-------------------------------------------------------------------------------------------------- RWE 2003

Energy, water and environmental services make up RWE’s core business. These utilities have become much more important for the quality

of our living standards and our environment. Whereas supply security and prices for electrici- ty, water and environmental services used to

be the point of focus, the sustainability of prof- itable activity is now becoming ever more sig- nificant. For us, RWE’s contribution to climate protection plays a key role in this context. This gives rise to the question of how we should handle resources and take responsibility for future generations.

Not once have we tried to avoid this debate. In fact, we have helped it flourish. RWE’s declared mission is to contribute to establishing a global trend that economizes resources, guarantees secure, high-quality supplies, and creates wealth. This is the very philosophy that determines RWE’s strategy for sustainability. It is being implemented throughout the Group and applies to approximately 127,000 employees worldwide.

Therefore, the logical conclusion was to refine the substance of our environmental report and adapt it to the state of the debate on sustain- able thinking and action. We want to answer the questions you may have regarding “Our Respon- sibility” in this report. We will stay this course in the coming years—with your support and con- structive comments.

Our customers expect this level of commitment

—and rightly so. Since we are an international multi-utility group, our more than 90 million- strong world customer base expects high-quality products and services from a single source.

They equally expect us to treat the environment in which we all live with respect, setting an example for others.

Sustainability-oriented investors and analysts confirmed our environmental performance. RWE significantly improved its ranking in the 2004

Dow Jones World Sustainability Index, winding up fourth in the energy sector.

This rating honors the transparency and open- ness we have accorded to our code of conduct— a fundamental principle that we intend to reflect in this report.

Climate protection is one of the major chal- lenges facing us. To address this, we carry out comprehensive modernization projects for our portfolio of power plants, which allows us to lower climate gas emissions profitably and to impressive orders of magnitude. Our latest-gen- eration, lignite-fired power station sets global standards. We are convinced that this technolo- gy paves the way for coal-based electricity as a viable option for the future, also under sustain- ability considerations. In addition, we dedicate

a lot of time to exploring ways to use renewable energy profitably. In this light, we expanded

our renewable energy capacity considerably in recent years.

We supply 70 million customers with fresh drinking water and sanitation around the world. This is a responsibility that one cannot do jus- tice to without a high degree of sustainable activity. Less industrialized nations reach their limits of economic performance when it comes to investing in secure clean water supplies. This is why RWE participates in public private part- nership models, which make use of and inte- grate local know-how.

Given our Group’s wide international reach, it is paramount for us to learn from one another, safeguard cultural diversity, appreciate different social requirements, and develop a healthy understanding of each other. These are impor- tant ingredients of sustainable governance.

These fundamental concepts are expressed in this report, substantial portions of which were audited by external examiners for the first time. We hope this makes for an exciting read, and we invite you to participate in our dialogue, via e-mail at [info-responsibility@rwe.com.](mailto:info-responsibility@rwe.com) What are your thoughts on RWE’s commitment? What does “sustainability” mean to you?

Harry Roels

President and CEO

Dr. Gert Maichel

Executive Vice President and Environmental

Coordinator

-------------------------------------------------------------------------------------------------- RWE 2004

Chief Executive Officer’s Statement

The report describes our performance in achieving the targets we set ourselves last year and our continued efforts to integrate the concept of corporate responsibility (CR) into all aspects

of our business. It is also an opportunity to set out the improvements which we will be pursuing over the course of the next year and to invite discussion with all those who influence or are affected by our activities. We believe that our adoption this year of the Global Reporting Initiative’s indicators, as far as practicable,

will assist all our stakeholders to assess our performance against globally applicable reporting guidelines. As in previous years, the data contained in this report have been verified by an independent organisation, Enviros Consulting Ltd.

Our key highlights in 2004 include:

• An improvement in our ranking in the Business in the Community’s (BitC) Corporate Responsibility Index to 14th, compared to

36th last year. For the second year running

we were also awarded the BitC’s PerCent Club standard in recognition of the fact that we donated more than 1% of pre-tax profits to the community

• We have made significant improvements to the overall standards of service we offer our customers although we recognise that we have more to do to deliver the first–class service that our customers expect

• Extending our range of programmes offering assistance to disadvantaged customers and providing an additional £1.5 million to support our Health Through Warmth initiative, which aims to help those living in cold, damp homes

• Actively raising awareness of CR issues amongst our suppliers and our employees

• Development of a statement of business principles and ‘speak up’ policy

• Implementing monitoring and reporting schemes at each of our power stations to meet the requirements of the EU Greenhouse Gas Emissions Trading Scheme

• Extending our environmental management system (EMS) to cover all our office buildings

• Increasing the number of employees volunteering to take part in community-based projects and increasing the number of school pupils involved in our education programmes.

Our objectives for 2005 are set out in full on pages 46–48 of this report. We will pursue these within the overall framework set by our corporate responsibility principles:

• To continue to participate in activities that have a social or environmental benefit

• To formalise the assessment of social and environmental issues when making business decisions

• To work with our stakeholders so that they are aware of our responsibilities and provide opportunities to discuss and shape our strategy

• To focus our community strategy explicitly on the themes of health, education and environment

• To work with local communities around our operational sites and offices to develop effective partnerships

• To continuously review and improve the management of our social and environmental impacts.

I would welcome your feedback on the contents of the report. Please take the time to contact us at [csr.feedback@rwenpower.com](mailto:csr.feedback@rwenpower.com) or to write to us at the address which appears on the back cover.

**Andrew Duff**

Chief Executive Officer

-------------------------------------------------------------------------------------------------- RWE 2005

***Dear Readers,***

It was good to see that our 2005 Sustainability Report generated such a high level of interest. The purpose of the report is to document our responsi- bility to our employees and shareholders, as well as to society and the environment.

Sustainability means the planned development of our corporate business strategy. Sustainability is the key to the economic, ecological and social future of the corporation. We as a company are essentially committed to economic success and to achieve this we need to survive in a competitive environment. We rely on having as many customers as possible who prefer to buy our products and services on the market. And what is the market? It is the sum total of individual purchasing decisions that are based on a whole range of different criteria.

In the past, price and quality were the primary fac- tors. While this is essentially still true, we are now seeing a number of new items being added to the “quality” shopping list. We are no longer measured just by classical values such as security of supply and the competitiveness of our prices. In a much more general sense our entrepreneurial conduct is now also assessed on the basis of social, ecological and – in some cases – ethical considerations. It is therefore no surprise that the decisions made by investors and customers are being based increas- ingly on the concept of sustainability. A clear sign indeed of the direction in which we are moving.

Of course there is nothing remarkable in stating that every company and every business is part of society. What is new is that our position in society is now branded by a series of hitherto unfamiliar expectations and demands. In short: the public have become more critical, more observant and more sensitive – and this is perhaps a good thing.

Energy is a valuable and finite resource and all who use it must adopt a responsible approach. We there- fore welcome the objective dialogue now underway with a discriminating and perceptive public. We in turn have to adjust to this by aligning our corporate strategy accordingly and by becoming far more responsive towards our social environment. We

have to be inspired by social and political develop- ments, expectations and aspirations, but without sacrificing our identity. We should learn to observe how we see ourselves and others and how we our- selves are seen. This is the key to mutual trust and understanding. And society’s trust is essential for our long-term success.

We know about our special environmental responsi- bilities. This is why we aim to commission the first industrial-scale CO2-free coal-fired power plant by the year 2014. This project will enable us to investi- gate on a commercial scale the feasibility of coal- fired power generation with downstream CO2 seques- tration and storage and will help pave the way for an eco-friendly coal-based power generation sys- tem for the future. The significant advantages that coal has to offer, namely security of supply and cost effectiveness, can therefore be exploited in the long term as part of a balanced fuel mix.

We also have responsibilities to our workforce. This primarily means personnel management and development, employee motivation and interaction between management levels. We need more than just a skilled workforce – we need to adopt a mode of behaviour in our social dealings with one anoth- er that is based on trust and respect. We need a working environment in which new and innovative ideas can flourish. An atmosphere that is conducive to incorporating and capitalising on economic, social, technical and ecological developments.

Last year, following a Group-wide opinion poll of the company’s employees, we carried out an initial corporate appraisal which in turn launched a broad discussion process. The value criteria used in this exercise were also put into effect last year and now serve as a basic guideline for our in-house and external relations. The introduction of a code of conduct has also provided us with a set of concrete rules that reflect – regardless of any judicial ruling – generally accepted ideas for correct behaviour.

The social expectations and demands being made of our company extend far beyond the personal lev- el and now include our contribution to climate pro- tection and the environment. At the same time we are being asked to provide safe, reliable and low- cost energy. There are also local and employment issues to be considered, notably with regard to the provision of training places. And in addition to all this there is the matter of the company’s social and cultural obligations. This all adds up to a set of wide- ranging demands. It is our responsibility to take these issues into account in an appropriate manner and to weld them all into an economically, ecologi- cally and socially balanced whole. While there is certainly still much scope for improvement, we are convinced that we are on the right path and that this approach is already having a positive impact.

Sustainability is a far-sighted strategy serving both as a key to the long-term future of our company and as a commitment to our common responsibili- ty. You can be certain that every member of the RWE AG Executive Board is fully and individually committed to the policy of sustainable corporate development.

Of course you will want to judge for yourselves just how much progress we have made on the issue of sustainability. The information you need is all there in the current Sustainability Report. Whether your conclusions are positive or otherwise we welcome any feedback as part of our ongoing commitment to an in-house dialogue (info-responsibility@rwe.com).

Harry Roels

Chief Executive Officer

Alwin Fitting

Member of the Executive Board

and in charge of Corporate Responsibility



-------------------------------------------------------------------------------------------------- RWE 2006

***Dear Readers,***

At the RWE AG Annual General Meeting on April 18,

2006 we presented our second comprehensive Corpo- rate Responsibility Report. For the first time we are supplementing it with an “intermediate” status report relating to the past business year, which refers to the past financial year. The next full report will be pub- lished on the occasion of the Annual General Meeting in April 2008.

When we speak in terms of corporate responsibility (CR) we mean the contribution that we as a corporation can make towards sustainable development. In our opinion this involves picking up on and responding to social needs and integrating them in our decisions. Climate protection represents the greatest challenge to RWE.

The conversion of lignite and coal to electricity makes us Europe’s largest emitter of CO2, yet at the same time it is the cornerstone of a reliable and affordable energy supply. In the face of rising climate protection requirements and increasingly tight production capaci- ties, we are planning an investment offensive to mod- ernise and extend our European power plant portfolio with highly efficient installations. At the same time we wish to contribute towards an economic approach to handling energy by giving our customers intensive sup- port in using energy efficiently.

Consequently, climate protection and energy efficiency remain central fields of action and our activities will continue to focus on them. By contrast, in other fields of action, which we had defined in the context of our CR strategy, developed for the first time in 2003, the emphases have shifted significantly. Therefore, last year we began revising the fields of action for the sake of sustained development at RWE. In association with this we engaged in an intensive dialogue with our stakeholders. We wish to continue the open and constructive exchange of ideas with representatives of major stakeholder groups that characterised the RWE dialogue forum in November 2006, also in 2007. Fur- thermore, we are aware of the urgent tasks involved in improving occupational safety and health protection and overcoming the problems of demographic change.

Two important forms of appraisal show that our contri- bution to a sustainable development is recognized:

In September 2006 RWE received distinction as “Best in Class” for the transparency of its climate protection strategy and was included in the “Climate Leadership Index” of the Carbon Disclosure Project. Also in September 2006 RWE was again able to gain a place in the Dow Jones Sustainability Index (World and STOXX) as a Sustainability Leader and is there- fore one of the few German companies that has been listed since 1999.

The present status report is at the same time our progress report for the United Nations Global Com- pact, which we joined in 2003. By doing so we have undertaken the obligation to actively support ten prin- ciples of sustained action. Last year we were able to comply with this in particular by drafting and imple- menting our climate protection strategy (principle 7), by deciding to invest in the development of a virtually CO2-free power plant (principle 9) and by implement- ing our Code of Conduct (principle 10).

Alwin Fitting

Member of the Executive Board of RWE AG

and in charge of Corporate Responsibility

-------------------------------------------------------------------------------------------------- RWE 2007

**Dear Readers,**

“Sustainability for us is far more than just a precondi- tion for our own long-term success. As a Group with a long tradition and a major employer, we feel respon- sible for our environment as well”. This is how we worded our commitment to sustainability in the first RWE Environment Report 1998. Now, ten years on, a lot of things are already a matter of course at RWE, as exemplified by everyone in the Group.

We provide young people with traineeships far in excess of our own requirements. We protect the envi- ronment in areas of lignite mining, recultivate the landscape along our power grids, and have established an ambitious Group-wide environmental management system.

Today, however, we are obliged to admit that our efforts are not always noticed and are barely keeping pace with the growing demands made of us by society. Politicians’ and people’s confidence in large, seemingly anonymous corporations has declined – in Europe as a whole, and in Germany in particular. This loss of confi- dence has hit energy suppliers especially hard.

So what can we do, what must we do, to win greater acceptance for our business model? This is a question we have been pondering intensively, and our sixth sustainability report is part of our effort to find an answer to it. We are committed to open and trans- parent reporting, especially in areas in which RWE has been a target of criticism. Indeed, we cannot afford

to do without it, as it is a precondition for both self- improvement and more focused action.

It is especially important to harmonise the principles of private enterprise with society’s expectations of us. What does this mean in practice?

1. Society expects us, as Europe’s largest single indus- trial emitter of carbon dioxide (CO2), to make a major contribution to meeting the climate-protec- tion targets that have been agreed at the political level.

2. Our customers expect us to provide a secure supply of electricity and gas at fair and transparent prices.

Our business is geared to long-term returns and there- fore calls for the careful assessment of political and social developments. This pertains to opportunities as well as risks. If, in the long run, RWE is unable to strike a balance between these diverse interests, then we

will ultimately be putting at risk the basis for sustain- able economic success.

In the course of the past two years, therefore, we have reviewed the areas for action that we regard as especially important for responsible corporate policies. Protection of the environment is now our top priority. Our continued use of lignite and hard coal to generate power makes us especially vulnerable to criticism here. Coal, however, contributes greatly to providing a secure energy supply both for Europe as a whole and for Germany in particular; besides, the most recent, state-of-the-art plants already have a much lower CO2 output than do older units.

Yet our substantial investments in pursuit of the agreed climate protection targets go beyond coal. Among them is the large-scale expansion of renewable energy sources. We intend our investments in this area between now and 2012 to average at least € 1 billion a year. This is an ambitious target, but one that our RWE is confident of achieving.

What is all too often overlooked is that energy effi- ciency is also an important part of climate protection. RWE has launched an innovative programme that starting this summer will equip some 100,000 house- holds in Mühlheim with smart meters. This new gener- ation of meters provides information about domestic electricity consumption day and night, thus helping our customers to save electricity.

We also act responsibly towards our employees and the people living in all the regions in which we operate. True to the slogan “People make it possible”, RWE promotes voluntary community involvement on the part of its employees, who after all are ”our RWE’s best ambassadors”. This report explains the progress we have made in this area, too.

Our commitment to transparency also includes the intensive dialogue we are engaged in with our stake- holders. Our online publication of power generation data and detailed information on the breakdown of our domestic and commercial customers’ electricity and fuel bills are part of our drive to promote trans- parency in the marketplace.

Thanks to these initiatives, we are now on the right track, as is evident from the success of our 2005 report, which took second place in a ranking of sustain- ability reports of Germany’s 150 largest corporations. The year 2007 saw us once again included in the Dow Jones Sustainability Index. RWE has been included in this sustainability index – the world’s most important – ever since its inception. Such a positive response to our efforts is an incentive to do even better.

By 2015 at the very latest, RWE will rank among the drivers of sustainable development in all of its European core markets. We can count on the proven dedication of our employees to achieve this.

Questions and comments both on this report and on our strategy are always welcome, even those – or rather especially those – that are of a critical nature.

Essen, March 2008

Dr Jürgen Großmann

President and CEO

Alwin Fitting

Labour Director and Board member responsible for CR

-------------------------------------------------------------------------------------------------- RWE 2008

Dear Readers,

Trust and responsibility are two sides of the same coin. Whether our customers, employees and society at large trust us and accept what we do depends on how seriously we take our corporate responsibility (CR). At the same time, CR helps us to tackle the complex challenges facing us and to make our busi- ness fit for the future. We have long regarded CR as a positive factor and have therefore worked steadily to make it an integral part of all our business processes. Our CR strategy defines ten areas for action which far from being independent of each other are in fact closely interrelated – climate protection, energy effi- ciency and security of supply, for example. And it is here – rather than in risk or reputational management – that the constructive and forward-thinking potential of CR has most purchase. We develop Group-wide objectives and targets which are then integrated in our business operations.

The objectives for 2008 defined in our last report, “Our Responsibility. Report 2007”, have since been put into practice as described in what follows. This report also constitutes a Communication on Progress for the purposes of the UN Global Compact, which we signed up to in 2003.

So what have we achieved this past year? The found- ing of RWE Innogy GmbH has enabled us to forge ahead with numerous projects and to greatly broaden the scope of our commitment to renewable energy sources. Another key milestone in our climate protec- tion strategy was the selection of a site for the world’s first industrial-scale power plant with CO2 capture and storage (CCS). Meanwhile, participation in RWE Companius, a now Group-wide initiative of the sales regions which supports employees who do voluntary work in their spare time has been gratifyingly high. So where do we go from here? RWE is undergoing a radical transformation which will take time to accom- plish. After all, the new technologies we need cannot be pulled out of a hat, but require years of develop- ment work. We are doing everything we can to speed up this process, but are still dependent on our stake- holders’ confidence and feedback. We therefore look forward to receiving your comments and suggestions as well as any constructive criticism you may have (responsibility@rwe.com). Knowing that RWE can develop only hand in hand with the society in which it operates, we are determined to be a solid and trustworthy partner.

Alwin Fitting

Labour Director and Board member responsible for Corporate Responsibility

-------------------------------------------------------------------------------------------------- RWE 2009

Dear Readers,

We know it from our own experience: the world is changing – perhaps as never before. Parts of the economy are ailing and looking for ways out of the crisis. Industry, meanwhile, is facing challenges of global magnitude such as climate change and scarcity of resources. We are responding to these challenges – with more innovation and more investment in climate- friendly technologies.

February 2008 saw us launching RWE Innogy respon- sible within the RWE Group for expanding renewables. Between the end of 2007 and the end of 2009 we increased our generation capacity from wind, water and biomass from 1,300 to 2,500 MW. Our acquisition of the Dutch utility Essent made important contribu- tions. And this is only the beginning: RWE is becom- ing greener, more robust and more international.

We spend more than one billion euros every year on pushing renewables, and already have an additional 400 MW of generation capacity under construction.

Our focus here is on offshore wind farms. RWE is also supporting new technologies such as micro wind tur- bines and tidal power, which may not be commercially viable as yet, but look very promising. And our ambi- tions reach higher still: by supporting the Desertec Project, we are promoting the large-scale generation of solar-thermal electricity in the Sahara – even if it will be years before this dream becomes a reality.

The shift to renewable energy sources is bound to take time, if security of supply is to be maintained and electricity prices are to remain competitive. Climate change, however, brooks no delay. RWE is therefore investing in climate-friendly technologies for conventional power stations as well, including CO2 flue-gas scrubbing and binding CO2 by micro- algae. The founding of RWE Effizienz GmbH has helped to expedite climate protection on the con- sumer side as well. Both smart metering and smart home, a special computer system for controlling domestic energy consumption, will help consumers save energy, while at the same time enhancing domestic comfort. We are also committed to revolu- tionising road traffic by promoting electro-mobility, which naturally will include fully functional and affordable electric cars.

In other areas, however, valuable time is being lost. This is especially true of developing carbon capture and storage (CCS), which is a technology we cannot afford to do without, if climate protection is to be taken seriously. Unfortunately, our first exploration projects in regions with potential sequestration sites have met with fierce resistance from local residents. And scepticism is widespread among policymakers, too. We therefore hope to see a fair CCS law passed this year, as only then will we have the legal safe- guards we need to plan ahead.

Climate protection is not the only matter of concern to society. Other environmental issues require our attention, too. The recultivation of opencast mines remains an important task, as does the preservation and promotion of biodiversity in the surroundings of our power stations and along our power lines.

We endeavour to be a force for good in other areas as well, such as the crucial sphere of research and education. We have therefore expanded our professo- rial endowments and RWE Stiftung got down to work in early 2009 with education among its top funding priorities. Education is taken very seriously within the Group as well. The RWE Development Centre, for example, was founded to anchor the idea of life-long learning not just in the company itself, but in the minds of those who work here.

RWE is moving with the times. With expertise, and with experience in working for the common good. Last year, 4,500 RWE employees volunteered to spend some of their spare time working on some 2,300 community projects supported by the RWE Companius initiative.

Instead of waiting for it to happen, RWE is actively shaping the future. In 2007, we defined ten specific areas for action and for each of these set ourselves quantifiable targets for more sustainability in line with the principles of the UN Global Compact. In 2009, we went a step further by developing key performance indicators with which to ascertain and document our progress or setbacks in each area for action. The next step will be the definition of clear targets. Which is why performance in sustainability will henceforth be considered in executive board compensation as well. Corporate responsibility is therefore being anchored in our core processes.

We are also promoting transparency and accountabil- ity, which after all are essential to constructive dia- logue with society. We regard frank exchanges of views with our stakeholders as a valuable compass for our actions. We want to know what you think as well. So please get in touch with us (responsibility@rwe.com).

Essen, March 2010

Alwin Fitting

HR Director and Board member responsible for CR

-------------------------------------------------------------------------------------------------- RWE 2010

-------------------------------------------------------------------------------------------------- RWE 2011

Dear Readers,

The energy transition is a big challenge for us all. RWE is playing a role in structuring the future of energy supply. And that did not begin only a year ago. Our company has already been doing a great deal of work on this issue for some years now. We have been reducing CO2 emissions from our power plants, expanding renewables and enhancing energy efficiency. Less CO2, secure supply and afford- able prices – these are our objectives. In Germany and in Europe.

We have a great deal of work before us if we are to achieve these goals. We will continue to expand renewable energies over the coming years. Step by step. Our installation ships for constructing off- shore wind farms are almost ready to start working. We will use them to set up wind turbines off the German and Welsh coasts. The new wood-pellet factory in Georgia (USA) is already producing bio- mass for our power plants. And the Andersol thermal power plant in Spain, in which we have a stake, will soon come on stream and start commercial operations. At the same time, we are modernising our conventional power stations with the aim of supplying energy more flexibly and efficiently to the grid. They will remain an important foundation for the energy system – particularly in view of the accelerated exit from nuclear energy in Germany.

We are modernising the electricity grids at the same time so that the switch in the electricity supply operates smoothly over the long term. The grid will get smarter as a result of our efforts. The grids of the future will no longer simply be transmission routes, they will also form the neural networks of our energy systems. We will use them to control the supply and demand of electricity. This is a function that is becoming increasingly complex as a result of a large number of local plants and the impact of the weather on renewable energies. Model projects like Smart Country in the region of the Eifel hills or E-Dema in Mülheim/Ruhr are test beds where we have joined forces with partners from business and the local authorities to put them through their paces.

The third important mainstay is efficient use of energy by consumers. We are also offering solutions at this point. For example Smart Meters and Smart Homes are products that give your household net- work connectivity – products that take the energy revolution into the homes of our customers.

One thing is certain. This radical change will only be successful if everyone works together – people in the community, politicians and companies. Individual companies cannot afford to simply deliver fair prices, a secure supply and climate protection. They also need to engage with traditional environ- mental protection, innovations, compliance with sustainability criteria in the supply chain, a high lev- el of occupational health and safety for our employees and suppliers, a visionary approach to the demographic change, and social engagement in the regions.

We have bundled these challenges in ten areas for action. Quantifiable indicators mean they can be measured and coordinated. And we have defined concrete targets that we intend to achieve in these fields. These targets are supported by international standards and principles, such as the UN Global Compact.

Are our objectives the right ones? And are they ambitious enough to make the radical change sus- tainable over the long term? We want to engage in a dialogue about these issues with the communi- ty and with individuals like you. Send us your thoughts and ideas to [responsibility@rwe.com.](mailto:responsibility@rwe.com)

Essen, 28 March 2012

Peter Terium

Deputy Chairman