

RWE
Aktiengesellschaft
Essen

Statement of the Executive Board in reaction to the counter motions filed regarding the Annual General Meeting

The counter motions in relation to the agenda of our Annual General Meeting this year oppose the appropriation of distributable profit and the approval of the acts of the Executive Board and Supervisory Board for fiscal 2018. We would like to briefly address them as follows:

Through the transaction between RWE and E.ON agreed in the spring of 2018, we are fundamentally reorienting our business model and our company. RWE will become a leading supplier of renewable energy with an attractive global portfolio. This will be combined with a cutting-edge power plant fleet fired mainly by gas, in order to ensure security of supply, which will become an important factor in the coming years. We will become an even more important driver of the energy transition. By implementing the transaction, RWE will become No. 3 in Europe in renewable energy and No. 5 in the world. More than 60% of RWE's power plant portfolio will generate electricity with low or absolutely no specific CO₂ emissions. And RWE will then constantly expand its global renewables business. Annual net investments of EUR 1.5 billion from 2020 are already envisaged.

The recommendations of the Commission on Growth, Structural Change and Employment present a proposal for phasing out electricity production from coal in Germany by 2038. The Commission rightly emphasizes that the implementation of such a concept places huge burdens on the affected companies and that a consensual solution must be found by the government and the companies including suitable compensation rules. The consensual solution will be combined with a new lignite roadmap for the Rheinland mining district which can give all stakeholders – residents as well as municipalities and industry – the necessary planning certainty. In this connection, the Commission deemed the preservation of Hambach Forest desirable. RWE will look into this.

Furthermore, RWE is already a proven engine of the energy transition. Since 2012, we have reduced our CO₂ emissions by some 34%, or more than 60 million metric tons. This will be followed by a further reduction of 25 to 35 million metric tons by 2030. And this does not even consider the recommendations of Commission on the Growth, Structural Change and Employment.

Health safety is a top priority at RWE. Our opencast mines and power stations safely and fully comply with the limits imposed by the law and authorities. This is regularly confirmed by measurements conducted under the supervision of the authorities. The established threshold values take account of the special need to protect senior citizens and children. Studies show that air quality remains practically unaffected or is insignificantly affected by emissions from coal-fired power stations. We constantly refine our emission reduction measures irrespective of this.

Electricity generation using domestic lignite continues to be of great significance to security of supply. We are aware that resettlement procedures affect the interests of the people concerned and interfere with the landscape. However, resettlements are necessary for the energy industry as the coal under the villages will be needed as early as the 2020s. Many people already live in the new localities or are planning their move. About 90 percent of the residents in the apron communities of the Hambach opencast mine have already relocated. The resettlement of the last resettlement zone

in Erkelenz (Garzweiler opencast mine) began more than two years ago. Sixty percent of the approximately 600 properties have since been sold. In addition, numerous owners are currently negotiating a sale or have commissioned an appraisal. The individual compensations and the resettlement process are both socially acceptable.

Preserving natural habitats and wildlife conservation are a top priority at RWE. For decades, opencast mining has been followed by near-natural recultivation of renown around the world, providing agriculturally attractive areas, quality habitats for flora and fauna, and recreation. The quality of the restoration of the depleted opencast mining areas is constantly improved. In sum, over 22,500 ha of land have been recultivated in the Rheinland mining district. Comparative environmental studies demonstrate that biodiversity in the recultivated areas is similar to that of quality reference habitats in other parts of North Rhine-Westphalia and actually exceeds it in some cases.

Our provisions provide extensive coverage for the obligations associated with our lignite operations and subsequent recultivation. The completeness and appropriateness of these provisions were confirmed by external appraisers in 2017 and are reviewed and attested to every year by an independent auditor. Moreover, when approving the main operating plans, the Mining Authority regularly verifies whether there is a financial need for safeguards above and beyond the provisions with a view to ensuring renaturation.

Urenco, in which RWE holds a stake of merely one-sixth, is committed to the peaceful use of nuclear energy. This has been established in intergovernmental agreements and is closely monitored by state institutions.

RWE honours and endorses the general declaration of human rights of the United Nations and exercises its influence to prevent human rights violations. We have enshrined this in our Code of Conduct and expect each and every one of our employees and business partners to honour them likewise. We largely source hard coal on the world market instead of directly from hard coal mines. Nevertheless, we are dedicated to improving the conditions under which hard coal is mined in Colombia and Russia. To this end, we make use of the Bettercoal initiative so that we can exert more pressure on coal producers together with other power utilities. In January 2019 Bettercoal started publishing the material findings of its audits. This ensures that successes and progress as well as identified needs for improvement are presented transparently.

At past Annual General Meetings, we made comprehensive statements concerning the real estate transactions of enviaM, which date back over 10 years now, and repeatedly stated that the claims being made are unfounded. Therefore, the measures taken in conducting the 2018 Annual General Meeting in this connection are beyond reproach. The allegations now made by the same petitioner in relation to the IPO of innogy SE, the status of innogy SE as a financial investment, and the sale of the stake in innogy to E.ON are purely speculative and devoid of all basis.

We find that all counter motions are unsubstantiated and shall make supplementary remarks on them at the Annual General Meeting if necessary.

Essen, April 2019
RWE Aktiengesellschaft
The Executive Board