

2020

**Report of the RWE Group on payments made to public authorities pursuant to Section 341 q-y of the German Commercial Code**

**RWE**

# Payment report of the RWE Group

## Basis of the report

Pursuant to Section 341q of the German Commercial Code, large stock corporations and large commercial partnerships with domestic headquarters that are active in the mineral extraction industry or logging in primary forests are obligated to prepare an annual payment report.

Headquartered at RWE Platz 1 in 45141 Essen, Germany, RWE AG is a stock corporation as defined by Section 341q of the German Commercial Code. As a parent company as defined by Section 290 of the German Commercial Code, pursuant to Section 341v, Paragraph 1 of the German Commercial Code, RWE AG is obligated to prepare a report as at least one of its subsidiaries is active in the mineral extraction industry. None of the RWE Group companies is currently active in the logging business in primary forests.

Pursuant to Section 341s, Paragraph 2 of the German Commercial Code, stock corporations included in the consolidated payment report are exempt from the obligation to prepare their own payment report.

Reportable payments are those made to public authorities if at least €100,000 in payments are made to a single public authority (Section 341t, Paragraph 4 of the German Commercial Code) and one of the reasons for the payments is in accordance with Section 341r, Item 3 of the German Commercial Code. Disclosure on such payments must be broken down by receiving public entity, reason of payment and project.

## Companies included in the report with activities in the mineral extraction industry

Activities in the mineral extraction industry as defined by Section 341r, Item 1 of the German Commercial Code are necessary in the RWE Group due to the opencast mines used for electricity generation from lignite (NACE Code A0520 pursuant to EU Regulation No. 1893/2006). The term 'activity' as defined by Section 341r, Paragraph 1 of the German Commercial Code is interpreted by the RWE Group within the meaning of the infection theory for the reporting duty. Therefore, it must be determined which fully consolidated Group companies are active in the mineral extraction industry as of 31 December of every year. Companies with a reporting duty within the RWE Group in fiscal 2020 were RWE Power AG ("RWE"), Cologne and Essen, due to its opencast mining operations, and Rheinische Baustoffwerke GmbH ("RBS"), Bergheim, the business activities of which consist of gravel and sand extraction. Both of these companies are domiciled in Germany and made payments to German public entities.

## RWE Power AG, Cologne and Essen

The fields of business of RWE, a subsidiary wholly owned by RWE AG, are the commercial operation and maintenance of its power stations consisting of lignite-fired and hydroelectric power plants as well as of the opencast mines in Germany.

For the preparation of the payment reports, the opencast mines are considered projects.

## Rheinische Baustoffwerke GmbH, Bergheim

RBS is a subsidiary wholly owned by RWE and operates plants for the extraction of gravel and sand. The main market is largely in the greater Cologne-Düsseldorf-Krefeld-Aachen area where RBS ranks among the largest gravel and sand companies. Furthermore, RBS operates receiving points for uncontaminated excavated earth and rubble and trades in purchased building materials (gravel and sand as well as solid rocks such as basalt and lava).

The gravelworks are jointly presented as a single project.

## Payment report of the RWE Group for fiscal 2020

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
<b>Cologne District Administration</b>			
Across all projects		449.180	449.180
<b>Sum</b>		<b>449.180</b>	<b>449.180</b>
<b>Entwicklungsgesellschaft Inland mbH</b>			
Inden opencast mine		879.400	879.400
<b>Sum</b>		<b>879.400</b>	<b>879.400</b>
<b>Erfurt Water Authority</b>			
Gravelworks		11.073	11.073
Across all projects		4.228.753	4.228.753
<b>Sum</b>		<b>4.239.826</b>	<b>4.239.826</b>
<b>Aachen County Tax Authority</b>			
Hambach opencast mine		101.838	101.838
<b>Sum</b>		<b>101.838</b>	<b>101.838</b>
<b>Bergheim Tax Authority</b>			
Gravelworks		5.269	5.269
Hambach opencast mine		711.208	711.208
<b>Sum</b>		<b>716.477</b>	<b>716.477</b>
<b>Düren Tax Authority</b>			
Hambach opencast mine		407.782	407.782
<b>Sum</b>		<b>407.782</b>	<b>407.782</b>
<b>Erkelenz Tax Authority</b>			
Garzweiler opencast mine		4.427.794	4.427.794
<b>Sum</b>		<b>4.427.794</b>	<b>4.427.794</b>
<b>Jülich Tax Authority</b>			
Hambach opencast mine		384.818	384.818
<b>Sum</b>		<b>384.818</b>	<b>384.818</b>
<b>SUBTOTAL</b>	-	<b>11.607.115</b>	<b>11.607.115</b>

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
<b>CARRYFORWARD</b>	-	<b>11.607.115</b>	<b>11.607.115</b>
<b>Merzenich Municipal Treasury</b>			
Hambach opencast mine		232.682	232.682
<b>Sum</b>		<b>232.682</b>	<b>232.682</b>
<b>IRR Innovationsregion Rheinisches Revier</b>			
Across all projects		120.000	120.000
<b>Sum</b>		<b>120.000</b>	<b>120.000</b>
<b>County Seat of Bergheim</b>			
Across all projects		259.449	259.449
<b>Sum</b>		<b>259.449</b>	<b>259.449</b>
<b>Heinsberg District Waterworks</b>			
Garzweiler opencast mine		1.555.586	1.555.586
<b>Sum</b>		<b>1.555.586</b>	<b>1.555.586</b>
<b>Kreiswerke Grevenbroich GmbH</b>			
Garzweiler opencast mine		108.720	108.720
<b>Sum</b>		<b>108.720</b>	<b>108.720</b>
<b>NRW Nature, Environment and Consumer Protection Agency</b>			
Gravelworks	104.536		104.536
Garzweiler opencast mine	1.181.540		1.181.540
Hambach opencast mine	9.334.963		9.334.963
Inden opencast mine	2.530.488		2.530.488
Across all projects		178.966	178.966
<b>Sum</b>	<b>13.151.527</b>	<b>178.966</b>	<b>13.330.493</b>
<b>Geological Bureau of the State of North Rhine-Westphalia</b>			
Across all projects		104.602	104.602
<b>Sum</b>		<b>104.602</b>	<b>104.602</b>
<b>SUBTOTAL</b>	<b>13.151.527</b>	<b>14.167.120</b>	<b>27.318.647</b>

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
<b>CARRYFORWARD</b>	<b>13.151.527</b>	<b>14.167.120</b>	<b>27.318.647</b>
<b>NRW Roadworks Agency</b>			
Garzweiler opencast mine		279.193	279.193
Hambach opencast mine		1.733.591	1.733.591
Across all projects		313.047	313.047
<b>Sum</b>		<b>2.325.831</b>	<b>2.325.831</b>
<b>NEW Netz GmbH</b>			
Garzweiler opencast mine		599.002	599.002
<b>Sum</b>		<b>599.002</b>	<b>599.002</b>
<b>Rhine District of Neuss</b>			
Across all projects		250.400	250.400
<b>Sum</b>		<b>250.400</b>	<b>250.400</b>
<b>RWTH Aachen University Aachen</b>			
Across all projects		211.616	211.616
<b>Sum</b>		<b>211.616</b>	<b>211.616</b>
<b>City of Erkelenz</b>			
Garzweiler opencast mine		910.417	910.417
<b>Sum</b>		<b>910.417</b>	<b>910.417</b>
<b>City of Eschweiler</b>			
Inden opencast mine		392.796	392.796
<b>Sum</b>		<b>392.796</b>	<b>392.796</b>
<b>Kerpen Municipal Treasury</b>			
Gravelworks	93.116		93.116
Hambach opencast mine		295.668	295.668
<b>Sum</b>	<b>93.116</b>	<b>295.668</b>	<b>388.784</b>
<b>Stadtwerke Jülich GmbH</b>			
Hambach opencast mine		156.114	156.114
<b>Sum</b>		<b>156.114</b>	<b>156.114</b>
<b>SUBTOTAL</b>	<b>13.244.643</b>	<b>19.308.964</b>	<b>32.553.607</b>

Recipient /project (Figures in €)	Usage fees	Payments for infrastructure improvements	SUM
<b>CARRYFORWARD</b>	<b>13.244.643</b>	<b>19.308.964</b>	<b>32.553.607</b>
<b>Eifel-Ruhr Water Association</b> Across all projects		436.350	436.350
<b>Sum</b>		<b>436.350</b>	<b>436.350</b>
<b>Joint Cologne Peripheral Channel Association</b> Across all projects		745.000	745.000
<b>Sum</b>		<b>745.000</b>	<b>745.000</b>
<b>Garzweiler Opencast Mine Consequence(s) Association</b> Garzweiler opencast mine		166.457	166.457
<b>Sum</b>		<b>166.457</b>	<b>166.457</b>
<b>SUM TOTAL</b>	<b>13.244.643</b>	<b>20.656.771</b>	<b>33.901.414</b>

under review relating to water withdrawal fees paid in earlier years were not deducted (cf. IDW comments 1/2017, note 73).

- ③ Reported payments to the Garzweiler Opencast Mine Consequence(s) Association include payments in kind primarily resulting from transfers of use. Payments to the City of Eschweiler include payments in kind resulting from land transfers. Payments in kind were valued on the basis of the costs incurred by RWEP to provide them and of market values.
- ④ RWEP and RBS are controlled companies that belong to the tax group of RWE AG. The corporate and trade tax payments made by RWE AG as controlling company are not reported as the activities of RWEP and RBS in the mineral extraction industry are not the focal point of the activities of the RWE Group. In accordance with the IDW comments 1/2017, note 109, the tax payments are not categorised.

## Commentary on the payment report

- ① RWEP's opencast mine development work normally involves swapping assets – in particular land – with the municipalities located within the opencast mining area and with other state entities. If the value of the assets relinquished is below the value of the assets received, compensatory payments are made by RWEP to the corresponding state entities. These compensatory payments are included in the balance of payment report (cf. IDW comments 1/2017, note 84).
- ② The usage fees paid to the Nature, Environment and Consumer Protection Agency of the State of North-Rhine Westphalia are water withdrawal fees paid by RWEP and RBS. Credits in the period



Essen, 8 June 2021

The Executive Board



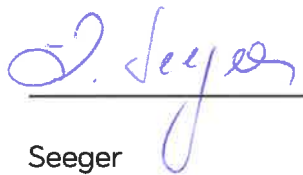
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Krebber



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Müller



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Seeger