

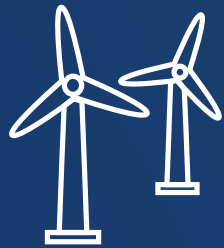
2024

RWE Green Bond Report

RWE



**20+ years in the
Offshore & Onshore
business**



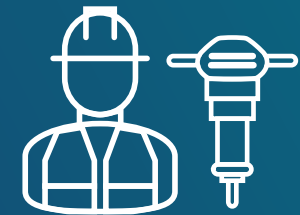
**Net Zero
by 2040**



**CO₂ Emissions
reduction pathway
verified by
SBTI 1.5-degree
target compliant**



**11.2 GW of assets
under construction**



More information about RWE and its Growing Green strategy



Annual Report 2023



Sustainability Strategy Report
2023



Credit Investor Presentation



Green Financing Framework

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Growing Green – Our Strategic Roadmap to 2030

RWE is a leading European energy generator focused on driving the energy transition by investing in renewable energy sources.

In November 2023, RWE presented its updated “Growing Green” strategy, increasing its targets for 2030, building on strong full year 2021 and 2022 results. RWE presented and plans to deliver more than 30 gigawatts (GW) of green capacity additions between 2024 and 2030 reaching a total green portfolio of over 65 GW. To achieve this, RWE plans to invest €55 billion into the global energy transition over the same period. RWE is committed to becoming carbon neutral by 2040 and has aligned itself with the European 1.5-degree pathway, and was certified by the Science Based Targets Initiative (SBTi) in January 2025.

Since the last Green Bond Report, RWE has expanded its positions in its core markets through pipeline delivery and acquisitions. In 2023, we achieved €11.4 billion in net cash investments. In the same year, 89% of CapEx (as defined by EU Taxonomy) was EU Taxonomy-aligned.

As reported in our 9M 2024 results, we have 11.2 GW of green capacity under construction across all regions and in December 2024 reached a significant growth milestone in the U.S. surpassing 10 GW of installed generation capacity.



Green Finance

Green Financing Story

To achieve our growing green strategy and net cash investments of €55 billion, RWE has and will continue to access the debt capital markets.

We have guided to issue €3.0 – €3.5 billion of bonds p.a. on average between 2024 and 2030. We will use a variety of instruments including Senior Bonds, Hybrid Bonds and Private Placements to deliver our growing green ambitions.

Due to the nature of our business, our bonds will predominantly be green labelled as they align with the EU Environmental Objectives 'Carbon Change Mitigation'. For further details on our financing criteria, please refer to our Green Financing Framework 2023.

RWE issued its first green bond in June 2021 and has since issued ten tranches of green bonds, 5.35 billion in euros and 2.0 billion in US dollars. Through these issuances, RWE has established itself as an active and reliable participant in the green bond market.

Latest Highlights

In January 2024, RWE issued a €500 million single tranche bond with a maturity in 2032. This bond served as the first instrument issued under RWE's latest Green Financing Framework 2023.

In April 2024, RWE successfully issued its inaugural USD \$2 billion dual-tranche green bond transaction with maturities of 2034 and 2054. The issuance was met with strong interest from investors leading to the orderbook being 3.8 times oversubscribed. This strategic entry into the US market reflects RWE's commitment to its long-term growth ambitions in the United States. Going forward, RWE intends to be a regular issuer in USD.

Overview of RWE Green Bond Allocation

The table below summarises green bonds issued to date under the RWE Green Bond Framework 2020 and the RWE Green Financing Framework 2023 (highlighted). All green bond proceeds of RWE have been fully allocated to eligible investments as defined in the respective framework.

| Overview of RWE's Green Bonds (in order of issue date) | Bond type | Volume (million) ¹ | Issue date | Maturity date | Coupon | Allocated proceeds to date (million) ¹ |
|--|--------------|-------------------------------|------------|---------------|--------|---|
| ISIN | | | | | | |
| Green Bond Framework 2020 | | | | | | |
| XS2351092478 | Green Senior | €500 | 11.06.2021 | 11.06.2031 | 0.625% | Fully allocated |
| XS2412044567 | Green Senior | €750 | 26.11.2021 | 26.11.2028 | 0.500% | Fully allocated |
| XS2412044641 | Green Senior | €600 | 26.11.2021 | 26.11.2033 | 1.000% | Fully allocated |
| XS2482936247 | Green Senior | €1,000 | 24.05.2022 | 24.05.2026 | 2.125% | Fully allocated |
| XS2482887879 | Green Senior | €1,000 | 24.05.2022 | 24.05.2030 | 2.750% | Fully allocated |
| XS2584685031 | Green Senior | €500 | 13.02.2023 | 13.02.2029 | 3.625% | Fully allocated |
| XS2584685387 | Green Senior | €500 | 13.02.2023 | 13.02.2035 | 4.125% | Fully allocated |
| Total EUR | | €4,850 | | | | €4,850 |
| Green Financing Framework 2023 | | | | | | |
| XS2743711298 | Green Senior | €500 | 10.01.2024 | 10.01.2032 | 3.625% | Fully allocated |
| US749983AA01/USU77796AA56 | Green Senior | \$1,000 | 16.04.2024 | 16.04.2034 | 5.875% | Fully allocated |
| US749983AB83/USU77796AB30 | Green Senior | \$1,000 | 16.04.2024 | 16.04.2054 | 6.250% | Fully allocated |
| Total EUR | | €500 | | | | €500 |
| Total USD | | \$2,000 | | | | \$2,000 |





1. Gross Proceeds.

Eligible Investments

The RWE Green Financing Framework 2023 outlines the criteria for eligible investments to which green bond proceeds are allocated. Eligible investments, in the way we define them, not only form an essential part of our “Growing Green” Strategy¹, but can unquestionably be considered green and sustainable investments. Thereby, it is safeguarded that bond proceeds are applied to the investors’ green requirements.

To align with best market practices and reinforce its commitment to sustainable economic development, RWE has aligned its new Green Financing Framework 2023 by integrating new eligibility criteria. These criteria are aligned with the technical screening requirements, the requirements of the ‘do no significant harm’ assessment, and the minimum (social) safeguards of the EU Taxonomy Regulation². The framework also aligns itself with the ICMA and LMA principles, and follows, on a best effort basis, the proposed version of the EU Green Bond Standard. All bonds issued in 2024 have been and will continue to be allocated based on the new criteria.

According to RWE’s Green Financing Framework 2023 the definitions of eligible investments are as follows:

| Green Bond / Loan Principles Category | EU Environmental Objective | Green Financing Criteria | SDG alignment |
|--|----------------------------|---|---|
| Renewable Energy generation and storage | Climate change mitigation | <p>Expenditures relating to the construction, development, acquisition, maintenance, operation and / or storage of renewable energy production units</p> <p>Expenditures will align with the relevant EU Taxonomy criteria for the following activities:</p> <p>4.1. Electricity generation using solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power</p> <p>4.10. Storage of electricity</p> |   |
| Hydrogen production and storage | Climate change mitigation | <p>Expenditures relating to the manufacture of hydrogen and operation of hydrogen storage facilities where the hydrogen complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen (resulting in 3tCO₂eq/tH₂).</p> <p>Expenditures will align with the relevant EU Taxonomy criteria for the following activities:</p> <p>3.10. Manufacture of hydrogen</p> <p>4.12. Storage of hydrogen</p> <p>Expenditures relating to the construction of hydrogen facilities or conversion of existing gas storage facilities into storage dedicated to hydrogen</p> <p>Expenditures will align with the relevant EU Taxonomy criteria for the following activities:</p> <p>4.12. Storage of hydrogen</p> |   |

¹ www.rwe.com/ir/presentations

² EU Taxonomy/technical screening criteria

Investment Evaluation and Selection

It is the common understanding between the members of the Green Bond Committee (its constitution as described in the RWE Green Financing Framework 2023) that all EU Taxonomy aligned investments made by RWE in projects to generate and store electricity from onshore and offshore wind and solar as well as the production and storage of green hydrogen are considered eligible according to the RWE Green Financing Framework 2023.

Use of Proceeds

According to the RWE Green Financing Framework 2023 green bond proceeds can be allocated to expenditures relating to the construction, development, acquisition, maintenance, operation and / or storage of renewable energy production units. Renewable energy production units refer to units generating electricity from on- and offshore wind and solar photovoltaic technologies. Proceeds can also be allocated to expenditures relating to the construction of hydrogen facilities, the manufacture of hydrogen and operation of hydrogen storage facilities.

Management of Proceeds

Green bond proceeds are received at issuance in accounts managed by Group Treasury of RWE AG. Due to the significant volume of EU Taxonomy eligible investments made by RWE, bond proceeds are typically allocated immediately upon issuance. Therefore, there is no specific requirement to manage bond proceeds until allocation. However, in the event that bond proceeds are unallocated they would temporarily be held in cash or cash equivalents managed by Group Treasury until full allocation.

Allocation

RWE is in a transition phase coming from power generation from fossil fuels towards a carbon free generation of power from renewable energy sources such as wind and solar. This transition includes significant investments into the development of our renewables generation portfolio. A large share of these investments meet the criteria set out in the EU Taxonomy Regulation and are therefore considered sustainable.

The RWE Green Financing Framework 2023 defines expenditures in electricity generation and storage from wind, solar and hydrogen as eligible investments if they are in alignment with the EU Taxonomy. In the combined non-financial statement of the RWE Annual Report 2023, CapEx for various technologies that are EU Taxonomy aligned is displayed. The table below reproduces these numbers for the technologies that are included in the RWE Green Financing Framework 2023.

| Eligible Green Project Portfolio CapEx by Generation Technology (€ million) according to RWE Green Financing Framework 2023 | | | |
|---|---|----------------------------|---------------|
| Green Bond Principles Category | Green Financing Criteria | Technology | 2023 |
| Renewable Energy Generation and Storage | 4.3. Electricity generation from wind power | Offshore Wind | 1,447 |
| | | Onshore Wind | 1,170 |
| | | Thereof USA | 697 |
| | | Thereof rest of the world | 473 |
| | 4.1. Electricity generation using solar photovoltaic technology | Solar | 7,568 |
| | | Thereof USA | 7,035 |
| | | Thereof rest of the world | 534 |
| 4.10. Storage of electricity | Storage of Electricity | 285 | |
| | Thereof USA | 187 | |
| | Thereof rest of the world | 97 | |
| Hydrogen production and storage | 3.10. Manufacture of hydrogen | Hydrogen | 157 |
| | 4.12. Storage of hydrogen | Storage of hydrogen | 17 |
| | | Total | 10,645 |
| | | Thereof USA | 7,919 |

As stated in the RWE Green Financing Framework 2023, RWE intends to allocate the vast majority of proceeds to CapEx. All numbers are reported on a technology portfolio basis rather than on an individual project basis. This reporting method is chosen due to the large number of underlying projects in each technology. Additionally, the reported amounts for individual projects may be relatively small, making the portfolio reporting approach most efficient. In section “EU Taxonomy” of the combined non-financial statement of the RWE Annual Report 2023 auditor PricewaterhouseCoopers GmbH has performed a reasonable assurance engagement.

The table shows that a total of €10,645 million of CapEx has been spent in year 2023, which outsizes the allocatable bond proceeds of €500 million and US\$2 billion raised in 2024. Consequently, all bond proceeds have been allocated according to the definitions in the RWE Green Financing Framework 2023. €7,919 million (equivalent to US\$8,571 million¹) of the total amount have been invested in the USA. This number is far larger than US\$2 billion raised, which also displays full allocation of proceeds if the US allocation is observed separately.

The table below displays Eligible Green Project Portfolios for years prior to 2023. Green Bond proceeds raised under the RWE Green Bond Framework 2020 have been allocated to these amounts as reported in previous Green Bond reports.

Eligible Green Project Portfolio CapEx by Generation Technology (€ million)
according to RWE Green Bond Framework 2020

| Project Category | 2019 | 2020 | 2021 | 2022 | Total |
|------------------|------------|------------|--------------|--------------|--------------|
| Offshore Wind | 32 | 201 | 477 | 1,029 | 1,739 |
| Onshore Wind | 215 | 339 | 345 | 725 | 1,624 |
| Solar | 199 | 73 | 389 | 850 | 1,511 |
| Total | 446 | 613 | 1,211 | 2,604 | 4,874 |

All figures in this report are rounded.

¹ Based on average EUR-USD FX for the full calendar year 2024 (ECB).

Impact Report

As one of the world's leading renewable energy producers, RWE is strenuously building a climate neutral business and transforming its asset portfolio and the energy sector in response to the drive to net zero.

Our commitment is reflected by our own ambitious plans:

We want to be carbon neutral by 2040, ten years earlier than the EU. Not only does this apply to our own greenhouse gas emissions (referred to as Scope 1 and 2), it also covers the upstream and downstream value chain (Scope 3).

We have also set ourselves ambitious goals for the current decade:

By 2030, we want to reduce our carbon emissions by 71% per kWh (Scope 1 and 2) and 42% absolute upstream and downstream within our value chain (Scope 3) compared to 2022. The Science Based Targets initiative (SBTi) has confirmed that RWE's climate targets to reduce its emissions across all corporate activities are in line with the Paris Agreement's goal of limiting global warming to 1.5 degrees. Furthermore, the SBTi has validated RWE's target to achieve net zero by 2040.

The table below displays our installed generation capacity as of 31 December 2023 in technologies as defined in our Green Financing Framework 2023. These power generation units have been constructed in past years, mostly financed with proceeds from green bonds. Investments that RWE has made in 2023 funded by green bond proceeds will, to a large extent, result in new generation capacities in later years. However, every investment in renewable capacity will increase our generation portfolio in those technologies. Therefore, we present our current generation capacity to reflect our continuous commitment to growth in renewable energy generation.

| 2023 Installed Capacities from Technologies outlined in RWE's Green Financing Framework 2023 | Offshore wind | Onshore wind | Solar | Total |
|---|----------------------|---------------------|--------------|---------------|
| 31 December 2023 in MW | | | | |
| Total | 3,515 | 8,411 | 4,181 | 16,107 |
| Thereof USA | — | 4,667 | 3,550 | 8,217 |
| Thereof rest of the world | 3,515 | 3,743 | 631 | 7,890 |

Increasing generation capacity allows us to produce more electricity from renewable energy sources. The actual amount of renewable energy produced in a year is strongly influenced by weather conditions. In conditions of low wind or limited sunlight, other energy sources have to compensate for lower renewable electricity production. Every investment in renewable capacity will also increase our generation portfolio in those technologies. As we are increasing renewables capacity, we expect our production of electricity to also grow over time.

| Power Generation from Technologies outlined in RWE's Green Financing Framework 2023 | Offshore wind | Onshore wind | Solar | Total |
|--|---------------|---------------|--------------|---------------|
| January - December 2023 in GWh | | | | |
| Total | 10,963 | 19,407 | 9,082 | 39,452 |
| Thereof USA | — | 11,423 | 8,118 | 19,541 |
| Thereof rest of the world | 10,963 | 7,984 | 964 | 19,911 |

The key benefit of renewable energy production is its significantly lower carbon intensity compared to production using fossil fuels. Consequently, the average carbon intensity of our generation fleet will decrease as we continue to grow the share of renewables in our generation mix. This holds true in the table below; the average carbon intensity of RWE's power plant portfolio has declined over time with the acceleration of renewables production units. We expect this number to decrease further with the continuous addition of renewables production units and the decommissioning of fossil fuel fired production units.

| Average group power plant carbon intensity of the group's power plant portfolio^{1,2} mt CO ₂ e / MWh per full-load hour | 2020 | 2021 | 2022 | 2023 |
|--|-------|-------|-------|-------|
| RWE Group | 0.450 | 0.410 | 0.354 | 0.341 |

- 1 This key indicator forms part of the Executive Board's remuneration and by definition differs from other intensity indicators: the average CO₂ intensity is expressed in metric tons of CO₂ per MW of installed capacity for every full-load hour of our power plant fleet. The capacity figures are prorated.
- 2 Figure adjusted to exclude exogenous effects that cannot be controlled by RWE. These relate to exceptional circumstances, e.g. mandatory lifetimes of our Emsland nuclear power station and of our lignite-fired power plants.

Sustainability Ratings and Initiatives



We are committed to sustainability and follow and support the following initiatives:



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Other than certain information on Allocation, as per details given above, the information in this report has not been independently verified.

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