

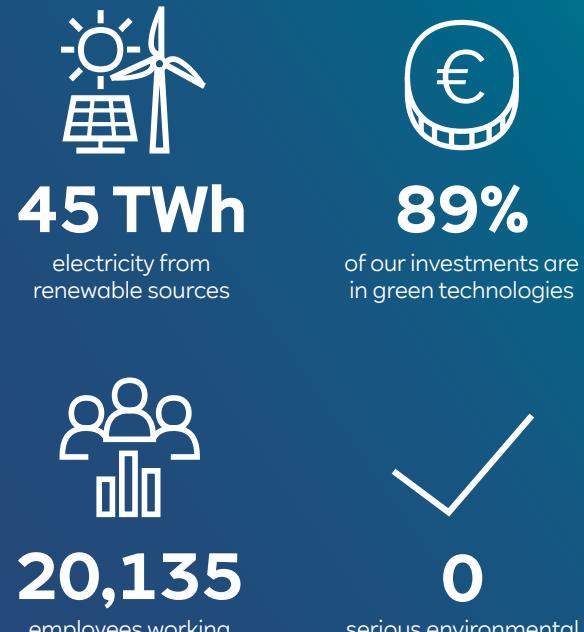
RWE

Energised by nature.

Sustainability Strategy Report 2023



Highlights from 2023



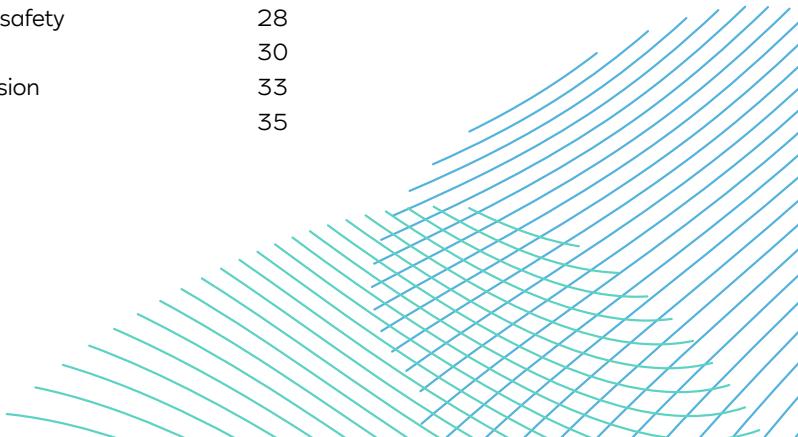
Further reports

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

Sustainability Strategy Report 2023

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01

Meet RWE

A transforming
energy company
with sustainability
at its core



A transforming energy company

We are RWE. We are at the forefront of the sustainable energy transition. Through our global operations we deliver increasingly climate friendly electricity to households and businesses. Last year marked RWE's 125th anniversary. During these 125 years, not only has our society undergone dramatic changes but the way electricity is produced and consumed has also changed. At RWE we have kept abreast of these changes, deploying more modern and innovative ways to produce and deliver energy. The very first megawatt hours that RWE produced came from hard coal. Later, lignite and nuclear fuel rods became our main energy sources. And with our 'Growing Green' strategy we are further following this path to a net zero energy system.

We're growing our green business while responsibly phasing out coal energy. Sustainability is a core principle of our corporate strategy and culture, and we're making rapid strides in broadly and deeply integrating it into everything we do. We express our corporate purpose with the guiding principle 'Our energy for a sustainable life.'

Most of the countries in which we operate have aligned their energy policies with ambitious climate protection targets. They want to reduce their greenhouse gas emissions caused by the use of fossil fuels to net zero in the long term while ensuring a reliable and affordable energy supply. RWE is accelerating the energy transition by investing billions in wind power, photovoltaics, battery storage systems and the hydrogen economy, while at the same time phasing out →

€55 billion

RWE significantly increases worldwide investments for green technologies in the years 2024 to 2030.

coal-fired power generation. As of April 2023, we had shut down all our nuclear power plants in Germany. While we are proud of our progress, we are acutely aware that the climate crisis is accelerating and the window for limiting global warming to 1.5°C is rapidly closing. The UN Environment Programme has estimated that the current climate pledges put the planet on track to warm by 2.5 – 2.9°C by the end of this century and therefore more needs to be done to avoid a climate catastrophe.

RWE, one of the largest producers of low carbon electricity, is leading the way to a green energy world. In November 2021, through our Growing Green strategy, we set ourselves ambitious renewable growth targets. At our 2023 Capital Markets Day we reported on our progress, which is ahead of plan, and we also significantly increased our growth targets. As per our new plan we will invest € 55 billion in the period from 2024 to 2030 which will enable us to expand our generation capacities to over 65 GW. These investments will be across our entire portfolio that includes offshore and onshore wind, solar, batteries, biomass, hydropower as well as hydrogen-capable gas-fired power plants.

In keeping with our purpose 'Our energy for a sustainable life', RWE is committed to delivering value to societies, communities, employees, shareholders and other stakeholders.

Sustainability as an integrated part of doing business

Sustainability is at the core of our strategy, and our purpose – ‘Our energy for a sustainable life’ – accurately describes our path forward. This means we strive for sustainability across all our activities. In order to build a business that is ready, able and willing to meet today’s and tomorrow’s challenges, it’s vital for us to consider all real and potential, small and large-scale impacts in our own activities and relevant parts of our value chains. The sustainability landscape is dynamic, with themes that are constantly evolving as some challenges grow in importance and we learn more about the different aspects and topics.

We identify important topics related to environmental, social and governance issues through a systematic approach. It’s crucial for us to engage with our stakeholders and take on board their feedback when modifying our

strategic priorities and planning with regards to sustainability. RWE interacts with a wide range of stakeholders on a daily basis: political decisionmakers, non-governmental organisations, customers, partners, suppliers, shareholders, and our own employees, who in many cases are represented by trade unions or other bodies. We value these contacts, not least because they give us opportunities to align and review our priorities. By engaging with our stakeholders, we learn about the different perspectives and this informs our priorities at RWE.

Our sustainability strategy lays out our priorities and complements our green growth ambitions. In order to define our strategy, in 2021 we carried out an online survey across a wide range of stakeholders to get their feedback on environmental social and governance matters,



including business conduct topics such as corruption and bribery. We updated this analysis in 2022 and 2023, evaluating the effects the topics have on RWE as a company as well as the impact RWE has on sustainability matters, and as a result updated our materiality analysis to meet the future requirements of the EU Corporate Sustainability Reporting Directive (CSRD). We recently used the new catalogue of ESG topics and sub-topics anchored in the CSRD together with our internal expertise and other external sources to evaluate potential new topics. We have validated our topic evaluation with selected stakeholder groups. With all the input and reviews, we continue to define our sustainability strategy around the identified nine priorities.

Our nine priorities address the entire spectrum of environmental, social and corporate governance matters: climate change, biodiversity and recultivation, circular economy, occupational health and safety, diversity, equity and inclusion, social responsibility, compliance and ethics and sustainable investments as well as innovation. We have grouped these topics in three ‘We-Statements’ that underline our joint responsibility at RWE to drive sustainability forward not only within our company and but also with partners. Our actions are guided by these priorities. Our aim is to set an example in transitioning from a conventional to a sustainable business model.

We believe in conducting a thorough scenario analysis to understand the uncertainties around the future and plan for these as best as possible. The challenges we face in managing sustainability matters arise over the long-term horizon and from the substantial uncertainty surrounding the assessment of potential effects and probabilities of

occurrence. Our Group-wide risk management system is used for identifying, assessing and controlling quantifiable risks as early as possible. This includes opportunities and risks arising from sustainability matters in cases where these exceed the acceptable thresholds as per the applicable laws. We have analysed possible implications for the company as well as our business environment and stakeholders with regards to financial significance and material impact. Quantifying the aforementioned criteria has proved particularly challenging. We chose one approach for assessing the financial significance, taking both the probability of occurrence and the potential financial impact into account, and another for assessing the material impact, by also considering the remediability of possible impacts as well as geographic factors. Some transitional risks, i.e. risks from long-term developments, are difficult to quantify or even identify. We take appropriate actions to mitigate these risks as far as possible – some of our approaches and the progress we have made are described in this report.

We continuously strive to assess risks more accurately, e.g. risks from climate change. In 2022, we conducted the first cross-portfolio climate risk assessment. Based on this analysis of over 250 RWE locations worldwide, in 2023 we continued with a stepwise implementation of our climate risk assessments with a focus on new assets. In doing so, we have prioritised technology-specific risks pertaining to the major expansion of our offshore and onshore wind businesses. Most assets in our pipeline were assessed for climate impacts focusing on the period ending 2039 in line with the lifetime of the assets. In addition to technology-specific risks, we have also included a technology-agnostic analysis for new locations based on the modelled probabilities →

Deep Dive

Our priorities



We grow:

We are growing green and creating long-term value by investing in technologies for a sustainable future.



We act:

We apply scientific principles to conserve nature for future generations.



We care:

We acknowledge our stakeholders' interests and act responsibly wherever we operate.

of extreme weather events due to precipitation, wind speeds and temperatures. The aim here is to identify relevant risks of significant damage to infrastructure. To date, we have noted no foreseeable risks which could have a material impact on our activities. The next step to complete the implementation will involve looking at further specific data such as the age and service life of our assets in operation to identify vulnerabilities. In the reporting year, we have also designed and started implementing an internal control system (ICS) for sustainability. For several years, we have identified main risks and implemented different controls for the collection of our ESG data. This is now reviewed, completed and documented in a systematic approach.

RWE Group consists of several operating companies with a differentiated and complimentary set of responsibilities.

Our holding company RWE AG defines the operational framework and overarching targets for the Group to which our Group companies contribute additional topics and actions relevant for their business areas from a regulatory or strategic perspective. For example, for our offshore wind business, the topics of biodiversity, local benefits, climate change and circular economy are focal points.

Deep Dive

Our RWE Group sustainability strategy focuses on nine priority topics

Priority topics





Sound governance for sustainability themes

We have a clear and strong governance framework for all sustainability themes across the Group. RWE is organised so as to ensure clear accountability and alignment with strategic objectives across environmental, social and governance themes.

RWE's governance framework is derived from applicable statutory regulations, the Articles of Incorporation of RWE and the provisions of the German Corporate Governance Code. Sustainability is addressed in the highest management bodies of our Group. In accordance with legal requirements, RWE has a 'dual governance system'. This means that the members of our Executive Board (a management body) and Supervisory Board (a monitoring body) are clearly separated, without any overlap between the two. The Supervisory Board of RWE AG has 20 members, ten

of which are elected at our Annual General Meeting in accordance with the German Stock Corporation Act; the other ten are elected by our employees in compliance with the German Codetermination Act. The Supervisory Board has a sub-committee that meets regularly to discuss strategic and sustainability matters. Furthermore, other sub-committees are responsible for associated topics such as auditing or determining the sustainability elements in the executive remuneration. Staffing the company's responsible corporate bodies appropriately is a key element of good corporate governance. Therefore, the Supervisory Board has published specific goals with respect to its composition and established a skills matrix. One field of expertise that is deemed material is sustainability. Detailed information about the matrix and the skills of the individual members



of the Supervisory Board can be found in the Corporate Governance Declaration that we publish separately.

As part of its role of managing the Group, the Executive Board is responsible for all environmental, social and governance topics. The Executive Board and Supervisory Board closely collaborate and regularly communicate with one another for high priority topics. In addition to Board responsibilities, we have a strong sustainability organisation at RWE that ensures continuous progress on all strategic priorities and regulatory requirements. The achievement of sustainability targets is built into the remuneration of the Executive Board of RWE AG. The current remuneration system for the members of the Executive Board has been in place since 2021. The Annual General Meeting endorsed the remuneration system on 28 April 2021 with a majority of 93.19 %. Detailed information can be found in the Remuneration Report, which is published separately.

The Strategy & Sustainability department is responsible for Group-wide development and steering of important sustainability topics. It works closely with the Group's functional departments to align ambitions, targets and potential measures, regularly reports to the Executive Board on the progress made in achieving prioritised sustainability objectives and informs the Supervisory and Executive Boards on important matters as required. The Director of Strategy & Sustainability reports directly to the CEO of RWE AG. Strategic targets and actions are aligned between RWE AG and the Group companies. The accountability for implementing new processes and conducting projects to drive sustainability lies in specialist departments of RWE AG or the Group companies. →

Deep Dive

Sustainability organisation in RWE

RWE AG



Segments



Each with sustainability teams and integrated expertise

We have a strong sustainability organisation at RWE that ensures we progress on our most important strategic topics while complying with regulatory requirements. Our company's strategic orientation is determined by the Executive Board of RWE AG, which is responsible for establishing and achieving the Group's objectives. The Supervisory Board is directly involved in the corporate and sustainability strategy for example via the Strategy and Sustainability Committee. We take an integrated approach to spurring sustainability, which is why we distribute responsibility for our main topics. The Strategy & Sustainability department is assigned to the office of the CEO and is in charge of developing the Group's sustainability strategy, reporting and implementing initiatives of strategic relevance. This is done by working closely with the relevant functions and Group companies, which can develop their own strategies and have appointed their own sustainability officers.

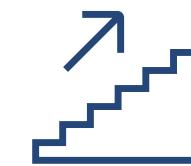
2004

**RWE joined the
UN global compact.**

RWE has well-established processes and procedures for instilling a healthy business culture across its organisation. These encourage employees to adopt our corporate values and empower them to speak up against any wrongdoing. Integrity in all our actions is key to our successful long-term growth. Our RWE values – passion, trust, and performance – are the core of our identity. They provide stability and unequivocal guidance for our behaviours and decisions. Living our corporate values therefore helps all employees to play a part in our success. Furthermore, our values define the kinds of behaviours that we embrace and the ideals that we would like our customers, partners, suppliers and communities to associate with us. They are the basis for RWE's success. Mindfully living and applying these values at work every day helps us to succeed.

We also have robust labour standards in place to ensure that those who work for the company, either directly or via our supply chain, are treated fairly and with dignity and respect. The principles enshrined in the RWE Code of Conduct constitute the framework for RWE's corporate and social activities. Based on the principles of the United Nations Global Compact, which we joined in 2004, and the OECD Guidelines for Multinational Enterprises, our Code of Conduct ensures that our activities are compliant with laws as well as social and cultural norms and values. In order to anchor these principles as a guide for everyone concerned, it constitutes the basis for all other company regulations.

Once a year, all managers with responsibility for a division and staff must confirm compliance with the Code of Conduct. Please also see our Corporate Governance Declaration that we publish separately.



02

We grow

We are growing
green and creating
long-term value
by investing in tech-
nologies for a
sustainable future



We grow: Sustainable investments

The challenge

Our energy systems need to transition and so do the companies that operate in the energy sector. We are at the forefront of this transition through our investments in renewable energy. We rely on both public and private investments for tackling the challenges of our age. According to the World Bank, an estimated six trillion dollars a year will have to be spent this decade to achieve the UN Sustainable Development Goals. Companies play a major role in this by investing in people, their skills and new technologies. It's crucial for financial resources to flow into more sustainable activities. We know that consumers are now not only more aware of the environmental and social impacts of their daily choices, but also in how their money is invested. Because of this, investors are increasingly applying environmental, social

and governance criteria to their decision-making processes. On the back of all of these developments, it's important to encourage companies to take bold steps on their journey of change.

Our ambition

Greener and more valuable – that's our ambition at RWE for 2030 and beyond. In line with our Growing Green strategy, we are significantly picking up our pace and will invest € 55 billion and expand our green portfolio to more than 65 GW by 2030, focusing on the attractive markets of Europe, North America and Asia-Pacific.



Our approach

Sustainability is a key criteria for all our investments. Most of our capital expenditures (CapEx) are green as defined by the EU taxonomy regulation on sustainable activities. RWE is already one of the world's leading renewable energy companies. We plan to grow our offshore wind power capacity from 3.3 GW (pro rata) to around 6 GW by the end of 2027 and to 10 GW by the end of 2030. Our onshore wind and solar installed generation capacity is slated to grow from 12 GW (pro rata) to 30 GW until 2030. In the field of solar energy, we took a major step forward in the year under review: as of December 2023, we had a total installed capacity of 4.2 GW (pro rata). Our battery storage business is also set to grow massively. The company is currently developing projects with a combined installed battery capacity of over 0.7 GW (pro rata), and this figure is poised to surge to 6 GW by 2030. In Germany, the United Kingdom and Benelux, RWE will take advantage of opportunities to ensure security of supply by expanding its flexible generation capacities, as well as tapping into new markets. We are funding this growth with green financing: green bonds are our preferred tool for investing in projects that benefit the climate and that help achieve the Paris Agreement and the Sustainable Development Goals of the United Nations. Our Green Financing Framework, which was published in July 2023, lays the foundation for issuing green bonds and using other green financing instruments. In March 2024 we issued our first US dollar green bond with a total volume of US\$ 2 billion.

We currently operate Europe's second-largest fleet of gas-fired power plants, with an installed capacity of 15.7 GW (pro rata). We see a need for investment in new flexible power generation assets in Germany in particular. We plan to build hydrogen-capable gas-fired power plants with a total capacity of 3 GW in Germany by the end of the decade. We will also develop a roadmap for the decarbonisation of all our existing power plants. Our diverse generation portfolio means that we can increasingly offer bespoke products and services from our portfolio, such as a combination of renewables plus flexible power generation. The experience we have gained by implementing our own transformation makes us the partner of choice for decarbonising industries. We are therefore planning to tap new business opportunities by importing hydrogen and ammonia to facilitate the decarbonisation of industries in Europe.

Our renewables growth programme is complemented by an accelerated coal exit. In the United Kingdom and Germany, we phased out hard coal-fired power generation in 2019 and 2021, respectively. We are currently only using hard coal partially in our Dutch stations Amer 9 and Eemshaven which are co-fired with biomass. From 2025 and 2030, respectively, we will no longer be using hard coal in these power plants. The phaseout of lignite, however, which is produced and used to generate electricity in the Rhenish region to the west of Cologne, is significantly more complex for RWE due to the social ramifications. We have agreed with the German government and the state of North Rhine-Westphalia that we will stop producing electricity from lignite in the Rhenish mining region as early as 2030 for climate reasons.

Our progress

After the turbulence of 2022, in the year under review the situation on the energy markets has thankfully eased again. At RWE this allows us to once again focus entirely on our growth programme. Following the challenging environment in 2022, we hit a number of milestones in our growth strategy in 2023. On 1 March 2023, we acquired Con Edison Clean Energy Businesses, a subsidiary of the US company Con Edison that specialises in renewable energy. As a result, we gained 3.1 GW of generation capacity, around 90 % of which is solar. We also took over a development pipeline for plants with a total capacity of more than 7 GW. The transaction has made us one of the largest renewable energy companies in the USA. In addition, we acquired the project developer JBM Solar in March 2023, thereby laying the foundation for the rapid expansion of our UK photovoltaic and electricity storage capacities. The London-based company had a development pipeline of 6.1 GW at the time of acquisition. Of this, 3.8 GW was attributable to photovoltaic systems and 2.3 GW to battery storage systems. As a result of the transaction, we are now one of the three largest solar developers in the UK.

In August 2023, Germany's Federal Network Agency awarded us contracts for two sites in the North Sea, N-3.5 and N-3.6 (Nordseecluster B), where we plan to develop offshore wind farms with a combined capacity of 900 MW. We also reached a significant milestone in our offshore wind power project near New York. In October 2023, New York State committed to purchase electricity from turbines with a capacity of 1.3 GW, at the terms we proposed.



At the close of 2023, we achieved a major breakthrough in Asia-Pacific by entering the Japanese market with our offshore wind power initiative. Following a competitive tender, the Japanese government selected a consortium including RWE, Mitsui, and Osaka Gas to develop a 684 MW wind farm off the west coast of Japan in Niigata Prefecture.

We have also acquired three large offshore wind power projects off the coast of Norfolk in the east of England from the Swedish energy group Vattenfall. The transaction was completed in March 2024. The three projects namely Norfolk Vanguard West, Norfolk Vanguard East and Norfolk Boreas, will add a total of 1.4 GW of capacity.

Last year, RWE generated 129,701 GWh of electricity, with renewables contributing 35 %, surpassing coal (30 %) for the first time in the company's history. Our renewable energy production increased by 27 %. Notably, our photovoltaic output soared by 546 % compared to the previous year. In wind power, favourable weather and ongoing capacity expansion led to a 9 % increase.

Next steps

We have 7.9 GW of green generation capacity under construction. And as per our updated Growing Green strategy communicated at the Capital Markets Day in November 2023, we plan to expand our green generation capacity to over 65 GW with a total investment of approximately € 55 billion by 2030.

Targets and indicators

Our taxonomy-aligned CapEx of 89 % (2022: 83 %) reflects our investments in renewable energy as part of our Growing Green investment and growth strategy. We aim to significantly expand our green generation portfolio and to make the Group net zero by 2040 at the latest. We have therefore set ourselves an increased target of 95 % taxonomy-aligned CapEx for 2030.

Deep Dive

Green finance for green investments





We grow: Innovation

The challenge

The energy transition is dependent on continuous innovation. Many of the technologies that the energy industry uses today to combat climate change are only widely available at reasonable costs because pioneers pushed the boundaries and prototyped new ways of producing, storing, transmitting and using electricity. In order to accelerate the transition at RWE we have made innovation a strategic priority.

Our ambition

We believe that continuous innovation is needed to make electricity more affordable, reliable and sustainable. At RWE we constantly monitor latest technical developments, and fund research into new processes and products. We play a

key role in piloting and scaling the use of new technologies. We help to bring innovations to market maturity in our industry – whether it be by launching new projects, making funds available, creating the necessary infrastructure, participating in collaborative research or offering our experience as a technology-forward company.

Our approach

We are motivated by a desire to remain competitive in an ever-changing environment as well as a passion to be a driving force for this change. Our innovation projects focus on advancing renewable energy production, expanding energy storage capabilities, and leading in large-scale hydrogen production. We also aim to contribute building a circular economy thereby reducing waste and lowering →

emissions. Research and innovation at RWE are driven by dedicated teams within the Group companies, along with a team at RWE AG responsible for partnerships and technology scouting. Several examples highlight the diversity and complexity of the challenges posed by the energy transition, showcasing our creative approaches to solving them.

Our progress

During 2023 we invested in innovations to help us achieve our biodiversity goals. For example, we are piloting a new bird monitoring, collision recording and avoidance system within our DemoSATH floating wind pilot project, and we are investing in our internal capabilities and external partnerships to deploy nature inclusive scour protection solutions in our offshore wind farms.

Hydrogen is pivotal in decarbonising industry sectors, serving multiple roles in the energy transition. It can be produced climate-neutrally, using renewable energy-powered electrolysis and re-electrified if needed, making it an ideal renewable energy storage medium. A significant advancement occurred in September when the Lingen-based GET H2 TransHyDE consortium used a high-temperature solid oxide electrolyser (SOEC) from Sunfire at RWE's Emsland gas-fired power plant to produce hydrogen on-site for the first time. In addition, we have secured all the necessary permits for our GET H2 Nukleus project. The planned 3 x 100 MW electrolyser in Lingen is the first of its size. The project will be used to decarbonise industrial manufacturing.

Next steps

We plan to continue to invest in and scale-up state-of-the-art technology. Our innovation priorities will be closely aligned to our strategies – growing sustainably in renewable and low-carbon electricity generation.

Indicators

Our 1,366 patents and patent applications across 226 inventions underscore RWE's strong capacity for innovation. Last year, we advanced 200 R&D projects, involving approximately 350 RWE employees, either full-time or part-time. Such ventures frequently include collaborating with other companies or research institutions, allowing us to leverage their valuable insights. This approach helps share costs and benefits across several partners making it financially beneficial. In 2023 we spent € 17 million on R & D (2022: € 20 million).



03 We act

We apply scientific principles to conserve nature for future generations



We act: Climate change

The challenge

Decarbonising the power sector is key to meeting international climate targets. With temperatures breaking records year after year, the need for action has never been greater. We're committed to the Paris Agreement, the long-term goal of which is to limit global warming to a maximum of 1.5-degrees Celsius above pre-industrial levels.

Our ambition

We're committed to converting or shutting down existing fossil fuel-powered generation plants while meeting our responsibilities to our employees. This transition is underlined by our commitment to phase out coal-based power generation in Germany by 2030.

We want to be net zero by 2040. Our decarbonisation targets to reduce our direct and indirect emissions until 2030 have been verified by the Science Based Targets initiative (SBTi) and are an important part of our plans to achieve net zero.

Our approach

RWE is one of the world's leading renewable energy companies and we have ambitious plans to expand our business. We have been setting ourselves ambitious goals for many years and have significantly reduced our carbon footprint in recent years. Our growth in renewables means we can help societies to decarbonise and reduce their reliance on carbon-intensive energy generation systems. However, we recognise that, apart from our commitment to phase →

out our coal business, decarbonising our flexible generation assets is critical to achieving a full energy transition. Therefore, we have developed detailed decarbonisation road-maps for all our gas assets which, together with expanding renewables, will allow us to provide a reliable and green power supply to our customers.

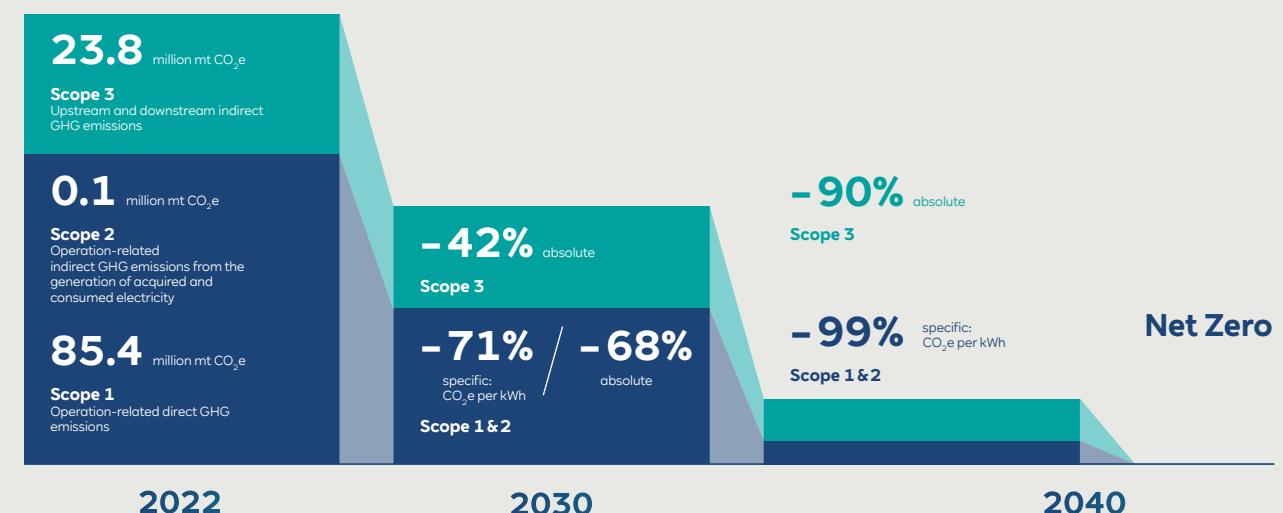
Our progress

During the year under review, we raised our decarbonisation targets for 2030 and 2040 to emphasise our commitment to a 1.5-degree aligned pathway: we aim to reduce our total Scope 1 and 2 emissions by 67.6 % and our Scope 3 emissions by 42 % by 2030 compared to a 2022 base year. For the year 2040, our target is a reduction of 90 % for Scope 3 and 99 % for Scope 1 and 2 emissions. We are currently working towards validation for our updated targets by the SBTi, which focuses on reducing rather than neutralising emissions in the energy sector.

We work with partners to reduce emissions in our supply chain. For example, we have signed an agreement to use Siemens Gamesa's GreenerTowers at Thor, an offshore wind project in Denmark. The steel plates for these wind turbines are manufactured with 63 % less CO₂ emissions compared to conventional steel. RWE is also a partner of the Carbon Trust's Offshore Wind Sustainability Joint Industry Programme, which was launched in January 2023 to develop an industry-backed methodology to measure and mitigate life-cycle carbon emissions of offshore wind farms. →

Deep Dive

1.5-degree aligned climate targets provide clear guidance to Net Zero 2040



We have a clear roadmap to net zero. We aim to have no net impact on the climate by 2040 – this promise encompasses all three scopes. For 2030 we have updated our science-based targets and fully commit to a 1.5-degree aligned pathway.

We will further reduce our emissions by sourcing green power for all our sites. Our campus in Essen, where approximately 3,000 of our employees are based, has now been running on green electricity for more than three years. Within the scope of our offshore logistics, we also intend to introduce low carbon fuels such as hydrogen in order to decarbonise our maintenance vessels. Our new car policy, which came into force in January 2024, mandates only full electric cars for all company car users. Our Essen campus is fitted with more than 300 electric charging points for our employees and visitors.

Next steps

Having set ourselves ambitious targets, we are working tirelessly towards delivering on these targets and we will continue to engage in initiatives and business expansion to further reduce our emissions - within RWE and along our entire value chain.

Indicators

In 2023, our power stations emitted around 62 million metric tons of carbon dioxide equivalent, a reduction of 23 million metric tons compared to the prior year, mainly due to lower emissions from our conventional power generation. We were able to improve the figures for Scope 2 emissions compared to the previous year. Our indirect Scope 3 emissions dropped notably in 2023. Fuel- and energy-related emissions (category 3.3) and the utilisation of sold products (category 3.11) contributed significantly to this reduction. Carbon intensity – i.e. Scope 1 and 2 emissions per unit of electricity generated – dropped to 0.48 CO₂e/MWh from 0.55 CO₂e/MWh in the previous year.

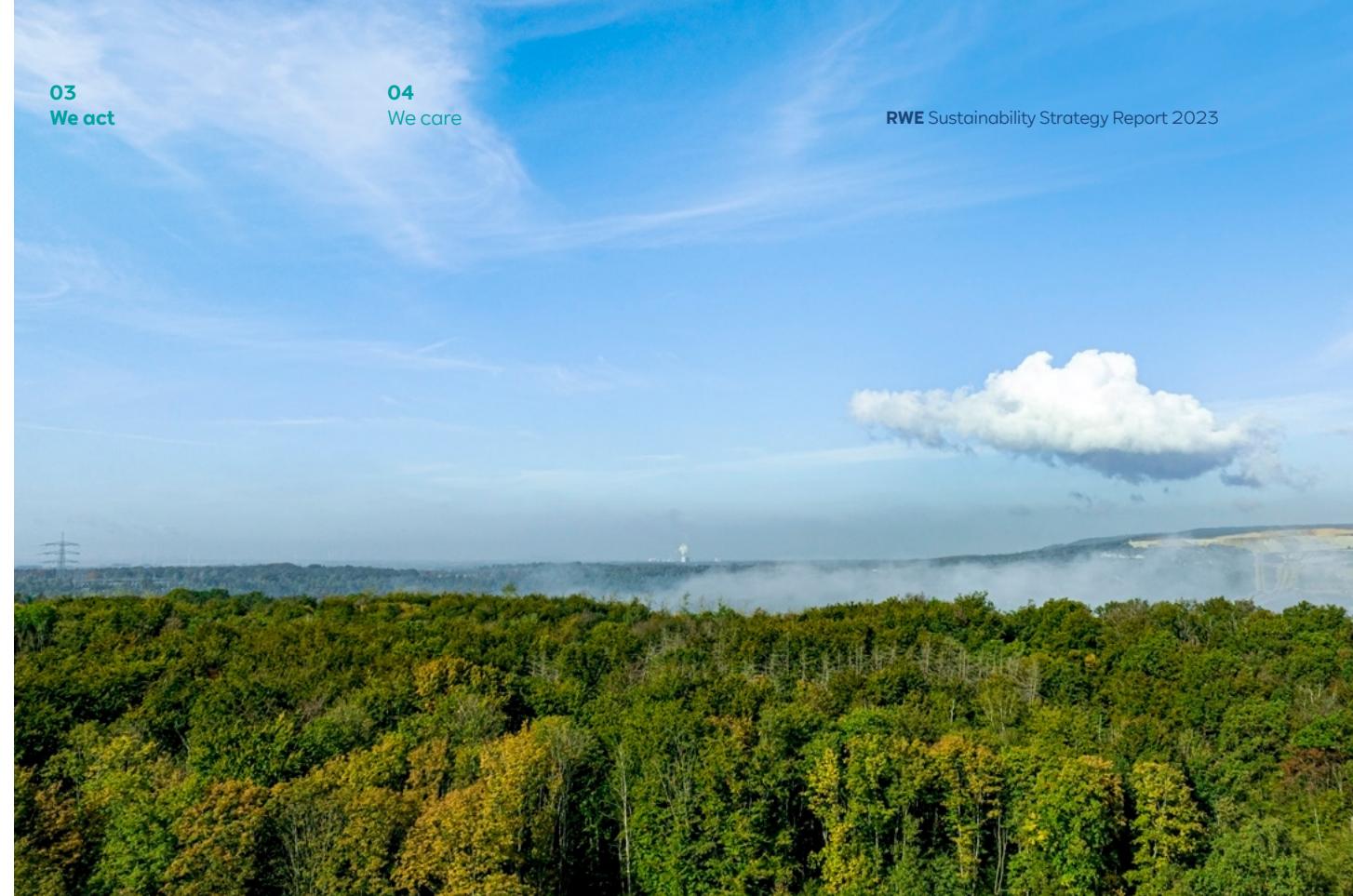
We act: Biodiversity

The challenge

Loss of biodiversity is one of the key challenges of our times and it is closely tied to climate change. We are committed to minimising the impact of our business activities on wildlife and ecosystems, and have made conserving biodiversity one of the priorities of our sustainability strategy. We not only comply with all legislations and regulatory requirements but in many cases our activities go even further than what is required by law or necessary in order to obtain permits.

Our ambitions

Our ambition is to ensure that all new assets have a net positive impact on biodiversity from 2030 onwards. Therefore, paying special consideration to flora and fauna is a key prerequisite for developing all our assets. We recognise that every project is carried out and each facility operates within a unique natural environment and for this reason, we take a tailored approach to adhere to the mitigation hierarchy principles of avoid, minimise, regenerate and, if necessary, compensate for potential negative impacts. Therefore, our ambition is to take direct action towards our net-positive commitment. Our principles to do so are defined in our biodiversity policy. In addition, we aim to be entirely covered by environmental management



systems, either through external certifications or internal audits.

Our approach

Currently there is no standardised approach for measuring nature-related impacts but we are playing our part in defining such approaches. Hence, we are supporting initiatives such as Science Based Targets for Nature (SBTN) and the UN Global Compact. Additionally, we are already piloting ideas which have potential for spawning wide-ranging applications for protecting biodiversity in the future. As an Early

Adopter of The Taskforce on Nature-related Financial Disclosures (TNFD) we follow the TNFD Guidance (LEAP Approach) that helps to conduct the necessary due diligence to identify our nature-related risks and opportunities and informs our disclosure statements.

The Executive Board sets the guidelines for our biodiversity preservation efforts, supported by our Strategy & Sustainability department, which coordinates these activities across the Group. Our Group companies, staffed with experts, ensure compliance with all legal requirements throughout the planning, construction, commissioning, operation, →

and dismantling of facilities. The Group Directive on Environmental Protection, which has been in place for many years, is a key component of our biodiversity approach. It contains consistent principles for environmental protection based on ISO 14001:2015. It applies to all Group companies which are covered by the consolidated financial statements. Each Group company includes an environmental officer on its management team. Operating within the established environmental management system, these officers are responsible for ensuring that environmental protection measures are implemented conscientiously and in compliance with operator obligations, aligning all actions with our sustainability principles. In addition, environmental management officers and central environmental coordinators regularly review, evaluate and improve the relevant environmental management systems. Our environmental management and reporting systems play an important role in our efforts to safeguard the environment. The degree of coverage of our environmental management system is a key performance indicator for RWE.

Since 2022, we have implemented a comprehensive biodiversity policy that spans all areas of our business. Our biodiversity strategy utilises environmentally sensitive indicator species, typical of intact ecosystems, to guide the development and implementation of habitat optimisation measures in recultivated areas. We use ecological mapping to monitor these across representative sections of recultivated zones and evaluate their status against scientifically verified environmental cycles. Following specialist evaluation of the observed species, we refine and enhance our measures appropriately. This approach is particularly critical in the Rhenish lignite mining area in Germany, where



we focus on restoring the sites of former opencast mines. We have decades of experience and extensive expertise in these activities. Since 2015, we have implemented a dedicated biodiversity policy specifically for this sector, outlining RWE's approach to conserving and enhancing biodiversity in the lignite mining region in the Rhineland.

Our progress

In 2023 we contributed to the development of cross-industry standards by piloting and providing feedback on several applications. For example, we conducted an environmental impact assessment in line with the preliminary guidelines from the Science Based Targets Network (SBTN), sharing insights from testing its target setting approach for fresh water. We are currently helping SBTN to tailoring their guidelines to the energy industry. Our commitment to protecting biodiversity is also reflected in the fact that we were one of the first companies to participate in the Dutch 'Black Blade' study. In this study, each of RWE's seven wind turbines in Eemshaven has been fitted with one black and two white rotor blades. The primary objective is to determine if painting one rotor blade black enhances birds' ability to navigate safely between turbines. The hypothesis is that the black blade offers greater contrast, improving the visibility of the rotors, thereby making it easier for birds to detect and avoid the turbines. The impact on bird safety will be monitored and analysed over a three-year period to assess the effectiveness of this approach. The Dutch Black Blade study goes further than an earlier study in Norway that only looked at how wind turbines affect local birds. In addition to examining flight safety, it also considers how the black blades visually impact the landscape and evaluates the painted blades themselves. It perfectly embodies RWE's strategy of taking innovative approaches for operating its facilities to safeguard local ecosystems. →

Next steps

We will continue our efforts and research to better understand and limit the impacts of our business activities and seek opportunities to enhance biodiversity. To master the challenge of quantifying impacts on the different biodiversity realms, we will continue to work closely with initiatives, such as the SBTN. For most of our projects we conduct a detailed analysis of potential impacts that will be publicly available for interested stakeholders.

Indicators

We are currently assessing ways to measure the success of our biodiversity protection activities using one or more metrics. We recognise measures taken by a diverse set of stakeholders who work with us.

Our environmental management system and established reporting of potential environmental incidents are critical to minimise our impact on the environment. For years, RWE has used the degree of coverage of its environmental management system as a key performance indicator. In 2023, we achieved a coverage of 99 %. The slight deviation from our target value of 100 % is due to the follow-up measures from some monitoring audits not being fully implemented. In addition, the avoidance of severe environmental incidents, which have serious ramifications that are of substantial public interest and can only be controlled or managed with external support is another indicator. They also include permit infractions caused by or associated with our activities. There were no such incidents in recent years.

Deep Dive

TNFD Risk & Opportunity Assessment Approach (LEAP)



We act: Circular economy

The challenge

Increased human activities in all spheres of life are continuously depleting natural resources. Yet we directly or indirectly depend on supplies of raw materials and products that are crucial for the energy transition. The circular economy is an opportunity for us to reduce our dependency on supplies of primary materials while creating more value by using resources more efficiently. This in turn benefits our growth ambitions, boosts competitiveness and mitigates risks while curbing environmental impacts. In that context, our interests align with the EU, and we expect stakeholders and legislation to call for increasingly high standards for the circular economy.

Our ambitions

We are well on our way to becoming a company which applies the principles of the circular economy at every step. Our goals are to consume fewer natural resources, minimise waste and reuse or recover materials. As of 2022 we have introduced a recovery rate as a KPI across our business. This indicator tracks the share of our total waste that is recovered. We have set ourselves the goal of increasing it to over 90 % by 2030. This figure reflects the outflow of materials and components no longer needed and the share which is

put through recovery, extraction or recycling processes to prepare it for reuse. The remainder (e.g. 10 %) is disposed of, for example in incineration plants. This quota and the related target do not apply to our lignite and nuclear businesses, as we are phasing out these power generation technologies. Our reported indicators and volumes for waste mainly refer to externally recovered and disposed waste. With a circular economy, we can create a potential positive impact in the long-term and a shared lever for carbon intensity reduction and scarce resource conservation. Therefore, RWE is committed to going beyond merely complying with regulatory requirements. Our goal is to achieve full circularity by 2050, taking into account the limitations imposed by market conditions and our indirect impacts on the supply chain. Each Group company is actively identifying levers and developing specific initiatives that contribute to this overarching Group target. These targeted efforts are designed to drive substantial progress toward sustainability and resource efficiency within our operations. Our offshore wind business, for example, is aiming to use completely recyclable blades wherever possible by 2030 and increase the portion of recycled steel in any new procurements to 40 % by 2030. Our onshore wind and solar business operating in Europe & Australia wants to raise the average lifetime of its assets and increase the share of reused and refurbished components by more than 50 % until 2026.

Our approach

The RWE Code of Conduct defines general goals for environmental protection and resource use. We are gradually developing the topic and are continuing to integrate suitable steps to increase circularity into our ways of working,



from our project development, through construction and operation, to decommissioning and demolition. Our Group Directive for a circular economy underscores three core principles of circularity. By applying these principles across our diverse activities, we facilitate a systematic review and understanding of our material consumption. This process aims to identify potential opportunities to reduce the inflow of virgin materials, supporting a more sustainable and resource-efficient operation.

At the Group level, the Strategy & Sustainability department is accountable for developing and monitoring the overarching targets and amending Group-wide policies while the Group companies develop and maintain their individual circular economy roadmap which contains suitable targets and KPIs. The circular economy, like all sustainability topics, is embedded in our strategy and performance management processes.

Our progress

In 2023, we published a policy which describes our circular economy commitment. A Group Directive was also put in place in 2023 which sets the framework and mandates →

efforts to achieve our long-term target. Our wind business faces a unique set of challenges relating to circularity. While there are already established processes for recycling many wind turbine components, including the tower and components of the nacelle, until recently no solution was available for the recycling of the rotor blades. Following successful testing at our Kaskasi offshore wind farm in Germany, in 2023 we equipped 44 of the 100 wind turbines in RWE's largest construction project, Sofia off the British coast, with recyclable rotor blades. These blades can be dismantled at the end of their life cycle and recycled for new applications. They thus help to pave the way for the complete recyclability of wind turbines. For older rotor blades, industry partnerships have developed recovery processes e.g. in the cement industry, to reduce or minimise the longer-term disposal of rotor blades in landfill.

Next steps

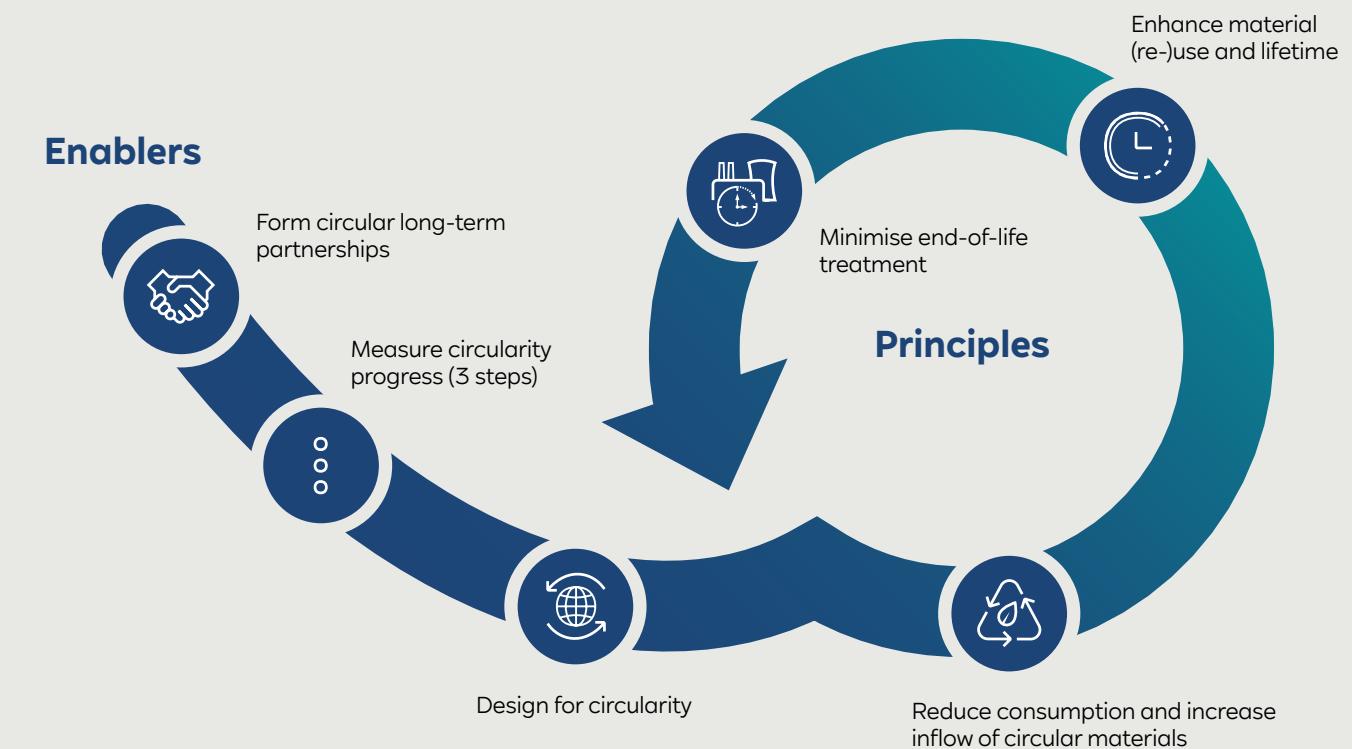
Together with our Group companies we have already developed and will further improve the quality of data regarding outflow / waste. This will allow us to report on our recycling rate as a dedicated fraction of recovery in the future.

Indicators

The recovery rate is our current key indicator for circularity. The target is currently set at 90 % for 2030 with the long-term aim of becoming fully circular by 2050. In 2023, we achieved a recovery rate of 83 %.

Deep Dive

RWE's circular economy framework features three circular principles





04 We care

We acknowledge
the interests
of our stakeholders
and do business
responsibly
wherever we operate

We care: Occupational health and safety

The challenge

Our employees are our most valuable assets, and their health, safety and wellbeing are of paramount importance to us. Occupational health and safety is fundamental to RWE's corporate policy, emphasising the consistent monitoring of various factors across diverse workplaces. Here the guiding principle is that 'all accidents are avoidable, we give priority to occupational health and safety'. Our overriding goal is to ensure the on-the-job safety of each and every employee, regardless of whether they hold an office job, work in an opencast mine or maintain our assets.

Our ambitions

Our health management system is designed to offer necessary services to help employees maintain and improve their physical, mental and social health and wellbeing. Given the high priority accorded to occupational safety within the RWE Group, the Executive Board's remuneration is directly linked to safety outcomes. The key performance indicator for this is the number of occupational accidents resulting in the loss of one or more workdays per million hours worked (LTIF). Our Group-wide goal is to keep the LTIF below 1.8 in 2024.

Moreover, we are steadfast in our commitment to prevent any fatal work-related accidents among our staff or contractors.

Our approach

On the Executive Board of RWE AG, the Chief Human Resources Officer (CHO) is responsible for Group-wide coordination and evaluation of occupational health and safety. The CHO is informed, advised and supported by the Head of Health & Safety of RWE Power AG. Group initiatives, programmes and standards regarding occupational health

and safety are carried out and implemented by RWE Power's Health & Safety team with the involvement of each Group company's health and safety units. There are clear guidelines for formulating and applying occupational health and safety standards within the RWE Group.

In every company within RWE Group, members of the Executive Board or managing directors ensure compliance with legal requirements for occupational health and safety. Each Group company is mandated to appoint at least one member of its Executive Board or top management to oversee occupational health and safety. Compliance with legal →





requirements is supported by an effective occupational health and safety management system that aligns with established Asset Management and Safety (AMS) standards. The Group companies are advised to get this system certified by an external body. The primary responsibilities of health management include providing medical and emergency medical services, developing and improving services that promote health and prevent accidents and medical issues, designing ergonomic workplaces and offering social

counselling. These tasks are crucial in maintaining a safe and healthy working environment for all employees.

The RWE Group's International Health Standard (IHS) defines a minimum set of health-related products and services that must be offered to all RWE employees worldwide. The responsibilities for ensuring this in every country are also defined. When required, the Group companies may offer their employees additional health-related products and services.

Our progress

In 2023, no fatal accident occurred at RWE. In the event of a fatal accident, a 'root cause analysis' is applied to systematically identify the root causes and develop measures for preventing such incidents in the future. All potential events and activities that pose a significant risk of serious or fatal injuries are systematically investigated. In order to communicate essential knowledge and skills related to occupational health and safety, all Group companies carry out prevention programmes targeting managers.

Next steps

We will continue to strive for the highest standards when it comes to the health and safety of our employees.

Indicators

The key performance indicator established for occupational safety is the number of work-related accidents among in-house and contract staff on our sites resulting in at least one day of absence for every 1 million work hours (lost time incident frequency – LTIF). The target within the RWE Group was 1.9 in 2023 which we outperformed with an actual figure of 1.5. The LTIF for RWE personnel was 1.1, remaining stable compared to the preceding year.



We care: Social responsibility

The challenge

The transition to a net zero economy will impact people, communities and businesses. At RWE, some of our power stations are being decommissioned, including some assets that have been generating for decades. And this will heavily impact employees, suppliers, partners, and local communi-

ties. At the same time, the emergence of new ways to generate electricity has provided new opportunities. Transition, change and growth are only possible when supported by most stakeholders and therefore engagement and dialogue are an essential part of being a 'good corporate citizen'. The understanding and acceptance of society is crucial if we are to sustain the pace of the renewable energy build-out.

Our ambitions

Our commitment to social responsibility extends to employees, communities, and society as a whole, and we always want our stakeholders to see us as a trusted partner. With over 20,000 employees and numerous sites worldwide, we are deeply embedded in global society. For decades, we

have maintained a constructive dialogue and a trusting common direction with all our stakeholders.

We recognise the challenges posed by changing demographics, skilled labour shortages, and business transitions to our workforce and the communities in which we operate. Our goal is to navigate these changes through long-term, constructive communication, ensuring socially responsible solutions and opportunities for all individuals.

Our approach

Early and comprehensive engagement with communities around our current and future assets is an integral part of the way we do business. It's vital for RWE to create opportunities for dialogue, cultivate good relationships, explain our actions and understand issues and challenges, in order to jointly shape the energy transition with all affected stakeholders.

As a company, we commit dedicated resources to various aspects of social responsibility that impact our workforce, local communities, authorities, and neighbours. These aspects are tailored to the current needs and trajectory of our business sector, whether they are expanding, like renewables, or consolidating, like coal and nuclear. We maintain a broad portfolio of measures and strive for long-term collaboration with relevant stakeholders. Our strategy includes a mix of business-specific and cross-business approaches, enabling us to manage necessary developments and reshape sites and jobs in a socially responsible manner. The fact that we advocate for our employees and try to find socially acceptable solutions for necessary transitions is →

part of who we are as a company. For us, ‘just transition’ is synonymous with treating our employees fairly and responsibly.

We strive to be an employer of choice and offer a working environment that attracts new talent, promotes existing potential and provides fair, performance-based compensation. For older employees, we are able to offer an adjustment allowance (APG) provided by the Federal government or our partial retirement scheme (ATZ). It is important to provide younger employees, who cannot take early retirement, with prospects within the company or with other employers. Extensive qualification and retraining programmes help employees take on new roles. We are training apprentices working in our lignite and opencast mining business to prepare them for future roles in our renewables business. RWE Power is also taking on the maintenance of wind and PV assets in the Rhenish region, thereby creating more opportunities for its employees.

Responsibility for working with our communities lies in each of our Group companies and tried and tested approaches have been developed over the last several years. With an overarching framework, we foster the identification and exchange of systematic approaches and good practices between the different Group companies and thus realise potentials for further continuous improvement.

Our progress

For RWE, it is important to attract new talent and retain skilled labour while increasing our employee’s identification with our company. Throughout fiscal 2023, we continued to

**€125
million**

**As RWE
Foundation
starting capital**

drive our employer branding, established last year under the strapline ‘Our energy has impact’ as well as our employer value proposition across the Group. HR guidelines and tool kits designed specifically for recruiters ensure our employer brand remains consistent. We are increasingly focusing on modern ways of working. In the year under review, we expanded the availability of flexible working hours to optimise the compatibility of family and working life, for example. In 2023, we implemented our hybrid office concept as the standard for all new office spaces across the Group, aiming to modernise environments and balance individual worksta-

tions with collaborative breakout areas. This update enhances comfort and fosters more effective teamwork. Offices at our power stations and operational facilities are the exception in this regard. The offices in the power plants have to meet fundamentally different requirements, which are centred around operating the unit. At these locations, we work with individual teams to adapt our hybrid office scheme, tailoring it to specific needs during site evaluations. This approach aligns with our sustainability goals, promoting efficient use of space and supporting an agile working environment.

We continue to actively engage in the communities close to our sites and seek feedback. In 2023, we established a unified framework for community engagement at RWE, integrating various best practices from within the Group. This effort was further reinforced by the launch of RWE’s Community Engagement Policy in December 2023. In the UK and Ireland, RWE invested more than £ 5 million in local communities in 2023 via community funds. Local residents benefit from these funds, which have been made possible by renewable energy, and can use them to shape their own strong, sustainable future.

From January 2023, an amendment to the German Renewable Energy Act has made it possible to support local communities in Germany where we operate renewables assets. The ‘RWE climate bonus’ generally applies to all existing RWE plants as well as future ones after they begin operating. Our programme will allow municipalities to receive a ‘climate bonus’ of up to 0.2 cents for each kilowatt-hour (kWh) of electricity generated by local wind turbines, which will especially benefit communities with powerful plants. →



This creates an additional incentive to replace older units with modern ones.

Beyond this, RWE also created the RWE Foundation in 2023, which aims to promote equal opportunities and social participation for children and young people. To mark the Group's 125th anniversary, we endowed the foundation with € 125 million as starting capital which it will use to support charitable social projects.

Next steps

We will continue to apply, review and optimise our developed and implemented approaches so that we can continue to live up to our ambition of being a good corporate citizen and being socially responsible. This equally applies for our employees as well as for the communities in which we operate.

Indicators

Our engagement index is a critical metric for assessing success in workforce motivation and perspective. Each year since 2021, the engagement index has been polled and recorded in a Group-wide survey, which includes specific questions related to engagement—four out of 24 questions related to engagement in our 2023 survey. This year, the engagement index rose by 4 % from the previous year, reaching 88 %, surpassing our target of 80 %. This improvement reflects a broader participation rate of 78 %, up from 74 % in 2022, indicating that all key indicators have advanced.

We care: Diversity, equity and inclusion

The challenge

Every day more than 20,000 people give their all to drive our company's success. Our employees are as diverse as our portfolio, and their different experience, backgrounds and talents are what define our company. We regard this as a strength that helps us grow, which is why this topic is so important for RWE. In many markets, we are also bound by legal requirements, for example regarding the promotion of women to management positions and anti-discrimination.

Our ambitions

Diversity, equity and inclusion is an important part of ensuring that RWE remains an attractive employer. We have set ourselves targets for promoting various aspects of diversity at different levels of our company. With regard to gender diversity, German law mandates a minimum share of 30 % women on the supervisory boards of stock market-listed companies and companies which practice codetermination. By 2030, the proportion of women in management positions Group-wide should be at least 30 %. In Germany, severely disabled employees must account for at least 5.0 % of the workforce in large companies.



Our approach

It's important for us to create a working environment in which all employees can grow and develop as individuals and get support for their particular phase of life. Diversity, non-discrimination and inclusion are anchored in our Code of Conduct for the entire Group. We explicitly reject any form of discrimination and actively promote a diverse corporate culture and honest collaboration. The Diversity & Inclusion

team within the Human Resources department at RWE AG spearheads the development of Group-wide diversity and inclusion goals and initiatives. Each individual company within the Group maintains dedicated contacts for these efforts. Additionally, we employ 'Diversity Ambassadors', a network of employees who promote these values across all Group companies. Key participants in these initiatives include representatives for severely disabled employees and various employee networks – such as the Women's Network and the LGBT*IQ & Friends Network – which play crucial roles in implementing measures and fostering an inclusive corporate culture. To promote gender diversity, the general rule at RWE is that all leadership and management positions shortlist women in their selection process. Additional initiatives are carried out at the operational level. For example, hiring measures include a variety of one-on-one training courses with the aim of overcoming systemic bias. We raise awareness through campaigns and purpose-designed measures in the fields of personnel development, training, employment and health as well as suitable workplace designs and accessibility.

Our progress

In 2023, RWE once again hosted a Diversity Week inspired by this year's theme 'Energising our inclusive culture'. Around the world, RWE employees participated in online seminars with interesting keynote speakers and attended exciting, innovative on-site sessions. Events such as these help us foster and share our inclusive culture.

Furthermore, digital accessibility was spurred Group-wide in the year under review. Over 280 apps were reviewed and →



improvements for employees with disabilities were initiated and implemented. For the first time, external stakeholders also requested the dispatch of accessible PDF documents.

RWE hosts a vibrant array of groups and networks, including the Advocate Group for the Disabled, the Women's Network, the LGBT*IQ & Friends Network, Diversity Ambassadors, and

the Empower Network for Disability, Neurodiversity, and Mental Health. These networks are expanding internationally, fostering cross-border collaboration. Notably, the LGBT*IQ & Friends Network includes around 450 members, while the Women's Network boasts 1,200 members. Both networks organise various online and offline events across multiple countries. Beyond these members, a significant

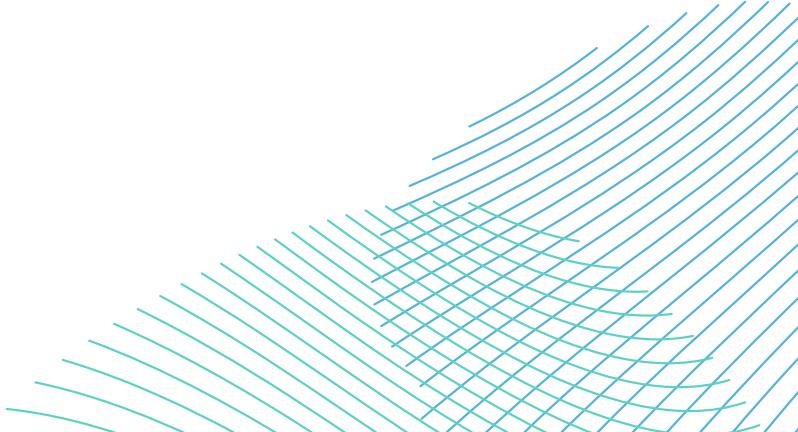
number of other employees actively contribute to implementing measures that promote a genuinely inclusive corporate culture at RWE.

Next steps

Working with our strong diversity networks in the Group we aim to continue our efforts to build an even more inclusive culture at RWE through appropriate processes and communication. We strive to further increase our share of women in management functions.

Indicators

In 2023, we increased the quota of women in leadership positions to 23.1 %, in part by filling vacancies at the management level. At the end of 2023, the 20-member Supervisory Board of RWE AG included seven women, four of whom are employer representatives. The share of women on the Executive Board of RWE AG was 33.3 %.



We care: Compliance and ethics

The challenge

Integrity and compliance with the law are prerequisites for our business. We want to achieve growth in accordance with both applicable laws and our own values and principles. We see compliance and ethics as not limited to preventing corruption and bribery, but also about value-driven actions in dealing with our suppliers and partners and protection of whistleblowers. We apply the same standards to them as to ourselves, for example when it comes to protecting the environment and ensuring inalienable human rights.

Our ambitions

We align all our business activities and decisions with defined compliance requirements. We have a zero-tolerance policy towards corruption and compliance violations of all kinds. Our Code of Conduct, which is binding for all employees, defines the relevant goals and principles.

To prevent corruption and bribery as well as other violations of the RWE Code of Conduct, all executives are required to submit annual reports on how the Code of Conduct has been implemented in their areas of responsibility (referred to

as 'executives' compliance reporting'). This provides transparency around awareness and level of compliance with the Code of Conduct. Our goal is a response rate of 100 %, which has been consistently achieved every year. Please also see our Corporate Governance Declaration which we publish separately.

Our approach

The Executive Board of RWE AG monitors and manages the Group's overall risk. To prevent violations of statutory regulations and other norms, we have established a compliance



management system (CMS), steered by the Chief Compliance Officer (CCO) who reports through the Legal department. Compliance officers have also been designated at Group companies in Germany and other countries; they ensure uniform implementation of the Group-wide compliance principles. The CCO regularly reports to the Executive Board and the Audit Committee of the Supervisory Board on compliance-relevant matters. Other major components of our internal control system are organisational requirements such as the dual control principle, separation of functions, authorisation chains and approval regulations.

The Internal Audit department regularly reviews the appropriateness of the underlying internal monitoring system. To ensure compliance with the law, our compliance management system is regularly audited. Regular compliance risk analyses also play a vital role. Risk identification and assessment are carried out by specialists from RWE AG and our Group companies.

Our employees attend training sessions to learn about specific behaviours and measures, in particular to avoid corruption and the appearance thereof. In addition to the annual web-based compliance training, employees attend classroom courses, depending on the risk level of their activities. The training coverage includes the Executive Board. Furthermore, all employees are regularly informed via in-house channels about relevant compliance topics such as new developments, existing and new Group guidelines and requirements for compliant behaviour and the consequences of violations. We encourage our employees to report potential violations of our Code of Conduct and other non-compliant behaviour.



Employees throughout the Group can use a web-based whistleblowing system, anonymously if they wish, to report incidents such as potential violations of our Code of Conduct or the European General Data Protection Regulation, white-collar crimes and other actions that might harm the company. Our employees and external entities such as suppliers and business partners also have the option of calling or emailing an independent external contact person. We always follow up on tips regarding possible compliance violations promptly and appropriately. When processing reports, we treat received information confidentially, including protecting the identity of the person making the report. Persons who provide information in good faith or who contribute to the investigation will not face any disadvantages as a result of submitting such a report. Actions or omissions in connection with professional activities that are a response to a report or disclosure and that cause or may cause an unjustified disadvantage to the person filing the report will not be tolerated. During investigations, RWE prioritises the protection of the justified interests of individuals affected by a report. All reports are recorded by the Compliance department and subsequently reviewed by the responsible Group functions tasked with the investigation. If necessary, remedies are implemented as part of a systematic follow-up process. For all confirmed compliance violations, whether committed by employees or business partners, necessary and appropriate measures are initiated to address and rectify the issues. We also want to adequately ensure our human rights due diligence obligations. To identify and mitigate related risks, we introduced a Human Rights Risk Management system for all material and relevant business activities. The Head of Strategy & Sustainability is appointed as the RWE Group's Chief Human Rights Officer, a

position which oversees RWE's human rights-related risk management and reports to the Executive Board of RWE AG once a year.

Our progress

In 2023, we continued to focus on raising awareness about compliance amongst our employees. They received annual compliance training via a web-based training programme with a changing focus. In 2023, the theme was 'whistleblowing'. Participation was and will continue to be mandatory for all employees.

With regard to human rights, we have published our approach to respecting human rights in a policy statement adopted by the Board of Directors. We have carried out a risk analysis in the context of our human rights risk management. The result of this analysis was that we did not identify significant human rights-related risks in our own business activities. However, we identified a number of relevant risks in our direct supply chain. As a result, we further assessed current and prospective business partners (beyond a certain threshold) in greater detail to gain a deeper understanding of measures taken to safeguard their human rights commitments.

Next steps

We aim to maintain a robust compliance culture at RWE, which ensures that we can realise our growth in our focus markets. This will be aided by a continuous improvement of our compliance management systems.

Indicators

It is important to have a strong compliance culture throughout the Group. All managers are obliged to report on the implementation of the Code of Conduct within their sphere of responsibility. Referred to as 'executives' compliance reporting', this is conducted once a year, in order to create transparency with respect to adherence to the Code of Conduct and to provide an overview of compliance awareness at RWE. The feedback rate of this executives' compliance reporting serves as an indicator of attention to compliance. We aim for a feedback rate of 100 %, which was achieved yet again in 2023.

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