

RWE RENEWABLES UK SWINDON LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement by the directors of the company regarding their duty under s172(1) Companies Act 2006 to promote the success of the company

The purpose of the Strategic Report is to inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote the success of the company).

The Board of RWE Renewables UK Swindon Limited believes it has acted in the manner most likely to promote the success of the company for the benefit of its members as a whole having a regard to the matters set out in s172(1)(a-f) of the Act.

The following important matters have been directly addressed:

Likely consequence of long term decisions

The company generates profits through the operation and maintenance of wind farms and the development of consented renewable power generation sites. As described further in the fair review of the business below the directors have continued with this business strategy by continually supporting the development and funding of new companies, RWE Renewables Dogger Bank South (East) Limited and RWE Renewables Dogger Bank South (West) Limited for offshore wind farm projects. The Board reviewed the short-term and long-term cashflows to ensure these projects were economically viable, will become cash generating assets, and are therefore in accordance with the primary business activity. The directors have also approved the plan for the following years. In doing so, the Board has ensured the business can meet the company's cashflow requirements ensuring prompt supplier payments and other liabilities are met as they fall due.

Business relationships

The company follows the RWE AG Group Code of Conduct and expects business partners to accept the principles set out in that Code. The company's goals must only be achieved by legal and ethical means. Private interests should remain separate to those of the company and employees should not solicit or accept monetary benefits from third parties. Conflicts of interest should be declared at the start of the procurement process or when staff first become aware that a conflict exists. In order to minimise the risks of bribery and corruption the RWE AG Group has implemented a compliance management system with designated Compliance Officers in all Group companies.

The company's Procurement Terms and Conditions also require all suppliers to comply with the RWE AG Group Code of Conduct. The Code of Conduct is consistent with the "Labour standards" set out in the United Nations Global Compact, it requires all suppliers both through their own activities and those within their own supply chains, to ensure they do not commit any offences of 'slavery, servitude and forced or compulsory labour', 'child labour' or 'human trafficking'. This is consistent with the requirements of the Modern Slavery Act 2015.

The health and safety of employees and contractors on the company's sites is vitally important. Contractors are therefore expected to sign up to and follow the RWE AG Group HSE Requirements for contractors working on wind farm sites.

The company supports suppliers by paying promptly in line with the terms agreed between the parties. On average payment is made within 30 days. E-invoicing is also offered to assist supplier processes.

Key suppliers for wind farms include the land owners. These are often individuals who have little or no experience of the electricity market. The company ensures they have a relationship manager who they can call directly to assist with queries or issues.

The company sells its electrical output and other associated benefits directly to another Group company, RWE Supply and Trading GmbH, under power purchase agreements ("PPAs"). The company strictly follows these agreements in order to maintain good business relations.

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Community and the environment

During 2022 the company contributed £2,066k to local community funds. Community funds are set up to meet the needs of the area local to the company's renewable energy projects and take the form of an annual fund which is available each year of the operational lifetime of a project. The Board aims to put the decision making in the hands of local representatives – so local people can take responsibility for how their community is supported. They support a wide range of projects such as building and maintaining community buildings, electric vehicles for community transport schemes, education and training to help people back into employment and to set up small businesses and social projects for example friendship groups, bereavement counselling and projects that support the homeless.

Wind farms create a lot of extra business for the local community as the company looks to engage with local suppliers where possible. As part of any new operation a Lobby is held to give the local community a chance to ask questions, but also provides a platform to demonstrate the economic benefit to the local communities. An annual review is taken of regional supplier spend to show the benefits to the local communities.

The company is dedicated to generating electricity using sustainable energy resources and constructing renewable energy generation sites.

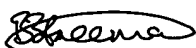
Maintaining high business standards

The Board is aware of its social role and responsibility towards customers, business partners, shareholders, employees and the wider stakeholder community. As part of the RWE AG Group the company follows the RWE AG Group Code of Conduct which provides clear principles on how the company conducts its business and social activities. The company is committed to conducting business with integrity, being respectful to others and the environment, and in compliance with the law.

The need to act fairly as between members of the company

The company is held directly by a single member, and has one ultimate parent company, RWE AG.

On behalf of the board



B Freeman
Director

29 September 2023