

RWE

Industry Associations Climate Review 2020

Update Report

Contents

Executive Summary	3
Introduction.....	3
RWE policy and advocacy engagement.....	4
Review of new associations.....	5
Update from reviewed associations	6
Results and next steps.....	6
Contact	7
Annex	8

This report was prepared in English only and was published in April 2021. It is available for download on the RWE homepage, as is the Industry Associations Climate Review 2019, released in April 2020.



Executive Summary

With this 2020 update of our initial report released in April 2019 RWE demonstrates its commitment to align our advocacy and lobbying activities with the goals of the Paris Climate Agreement. Based on the methodology developed for the initial report this update focuses on new industry associations that we have joined in the course of 2020.

We have reviewed position papers and statements by Hydrogen Europe, Benelux Business Roundtable, Power to X Alliance and Bundesverband Energiespeicher (BVES) (German Energy Storage Association). All these new associations that we identified in scope of our assessment are either implicitly or explicitly aligned with the goals of the Paris Climate Agreement.

The next complete review is scheduled for 2022.

Introduction

RWE backs the Paris Climate Agreement and is fully supporting the goals of this seminal international accord. With our transformation into one of the leading renewables players in the world we are contributing to a world with green and sustainable energy. With our ambitious climate targets, we are delivering the emission reductions needed to limit global warming. By 2040 we want to be net zero

in our electricity generation. On our way we have set interim targets for all our emissions – directly and indirectly - that are backed by the latest climate sciences: In December 2020 the Science Based Targets initiative (SBTi) confirmed our 2030 targets as in line with the Paris Climate Agreement’s goal to limit global warming to well below 2 degree Celsius.

Our responsibility to act for climate does not stop there: As we have shown in our initial Industry Associations Climate Review in 2019¹ we expect our associations and partners to be bold on their ambition as well. The report assessed positions of fifteen key industry associations on climate. For this we have established a methodology which was applied to the selected associations. Based on the methodology and our engagement process it was possible to identify explicit alignment with the Paris Climate Agreement in the case of eleven associations. All remaining associations were assessed as being implicitly aligned. A non-conformance was not found at any of the associations’ positions examined which would justify a classification ‘misaligned’.

This update builds on the methodology and the results of our initial report. Since our last review in 2020, we have continued our work in order to ensure our memberships of industry associations support the Paris Climate Agreement’s goal to limit global warming to well below 2 degree Celsius above pre-industrial levels and to pursue efforts to limit the increase even further to 1.5 degree Celsius. For new associations we recently joined we checked their position alignment with the

¹ The initial report released in April 2020 including a detailed description of our approach can be downloaded [here](#).

Paris Climate Agreement. This report will present the results of this new assessment.

RWE policy and advocacy engagement

We believe that RWE has an important role to play for sustainable development. In 2019 we have announced our new purpose that puts this thinking into the core of our business: *Our energy for a sustainable life*. The energy sector is crucial to achieve the UN Sustainable Development Goals (UN SDGs) by 2030 and the Paris Climate Agreement's goals. We work alongside all interested parties including industry, governments, think tanks and civil society to foster an open dialogue. As part of this we support multi-stakeholders' actions to help deliver positive outcomes for both business and society.

Industry associations and think tanks must be a force to accelerate ambition and action to achieve common targets. They are a place for exchanging ideas on positions and are therefore indispensable for our company. Our memberships in associations are always directed towards strategic objectives and relate to current and future activities of the RWE Group.

RWE supports the work of the Intergovernmental Panel on Climate Change (IPCC), the United Nations Framework Convention on Climate Change (UNFCCC) and the goals of the 2015 Paris Climate Agreement - to limit global warming to

well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We expect that all our associations share basic principles for collaboration- this includes a clear commitment to science and facts and support for a coherent position on climate-related issues. We understand that positions taken on any topic by an industry association are often a compromise or majority view, arrived at through their individual decision-making processes, with the potential for differing views among their membership. If we see major or persistent deviations from the principles that guide us, RWE, as a member, reserves the right to take action.

We regularly review our involvement in industry associations to assess the relevance of our participation versus our strategy and versus the achievements delivered through the organizations we have subscribed to. We consider several factors when joining and reviewing our memberships, including:

- Alignment with business purpose, focus areas and activity,
- Value to RWE's business or the implications of not being involved,
- Presence of appropriate guidelines with respect to anti-trust and competition law,
- Financial and time commitments.

This process is run by the Group Communications & Public Affairs Department at RWE AG.

Review of new associations

In the past twelve months, RWE signed up to a number of new memberships or has taken over participations in industry associations due to the transaction with E.ON and the integration of the Renewables business. These have now been assessed to determine whether they are in line with the goals of the Paris Climate Agreement. The selection criteria of the 2019 review have been applied, i.e. associations are considered in scope of the assessment if they meet the following criteria:

- **Issue relevance:** the nation-wide or international association is an energy policy association or has an explicit body with a committee on energy or/and climate.
- **Responsibility:** the association is not a renewables only association as they are perceived to generally support the Paris Climate Agreement's goals by their self-conception.

For this update we have analyzed the positions of four new associations:

- The **Benelux Business Round Table** advocates a better economic cooperation in the Benelux region, with energy as one topic. Support of European climate and these of the Benelux countries can be found in an energy white paper, e. g. *“We believe Sector Coupling could strengthen the competitive position of Benelux industries and help achieve the region's*

ambitious climate goals by 2050.”

The list of recommendations is referring only zero carbon options, like renewable energy production. We therefore assess this association as being implicitly aligned.

- The **Bundesverband Energiespeicher (BVES) (German Energy Storage Association)** represents the interests of companies from the most diverse sectors, which have the common goal of development and marketing as well as the operation of energy storage in the areas of electricity, heat and mobility. Due to the following statement, we deem BVES explicitly aligned: *“Vielmehr sollten zur erfolgreichen Realisierung der Energiewende, als auch zum Erreichen der Pariser Klimaschutzziele, alle bestehenden Optionen, die zur Dekarbonisierung beitragen können, einbezogen und sektorenübergreifend nebeneinander zum Einsatz kommen können“* and *„Die Dekarbonisierung des gesamten Energiesystems ist seit der Verabschiedung der Abschlusserklärung der COP21 Klimakonferenz in Paris ein zentrales politisches Ziel. Um das ambitionierte Ziel einer Begrenzung der Klimaerwärmung auf 1,5 bis 2 Grad erreichen zu können, ist es von großer Bedeutung, dass neben dem zügigen und umfassenden Ausbau erneuerbarer Erzeugungskapazitäten auch die mittel- und langfristige Speicherung und die sektorübergreifende Nutzung des regenerativ erzeugten Stroms regulatorisch ermöglicht wird.“*²

² Own translation of the BVES original statement: *“Rather, for the successful realization of the energy transition, as well as for achieving the Paris climate goals, all existing options that can contribute to decarbonization should be included and be able to*

- RWE joined the **Hydrogen Europe** association in 2020. By stating “*We promote hydrogen as the enabler of a zero emission society*”, Hydrogen Europe indirectly communicates its position to the Paris Agreement on its website and can therefore be classified as implicitly aligned.
- The **Power to X Alliance** is a cross-industry action alliance of companies and associations that bring together various competencies related to Power to X technologies. Given the purpose statement of the Alliance we consider the Alliance as explicitly aligned: “[...] *This is a basic prerequisite for achieving the Paris climate goals to which the Power to Alliance is committed. The alliance partners are committed to a technology-open and market-oriented transformation path that will enable a largely climate-neutral energy supply and economy in 2050.*”

Update from reviewed associations

Associations participate in political and social decision-making. This takes place in a variety of forms, e.g. with contributions in official consultations, position

be used side by side across sectors” [...] “The decarbonization of the entire energy system has been a central political goal since the adoption of the final declaration of the COP21 climate conference in Paris. In order to be able to achieve the ambitious goal of limiting global warming to 1.5 to 2 degrees, it is of great importance that, in addition to the rapid and comprehensive expansion of renewable generation capacities, the medium- and long-term storage and cross-sectoral use of regeneratively generated electricity is also made possible by regulation.”

papers or discussions and events. As a member company, we are not involved in all these activities. However, we expect positions on current issues to be in line with overarching positions, such as on the Paris Climate Agreement. Whenever we are involved in the development of positioning and opinion papers, we make sure that the principles that are important to us are adhered to. In 2020, we have in no case seen the need to distance ourselves from a positioning of one of our associations. We attach priority to formulating differing opinions and positions internally - combined with the expectation that adjustments will be implemented if necessary.

Results and next steps

With this update report we build on the initial assessment of our industry associations that we published in April 2020. Using the same selection criteria and results we find for the four newly assessed companies no material misalignment. All associations are supporting the Paris Climate Agreement and its goals either explicitly or implicitly. We have now assessed 19 associations in total. In our initial review we reviewed the position of 15 associations. It was possible to identify specific

positions in the case of 13 associations. These associations communicate their positions to the Paris Agreement on their website or in press releases in an unambiguous manner and with direct link to the Paris Climate Agreement and its goals and can therefore be classified as explicitly aligned. Some of the associations are assessed as being implicitly aligned. We would like to stress out that, according to publicly available statements, these associations do not disagree with the objectives of the Paris Climate Agreement, but that in many cases an explicit commitment is not publicly available. Therefore, the difference between the assessments made is mainly due to the mode of communication of their positions. A non-conformance was not found at any of the associations' positions examined which would justify a classification "misaligned".

In 2022, we plan to publish our next industry associations report. This will at least assess our alignment with the industry associations featured in the initial report as well as in this update report. We will continue to engage with other companies, investors and non-governmental organisations as we intend to further develop our approach to greater transparency around climate lobbying and reporting.

Contact

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Feedback and questions can be directed to:

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Annex

Table 1: List of assessed associations

Name	Location	Assessment Date	Result
Benelux Business Round Table	Belgium / Benelux	2021	Implicitly aligned
Bundesverband der Deutschen Industrie (BDI)	Germany	2020	Implicitly aligned
Bundesverband der Energie- und Wasserwirtschaft (BDEW)	Germany	2020	Explicitly aligned
Bundesverband Energiespeicher (BVES)	Germany	2021	Explicitly aligned
Business Europe	Europe	2020	Explicitly aligned
Deutscher Braunkohlen-Industrie-Verein (DEBRIV)	Germany	2020	Explicitly aligned
Energie Nederland	The Netherlands	2020	Explicitly aligned
Energy UK	United Kingdom	2020	Implicitly Aligned
EURACOAL	Europe	2020	Explicitly aligned
Eurelectric	Europe	2020	Explicitly aligned
Eurogas	Europe	2020	Explicitly aligned

European Federation of Energy Traders (EFET)	International	2020	Implicitly Aligned
Hydrogen Europe	Europe	2021	Implicitly Aligned
International Emissions Trading Association (IETA)	International	2020	Explicitly aligned
Power to X Alliance	Germany	2021	Explicitly aligned
Verband der Industriellen Energie- & Kraftwirtschaft (VIK)	Germany	2020	Explicitly aligned
Verein der Kohleimporteure (VDKi)	Germany	2020	Explicitly aligned
VNO NCW	The Netherlands	2020	Implicitly Aligned
World Energy Council	International	2020	Explicitly aligned

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