

A family of four is walking through a field of tall, golden-brown grass. In the background, several large white wind turbines are visible against a clear blue sky. The family consists of a man carrying a young girl on his shoulders, a woman walking next to him, and an older man walking slightly behind them. The overall scene is bright and sunny, suggesting a pleasant day outdoors.

# RWE

## What ESG means at RWE

As of December 2021

# Disclaimer

This document contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management, and are based on information currently available to the management. Forward-looking statements shall not be construed as a promise for the materialisation of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. Neither the Company nor any of its affiliates assumes any obligations to update any forward-looking statements.



### Society

We deliver the energy transition and will become **net zero by 2040**



### Customers

We **supply green energy solutions** and **support the decarbonisation** of industries



### Employees

We offer a **highly attractive & international working environment** with significant **growth in green technologies**. We also **stand by our employees** impacted by the energy transition



### Shareholders

We **create shareholder value** by delivering profitable green growth

**Our energy for a sustainable life.**

# Sustainability fully integrated in our business

**RWE**  
**>120 years**

**>20**  
countries active

**~20,000**  
employees

**16 years**  
Code of Conduct

**30%**  
female Executive  
Board members

**>55 GW**  
development pipeline

**~10 GW**  
wind & solar capacity

**>90%**  
EU Taxonomy  
eligible capex

**30+**  
hydrogen projects

**#2**  
gas fleet in Europe

**Paris aligned**  
climate goals

**62%**  
CO<sub>2</sub> reduction  
vs 2012

**75%**  
CO<sub>2</sub> reduction  
by 2030

**Net Zero**  
by 2040  
across Scope  
1,2 and 3

SCIENCE  
BASED  
TARGETS  
for 2030  
**certified**

# Our core business is leading the way to a green energy world

**RWE**



## Offshore Wind

Strongest growth in Europe, significant potential in global markets



## Onshore Wind/Solar

Biden Plan and European Green Deal accelerate growth momentum in US and Europe



## Batteries & Flexible Generation

RWE's European core markets require new, low-carbon flexible capacities



## Hydrogen

Hydrogen is quickly gaining traction with Europe at the forefront



## Commercial Solutions

Decarbonisation of industry drives demand for tailored solutions

# Sustainability is at the heart of our strategy

What  
we have  
achieved  
so far

## Reduction of carbon emissions

More than **60%** compared to 2012 by closing down **12 GW** of coal-fired power generation capacity, RWE targets in line with Paris climate agreement confirmed by SBTi

## Enhancement of biodiversity

Recultivated over **23,000ha** in the Rhenish mining area. With over 1,500 plants and 3,100 animal species identified, **biodiversity** matches high value reference habitat

## Increased diversity on board level

**30%** of our Executive Board members across our businesses are female

## Taking responsibility for our employees affected by the energy transition

Collective bargain agreement for coal phase out to facilitate a socially responsible and fair transition

## Right incentive system

Aligned management remuneration with sustainability: Long-term incentive of Executive Board linked to carbon intensity reduction path. Over **90%** approval rate for new executive board remuneration system at 2021 AGM

## Paris aligned investment strategy & capital allocation

Already in 2020, over **80%** of our investments allocated to sustainable projects according to EU taxonomy

# Stepping up our ambition in sustainability

## Our ambitions

### Environmental



#### Climate Change

We will be **climate neutral by 2040**.  
On the way there, our ambition is to reduce our emissions in line with a **1.5°C compliant pathway**

#### Biodiversity & Recultivation

Because we care about the **biodiversity impact** of our business, we commit to the **highest standards in recultivation** for decommissioned sites. For new assets, we aim for a **net-positive contribution** to biodiversity by 2030

### Social



#### Social Responsibility

We make a positive **contribution to the communities** in which we operate. In the sense of a Just Transition, **we stand by our employees** who are impacted by the energy transition and find **socially responsible solutions**

#### Diversity, Equity & Inclusion

We create an **equitable** and **inclusive** working environment which **promotes diversity**. We will strengthen the share of **women in all management positions**, aiming for **30%** in our core business by 2030

### Governance



#### Sustainable Investment

Our **growth is sustainable**. **>90%** of our **investments until 2030** will flow into sustainable projects according to the **EU taxonomy**

#### Circular Economy

We implement the **principles of circular economy** in our way of working. We reduce the consumption of **natural resources**, minimise **waste** and design our assets so that we maximise the **reuse** and **recycling of materials**

# Paris-aligned investment strategy and capital allocation



## Paris-aligned targets

Climate protection targets **in line** with goals of the Paris Agreement, validated and **confirmed** by SBTi & TPI

**Clearly defined** decarbonization strategy with short-, medium- and long-term targets for all direct and indirect emissions (Scope 1, 2 and 3)

**2025 - 2030 - 2040** net zero



## Climate governance

Effective climate governance structure with **CEO** responsible for climate-related issues, management and reporting

**Aligned** management **remuneration** with sustainability criteria



## Capital allocation & sustainable finance

Sustainability criteria **included** in our investment and financing strategy, **aligned** to RWE's climate targets

No coal, **€30bn** net **capex** '21-30 into green technologies

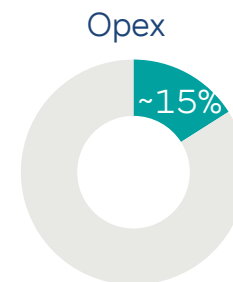
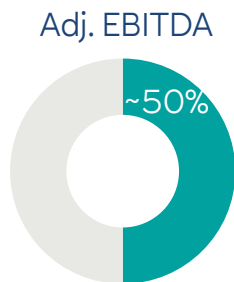
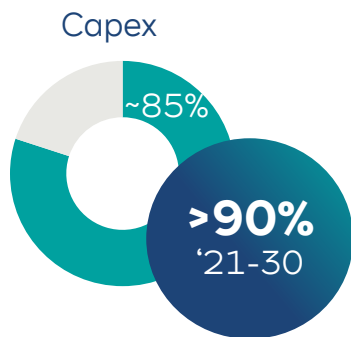
**>90%** EU Taxonomy eligible **capex**

**Strategy, investments and remuneration aligned with Sustainability**



# Sustainable Finance at RWE

## EU Taxonomy: share of RWE's eligible business activities (2020)<sup>1</sup>



## Sustainability-Linked Financing Instruments, Frameworks and Policies:

- Taxonomy-aligned KPIs integrated into RWE's **Revolving Credit Facility**
- RWE **Green Bond** Framework
- **Green Bonds** as preferred financing tool
- **ESG criteria** integrated into third-party processes and in financial investments



<sup>1</sup> Following activities included: Offshore Wind, Onshore Wind, Solar, Hydro (run-of-river, pumped storage); all values calculated according to the current EU Taxonomy for Sustainable Finance.

# RWE's active role in the CFO Taskforce to promote SDGs<sup>1</sup> and Sustainable Finance

## RWE is founding member of UN Global Compact CFO Taskforce



- Bringing together a multi-sector group of corporate finance leaders to develop **innovative strategies to mobilise** finance towards sustainable development
- **Joint development** of four CFO Principles to integrate Sustainable Development in Corporate Investments and Finance supplementing the UN Global Compact's Ten Principles to support companies in the transition
- CFOs are committed to **implement** the CFO Principles inside their organisation and to share their experience and learnings in the community of Global Compact companies.



### The CFO Taskforce in Numbers



<sup>1</sup> Sustainable Development Goals.

# Our approach to ESG contributes directly to the UN SDGs

## Seven SDGs were defined as material in relation to the business activities of RWE



- **30% of female** Executive **Board** members
- 5<sup>th</sup> place in **Women Career Index** 2020
- Part of **2021 Bloomberg Gender Equality Index**; with above average rating for inclusive culture



- Leading operator of wind and solar with **~10 GW** installed capacity
- Highly **efficient and flexible** power plant portfolio



- Strong employer with workforce of **~20,000 people**
- Contribution to **local communities**, support for **structural change** and socially responsible and **fair transition**



- Focus on **innovative technologies** to support **climate-neutral transition**: hydrogen, storage technologies, floating offshore wind and floating PV



- **CO<sub>2</sub> reduction by 62%** since 2012
- Certified 2030 emissions targets; **climate neutrality** by 2040
- **Embedded circularity** across all parts of company



- Recultivation programme with focus on **biodiversity**
- **Increase** in ecology in renaturalised mining areas










- Strict compliance requirements with RWE's **Code of Conduct**
- Member of **Bettercoal** to promote standards in supply chain



# Sustainability recognition

## ESG Ratings

	Scale (high to low)	
 MSCI	AAA to CCC	<b>A</b>
 SUSTAINALYTICS	0 to 100	<b>22.8</b> (95 out of 595 in the industry)
 S&P Global	100 to 0	<b>69</b> (5 out of 71 in the industry)
 ISS ESG	A+ to D-	<b>C+</b>
 CDP DISCLOSURE INSIGHT ACTION	A to D-	Climate Change: <b>B</b>
 ecovadis	100 to 0	<b>65</b> (in the <b>top 6%</b> of assessed companies)
 V.E VIGEO.EIRIS	100 to 0	<b>61</b>

## Indexes and benchmarks



Bloomberg Gender Equality Index 2021

More ESG rating results and further information on our [Sustainability websites](#) on RWE.com

# Environmental Performance - Highlights



## Path to Climate Neutral

**>110 million tonnes**  
carbon emission reduction  
since 2012

**50% reduction**  
of specific emissions from  
Scope 1 and 2 by 2030<sup>1</sup>

In line with  
**Paris agreement<sup>2</sup>**

**Net-zero by 2040**



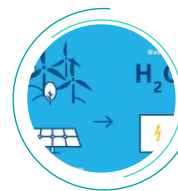
## Committed to renewables expansion

**~10 GW** installed wind  
and solar capacity

**>90%** EU Taxonomy  
eligible **capex**

**~4 GW** wind and solar capacity  
under construction

**>55 GW** development pipeline



## Investing in new technologies

**>900 patents**  
and patent applications

based on **~250 inventions**

**>30 hydrogen** projects

**€~30 bn** net **capex** '21-30

<sup>1</sup> RWE Science-based Target; from a 2019 base year. | <sup>2</sup> Recognized by the Science Based Targets Initiative and Transition Pathway Initiative.

# Environmental Performance - Highlights



## Environmental compliance

~ **23,000** ha renaturated  
with the highest standards in recultivation

~ **€1.7** billion expenses  
in environmental protection in 2020

**100%** environmental management coverage

**Own** internal **wastewater** treatment system &  
focus on **circular economy** / closed loop recycling



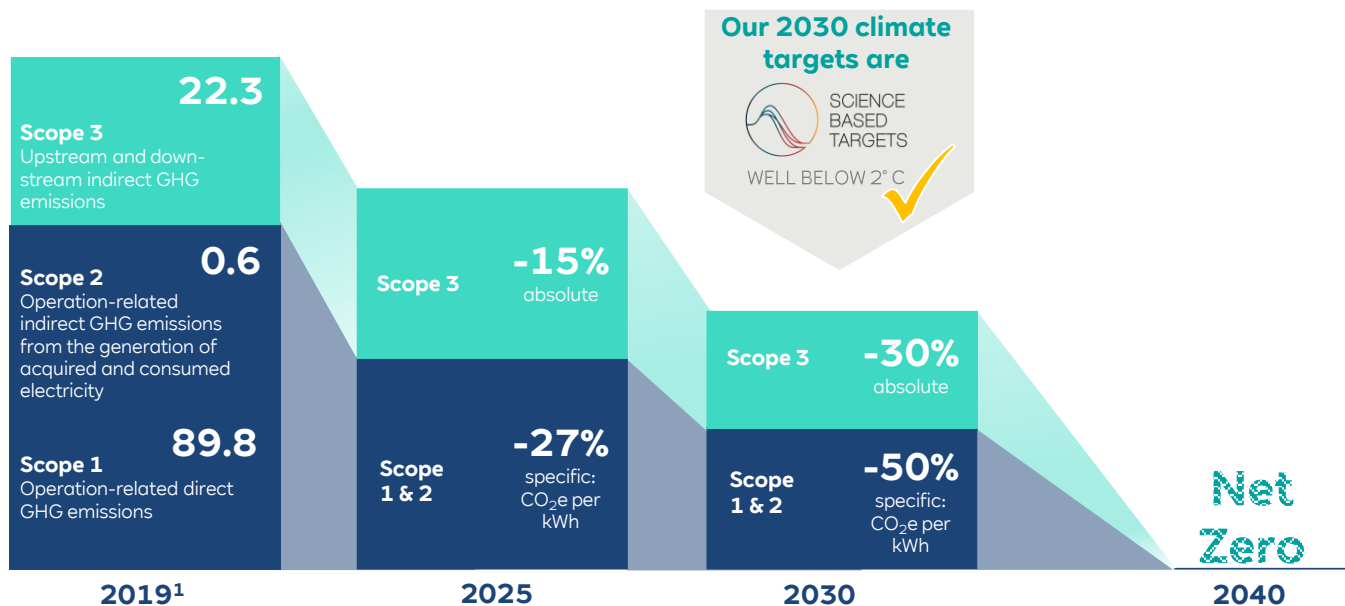
## Biodiversity

Sophisticated **biodiversity policy**  
since 2015

~ **1,500** plants and ~ **3,100** animal  
species identified over the entire  
recultivation process

Diversity of species matches **high value**  
**reference habitat**

# Ambitious science-based emission reduction targets lead the way to Net Zero



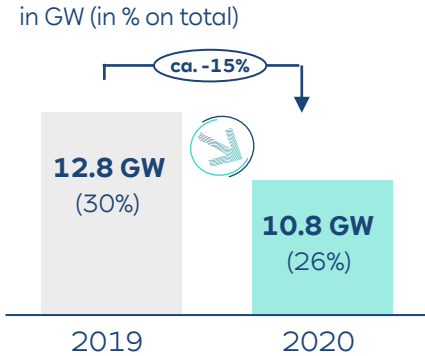
## We take action. This includes:

- Clear **decarbonisation** roadmap with further closures of coal activities
- Significant expansion in **wind, solar and batteries**
- Driving forward green **hydrogen**
- Reducing emissions from procured **goods and services**

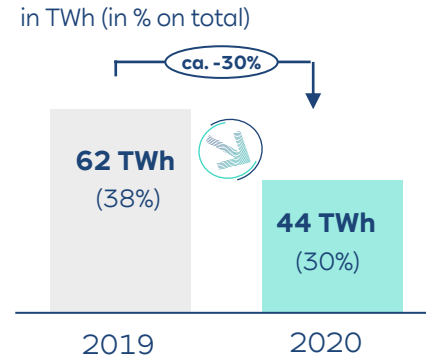
<sup>1</sup> 2019 is the base year for our Science-based Target. | Note: Figures in million tonnes CO<sub>2</sub>-equivalent. | For more information on our carbon footprint, please visit [www.rwe.com/emissions](http://www.rwe.com/emissions)

# Speeding-up coal phaseout

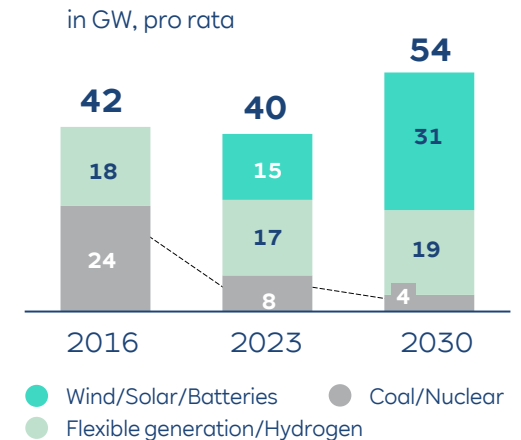
## Coal capacity (pro rata)



## Coal production



## Total installed net capacity



**23% share of coal in Group revenues 2020** (2019: 23%)

### Lignite:

- **Public-law contract** regarding German coal exit **signed**
- **First lignite** power plant (300 MW) in accordance with the contract **closed**, followed by **further ~900 MW** end of 2021

### Hard coal:

- Last two German hard coal power plants (in total 1.6 GW) **successful in closing auction**; final shut down in summer 2021
- RWE will **no longer run any own hard coal plants** in Germany

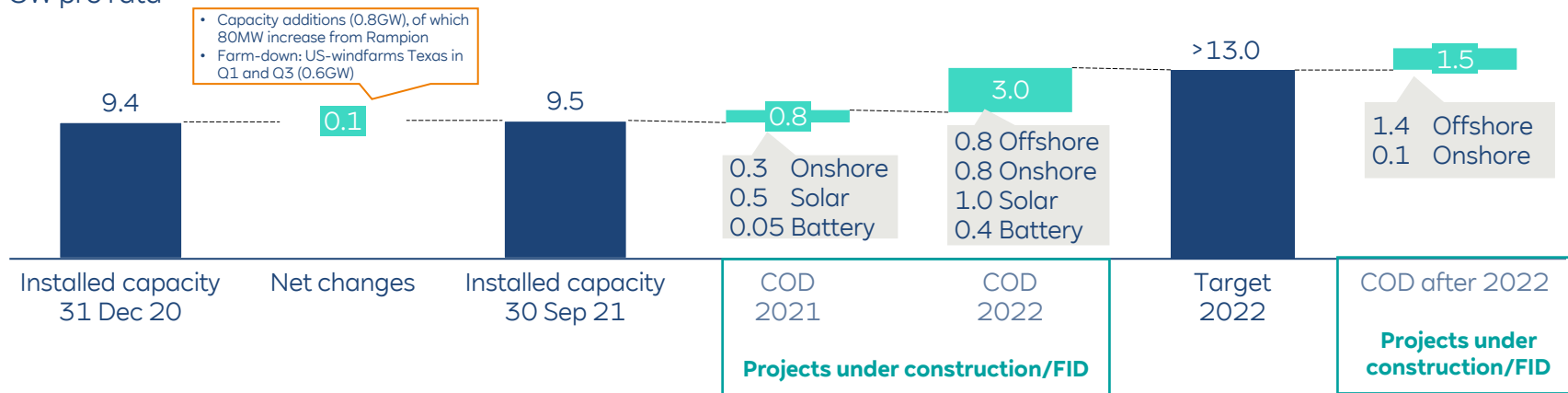


# On track to meet 2022 growth target with 3.8 GW of wind/solar projects under construction

€3bn p.a.  
Net cash  
investments

## Capacity development Wind/Solar, as of 30 Sep 2021

GW pro rata

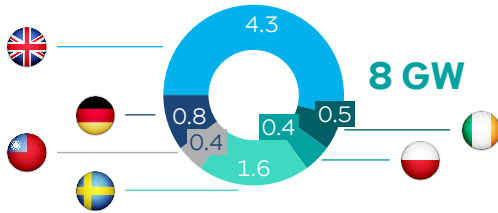


- Commissioning of 800 megawatts in Wind/Solar in the first three quarters and further 800 megawatts expected by year end
- In Q3, FIDs for 500MW of capacity additions in 2022 and beyond taken, mainly onshore and solar projects in the US and Europe

Note: All information pro rata. As of 30 Sep 2021. | Rounding differences may occur.

# Strong growth platform across all technologies

## Secured offshore rights



## Additional offshore pipeline from central tenders/lease auctions



**Expected submissions**  
until end of 2022  
of **9 GW**

Rounding differences may occur.

## Powerful development pipeline of green generation technologies



**>55 GW**

8

14

10

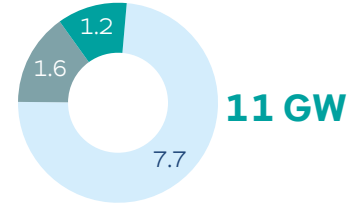
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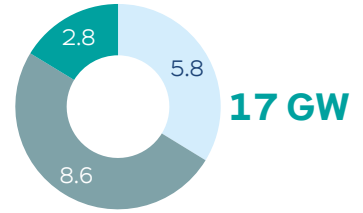
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## Europe



## Americas



Onshore wind   Solar   Batteries

# Shaping the future of energy through innovation

illustrative

## Offshore wind expansion



- **Floating offshore wind**  
Demonstration projects for different types of floating foundations  
(TetraSpar, SATH, Maine Aqua Ventus)

## Hydrogen



- **30+ projects along the entire value chain**  
See next slide  
(GER, NL, UK)

## Circular energy / reuse and recycling



- **Multi-fuel conversion / Closed loop recycling**  
Conversion of waste into base chemicals  
Recycling of sewage sludge incl. recovery of phosphorus  
(Furec/ NL; MFC plant GER)

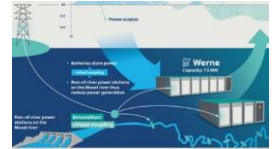


## Innovative methods of storing electricity

- **Co-located** energy storage system coupled with **solar**  
(Hickory Park, USA)



- **Co-located** battery storage system coupled with **hydro**  
(Werne & Lingen, GER)



- **Redox flow technology**  
Vanadium batteries &  
Large-scale organic flow batteries  
(RWE Campus, GER; salt caverns)



- **Recyclable blades & noise reduction**  
Testing of world's first **recyclable** wind turbine blade from Siemens Gamesa  
New installation techniques for offshore foundations to **reduce noise** emissions

# Our engagement in hydrogen continues to take shape and we believe in the central role of H<sub>2</sub> in the energy transition

Together with partners, we are active in >30 projects and along the entire renewables and H<sub>2</sub> value chain

- **10 GW pipeline** with projects mostly in early-stage development
- **4** of our projects **successfully** participated in the European **IPCEI** process for funding
- **2 GW** of electrolyser capacity **by 2030**
- Green H<sub>2</sub> is key to the energy transition achieving national and European climate targets by 2050
- Demand for green H<sub>2</sub> will drive global growth of renewables

## AquaVentus Family

📍 Heligoland **IPCEI - IPCEI**

## South Wales Industrial Cluster

📍 Milford Haven

## Eemshydrogen

📍 Eemshaven

## NorthH<sub>2</sub>

📍 North of the Netherlands

## FUREC

📍 Prov. Limburg

## GET H<sub>2</sub>

📍 Lingen **IPCEI**

## H<sub>2</sub> Brunsbüttel


📍 Brunsbüttel

## HyTech Hafen Rostock

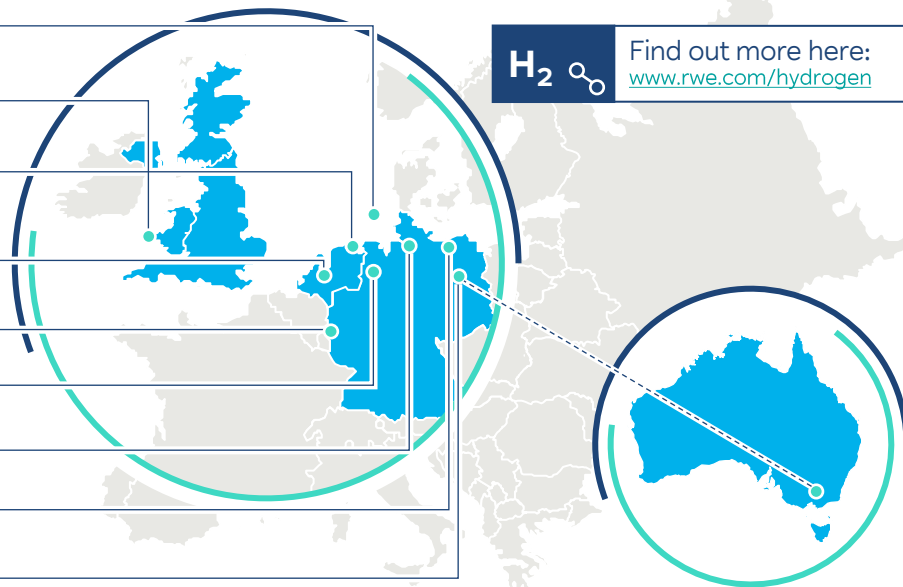
📍 Rostock **IPCEI**

## HySupply

📍 Berlin

H<sub>2</sub> 

Find out more here:  
[www.rwe.com/hydrogen](http://www.rwe.com/hydrogen)



# Social Performance - Highlights



## Health & Safety

**94.1%** health quote

**1.5 LTI<sub>F</sub><sup>1</sup>** & **5.9%** sickness rate

**Corporate Health Award** in energy sector for excellent CHM<sup>2</sup>



High **Data Protection** & **Cyber Security** standards



## Diversity

**30%** women on Executive Board

Germany's Best **Training Business** & **Fairest Employer**



**>80** employee nationalities

High above average score in **Inclusive Culture** at Bloomberg GEI



## Support of local communities

**~€5 m** into local communities hosting wind farm projects in UK

**~30%** of local suppliers with orders worth €0.5bn in mining regions in GER

Development of **business and industrial parks** for SMEs with local districts in former mining areas

<sup>1</sup> Lost Time Incident Frequency. | <sup>2</sup> Company Healthcare Management. | <sup>3</sup> From September, 2021.

# Diversity is key to master the transformation process and we are well aware of that



## Gender & Equality of opportunity

The energy transition is neither female nor male and concerns all of us. This is why **we promote equality** between men and women **at all levels**.



## Age

We create a **lively mix of young and older** employees. In this way we are combining years of experience with forward-looking perspectives and innovative ideas.



## Country of origin

RWE employees from more than **80 nations** in total. Founded 1898 in Essen (Germany), today's **global RWE network** comprises subsidiaries in Europe, Asia, Australia and the U.S.



## Disability & Inclusion

At RWE, people with and without disabilities **work together** as a matter of course. We actively support the training of disabled young people and offer internships for second level students with disabilities.



## Sexual orientation & identity

At RWE, we want everyone **to be themselves**, without having to change who they are. We believe that this is the only way for employees to reach their full potential.

## Our ratings:



**Overall rating:**  
**54.9%**  
(from 100%)



**Overall ranking:**  
**Rank 12**



**Overall ranking:**  
**Rank 5**  
(amongst the 10 best companies)



**Overall ranking:**  
**Rank 3**  
in utility sector

# Commitment to the local communities

## Example Community Funds in the UK

~€30 million  
over the past 20 years

RWE Renewables hits  
landmark milestone with  
UK **community funds**



Supporting **inclusive, innovative**  
and **essential** projects:



**Best practice guidance**  
across the means:

- Funding decisions made by local people
- Creating and sustaining local employment
- Supporting community facilities and local transport
- Helping communities to fight climate change
- Increasing tourism opportunities
- Providing education and training

[rwe/community-funding-in-action](https://www.rwe.com/community-funding-in-action)

# Governance Performance - Highlights



## Supply chain / Compliance

**16** years of **RWE's Code of Conduct (CoC)** as an integral part of all contracts

**100%** of **purchase volume** covered by our CoC

Founding **member** of the **Bettercoal** initiative & among the top 6% companies assessed by **EcoVadis**

Advocating for **industry-wide** ESG standards and regulation in supply chain



## Governance / Remuneration

**35%** **women** on the Supervisory Board

Executive remuneration linked to **ESG targets** & integration of **Malus / Clawback / SOG** elements

**TCFD** aligned & **SASB** Index integrated reporting

**Associations** alignment on climate and energy policies advocacy

**'Outstanding'** rating for RWE's corporate governance





# Diverse and experienced Supervisory Board fulfils all competence requirements

Supported by  
6 standing committees

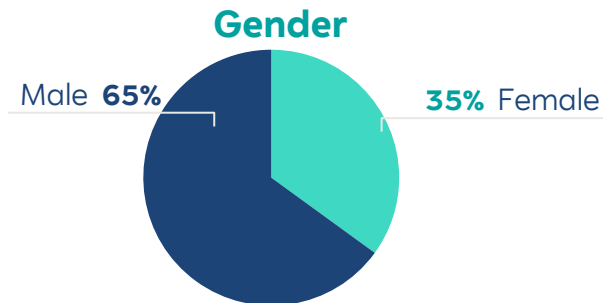
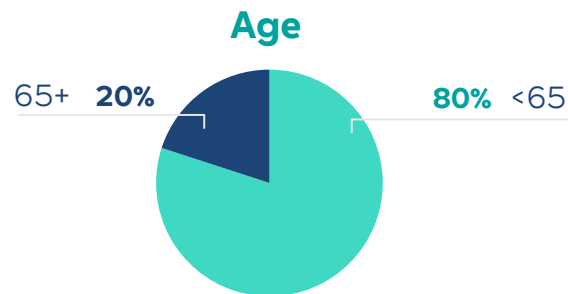
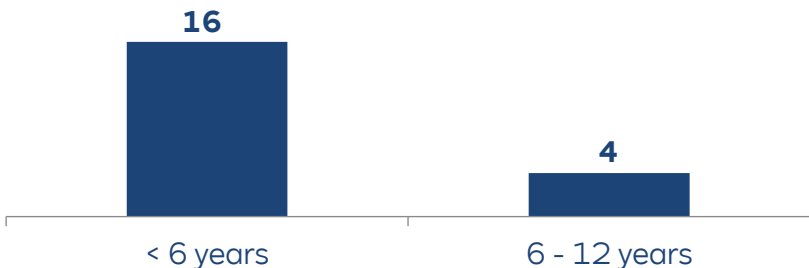
## 20 Board Members



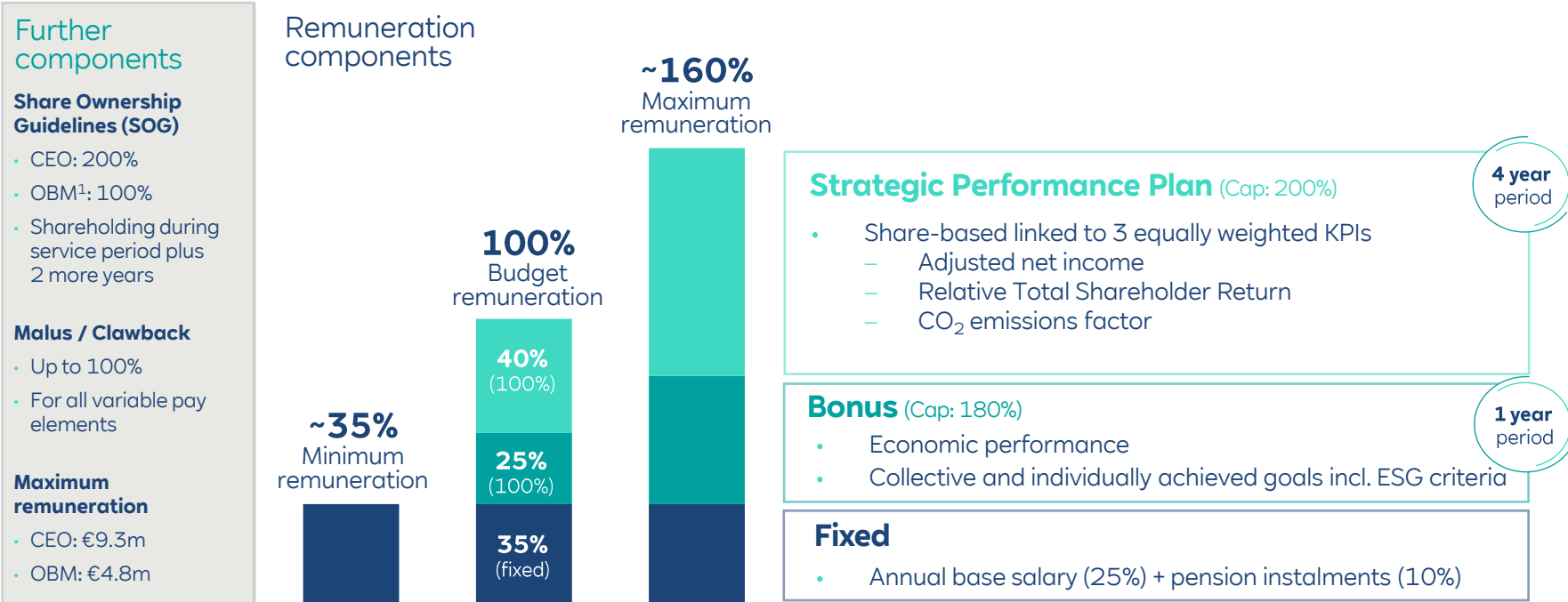
**10** **shareholder representatives** elected by the Annual General Meeting

**10** **employee representatives** elected by the employees of RWE AG & its group companies

## Board Tenure in Years



# New executive remuneration system aligned with strategic goals and shareholder interests



<sup>1</sup> Ordinary Board Members. | For more information visit our website [rwe/corporate-governance](https://www.rwe.com/corporate-governance) and our [Corporate Governance presentation](#).

# RWE: Key ESG Metrics

		2019	2020
<b>ENVIRONMENT</b>			
GHG emissions (Scope 1)	million mt CO <sub>2</sub> e	89.9	70.4
GHG emissions (Scope 2)	million mt CO <sub>2</sub> e	0.6	2.6
GHG emissions (Scope 3)	million mt CO <sub>2</sub> e	22.3	18.9
Carbon intensity (EU ETS)	mt CO <sub>2</sub> /MWh	0.569	0.459
Carbon intensity (GHG Scope 1+2)	mt CO <sub>2</sub> e/MWh	-	0.497
Carbon strategy			<b>Yes</b>
<b>SOCIAL</b>			
Total number of employees	#	19,792	19,498
Diversity policy			<b>Yes</b>
Women on 1 <sup>st</sup> management level <sup>1</sup>	%	27	27
Women on 2 <sup>nd</sup> management level <sup>1</sup>	%	19	22
Female Executive Board members	%	-	33
Female Supervisory Board members	%	30	30
Lost time injury frequency (LTIF)		2.1	1.5
<b>GOVERNANCE</b>			
Supervisory Board independence	%	100	100
ESG Linked Compensation			<b>Yes</b>

→ 2030 Scope 3 target: **-30%** vs 2019 (2025: -15%)

→ 2030 Scope 1 + 2 intensity target: **-50%** vs 2019 (2025: -27%)

→ 2040 target: **Carbon neutral**

→ 2022 target: **30%** for 1<sup>st</sup> management  
**20%** for 2<sup>nd</sup> management

2030 target: **30%** women in all management positions

More ESG key data on: <http://rwe-datatool.com/>

<sup>1</sup> Below the Executive Board of RWE AG.

# Contacts

## Important Links



### Investor Relations

- [Annual and Interim Reports & Statements](#)
- [Investor and Analyst Conferences](#)
- [IR presentations & further factbooks](#)
- [IR videos](#)

### Contacts for Investors & Analysts



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### Corporate Responsibility

- [Responsibility and sustainability at RWE](#)
- [RWE Sustainability Report and Non-financial report](#)
- [Corporate Governance at RWE](#)
- [Sustainable supply chain](#)
- [Diversity at RWE](#)



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## Financial Calendar

- **15 March 2022**  
Annual Report for fiscal 2021
- **28 April 2022**  
Annual General Meeting
- **12 May 2022**  
Interim statement on the first quarter of 2022
- **11 August 2022**  
Interim report on the first half of 2022

### Contact for Sustainability



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# RWE

