press release

RWE enters AGM with failing business model, toxic reputation, antiquated leadership

- **RWE increasingly shunned by investors such as Norwegian Pension Fund**
- **Roadmap for 2030 coal phase out desperately needed**
- **CEO Schmitz ill suited to lead company's energy transition**

Essen, May 2, 2019 German coal giant RWE will be an increasingly bad investment as long as its coal-fired power plants stay in operation, and while its destruction of villages and the Hambach Forest continues, warn Urgewald and Europe Beyond Coal one day before the group‘s annual general meeting in Essen, Germany.

In recent months, the EU carbon price has skyrocketed, investors are increasingly calling for a 2030 coal phase out timeline for Europe, the German Coal Commission has delivered its coal exit pathway, and the Norwegian Pension Fund has tightened its coal exclusion criteria (1).

"According to Urgewald's research, the new exclusion criteria proposed in Norway will lead to a divestment of RWE shares. It is one example of how RWE is constantly losing investor confidence. If the company wants to prove it can cope with the necessities of the climate crisis, the management must become the driver of a quick coal phase-out," said Katrin Ganswindt, Urgewald Climate Campaigner.

Meanwhile, RWE is refusing to acknowledge this new reality and commit to stopping the destruction of the Hambach Forest or nearby churches and villages, putting both its reputation and that of its investors at risk. While ever-growing protests call for the company to abandon its coal-burning operations, RWE CEO Schmitz still advocates for coal.

"RWE is running a real risk of rapid decline in profitability thanks to its high carbon assets. The shareholders need to become stewards and steer the company on the right path. RWE should present a roadmap at plant level, which leads to a just coal phase-out by 2030. If it does not do so, the financial community must withdraw their support and divest," said Kaarina Kolle, Finance and Utility Coordinator at Europe Beyond Coal.

Despite RWE's upcoming acquisition of E.ON's renewable capacity, the company remains the most polluting utility in Europe with annual emissions equaling Romania's. After the acquisition, it will only have a 14% renewables' share in its energy production, compared to about 40% nationwide in Germany. The core of RWE's polluting business model remains intact despite the newly acquired renewable assets.

"It's as if RWE is being consciously driven towards a cliff edge, destroying the health and wellbeing of communities on the way. RWE's coal assets must be retired and its business model overhauled so it is fit for purpose in the modern world. We are convinced that this can only truly happen under new leadership," concluded Kolle.

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Further Reading:

RWE – A Briefing for Investors, Insurers and Banks (December 2018)
(by: Europe Beyond Coal, BankTrack, Sandbag, Urgewald, The Sunrise Project and WWF European Policy Office)
https://beyond-coal.eu/wp-content/uploads/2018/12/EBC_RWE_briefing_paper.pdf

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Notes:

White Paper to be approved by the parliament by June 5. English Summary: http://ow.ly/EbXu30osnh4. Due to the recommendations of the Norwegian Ministry of Finance, the Pension Fund will strengthen its coal exclusion policy and also shed companies with an installed coal power capacity of more than 10.000 megawatts or an annual coal production of more than 20 million tonnes. According to Urgewald's calculations, RWE fails on both criteria.