



RWE

Our energy for a sustainable life

As of November 2019



Disclaimer

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

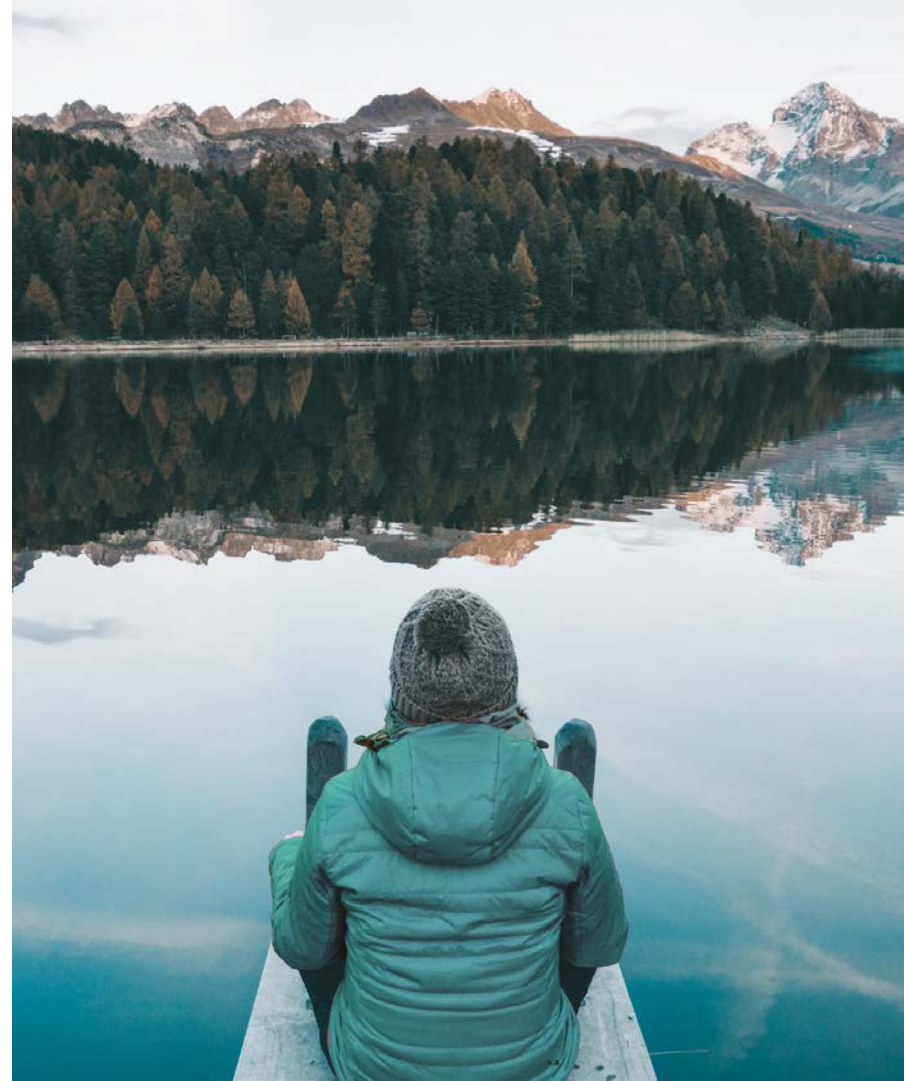
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Company Overview & Strategic Outlook



Sustainable energy
& reduction of carbon emissions
at the heart of RWE



RWE at a glance

Experienced power generator with diversified power plant portfolio

>120 years
track record

>20,000
employees

~46 GW
generation portfolio

>60%
low carbon capacity

>80%
firm & flexible capacity

A global leading **renewables** player with strong growth ambitions

#4
worldwide

#2
in offshore

>9 GW
RES capacity

~2-3 GW
gross growth ambition p.a.

~€1.5bn
net invest p.a.

Proven track record of rapid **emissions reduction**

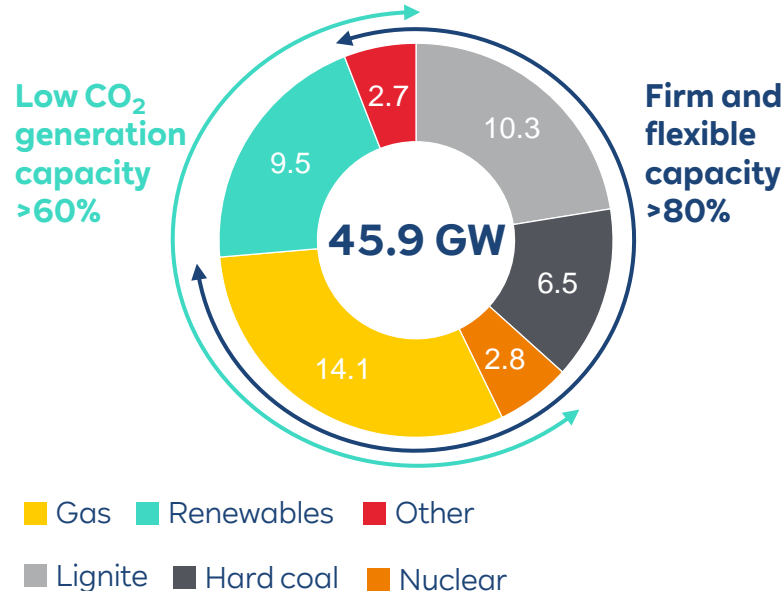
> 30%
achieved vs 2012

70%
2030 goal

Net Zero
2040 aspiration

Unique renewables and conventional generation portfolio combines with leading commercial platform

RWE's net generation capacity¹



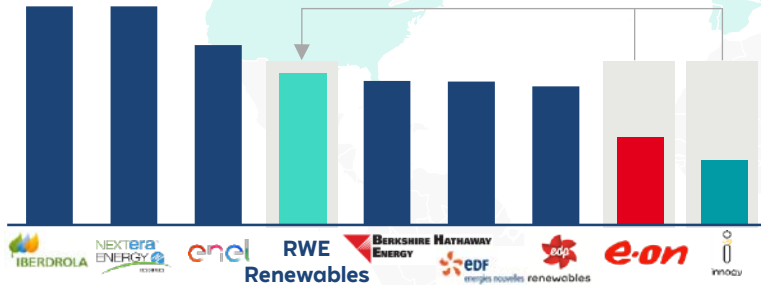
- **Leading European generator with diversified and balanced generation technologies**
 - #4 gas fleet in Europe
 - >60% of low CO₂ generation capacity
- **Significant gas portfolio player**
 - ~10 million tonnes of global LNG portfolio
- **Strong commercialisation capabilities via global trading business to extract value**
 - ~1,250 TWh electricity and ~500 bcm² gas traded p.a.

¹ As of 31 Aug 2019, conventional portfolio as of 1 Jan 2019. Pro forma combined portfolio under the condition of full transaction completion; esp. closing II innogy Renewables. I

² Billion cubic meter.

Leading global renewables player well positioned from the start

Globally owned renewables capacity¹

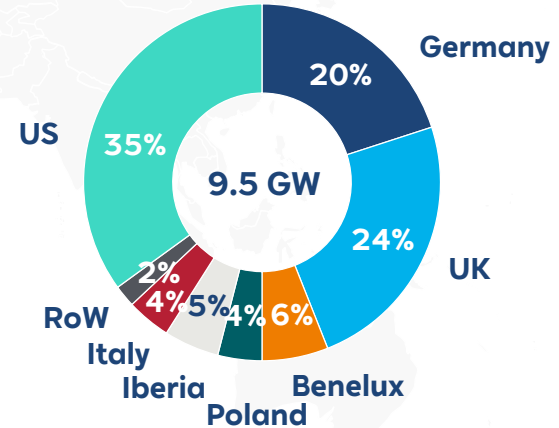


No. **4** worldwide

No. **3** in Europe

No. **2** in offshore wind

Renewables capacity by country²



¹ Bloomberg New Energy Finance, as of 31 Aug 2019; excluding Chinese players. Includes onshore wind, offshore wind, solar, small hydro, marine, geothermal and biomass. |

² Pro forma combined renewables capacity; E.ON and innogy portfolio as of 31 Aug 2019; RWE portfolio as of 1 Jan 2019. Pro rata view.



**RWE to achieve CO₂
neutrality by 2040**
#RWEGoesClimateNeutral

1

RWE fully supports
global climate goals
for a sustainable life

2

Target to achieve CO₂
neutrality for its global
generation portfolio
by 2040

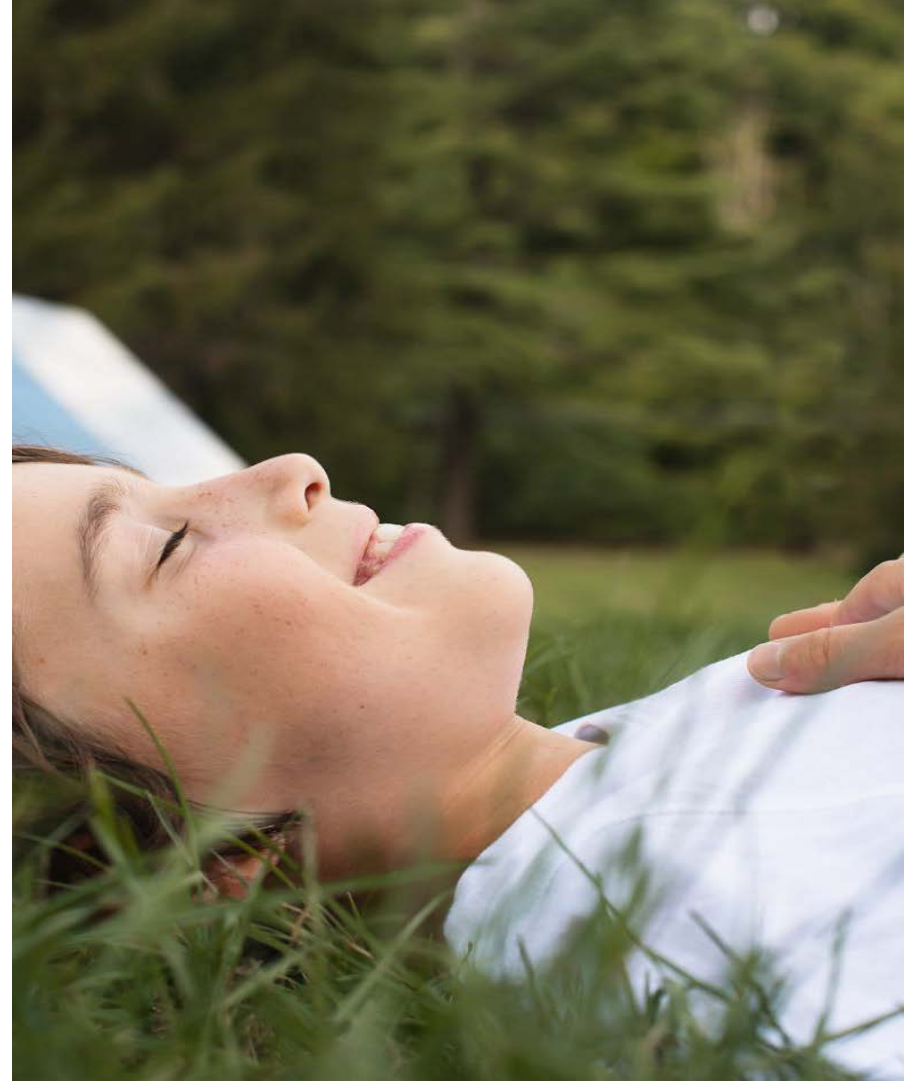
3

Focus on renewables
expansion and innovative
technologies to support
the energy transition

ESG Performance



RWE committed to responsible management and **long-term value creation**





Our energy for a sustainable life

OUR PURPOSE

We all need electricity – children as well as adults, small companies as well as large ones. Wherever there is electricity, there is light, warmth and communication, production, medical care and mobility. Electricity is life.

Our mission

- We **invest** heavily in the development of **renewable** energy. We resolutely reduce our CO₂ emissions until we reach **climate neutrality by 2040**.
- We support **secure supply of energy** with our flexible power station fleet and work on future-oriented **storage technologies**.
- We commit to **climate protection** targets, work towards high **social standards** and foster **diversity** in our corporate culture. We count on committed and motivated employees.
- We strive for **value-enhancing** growth and continuously increasing the company's value.
- We implement attractive and **innovative solutions** for our customers and with our partners in all areas of our business. We drive forward **technological progress**.
- We commit to our roots and are a **responsible partner for the people and regions** where we operate.

RWE is strongly committed to the UN Sustainable Development Goals

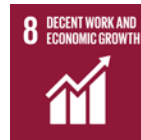
Seven SDGs were defined as material in relation to the business activities of RWE



- 29% and 19% women in 1st and 2nd management level
- ‘**Total Equality**’ certificate for diversity and 5th place in **Women Career Index 2019**



- Leading global renewables operator with **9.5 GW** installed capacity
- Highly **efficient and flexible** power plant portfolio



- Strong employer with workforce of more than **20,000 people**
- Regional support for **structural change** and **energy transition**



- Focus on **storage technologies** to support the energy transition
- Part of High-Tech Gründerfonds III since 2017



- Strong commitment to **global climate goals**
- Target to be **carbon neutral** by 2040



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



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



Highlights of our environmental performance



Decarbonisation

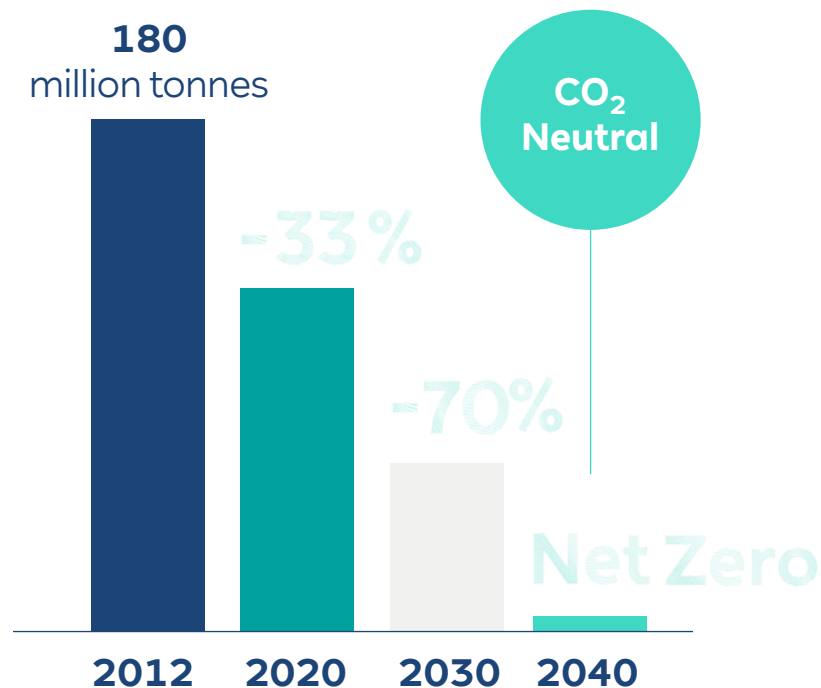
- **Commitment to** UN climate goals and European and national greenhouse reduction targets
- Target to be **carbon neutral by 2040**
- Focus on **expanding renewables: ~€1.5bn** net invest with an annual gross ambition to grow by **2 to 3 GW**
- R&D focus on **low-carbon projects** (power-to-X projects, batteries)

Biodiversity & Environmental Compliance

- Ambitious Biodiversity Policy **exceeding statutory regulations**
- Group-wide **environmental management system** based on ISO 14001
- **100% coverage** for environmental management in 2018
- **~€636m** expenses in environmental protection in 2018
- **No environmentally relevant incidents** in 2018

Moving to net zero emissions and a sustainable energy system

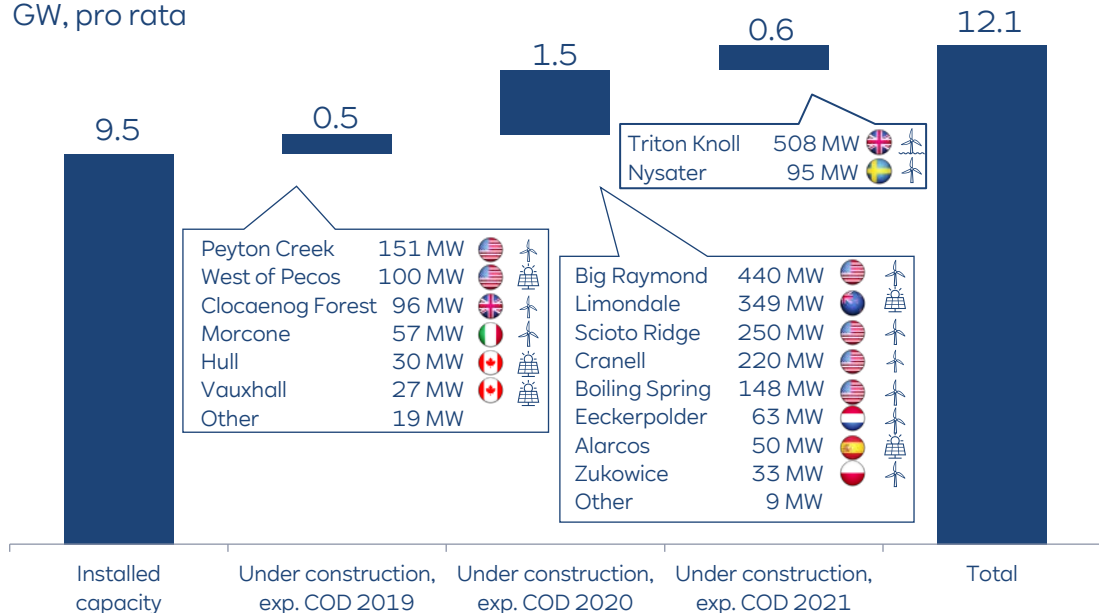
- Reduction of **60 million tonnes** until 2018 compared to 2012 already achieved
- Further reduction based on:
 - Achievement of target share of **65% renewables** in Germany by 2030
 - **Full implementation** of the recommendations of the Commission on Growth, Structural Change and Employment
 - **Closure** of RWE's Inden lignite mine and Weisweiler power plant site in 2030
 - Biomass conversion and **coal exit** in the Netherlands completed by 2030



A strong pipeline paves the way for expansion of carbon free generation portfolio

Renewables capacity in operation and under construction for the years 2019 - 2021^{1,2}

GW, pro rata



- **Expansion** across all technologies and four continents under way:

- **2.6** GW **under construction** with commissioning expected between 2019 to 2021

- **Development pipeline** of

>18 GW

¹ Pro forma combined renewables capacity as of 31 Aug 2019. Pro rata view. | ² Pro forma combined portfolio under the condition of full transaction completion; esp. closing II innogy Renewables. | Note: Rounding differences may occur. All figures in pro rata view.

Various low carbon pilot projects in the pipeline

Focus on new technologies

Heat storage

- **Conversion** of coal-fired power plants into thermal storage power plants
 - Steam production based on coal-burning replaced by steam production with heat from liquid-salt storage
 - Storage charged with heat generated by sun and wind
 - A joint pilot project 'StoreToPower' in the Rhenish lignite area



Waste

- **Recycling** of materials 'back to feedstock'.
 - Conversion of several kinds of waste into base chemicals including hydrogen
- Via an innovative line-up of existing technologies
- In joint cooperation with the chemical industry in the Netherlands (project FUREC)



Sector coupling – power-to-X projects

- Assessment of **power-to-gas** technology
 - **Hydrogen** as a storage medium for energy produced from renewables sources
- Feasibility study for a 100 MW power-to-hydrogen plant on the site of RWE's Eemshaven power station linked to the adjacent wind park
 - Installation of electrolyzer that would directly consume power from wind park
- Assessment of pilot project at Lingen (Germany) within the 'GET H2' hydrogen initiative
 - Construction of a 105 MW power-to-gas pilot project



Biodiversity footprint for reclamation shows big increase in ecology

- Deep knowledge and **proven experience** in reclamation of opencast mining surfaces
- More than **22,000 ha** so far reclaimed in the Rhenish lignite mining area
- Five landscape **protection areas** located in reclaimed areas designated under legislation
- Diversity of species comparable to **high value reference habitat**: more than 1,500 plant and 3,000 animal species identified over the entire reclamation process



Highlights of our **social** performance



Diversity

- **#5** in the Women Career Index 2019
- Target 2022: **women** in the 1st and 2nd **management tiers** ~**30%** and ~20% respectively
- **Total Equality certificate** with a top score for sustained commitment to gender equality

Supply chain & Compliance

- Suppliers **carefully vetted** on environmentally and socially relevant criteria
- Principles of UN Global Compact and RWE's **Code of Conduct** as an **integral part** of contracts
- **27 %** of local suppliers in 2018
- Promotion of sustainable value chain for hard coal through the **Bettercoal** initiative

Occupational health & safety

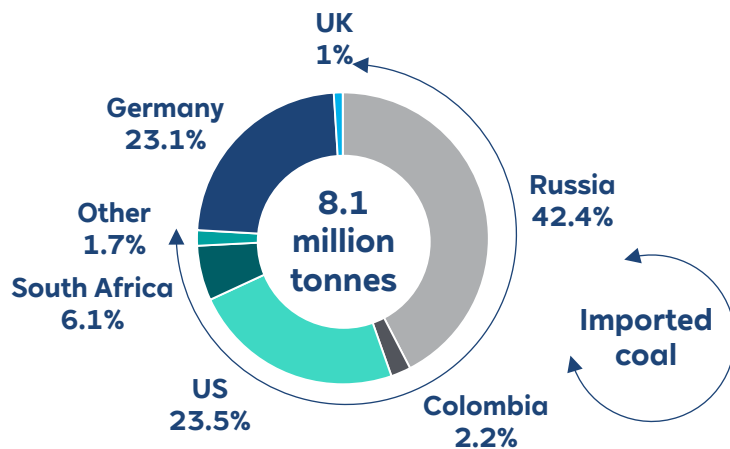
- **LTIF** of 2.2 in 2018; target to reduce to 1.8 by 2019
- Health ratio of **93.5%** in 2018

Employee relations Corporate volunteering

- Special focus on workplace health and **well-being programs**
- A **long volunteer tradition** with 'RWE Active On Site' program

Promotion of hard coal supply chain standards

Overview of hard coal supply for RWE power plants



- **Drive for responsible hard coal procurement**



Founding member of **Bettercoal** to improve in producer countries mining and working conditions and reduce environmental impact

2/3 of our used hard coal audited via Bettercoal

In 2018 further six on site-assessments

- Drummond, site-assessment, January 2019
- Cerrejón, site-assessment, July 2018
- Prodeco, site-assessment, August 2018

- **Additional site visits** to local mines by RWE representatives

- All members **integrate the Bettercoal assessment results** into their procurement processes

¹ 2018 hard coal supply.

Ambitious targets and programmes to support equal opportunities and diversity

Group-wide initiatives and networks to enhance the focus on diversity topics

- Engagement in **external networks** (e.g. ENEI, MINT, FidAR¹)
- **‘Total Equality’ certificate** with a top score of 84 out of 100 received in 2018
- Regular Diversity Week and other events at several RWE locations



Gender

- **30%** women in 1st and 20% in 2nd management level **by 2022** (2018: 29% and 19%)
- Female Talent Programmes; Executive Mentoring Programme

Age

- Training and apprenticeship programmes **for young and senior** employees
- Participation and support of young professional networks (e.g. ‘Young Energy Professional Forum’)

Cross-culture

- **International** internal job-market with cross-border placement opportunities
- Close alignment of Diversity Office with HR Marketing

¹ ENEI: the Employers Network for Equality & Inclusion. MINT: Mathematics, Informatics, Natural sciences and Technology. FidAR: Frauen in die Aufsichtsräte (Women’s association).

‘RWE Active On Site’ focuses on social engagement in the regions and the environment

Customised opportunities

- Within the scope of HR development measures
- To support team building and broaden employee skills
- Socially-oriented projects and activities improving the environment and sustainable development
- To increase presence in our regions



Strategic goals

- Promotion of social responsibility through employee commitment
- Development of employees’ skills through volunteering
- Improvement of employee loyalty and motivation, strengthening the employer brand
- Illustrates organisational values in action



Highlights of our **governance** performance



Corporate Governance

- **Two tier governance structure**
- Diverse & experienced Supervisory Board
- Target quota of **30%** ratio of **female** Supervisory Board **members fulfilled**

Management remuneration

- Executive Management **remuneration with fixed and variable components**
- Short-term bonus linked among others to **ESG targets**
- Total compensation **capped at ~164%**

ESG & HSE Governance

- **Covered by** the Corporate Responsibility and Health, Safety & Environment department, directly reporting to RWE AG Executive Board
- Regular **training mandatory** for all employees to sharpen awareness

Diverse and experienced Supervisory Board fully fulfils competence requirements

Diversity at Supervisory Board

Gender

- Target of **6 female** Supervisory Board members achieved



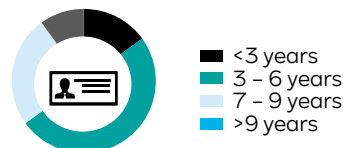
Independency

- Target of **12 independent** Supervisory Board members exceeded



Length of membership

- Target of maximum membership of **15 years** exceeded by one Supervisory Board member



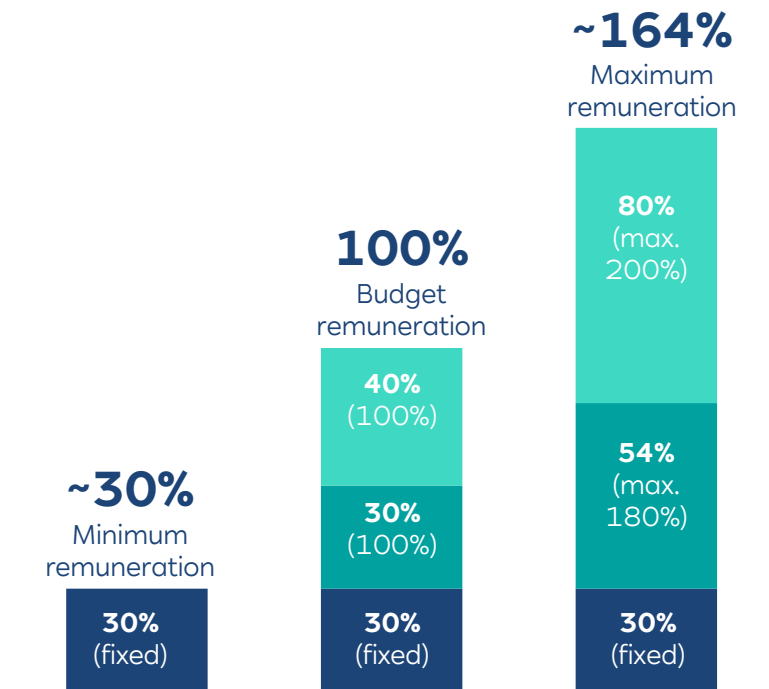
Experience of Supervisory Board members

- Experience profile of the Supervisory Board members covers all target areas as defined in the competence profile for the composition of the Supervisory Board

Competence profile	
Public sector	<input checked="" type="checkbox"/>
Managerial experience	<input checked="" type="checkbox"/>
Co-determination	<input checked="" type="checkbox"/>
Utility sector	<input checked="" type="checkbox"/>
Accounting	<input checked="" type="checkbox"/>
Financial audit*	<input checked="" type="checkbox"/>
International utility sector	<input checked="" type="checkbox"/>

* Incl. financial expert serving as chair of audit committee

Executive Remuneration system consists of three components



Strategic Performance Plan

- Long-term, share-based compensation scheme
- Conditional on achievement of earnings indicator
- Linked to performance of RWE shares
- Personal investment obligation
- Malus clause in case of infractions by Executive Board members

Bonus

- Based on economic performance of company and collective and individually achieved goals including corporate responsibility criteria
- Paid after end of fiscal year; no retention

Annual salary

- Fixed compensation may also include non-cash and other remuneration, e.g. use of company car

External recognition



RWE in sustainability
ratings and **rankings**



RWE participates and receives recognition in leading sustainability ratings



A (from AAA to CCC)



Environmental score¹: 2, Social: 1, Governance: 2
C+ (from A+ to D-)



D (Climate), C (Water)



Gold recognition level
One of the top 10% of all rated companies



ESG Rating 3.3 (Percentile Rank 58)
above-average rating in sector comparison



54 out of 100 (12th out of 30 utilities)



71 out of 100



Eurozone 120 Index constituent

Contacts

Important Links



Investor Relations

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

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Financial Calendar

- **12 March 2020**
FY 2019 results
- **12 March 2020**
Capital Market Day
- **28 April 2020**
Annual General Meeting
- **04 May 2020**
Dividend payment



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RWE

