

RWE
Aktiengesellschaft
Essen

Counter-motion by Dachverband der Kritischen Aktionärinnen und Aktionäre e.V. in respect of the Annual General Meeting of RWE AG on 26 April 2018

Counter-motion in respect of item 2 on the Agenda
Appropriation of distributable profit

The distributable profit of RWE Aktiengesellschaft for fiscal 2017 shall be appropriated as follows: payment of a dividend of 0.50 euros per dividend-bearing share = 307,372,749.50 euros.

Rationale:

RWE has to increase provisions for remedying damage caused by opencast lignite mines and the prorated assumption of health-related costs incurred due to the coal industry. The German Climate Alliance and the German Environmental Protection and Nature Conservation Association (BUND) pointed out in a study as early as 2016 that RWE has not sufficiently secured the financial resources for remedying the damage caused by opencast lignite mines.

In a study entitled 'What Coal-based Power Really Costs – Health Impact and External Costs Caused by Pollutant Emissions' (2013 HEAL study) the dangers of coal exhaust gases that have been underestimated thus far were referred to in detail for the first time. The report entitled 'Europe's Dark Cloud' which appeared in 2016 comes up with even more dramatic results. They demonstrate that the emissions of European coal-fired power stations are responsible for 22,900 premature deaths, tens of thousands of incidents of heart and lung conditions and up to 62.3 billion euros in health-related costs.

Therefore, the Dachverband der Kritischen Aktionärinnen und Aktionäre recommends that the dividend of 1.50 euros per share proposed by the RWE Executive Board be reduced to 0.50 euros per share. The 614,745,499 euros in funds freed up should be used to remedy damage caused by the Garzweiler, Hambach and Inden opencast lignite mines and to establish a fund to cover ensuing health-related costs.

Counter-motion in respect of item 3 on the Agenda
Approval of the acts of the members of the Executive Board for fiscal 2017

The acts of the members of the Executive Board are not approved.

Rationale:

There should be the following warning at all RWE power plants and on all RWE coal excavators: 'Causes substantial harm to you and people in your surroundings'. It has long been found that RWE's operating activities harm the climate, ecosystems and human health. However, the Executive Board of RWE refuses to acknowledge this. Neither the measures to reduce carbon dioxide taken or planned so far are an effective contribution to the Paris Climate Convention or the UN sustainability goals.

Acquisition instead of shutdown of coal-fired power stations

RWE is acquiring the renewable energy divisions of E.on and innogy, which will increase the share of RWE's energy generation capacity accounted for by renewable energy. However, this share will drop in the future: RWE intends to buy a large number of coal-fired power plants. The power stations that are being discussed belong to the competitors EnBW and Engie. Moreover, RWE plans to be the last company in Germany to invest in a new lignite-fired power plant instead of in more renewable energy. A total of 1,100 MW of new capacity is to be built using BOAplus lignite-optimised technology.

RWE is a danger to health

Emissions produced by coal-fired power stations do not just contribute to climate change. The health issues caused by the fine particulate and nitrous oxide pollution caused by open-cast lignite mines and power plants are huge. They result in chronic respiratory tract conditions, lung cancer and cardiovascular diseases as proven e.g. by the 'What Coal-based Electricity Really Costs' study (2013 HEAL study). Forty-three billion euros in health-related costs should actually be added to the price of coal in the EU.

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The 'Fine Particulate Matter in the Düren District' report by the Düren Health Department also provides information on the dangers. The Health Department has identified RWE Power AG (Weisweiler power station in Eschweiler) as the region's biggest emitter of fine particulate matter and warns of the consequences of fine particulate matter: "It is undisputed that airborne fine particulate matter can lead to respiratory tract and cardiovascular diseases and – in the end – to premature death".

Forced relocation

More than 40,000 people in the Rhineland have been relocated due to the Hambach and Garzweiler opencast lignite mines – in most cases against their will. A large number of cultural monuments and churches such as the Immerath Cathedral have been destroyed. Thousands of people are yet to be relocated. RWE is not just cutting the roots of village populations from underneath them, but also often fails to provide them with adequate compensation.

Clearance of Hambach Forest

This unique forest region continues to meet the criteria for classification as a European nature reserve based on the Flora and Fauna Habitat Regulation (FFH Regulation). For 40 years, from October to February, RWE has felled far more than 8,000 valuable trees that are over 150 years old. In the last clearance period, clearance was halted with the exception of a few days as a result of orders from courts and the mining authority. This decision must also be seen against the backdrop of the significant public pressure reflected in nearly 69,000 signatures under the petition to 'Save the Hambach Forest and Protect the Climate'.

Before the first clearances started, Hambach Forest was an official nature reserve and a valuable habitat for a large number of endangered animal species and plants. The effect that this forest has in promoting the health of the population of this region is still significant. Nevertheless, the RWE Executive Board maintains its plans to completely clear Hambach Forest and expand the Hambach opencast mine. Clearance, which has been re-enabled as a result of the approval of the main operational plan from 1 October 2018 onwards, must at least be suspended until a decision is handed down by the Münster Higher Administrative Court.

Uranium deliveries to incident-prone nuclear power stations

RWE owns one-sixth of Urenco. The plant of Urenco in Gronau delivers enriched uranium for fuel element production all over the world – including to a factory of Areva in Lingen. This is where the fuel elements for the incident-prone nuclear power plants Tihange and Doel are produced.

The planned sale of Urenco to the USA is in violation of the contracts of Almelo and Cardiff regarding the non-proliferation of nuclear arms. The centrifuge technology used to enrich uranium is suited to both civil and military applications. The enriched uranium can be used to produce tritium, which is needed to make US nuclear arms more powerful and keep them operational, amongst other things. Therefore, Urenco is knowingly going beyond the limits of the use of enriched uranium for civil applications and entering into the realm of military applications. This plant must be shut down immediately.

Counter-motion in respect of item 4 on the Agenda

Passage of a resolution to approve the acts of the members of the Supervisory Board for fiscal 2017

The acts of the members of the Supervisory Board are not approved.

Rationale:

The Supervisory Board of RWE is not fulfilling its duty to monitor the Executive Board sufficiently. This has repeatedly led to wrong strategic decisions in the past. The planned sale of innogy to E.on also seems questionable.

innogy deal questionable

The innogy deal planned by RWE and E.on raises antitrust issues. It would turn RWE into a mega group with huge market power in the field of energy generation. This would jeopardise competition and could drive up electricity prices for consumers permanently.

Responsibility for the supply chain? Not happening!

The Supervisory Board of RWE continues to fail to see to it that the Executive Board fulfils its duty of care in relation to human rights regarding hard coal imports. Cheap hard coal sourced by RWE costs the lives of human beings in other parts of the world, for example in the north-east of Colombia. Local paramilitary forces have created room to mine coal through threats, expulsions and even murder.

Since the beginning of coal production from the El Cerrejón mine, from which RWE procures coal, 35 communities have been evacuated for the mine – in some cases through the use of force – and have not been compensated adequately to date. Agriculture has been forced out, and the entire population is suffering from water shortage. The indigenous Wayuú have lost all of their sources of water. What the loss of their land and resources means to the affected people is that they lose not only their income and basis of nutrition, but also their identity and culture.

Whereas the El Cerrejón mine required an average of 50 million litres of water a day in 2015, the residents had to cover their basic needs with just seven litres a day.

The additional air pollution causes severe health problems with fatal consequences. A total of 5,000 children died in just seven years.

RWE procures hard coal from the Cesar region as well. Several unionists and activists have been killed by paramilitary forces in this region. Numerous witness statements allow one to suspect that the coal supplier Drummond may have been involved in contract killings.

'Better Coal' fig leaf

The Supervisory Board must increase the pressure on the Executive Board when it comes to assuming responsibility for the coal supply chain. Although the Supervisory Board reports that is concerned itself with the conditions in Colombia's coal mines last year, RWE continues to rely on the 'Better Coal' initiative, which claims to aim to introduce transparency into the coal value chain through mine assessments and stakeholder dialogue. In fact, however, 'Better Coal' is not transparent and does not consider the voices of the people affected in Colombia.

Therefore, several energy utilities have already taken steps regarding those of their suppliers which are located in Colombia. A number of companies established criteria which have to be met by the coal suppliers in order to be allowed to continue to do business with them. RWE has not done anything of this sort in order to enforce its business partners' respect for human rights and environmental protection.

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Markus Dufner
Managing Director of Dachverband
der Kritischen Aktionärinnen und Aktionäre e.V.
dachverband@kritischeaktionäre.de
www.kritischeaktionäre.de