

RWE
Aktiengesellschaft
Essen

Counter motions by the Association of Critical Shareholders (Dachverband der kritischen Aktionärinnen und Aktionäre) in respect of the Annual General Meeting of RWE AG on 26 June 2020:

With respect to Item 2 on the Agenda: Appropriation of distributable profit

We request that the 491,857,600.62 euros in distributable profit of RWE AG for fiscal 2019 not be used to pay a dividend (80 cents per dividend-bearing share). Instead, we request that the entire distributable profit for fiscal 2019 be used:

- a) to set up a fund for the consequences of climate change;
- b) to set up a fund to pay societal and environmental damage caused by the hard coal supply chain;
- c) to set up a fund for health conditions associated with lignite opencast mining and electricity generation from lignite;
- d) to set up a special fund for residents of the communities in the vicinity of the opencast mines;
- e) to form provisions for legal fees and risks.

Rationale:

RWE AG intends to raise its dividend from 0.70 euros to 0.80 euros in the middle of the corona crisis, which has given rise to substantial uncertainty in the economy and society. This would send a fatal signal to society: Everyone has to tighten their purse, but our shareholders will receive more than before. Instead, the shareholders of RWE AG could make a contribution to combatting climate change and reducing the economic and social consequences by renouncing the dividend.

With respect to Item 3 on the Agenda: Approval of the acts of the members of the Executive Board for fiscal 2019

The Association of Critical Shareholders hereby files a motion against approving the acts of the members of the Executive Board.

Rationale:

The Executive Board of RWE AG is not sufficiently discharging its responsibility to implement more effective measures to protect the climate and fulfil the duties of care necessary in order to comply with human rights law.

Company most harmful to the climate in the DAX

RWE AG has to do a lot more to achieve the 1.5 degree goals of the Paris Climate Agreement. RWE is the company most harmful to the climate in the DAX. If all industrial groups had a carbon footprint like RWE's in 2050, global warming would increase by a full 13.8 degrees Celsius. Worse still, if RWE achieved its climate goals, global warming would still increase by 9.5 degrees Celsius. This was established by a report by the Right consulting firm released at the end of 2019: <https://www.right-basedonscience.de/>

Fatal signal: threat of lawsuits against Dutch coal phaseout

The Netherlands decided to end electricity generation from coal. RWE reserves the right to take legal recourse against the Netherlands (p. 44 of the 2019 Annual Report). It is safe to assume that such recourse can only be taken in an out-of-court hearing before an arbitration tribunal, in line with the Energy Charter Treaty. So far, successful lawsuits under this scheme have resulted in multi-billion euro penalties. The effects of such a suit would also be felt outside of the Netherlands. Other countries may have to factor compensatory payments into their coal phaseout plans. The slower and later the coal phaseout, the lower the compensation that can be claimed. Therefore, it is safe to assume that threats of these suits may lead to delays in phasing out coal in other countries.

Villages close to the opencast lignite mines must not be destroyed

The RWE Group's alleged carbon-neutral strategy has proven to be hypocritical in view of the continued operation of the Hambach and Garzweiler opencast lignite mines. According to a study by the German Economic Research Institute (DIW), a total of just 280 million metric tons of lignite may be extracted from the Hambach and Garzweiler II opencast mines from January 2020 onwards if global warming is to be limited to 1.75

degrees. Therefore, RWE must wait for a new decision by the government of the State of North Rhine-Westphalia on coal mining in the Rhenish lignite mining region.

Destroying further villages in the vicinity of the opencast mines is not necessary for the energy industry to survive, not justifiable from an environmental point of view, and not socially acceptable. Keyenberg, Kuckum, Beverath, Oberwestrich, Unterwestrich, Lützerath, Manheim and Morschenich must be maintained. An end must be put to forced relocations. Contrary to all its promises, however, RWE is establishing facts: graves are being relocated, cemetery walls are being pulled down, and residential buildings are being demolished, for example in Lützerath, although people still live there.

Moreover, the Group's strategy of sticking to relocations harbours an investment risk. The Human Rights over Mining Rights civic initiative intends to go to court against the planned expropriation for the Garzweiler opencast mine in five villages. The residents are highly likely to win their lawsuit. The legal hurdles that must be taken to expropriate people in favour of coal have risen in light of climate change and the fact that lignite is the source of energy most harmful to the environment while being the reason for the coal phaseout.

Failure to meet UN requirements relating to duties of care under human rights law

In addition, RWE is not satisfying the requirements of the UN Guiding Principles on Business and Human Rights (UNGPs) imposed on entrepreneurial behaviour. RWE does not furnish enough proof of how and whether it identifies, assesses and minimises risks to human rights. A full 12 of Germany's 20 largest industrial groups are positioned better than RWE. This is the result of the latest study by the Business & Human Rights Resource Centre and the ZHAW School of Management and Law.

Human rights violations in the hard coal supply chain

The real price for the low-cost hard coal, which RWE is now forced to import entirely, is paid by the people in Russia and Colombia affected by mining. The opencast mines operated in these countries are causing fatal damage to the environment while disregarding human rights, and indigenous groups are being forced out of their homes without being surveyed as would be required by law or being compensated appropriately. Human rights risks can no longer be ignored in Kuzbass, Russia, the main source of hard coal supplied to RWE. NGOs, which represent the local population in the media, are being prosecuted strategically under the Foreign Agent Law. Last year, a representative of the Russian NGO Ecodefense had to flee the country for fear of being arrested and filed a request for asylum in Germany and Sweden, which has since been granted by Sweden. It is impossible to mine hard coal under these political conditions, because violations of human rights are covered

up and critical voices become silent for fear of the legal consequences.

With respect to Item 4 on the Agenda: Approval of the acts of the members of the Supervisory Board for fiscal 2019

The Association of Critical Shareholders hereby files a motion against approving the acts of the members of the Supervisory Board.

Rationale:

The Supervisory Board of RWE AG failed to monitor management in accordance with Section 111 of the German Stock Corporation Act and to ensure that management accept its responsibility for the nuclear phaseout.

Uranium enrichment in Gronau

Germany's sole uranium enrichment plant is located in Gronau. It belongs to the Urenco Group and is exempt from the German nuclear phaseout. Urenco is the world's second-largest uranium enrichment company and supplies its products to nuclear power stations the world over. In addition to E.ON, RWE is still one of the German shareholders.

For some time now, Urenco has increasingly become a nuclear weapons manufacturer. This has been a slow and stealthy process. In August of 2018, an employee managed to smuggle weapons parts and ammunition into the enrichment plant undetected. He was sentenced by a court in 2019.

The alleged safety concept for the exclusively peaceful use of nuclear energy is failing elsewhere in the world as well. The prevailing proliferation demanded by the German legislator is being undermined by an agreement to supply 500 million US dollars in enriched uranium to the nuclear power plant operator TVA in the USA. The fuel rods, which contain uranium enriched by Urenco, are being used in the Watts Bar and Sequoia nuclear power stations. However, tritium is captured in these plants as well. Tritium decomposes in 12 years, at which time it has to be replaced. Tritium is extremely important for the functionality and strength of nuclear weapons. The deliveries thus break Urenco's promise to produce enriched uranium solely for civil applications.

Moreover, there is a new development, which is extremely worrying against the backdrop of the tension currently prevailing worldwide. At the beginning of 2020, US media reported that Urenco was in talks with the Pentagon concerning the enrichment of uranium for new,

small reactors, which the Pentagon intends to use for military operations worldwide. Urenco intends to soon enrich Uranium 235 to 19.75 percent in the USA for this purpose. The limit to enrichment is 20 percent. At the Annual General Meeting of E.ON, the company's CEO Mr. Teysen confirmed that there were indeed plans to build min-reactors in the USA.

Repeated uranium waste exports

In 2019, with RWE's approval, Urenco resumed the uranium waste exports from Gronau to Russia, which had been halted in 2009. A total of 6,000 metric tons of depleted uranium made their way to Russia, and this figure already stands at 2,500 metric tons this year. The uranium trains travel through the entire State of North Rhine-Westphalia and the Netherlands before being shipped from Amsterdam to St. Petersburg and being delivered to the Novouralsk nuclear factory near Jekaterinburg. Contrary to official reports, this is not recyclable material, but nuclear waste, as evidenced by the mountain of approximately 1 million metric tons of depleted uranium hexafluoride in Russia, without safe disposal or industrial reuse being in sight. This is why there have regularly been protests against the German nuclear waste exports from Gronau in Russia since the autumn of 2019. In January 2020, Russian environmental organisations submitted 70,000 signatures against these nuclear transports to Russia to the country's environmental ministry.

Lingen nuclear power station

RWE's behaviour at the Lingen nuclear site in Emsland is irresponsible as well. Cracks in the steam generator pipes of the nuclear power plant's primary loop were detected for the first time in 2019. Such cracks can lead to the maximum credible accident, but the nuclear power station went back online after an audit, although a large number of steam generator pipes were not even inspected. Another crack was detected during this year's audit and, again, a number of steam generator pipes were not inspected. The precise scope of the audit programme has been kept secret thus far. One thing is for certain, however: due to the corona pandemic, only half of the experts customarily on site were present. It is thus justified to fear that RWE only subjected the 32-year-old nuclear power plant to a "corona audit light."

So far, despite the increasing number of very serious technical shortcomings, the Executive Board of RWE has persistently refused to take the Lingen nuclear power station offline immediately and shut it down.

This is extremely deplorable given that its legal maximum remaining service life is a mere

two-and-a-half years.

Gundremmingen nuclear power station

Reactor block C, which is officially scheduled to remain in operation until the end of 2021, is also increasingly posing a serious safety risk. In 2019 and 2020, faulty fuel rods were detected, forcing an unscheduled reactor shutdown in the spring of 2020. However, RWE insists on continuing to operate this nuclear power station as well. An immediate shutdown, which would be the only responsible solution in terms of safety, is being persistently refused.

If the Executive Board of RWE took the nuclear phaseout seriously, RWE should not apply a business model that keeps nuclear power stations up and running in Germany and the world over while overstepping the boundaries to military application.