband Landfolge Garzweiler and the SEG Hambach. Our contribution ranges from providing specialist and financial assistance, through cooperation on master plans and individual projects, to research into sectors of the future.

RWE is involved in projects to safeguard the Weisweiler energy and industrial site, and its immediate surroundings. These measures include expansion of the Grachtweg joint local-authority industrial zone and the research project on use of deep geothermal heat at the Weisweiler location.

Together with municipalities and administrative districts, RWE has already made available a total of several million square metres of industrial land in the Rhineland Mining Region over recent years. Following subsequent capital expenditure, new jobs have been created here.

### GRI 203-2 Significant indirect economic impacts

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We promote volunteering by our employees and implement our community engagement under the umbrella of the Group-wide Volunteering Programme "RWE Aktiv vor Ort" – RWE Active on Site. In 2020, around 100 employees throughout the Group dedicated their time to providing assistance for more than 30 projects in the programme RWE Aktiv vor Ort – RWE Active on Site. The amount contributed to these projects totalled some € 40,000.

We also provide long-term support for local organisations in the area around our Czech gas-storage facility. This commitment was organised within the framework of the

“Companius” project launched by RWE and innogy in 2008. In future, it will also be bundled under the “RWE Aktiv vor Ort” – RWE Active on Site – programme. Since as early as 2008, external partners have been able to additionally receive subsidies for projects that benefit the regions and local communities located around our operating sites. The focus of the projects is on supporting young people and families with children. In 2020, subsidies amounting to some € 120,000 were granted.



### GRI 204 Procurement Practices

RWE is aware of its responsibility in relation to procurement of goods, services, plant components and energy sources. The procurement practices for the combustion fuels hard coal, biomass and uranium are described below. Owing to the important position of Central Group Procurement (for goods, services and plant components) and procurement of energy sources (particularly gas) – also in relation to upholding human rights in the supply chain – part of the compensation for the Executive Board is linked to performance in this area. The corresponding conceptual descriptions are a constituent element of the → [Non-financial Report, see page 4.](#)



### GRI 103 Management approach (including 103-1, 103-2, 103-3)



#### Challenges

Alongside fossil energy sources, RWE is increasingly focusing on biomass as a combustion fuel. One such fuel relates to wood pellets for use in dedicated biomass power plants. RWE also uses biomass as a substitute fuel for hard coal in co-firing

plants. Hard coal is also used as a combustion fuel in our conventional power plant portfolio. Environmental and socially ethical extraction and production methods for purchases of energy sources should also be guaranteed in this area.

#### Organisation and management

##### Promotion of standards in the hard-coal supply chain

When we purchase energy sources, we are particularly concerned about the production conditions of the hard coal imported for our power plants and their impacts on the local population.

In order to support sector-wide development of standards, RWE already joined forces with other large purchasers of hard coal to launch the Bettercoal Initiative in 2012. The objective of Bettercoal is to achieve continuous improvements in the conditions under which hard coal is produced and transported. To this end, Bettercoal has developed a number of measures including a standard for the production of coal recognised throughout the world, also using these advances as a basis for audits. The high aspirations of Bettercoal not only relate to environmental standards but also to social standards. They are expressed by the principles established in the Bettercoal Code. The aim of Bettercoal is to bring about significant improvements and to ensure compliance with standards in all the important production countries through cooperation with local producers.

RWE is a founding member of the Bettercoal Initiative

### Standards in the procurement of certified biomass

The procurement of biomass is carried out by our trading subsidiary RWE Supply & Trading. Owing to the increasing importance of biomass, the focus needs to be on particularly sustainable standards when this fuel is being procured. Appropriate rules and regulations are enshrined in the relevant national legislation and these must be documented in respect of the appropriate national registration agencies. In the Netherlands, these requirements have been established in law since January 2018. As a complement to this, RWE has further agreed more extensive, non-statutory requirements with environmental organisations. RWE also cooperated with other energy utilities to create the “Foundation Dutch Biomass Certification (DBC)” and provided it with a total endowment of € 3 million. The aims of the foundation include promotion of forest certifications in South America. In the United Kingdom, we also ensure that wood pellets are procured from a source in sustainably managed forests. Where the European Renewable Energy Directive (REDII) is stricter than the relevant national regulation, the directive must be implemented in national law no later than 1 July 2021.

The Sustainable Biomass Program (SBP) is an industrial standard promoting compliance with sustainability criteria along the entire supply chain for the wood pellets imported by us. Since its establishment, RWE has been involved in the SBP initiative. So far, the United Kingdom and Denmark have recognised the standard of the SBP certification system as being in conformity with the national sustainability criteria, along with the Netherlands. The biomass supplied by our trading company RWE Supply & Trading has SPB certificates or comparable certificates such as GGL and Forest Stewardship

Council (FSC®). These certificates prove that the pellets meet national sustainability standards. We are also Chain-of-Custody certified and pass on certificates. Furthermore, sustainability can be verified through a review carried out by an accredited certifying agency using the verification protocol applicable in the Netherlands. A large proportion of the solid biomass used by RWE Generation in future will continue to be made up of wood pellets. These are primarily sourced by RWE Supply & Trading from international sources. The remaining quantity may be local biomass from the Netherlands as part of the SDE+ Programme or a proportion of up to 15% may be another component such as waste, which does not require any certification. As far as the years 2018 and 2019 are concerned, the Dutch Minister for Business and Climate has provided the aforementioned annual conformity declarations with 100% approval. The result of these deliberations for the year 2020 still has to be delivered.

### Procurement / Sale of uranium

RWE has purchased uranium within the framework of long-term supply contracts with established international supply and trading companies for uranium. These companies produce the material in different regions of the world or source it as intermediate traders. Since the operation of our nuclear power plants is time-limited, uranium was last procured several years ago and probably no further procurement will be necessary. In the case of potential sales of uranium, RWE places the same demands on business partners for responsible business practices equivalent to its own standards.

## Measures and performance measurement

### Promotion of standards in the hard-coal supply chain

Bettercoal provides its member companies with information about hard-coal producers who have recognised Bettercoal.



The names of the producers and summaries of the assessments are published on the [→ Bettercoal website](#).

A self-assessment by the coal producers is complemented by regular Bettercoal audits carried out on-site by independent expert assessors. The audits result in binding improvement measures, in order to close the gaps identified in the audit compared with the Bettercoal Code. The implementation of results is monitored by experts. This process is repeated at regular intervals and that guarantees a continuous improvement process for environmental and social conditions. RWE plays an active role in all the committees of Bettercoal – from the Executive Board to the working groups specific for each country.

In the individual supply countries, Bettercoal pursues a country-based approach of integrating the majority of producers in the improvement process. Focus countries are currently Colombia and Russia. In 2018, additional working groups were set up for Colombia and Russia. The aims are to prepare for the audits, support implementation of potentials for improvement identified at the producers and communicate with all the relevant stakeholders. RWE's role included being part of a delegation that visited Russia in September 2019. Scheduled delegation visits to Russia and Colombia had to be postponed for the time being in 2020 owing to the coronavirus pandemic, instead virtual meetings took place with various stakeholders in both countries.

Furthermore, RWE representatives meet with representatives of coal producers and critical stakeholders in civil society – independently of Bettercoal and concrete supply relationships – in order to identify additional terms of reference for establishing an approach to positive development.

### Hard coal used by supply countries

	2020 Absolute quantity in metric tonnes	2020 Pro- por- tion in %	2019 Absolute quantity in metric tonnes	2019 Pro- por- tion in %
Germany	274,681	12.5	311,320	7.0
Russia	1,469,759	67.0	2,702,663	61.1
USA	170,375	7.8	1,023,745	23.1
Other	279,899	12.8	385,453	8.7

### Procurement of certified biomass



In 2020, all the biomass handled by our trading house RWE Supply & Trading was provided with Sustainable Biomass Programme (SBP) certificates or comparable certificates such as GGL, or FSC®, see [→ Organisation and management, page 41](#).

### GRI 204-1 Proportion of spending on local suppliers

In order to promote competition, all capital expenditure projects and procurement procedures are offered in tender documents with appropriately neutral formulations and placed internationally in the marketplace. By the same token, we favour regional allocation of orders if tenders are equivalent on

economic and qualitative levels with the objective of strengthening local suppliers. The cost-benefit analysis we carry out on our suppliers focuses particularly on criteria of sustainability and occupational safety, as well as energy efficiency and environmental standards.

For example, the proportion of local suppliers in the Rhineland Mining Region in the order volume for 2020 was approximately 27%. Every year, RWE awards orders amounting to approximately € 480 million to companies in this region.

Orders worth € 480 million were commissioned regionally by RWE in 2020



### GRI 205 Anti-corruption



#### GRI 103 Management approach (including 103-1, 103-2, 103-3)

Integrity and compliance with the law are fundamental principles defining the entrepreneurial actions of RWE. This basic understanding guides all the activities of the RWE Group. Owing to the importance of this approach, combatting corruption is linked to the remuneration for the Executive Board and is described in the → [Non-financial Report, see page 3](#).



#### GRI 205-1 Operations assessed for risks related to corruption

For information on the approach adopted in risk reviews, see → [Non-financial Report, page 8](#).



#### GRI 205-2 Communication and training about anti-corruption policies and procedures



For information on communication and training related to the topic of combatting corruption, see → [Non-financial Report, page 9](#).

#### GRI 207 Tax

#### GRI 103 Management approach (including 103-1, 103-2, 103-3)

#### Challenges



Compliance is a top priority at RWE. We believe it is very important to comply with statutory legislation and regulations in our company, see → [Non-financial Report, page 8](#). As an energy utility operating on the international stage, we have to comply with a wide range of national jurisdictions and regulations governing tax law. RWE therefore pursues a policy of Tax Compliance in all legal fields of tax law that have been identified as relevant. These include for RWE the forms of taxation relating to turnover, energy, wage, corporation and trade tax. Violations of applicable tax law, such as tax evasion or facilitating tax evasion, pose a risk to key success factors for business operations. A credible commitment to compliance with binding legal standards and rules is absolutely essential for expanding our market position.

## Organisation and management

Within the framework of the RWE Code of Conduct and the RWE Tax Policy, the Executive Board of RWE AG and the Executive Managements of the companies of the RWE Group have made a commitment to comply with the Tax Compliance requirements. In addition, the Tax Policy of RWE in particular recognises and makes a commitment to tax transparency and responsible tax management. The claims of different stakeholders, such as governments, customers, shareholders and local authorities where RWE is operating, are taken into account.

In order to anchor the culture of integrity and compliance with rules in the area of tax in everyday routines throughout the Group, this is a constituent element of the various corporate processes. The Tax Department based at RWE AG has the lead role and bears Group responsibility. Implementation is supported by the provision of an appropriate Tax Compliance Organisation, which covers the subsidiary companies of RWE AG.

The Tax Department is positioned organisationally under the Chief Financial Officer. The Executive Board of RWE AG is supported by the central Tax Department in carrying out its management and monitoring responsibilities with the aim of effectively implementing Tax Compliance with the RWE companies. The Supervisory Board and the Internal Audit Department perform a monitoring function in this process.

## Measures and performance measurement

Allocation of functions and responsibilities for Tax Compliance and Tax Compliance Management in the company organisation was implemented through a corresponding Group business policy.

The Tax Compliance Management System of RWE AG is continuously being developed, improved and reviewed. Each employee is required to play an active role in their area of work in relation to implementation of tax compliance measures and programmes, for example by participation in and cooperation on further training measures. They also have to report potential tax compliance violations. The objective is to maintain credibility and integrity in relation to the business partners of RWE and in dealings with each other. Notifications for violations of Tax Compliance can be made through the Compliance Whistleblower System set up throughout RWE, see → [GRI 102-17, page 16](#).

As part of Tax Compliance Management, targets were defined for adherence to Tax Compliance requirements. In order to meet the statutory requirements, these relate specifically to compliance with all deadlines for tax notification and tax declarations, the avoidance of erroneous or incorrect tax declarations or notifications, initiation of other reports such as Article 138 Tax Code (AO) in Germany and compliance with payment deadlines for advance payments and tax arrears. Overpayments (or shortfalls) for advance payments and tax interest charges should be avoided by an effective Cash Tax Management.

250

tax and organisational risks are monitored in the context of Tax Compliance

Tax Compliance risks are systematically recorded and evaluated, and risk-mitigating measures are taken on a preventive basis as appropriate. At RWE, the national Tax Compliance Management System (Tax CMS) in Germany encompasses the tax types turnover, energy, wage, corporation and trade tax. A total of 250 tax and organisational risks are monitored by a large number of tax-type specific checks and balances within the framework of the risk control matrixes. Checks are also carried out preventively and postoperatively through to daily reviews in order to further strengthen the system. If corrections have to be made to declarations, these are generally taken account of directly in the tax declarations to be submitted or agreed with the tax authorities in advance of company audits.

The compliance risks of the material foreign companies of the RWE Group are monitored within the framework of the International Tax CMS by the quarterly submission of the tax declaration, the tax payments and the tax risks.

### **GRI 207-1 Approach to tax**

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For the approach and strategy of the RWE group in relation to taxes, see → [GRI 207 Tax, page 46](#).

## **Availability and reliability**

### **GRI 103**

#### **Management approach (including 103-1, 103-2, 103-3)**

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#### **Challenges**

Secure supply with energy at all times is one of the most important enablers for the smooth-running operation of our economy. The emphasis going forward is likely to be on structuring security of supply at all times to be increasingly carbon neutral. The availability of wind and solar energy largely depends on the weather conditions and the time of day or year. Sometimes electricity production from renewable sources might only cover a fraction of the demand. At other times, it exceeds the local demand so much so that it has to be throttled back. As renewable energy continues to expand, storage technologies are therefore increasingly becoming the focus of attention. Our conventional generation capacities make an indispensable contribution to reliable and needs-based electricity generation in order to compensate for fluctuations in the generation of electricity from sun and wind.

#### **Organisation and management**

RWE strives to provide high availability for its power plants particularly at times when their output is urgently required. The availability is controlled by the responsible divisions. The executive boards of RWE AG and the operating companies are regularly informed about the availabilities, and planned and unplanned shutdowns.

Power plant units are managed in accordance with a continuously recurring PDCA Cycle (Plan Do Check Act Cycle). Within the scope of medium-term planning, technical and commercial non-availabilities are planned for specific units taking account of scheduled non-availabilities and maintenance requirements. The use of the power plants is defined by commercial aspects. The requirements of the transmission system operators are also included in the concrete timetabling plans. Outages, in other words non-availabilities, are determined on the basis of predefined rules and they are taken into account as technical non-availability in the commercial evaluation. The management of non-availability is carried out – as far as possible – through commercial evaluation. In particular, the planned non-availability is allocated to times of low market prices, which should be regarded as an indicator of adequate supply for the electricity market.

Our aim is to contribute to ensuring that the volatile feed-in from solar and wind power plants can be smoothly integrated in the energy system. Consequently, we have one of the most powerful and most flexible power plant portfolios in Europe. If – despite all our efforts – a blackout should occur in the electricity grid or in parts of this grid, we have power generation capacities that are in a position to support reinstatement of the grid systems without the need for any external supply of electricity. These primarily include pumped-storage power plants. Furthermore, a trial has demonstrated that lignite-fired power plants from the secured island operation supplied from opencast mines can once again be ramped up to supply power to the electricity grid.

RWE maintains one of the most flexible and powerful power plant portfolios in Europe

## Guaranteeing security of supply in Germany

**“Grid Reserve Plants” are used in order to guarantee the security and reliability of the electricity supply system if there is an actual local outage in the transmission grid. Although arrangements for security of supply in Germany are currently well provisioned, when the last nuclear power plants in Germany are removed from the grid by the end of 2022, there could be a shortage of electricity at times, particularly in Southern Germany.**



### Grid reserve plants

## Project example

RWE Generation has been awarded the order to construct a new gas-fired power plant at the Biblis site. The plant is projected to feed up to 300 megawatts into the grid with a high degree of reliability from October 2022. This will see RWE providing a service over a ten-year period that will safeguard the energy transition and

help to make the grid in Southern Germany more robust. In the summer of 2018, the transmission system operators Amprion, TenneT and TransnetBW already put “Grid Reserve Plants” with a total output of 1,200 megawatts out to tender in Southern Germany. These were divided into four groups of 300 MW each.

Reserves are available if capacity bottlenecks occur in Germany. One of them is the legally-mandated security standby in Germany to which RWE will contribute a total of five lignite-fired units with an output of around 1,500 MW, see  → [Shutdown and decommissioning of power plants and reinstatement of opencast mines, page 54.](#)

RWE also uses its flexible power plant portfolio in order to equalise any instability within an equilibrium. Furthermore, RWE offers all types of balance outputs to guarantee a stable electricity supply. This makes our trading company RWE Supply & Trading, as a commercial hub in the group, indispensable for optimizing our generation portfolio. RWE Supply & Trading markets the electricity from our generation companies and controls the commercial optimization of power plant use.

As a supplier of renewable energy with an attractive growth platform for the entire technology spectrum, we have evidence-based knowledge and skills over the entire value chain of renewable energy. For example, we run modern operating centres in Europe and the USA. The team members at the centres manage the routine activities every day for purposes of ensuring safe and reliable grid operation, and handling supply transactions 24 / 7. The services provided by the centres include planning and distribution of electricity, remote management of electricity and voltage, and the supply agreement within the framework of various contracts.

Broadly based generation portfolio forms an essential mainstay of the electricity system

## Measures and performance measurement

In 2020, RWE was once again able to rely on a broadly-based generation portfolio. This covered electricity demand and provided secure generation capacity. Our thermal power plants provide the necessary system services to compensate for the fluctuating feed-in from wind and photovoltaic systems (PV). Projects like the “special network technology equipment” make a contribution to reinstating the security and reliability of the energy supply if there is an outage, see  → [Infobox, page 49.](#)

At an early stage, RWE adjusted the deployment flexibility of the lignite-fired power plants to match the requirements of volatile renewable energy. Today, it is therefore contributing as a partner of renewable energy to the security of supply. Furthermore, the lignite-fired units on legally mandated security standby are comprehensively overhauled in a scheduled shutdown every four years. For example, in the summer of 2020, comprehensive service and maintenance work, repairs and modernisation were carried out on the lead block of the 1,000 MW unit Niederaußem K. The procedure ensures that the lignite-fired units are safe in the four-year production period and that they are able to supply the required output with a high level of availability.

  For information on our capacities and our generation, see the  → [Appendix, page 118](#) and the  → [RWE Annual Report 2020, page 47](#). RWE also publishes comprehensive and timely data online about electricity generation in its power plant portfolio at <https://www.rwe-production-data.com/en/list/> and at  [www.eex-transparency.com](http://www.eex-transparency.com).



## Energy-efficient products and services

### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

#### Challenges

Exploitation of additional potential for efficiency and flexibility on the demand side in the energy market number among the success factors in the energy transition. These flexibilities need to be intelligently networked and controlled. An enabler for this is identifying consumers in the market who are prepared to adjust their consumption behaviour, for example by proactively switching off, throttling back or switching on their production machines. We are able to give our customers technical support for this control. The appropriate demand for electricity is taken out of the market in bottleneck situations or made available to the electricity market in the form of an additional generation offering. When prices are high on the balancing energy market, it may be worthwhile for our customers to market their flexibilities. We therefore help to optimise the electricity costs and performance requirement of the customer. The market for flexibility is a key subject area for RWE. There is potential for growth here, particularly with industrial customers.

We perceive exciting growth potential for RWE in the market for flexibility

RWE Technology International (RWE TI) is a company of RWE specialised in project management and engineering services and offers independent services internationally.

## Organisation, management and performance measurement

### Marketing of flexibilities

RWE Supply & Trading has a broad product range which can leverage potential flexibilities with industrial and commercial customers in the context of the energy transition. For example, it offers our industrial customers and distributors price-signal supported load management. This means that a time shift in consumption loads moving to more favourable market-price phases enables costs for sourcing electricity to be reduced. The model is ideal in particular for companies using equipment and systems with flexible time and power capability in their production processes where the requirement for electricity can be shifted within a day or a week.

Our Flex2Market Model – another example – is ideal for companies which have production flexibilities or emergency power units such as those that are gaining greater prominence in computer centres. We control and market flexibilities on the Intra-Day Market or as standard energy in the secondary and minute reserve market. We join forces with our customers to develop holistic concepts for enhancing flexibility potentials, which provide an optimum commercial link-up with the use of production flexibilities, generation plants and (battery) storage facilities.

### External consultancy services

RWE TI has been commissioned by RWE Generation to carry out upgrading of the existing power plants Amer and Eemshaven (both of these facilities are located in the Netherlands) to biomass co-combustion and the development

and management of grid-stabilisation plants in Germany and the United Kingdom. RWE TI is also supporting the Group in the areas of storage, the circular economy and green hydrogen by providing project management and technical expertise. Ultimately, the decommissioning projects of coal-fired power plants will be carried out by RWE TI.

China is now interested in the know-how of RWE TI in the area of efficient energy supply. RWE TI was recently awarded a contract there to draw up an Energy Master Plan for a new city quarter in the city of Chengdu in Western China. The special focus here is on a maximally environmentally friendly energy supply for the planned residential apartments and office blocks, taking into account future mobility concepts (eMobility).

RWE TI is also drawing up a waste management concept in Chengdu, which is intended as a paradigmatic example in China by combining the existing Chinese and German waste treatment.

RWE TI supports the sustainable trajectory of the RWE Group

At the beginning of 2020, the management of RWE TI also resolved with immediate effect not to undertake new-build projects in the area of coal anymore (power plants and opencast mining). This will enable it to make an even more robust contribution to the sustainable trajectory of the RWE Group. Work will continue on existing power plants and mines with the objective of increasing efficiency, and enhancing security and environmental friendliness.

**Marketing of power-plant residues**

The ash and gypsum produced as part of conventional operation in the form of the residues ash and gypsum can form

a useful by-product in other sectors. As far as possible, we therefore sell these power-plant residues for downstream uses and thereby contribute to reducing the volume of waste by reuse, see → GRI 306 Effluents and waste, page 78.



Innovations contribute towards the transformation to a climate-friendly electricity supply

**Research and development**

**GRI 103**

**Management approach (including 103-1, 103-2, 103-3)**

**Challenges**

RWE is playing a role in shaping a more climate-friendly electricity supply in the course of the transformation and wants to assist in continuing to meet the need for energy reliably, without any outages and at affordable prices. Our ambition can be realised through a continuous stream of innovations that address the challenges of our core business and are directed towards achieving the best possible solutions for the energy system of the future. If there is a lack of innovative capability, there is a risk that it may no longer be possible to secure the profitability of the company to the same extent in the future.

**Organisation, management and performance measurement**

**Continuous research and development**

We are working in different research and development programmes, primarily on advanced and sustainable technology and plant concepts. Here we draw on the competences of our employees and on the expertise offered by our partners at universities, research institutions and in

More than 900 patents and patent applications in 2020

industry. A top priority is also promoting the ideas of our employees to achieve this ambition. Our projects are situated in a wide range of research fields and we are continually registering new patents. In 2020, 390 employees worked full-time or part-time on more than 200 R&D projects. We number among the leading group of European utilities with more than 900 patents and patent applications. RWE also invests in a Group-wide network of experts who analyse existing fields of technology on a continuous basis, and identify and evaluate new developments.

### Research on “Low Carbon Projects”

Today, most wind power is still generated by onshore plants. The number of offshore wind farms on the open sea is increasing because wind strength is greater there and winds blow more uniformly on the high seas enabling more electricity to be generated.

One of our objectives is to further reduce the costs for constructing and operating offshore wind farms. We are therefore carrying out research, for example, into innovative methods for designing and installing plant foundations for wind turbines, for sensor systems and for evaluation algorithms to create improved operational and maintenance concepts. The design and testing of floating wind turbines is the next stage in our development for deep-water operations where production is not cost-effective using wind turbines that require fixed foundations. These include the TetraSpar and DemoSATH Demonstrators currently under construction, and the New England Acqua Ventus Demonstrator being developed at the moment.

In the area of wind energy, our intention is to reduce the costs for construction and operation while simultaneously increasing the energy output for future wind farms. The use of the available wind resources needs to be optimised in order to achieve this goal. We are testing different measuring and forecasting methods here and investigating a number of different factors including the upstream effect and downstream flows, and their impacts on our wind farms or individual wind turbines.

“Green” hydrogen generated using electricity from renewable energy will also be an important building block for a successful energy transition. Hydrogen offers the potential for transmission and storage of large amounts of renewable energy, and hence providing substantial support for decarbonising the industrial and mobility sectors. We are committed to the “GET H2” initiative, which is directed towards building up a public hydrogen infrastructure throughout Germany, see [→ Infobox, page 24](#).



### Emission reduction, preservation of resources and enhancing flexibility of conventional plants

Emission reduction and conservation of resources are another ongoing function as far as we are concerned. Examples of these are initiatives to increase efficiency and further advance flue-gas desulphurisation or the development of measures for reducing the occurrence of mercury and nitrogen-oxide emissions, and measures for separating and making use of CO<sub>2</sub>. At our innovation centre in Niederaußem, our CO<sub>2</sub> scrubbing pilot plant is separating CO<sub>2</sub> from the flue gas of the power plant using a detergent. This will form the platform for international projects on climate-friendly production of

synthetic fuels and raw materials from CO<sub>2</sub> and H<sub>2</sub>. For example, as part of the EU project ALIGN-CCUS, the diesel substitute fuel DME is a world first and will be produced in an environmentally and climate friendly process, before being used in an emergency power generator to produce electricity. The plan is to continue operating the ALIGN-CCUS plant in the EU project TAKE-OFF in order to synthesise aviation fuel from hydrogen and CO<sub>2</sub>. In the projects OCEAN and LOTER.CO<sub>2</sub>M, the same starting materials will be used to produce basic chemicals for industry in an electrochemical process.

We are reviewing high-temperature heat storage integrated in existing coal-fired power plants in order to facilitate temporal uncoupling of renewable electricity generation and feed-in. In the pilot project StoreToPower, we are also investigating a pilot plant for developing a heat-storage power plant. This project currently involves plans being funded by the state of North Rhine-Westphalia for upgrading a heat-storage module at a lignite-fired unit.

The development of a forecasting procedure for assessing material behaviour under changing loads is the focus of various projects in relation to safeguarding and increasing the availability, as well as the safety of our plants. We are transferring experiences and results from the area of conventional power plant technology to applications in the generation of renewable energy. This is currently leading to the development of Structural Health Monitoring for fibreglass composite materials in conventional power plants, which is also available for the assessment of rotor blades in wind turbines.

We are increasingly making preparations for the entry into a carbon-based circular economy

### Carbon-based circular economy and use of alternative energy sources

RWE has been carrying out research into using lignite for the production of energy sources and basic chemicals for many years. This technology paves the way for use of waste and biomass as materials, and therefore increasingly forms the entry point into the carbon-based circular economy. In this context, we have been collaborating with regional universities and research institutes on a multi-raw-materials project (ITZ-CC: Innovation and Technology Centre for material use of sustainable carbon sources) for high-temperature conversion of sewage sludge and other input materials, including phosphorus recovery. A pilot gasification system is being set up for this purpose.

The application of additional energy sources, such as deep geothermal heat, is being investigated through collaboration in a number of projects. Activities are running at our Weisweiler power-plant site from which district heating is also being fed in for the Aachen region. The location will no longer generate electricity from lignite after 2029.

### Shutdown and decommissioning of power plants and reinstatement of opencast mines

#### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

#### Challenges

By 31 December 2022, the last nuclear power plants will have been shut down in Germany. Furthermore, instruments have

been introduced by the Federal Government and measures have been put in place to meet CO<sub>2</sub> targets at national level. These will impact on our thermal, non-nuclear power plant portfolio. The decision on legally-mandated security standby has already been taken. Consequently, by October 2019, 2.7 GW of lignite-fired power plants in Germany had been transferred to this reserve. In each case, the final shutdown will take place four years later. For more information, see

 → [Availability and reliability, page 48](#) and → [GRI 305, page 71](#).

Moreover, the Federal Government set up the Growth, Structural Change and Employment Commission, see  → [GRI 305, page 71](#). In bilateral talks, at a large number of events and in many publications, we have advocated the implementation of all the proposals put forward by the commission. A consensus was reached at the beginning of 2020 following the negotiations between the Federal Government, the federal states involved, as well as the operators of power plants and opencast mines, including RWE, addressing the implementation of the recommendations in the lignite industry. Under these recommendations, RWE will gradually shut down its capacities in lignite-fired power plants by 2038 and the company will receive compensation amounting to € 2.6 billion in return. At the same time, RWE will take account of the wishes of policymakers and society that Hambach Forest should be preserved. On the basis of the consensus, lawmakers drew up a draft law for the reduction and cessation of generating electricity from coal. The exit from lignite is supported by a public-private contract between the Federal Government and the lignite production companies. This is intended to protect the companies' legitimate expectations in exchange for their commitment not to make any further demands in connection with the exit from lignite.

Following approval by the Federal Parliament (Bundestag), the contract was signed at the beginning of 2021.

At national level in Germany, the German Federal Parliament (Bundestag) and the Federal Council (Bundesrat) passed a national Climate Protection Act (Klimaschutzgesetz, KSG) in December. This also defined annual interim targets for all sectors. In conjunction with the Climate Protection Programme 2030 submitted in October 2019 and the measures encompassed within the programme, the Climate Protection Act is intended to ensure that the national emissions reduction targets for 2030 are reached. These targets were enshrined for the first time in statutory legislation through the Climate Protection Act.

A characteristic feature of the draft law is the move from target years for all sectors – apart from the energy sector – to an emissions pathway and hence to an emissions budget by 2030. Furthermore, the existing climate protection targets will be designed to be more restricted as a result of the draft. The Climate Protection Act thereby goes significantly beyond the Climate Protection Plan 2050 in terms of its level of ambition.

The parties in the Dutch Government stated in their coalition agreement that generation of electricity from coal should come to an end in the Netherlands by 2030. The corresponding law was passed by the Dutch Senate in December 2019. In the Netherlands, RWE has defined the goal of gradually converting coal-fired power plants to biomass. Currently, the two relevant power plants – Amer and Eemshaven – are operated on 80% and 15% biomass respectively.

The United Kingdom has defined a phase-out of electricity generation from coal by 2025. RWE had already decided to shut down the hard coal-fired power plant Aberthaw B (1,560 megawatt output) in Wales before this deadline. The closure took place in March 2020. The existing obligations of the power plant arising from the British capacity market for 2019/2020 and 2020/2021 were transferred to third parties. A smaller proportion was moved to other units of the RWE power plant portfolio. The available output guaranteed as a result of the capacity market for the United Kingdom therefore remain unchanged.

The EU Commission intends once again to significantly increase the European climate targets with the EU Green Deal presented in autumn 2019. As announced in September 2020, the greenhouse gas emissions in the EU must be reduced by at least 55% compared with 1990 by 2030 – up to now, the target mark for 2030 has been a reduction of 40%. A statement by the EU Parliament demands a reduction of 60%. At an EU summit held at the beginning of December, the member states consented to the proposal of 55% made by the EU Commission. Concrete implementation steps, for example tightening up EU emissions trading or the national targets for sectors not subject to emissions-trading requirements, which would then also have to result in adjustments to national climate-protection targets and measures, are scheduled to follow in the summer of 2021.

### Organisation and management

Power plants can be shut down on the one hand for economic or technical reasons, with preparations for decisions on shutdown being managed by the generation divisions. On the

other hand, power plants are shut down as a result of statutory or other regulations, for example as a consequence of the legislation on phase-out of electricity generation from coal in Germany and the Netherlands. Whatever the reason, the relevant state-specific regulations are taken into account and the measures are supported by the responsible supervisory authorities.

In Germany, the intended shutdown of a power plant must be immediately notified to the responsible regulatory authority and with a lead time of at least 12 months to the Federal Network Agency and the network operator responsible for the system, unless different regulations are in place under statutory legislation or directives. After the notice has been received, the network operator responsible for the grid carries out a review in order to establish whether the plant is relevant for the system. The result of the review is then communicated to the operator of the plant and the Federal Network Agency. If a plant notified for final shutdown is designated by the network operator as being relevant for the system, the shutdown must be approved by the Federal Network Agency. If a preliminary shutdown is being carried out, approval is not required from the Federal Network Agency. When lignite-fired power plants are shut down, the effects on the opencast sites and the applicable licenses also need to be taken into account. Pursuant to the regulations defined in the Act for Reduction and Ending of Electricity Generation from Coal, the first 300 MW unit at the Niederaußem site was shut down at the end of 2020.

After the last unit at a power plant location has been shut down, RWE will strive to achieve a subsequent use for the occupied land at the site as far as possible. We work together

with the local community affected before the final decommissioning of a power plant to develop a concept for follow-on use of the land previously occupied by the power plant. The shutdown and decommissioning are carried out to meet the requirements of the downstream use in accordance with the relevant applicable state-specific standards. An appropriate level of provisions for shutdown and decommissioning of nuclear power plants, recultivation of opencast sites and water management measures are set aside in accordance with our statutory obligations. This is coordinated by the appropriate specialist department of the finance division.

### **Nuclear energy**

The remaining lifetime of the German nuclear power plants is defined in the Nuclear Power Act (Atomgesetz, AtG). The authorisation for power operation of the Gundremmingen Unit C nuclear power plant comes to an end on 31 December 2021, and the licence for the Emsland nuclear power plant ends on 31 December 2022.

In line with the change in regulations governing the responsibilities for the disposal of nuclear waste in Germany, the state has now taken responsibility for processing and financing intermediate storage and a final repository to hold radioactive waste. The operators of the nuclear power plants will continue to be responsible for shutdown and decommissioning of their power plants and for proper packaging of radioactive waste. RWE formed provisions during commercial power operation to carry out these operations and continues to form them. The provisions encompass the costs of all stages after operations have finished including shutdown,

disposal of the fuel rods and disposal of the radioactive waste from operation through to final decommissioning. The Act on Transparency of Costs relating to Shutdown and Decommissioning of Nuclear Power Plants and Packaging of Radioactive Wastes (Gesetz zur Transparenz über die Kosten der Stilllegung und des Rückbaus der Kernkraftwerke sowie der Verpackung radioaktiver Abfälle) dated 27 January 2017 defines how these costs have to be reported.

After the sites for intermediate storage were transferred to intermediate storage company BGZ Gesellschaft für Zwischenlagerung mbH in Essen on 1 January 2019, this federally-owned company also took over the storage sites for low and intermediate level radioactive waste from nuclear power plants from 1 January 2020.

### **Lignite**

The provisions in lignite mining to enable reinstatement of use for the land occupied by production are a rolling system in key areas. Recultivation projects and measures relating to water management are largely already carried out while operations continue so that provisions are constantly being used for this purpose. At the same time, new provisions are formed each year to take account of the ongoing decommissioning. The tasks being adopted from lignite extraction cover a timeframe that extends in part significantly beyond the discontinuation of lignite mining itself. However, they are without question finite.

Cost estimates are largely based on external expert reports. Existing contracts and licensing documents are used to determine the projected costs underlying the provisions. Comprehensive empirical values from the past are also

available. At the planning stage of the mining operations, the responsible regional state authorities are already intensively involved. The issues being addressed include those relating to geology and water management. The mining authorities as the responsible supervisory authority have a rolling programme of iterative reviews in accordance with statutory regulations in order to assess whether there is a need to provide financial security in addition to the provisions available. We provide a comprehensive report on the so-called mining provisions in the

 → [RWE Annual Report 2020, page 155.](#)

### Measures and performance measurement

#### Nuclear energy

The shutdown and decommissioning operations at the sites Biblis, Gundremmingen (unit B), Lingen and Mülheim-Kärlich were continued in 2020. These included adjustments to residual operation, shutdowns of some systems no longer required, decommissioning measures and the installation of infrastructure for processing materials resulting from decommissioning.

At the Biblis and Gundremmingen (unit B) sites, the works were continued on the basis of the Integrated Decommissioning Process or in accordance with the cycle plan. The processes and structures for Biblis were reconfigured in the context of a pitstop such that the decommissioning is being carried out safely and efficiently on the basis of the concepts developed for this purpose. A significant success factor is an officially recognised material approval process for timely, efficient disposal of industrial demolition debris.

The Hesse Environment Ministry issued in each case the second and hence the last dismantling licenses for disassembling all the plant components for the Biblis nuclear power plant on 28 April 2020 (unit A) and on 15 July (unit B). Since last year, the two units no longer have any nuclear fuel rods.

At the Lingen and Mülheim-Kärlich sites, our activities focused on dismantling large components. Disassembly of the steam generator for the Mülheim-Kärlich plant has been completed, compensation measures for delays in disassembling the steam generator for the Biblis and Lingen plants were initiated. We have continued with essential works on implementation planning and on obtaining government consents in relation to the projects for dismantling the reactor pressure vessel and the RDB installations (RDB+E) at the Biblis, Lingen and Mülheim-Kärlich sites. A joint tender was prepared for this purpose in relation to the Gundremmingen and Emsland sites.

The decommissioning works for the Lingen and Mülheim-Kärlich plants are projected to be so far advanced by the mid-2020s that the remaining sections of the buildings will no longer come under the scope of the regulatory regime of the German Atomic Energy Act. This status is likely to have been reached for the Biblis, Emsland and Gundremmingen plants by the beginning to middle / end of the 2030s, depending on the site.

At the Mülheim-Kärlich site, we have taken a significant step forward with the sale of the last big parcel of land covering an area of around 11 hectares. This means that around 28 hectares of land out of the parcels of land earmarked for sale – a total of around 29 hectares – have now been sold there.

The repatriation of the reprocessing waste from the English Sellafield facility to intermediate storage at Biblis was postponed in March 2020 owing to the pandemic and subsequently carried out in November 2020.

In 2020, we continued to keep stakeholders informed about the individual steps in the ongoing process at all times, see

 → [GRI 102-44, page 23](#).

### Lignite

After the Frimmersdorf P and Q Units were transferred to legally-mandated security standby in 2017 and the Niederaußem E and F Units were transferred in 2018, the Neurath C Unit was transferred to legally-mandated security standby on 1 October 2019. This reserve now comprises around 2.7 GW of power-plant capacity throughout Germany, to which RWE contributes five units with capacity of around 1.5 GW. After four years on legally-mandated security standby, the last two units at the Frimmersdorf location will be finally shut down on 30 September 2021. Against this background, RWE in conjunction with the city of Grevenbroich and the Rhine District of Neuss submitted an application for a change in the regional planning designation to an industrial zone to the district administration Düsseldorf. This merges into the neighbouring water meadows of the Erft River and favours its near-natural development. On this basis, the land-use planning proceedings are likely to begin in 2021. This would then create the first planning enablers in order to settle sustainable and structurally effective development follow-up uses at this location.

RWE contributes around 1.5 GW  
with five units to legally-  
mandated security standby in  
Germany

GRI 302 to GRI 308-2

# Environmental

- 61 GRI 302: Energy
- 62 GRI 302-1: Energy consumption within the organisation
- 63 GRI 303: Water and Effluents
- 65 GRI 303-3: Water withdrawal
- 65 GRI 304: Biodiversity
- 69 GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
- 69 GRI 304-2: Significant impacts of activities, products, and services on biodiversity
- 71 GRI 305: Emissions
- 74 GRI 305-1: Direct (Scope 1) GHG emissions
- 75 GRI 305-2: Energy indirect (Scope 2) GHG emissions
- 76 GRI 305-3: Other indirect (Scope 3) GHG emissions
- 77 GRI 305-4: GHG emissions intensity
- 77 GRI 305-5: Reduction of GHG emissions
- 77 GRI 305-6: Emissions of ozone-depleting substances (ODS)
- 77 GRI 305-7: Nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and other significant air emissions
- 78 GRI 306: Effluents and Waste
- 79 GRI 306-2: Waste by type and disposal method
- 80 GRI 306-3: Significant spills
- 80 GRI 307: Environmental Compliance
- 80 GRI 307-1: Non-compliance with environmental laws and regulations
- 80 GRI 308: Supplier Environmental Assessment
- 80 GRI 308-1: New suppliers that were screened using environmental criteria
- 80 GRI 308-2: Negative environmental impacts in the supply chain and actions taken



**20.2%**

share of renewable energy in electricity generation



**€ 1,676.1**

million  
total spending for environmental protection measures



**~ 3,100**

species of animal and 1,500 species of plant and fungus in recultivation areas



**99.3%**

coverage of Environmental Management System, 69% certified

**Carbon neutral by 2040**

RWE has established one of the most ambitious programmes in the energy sector for reducing CO<sub>2</sub> emissions.

# Environmental



## GRI 302 Energy



### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)



### Challenges

Apart from pure energy consumption, energy efficiency is a key factor in regard to sustainability. RWE is therefore committed to continuous improvement of the energy and environmental footprint, in order to avoid unnecessary negative impacts for the climate, environment and society. In addition to complying with statutory legislation and licensing regulations, we carry out economic, environmental-protection and energy-efficiency measures. These are derived in the course of ongoing technical development and are based on a conscious and responsible approach to the environment and the use of energy in our office buildings, vehicle fleets, and production and energy-conversion plants. The key factor for us is that when analysing the energy-related output in relation to the carbon footprint, sustainability and cost-efficiency are the focus of attention.

As producers of electricity and heat, we have a particular responsibility in this respect because we are able to reduce our greenhouse gas emissions per unit of electricity or heat produced by deploying more efficient power plants and increasing the use of sustainable combustion fuels. At the same time, we are reducing the consumption of resources, the fuel costs and the expenses involved in CO<sub>2</sub> certificates.

RWE is committed to continuous improvement of the energy and environmental footprint

So that our customers can adopt a responsible approach to energy, we also supply highly efficient products and services to them, for example in the area of emergency electricity and reserve energy.

In addition, we also run our operations in conformity with the requirements of the European Energy Efficiency Directive (EED) within our key markets in the EU. The legislation requires us to have an energy management system in accordance with ISO 50001 or to carry out regular energy audits in conformity with DIN EN 16247.

### Organisation, management and performance measurement

Our energy management is part of the integrated management system in the companies operating this, see [→ Non-financial Report, page 14.](#)

For information on the offerings to our customers, see [→ Energy-efficient products and services, page 51.](#)

### Certification level of Energy Management Systems (FTE)

RWE Generation SE and RWE Power AG have integrated an Energy Management System in conformity with ISO 50001 since 2013 with the aim of bringing about a sustainable improvement in energy efficiency and environmental protection, as well as the energy-related output in the German operational facilities. These systems have so far been successfully recertified. This process was last carried out in 2019. The certification level of the Energy Management Systems (based on FTE = Full Time Equivalent) was 61% for RWE in 2020.

### Increasing the efficiency of renewable energy plants

In the area of renewable energy, optimisation of efficiency is a key issue – particularly in relation to the selection of construction sites. Most importantly, wind and sun conditions exert a significant influence on the generation of electricity. Additional determining factors for successful increase in efficiency are situated in the advanced development of wind farm designs geared to maximising the wind yield.

### Increasing the efficiency of conventional power plants

We will achieve a higher level of efficiency in the production of electricity by measures including the modernisation of our conventional power plant portfolio and shutting down older plants, see [→ Shutdown and decommissioning of power plants and reinstatement of opencast mines, page 54](#). In addition, there is the option of further use of potential sourced from combined heat and power in our plants and the use of heat derived from electricity to cover our own requirements.

Already since 2008, we have been monitoring the overall efficiency of energy use from our conventional plants. On the consumer side of the plant, this includes the primary energy use for power generation and the purchase of electricity from outside sources for our own use. The production side balances this with generated electricity, and steam and heat products for our customers. The continuous monitoring using our advanced operating management systems enables us to implement continuous optimisation of the energy-related output and hence achieve maximally high utilisation of the primary energy sources used in all operating statuses of the plants. Furthermore, data analysis yields valuable findings for

research and development requirements. This continuous improvement in energy-related output is reviewed annually by our external certifier.

### GRI 302-1

#### Energy consumption within the organisation

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#### Average generation efficiency of thermal power plants by energy source and region

At 44 %, we succeeded in slightly improving the average efficiency of our thermal power plants compared with 2019 (43.7 %). Current market conditions can exert a positive as well as a negative influence here on the mode of operation and hence the efficiency of the power plant portfolio. A renewed increase in the use of gas-fired power plants exerted a positive impact during the year under review, while the notably lower electricity generation tangible in all thermal generating technologies also exerted a negative impact year on year.

For the external electricity and gas sales volume, see [→ GRI 102-7, page 9](#).

**Energy consumption during generation and distribution**

Electricity distribution grids are not operated by RWE.

**Energy consumption within the organisation**

	Unit	2020	2019
Primary energy consumption <sup>1</sup>	million GJ	756	934
Energy consumption of the sites <sup>2</sup>	TWh	6.3	7.6
Energy consumption of the grids <sup>2</sup>	TWh	0	0.04

Various measures contribute to increasing energy efficiency

- 1 Data in 2020 for the RWE Group, data for 2019 for RWE without the renewable energy business. Fossil energy sources used, not including biomass and energy sources recorded under "Other combustion fuels". This does not include transport.
- 2 Data for the RWE Group.

**Efficiency of energy use of thermal power plants<sup>1</sup>**

in %	2020	2019
<b>Germany</b>		
Lignite	37.6	37.5
Hard coal	39.0	38.8
Gas	54.2	58.3
Waste	36.7	40.3
<b>United Kingdom</b>		
Gas	54.9	55.9
<b>Netherlands</b>		
Hard coal	44.3	45.3
Gas	59.4	63.2

1 Power plants in Hungary and Turkey are not included.



**GRI 303 Water and Effluents**



**GRI 103**

**Management approach (including 103-1, 103-2, 103-3)**

**Challenges**

Water is essential for life and simultaneously not an unlimited resource. In regions with restricted or endangered water supply, manufacturing companies are exposed to the risk of production failures. As a result of their water consumption, they can endanger themselves and at the same time pose a risk to the supply situation for the environment and indeed the local population. Nevertheless, wherever water is available in abundance, the impacts of production may impair the

Responsible approach to water

condition of water bodies and sources. And this therefore exerts negative impacts on the environment and society. For example, in the case of renewables, special measures are required during construction of offshore wind farms in order to protect the seas. RWE exceeds the statutory regulations to protect the environment and society, by carrying out environmental audits to regularly monitor and certify many of our production sites. As an industrial operation with a requirement for water at our plants, we believe that we have an obligation to take a responsible approach to water. Our operations affect water consumption and the use of water when it is withdrawn from rivers and surface waters, and the groundwater. Naturally, there are also impacts when we discharge wastewater into these waters. All the licenses necessary for this are underpinned by statutory regulations.

**Organisation, management and performance measurement**

A top priority for RWE is ensuring that our use of water exerts minimum impact on natural resources when we supply our thermal power plants with cooling water. Keeping our opencast mines dry by withdrawal of groundwater is an operational necessity and therefore unavoidable. Our hydropower plans also exert an impact on the areas where the production sites are operated. We attempt to make these interventions in a maximally environmentally friendly way. We report on organisation, management and performance measurement in the Non-financial Report. The corresponding topics are listed below to provide a better overview.

**Anchoring environmental protection in business processes**

 See → [Non-financial Report, page 10.](#)

**Group-wide coverage by environmental management**

 See → [Non-financial Report, page 15.](#)

**Compliance with licensing regulations**

 See → [Non-financial Report, page 15.](#)

**Minimising risks associated with water**

A record is kept of the interfaces between RWE's operations and water that exert or can exert an impact on rivers and surface waters. The type of impact on the water is also determined. We record environmental impacts for rivers, surface waters and groundwater on the basis of existing licences, limits and expert reports, and the operating results of the previous year. The relevance of these results is evaluated for their importance by the internal specialist departments and a group of experts taken from government agencies, associations and external specialists. The results are presented by analysis of the environmental impacts in relation to the potential level of damage and frequency or probability of occurrence. We assess measures already introduced for minimising risks and accident avoidance on this basis. If this action is not adequate, other measures are developed and introduced. As an example, planning in the Rhineland Mining Region was commenced in 2020 to extend a mine water treatment plant in order to treat the higher quantity of water as a result of the change in opencast management.

### Protection of rivers and surface waters

We want to contribute to preserving water as a habitat and to maintaining the biotopes dependent on it. Our objective is to avoid negative consequences arising from our interventions in surface waters and ecosystems or – where this is not viable – to minimise such impacts as far as possible. We aim to mitigate unavoidable negative consequences to the maximum extent feasible. We also provide the best possible protection against adverse impacts for aquatic habitats and other ecosystems linked with such habitats. Furthermore, we avoid environmental impacts owing to the use of methods such as recirculation in the power plants, intensification of usage for pumped water from opencast mines, the use of collected rainwater and process water.

### Protection against flooding

All operating plants are protected against flooding in conformity with statutory regulations. Heavy rainfall in opencast mines can be managed without major damage since water retention systems have been designed to cope with corresponding levels of precipitation.

### GRI 303-3 Water withdrawal

#### Total water withdrawal by source<sup>1</sup>

million m <sup>3</sup>	2020	2019
Water consumption net <sup>2</sup>	158.8	184.9
Surface water	1,706	1,379
Ground water	524.0	515.5
Seawater / brackish water	1,981	2,999
Produced water <sup>3</sup>	156.4	182.5
Water from third parties <sup>4</sup>	30.7	29.7
Total water withdrawal	4,242	4,924

- 1 Disclosures for 2020 relate to the RWE Group, disclosures for 2019 relate to the plants of RWE without the renewable energy business.
- 2 Figure includes drinking water and wastewater in public drains / third party and evaporation / losses.
- 3 Figure includes cooling net water consumption.
- 4 Figure includes drinking water, rainwater, wastewater and service water.



### GRI 304 Biodiversity

#### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

#### Challenges

Biodiversity makes a significant contribution to environmental systems in equilibrium. The loss of biodiversity is therefore one of the biggest environmental challenges to our planet. In order to combat this loss, various initiatives and conventions have been launched by different organisations including the UN.

Maintaining species and habitat diversity of organisms living in the wild is a function of nature conservation. This is a mission for the entire society and other sectors such as agriculture and forestry, mining of raw materials and energy utilities also make a significant contribution.

### Organisation, management and performance measurement

Our activities also result in direct and indirect interventions in ecosystems. Wherever feasible, we therefore avoid or minimise these impacts. As far as possible, we take appropriate nature conservation measures to mitigate unavoidable or irreversible negative consequences. This affects our opencast mines, the maintenance of our transmission lines, and the construction and operation of plants for generating renewable energy. Consequently, we promote species through selective measures – primarily within the framework of our recultivation activities. Recultivation can therefore frequently achieve positive effects on biodiversity in the appropriate habitats.

### Evaluating and taking account of environmental impacts

Wind farms in particular can impact on flora, fauna and marine life. An environmental impact analysis already reviews potential environmental factors at the project development stage in order to take account of these influences. The relevant requirements are strictly monitored and complied with throughout the entire construction phase and subsequent operation.

### Protecting biodiversity

Compliance with regulations governing nature conservation and species preservation, as well as biodiversity is an essential prerequisite for upholding the licensing regulations governing our business. We also meet these regulations using internal controlling systems and exceed the requirements with more extensive measures. Since 2015, RWE has had a → [Biodiversity Policy](#). This guideline establishes the approach of RWE to the protection and promotion of biodiversity as the company carries out its business activities. Biodiversity is also part of environmental management, see → [Non-financial Report, page 14](#). In 2018, a biodiversity strategy was developed for the Rhineland Lignite Mining Region on the basis of this general RWE Biodiversity Guideline. Alongside the legally required reduction in the consequences of opencast mining operations, this strategy also gave us opportunities to identify and make use of voluntary improvement in biodiversity. The area for which the biodiversity strategy was developed comprises the active recultivation of the opencast mining sites and species protection areas outside recultivation.

The targets of the biodiversity strategy are geared towards environmentally sensitive indicator species that are representative for holistic ecosystems. Measures to optimise the habitat conditions in the recultivation are developed and implemented on the basis of these indicator species. The environmental status of the indicator species is assessed by ecological mapping carried out in scientifically appropriate environmental cycles and on representative partial areas of the recultivation in the course of a monitoring exercise. The results are evaluated by specialists with reference to the specific species and the measures are upgraded as appropriate.

 Since 2015, RWE has had a [Biodiversity Policy](#)



In 2019, an organisational process was launched for controlling and implementing the biodiversity strategy. This comprises a management group encompassing all the relevant decision-makers from different specialist areas, an action team and working groups. The action team organises the process and cooperates with different working groups of the three areas for action – forest, open country and surface waters – in order to make arrangements for the activities necessary to implement the biodiversity strategy. Indicator species have been defined in relation to the areas for action and concrete measures were developed for promoting biodiversity. Concrete implementation of the biodiversity strategy for selected indicator species was continued in 2020. An important building block is recording the current status quo in a baseline survey. This can form the platform for evaluating the development of indicator species over the coming years. At the same time, the first measures geared to boosting the species can be rolled out to the extent necessary under statutory legislation.

Our measures are very diverse within this framework. We protect species diversity strategically if natural habitats are disturbed by our activities. This same approach continues as we reinstate substitution habitats or facilitate the population of existing habitats. The specific protection measures are individually designed to match the requirements for the affected species and types of habitat, and in relation to the types of intervention. A concrete survey of the species is carried out using specialist mapping in advance of each intervention or an evidence-based potential analysis is implemented. Specific species protection measures are then derived from this data. At the same time, an ecological evaluation of the habitats based on special evaluation methods is carried out

before and after the intervention. On the one hand, this work yields a mitigation requirement based on landscape and environmental parameters and on the other hand functionally appropriate measures are developed. We also promote biodiversity in the course of the annual reinstatement of opencast mines by designing, promoting and maintaining special and diverse habitats. The impact of measures is scientifically investigated and their design is optimised as necessary, or their application is expanded if they are successful.

Likewise, we contribute to preserving diversity by installing fish ladders at our run-of-river power plants and use technical measures at offshore wind farms designed to protect the aquatic animal world. When procuring our biomass, we ensure that it comes from sustainable sources, see → [GRI 204, page 43](#).



### Reinstating habitats

We compensate the use of land for our opencast mining by recultivating the extraction sites. This approach enables us to return rehabilitated areas of land to agriculture and other uses while also creating space for nature conservation where we can strategically foster biological diversity. The objective of recultivation is to reinstate the development potential of the landscape while taking account of the typical conditions prevailing in the surrounding environment and, if possible, improve them. Development of semi-natural forest and creating agricultural land are key building blocks for this. However, structuring new habitats for nature conservation and protecting species make a contribution to recultivation. For information on the effects of recultivation on local

communities, see → [GRI 413, page 93](#).

Around 23,000 ha have already been reinstated in the Rhineland Mining Region

The quality of reinstatement for opencast mines is continually being enhanced. A total area of around 23,000 ha has been reinstated in the Rhineland Mining Region. Around 12,700 ha are being used for agricultural purposes, around 650 ha were reinstated for water management, and around 8,500 ha of this have been returned to woodlands, forests and green corridors. Meanwhile, more woodland areas overall have been recultivated here than the actual amount of land that was used for mining operations. Recultivation in the Rhineland Mining Region also encompasses highly diverse and species-rich habitats. Special biotopes are a key factor here. They are deliberately established on account of their extreme and rare site conditions and they can be regarded as “hot spots” of species diversity. These are habitats with extremely low-nutrient, dry or moist living conditions.



Nature experience trail on the Sophienhöhe Hill

### Contribution to protecting and preserving the diversity of species

Protection and promotion of biodiversity is a key issue within the framework of sustainable corporate governance. RWE lives this commitment through recultivation with its biodiversity strategy. The motto is: habitat diversity creates species diversity. The nature experience trail created on the Sophienhöhe Hill in 2018 is one of

the projects that are contributing to implementation of this strategy. The dormouse named “Sophie” is the symbol for the trail. The Jury of the UN Decade viewed this as a beacon project for retaining biological diversity and saluted the experience trail as a project of the UN Decade of Biological Diversity.

In 2020, the focus of the studies and additional measures was primarily on the RWE Biodiversity Strategy (BioDiS) target species (groups) comprising brown hare, corn bunting, yellow-bellied toad, butterflies, woodpeckers, sand lizard, dormouse, typical forest bats and the agile frog. The studies and planning for the measures are carried out by the Recultivation Research Centre in cooperation with specialist offices, expert honorary conservationists, biological stations, the State Environmental Office (LANUV) and universities.

3,100 animal species and  
1,500 plant and fungus species  
have been part of recultivation

As a result of many years of research into recultivation, around 3,100 animal species as well as some 1,500 plant and fungus species have been identified over the entire recultivation process. Many of these recorded species are very rare and classified as “endangered” or “under threat from extinction” according to the Red List in North Rhine-Westphalia.

Measures for promoting biodiversity are not simply intended for nature conservation and species protection – they also promote human wellbeing by enhancing local recreation for relaxation and improving the landscape overall. With this in mind, one of the projects involved the creation of a nature experience trail on the Sophienhöhe Hill in 2018. A showcase of the diverse world of animals and plants was provided along the trail at the various stations. The process of creating the Sophienhöhe Hill was also described, linked up with nature and the natural landscape and transformed into a tangible experience. The nature experience trail on the Sophienhöhe Hill is extremely popular and in 2020 earned an award as a project of the UN “Biological Diversity” decade.

### **GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**

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Nature conservation areas are designated on the basis of the German Federal Nature Conservation Act (BNatSchG) and they are the responsibility of various authorities. RWE Power AG and RWE Generation SE are owners or leaseholders of parcels of land throughout Germany. The actual number of these parcels of land and designated conservation areas around our locations is undergoing continual change.

Continuous surveying for our parcels of land would take up a disproportionately high input of resources. Furthermore, it is by no means certain that the digital data required from the authorities for such an updating process would be sufficiently up to date to derive an accurate determination. All scientific aspects relating to nature conservation are addressed during the licensing procedure for our measures with the objective of complying with the statutory regulations. The requirements for the operation of our plants or necessary mitigation measures resulting from the licenses are implemented in accordance with the licenses, see also → [GRI 303, page 63](#), → [GRI 306, page 78](#), and → [Non-financial Report, page 14](#).



### **GRI 304-2 Significant impacts of activities, products, and services on biodiversity**

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The operation of nuclear and conventional power plants and plants for generating electricity and for the production of lignite inevitably result in our impacting on natural ecosystems. Harmful substances are released during the generation of electricity and heat at our power plants or the operation of our



opencast mines, and they could lead to negative impacts on the environment and biodiversity. We are therefore committed to maintaining the purity of air and water, see → [GRI 303, page 63](#), → [GRI 305, page 71](#), and → [Non-financial Report, page 14](#) and to conserving natural ecosystems. We compensate the use of land for our opencast mining activities by reactivating the extraction sites, see → [GRI 304, page 65](#).

### Biodiversity of habitats protected or restored

Ecological comparative analyses provide evidence that biocoenoses in reclamation have at least an equivalent diversity of species to those in high-value reference habitats located in other areas of North Rhine-Westphalia. The numbers of species in reclamation are frequently above the numbers before opencast mining took place. This applies in particular to mining districts in overwhelmingly agricultural areas. This large diversity of species depends on the diverse habitats and microstructures that are created in the course of agricultural and forestry reclamation, as well as in the comparatively low level of fertiliser at the new sites. The biodiversity footprint for reclamation shows that designing a new landscape also provides big opportunities to upgrade the ecological characteristics that extend far beyond the scope of “proper reinstatement of use”.

**Science Based Targets**

## RWE is verifiably supporting the goals of the Paris Climate Agreement

RWE is increasing its transparency and at the same time working intensively on targets for all direct and indirect greenhouse gas emissions. Our long-term strategy is clear: climate neutral by 2040. RWE has given its ambitions concrete form with the newly validated Science Based Targets and has expanded its climate protection goals to all activities and greenhouse gases of the Group. This means that RWE is committed to reducing the specific greenhouse gas emissions from Scopes 1 and 2 by 50% in comparison with 2019 by 2030, and the emissions from Scope 3 by 30%. The emission targets and the underlying roadmap were checked by the Science Based Targets Initiative in December 2020 and were confirmed as being in conformity with the goals of the Paris Climate Agreement.



### GRI 305 Emissions



#### GRI 103



#### Management approach (including 103-1, 103-2, 103-3)



#### Challenges

Owing to its previous power plant portfolio, CO<sub>2</sub> emissions are of vital importance for the RWE Group and are linked directly to the compensation of the Executive Board, see → [section 2.11, Remuneration report in the combined review of operations, page 82](#). The concept in relation to CO<sub>2</sub> emissions and the Scope 1 CO<sub>2</sub> emissions footprint are a constituent element of the → [Non-financial Report, page 10](#). Other CO<sub>2</sub> emissions (Scope 1 in accordance with the EU ETS and in accordance with the GHG Protocol and Scope 2 and 3) as well as emissions of NO<sub>x</sub>, SO<sub>2</sub> and dust are described below.



#### Other emissions

Apart from the emission of greenhouse gases, the electricity and heat generation from the power plant portfolio of RWE also releases other emissions into the air and water bodies. Compliance with limits defined under licensing regulations is necessary for sustainable alignment of our business model. Our corporate decisions are therefore strongly defined by the regulatory and social framework that undergoes continuous development.

“New RWE” also means a new perspective on our direct and indirect emissions. As a consequence of the integration of renewable energy and the deconsolidation of the grid and retail business, a new survey of our emissions was necessary in

conformity with the international Greenhouse Gas Protocol Standard in 2020. In December 2020, a comprehensive new methodology was published which will provide the guideline for our reporting of greenhouse gas emissions in the future. The newly determined emission values for the new RWE in 2019 also formed the platform for our work on further reduction targets. For the first time, the new science-based targets have provided RWE with goals for direct emissions (Scope 1) and for indirect emissions (Scope 2 and 3), and for the first time also for other greenhouse gases defined in the Greenhouse Gas Protocol. The goals set by RWE envisage reducing the greenhouse gas emissions from Scope 1 and 2 specifically by 50% by 2030 compared with 2019. The emissions in Scope 3 are projected to be reduced by 30% by 2030 compared with 2019.

Emissions produced during electricity and heat production in conventional generation units include sulphur dioxide (SO<sub>2</sub>), mercury (Hg), nitrogen oxides (NO<sub>x</sub>) and dust. Dust and fine-dust emissions are also produced in the course of operating our opencast mining facilities and these can be a burden on the surrounding areas. These materials reduce the quality of the breathing air and can exert a detrimental effect on health. We use clean-air purification measures to avoid risks of this nature.

When electricity and heat are produced in our power plants, emissions of pollutants like nitrogen oxides, sulphur dioxide, dust and mercury also occur. In August 2017 the EU Commission adopted new regulations on the reduction of pollutants. For many pollutants, this entailed more stringent requirements than those stipulated by the legislation in Germany. Existing power plants must comply with the

regulations from August 2021. However, prior to this deadline, the Federal Government must implement these restrictions in national law by means of an amendment to the 13th Federal Emission Control Act (Bundesimmissionsschutzverordnung). This amendment is likely to be adopted in the course of 2021. We are striving to ensure that our power plants stay within the upper limits of the emission bandwidths agreed in compliance with EU regulations.

### Organisation and management

#### Anchoring environmental protection in business processes

The responsible approach to natural resources and promotion of the use of environmentally friendly technologies is one of the principles governing conduct at RWE and this principle is enshrined in the RWE Code of Conduct. In 2020, the provisions of the RWE Code of Conduct were applicable for all employees throughout the RWE Group. Establishment within the organisation is described in the → [Non-financial Report, page 14](#).



#### Group-wide coverage for environmental management



See → [Non-financial Report, page 15](#).

#### Compliance with licensing regulations



See → [Non-financial Report, page 15](#).

## Measures and performance measurement

### Reduction of greenhouse gas emissions

We have taken up the opportunity offered by the new RWE to carry out an even more detailed survey of our emissions in the future, to publish more information for our stakeholders and thereby to give our impact a higher profile. At the same time, we worked intensively on goals for direct and indirect emissions. RWE has targeted climate-neutral arrangements for electricity production by 2040. RWE gave concrete form to its own ambitions with the science-based target and expanded its climate protection goals to all the activities and greenhouse gas emissions of the Group. We are thereby contributing our share to attainment of the Paris climate protection goals – this was officially confirmed to us by the independent Science Based Targets Initiative at the end of 2020, see → [Non-financial Report, page 11](#).



In 2020, we established a new calculation methodology for our emissions reporting based on the Greenhouse Gas Protocol. This report presents the values for the previous year, as they were included in the reporting for the year 2019 – in accordance with the previous procedure. As a result of the new methodology and changed limits, the figures are only comparable to a certain extent. Additional information is included in our documentation on emissions methodology at [www.rwe.com/emissions](http://www.rwe.com/emissions). This document includes information on the emissions factors used and on the calculation approach.



### Reduction of other emissions

European and national efforts directed towards reducing greenhouse gas emissions also exert an effect in reducing the emission of air pollutants from our plants. Taking the calendar year 2017 as the baseline, the following measures will contribute to a reduction in the NO<sub>x</sub> and mercury (Hg) emissions from our lignite-fired plants amounting to around 40% by 2023: transfer of our five lignite-fired units to legally-mandated security standby, upcoming imminent implementation of European regulations for clean air with new requirements for coal-fired plants in national law and achievement of the shutdown pathway for lignite, as a consequence of which power plants are being shut down pursuant to the Coal Phase-out Act (Kohleausstiegsgesetz). By 2030, we want to build on this platform and work towards a target of achieving a reduction of up to 70% through further planned shutdowns of lignite-fired units. This means RWE is meeting a substantial reduction contribution to the obligations of the Federal Republic of Germany.

Primary emission reduction measures mean that emissions of mercury, sulphur dioxide (SO<sub>2</sub>), nitrogen oxide (NO<sub>x</sub>) and dust comply with the statutory limits for these substances in our plants. These measures include optimisation of firing technology and secondary emission reduction measures such as dust removal and desulphurisation in the course of operation. During the reporting period, no incidents relating to protection against air pollutants, events relevant for spills or limit breaches occurred at our sites that would have resulted in consequences under administrative law during the reporting period.

Significant reduction in additional emissions planned

RWE has invested > € 100 million in its plants for the reduction of emissions

Independently of this, work in the context of our research activities is continuously focusing on a further reduction of pollutant emissions from our power plants. In order to achieve this, we equip our power plant portfolio with advanced firing technologies for NO<sub>x</sub> reduction, for example the burners at our Weisweiler power plant. Furthermore, we are testing optimised separation processes – for example in relation to mercury. At the Coal Innovation Centre in the Rhineland Mining Region, we are currently working on advanced procedures for capturing mercury by adding furnace coke to the flue gas. Since the beginning of 2019, a demonstration plant has been operating for this purpose on a flue-gas stack in Unit K of the Niederaußem power plant. The results for separation of mercury are extremely promising. Currently, we are also making preparations for the upgrade on another flue-gas stack at Unit K and on the two blocks in Neurath. The aim is for the improved technology to achieve reliable compliance with EU regulations for reduction of mercury emissions from the middle of 2021. We are making substantial investments in our plants to this end and we have the resources to cover financial outlays of more than 100 million euros for this purpose.

Since the 1980s, we have been using flue-gas desulphurisation systems to capture SO<sub>2</sub> from the flue gas. This process involves the SO<sub>2</sub> being scrubbed out with the assistance of a limestone solution. We have been developing this process on a continuous basis and we are applying it on an industrial scale.

### Reduction of air pollutants: dust and noise

Legislation requires opencast mines to be structured and operated using state-of-the-art technology so that harmful, avoidable environmental impacts are prevented. Unavoidable

environmental impacts should be kept to a minimum. We are able to fully comply with these obligations. Environmental impacts connected with the operation of opencast mines are primarily dust and noise pollution. In a case-by-case approach, we adopt suitable measures to reduce these emissions that take into account the operational conditions and local circumstances. Noise emissions are reduced by the use of low-noise machinery, equipment and installations, encapsulating drive units, the use of noise-optimised rollers, setting up protective ramparts and walls, or putting in place planting schemes across sound propagation pathways. In addition, the works necessary during the night-time period are restricted to the absolute minimum for normal operations, e.g. by minimising the use of earth excavators and transport times for large items of machinery. A top priority when procuring new auxiliary equipment is ensuring compliance with the sound power level defined by the German Machine Noise Prevention Regulations (32nd BImSchV). We take a number of measures to reduce dust emissions (dust precipitation) including treatment of open surfaces to prevent the removal of dust. This comprises covering with materials that will not be blown away, spraying large areas with water and other methods of binding dust to the surface. Measures were also developed that exert a targeted impact on the creation and dispersal of fine dust. These include cleaning facilities for the lignite conveyor belts and sprinklers on bunker equipment and coal excavators. The individual methods are always carried out in consultation with the supervisory authorities. Furthermore, monitoring stations covering operations at opencast mines are available 24 / 7 for any citizens who may have issues, so that short-term remedies can also be rapidly put in place if there is an incident involving acute noise pollution.

**GRI 305-1 Direct (Scope 1) GHG emissions**



Reporting on the direct Scope 1 emissions is based on the Greenhouse Gas Protocol. The disclosures comprise all direct emissions from greenhouse gases of RWE, including carbon dioxide, methane, nitrous oxide and sulphur hexafluoride. Direct carbon emissions from thermal power plants are calculated on the basis of the amounts of combustion fuel used. For the corresponding emissions balance, see → [Non-financial Report 2020, page 14](#). In addition, Scope 1 also presents further emissions from our direct activities. These include, for example, our vehicle fleet or ships which operate for us. Most of the resulting greenhouse gas emissions are calculated through energy consumption and corresponding emissions factors. However, the CO<sub>2</sub> emissions of RWE's own power plant portfolio continues to be the dominant source within Scope 1 emissions from RWE.



million mt CO <sub>2</sub> e	2020	2019 <sup>1,2</sup>
Direct greenhouse gas emissions (Scope 1)	70.4	91.7



- 1 Figures are based on the old calculation methodology for our greenhouse gases which include emissions from disposed of businesses. This means that the boundary differs and the figures for 2019 still include emissions from innogy operations that are now no longer part of the RWE Group. Hence, the two annual figures are no longer comparable. For further information on our calculation methodology from 2020, see [www.rwe.com/emissions](http://www.rwe.com/emissions)
- 2 Figures for 2019 only present carbon dioxide emissions (CO<sub>2</sub>) in compliance with our old calculation methodology.

**GRI 305-2**   
**Energy indirect (Scope 2) GHG emissions**

Reporting on the indirect Scope 2 emissions is based on the Greenhouse Gas Protocol. It comprises the indirect greenhouse gas emissions from the generation of electricity that is purchased and used by RWE. For example, this is necessary in our office buildings but also in the operation of our power plants. The Scope 2 emissions are primarily calculated by multiplying the volumes of electricity purchased with country-specific emissions factors. At present, we only report site-related Scope 2 emissions, in other words on the basis of average country emission factors. Our aim in future is to report these emissions using market-based figures – taking into account the individual emissions of the specific electricity supplier or electricity product.

million mt CO <sub>2</sub> e	2020	2019 <sup>1,2</sup>
Indirect energy-related greenhouse gas emissions (Scope 2) – site-related	2.6	4.7



- 1 Figures are based on the old calculation methodology for our greenhouse gases which include emissions from disposed of businesses. This means that the boundary differs and the figures for 2019 still include emissions from innogy operations that are now no longer part of the RWE Group. Hence, the two annual figures are no longer comparable. For further information on our calculation methodology from 2020, see [www.rwe.com/emissions](http://www.rwe.com/emissions).
- 2 Figures for 2019 only present carbon dioxide emissions (CO<sub>2</sub>) in compliance with our old calculation methodology.

**GRI 305-3 Other indirect (Scope 3) GHG emissions**

The details of Scope 3 greenhouse gas emissions are presented in compliance with the Greenhouse Gas Protocol. They comprise the upstream and downstream emissions, divided in 15 subcategories. In 2020 for the first time, we surveyed the Scope 3 greenhouse gas emissions for the other greenhouse gases highlighted in the Greenhouse Gas Protocol and at the same time carried out an investigation into the material categories for RWE. From this reporting year, we will use our new methodology to increase the transparency as a result of the additional breakdown of our Scope 3 emissions into individual categories. These biggest categories by volume were subject to a limited assurance engagement this year. We are aiming to include further categories in this assurance in future.

million mt CO <sub>2</sub> e	2020	2019 <sup>1,2</sup>
Category 1: purchased goods and services <sup>3</sup>	0.7	-
Capital 2: capital goods <sup>3</sup>	0.6	-
Category 3: combustion fuel and energy-related emissions	5.5	-
Category 4: upstream transport and distribution	0.3	-
Category 5: waste	0.1	-
Category 6: business travel	< 0.1	-
Category 7: commuting by employees	< 0.1	-
Category 9: downstream transport and distribution	< 0.1	-

million mt CO <sub>2</sub> e	2020	2019 <sup>1,2</sup>
Category 10: processing of sold products	0.1	-
Category 11: use of sold products <sup>4</sup>	11.7	-
Other indirect GHG emissions (Scope 3)	18.9	187.2

- 1 Figures are based on the old calculation methodology for our greenhouse gases which include emissions from disposed of businesses. This means that the boundary differs and the values for 2019 still include emissions from innogy operations that are now no longer part of the RWE Group. Hence, the two annual figures are no longer comparable. For further information on our calculation methodology from 2020, see [www.rwe.com/emissions](http://www.rwe.com/emissions)
- 2 Figures for 2019 only present carbon dioxide emissions (CO<sub>2</sub>).
- 3 The greenhouse gases are calculated by using input/output modelling based on our procurement volume. For further information on our calculation methodology from 2020, see [www.rwe.com/emissions](http://www.rwe.com/emissions)
- 4 Includes a number of values including sold gas volumes to end customers. Trading transactions without delivery to the end customer are not included. For further information on our calculation methodology from 2020, see [www.rwe.com/emissions](http://www.rwe.com/emissions)

**GRI 305-4 GHG emissions intensity** 



The greenhouse gas emissions intensity is calculated as the sum of Scope 1 and Scope 2 emissions (site-related) divided by the total electricity generation (146,775 GWh in 2020). For the emissions intensity of our power plants, see the [→ RWE Annual Report 2020, page 51](#).

million mt CO <sub>2</sub> e / MWh	2020	2019 <sup>1</sup>
Greenhouse gas intensity Scope 1 + 2, electricity generation	0.497	-

1 In the reporting for the year 2019, the greenhouse gas emission intensities were reported with a different boundary, these figures are not therefore posted.

**GRI 305-5 Reduction of GHG emissions** 



See reduction of our own CO<sub>2</sub> emissions, [→ GRI 305, page 71](#).

**GRI 305-6 Emissions of ozone-depleting substances (ODS)**

Negligible amounts of ozone-depleting substances, which primarily relate to chlorinated hydrocarbons, are used in core processes at RWE so that we do not record these separately.

**GRI 305-7** 

**Nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), and other significant air emissions**

Absolute emissions <sup>1</sup>			
	Unit	2020	2019
NO <sub>x</sub> emissions	thousand mt	38.8	50.5
SO <sub>2</sub> emissions	thousand mt	11.9	17.0
Dust emissions	mt	994	1,454

1 Data in 2020 for the RWE Group, data in 2019 for RWE without the renewable energy business. There is no reporting based on continuous measures for mercury at our power plants in Germany, this system is just being established; most of the measurements from previous years related to the results of individual measurements.

Specific emissions <sup>1</sup>		
in g / kWh	2020	2019
NO <sub>x</sub> emissions	0.26	0.33
SO <sub>2</sub> emissions	0.08	0.11
Dust emissions	0.01	0.01

1 Data in 2020 for the RWE Group, data in 2019 for RWE without the renewable energy business.



### GRI 306 Effluents and waste



#### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

#### Challenges

Sustainable waste management is also part of a responsible approach to resources, alongside sustainable application of raw materials. This enables us to comply with the necessary licensing regulations. We avoid wastewater and waste as far as possible, while unavoidable waste is disposed of properly in accordance with the statutory regulations. We ensure that all safety regulations are complied with and relevant precautions are taken.

#### Organisation, management and performance measurement

#### Ensuring sustainable waste disposal



Comprehensive waste management ensures that the waste generated in our operations is disposed of properly in compliance with waste legislation. The Environmental Management System described in the → [Non-financial Report, page 14](#) also regulates the handling of waste so that comparable standards are implemented here. For the reporting year 2020, waste management covered the same scope as environmental management.

Owing to the varying composition of waste and the resulting potential for hazard, waste is classified into two categories: hazardous waste and non-hazardous waste. Furthermore, a distinction is drawn during the course of disposal between

recovery and removal of waste which is conducted to the appropriate downstream processes.

During the project phase, the new-build and the maintenance of plants, an internal system evaluates the potential harm caused by waste disposal and appropriate protective measures are provided. Disposal information systems are used for organising disposal services. These information systems guarantee compliance with all the applicable statutory and contractual conditions in the disposal of the waste generated.

#### Avoid waste

Our waste hierarchy is based on the principle of “avoidance, preparation for reuse, recycling, recovery, in particular energy generation, and backfilling and disposal”. Our top priority is avoidance of waste. All organisational units are therefore continually reviewing the corresponding options for the waste that is produced within their area of responsibility. Within this process, we reduce the quantity of waste as far as possible. This is done by optimising our plants but also already at the stage of the planning and procurement process.

Nevertheless, if waste is still produced, it is handled in accordance with the waste hierarchy referred to above. Disposal is only permissible if recovery is not technically feasible or is not commensurate with commercial requirements.



**Process wastewater**

Potential contaminants are prevented by our internal wastewater treatment facilities, and their regular internal and statutory monitoring. This process enables us to avoid negative impacts for the natural environment and health.

The pollutant concentrations for wastewater from operational facilities are limited by the licensing authorities with specification of monitoring values. These parameters are defined in the relevant permits under water legislation. The results are analysed by in-house monitoring systems and in the course of regular in-house and independent monitoring surveys carried out by government agencies. Compliance with the permissible monitoring values ensures that the wastewater discharges are not in contravention of the water management targets for surface waters.

**GRI 306-2 Waste by type and disposal method**

Power-plant residues from our coal-fired power plants dominate the generation of waste. Ash and FGD gypsum, known as power-plant residues, are produced at our lignite-fired power plants, see → [Energy-efficient products and services, page 51](#). The ash from hard coal-fired power plants is marketed as a power-plant by-product. Almost 100% of the ash from the lignite-fired power plants is eliminated in our power-plant residue deposits. The process of flue-gas desulphurisation of our coal-fired power plants generates gypsum. Most of this gypsum is marketed as a power-plant by-product. Other waste products from our operations are forwarded for recovery and preparation for reuse, recycling and other energy generation and backfilling, or disposal.

We treat residues and waste from our nuclear power plants which are produced during operation, or result from decommissioning of the power plants, in accordance with the statutory regulations, see → [Shutdown and decommissioning of power plants and reinstatement of opencast mines, page 54](#).

<b>Waste</b>			
	<b>Unit</b>	<b>2020</b>	<b>2019</b>
Ash	thousand mt	3,140	4,197
Ash recovery	thousand mt	465	704
of which ash as a by-product	thousand mt	101	
Gypsum <sup>1</sup>	thousand mt	771	920
Gypsum recovery	thousand mt	635	737
of which gypsum recovery as a by-product <sup>2</sup>	thousand mt	635	
Radioactive operational waste from nuclear power plants	mt	251.6	241.2
Spent fuel rods	mt	95.6	78.2

1 Data without sold FGD gypsum from the Dutch sites  
 2 From 2020 also listed

**GRI 306-3 Significant spills**

During the reporting period, no serious environment events involving spills of harmful substances were recorded in the regular internal survey for RWE.



**GRI 307 Environmental Compliance**



On account of the particular importance of environmental compliance for the RWE Group, the indicators are linked to the compensation of the Executive Board. Environmental compliance is described in the → [Non-financial Report, page 14](#).

**GRI 103**

**Management approach (including 103-1, 103-2, 103-3)**



For information on the challenges, organisation and measures relating to the environmental compliance of the RWE Group, see → [Non-financial Report, page 14](#).

**GRI 307-1**



**Non-compliance with environmental laws and regulations**



See → [Non-financial Report, page 15](#).



**GRI 308 Supplier environmental assessment**

**GRI 103**

**Management approach (including 103-1, 103-2, 103-3)**



For information on the general Management Approach on Procurement, see → [GRI 204, page 43](#) and → [Non-financial Report, page 4](#).

Depending on the tendered requirement, environmentally relevant criteria are interrogated from the suppliers in the course of prequalification. Relevant criteria are also used in the tender process and cost-benefit analysis in order to assess the offers of our suppliers.

**GRI 308-1 New suppliers that were screened using environmental criteria**



See → [GRI 414-1, page 101](#) and → [Non-financial Report, page 4](#).

**GRI 308-2 Negative environmental impacts in the supply chain and actions taken**



See → [GRI 414-1, page 101](#) and → [Non-financial Report, page 10](#).

GRI 401 to GRI 419-1

# Social

- 82 GRI 401: Employment
- 83 GRI 401-1: New employee hires and employee turnover
- 84 GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
- 84 GRI 402: Labour / Management Relations
- 84 GRI 402-1: Minimum notice periods regarding operational changes
- 85 GRI 403: Occupational Health and Safety
- 87 GRI 403-9: Work-related injuries
- 87 GRI 403-10: Work-related ill health
- 87 GRI 404: Training and Education
- 88 GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes
- 88 GRI 405: Diversity and Equal Opportunity
- 92 GRI 405-1: Diversity of governance bodies and employees
- 92 GRI 405-2: Ratio of basic salary and remuneration of women to men
- 93 GRI 413: Local Communities
- 94 GRI 413-1: Operations with local community engagement, impact assessments, and development programmes
- 95 GRI 413-2: Operations with significant actual and potential negative impacts on local communities
- 96 Human Rights
- 98 Catastrophe / Emergency planning and response
- 99 Safety
- 101 GRI 414: Supplier Social Assessment
- 101 GRI 414-1: New suppliers that were screened using social criteria
- 101 GRI 414-2: Negative social impacts in the supply chain and actions taken
- 102 GRI 415: Public Policy
- 104 GRI 415-1: Political contributions
- 105 GRI 417: Marketing and Labelling
- 105 GRI 417-1: Requirements for product and service information and labelling
- 105 GRI 419: Socioeconomic Compliance
- 107 GRI 419-1: Non-compliance with laws and regulations in the social and economic area



**94.1%**  
health quote

**LTIF**  
**1.5**

Number of accidents per one million hours worked (LTIF)  
No fatal occupational accidents



**€ 1.08 million**  
donations



**€ 0.67 million**  
sponsorship



More than  
**750**  
apprentices in the Group

# Social



## GRI 401 Employment



### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

#### Challenges

We are working together with our employees to master the challenges of the energy transition. The growing business pressure being exerted on the RWE Group and the changes occurring in the energy market have also necessitated a cultural change at our company. If we failed to take action on this front, we would put our future performance at risk. The transformation of our company has not yet been completed. It requires increased flexibility from our employees and simultaneously opens up the possibility of new functions. We have therefore launched an array of different programmes so that our people are in a position to achieve the best possible outcome. We are joining forces with our employees to shape our working culture. Our approach is intended to ensure that we remain competitive and attractive for existing and new employees.

market. The framework conditions are defined in a collective bargaining agreement.

Several tools are available to determine the success of the internal job market including the number of internal and external applicants for each job.

Our employee survey regularly determines the Motivation Index. This continues to be at a high level and demonstrates that we are also good at providing our employees with adequate motivation even during phases of change.

#### Establishment of new mindset and working practices

Our objective is to establish new mindsets and new ways of working within the RWE Group. The programme “New Way of Working” (NWoW) has been designed to achieve this. We are defining new standards for our working practices and promoting the skills of our employees. A common working culture is also being developed in the areas of Operating Excellence, Universal Process Management, and Leadership and Alignment. Our intention is to use these and other measures to enhance employee satisfaction, customer satisfaction and ultimately the financial results.

The NWoW programme has been expanded to 88 operational projects in RWE AG, RWE Generation SE, RWE Power AG, RWE Supply & Trading GmbH and at RWE Renewables. Currently 80 experts and around 12,800 employees are working within the NWoW context.

In addition, other initiatives are running in the area of Management & Alignment with the aim of continuing to expand

Our focus is on a high level of appeal as an attractive employer

80 experts and 12,800 employees in the NWoW programme

#### Organisation, management and performance measurement

#### Socially acceptable and responsible restructuring

Our internal employment market is already well known in the RWE Group and used by our employees. This platform promotes and supports many colleagues in relaunching their careers within the framework of an internal Group-wide job

the skills of managers. By acting as role models for the RWE management profile, executive managers also lay the foundation stone for successful introduction of NWoW at the individual locations.

We measure the success of our NWoW projects specifically by analysing leadership quality and employee and customer satisfaction.

**Promoting cultural change through programmes**



The cultural change was now also a key element of the New Way of Working (NWoW) programme in 2020. The New Way of Working (NWoW) programme represents a new mindset and approach to carrying out work, see → [GRI 401, page 82](#). The project is enabling us to strengthen the orientation of our employees on performance and customers, and involve them more closely in decision-making processes. At the same time, we are ensuring more efficient cooperation within the entire Group. In addition, the other programmes in the Group include the following:

- Employee motivation is surveyed within RWE using the established key parameter of the Motivation Index. In 2020, the staff survey was carried out in the form of a representative partial survey. The intention of the survey is to identify the strengths of the company in order to expand these further and to determine areas where optimisation is necessary. The topics include management, cooperation, information flow, along with scope for taking action and development opportunities. The Motivation Index is surveyed by an external service provider.

- Peer Group@RWE is a forum for executive employees that allows them to develop management expertise through joined-up peer-to-peer consultation and advice based on case studies. This creates an informal, strong and convincing network throughout RWE.
- The Next Generation Leadership Campus (NGLC) is an employee development programme that will offer future managers seminars and mentor consultation to give them the opportunity to expand and strengthen their expertise in areas such as employee leadership or readiness for change.

**Defining objectives through the Code of Conduct and RWE Social Charter**

Our RWE Code of Conduct and the RWE Social Charter were jointly adopted by the European Works Council and the Executive Board in 2010. They define goals and principles for the relationship of governance with employees and for the conduct between individual employees. The guidelines in both documents are binding for all employees of the RWE Group.

**GRI 401-1 New employee hires and employee turnover**

RWE <sup>1</sup>	Unit	2020	2019
Fluctuation rate	%	10.7	7.3
External hirings	FTE	978	568

1 Data in 2020 for the RWE Group, the renewable energy business was reported pro rata with time in the second half of the year. Data in 2019 for RWE without the renewable energy business.

We do not provide differentiation on the basis of additional criteria in the case of data on fluctuation rate and new hirings because the benefit is not commensurate with the expenditure

involved. We regularly report on the age structure and the breakdown of employees by gender.

#### **GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees**

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The principle of equal opportunities applies at RWE, irrespective of whether an individual is employed full-time, part-time or fixed-term. However, there may be deviations for employees on fixed-term contracts, particularly in the case of those working on a short-term basis, if for example statutory deadlines or reference dates cannot be complied with.

#### **GRI 402 Labour / management relations**

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##### **GRI 103**

#### **Management approach (including 103-1, 103-2, 103-3)**

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##### **Challenges**

We intend to make any necessary restructuring and staff relocations socially acceptable and implement them in a responsible manner. We are therefore continually in discussions with the employee representative bodies in the Group and with the unions. Of course, the individual relevant national legislation covers the situation at RWE and we define our business practices in compliance with the regulations. Naturally this also applies to employees who joined RWE as part of the transaction.

#### **Organisation, management and performance measurement**

##### **Cooperation beyond the statutory regulations in an atmosphere of trust**

In Germany, the Works Constitution Act (Betriebsverfassungsgesetz, BetrVG) regulates the comprehensive information, consultation and co-determination rights of the Works Council. It states that the Executive Management and the Works Council should cooperate together in an atmosphere of trust. RWE has gone beyond these statutory regulations and made a commitment to open and trusting cooperation in the RWE Social Charter. The RWE Social Charter was adopted by the European Works Council and the Executive Board in 2010. Apart from the Group Works Council and the European Works Council, there are other forms of employee representation across the Group, at company level and at operational level. Specific interest groups, such as spokesperson committees, representative bodies for people with disabilities, and youth and apprentice representations are also included.

##### **GRI 402-1**

#### **Minimum notice periods regarding operational changes**

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We comply with all information disclosure obligations and involve employee representatives at an early stage.

### GRI 403 Occupational health and safety



Owing to its exceptional importance, workplace safety has an effect on the remuneration of the Executive Board and is therefore a constituent element of the → [Non-financial Report, page 16](#). Health protection is described below in this section.

### GRI 103 Management approach (including 103-1, 103-2, 103-3)



#### Challenges

Health and safety are a top priority at RWE

As an industrial company, occupational safety and maintaining health are very important topics of concern to our employees. Our workforce and the employees of our subcontractors often carry out their assignments at workplaces that are subject to special requirements for occupational health and safety. In particular, these include activities in the sphere of opencast mining, in technical areas at our power plants, and at wind turbines. These areas of application are subject to particular accident risks and health hazards for our employees and those of subcontractors. So as to protect them, we are committed to sustainable development of occupational health and safety. The further robust development of a respectful management culture in an atmosphere of trust is absolutely essential for strengthening our culture of occupational health and safety. We strive to achieve even tighter dovetailing between the topics of management and personnel development.

Good occupational health and safety requires high levels of quality and demonstrates a good business policy. Sustainable prevention also exerts a positive impact on the motivation and satisfaction of employees, the quality of their work, and the

High standards, such as OHSAS 18001, provide a foundation

image of the company. This is why high standards are maintained, such as OHSAS 18001, and we are working on continually improving our performance in this area. Packages such as the “Safety Academy” therefore contribute to prevention, in this case in the form of a game for delivering training on different topics from the area of Health & Safety. Likewise, we want to contribute towards avoiding other events as far as possible through a Root Cause Analysis – a standard for analysis of events.

In terms of health and safety, the year 2020 was defined by the COVID-19 pandemic throughout the world. As an operator of a critical infrastructure, it was our priority to protect our employees against potential illness and additionally to secure electricity generation, see → [Non-financial Report, page 16](#).

#### Organisation and management

##### Organisation of healthcare management



The functions of healthcare management are situated with the Company Medical Centre and the Department of Health & Safety. The Company Medical Centre bundles the organisation of all the medical and emergency medical resources alongside the company’s social counselling service. The corresponding services relating to this are provided on the basis of service contracts. These are dedicated to the RWE Group. For the organisational anchoring, see → [Non-financial Report, page 16](#).

In cooperation with the Company Medical Centre, the Health & Safety Department develops and initiates health prevention packages in the context of Occupational Health Management.

The management function within the Company Medical Centre is separate from the role of the Chief Company Doctor. The Chief Company Doctor is responsible for the functions and duties that are in accordance with the relevant regulations. The Chief Company Medical Officer is responsible for all more far-reaching functions, in particular the strategic alignment and management of the whole department.

Detailed organisation of healthcare management has been defined within the framework of the Workplace Safety Management System. Since the employees of the Company Medical Centre are part of the organisation of RWE Power AG and have contracts of employment with this company, healthcare management is part of the integrated management system of RWE Power AG.

### Measures and performance measurement

#### Continuous improvement of health

The Company Medical Centre is continuously analysing health data available inside and outside the company, and identifying the need for action. This analysis gives rise to concrete measures for the adjustment and completion of its service portfolio and to actions for prevention and healthcare promotion campaigns.

Since 2018, the focus has been on metabolic syndrome, which is regarded as the key risk factor for arterial diseases, in particular coronary heart disease. Since 2019, the topic of “Healthy Sleep” has been added as a further focus and issues associated with sleep are outlined in keynote presentations and roadshows at various locations.

Moreover, the Company Medical Centre offers an annual flu injection programme for all our employees. As necessary, this can be supplemented by individual vaccination advice, setting up a vaccination plan and any supplementary vaccinations necessary on an individual basis. Starting in October and continuing into the first quarter of the following year, all employees can each have a flu injection. Since this vaccination provides the most effective protection against infection with the influenza virus, information and communication to employees is being stepped up in order to gradually expand the proportion of employees who take advantage of the vaccine.

The aim of Company Health Management (CHM) is to present our employees with a wide range of offers and needs-based measures to promote their health. Thematic focuses are made up of mental, physical and social health. The sphere of mental health offers a burgeoning area of action owing to the intensified concentration of work and increased psychological burdens. Against this background, we expanded our offerings related to stress competence, resilience and mindfulness. These programmes are intended to promote the skills of our employees, foster their ability to master crises and provide staff with an opportunity for personal development by drawing on their own personal and social competences much more as a platform for development. In 2020, Company Healthcare Management was saluted with the Corporate Health Award in the energy industry sector. Since 2009, this award has been conferred on employers by management consultancy firm EUPD and the Handelsblatt Media Group to companies who show above-average commitment for health to their own employees and pursue a particularly visionary and sustainable personnel strategy in this respect.

RWE offers a broad diversity of measures for promoting health

Furthermore, a training concept involving blended learning was developed which communicated content for occupational health and safety as a management function. The programme has been set up for the long term (i.e. over several years).

### Health indicator

A key indicator of health in the workforce is the sickness rate (health-related absence). This reflects the periods of absence due to sickness including absence as a result of accidents and due to rest cures. It is calculated as a function of the scheduled working hours for all employees. The sickness rate of RWE was 5.9% in 2020 (2019: 6.8%).

#### GRI 403-9



#### Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

 See → [Non-financial Report, page 18.](#)

#### GRI 403-10 Work-related ill health

The activities carried out by our employees and our subcontractor employees are often associated with particular hazards. We believe that all hazards can be avoided if we take preventive action and implement appropriate protective and safety measures.



### GRI 404 Training and education

#### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

#### Challenges

The success of our company largely depends on the knowledge and skills of our employees. We will only be able to continue mastering the future challenges presented by the energy business through having professional and dedicated employees and managers. Our aim is therefore to continue recruiting talented young people to work at RWE, promoting our employees on the basis of their individual strengths and supporting them in their individual development. It is important for us to be an attractive employer from this perspective as well.

#### Organisation, management and performance measurement

#### Recruitment of new employees

We are an important economic factor in the regions where we have operations in the energy sector. So as to ensure that we continue to reinforce this perception of an attractive employer in potential employees, we are proactive in engaging with them. We inform them about the activities and the opportunities for employment in a career at RWE. This process includes a range of different tools including → [our career portal](#). We provide information to schoolchildren, students, graduates and prospective employees with career experience on this website. The aim is to get in contact with them and help them make a start on the career ladder in the world of work or give them advice on changing jobs to RWE. We focus our on-site activities

on selected universities and career fairs in Germany and abroad, to the extent that this is currently possible as a consequence of the coronavirus pandemic. Furthermore, we made much greater use of digital forms of contact in 2020.

We are especially committed to attracting young women to technical careers

Women continue to be less inclined than men to take up a technical career. We are therefore especially committed to motivating young women to explore technical careers at an early stage. One example is our engagement with this topic through the nationwide Girls' Days held in Germany over many years.

Promotion of training

The RWE Group has a long track record of vocational training. In Germany, we focus primarily on the dual vocational training system. This involves theoretical instruction being given at vocational colleges alongside on-the-job training in the company. Overall, we offer training at training locations in 13 cities for a total of 21 apprenticeship vocations in craft, engineering and commercial occupations, and other areas. We train more people than are necessary for our own requirements.

750

apprentices at the RWE Group

Every year, around 250 young people start their training in the RWE Group. This means that they are part of a cohort of more than 750 apprentices in the Group. Consequently, around 4.5% of our employees in Germany are apprentices.

In 2020, we also offered around 40 places in our entry-level qualification "I can do it!" ("Ich pack' das!"). Here we help young people who have not yet found a training place and give them the knowledge to enable them to achieve the necessary level in order to embark on basic training.

Career training and development

We offer all employees a range of training sessions and courses for developing personal skills. We help managers to enable their employees to take advantage of opportunities on a daily basis – opportunities to try out new things, implement projects and collaborate with different people so that they can learn from each other. We aim to structure personal and ongoing challenges strategically as careers unfold in order to promote the development potential of our employees.

GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes

Our employees have access to a broad spectrum of development opportunities and advanced qualification. These range from IT skills and project management, through specialist topics such as technical training courses, occupational safety and compliance, to management training sessions. The HR portal of RWE offers attendance training courses, blended learning, web-based learning, videos and much more. In 2020, approximately 40,000 training courses were booked through the HR portal for RWE.



GRI 405 Diversity and equal opportunity



GRI 103

Management approach (including 103-1, 103-2, 103-3)

Challenges

The world in which we live and operate as a company is steadily becoming more varied, more international and more diverse.

We can only master the greatest transformation in the history of the company through diversity

Globalisation and the technological progress of recent decades are evidenced by a large number of changes for us as an energy group. Such an enormous change needs diversity in order to master the greatest transformation in the history of RWE as a company. The new RWE is a strong player in global markets – international teams with diverse experiences and cultural backgrounds are increasingly enriching us. We have defined targets based on our corporate philosophy in our Diversity & Inclusion Strategy. They are underpinned by tolerance and integration as fundamental principles. This is because we are convinced that an open and respectful culture is advantageous for our company and for our workforce.

#### Organisation, management and performance measurement

We are addressing the challenges presented by changes in the world of work so that we can offer our employees the appropriate working environment. We have created a diverse offering to make it easier for our employees to combine family and career and get the work-life balance right. This includes greater flexibility in the workplace in terms of time (flexible working time models) and location (home office and mobile working). For this purpose, we are digitalising workplaces and structuring our facilities to meet the current needs of our workforce. We have also used the COVID-19 crisis to promote new forms of cooperation and new ways of working, such as introducing agile methods.

#### Establishment of Diversity Management in the organisation

Our commitment to diversity in the company culture is enshrined in our Social Charter, our corporate values and our corporate mission. We reject any form of discrimination and

promote a diverse corporate culture and honest cooperation. Our diversity management plays a key role here.

We interpret diversity management as a long-term management function in order to deploy the right competences at the correct place in the company. The Diversity Office is situated in the Corporate Transformation Department. It defines an overall framework for the entire RWE Group, and the decentralised Diversity Champions are the driving forces behind the initiative in the individual companies. They establish binding goals and priorities for each individual company that are tailored to needs. In addition, employees from all over the Group engage as volunteers in a wide range of different formats and consequently make a significant contribution to an inclusive corporate culture. We believe it is important to create a working environment where each employee can grow individually and is supported in their own personal life phase. In a nutshell: At RWE, everyone needs to be like they are, without having to make any adjustments.

At RWE, everyone needs to be like they are, without having to make any adjustments

The Diversity Day in 2020 was an entirely virtual event owing to COVID-19 and a huge success. Colleagues from all areas and companies of RWE took part. Diversity Day is a day of action initiated by the Charter of Diversity (Charta der Vielfalt e.V) when companies and institutions publicly demonstrate their commitment to the topic of diversity by taking action within the company or outside. Over a period of three days, a wide range of different diversity topics were offered as webinars. Every day, experts presented a different, interesting topic and there was a live Q&A session with the experts after the presentations. The virtual concept enabled us to reach out to lots of colleagues who would not have been able to attend an in-person event. We are committed to various networks, such as the enei

network, one of the biggest diversity networks in the English-speaking world, and The Boss's Business Initiative. This is our way of making a commitment to the topic of diversity beyond the confines of the company.

In 2020, we took another step towards an inclusive corporate culture with our LGBT\*IQ & Friends network. The network was founded by employees who had enjoyed good experiences at RWE when they came out. Our network combines LGBT\*IQ employees and their supporters. The network provides employees with a contact point for swapping ideas, sharing experiences and advice about topics like coming out in the workplace.

In November, we made it to a ranking of 87 for "Diversity Leaders 2021". This is the first ranking of its type where employees directly assess companies in the following dimensions: gender distribution, age distribution, openness to all forms of sexual orientation, ethnic distribution and inclusiveness. This year, the award for the 850 best companies was assessed using a comprehensive survey answered by more than 100,000 employees in 16 European countries.

### Appointing more women to management positions

As a technology-based company, we have to contend with the ongoing challenge of increasing the proportion of women working in our company. We therefore provide women with strategic support for entering our company structure and climbing up the career ladder. The women's network at the RWE Group brings together approximately 320 women. As the biggest network of the Group with numerous initiatives, programmes and movements, it unites colleagues from all locations and companies in Europe. The network promotes

320

women are part of the women's network in the RWE Group

Group-wide communication on the latest challenges in the energy industry and generates momentum to enable women to develop their individual career paths. We will continue to support other network initiatives, for example MINT Women. This initiative brings together women in our company who have taken scientific and engineering degrees and it strengthens their profile. Around 70 women from different hierarchical levels within the Group have taken part in the initiative.

At the Supervisory Board meeting held on 23 June 2017, the Supervisory Board passed a resolution defining goals relating to quotas for women in the compliance period to 30 June 2022. The target quota amounts to 0% for women in the Executive Board. A target quota of 30% was defined for the first management level. The target quota of 20% women in the second management level takes account of the current appointment situation and the difficult conditions in the employment market.

The number of women on the 20-strong Supervisory Board of RWE AG is currently six, of which three are drawn from the employee side. This means that the statutory regulations have been implemented, see → [GRI 102-22, page 19](#). Since 1 November 2020, the Executive Board of RWE AG has been made up of four members. Ms Zvezdana Seeger joined the Board and we therefore now have a woman at this management level. On the basis of the current composition of the Board, the proportion of women on the Board is currently 25%. When Dr Rolf Martin Schmitz steps down from the Executive Board, this percentage will rise to 33.3%. The proportion is therefore above the target quota up until mid-2022 initially resolved by the Supervisory Board at its meeting on 23 June 2017. At the time, the Supervisory Board did not envisage a quota for women on the governance body.



6

women are currently on the 20-strong Supervisory Board of RWE

At year-end 2020, the proportion of women in management positions at the RWE Group was around 16.6%. The percentage was 26.6% for the first management level below the Executive Board of RWE AG, and 21.6% for the second management level below the Executive Board of RWE AG.

### Promotion of inclusiveness

RWE uses the RWE Inclusiveness Action Plan to promote the inclusion of people with disabilities in all the company's activities. The agreed targets will continue to be implemented in the companies of the RWE Group. Their sustainable impact is demonstrated in the constant employment rate for people with disabilities within our Group. The impact is also demonstrated in the package of internship places for young people with disabilities and the sustainable, barrier-free establishment of workplaces for people whose ability to take part in the workplace is compromised.

Our community and social responsibility towards people with disabilities is defined across Europe in the Social Charter and our commitment to the Charter of Diversity. This commitment will continue to be implemented in a practical way by campaigns to raise awareness and strategic measures in human resource development, training, employment and health measures, and appropriate workplace design and a barrier-free approach.

A firmly established disability officer is also responsible for structuring and monitoring the implementation of inclusion within RWE at every location. This employee representative is strategically proactive in implementing the rights, interests and assistance services for people with disabilities.

The ratio of disabled employees at RWE in Germany was 8.9% in 2020 (2019: 9.7%). This means that we have fulfilled the statutory quota of 5.0%.

### Combining work and private life

Combining work and private life is a top priority at RWE and the company promotes getting the work-life balance right within the framework of the individual national circumstances and the specific opportunities available in the Group companies. We have created the structural conditions for getting the work-life balance right with mobile working and flexible working hours including management positions, and up to 24 months of unpaid special leave. We also offer our employees additional benefits designed to help them combine career and health, alongside getting the right balance between career and family. For example, we have set up the Lumiland daycare nurseries located close to the company's premises to help (prospective) parents combine career and children. Employees are now also able to make use of nursery places in Essen, Dortmund and Cologne. Parent and child offices are also available, and a central mediation centre for childminders, nannies, emergency mothers and au pairs is also provided – even in situations when private childcare is suddenly not available at short notice.

Additionally, RWE provides support to assist its employees in care scenarios with comprehensive services. For example, employees can get advice from an online portal about subjects like patient instructions and long-term care insurance, or they can also obtain expert advice at on-site events. We also provide support with selecting care services or organising support in the home.

**GRI 405-1**

**Diversity of governance bodies and employees**

**Proportion by gender in the RWE Group**

in %	2020	2019 <sup>1</sup>
Proportion of women in the company	14.7	12.8
Proportion of men in the company	85.3	87.2
Proportion of women in management positions <sup>2</sup>	16.6	15.8

- 1 Data related to the employees of RWE including Operations acquired from E.ON, but without the innogy operations taken over later.
- 2 Encompasses the first four management levels. Data in 2020 are for the RWE Group, data in 2019 comprise RWE AG, RWE Generation SE, RWE Power AG and RWE Supply & Trading GmbH.

**Age structure of the RWE Group**

in %	2020	2019 <sup>1</sup>
Proportion < 20 Years	1.4	1.5
Proportion 20 – 24 Years	4.7	4.8
Proportion 25 – 29 Years	7.4	6.6
Proportion 30 – 34 Years	10.5	7.5
Proportion 35 – 39 Years	10.7	8.8
Proportion 40 – 44 Years	9.9	7.7
Proportion 45 – 49 Years	9.5	10.0
Proportion 50 – 54 Years	16.0	19.5
Proportion 55 – 59 Years	21.5	24.1
Proportion ≥ 60 Years	8.4	9.5

1 Data in 2019 for RWE without the renewable energy business.

A survey of data on minorities is subject to the individual national regulatory standards. Differentiation is therefore only possible on the basis of gender and age. For disclosures on the composition of the Executive Board and the Supervisory Board see the → [RWE Annual Report 2020, page 9](#) and the → [RWE website](#). The biographies of the Members of the Executive Board and the Supervisory Board can also be found here.



**GRI 405-2**

**Ratio of basic salary and remuneration of women to men**

In 2017, the Act to Promote Transparency of Pay Structures (Entgelttransparenzgesetz) came into force in Germany. The objective of the law is to implement the requirement of equal pay for women and men in return for equal or equivalent work. Against this background, pay regulations and structures are to be made more transparent for employees. RWE implements all the statutory regulations and answers all enquiries from employees within the defined framework.

RWE pays women the same salary as men when they are in equivalent positions

RWE pays women the same salary as men when they are in equivalent positions. We observe the principle that employees at RWE receive remuneration on the basis of the activity carried out, independently of gender. The salary is therefore dependent on the activity taking place, the necessary qualifications and the experience of the employees. The employee representatives also ensure that the principle of equal treatment is observed.

## GRI 413 Local communities

### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

##### Challenges

Wherever we have operations, our actions exert an impact on local communities. Our generation plants and opencast mines offer jobs and therefore support the structure of the individual regions. In some places, this has already been happening for a long time. We temporarily take over very large areas of land for our opencast mines. This is associated with serious changes in the profile of the landscape. In some cases, these operations may necessitate resettlements of individual villages or parts of local settlements. As a consequence of the expansion of renewable energy, our activities also cause impacts on regional communities and we integrate their residents and stakeholders through a variety of dialogue formats. Furthermore, employee, supplier and customer traffic associated with our plants also exerts an impact on the neighbourhood.

##### Organisation, management and performance measurement

We want to operate in a socially ethical way at our operating locations and be perceived in a positive light. With this in mind, we enter into dialogue with neighbouring residents and other groups which are impacted by our business operations or whose activities exert an impact on the business activities of RWE. Wherever we have operations, we want to cooperate with the local communities where we are working.

##### Dialogue with neighbouring residents and other stakeholders affected

We engage in a lot of different stakeholder dialogues. These are intended to communicate information and to involve neighbouring residents and other groups who are affected by our business activities. For more information on integrating our stakeholders, see → GRI 102-43, page 23 and → GRI 102-44, page 23.



1,500

visitors come to the platform  
[www.dublinarray.com](http://www.dublinarray.com) each day



We have also been able to maintain our stakeholder dialogue in relation to our Irish offshore project “Dublin Array” designed to keep the general public involved despite the difficult COVID-19 restrictions. In autumn 2020, a virtual exhibition platform went online ([www.dublinarray.com](http://www.dublinarray.com)). Stakeholders with an interest in the project and anyone in the public domain were encouraged to visit the platform using media and direct communication. Meanwhile, around 1,500 visitors a day gathered information about the project and its benefits for society.

In the United Kingdom where we currently have a number of major wind projects, dialogue was likewise continued with stakeholders under COVID-19 conditions. One example is provided by the “Awel y Mor Offshore Wind Farm Public Engagement Days” – a virtual exchange of ideas with the general public about the planned grid connection concept was extremely well received.

A key building block of the stakeholder dialogue in the United Kingdom is provided by the consultations with the population of the “Community Benefit” projects. In 2020, more than £ 4.3 million were channelled into local projects as part of our wind power activities. The precise arrangements and application

were carried out in close cooperation with the local community. For example, support was provided on access to services in rural areas, local training opportunities, schools and social facilities.

Relevant stakeholders also included local business representatives. Regional businesses in North Wales and North-West England constituting part of a “Supply Chain Cluster” were also advised on how they could participate in the value added of a wind farm as a supplier or service provider.

Exchange of ideas with relevant stakeholders in government and society is also very important for expanding our business into new markets. We want to join forces and develop robust framework conditions for ambitious expansion of renewable energy and build on existing experience from other countries. For example, we worked on setting up a new sector association called the “Clean Energy Investor Group” in Australia. The activities of this organisation include engaging in sector dialogues with the government and the regulatory agency on necessary reforms to the energy market so as to support the further expansion of renewable energy. Another current example is provided by the Baltic States. Our commitment to the Lithuanian Wind Association enables us to contribute our international experience in the area of renewable energy. In future, Lithuania wants to exploit the potential of offshore wind and is planning an initial offshore auction for 2023. We have been able to contribute our significant offshore expertise to the public dialogues and in-depth discussions with the responsible ministry, the Lithuanian Energy Agency and the transmission grid operator.

**600,000**  
visitors have come to  
the Rhineland Mining Region  
over the past ten years

Over the past ten years, around 600,000 visitors have taken part in guided tours of the facilities and recultivation areas of RWE Power. Even though all visitor tours for 2020 were cancelled owing to the ongoing pandemic, the public interest in visits to the opencast mines and power plants operated by RWE continues unabated. A top priority for us is to provide visitors and neighbours with information about our operations by engaging transparently with them on the basis of facts and to maintain a dialogue with them. The “Experience RWE” app is an ideal medium in times like these to get better acquainted with the recultivated areas of RWE. The app is very popular judging by the high download statistics. Furthermore, we maintain contact with neighbouring residents and engage in dialogue with them as part of our donation and sponsorship activities. We focus on promoting youth work in regional associations and supporting local heritage and customs.

**GRI 413-1**

**Operations with local community engagement, impact assessments, and development programmes**

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At all our major locations, we exchange views with the people living in the region. We regularly analyse the needs of communities and the impacts on the environment within the framework of the licensing procedure in Environmental and Social Impact Assessments. A detailed disclosure of the results is not practicable owing to the large number of licensing procedures.

### **GRI 413-2 Operations with significant actual and potential negative impacts on local communities**

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The operation of opencast mines is unavoidably associated with interventions in the landscape and with the resettlement of local communities. The construction of wind farms can also lead to impacts on local communities. RWE is very much aware of the impacts of these interventions for the region.

#### **Structuring resettlement with a consensus**

When people are being resettled, the important issues associated with this topic are not simply about fair compensation for their material assets. Intangible assets like tradition, community and a sense of belonging also play a key role. So that these needs can be met as far as possible, RWE has been committed for decades to the offer of community resettlement with the aim of finding solutions that are ethical and socially compatible.

The people being resettled are involved on many levels in the process from the planning stage to implementation. They receive comprehensive support through the relevant government agencies, local authorities, and most importantly from our company. Their requirements also play a central role within the framework of the required licensing procedure. They are involved in selecting the location of the resettlement site and they play a key role in designing the new village. This ensures that the majority of the people being resettled were always involved in the resettlement of the community. Vibrant new settlements can be created in accordance with the ideas of the citizens. They can be provided with appropriate infrastructure where community life can be continued with familiar social structures and similar cultural life. Socially acceptable resettlement cannot be achieved without this input.

Since the 1940s, approximately 41,500 residents have been resettled in a socially acceptable way. So far, more than 30 new and vibrant localities have been created like this. In 2020, nearly 100 properties were acquired in resettlement localities, along with agricultural and other parcels of land.

When the Coal-fired Power Generation Termination Act (Kohleverstromungsbeendigungsgesetz, KVBG) came into force, it recommended phasing out electricity generation from coal in Germany at the latest by 2038. Since the lignite requirement has to be covered up until that date and the Hambach and Inden opencast mines will close down at the end of the 2020s, lawmakers confirmed in the KVBG the importance of the Garzweiler opencast mine for the energy industry within the scope of the guideline ruling from 2016. They also emphasised the necessity of resettlements in the context of the Garzweiler opencast mine. The draft document from the state government relating to a new guideline ruling was published in October 2020 and envisages the continuation and completion of these resettlements. Even though the resettlement was being called into question during the public debate and by a few people undergoing resettlement, most of the affected residents have been demonstrating a lively interest in the resettlement. The resettlement therefore continued at a dynamic pace throughout 2020. In the meantime, agreements have been reached for around 85% of the properties. The new location is currently being built and community activities are increasingly being relocated to the new site. RWE is continuously engaged in close communication with the people being resettled and engages sensitively with their concerns. 150 new properties had already been occupied at the new site by the end of 2020. Around 110 more were being constructed and around 25 were at the planning stage.

### Structuring new landscapes

Extraction of lignite by opencast mining inevitably leads to a temporary impact on the landscape. However, a key attribute for lignite opencast mining in the Rhineland is that simultaneous and sustainable reinstatement of the original use is a constituent element of the operating processes. Recultivation is therefore part of opencast operations throughout the entire lifecycle. It takes account of the environmental requirements and the leisure and recreational needs of the local community. Today, forested areas more than 80 years old can be found in recultivated former opencast mining districts, for example in Ville. Moreover, new water meadows have also been created along with areas of fertile agricultural land. For more information on reinstatement of opencast mines, see → [GRI 304, page 65](#).



## Human rights

### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)



### Challenges

RWE is a company operating on the international stage and it is responsible for operating facilities in several countries. Furthermore, people can be indirectly subject to a wide range of different impacts associated with human-rights aspects through our supply chains. Our aim as a company is therefore to make a maximally effective contribution to the issue of human rights that is increasingly gaining relevance in society.

We work together with various networks and initiatives such as econsense and Bettercoal



We have an obligation to respect human rights throughout RWE. We respect and support the Universal Declaration of Human Rights of the United Nations and use our influence to prevent human rights being violated. We follow the United Nations Guiding Principles on Business and Human Rights (UNGPs). These oblige companies not to violate human rights and also not to contribute to human rights violations by third parties. We also expect such compliance from our suppliers and other business partners.

On the back of our active cooperation in sector initiatives, we engage in regular communication with our stakeholders, and additionally try to address potential impacts and strive towards achieving sector improvements. We also work together with econsense – Forum for Sustainable Development of the German Economy – and with Bettercoal, see → [GRI 204, page 43](#). We are additionally a founding member at Bettercoal. Furthermore, we have been a Member of the Global Compact since 2004 and we are committed to its principles. The United Nations Global Compact is an international symbol of responsible and sustainable business, see → [GRI 102-12, page 13](#).



### Organisation and management

Our RWE Code of Conduct expressly recognises compliance with human rights. All employees of the RWE Group are required to comply with the Code of Conduct. We also expect our business partners and service providers to take account of the Code of Conduct in their business dealings, see → [Non-financial Report, page 8](#). The Compliance Department of



 RWE AG is responsible for the Code of Conduct and it reports to the Executive Board of RWE AG on a regular basis. The responsibility for the supply chain is with the procurement departments, see → [Non-financial Report, page 4](#).

 The business activities of RWE are subject to different laws and regulations in the individual countries in regard to a duty to respect human rights. The UK Modern Slavery Act in the United Kingdom requires us to do everything in our power to prevent modern slavery occurring in our supply chains, see → [Non-financial Report, page 6](#).

 The RWE Social Charter defines the guidelines to which RWE has committed its own employees, see → [GRI 401, page 82](#). Sustainable business entails maintaining a balance between economic success and social responsibility. We therefore expressly acknowledge the following principles in our Social Charter:

- Freedom of association and the right to collective bargaining
- High standards in occupational health and safety
- Further training measures for our employees
- Diversity and freedom from discrimination
- Involvement of employees in processes of change within the company
- Fair payment, paid holiday and combining family and career to get the work-life balance right
- Integration of employees with disabilities
- Mobility of employees
- Recognition by RWE of the core labour standards of the International Labour Organisation (ILO) with particular

perspective on compliance with the prohibition on child labour and compliance of all managers and employees with the Social Charter.

### Measures and performance measurement

In 2020, RWE once again participated in monitoring for implementation of the German National Action Plan Business and Human Rights (NAP). RWE's voluntary participation is intended to demonstrate our support for the NAP and our willingness to exercise our duties of care to uphold human rights.

 Our suppliers and business partners are investigated through the Know Your Customer Process. Aspects of human rights are one of the areas reviewed. This process is managed by the Compliance Department of RWE Supply & Trading, see → [Non-financial Report, page 6](#).

 In order to safeguard human rights and social standards in our hard-coal supply chain, we work together with other companies in the Bettercoal organisation, see → [GRI 102-12, page 13](#) and play an active role in maintaining high social standards for hard-coal production.

In 2021, we expect legislation to be enacted in Germany on human rights in global supply chains. At RWE, we are already making strenuous efforts to observe human-rights aspects at our own sites and in our supply chains. However, we are ultimately unable to guarantee that there will not be negative impacts on human rights at any point in the supply chains. We

work continuously on improving our processes in order to reduce these risks and we are already making preparations today to comply with the requirements of potential future legislation on the duty of care to observe human rights.



## Catastrophe / emergency planning and response

### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

#### Challenges

As an international power producer, RWE is a constituent element of the basic services known as critical infrastructure. We are therefore well aware of our macroeconomic responsibility to society as a whole. (Cyber) security management is therefore a central management function at RWE. A major incident, involving for example a cyber-attack on generation units like power plants or wind-farm systems, can lead to complete supply outages, with extremely negative impacts on public life. It could likewise pose a threat to health and life in power plants and the surrounding area. Such an incident can also constitute a threat to the economic future of the company. This means that it is necessary to cater for a broad spectrum of potential incidents by adopting appropriate planning measures and implementing relevant training programmes – including for incidents with a low probability of occurrence but entailing substantial impacts. Prevention of incidents like this is the primary goal.

RWE is part of so-called critical infrastructure

#### Organisation and management

As part of its management function (governance), Group Security at RWE AG defines Group-wide regulations for safeguarding the Group security of RWE AG. Business Continuity Management (BCM) and Crisis Management are also a primary constituent element of this model. The Cyber Security Incident Response Team is also anchored within Group Security as part of an integrated approach.

So that the Group is prepared for (cyber) attacks and is in a position to respond to them, the threat situation is continuously analysed and evaluated.

As an operator of Critical Infrastructure, reporting pathways to the government agencies involved are defined in legislation. We work together with government agencies to make preparations for the scenarios entailed in an emergency. Exercises simulating emergencies are carried out at local level and these generally take place in cooperation with the authorities operating on the ground there, for example the police and fire service.

However, the commitment of the Group extends beyond these statutory requirements. RWE is a member of the Global Player Initiative of the Federal Criminal Police Office together with the DAX 30 companies, the German Cyber Security Council (Cyber-Sicherheitsrat Deutschland e.V.), the Alliance for Cyber Security (Allianz für Cybersicherheit) of the Federal Office for Information Security (BSI) and UP KRIT+IS of the BSI. The latter is the initiative for cooperation between business and the state to protect Critical Infrastructures in Germany.

In accordance with the Nuclear Safety Officer and Reporting Ordinance (AtSMV), the operators of nuclear facilities in the Federal Republic of Germany must report any notifiable events occurring to the relevant responsible state supervisory authorities. The aim and purpose of the official reporting procedure is to monitor the security status of these plants. Furthermore, this should be improved on the basis of findings obtained from the reported events within the framework of the supervisory procedure.

#### Measures and performance measurement

Integrated crisis organisation has been established for meeting the challenge of crisis situations, comprising central and local crisis staffs. These crisis staffs are supported by crisis management plans. In addition, crisis exercises are carried out at regular intervals to deal with different scenarios.

The notifiable events occurring at the sites of our nuclear power plants were also reported to the relevant responsible supervisory authority in 2020 in accordance with the regulations of the Nuclear Safety Officer and Reporting Ordinance (AtSMV). The general public was also informed about all notifiable events through press releases.

Out of a total of six nuclear power plants operating in Germany in the year 2020, two nuclear power plants are operated by RWE Nuclear GmbH (Emsland and Gundremmingen C). Units A and B of the Biblis nuclear power plant, unit B of the Gundremmingen power plant, the Mülheim-Kärlich nuclear power plant and the Lingen power plant (KWL) were being decommissioned.

14 notifiable events were reported at the RWE nuclear power plants (nuclear power plant Emsland: 5, Gundremmingen C: 1, nuclear power plant Biblis: 5, nuclear power plant Lingen: 2, Mülheim-Kärlich: 1). All the notifiable events were classified at level 0 on the International Nuclear Event Scale (INES) for nuclear and radiological events. Level 0 applies to notifiable events with no significance for safety or very little.

## Safety

### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

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#### Challenges

A secure electricity supply is an indispensable element for modern societies and this is therefore also increasingly becoming the subject of statutory regulations – indeed it is frequently designated as “critical infrastructure”. Independently of external regulations, RWE has a strong vested interest with respect to shareholders, customers, suppliers, employees and other stakeholders to identify its critical business processes, systems and information, and to provide appropriate protection. A bundle of technical, structural process and personnel security measures are implemented for this purpose and their effectiveness is regularly checked. However, equally as important as individual measures is the acceptance of a security culture by all employees and managers.

 For information on the corresponding measures for the vehicle fleet at power plants, see [→ Catastrophe / emergency planning and response, page 98](#).

## Organisation and management

Group Security has responsibility for establishing our security culture and this department contributes to strengthening operational business activities. The management function of Group Security defines Group-wide standards for security and monitors their compliance on the basis of holistic principles. In light of the threat situation, particularly in relation to the production of electricity from lignite in Germany, there is a focus on providing protection for property and employees. As the business becomes more and more international, aspects such as travel security are increasingly being foregrounded. We recognised the importance of Cyber Security as protection of information and data at an early stage. Since 2009, this has been integrated within Group Security.

Since as early as 2009, Cyber Security has been integrated within Group Security

Under the management of the Chief Information Security Officer (CISO), Group Security monitors information security within the Group, defines security requirements in the form of guidelines for the Group, assesses risks for the Group and coordinates the handling of critical security incidents. The CISO receives support from the security partner for coordination and monitoring of information security in the relevant Group companies.

The implementation of international regulations for the Critical Infrastructure of RWE, for example in Germany, the United Kingdom and the USA, is supported and monitored by Group Security.

## Measures and performance measurement

Based on the current hazard situation, critical assets for RWE are identified using regular risk assessment and appropriate technical and organisational measures are implemented to protect them.

After the integration of RWE Renewables, the security of our wind farms is now another important function for RWE. Regular external security analyses are carried out in order to uncover security-related weak points in these systems and identify options for improvements. Measures are defined and implemented on the basis of the results.

In 2020, we continued and expanded our Cyber Security Awareness campaign “Human Firewall”. Alongside online training sessions, billboards and articles, a Cyber Security Escape Room was introduced. We also alerted our employees to potential threats and the correct behaviour at the virtual workstation in view of the increasing level of mobile working. The effectiveness of the measures is continually tested using phishing campaigns initiated in-house. These involve sending emails to RWE employees which seek to simulate gathering access data using standard phishing techniques or exploiting security gaps. The number of clicks on the links or attachments included are used as a metric.



## GRI 414 Supplier social assessment

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### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

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For information on the general Management Approach on Procurement, see → [GRI 204, page 43](#) and → [Non-financial Report, page 4](#).

Depending on the requirement put out to tender, we ask suppliers about criteria such as compliance with statutory regulations and RWE's internal rules for minimum wage, and for environmentally relevant criteria within the scope of pre-qualification. Relevant criteria are applied when we assess the offers submitted by our suppliers during the course of the tender process and the cost-benefit analysis. The regulations governing the contractual relationship with individual suppliers are explicitly agreed in separate contractual clauses on the basis of a risk assessment for specific product groups.

#### GRI 414-1 New suppliers that were screened using social criteria

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There may be many different impacts on society. In order to ensure that our suppliers act in conformity with social and ethical principles, and in accordance with the law, we have developed a range of different measures.

The principles of the United Nations Global Compact are a constituent element of contractual relationships for all new and existing direct suppliers.

All suppliers are required to make a commitment to the principles of the UN Global Compact



In order to safeguard human rights and social standards in our hard-coal supply chain, we work together with other companies in the Bettercoal organisation, which carries out audits with suppliers, see → [GRI 204, page 43](#) and → [Bettercoal Annual Report](#).

A regular review is carried out of suppliers who have been audited as a result of the Know Your Customer Process in order to establish whether there are indications of illegal activities such as money laundering or terrorism, or human-rights violations. This process is managed by the Compliance Department of RWE Supply & Trading. There are no direct supplier relationships in the case of procurement through wholesale markets. RWE has therefore adopted a variety of different measures to ensure that our suppliers act in accordance with our Code of Conduct, the national legal systems and internationally recognised standards for compliance with social and ethical principles, see → [Non-financial Report, page 4](#).

A separate work instruction and a checklist are used by the Procurement Department for commissioning disposal services in order to establish the suitability of the supplier. In such cases, compliance with the defined criteria can be reviewed in supplier appraisals and used for future tender processes in the framework of the internal appraisal system.

#### GRI 414-2 Negative social impacts in the supply chain and actions taken

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The Procurement Department at RWE does not maintain any business relationships with suppliers if there is information in the public domain indicating that they breach the principles

underlying the Global Compact. RWE is committed to implementation of the principles of the Global Compact.

Information “in the public domain” relates to all generally accessible sources from which information can be obtained. Press reports containing merely the suspicion of a breach are not sufficient in this case. Rather, we base our approach on legally admissible or officially confirmed facts. Furthermore, we use published negative lists (World Bank Listing of Ineligible Firms and Non-Responsible Vendors) drawn up by the World Bank based in Washington / USA. The background check for inclusion of potential suppliers on RWE’s list of suppliers is carried out by the relevant purchaser before any orders are awarded. In the case of existing suppliers, the review is performed centrally in the vendor accounts section. In serious cases of suspicion, research is also carried out by the CR Team of RWE AG.

 We can only report on the proportion of suppliers checked in the Know Your Customer Process, see [→ Non-financial Report, page 6](#). We regularly carry out reviews of our counterparties, their management and the majority shareholders. A number of different databases are used to review them on a daily basis. This ensures that RWE and all the suppliers that are subject to this Know Your Customer Process comply with regulations in relation to potential compliance risks.

Procurement has to deal with an exceptional situation when purchasing is carried out in the wholesale markets. An appraisal is not possible here due to an absence of direct supplier relationships.

In order to exert more leverage for the demands of sustainable production and transport conditions in the hard-coal supply chain, we joined forces with other large European energy utilities to establish the Bettercoal Initiative in 2012, see [→ GRI 102-12, page 13](#), and [→ GRI 204, page 43](#). Other information including information on the participating coal mines can be found on the [→ Bettercoal website](#).



### GRI 415 Public policy

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### GRI 103

### Management approach (including 103-1, 103-2, 103-3)

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#### Challenges

A secure and environmentally compatible supply of electricity is a constituent element of public service. As part of this obligation, the operation of power plants is subject to a large number of statutory and downstream regulations in the EU, and at national and partly also at regional level. Political decisions leading to changes in existing regulations or implementation of new regulations therefore exert a major influence on our business activity. Additionally, developments at international level outside the EU also exert an indirect influence.

#### Organisation and management

RWE complies with the applicable legal framework conditions in all its actions and ensures compliance with the existing regulatory standards. It is equally important that we explain our actions here and inform others about the impact of existing and also planned legal and sublegal regulations. A top priority

here is objective fact-based presentation. We also participate in dialogue at the political and community levels, both in direct personal contact and through the media and the Internet (social media channels). Communication with our stakeholders provides us with helpful ideas for aligning our entrepreneurial activities.

Particularly at the present time when the company is undergoing transformation, it is important to discuss expectations and assessments for the future of the energy supply with as many external stakeholders as possible so as to reflect the diversity of different positions. At the same time, dialogue gives us the opportunity to provide better communication relating to corporate decisions and the underlying motives.

We see ourselves as advisors for a successful energy transition

This approach highlights the fact that we also believe part of our role is to act as advisors for a successful energy transition which achieves a balance between climate protection, competitiveness and security of supply. We believe we have an obligation to provide answers for our stakeholders and we want to be a credible business partner in the discussion standing shoulder to shoulder on an equal level. This enables us to meet the expectations for transparency placed on us by society, see → GRI 102-43, page 23 and → GRI 102-44, page 23.



Our conduct in relation to policymakers is clearly regulated in the RWE Code of Conduct, see → GRI 102-16, page 16. We state there that from our standpoint dialogue with representatives of government institutions and political parties is indispensable. However, we want to avoid exerting undue influence in these contexts. We have therefore made a commitment to strict neutrality in relation to political parties



and we do not make any donations to political parties, or organisations and foundations which are closely related to political parties. Employees and external parties have the opportunity to report breaches of the Code of Conduct through various channels, see → GRI 102-17, page 16.



### Measures and performance measurement

The Group Communications & Public Affairs Department at RWE AG coordinates our contacts. The Department Head reports directly to the Chief Executive Officer. RWE maintains two liaison offices in Brussels and Berlin as points of contact. We strive to contribute our perspective and specialist expertise to debates in the public domain. This also applies to climate policy initiatives. As early as 2009, RWE made a commitment to the goal of climate neutrality in the European electricity sector significantly before 2050 as part of an initiative by Eurelectric, the sector association which represents the common interests of the electricity industry at a European level. We have also supported the revision of the European Emissions Trading System (EU ETS) at European level by bringing forward the target trajectory for CO<sub>2</sub> reduction to 2030 and introducing a market stabilisation reserve. This was rolled out in 2018 and since then has led to a significant increase in CO<sub>2</sub> prices in the EU Emissions Trading System. In the same way, we also contribute to the political discussion about the EU Green Deal. We support the announced tightening of European greenhouse gas reduction targets for 2030. However, the competitiveness of European industry must be safeguarded.

Since 2010, we have been entered in the Transparency Register of the European Union and we publish relevant

information there. We would welcome establishment of a Transparency Register in Berlin based on the Brussels model.

We operate offices in Brussels and Berlin, each with a staff of four employees. The expenses for RWE offices in Berlin and Brussels including additional outgoings for lobby work amounted to some € 1.65 million in 2020. Alongside other functions, a further four employees within the Group are also engaged in lobby work.

In 2020, we were in direct contact with policymakers and government agencies, for example through virtual discussion formats in Berlin and Brussels, or through bilateral exchanges in The Hague, London and Düsseldorf. Topic-related “Power Plant Talks” were held at the sites of nuclear power plants and a dialogue has been established with local-authority policymakers in the Rhineland Mining Region. Furthermore, we communicate indirectly through the associations we are members of, for example the German Association of Energy and Water Industries (BDEW), see also → [GRI 102-13, page 14](#).



In 2020, the focus was on the energy transition, climate protection and the European Green Deal

In 2020, the main themes addressed in discussions with policymakers focused on the energy transition and climate protection policy in general. The focus in the EU was on the European Green Deal. The emphasis in Germany was on the proposals for reform under the Renewable Energy Act (Eneuerbaren-Energien-Gesetz) governing the future arrangements relating to the investment framework for wind at sea, on the future of coal, and on the establishment of the hydrogen industry. In the Netherlands, we engaged with a number of topics in discussions with government including renegotiation of a national energy agreement, exit from coal and on the role of co-incineration of biomass as a contribution



to the Dutch CO<sub>2</sub> reduction strategy, see → [GRI 102-43, page 23](#) and → [GRI 102-44, page 23](#). In the United Kingdom, we engaged in discussions about Brexit, on the national climate protection policy, on the expansion of renewable energy and on hydrogen.

Associations are important to us in political work and for the articulation of common interests to policymakers, social institutions and other players. As far as we are concerned, they are a place for exchanging ideas on positions and are therefore indispensable for our companies. Our memberships in associations are always directed towards strategic objectives, and relate to current and future activities of the Group. RWE cooperates on the positioning of associations with differing intensity but specific association positions may also deviate from our own principles. In 2019, we established a process for the topic of climate in order to identify discrepancies of this nature. We also reviewed the positioning of 18 association organisations in the energy industry relating to the Paris Climate Agreement on the basis of public documents. During the reporting year, this review was extended by a further five associations. RWE is committed to the targets of the Paris Agreement and would like to ensure that the selected associations are in conformity with our position. We have published the comprehensive results and a description of the selection and approach in an → [independent report](#).



#### **GRI 415-1 Political contributions**

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RWE has made a commitment to neutrality in relation to political parties and we do not allocate any donations to political parties, or to organisations or foundations which are closely related to political parties.



## GRI 417 Marketing and labelling

### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

##### Challenges

We provide industrial and commercial customers with a secure and reliable supply of electricity, gas and heat. It is only possible to reach an informed decision about a product if it is transparently labelled. There are different statutory regulations on labelling in the various countries where we supply customers. Particularly detailed regulations on the labelling of electricity are on the statute book in Germany.

##### Organisation, management and performance measurement

##### Transparent product labelling

We want to provide all our customers with comprehensive and transparent information about the energy mix of the individual product and the associated environmental impacts, see

 [→ GRI 417-1, page 105.](#)

##### GRI 417-1 Requirements for product and service information and labelling

Electricity labelling is an instrument for increasing market transparency in the electricity market. All electricity bills issued by the RWE Group throughout Europe include information on the energy mix, and on CO<sub>2</sub> emissions and radioactive waste in accordance with the statutory regulations. Furthermore, the



relevant information is also provided transparently online <https://www.group.rwe/en/the-group/organisational-structure/rwest/>.



## GRI 419 Socioeconomic compliance

### GRI 103

#### Management approach (including 103-1, 103-2, 103-3)

##### Challenges

Integrity, honesty, acting in accordance with the law and respect for our fellow human beings and the environment form the basis of our entrepreneurial activity. We are subject to laws, regulations and comparable rules and procedures. These conditions and the RWE Code of Conduct form the framework for carrying out our operations. The security of assets and information is another key success factor for RWE in order to safeguard the long-term profitability and stability of the Group as an energy utility aware of its responsibilities. Any breach of regulations impacts on the trust of employees, customers, business partners and shareholders in the products and services of RWE. Additionally, any breaches may entail significant consequences for the financial result. Furthermore, individual employees may also be personally liable. A top priority for our employees and sub-contractors is that their conduct and actions should be in accordance with the law and ethical principles.

## Organisation, management and performance measurement

The principles of general compliance and the Compliance Management System are defined by the Chief Compliance Officer of RWE AG for the RWE Group.

The Chief Compliance Officer of RWE AG is supported in complying with his functions and responsibilities at the level of RWE AG by Compliance Managers and at the local level by the Compliance Officers of the individual RWE Group companies. RWE Supply & Trading GmbH has its own Compliance Department.

 The focuses of activity are on prevention of corruption, see → [GRI 205, page 46](#), prevention of money laundering and terrorist financing, and export control compliance.

The compliance function at RWE AG also plays a coordinating and consolidating role for other compliance areas defined for RWE such as competition and antitrust / energy law, capital market law, employment law including the General Act on Equal Treatment (AGG), tax law and environmental law / environmental management, health and safety, corporate responsibility, security including information security and data protection law. The Chief Compliance Officer of RWE AG bundles information from these compliance areas within integrated compliance reporting to the Executive Board and the Audit Committee of the Supervisory Board of RWE AG. However, responsibility for operational content always remains with the functions bearing individual responsibility for areas such as legal affairs, employment law and Group data protection.

RWE has adopted guidelines defining a responsible approach in the area of personal data to complement the RWE Code of Conduct and our sustainability principles. The guidelines provide an operational framework for a responsible approach towards processing personal data in accordance with legal regulations internally and externally. Each employee is also obligated to a duty of confidentiality when handling personal data. The aim is to protect personal data against misuse and thereby sustainably strengthen the trust of employees, business partners and customers over the long term. The Group Data Protection Department at RWE works closely together with the Information and IT Security Department. This approach is intended specifically to ensure implementation of data protection measures in accordance with the latest technological standards and to guarantee compliance with protection goals pursuant to data protection law, such as confidentiality, integrity and availability of data. The Group Data Protection Department is responsible for further development of the Group-wide data protection management system and upholds a globally uniform understanding of data protection at RWE.

Working together with the data protection coordination offices and the data protection partners in the specialist departments, the Group Data Protection Department ensures that efforts are made to continually raise awareness of the data protection requirements. A particular focus here is placed on awareness measures, dealing with the rights of affected persons in compliance with legal regulations and handling data breaches. The Group Data Protection Department is particularly responsible for ensuring appropriate management for relevant data protection incidents based on clearly defined processes and responsibilities. The Group Data Protection Officer

regularly reports on data protection issues to the Executive Board of RWE AG. The specific topics relating to Group Security address the protection of tangible and intangible assets, see

 → [section on Safety, page 99](#).

When carrying out its audits, Internal Auditing looks at whether the Code of Conduct is being complied with and carries out regular pre-emptive audits in selected compliance areas in the Group companies.

Notifications relating to any breaches by employees and business partners are recorded by the Compliance Department, reviewed by the individual Group units responsible, and any remedial measures necessary are

 initiated to the extent required, see → [GRI 102-17, page 16](#).

### Anti-competitive behaviour

It is important for our company to be perceived as trustworthy and transparent. We earn this trust through fair conduct. RWE also keeps within the law and complies with legislation even in competitive situations. Our best efforts are directed towards ensuring that all our business activities are in accordance with the conditions of fair competition at all times. We also observe regulatory and anti-trust requirements for unbundling. Our operations are based on these rules. In this way, we therefore meet our responsibility as a major player in the economy.

In order to prevent anti-trust and anti-competitive behaviour, we raise the awareness of all employees and management including Members of the Executive Board to this issue. Attendance events, online training sessions and individual needs-specific specialist presentations are held within the

Group on the requirements relating to conformity with behaviour in accordance with competition legislation.

### **GRI 419-1 Non-compliance with laws and regulations in the social and economic area**

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Our Group-wide survey on fines due to incidents of corruption revealed that no sanctions had been incurred in this area in 2020.

We can only earn trust  
through fair conduct

# GRI Content Index

This report “Our Responsibility 2020” was available to the Global Reporting Initiative (GRI) for performance of the GRI Materiality Disclosures Service. The GRI Services Team reviewed that the “materiality disclosures” are clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service was performed on the German version of the report.



GRI Standards	Page	Omission	CR	NfR
<b>GRI 101: Foundation 2016</b>				
<b>GRI 102: General Disclosures 2016</b>				
<b>Organisational profile</b>	7			
GRI 102-1: Name of the organisation	7		■	
GRI 102-2: Activities, brands, products and services	7		■	
GRI 102-3: Location of headquarters	7		■	
GRI 102-4: Location of operations	7		■	
GRI 102-5: Ownership and legal form	8		■	
GRI 102-6: Markets served	8		■	■
GRI 102-7: Scale of the organisation	9		■	
GRI 102-8: Information on employees and other workers	12		■	
GRI 102-9: Supply chain	12		■	
GRI 102-10: Significant changes to the organisation and its supply chain	13		■	
GRI 102-11: Precautionary Principle or approach	13		■	■
GRI 102-12: External initiatives	13		■	
GRI 102-13: Membership of associations	14		■	

GRI Standards	Page	Omission	CR	NfR
<b>Strategy</b>	15			
GRI 102-14: Statement from senior decision-maker	15		■	
GRI 102-15: Key impacts, risks, and opportunities	15		■	■
<b>Ethics and Integrity</b>	16			
GRI 102-16: Values, principles, standards, and norms of behaviour	16		■	
GRI 102-17: Mechanisms for advice and concerns about ethics	16		■	
<b>Governance</b>	17			
GRI 102-18: Governance structure	17		■	
GRI 102-19: Delegating authority	18		■	
GRI 102-20: Executive-level responsibility for economic, environmental, and social topics	18		■	
GRI 102-21: Consulting stakeholders on economic, environmental, and social topics	19		■	
GRI 102-22: Composition of the highest governance body and its committees	19		■	
GRI 102-23: Chair of the highest governance body	20		■	
GRI 102-24: Nominating and selecting the highest governance body	20		■	
GRI 102-25: Conflicts of interest	20		■	
GRI 102-26: Role of highest governance body in setting purpose, values, and strategy	21		■	■
GRI 102-29: Identifying and managing economic, environmental, and social impacts	21		■	
GRI 102-30: Effectiveness of risk management processes	21		■	
GRI 102-31: Review of economic, environmental, and social topics	21		■	
GRI 102-32: Highest governance body's role in sustainability reporting	22		■	■
GRI 102-35: Remuneration policies	22		■	

GRI Standards	Page	Omission	CR	NfR
<b>Stakeholder engagement</b>	22			
GRI 102-40: List of stakeholder groups	22		■	
GRI 102-41: Collective bargaining agreements	22		■	
GRI 102-42: Identifying and selecting stakeholders	23		■	
GRI 102-43: Approach to stakeholder engagement	23		■	
GRI 102-44: Key topics and concerns raised	23		■	
<b>Reporting practice</b>	27			
GRI 102-45: Entities included in the consolidated financial statements	27		■	
GRI 102-46: Defining report content and topic Boundaries	27		■	
GRI 102-47: List of material topics	28		■	
GRI 102-48: Restatements of information	33		■	
GRI 102-49: Changes in reporting	33		■	
GRI 102-50: Reporting period	33		■	
GRI 102-51: Date of most recent report	33		■	
GRI 102-52: Reporting cycle	33		■	
GRI 102-53: Contact point for questions regarding the report	33		■	
GRI 102-54: Claims of reporting in accordance with the GRI Standards	33		■	
GRI 102-55: GRI content index	33		■	
GRI 102-56: External assurance	33		■	
<b>Material Topics</b>	35			
<b>GRI 201: Economic Performance 2016</b>	35		■	
GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3)	35		■	
GRI 201-1: Direct economic value generated and distributed	36		■	
GRI 201-2: Financial implications and other risks and opportunities due to climate change	37	Quantitative results relating to risks and opportunities are not disclosed for competitive reasons.	■	
GRI 201-4: Financial assistance received from government	40		■	

GRI Standards	Page	Omission	CR	NfR
<b>GRI 203: Indirect Economic Impacts</b>	40		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	40		■	
GRI 203-2: Significant indirect economic impacts	42		■	
<b>GRI 204: Procurement Practices</b>	43		■	■
GRI 103: Management approach (including 103-1, 103-2, 103-3)	43		■	■
GRI 204-1: Proportion of spending on local suppliers	45		■	
<b>GRI 205: Anti-corruption</b>	46		■	■
GRI 103: Management approach (including 103-1, 103-2, 103-3)	46		■	■
GRI 205-1: Operations assessed for risks related to corruption	46	We do not explicitly report on the total number and percentage of operations that are audited for corruption risks and on significant risks in connection with corruption that were determined by risk assessment since these were subject to specific confidentiality constraints. These data are confidential as they are business-relevant information.	■	■
GRI 205-2: Communication and training about anti-corruption policies and procedures	46	We do not explicitly report on any quantitative data relating to the total number and percentage of the members of the governance body, the office employees, business partners and other persons or organisations that were advised about the guidelines and procedures of the organisation for combatting corruption, since these were subject to specific confidentiality constraints. These data are confidential as they are business-relevant information. We also do not report quantitative data concerning training.	■	■
<b>GRI 207 Tax</b>	46		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	46		■	
GRI 207-1: Approach to tax	48		■	

GRI Standards	Page	Omission	CR	NfR
<b>Availability and Reliability</b>	48		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	48		■	
<b>Energy-efficient Products and Services</b>	51		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	51		■	
<b>Research and Development</b>	52		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	52		■	
<b>Shutdown and Decommissioning of Power Plants and Reinstatement of Opencast Mines</b>	54		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	54		■	
<b>GRI 302: Energy</b>	61		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	61		■	
GRI 302-1: Energy consumption within the organisation	62	We report on the primary energy consumption including the fossil energy sources used, without biomass and the energy sources /auxiliary materials recorded under "Other combustion fuels". Reporting does not include a differentiated presentation by renewable / non-renewable sources and the survey standard.	■	
<b>GRI 303: Water and Effluents</b>	63		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	63		■	
GRI 303-3: Water withdrawal	65	We do not have additional details relating to disclosures incorporating differentiation by fresh water / other water and complete disclosures from water-stressed areas.	■	
<b>GRI 304: Biodiversity</b>	65		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	65		■	

GRI Standards	Page	Omission	CR	NfR
GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	69	Continuous surveying for all our parcels of land would take up a disproportionately high input of resources. Furthermore, it is by no means certain that the digital data required from the authorities for such an updating process would be sufficiently up to date to provide an accurate determination.	■	
GRI 304-2: Significant impacts of activities, products, and services on biodiversity	69		■	
<b>GRI 305: Emissions 2016</b>	71		■	■
GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3)	71		■	■
GRI 305-1: Direct (Scope 1) GHG emissions	74	We do not report separately on biogenic CO <sub>2</sub> emissions. For further information on our calculation methodology from 2020, see <a href="http://www.rwe.com/emissions">www.rwe.com/emissions</a>	■	■ (for the EU ETS)
GRI 305-2: Energy indirect (Scope 2) GHG emissions	75	At present, we currently only report site-related Scope 2 emissions. For further information on our calculation methodology from 2020, see <a href="http://www.rwe.com/emissions">www.rwe.com/emissions</a>	■	
GRI 305-3: Other indirect (Scope 3) GHG emissions	76	We do not report separately on biogenic CO <sub>2</sub> emissions. For further information on our calculation methodology from 2020, see <a href="http://www.rwe.com/emissions">www.rwe.com/emissions</a>	■	
GRI 305-4: GHG emissions intensity	77	For further information on our calculation methodology from 2020, see <a href="http://www.rwe.com/emissions">www.rwe.com/emissions</a> From 2012 to 2020, we reduced our annual CO <sub>2</sub> emissions in electricity generation by 62%. This relates to data on CO <sub>2</sub> emissions from electricity generation, which are subject to the EU ETS. The baseline year 2012 was selected as representative for the power plant portfolio at that time.	■	

GRI Standards	Page	Omission	CR	NfR
GRI 305-5: Reduction of GHG emissions	77	For further information on our calculation methodology from 2020, see <a href="http://www.rwe.com/emissions">www.rwe.com/emissions</a> From 2012 to 2020, we reduced our annual CO <sub>2</sub> emissions in electricity generation by 62%. This relates to data on CO <sub>2</sub> emissions from electricity generation, which are subject to the EU ETS. The baseline year 2012 was selected as representative for the power plant portfolio at that time.	■	
GRI 305-6: Emissions of ozone-depleting substances (ODS)	77		■	
GRI 305-7: Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) and other significant air emissions	77	There is no reporting based on continuous measures for mercury at our power plants in Germany, this system is just being established; most of the measurements from previous years related to the results of individual measurements.	■	
<b>GRI 306: Effluents and Waste 2016</b>	78		■	
GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3)	78		■	
GRI 306-2: Waste by type and disposal method	79		■	
GRI 306-3: Significant spills	80		■	
<b>GRI 307: Environmental Compliance 2016</b>	80		■	■
GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3)	80		■	■
GRI 307-1: Non-compliance with environmental laws and regulations	80		■	■
<b>GRI 308: Supplier Environmental Assessment 2016</b>	80		■	
GRI 103: Management approach 2016 (including 103-1, 103-2, 103-3)	80		■	
GRI 308-1: New suppliers that were screened using environmental criteria	80		■	
GRI 308-2: Negative environmental impacts in the supply chain and actions taken	80		■	

GRI Standards	Page	Omission	CR	NfR
<b>GRI 401: Employment</b>	82		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	82		■	
GRI 401-1: New employee hires and employee turnover	83	We do not distinguish further in relation to data on the fluctuation rate and new hirings because the benefit is not commensurate with the financial expenditure. We report regularly on the age structure and the breakdown of employees by gender.	■	
GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	84		■	
<b>GRI 402: Labour / Management Relations</b>	84		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	84		■	
GRI 402-1: Minimum notice periods regarding operational changes	84		■	
<b>GRI 403: Occupational Health and Safety</b>	85		■	■
GRI 103: Management approach (including 103-1, 103-2, 103-3)	85		■	■
GRI 403-9: Work-related injuries	87	We do not report by regions but by analogy with operational management in segments. Data on the number and rate of age-related injuries are collected in anonymised form for reasons of data protection. For this reason, it is not possible to report on the types of work-related injuries and occupational risks. Reporting relates to our employees including the employees of our subcontractors (partner companies). The number of working hours is not reported in the public domain for reasons of confidentiality.	■	■
GRI 403-10: Work-related ill health	87	We only have data in anonymised form for the number of work-related illnesses and work-related fatalities. For this reason, reporting in the required level of detail is not possible.	■	

GRI Standards	Page	Omission	CR	NfR
<b>GRI 404: Training and Education</b>	87		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	87		■	
GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes	88		■	
<b>GRI 405: Diversity and Equal Opportunity</b>	88		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	88		■	
GRI 405-1: Diversity of governance bodies and employees	92	Reporting of data on minorities is subject to the relevant national legal standards. It is therefore only possible to provide differentiation by gender and age.	■	
GRI 405-2: Ratio of basic salary and remuneration of women to men	92		■	
<b>GRI 413: Local Communities</b>	93		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	93		■	
GRI 413-1: Operations with local community engagement, impact assessments, and development programmes	94	Detailed disclosure of the results is not practical owing to the large number of licensing procedures.	■	
GRI 413-2: Operations with significant actual and potential negative impacts on local communities	95		■	
<b>Human Rights</b>	96		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	96		■	
<b>Catastrophe / Emergency Planning and Response</b>	98		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	98		■	
<b>Safety</b>	99		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	99		■	
<b>GRI 414: Supplier Social Assessment</b>	101		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	101		■	
GRI 414-1: New suppliers that were screened using social criteria	101		■	
GRI 414-2: Negative social impacts in the supply chain and actions taken	101		■	

GRI Standards	Page	Omission	CR	NfR
<b>GRI 415: Public Policy</b>	102		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	102		■	
GRI 415-1: Political contributions	104		■	
<b>GRI 417: Marketing and Labelling</b>	105		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	105		■	
GRI 417-1: Requirements for product and service information and labelling	105		■	
<b>GRI 419: Socioeconomic Compliance</b>	105		■	
GRI 103: Management approach (including 103-1, 103-2, 103-3)	105		■	
GRI 419-1: Non-compliance with laws and regulations in the social and economic area	107		■	

# Appendix

## Key sustainability indicators

### Economic performance indicators



#### Installed capacity

Based on generation capacity, gas is our number 1 energy source. At the end of 2020, its share amounted to 35%. Renewable energy is in second place with 25%.

Power generation <sup>1</sup> as at 31.12.2020	Renewables	Pumped storage, batteries	Gas	Lignite	Hard coal	Nuclear	Total <sup>2</sup>	
in MW	2020	2020	2020	2020	2020	2020	2020	2019
Offshore Wind	1,918	-	-	-	-	-	1,918	1,918
Onshore Wind / Solar	6,858	20	-	-	-	-	6,877	6,063
Hydro / Biomass / Gas	1,366	2,336	13,901	-	1,474	-	19,369	19,080
of which:								
Germany <sup>3</sup>	432	2,336	3,807	-	-	-	6,614	6,583
United Kingdom	137	-	6,984	-	-	-	7,374	7,118
Netherlands / Belgium	748	-	2,323	-	1,474	-	4,545	4,519
Turkey	-	-	787	-	-	-	787	787
Coal / Nuclear <sup>3</sup>	7	-	400	8,548	783	2,770	12,535	14,352
<b>RWE Group<sup>4</sup></b>	<b>10,148</b>	<b>2,358</b>	<b>14,301</b>	<b>8,548</b>	<b>2,257</b>	<b>2,770</b>	<b>40,702</b>	<b>41,415</b>

1 Plants which are to be shut down are no longer included in the capacity overview after the ending of electricity production. This affects a number of plants including our five lignite-fired units in legally-mandated security standby (1,448 MW), which are therefore not taken account of in the figures for 2020 and 2019. The hard coal-fired power plants Ibbenbüren B and Westfalen E are no longer recorded from the end of 2020. The commercial rounding of certain figures can result in inaccurate sum totals for the table.

2 Including production volumes not attributable to any of the energy sources mentioned (e.g. oil-fired power plants)

3 Including electricity generation assets not owned by RWE that we can deploy at our discretion on the basis of long-term agreements. At the end of 2020, these plants with a net output of 2,211 MW were in the segment Hydro / Biomass / Gas and 783 MW in the segment Coal / Nuclear.

4 Including lower capacities at RWE Supply & Trading

**Power generation by primary energy source**

Power generation in GWh	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total <sup>1</sup>	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Offshore Wind	7,009	4,116	-	-	-	-	-	-	-	-	-	-	7,009	4,116
Onshore Wind / Solar	16,762	8,056	-	-	-	-	-	-	-	-	-	-	16,762	8,056
Hydro / Biomass / Gas	5,910	4,202	2,060	1,760	49,414	50,564	-	-	3,584	9,466	-	-	61,178	66,103
of which:														
Germany <sup>2</sup>	1,737	2,026	2,060	1,760	8,576	7,836	-	-	-	-	-	-	12,583	11,733
United Kingdom	460	577	-	-	25,250	33,482	-	-	-	654	-	-	25,710	34,713
Netherlands / Belgium	3,679	1,599	-	-	11,307	6,564	-	-	3,584	8,812	-	-	18,570	16,975
Turkey	-	-	-	-	4,281	2,682	-	-	-	-	-	-	4,281	2,682
Coal / Nuclear	19	12	-	-	726	224	36,649	48,249	3,791	4,734	20,682	21,233	61,826	74,890
<b>RWE Group</b>	<b>29,700</b>	<b>16,386</b>	<b>2,060</b>	<b>1,760</b>	<b>50,140</b>	<b>50,788</b>	<b>36,649</b>	<b>48,249</b>	<b>7,375</b>	<b>14,200</b>	<b>20,682</b>	<b>21,233</b>	<b>146,775</b>	<b>153,165</b>

1 Including production volumes not attributable to any of the energy sources mentioned.

2 Including electricity from generation assets not owned by RWE we can deploy at our discretion on the basis of long-term agreements.

### Corporate governance

	Unit	2020	2019
R&D costs <sup>1</sup>	€ million	20	21
Proportion of women in the company <sup>2</sup>	%	14.7	12.8
Proportion of women in management positions <sup>3</sup>	%	16.6	15.8
Share of the RWE Group's revenue earned in countries with a high risk of corruption <sup>4</sup>	%	6.5	7.8



- 1 In accordance with the → [RWE Annual Report 2020, page 29](#).
- 2 Data for 2019 for RWE without the renewable energy business but including Operations acquired from E.ON activities, for 2020 encompasses the data for the RWE Group.
- 3 Encompasses the top four management levels. Data for 2020 for the RWE Group, data from 2019 include RWE AG, RWE Generation SE, RWE Power AG and RWE Supply & Trading GmbH.
- 4 Countries rated lower than 60 on a scale of 0 to 100 in the Corruption Perceptions Index by the anti-corruption organisation Transparency International (TI), with 100 corresponding to the lowest risk of corruption.

**Environmental performance indicators** 

	Unit	2020	2019
Specific NO <sub>x</sub> emissions <sup>1</sup>	g/kWh	0.26	0.33
Specific SO <sub>2</sub> emissions <sup>1</sup>	g/kWh	0.08	0.11
Specific dust emissions <sup>1</sup>	g/kWh	0.01	0.01
Primary energy consumption <sup>1,2</sup>	million GJ	756	934
Specific water consumption net <sup>1,3</sup>	m <sup>3</sup> /MWh	1.08	1.43
CO <sub>2</sub> emissions EU ETS <sup>4</sup>	million mt CO <sub>2</sub>	67.3	87.1
Direct greenhouse gas emissions (Scope 1)	million mt CO <sub>2</sub> e	70.4	91.7 <sup>5</sup>
Indirect energy-related greenhouse gas emissions (Scope 2) – site related	million mt CO <sub>2</sub> e	2.6	4.72 <sup>5</sup>
Other indirect GHG emissions (Scope 3) <sup>6</sup>	million mt CO <sub>2</sub> e	18.9	187.2
Specific CO <sub>2</sub> emissions EU ETS <sup>7</sup>	mt CO <sub>2</sub> /MWh	0.459	0.569
Greenhouse gas intensity Scope 1 + 2, power generation	mt CO <sub>2</sub> e/MWh	0.497	– <sup>8</sup>
Share of the Group's power generation accounted for by renewable energy	%	20.2	10.7

1 Data for 2020 for the RWE Group, data for 2019 for RWE without the renewable energy business.

2 Fossil energy sources used without biomass and auxiliary materials.

3 Difference between the water consumption of the plants less returns to rivers and other surface waters. Power generation for 2020 is 146,775 GWh.

4 Plants which fall under the scope of the European Emissions Trading Scheme (EU ETS) including figures for capacities of electricity generations assets are not owned by RWE that we can deploy at our discretion on the basis of long-term agreements. In 2020, these plants emitted 1.1 million metric tons of CO<sub>2</sub> (previous year: 1.3 million metric tons of CO<sub>2</sub>). Since Turkey does not participate in the European Emissions Trading Scheme, we do not need any emissions allowances for the CO<sub>2</sub> emissions there.

5 Figures are based on the old calculation methodology for our greenhouse gases which include emissions from disposed of businesses. This means that the boundary differs and the figures for 2019 still include emissions from innogy operations that are now no longer part of the RWE Group. Hence, the two annual figures are no longer comparable. For further information on our calculation methodology from 2020, see [www.rwe.com/emissions](http://www.rwe.com/emissions) Figures for 2019 only present carbon dioxide emissions (CO<sub>2</sub>) in compliance with our old calculation methodology.

6 Selected Scope 3 categories were audited for 2020, see → [GRI 305-3, page 76](#). Figures for 2019 are based on the old calculation methodology for our greenhouse gases which included emissions from disposed of businesses. This means that the boundary differs and the values for 2019 still include emissions from innogy operations that are now no longer part of the RWE Group. Hence, the two annual figures are no longer comparable. For further information on our calculation methodology from 2020, see [www.rwe.com/emissions](http://www.rwe.com/emissions)

Figures for 2019 only present carbon dioxide emissions (CO<sub>2</sub>) in compliance with our old calculation methodology.

7 Data for the RWE Group, calculated on the basis of power generation of 146,775 GWh.

8 In the reporting for 2019, the greenhouse gas emission intensities were reported with a different boundary and these figures are not therefore shown.

**Social performance indicators**



	Units	2020	2019
Workforce <sup>1</sup>	FTE	19,498	19,792
Fluctuation rate <sup>2</sup>	%	10.7	7.3
Training days per employee (Germany) <sup>2</sup>	Number	2.6	3.8
Health quota <sup>2</sup>	%	94.1	93.2
Work-related and commuting accidents <sup>2,3</sup>	LTIF	1.5	2.1
Number of work-related accidents <sup>2,3</sup>	Number (LTI)	89	96
Number of commuting accidents <sup>2,3</sup>	Number	47	47
Fatal work-related accidents <sup>2,4</sup>	Number	0	2

- 1 Employees of the RWE Group.
- 2 Data for 2020 for the RWE Group, the renewable energy business was reported pro rata with time in the second half of the year. Data in 2019 for RWE without the renewable energy business.
- 3 Lost Time Incident Frequency (number of occupational accidents with at least one day off work for every one million hours worked); data including reports known to us from subcontractors.
- 4 Data for the RWE Group including employees of subcontractors.

**SASB Index – Electric Utilities & Power Generators**

Topic	Accounting Metric	Code	Additional information
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions	IF-EU-110a.1	<p>(1) Our gross global Scope 1 emissions in reporting year 2020 account to 70.4 million t CO<sub>2</sub>e. Calculation of our emission inventory based on subsidiaries with „operational control“.</p> <p>(2) and (3): 95.6% of our gross global Scope 1 emissions fall under the European Emission Trading scheme (EU ETS), which is also an emissions-reporting based regulation. For reporting year 2020, RWE firstly reports its emissions according to the Science Based Targets approach. See additionally</p> <ul style="list-style-type: none"> <li>• <a href="#">Non-financial report, page 14</a></li> <li>• <a href="#">CDP Climate</a></li> <li>• <a href="#">Sustainability report, GRI 305-1, page 74</a></li> </ul>
	(2) Percentage covered under emissions-limiting regulations		
	(3) Emissions-reporting regulations		
	Greenhouse gas (GHG) emissions associated with power deliveries	IF-EU-110a.2	RWE's business activity is focused on electricity generation. We only have industrial customers. Our Scope 3, category 3.9 (transportation and distribution, downstream) emissions account to 5,466 t CO <sub>2</sub> e.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	IF-EU-110a.3	See <ul style="list-style-type: none"> <li>• <a href="http://www.rwe.com/emissions">www.rwe.com/emissions</a></li> <li>• <a href="#">RWE Annual report 2020, chapter 2.1 Strategy and structure, page 22</a></li> <li>• <a href="#">Non-financial report, page 10</a></li> <li>• <a href="#">Sustainability report, GRI 415, page 102</a></li> </ul>
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)	IF-EU-110a.4	(1) Not applicable
	(2) percentage fulfillment of RPS target by market		

Topic	Accounting Metric	Code	Additional information
Air Quality	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O) (2) SO <sub>x</sub> (3) particulate matter (PM10) (4) lead (Pb) (5) mercury (Hg) Percentage of each in or near areas of dense population	IF-EU-120a.1	(1) NO <sub>x</sub> (excluding N <sub>2</sub> O): 38,820 tons (2) SO <sub>x</sub> : 11,921 tons (3) particulate matter (PM10): 994 tons (4) lead (Pb): There are no lead emissions in our power plants. (5) mercury (Hg): Continuous measuring of mercury emissions are currently set up.  Operation of our conventional power plants is not in or near areas of dense population. See additionally <ul style="list-style-type: none"> <li><a href="#">Sustainability report, GRI 305-7, page 77</a></li> </ul>
Water Management	(1) Total water withdrawn (2) Total water consumed Percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	(1) Total water withdrawn: 4,242,000,000 m <sup>3</sup> (2) Total water consumed: 158,800,000 m <sup>3</sup> Data for regions with high or extremely high baseline water stress are not available. See additionally <ul style="list-style-type: none"> <li><a href="#">Sustainability report, GRI 303-3, page 63</a></li> <li><a href="#">CDP Water</a></li> </ul>
	Number of incidents of non-compliance associated with water quantity and / or quality permits, standards, and regulations	IF-EU-140a.2	During the reporting year, no serious environmentally relevant events were identified in an internal survey. Equally, no material monetary and no non-monetary sanctions in the environmental area were reported to us in an internal survey. See <ul style="list-style-type: none"> <li><a href="#">Non-financial report, page 15</a></li> </ul>
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3	See <ul style="list-style-type: none"> <li><a href="#">Sustainability report, GRI 303, page 63</a></li> <li><a href="#">CDP Water</a></li> </ul>

Topic	Accounting Metric	Code	Additional information
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated: 3,140,000 tons Percentage recycled: appr. 15% See additionally <ul style="list-style-type: none"> <li><a href="#">Sustainability report, GRI 306-2, page 79</a></li> </ul>
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	IF-EU-150a.2	RWE uses four of its own active power plant residue landfills. These are planned and approved by the mining authority or the relevant district government. The hazard potential classification of the coal incineration residues is non-hazardous waste for disposal. The structural integrity of the landfills corresponds to landfill class 1 in accordance with the Landfill Ordinance.
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	IF-EU-240a.1	(1) Not applicable (2) Not applicable (3) 35,13 €/MWh (net specific commodity price without any fees, taxes etc.). Given numbers are for electricity.
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	F-EU-240a.2	Not applicable
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	IF-EU-240a.3	Not applicable
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	IF-EU-240a.4	RWE has a target to generate CO <sub>2</sub> -neutral electricity by latest 2040, which is reliable and affordable. See <ul style="list-style-type: none"> <li><a href="#">RWE Annual report 2020, chapter 2.1 Strategy and structure, page 22</a></li> </ul>

Topic	Accounting Metric	Code	Additional information
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) (2) fatality rate, and (3) near miss frequency rate (NMFR)	IF-EU-320a.1	(1) Total recordable incident rate (TRIR): Instead of TRIR, RWE reports the LTIF rate, i.e. the number of accidents with at least one day off work for every one million hours worked. For reporting year 2020, the LTIF was 1.5. (2) Fatality rate: 0 (3) Near miss frequency rate (NMFR): NMFR is not available for the whole RWE Group. See <ul style="list-style-type: none"> <li><a href="#">Non-financial report, page 18</a></li> </ul>
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	IF-EU-420a.1	Not applicable
	Percentage of electric load served by smart grid technology	IF-EU-420a.2	Not applicable
	Customer electricity savings from efficiency measures, by market	IF-EU-420a.3	Not applicable
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	IF-EU-540a.1	RWE Nuclear GmbH operates 2 nuclear power plants (Emsland and Gundremmingen C). There are 5 units in demolition phase (Biblis A and B, Gundremmingen B, Mülheim-Kärlich, and Lingen). See <ul style="list-style-type: none"> <li><a href="#">Sustainability report, Catastrophe/emergency planning and response, page 98</a></li> </ul>
	Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2	See <ul style="list-style-type: none"> <li><a href="#">Sustainability report, Catastrophe/emergency planning and response, page 98</a></li> </ul>

Topic	Accounting Metric	Code	Additional information
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	IF-EU-550a.1	Not applicable
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	IF-EU-550a.2	Not applicable
	Number of: (1) residential, (2) commercial, and (3) industrial customers served	IF-EU-000.A	(1) Not applicable (2) Not applicable (3) 227 Given numbers are for electricity.
	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	IF-EU-000.B	(1) Not applicable (2) Not applicable (3) 25.6 TWh (4) Not applicable (5) 7.4 TWh Given numbers are for electricity.

### Independent Practitioner's Report on a Limited Assurance Engagement on Sustainability Information<sup>1</sup>

To RWE AG, Essen

We have performed a limited assurance engagement on the disclosures denoted with ☒ in the sustainability report of RWE AG, Essen (hereinafter "the Company"), for the period from 1 January until 31 December 2020 (hereinafter the "Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol ☒.

#### Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

1 PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the sustainability report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

### Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures denoted with ☒ in the Report based on the assurance engagement we have performed. Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the

IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the disclosures denoted with ☒ in the Company's Report for the period from from 1 January until 31 December 2020 has not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria. This does not mean that a separate conclusion is expressed on each disclosure so denoted.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria

- Analytical evaluation of selected disclosures in the Report
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
- Evaluation of the presentation of the selected disclosures regarding sustainability performance
- Sample based assurance procedures on internal documentation and proof documents

#### **Assurance Conclusion**

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures denoted with ☒ in the Company's Report for the period from 1. January until 31. December 2020 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria.

#### **Intended Use of the Assurance Report**

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Frankfurt, 15 March 2021

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Michael Conrad  
Wirtschaftsprüfer  
(German Public Auditor)

ppa. Susanne Klages

### Progress Report on the Global Compact 2020

By signing of the ten principles of the Global Compact of the United Nations Global Compact (UNGC), RWE has expressly committed itself to upholding human rights and labour standards, to promoting environmental protection in its business activities and preventing corruption. RWE supports the UNGC and wants to make a contribution to the worldwide implementation of its ten principles. They form the basis for the RWE Code of Conduct. We also integrate them into our business processes and implement concrete actions for their enforcement.

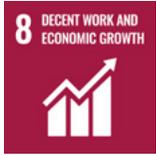
The following table shows which concrete measures we have implemented and which achievements, as evidenced by key figures, we were able to demonstrate in the reporting period. It also illustrates how, by implementing the ten principles, we are contributing to the objectives of the Sustainable Development Goals (SDGs) relevant for us.



The page numbers refer to corresponding content in this report and our → [Non-financial Report \(NfR\)](#).

UN Global Compact	Sustainable Development Goals	Implementation at RWE	
Principles	Goal / Target	Measures	Performance indicators
<p><b>Principle 1:</b> Support for human rights</p> <p><b>Principle 2:</b> Elimination of human rights violations</p> <p><b>Principle 6:</b> Elimination of discrimination</p>	 <p><b>5.5:</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life;</p>	<p><b>Diversity Management:</b></p> <ul style="list-style-type: none"> <li>- Diversity Office (p. 89)</li> <li>- Diversity Champions (p. 89)</li> <li>- Exchange with the enei network (p. 89/90)</li> <li>- Boss's Business Initiative ("Chefsache") (p. 89/90)</li> <li>- Initiative MINT women (p. 90)</li> <li>- Women's network at RWE (p. 90)</li> <li>- RWE pays women the same salary as men when they are in equivalent positions (p. 92)</li> </ul> <p><b>RWE Code of Conduct:</b></p> <ul style="list-style-type: none"> <li>- Standards for conduct between employees themselves (p. 83)</li> </ul> <p><b>RWE Social Charter:</b></p> <ul style="list-style-type: none"> <li>- Establishment of ILO core labour standards (p. 97)</li> </ul>	<p><b>16,6 %</b> Proportion of women in management positions in the RWE Group (p. 91)</p> <p><b>100%</b> of the employees are subject to the RWE Code of Conduct (p. 83)</p> <p><b>94,5 %</b> of the employees are covered by the RWE Social Charter (p. 22)</p>

UN Global Compact	Sustainable Development Goals	Implementation at RWE	
Principles	Goal / Target	Measures	Performance indicators
<p><b>Principles 7:</b> Precautionary environmental protection</p>	 <p><b>7.1:</b> By 2030, ensure universal access to affordable, reliable and modern energy services;</p>	<p><b>Strategy to reduce the CO<sub>2</sub> emissions:</b></p> <ul style="list-style-type: none"> <li>- Expansion of renewable energy (NfR p. 10)</li> <li>- Optimisation of the power plant portfolio (NfR p. 14)</li> </ul> <p><b>Energy management:</b></p> <ul style="list-style-type: none"> <li>- at RWE Generation and RWE Power in conformity with ISO 50001 (p. 61)</li> </ul> <p><b>Offer Flex2Market Model</b> (p. 51)</p> <p><b>Research and development:</b></p> <ul style="list-style-type: none"> <li>- Increasing the flexibility and efficiency of conventional plants (p. 53)</li> </ul>	<p><b>20,2%</b> Share of Group's power generation by renewables (p. 121)</p> <p><b>72%</b> of the installed hard coal capacity at the beginning of 2013 removed from the grid or converted to biomass combustion (NfR p. 14)</p> <p><b>Since 2013</b> an integrated energy management system in conformity with ISO 50001 (p. 61)</p> <p><b>Around € 1.7 billion</b> expenditure on environmental protection (p. 13)</p> <p><b>€ 20 million</b> R&amp;D expenditure (p. 120)</p>
<p><b>Principles 9:</b> Development and dissemination of environmental technologies</p>	<p><b>7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix;</p> <p><b>7.3:</b> By 2030, double the global rate of improvement in energy efficiency;</p>		

UN Global Compact	Sustainable Development Goals	Implementation at RWE	
Principles	Goal / Target	Measures	Performance indicators
<p><b>Principle 1:</b> Support for human rights</p> <p><b>Principle 2:</b> Elimination of human rights violations</p> <p><b>Principle 3:</b> Ensuring freedom of association</p> <p><b>Principle 4:</b> Abolition of all forms of forced labour</p> <p><b>Principle 5:</b> Abolition of child labour</p> <p><b>Principle 6:</b> Elimination of discrimination</p>	 <p><b>8.5:</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value;</p>	<p><b>RWE Code of Conduct:</b></p> <ul style="list-style-type: none"> <li>Standards for the conduct between the employees themselves (p. 83)</li> </ul> <p><b>RWE Social Charter:</b></p> <ul style="list-style-type: none"> <li>Establishment of ILO core labour standards (p. 97)</li> </ul> <p><b>Salary and social benefits above the relevant national average</b></p> <p><b>Supplier management:</b></p> <ul style="list-style-type: none"> <li>Assessment and Review of suppliers for goods, plant components and services (NfR p. 4/5)</li> <li>Know your Customer process for suppliers in the procurement of energy sources (NfR p. 7)</li> </ul> <p><b>RWE is a founding member of “Bettercoal” and has been actively engaged since 2012</b> (NfR p. 7)</p>	<p><b>9%</b> Ratio of employees with disabilities at RWE in Germany (p. 91)</p> <p><b>40</b> places in entry-level qualification “I can do it” (“Ich pack’ das!”) (p. 88)</p> <p><b>100%</b> of the contractual relationships with suppliers for goods, plant components and services are covered by the Code of Conduct (NfR p. 5)</p> <p><b>100%</b> of all new wholesale trading partners reviewed in the Know Your Customer Process (NfR p. 7)</p>

UN Global Compact	Sustainable Development Goals	Implementation at RWE	
Principles	Goal / Target	Measures	Performance indicators
<p><b>Principle 7:</b> Precautionary environmental protection</p> <p><b>Principle 9:</b> Development and dissemination of environmental technologies</p>	 <p><b>9.4:</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities;</p>	<p><b>Strategy to reduce the CO<sub>2</sub> emissions:</b></p> <ul style="list-style-type: none"> <li>– Optimisation of the power plant portfolio (NfR p. 14)</li> </ul> <p><b>Environmental management:</b></p> <ul style="list-style-type: none"> <li>– based on ISO 14001 (NfR p. 15)</li> </ul> <p><b>Research and development:</b></p> <ul style="list-style-type: none"> <li>– on “Low Carbon Projects” (p. 53)</li> <li>– on facilitating use of lignite as a material (p. 53)</li> </ul> <p><b>RWE Code of Conduct:</b></p> <ul style="list-style-type: none"> <li>– Commitment regarding resources and use of environmentally friendly technologies (NfR p. 14)</li> </ul> <p><b>Supplier management:</b></p> <ul style="list-style-type: none"> <li>– Interrogation of environmentally relevant criteria in the course of prequalification (p. 80)</li> </ul>	<p><b>62%</b> reduction of annual CO<sub>2</sub> emissions from 2012 to 2019 (NfR p. 13)</p> <p><b>99,3%</b> Level of coverage for environmental management (p. 15)</p>
<p><b>Principle 7:</b> Precautionary environmental protection</p> <p><b>Principle 8:</b> Initiatives to promote greater environmental responsibility</p>	 <p><b>13.1:</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries;</p>	<p><b>Strategy to reduce the CO<sub>2</sub> emissions:</b></p> <ul style="list-style-type: none"> <li>– Optimisation of the power plant portfolio (NfR p. 14)</li> </ul> <p><b>RWE Aktiv vor Ort – RWE Active on Site</b></p> <ul style="list-style-type: none"> <li>– Volunteering programme for RWE employees (p. 42)</li> </ul>	<p><b>62%</b> reduction of annual CO<sub>2</sub> emissions from 2012 to 2019 (NfR p. 13)</p> <p><b>100%</b> climate neutral by 2040 (NfR p. 12)</p>

UN Global Compact	Sustainable Development Goals	Implementation at RWE	
Principles	Goal / Target	Measures	Performance indicators
<p><b>Principle 7:</b> Precautionary environmental protection</p> <p><b>Principle 8:</b> Initiatives to promote greater environmental</p> <p><b>Principle 9:</b> Development and dissemination of environmental technologies</p>	 <p><b>15.5:</b> Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biological diversity and, by 2020, protect and prevent the extinction of threatened species;</p>	<p><b>Environmental management:</b></p> <ul style="list-style-type: none"> <li>- based on ISO 14001 (NfR p. 15)</li> </ul> <p><b>Biodiversity Policy</b> (p. 66)</p> <p><b>Biodiversity strategy for cultivation of areas in the Rhineland Lignite Mining Region</b> (p. 66)</p> <p><b>RWE Code of Conduct:</b></p> <ul style="list-style-type: none"> <li>- Commitment regarding resources and use of environmentally friendly technologies (NfR p. 14)</li> </ul> <p><b>Supplier management:</b></p> <ul style="list-style-type: none"> <li>- Interrogation of environmentally relevant criteria in the course of prequalification (p. 80)</li> </ul>	<p><b>99,3 %</b> Level of coverage for environmental management (NfR p. 15)</p>
<p><b>Principle 10:</b> Anti-corruption measures</p>	 <p><b>16.5:</b> Substantially reduce corruption and bribery in all their forms;</p>	<p><b>Compliance Management System:</b></p> <ul style="list-style-type: none"> <li>- Compliance officers inside Germany and in other countries (NfR p. 8)</li> <li>- Review by a professional services firm (NfR p. 9)</li> </ul> <p><b>RWE Code of Conduct:</b></p> <ul style="list-style-type: none"> <li>- Prohibits any form of corruption (NfR p. 8)</li> </ul> <p><b>Group guidelines:</b></p> <ul style="list-style-type: none"> <li>- Organisational regulations (double-checking (four eyes) principle, separation of functions, authorisation concepts and licensing regulations) (NfR p. 8)</li> </ul>	<p><b>100%</b> feedback rate for the management survey (NfR p. 9)</p>

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