



RGREEN
INVEST

2020 ESG REPORT
& OUTLOOK FOR 2021

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The funds managed by RGREEN INVEST are only open to professional investors.
RGREEN INVEST - AMF approval no. GP-150000021
63 avenue des Champs-Élysées, 75008 Paris, France
rgreeninvest.com

Foreword

RGREEN INVEST is now an “Entreprise à mission” with its purpose embedded in its articles of association as part of the French “PACTE” Law. How natural is this evolution for the company?

Nicolas Rochon – Founder & CEO of RGREEN INVEST: For the last 10 years, our goal has been to accelerate the energy transition by demonstrating that it makes good business sense. In that time, it was vital for us to help entrepreneurs, developers and investors change perspective and evolve. Today, the global landscape is changing for the better. Having our purpose embedded in our articles of association was the obvious choice. In 2020, our team was more than ever driven by the idea of making a difference.

What does it change on a daily basis?

N.R.: It is important for our team. It contributes to a strong in-house culture, attracting the right talent and raising our standards. As a group, we share the same values and believe in aligning them with our expertise. Our purpose helps us nurture greater relationships with our business partners and foster rock-hard trust. 2020 has been truly extraordinary for the industry and seems to be a turning point. The need to drive change and making it more inclusive is crystal clear. With our unambiguously positive identity, I am convinced that we are in a great position to contribute and be an inherent part of the solution.

What is RGREEN INVEST’s main strength?

N.R.: I believe our company has been built on solid choices. Our experience in promoting sustainable energies is far from recent. We could have joined the mainstream fossil bandwagon many times before, but we have stayed true to our inner belief that the world’s need for sustainability comes before the financial returns. Today’s trends show that we were right from the start. This gives us extra legitimacy making us a key player in energy and climate transition investing.



Our common goal? Fighting against climate change by accelerating the energy transition and the adaptation of society through financing infrastructure that positively and sustainably impacts the environment, local populations and territories. This is what we are recognised for and how we earned our partners’ trust.



Nicolas ROCHON
Founder & CEO of RGREEN INVEST

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WHO WE ARE

RGREEN INVEST is a best in class green infrastructure financing fund manager. As part of the RGREEN Group, created by Nicolas Rochon in 2010, RGREEN INVEST is an investment management company providing a channel for institutional investors to direct their capital towards financing projects contributing to the energy transition and adaptation to climate change.

A SUSTAINABLE INVESTOR

With more than €1.3 billion AUM (Assets Under Management) and 6 funds managed as of March, 2021, the INFRAGREEN and NOUVELLES ENERGIES strategies bridge the gap between market opportunities and institutional investor's needs. Our investors are mainly European institutional entities (insurers and mutual organisations, retirement funds, funds of funds, pension funds, etc.) such as the European Investment Bank (EIB) and international institutional investors.

Since RGREEN INVEST has always invested into energy transition and adaptation to climate change, all our funds are Article 9 under SFDR/Disclosure regulation and target a high level of compliance in line with the European Taxonomy.

The company is regulated by the Autorité des Marchés Financiers (AMF) in France under the Alternative Investment Fund European Directive.

€1.3 Bn
ASSETS UNDER
MANAGEMENT
AS OF MARCH 2021

WHO WE ARE RGREEN INVEST AIMS TO

Accelerate the energy transition

8

MAIN SUSTAINABLE TECHNOLOGIES
mainly deployed photovoltaic and concentrated photovoltaic solar (CPV), wind turbines, biogas, hydroelectricity, biomass, geothermal, hydrogen, industrial and commercial energy efficiency

+40

SUPPORTED DEVELOPERS
IPP / Industrial companies financed

+500

PROJECTS
across Europe in development, construction and operation

Tackle climate change

+1.2 GW

OF GREEN PROJECTS* FINANCED IN PORTFOLIO
in operation financed along with other financial sources, banks or investors

+2.4 GW

OF GREEN PROJECTS FINANCED IN PORTFOLIO
in construction or in development financed along with other financial sources, banks or investors

+2.8 TWh

OF RENEWABLE ELECTRICITY PRODUCED IN 2020
produced by financed projects in portfolio

+550,000 TCO₂

ESTIMATION OF CO₂ SAVINGS IN 2020
saved by financed projects in portfolio

RGREEN INVEST IN KEY FIGURES

€1.3 Bn

ASSETS UNDER MANAGEMENT
in early 2021

8

FUNDS (ACTIVE AND LIQUIDATED)
dedicated to infrastructure projects linked to energy transition and adaptation to climate change

+8

YEARS OF EXPERIENCE
for RGREEN INVEST founded in 2013

+23

EXPERIENCED PROFESSIONALS
with backgrounds in the renewable energy industry, fund management, and investment banking

+2.6 GW

OF GREEN PROJECTS
financed since inception alongside banks and other investors

OUR INVESTMENTS

RGREEN INVEST is one of the few players to consistently invest exclusively in the renewable energy and climate change adaptation sector. As of today, our investment portfolio (excluding those in the process of being deployed and liquidated funds) covers a range of technologies that are listed on this page. It should be noted that RGREEN INVEST only invests in infrastructure projects using proven and validated technologies. The adjacent figures show the current level of investment by type of technology, all funds combined.



BREAKDOWN BY TECHNOLOGY IN PORTOFOLIO*

AS OF MARCH 2021



43%

SOLAR

VALUATION
€310 M.



5%

ELECTRICITY STORAGE

VALUATION
€34 M.



33%

WIND

VALUATION
€225 M.



2%

BIOMASS

VALUATION
€16 M.



6%

ENERGY EFFICIENCY

VALUATION
€43 M.



4%

BIOGAS

VALUATION
€11 M.



6%

HYDROGEN

VALUATION
€42 M.



1%

HYDROELECTRICITY, GEOTHERMAL, ETC.

VALUATION
€7 M.

*Green Projects generate electricity from renewable sources or contribute to the effort to adapt to climate change. In terms of emissions, these projects are not zero carbon, but aim to be low carbon. We sometimes use the term "green" to refer to the concepts of renewable energy and adaptation to climate change; however, it is important to emphasise that any project or action can constitute a potential risk to biodiversity, even when it is presented as being green.

AN INTERNATIONAL ACTION

RGREEN INVEST invests directly in Europe and the European Economic Area (EEA). The project developers we currently support are primarily French (71%) and regularly European. We are witnessing a globalisation of project developers, which means that RGREEN INVEST increasingly invests indirectly beyond Europe, in areas such as South America. Our goal is to support project creators as soon as their initiatives make sense. The table below represents the current level of investment by geographical area, all funds combined, excluding ongoing investments or amounts committed following the latest fundraising (i.e: INFRAGREEN IV). As part of our target investment scope, RGREEN INVEST's team carefully monitors areas demonstrating a specific interest, particularly in relation with each country's energy mix. Opportunities naturally emerge in countries where the energy mix is heavily coal and fossil fuel dependent.

In Europe:

- Countries showing a primarily coal dependent energy mix*: **Poland, the Czech Republic**, etc.
- Countries or areas presenting a primarily oil and gas energy mix*: **Italy, Spain, Belgium, the Netherlands, France's overseas territories**.

France**	€347 M	51%
Europe EEA***	€270 M	39%
Other outside EEA****	€71 M	10%

*Non-exhaustive list (provided only as an example)

**Metropolitan France & France's overseas departments and territories area

***European Economic Area EEA (including UK, excluding Iceland): Poland, Italy, Croatia, Portugal, Belgium, Spain, Czech Republic, UK, Hungary

****Outside EEA (Excluding UK, including Iceland): Brazil, Chile, Iceland, and others



ICELAND



BRAZIL

CHILE

UNITED KINGDOM

NETHERLANDS
BELGIUM

POLAND

CZECH REPUBLIC

FRANCE

SPAIN

CROATIA

HUNGARY

PORTUGAL

ITALY

2

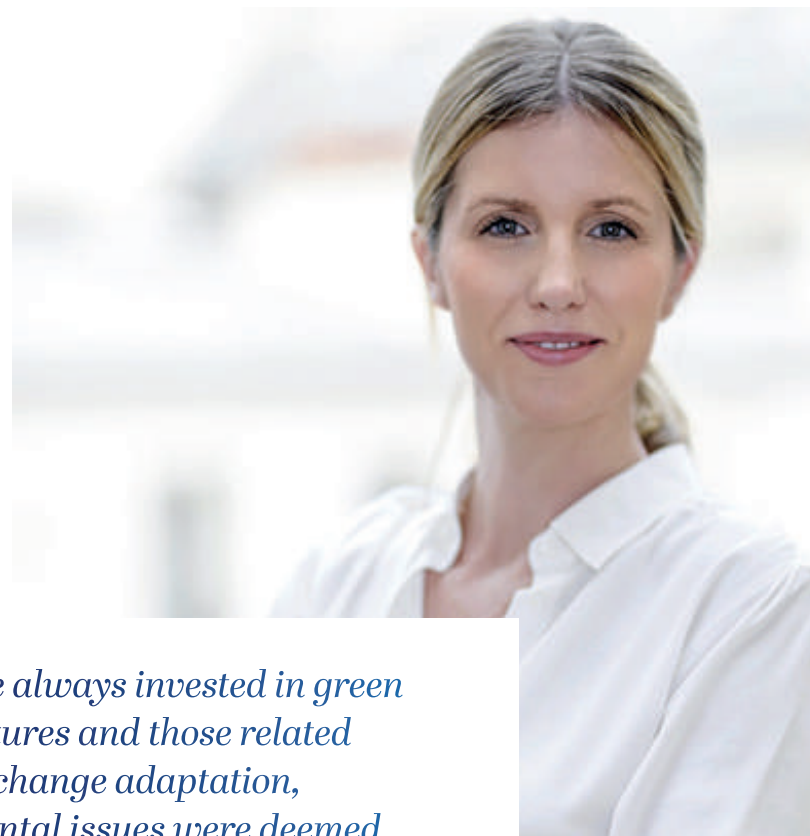
MACROTRENDS

The Covid-19 crisis was an eye-opener for many companies and people. Investors are now reallocating a significant portion of financial flows to environmental funds using the ESG filter. At RGREEN INVEST we have always considered ESG as an essential criterion, and have been historically investing exclusively in the environmental sector. Our approach has a particular focus on risk, and we continue to exercise caution in this area by refusing investments with too high a level of risk. An ESG risk management system has been set up and is in the process of being strengthened.

A MAJOR TURNING POINT

The company has also anticipated the application of European regulations that investors must comply with, notably the European Taxonomy and SFDR Disclosure obligations. RGREEN INVEST fully intends to achieve a high ranking within the profession.

In general, the quality of our investment and ESG risk management, coupled with an effective communication strategy, has and will continue to enable us to attract major investors, in order to accelerate both the energy transition and adaptation to climate change.



Interview

STEPHANIE BEGUE

Partner – Head of Business Development & Investor Relations

As Head of Business Development & Investor Relations and a Partner, how do you field Investor ESG sensitivity?

Investor and LP expectations have profoundly evolved over the last 5 years. ESG is now a cornerstone of portfolios under management, but also a key factor in company processes. ESG expectations are growing in sophistication. For many companies, changing investment and monitoring processes has been a real challenge. Not for RGREEN INVEST! As we have always invested in green infrastructures and those related to climate change adaptation, environmental issues were deemed crucial from the start. With this edge, our focus is now on relaying our strategy and results in the best and most transparent manner.

How do you see the future of RGREEN INVEST from an ESG point of view, what are the development projects?

Encouraged by the interest of new international institutional investors, and the drive or our historical LP's, keen on ESG strategy, we decided to go one step further in 2021 and 2022. We will be launching two impact funds: first, a solar energy debt fund dedicated to the African Continent, which will finance African C&I companies aiming to stabilise local power sources, and to replace oil-fired generators, and second, the new INFRAGREEN V fund with even greater ambition than its predecessors in the INFRAGREEN range. Both will be Impact funds with significant quantifiable ESG commitments, ESG performance related incentives and in some cases even binding objectives.

“As we have always invested in green infrastructures and those related to climate change adaptation, environmental issues were deemed crucial from the start. With this edge, our focus is now on relaying our strategy and results in the best and most transparent manner.”

5 YEARS
AGO, INVESTOR
EXPECTATIONS
UNDERWENT A RADICAL
TRANSFORMATION

3

FUNDS AND FINANCED ACTIVITIES

The range of funds managed by RGREEN INVEST has evolved over time. However, our objective has remained to support project developers to accelerate the energy transition and adaptation to climate change by allocating and repositioning flows in the right place. The following table clearly shows this dynamic. It also highlights our two new impact funds, AFRIGREEN and INFRAGREEN V.

An important point to note is that all the funds managed by RGREEN INVEST comply with Article 9 of the SFDR Disclosure Regulation. This means that all the funds managed have an environmental objective, above all, proof of the company's commitment. We also anticipate a high level of compliance with the European taxonomy, at least 80% for all funds, aiming for 100% compliance.



8
INFRASTRUCTURE FUNDS MANAGED

FUNDS AND FINANCED ACTIVITIES

	INFRAGREEN II 2015	INFRAGREEN II 2016	NOUVELLES ENERGIES II	INFRAMEZZ	INFRAGREEN III	INFRAGREEN IV	AFRIGREEN IMPACT FUND (in project)	INFRAGREEN V (in project)
PURPOSE	INVESTMENT IN RENEWABLE ENERGY INFRASTRUCTURE		INVESTMENT IN RENEWABLE ENERGY INFRASTRUCTURE AND ADAPTATION TO CLIMATE CHANGE			INVESTMENT IN SOLAR PANEL, POWER GRID AND BATTERY PROJECTS		INVESTMENT IN RENEWABLE ENERGY INFRASTRUCTURE AND ADAPTATION TO CLIMATE CHANGE
ESG DUE DILLIGENCE	YES						YES + IN-HOUSE ESG RATING	
IMPACT FUNDS	.						YES	
AREA	EUROPE						AFRICA	EUROPE & WORLD
CO ₂ EVALUATION	YES						YES + IMPACT TARGET	
CERTIFICATION	GREENFIN	.	.	.	GREENFIN	GREENFIN	EQUIVALENT GREENFIN	GREENFIN
SFDR CLASSIFICATION	ARTICLE 9						ARTICLE 9	
TAXONOMY COMPLIANCE TARGET	100% COMPLIANT			80-100% COMPLIANT		100% COMPLIANT		80-100% COMPLIANT
ESG LABELS	GREENFIN	.	.	.	GREENFIN	GREENFIN	EQUIVALENT GREENFIN	GREENFIN

The funds managed by RGREEN INVEST are only open to professional investors.

What is the SFDR classification?

It has a clear objective: to avoid the 'greenwashing' of financial products and advice in the EU by providing more sustainability-related data. SFDR aims to ensure that EU investors have the necessary disclosure to make investment choices in line with their sustainability goals.

Article 9, concerning products targeting sustainable investments, includes bespoke funds targeting climate change, renewable energy, the UN's Sustainable Development Goals and specific themes such as gender equality. It lays down the most responsible standards currently in existence in Europe.

What is the European taxonomy?

The Taxonomy is a classification system that establishes a list of environmentally sustainable economic activities and indicates a level of compliance. In our case, the European taxonomy highlights the high level of responsibility of our investment solutions.

How do we quantify CO₂?

Data concerning the financed asset are extracted from the RGREEN INVEST Position Management System. In addition, a CO₂ tracking file is used, updated quarterly and regularly audited. The calculation is based on average CO₂ emissions per KWh per country and per technology extracted from the following sources: IEA, Ecometrica, EEA, ADEME.

The theoretical annual production per year for an asset generating electricity is calculated as follows:

$$\text{Power (kw)} \times \text{productible P50} \left(\frac{\text{KWh}}{\text{KW}} \right)$$

The theoretical CO₂ savings per year for an asset generating renewable electricity is calculated as follows:

$$\left(\text{Average CO}_2 \text{ emission per country} \left(\frac{\text{gCO}_2}{\text{KWh}} \right) \right) \times \text{annual theoretical production (KWh)}$$

Data are aggregated according to the status of the project, namely: under development, ready to build, in construction, or in operation. It should be noted that the quantity of avoided emissions attributable to a renewable energy project funded by RGREEN INVEST depends on the emission factor of the country in which the project is located. Where renewables replace fossil capacities, in particular coal-fired power plants, the emissions avoided are significant. Avoided emissions also depend on the type of renewable technology rolled out. This parameter explains why the avoided emissions from wind power are higher than those from solar, although these two technologies account for a similar proportion of the RGREEN INVEST portfolio. The CO₂ savings calculated here are based on data certified by governmental and intergovernmental agencies. However, they do not necessarily represent the actual savings achieved by the projects which RGREEN INVEST has participated in financing; they are a gross estimate.



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ESG STRATEGY

By embedding ESG criteria at the heart of our investment decisions, we are better equipped to support our partners, developers and renewable energy producers. This responsible, holistic strategy helps us identify issues and evaluate short-, mid- and long-term risks. To make our ESG policy a reality and meet the expectations of our investors, we have developed a Responsible Investment Policy in line with UNPRI principles. In 2018, RGREEN INVEST also implemented an Environmental and Social Management System (ESMS) aligned with the environmental, social and governance standards of the European Investment Bank.

ESG STRATEGY

INVESTMENT STRATEGIES MAKING POSITIVE ENVIRONMENTAL IMPACTS

At the fund level, ESG strategy has evolved and is taking on particular importance in our investment procedure and in our fund management process. At the level of the company itself, several projects have been undertaken.

INFRAGREEN STRATEGY

EQUITY & JUNIOR DEBT

INFRAGREEN strategy supports our partners over the long-term through equity and quasi-equity
(open only to professional investors)

5 ACTIVE FUNDS

1 SUCCESSIVELY LIQUIDATED FUND	21 PROJECT DEVELOPERS	€838 M INVESTED SINCE INCEPTION OF THE STRATEGY
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(including the liquidated fund)

NOUVELLES ENERGIES STRATEGY

SENIOR DEBT

Our range of financial solutions has diversified with the introduction of our NOUVELLES ENERGIES strategies, which support energy transition players by providing short-term senior debt
(open only to professional investors)

2 ACTIVE FUNDS

1 SUCCESSIVELY LIQUIDATED FUND	10 PROJECT DEVELOPERS	€306 M INVESTED SINCE INCEPTION OF THE STRATEGY
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(including the liquidated fund)

The funds managed by RGREEN INVEST are only open to professional investors.

FROM INVESTMENTS TO SOLUTIONS

EXAMPLES OF INSPIRING AND POSITIVE PROJECTS

PROJECT N°1 : INFRAGREEN IV

HELPING CROPS TO BECOME CLMATE-CHANGE RESILIENT THANKS TO SMART AND RESPONSIBLE TECHNOLOGY

• Partner:



• Type:



• Amount committed: **€30 M**

• Operation: **equity stake in a French company to develop hybrid agrivoltaic solutions on crops.**

• History: **SUN'R Group is a historic player** in the solar industry in France, aiming to accelerate the energy transition. The group stands out for its innovative nature and the ground-breaking solutions it develops. The group has been developing and producing renewable photovoltaic electricity since 2007 and is also a pioneer in agrivoltaic, a solution aimed at combining agricultural development and photovoltaic electricity production without conflicts of use. The group offers a wide range of innovative energy services related to electricity storage and optimisation of intermittent energy flows. Sun'R Group has recently decided to strengthen its capital base in order to accelerate its development and confirm its leadership position in its market.



Interview

ANTOINE NOGIER SUN'R Group CEO



Sun'R is now a mission-driven company. What does it change?

It makes us more accountable to our stakeholders. In reality, our mission has already led us to where we are now, but having it embedded in our articles of association implies sharing it more with our public and challenges our practices every day. It means a lot to our team that Sun'R is part of the transition. It gives everyone a greater purpose, adding considerable value to our different expertise. Today, I believe that our strength is our ability to tackle a double challenge: upstream, by identifying exploitable sites that do not compete with other activities or resources; and downstream, ensuring that our solutions swiftly integrate our customers' systems.

“It [Being a mission-driven company] gives everyone a greater purpose, adding considerable value to our different expertise.”

RGREEN INVEST is one of your shareholders. What do you expect from such a partnership?

I genuinely think that this collaboration can generate new business opportunities. We are committed to fostering our leadership, especially regarding Agrivoltaism, *AI for good* and *AI for food*. It is absolutely vital to be surrounded by partners who share our vision. Knowing that RGREEN INVEST is also mission-driven makes it all the more relevant and exciting.

As an influential project developer, what role do you want to play in the energy transition and the adaptation to climate change?

We are committed to truly driving it by building on our leadership. Adaptation to climate change is a real and short-term priority for all of us. We are very capable of rolling out solutions that anticipate future constraints. We have to show that these solutions already work, independently of variables. Yes, we can make a positive impact and have a solid business model. So why should we wait?

PROJECT N°2: INFRAGREEN IV

SUPPORTING A GROUND-BREAKING STRATEGY TO STABILISE ELECTRICITY GRIDS

• Partner:



• Type:



• Amount committed: **€34 M**

• Operation: **financing the development, construction, and use of 250 storage units (for approximately 300 MW).**

• History: **NW Joules is a pioneer** in the development of electricity storage solutions. RGREEN INVEST has recently invested €34 M. The “JBox” system consists of the installation of a prefabricated substation, connected directly to the public electricity distribution network, with a lithium-ion battery space. This modular solution allows the system to meet local needs for the area in which it is installed - a crucial issue for renewable energies, which have widely variable production capacity depending on the technologies used and the region in which they are located. The system is continuously monitored and controlled to enable the intelligent extraction and injection of the appropriate amount of electricity.



PROJECT N°3: NOUVELLES ENERGIES II

TRANSFORMING POLLUTED SITES INTO RESPONSIBLE ENERGY PLANTS

• Partner:



• Type:



• Amount committed: **€13 M**

• Operation: **financing of the construction of a 12 MW PV plant located on a polluted former industrial site in the south of France.**

• History: **The site was historically that of the Ardoise electro-metallurgical plant**, founded by the «Société de produits chimiques des terres rares», a chemical industry company. Due to the former industrial activities of the site, the soil was heavily polluted by a range of chemical substances. Our partner proposed a way to reuse the site by installing a photovoltaic electricity production plant. During the ESG DDQ phase, and based on the environmental impact study, the RGREEN INVEST ESG Team observed that the module installation system planned by the EPC was potentially unworkable due to the potential risk of groundwater pollution. Given that the developer provided all the elements to justify the adequate mounting structure for the constraints of the site, we were able to conclude that said structure would not damage the soil or result in groundwater pollution.



5

CONTRIBUTION

At RGREEN INVEST, we want to do our part and lead the positive transformation of the financial sector. For that, we strive to set up and roll out responsible practices within our sphere of influence to address these goals and make a large-scale impact. The Sustainable Development Goals (SDGs) - set by the United Nations - allow companies to see if their strategy is aligned with these expectations and the societal, social and environmental issues of our times. The UN Secretary-General has called on all sectors to take a stand for a decade of action (2020-2030) to catch up on lost time and achieve the Sustainable Development Goals set in 2015.

5 PRIMARY SUSTAINABLE DEVELOPMENT GOALS

CONTRIBUTION PRIMARY SUSTAINABLE DEVELOPMENT GOALS

Embedding the SDGs into investment processes brings life to our vision and reinforces our commitment to meet the growing expectations of our stakeholders (investors, governments, civil society representatives)

Our primary Sustainable Development Goals (SDGs) :

<p>2 ZERO HUNGER</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>13 CLIMATE ACTION</p>
Rethink crop production with developers to adapt agriculture to climate change.	Ensure access to affordable, reliable, sustainable and modern energy.	Build resilient infrastructure, promote sustainable industrialisation and foster innovation.	Ensure consumption and production patterns.	Take urgent action to combat climate change and its impacts.

COMMITTED AND RECOGNISED FOR IT

- RGREEN INVEST is a signatory of the Principles for Responsible Investment (A+ rating)
- The majority of our funds (INFRAGREEN III & IV) are certified GREENFIN

INSPIRING POSITIVE CHANGE, BEYOND OUR WALLS

RGREEN INVEST attaches tremendous importance to joining forces with entities that share common values and are determined to make a positive impact. That is why we are proud to contribute and share our experience in different professional associations and initiatives.

And we also support the funding of the Climate Economics Chair.

SHARING A VISION

In March 2020, Nicolas Rochon - Founder & CEO of RGREEN INVEST - published a book called "Ma Transition énergétique" that looks at the history of the renewable energy sector and the people behind it. Nicolas Rochon tells the story of how the alignment of four key factors - entrepreneurs, finance, territories and ecology - led to the development of renewable energies between 2005 and 2020 in France.

“ It is never easy to capture the essence of an era, movement, or transformation in which we ourselves have been closely involved, especially if it took place in the recent past. This is my intention here, to look back on the years that saw the emergence of the energy transition, and during which I sought to use my understanding of financial issues both to foster the transition and to benefit those investors who have placed their trust in us to achieve our shared vision. ”

Nicolas ROCHON
Founder & CEO

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GOVERNANCE

WE ARE AN "ENTREPRISE À MISSION"

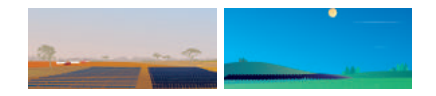
Our "raison d'être" is:

"Fighting climate change by accelerating the energy transition and the adaptation of society through financing infrastructure that positively and sustainably impacts the environment, local populations and territories."



IMPACT INVESTING FUND PROJECTS

RGREEN INVEST decided to launch two impact funds, INFRAGREEN V and AFRIGREEN in 2021.



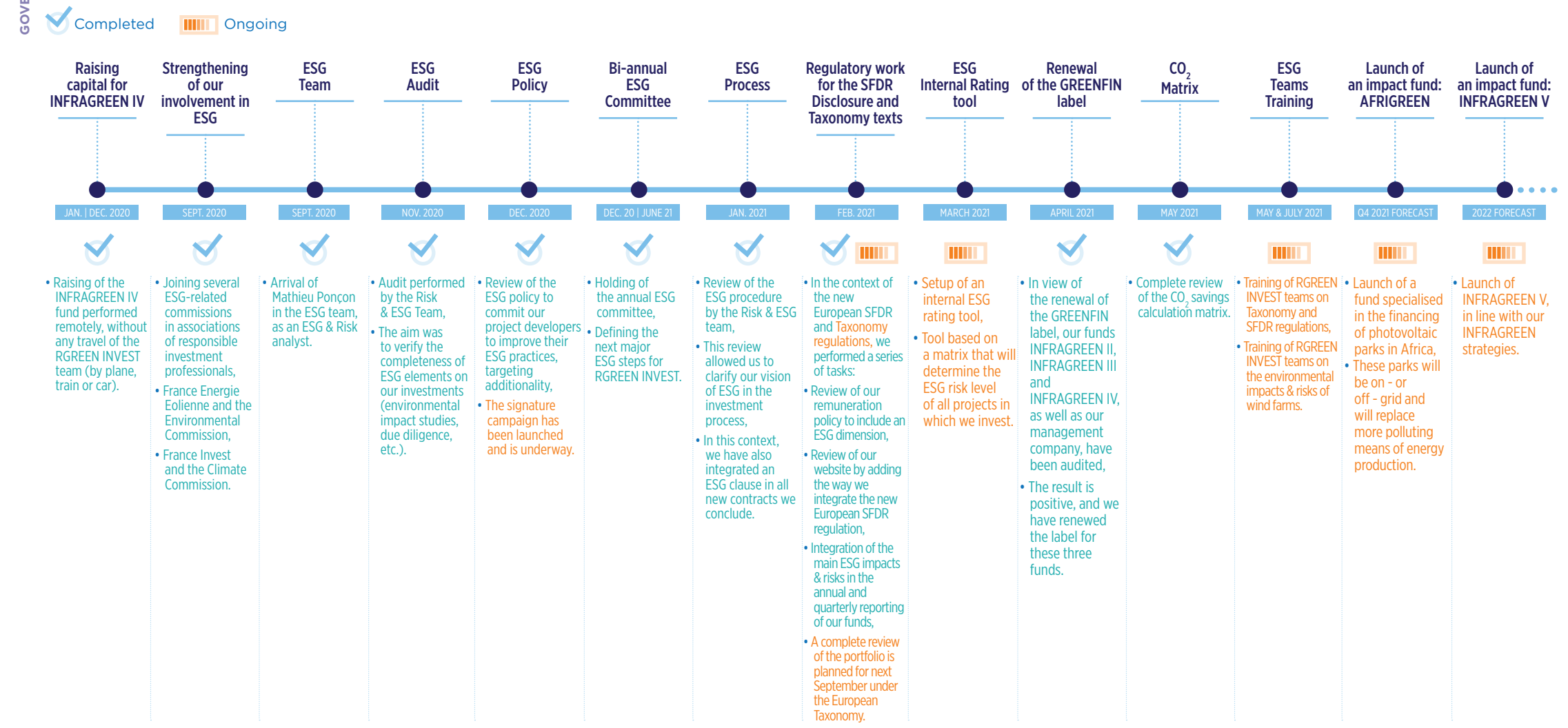
GENDER EQUALITY EVOLUTION: 40% FEMALE EMPLOYEES

- Two new recruitments to our investment team are women
- New Head of Asset Management is a woman
- Almost 40% of employees in RGREEN INVEST are women



2
IMPACT FUNDS WILL BE LAUNCHED IN 2021

EXAMPLES OF RECENT ESG PROJECTS



7

INVESTMENT PROCESS

ESG is paramount in the way we monitor investment opportunities and how we invest. RGREEN INVEST's Investment and ESG teams are responsible with the following process.

STEP 1. ESG IN-DEPTH ANALYSIS OF OPPORTUNITIES

Upon receipt of an investment proposal, it is first analysed from an ESG standpoint to verify its compliance with the values of RGREEN INVEST. If the opportunity is not in line with RGREEN INVEST's ESG philosophy, it is discarded (see "FOCUS STEP 1" on the next page).

STEP 2. SYSTEMATIC ESG DUE DILIGENCE PROCESS

We perform a complete ESG due diligence to check the environmental impact studies from independent experts. If the opportunity is not in line with our philosophy, it is discarded.

STEP 3. APPROVAL OF THE INVESTMENT COMMITTEE

The RGREEN INVEST's Head of Compliance, Risk & ESG approves the due diligence and has a veto power during the Investment Committee.

STEP 4. INVESTMENT

AN IN-DEPTH ESG ANALYSIS OF OPPORTUNITIES
Prior to each investment, the ESG team assesses the ESG philosophy of the project, and the level of risk, particularly for the environment. Many transactions raise environmental issues and are studied in depth via due diligence.

FOCUS STEP 1: Examples of complex investment cases studied throughout the year

AGRIVOLTAIC PROJECT FRANCE Agrivoltaic farm on wine production in the south of France in order to save water ✓	SOLAR POWER PLANT ON A POLLUTED SITE FRANCE PV power plant on an old and polluted site, with piles planted in polluted soil ✓	HYDROGEN TAXI PROJECT FRANCE Project on financing the acquisition of a hydrogen taxi fleet with the construction of service stations with electrolyzers ✓
ETHANOL PROJECT FINLAND Funding for ethanol methanization project on former coal-fired power plant site ➔	FINANCING FLEET BOATS FOR OFFSHORE WIND TURBINES UK Funding a fleet of boats dedicated to the maintenance of an offshore wind farm with more than 1 GW power ➔	BIOGAS PROJECT ON WASTE FRANCE'S OVERSEAS TERRITORIES Gasification and syngas recovery project on waste, and methane recovery ➔
SOILLESS GREEN SALAD PRODUCTION FRANCE Project for small-scale soilless growing of lettuces in a greenhouse, with supermarket distribution ⚠	CHARCOAL BIOMASS PORTUGAL Production of charcoal from biomass partly PEFC for coal for retail client market ⚠	PROJECT MIX STORAGE ELECTRICITY & CCGT PEAKING UK Funding for a dual project lithium battery and CCGT peaking power plants ⚠
BLACK PELLETS PROJECT FRANCE Use of black pellets (wood) co-firing with coal for electricity generation ⚠	WOOD BIOMASS POWERPLANT LATVIA Production of heat for major cities in Latvia using local and Belarus wood ⚠	

✓ COMPLETED ➔ ABANDONED BUT ESG POSITIVE ⚠ REJECTED ON ESG BASIS

STEP 5. COMPREHENSIVE MONITORING OF ESG RISKS

ESG risks are monitored for each investment. In the event of a risk, we systematically set up an action plan depending on the situation. High-quality monitoring deeply relies on project documentation and in-depth collaboration with project stakeholders.

FOCUS STEP 5: AN IN-DEPTH ESG ANALYSIS OF OPPORTUNITIES

During the life of investments, our team seamlessly monitors ESG risk. The Investment Directors report to our Head of Compliance, Risk & ESG. In the event of an identified issue, the team takes direct action. The corrective measures naturally depend on the situation, the timing and the level of risk. If an incident arises, it is reported to investors.

STEP 6. ESG RISK REPORTING

An ESG assessment is carried out when the equity shares are sold.

ENVIRONMENTAL INCIDENT ON A BIOGAS SITE FRANCE ENVIRONMENTAL • Water pollution and nuisance smells due to the overflow of a wet pond which triggered the overflow over the safety basin • Combined with heavy rainfall, these overflows could be explained by human error, due to a decision taken by operators (without approval from their hierarchy) to add water to the percolate circulation circuit ACTIONS: RGREEN INVEST requested an independent analysis by a technical advisor on site ON GOING	UNUSUAL LEVEL OF CHIROPTERS' DEATH ON A WIND FARM FRANCE'S OVERSEAS TERRITORIES ENVIRONMENTAL • Unusual level of death of chiropters on a wind farm (higher than the European and American levels) ACTIONS: setup of a device using a radar in order to stop the rotors in case of detection of birds • Setup of a "shelter" for bats at a strategic point close to the wind farm ON GOING	UNPAID WAGES AND STRIKE ON AN ENERGY EFFICIENCY PROJECT FRANCE'S OVERSEAS TERRITORIES SOCIAL • We finance a counterparty firm on a specific energy efficiency project concerning several stores • The company went to bankruptcy, and the employees were not paid for 2 months ACTIONS: As a commercial counterparty, the range of possible actions was thin. The company was fortunately bought, and our contract is still running. Employees were reimbursed COMPLETED
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ON GOING COMPLETED

6 STEPS IN THE INVESTMENT PROCESS



A word from ...

THE ESG TEAM OF THE EUROPEAN INVESTMENT BANK

Could you please describe the role of the EIB, particularly in the context of financing renewable infrastructure and climate change adaptation?

In November 2019, and in line with the political ambition behind the European Green Deal, the EIB decided to increase its level of climate and environment commitment. This decision has two broad elements. Firstly, the EIB will increase its level of support to climate action and environmental sustainability to exceed 50% of its overall lending activity by 2025 and beyond, and thus help to leverage €1 trillion of investment by the EIB Group over the critical decade ahead. This new level of commitment is designed to accelerate the transition to a climate-neutral, climate-resilient and sustainable economy. Importantly, this includes a commitment for a proposal regarding a just transition. The second core dimension of the EIB decision is to ensure that “all financing activities are aligned to the goals and principles of the Paris Agreement by the end of 2020”. As the EU Climate Bank, the EIB Group can not support the Agreement with 50% of green finance if, at the same time, it undermines the goals with the remaining 50%. In line with the principles of sustainable finance, the EIB Group needs to ensure that all its activities do no significant harm to the low-carbon and climate-resilient goals of the Paris Agreement.

You are an investor of several funds managed by RGREEN INVEST. Concerning ESG aspects, how do you exchange and monitor actors like RGREEN INVEST?

The EIB reviews the performance of the Portfolio on an annual basis (inter alia; performance against the main key performance indicators, market evolution, construction and operational performance, environmental and social performance, eligibility thresholds) on the basis of advisory materials, Fund Managers’ reporting, front office liaison and annual environmental and social reports. During the investment period of each Fund, the EIB prepares annual project progress reports and a project completion report, to monitor the physical risks and performance of the Investments as



During the investment period of each Fund, the EIB prepares annual project progress reports and a project completion report, to monitor the physical risks and performance of the Investments as well as their economic, environmental and social impact.



well as their economic, environmental and social impact. This shall help to identify and avoid, and if avoidance is not possible, mitigate and manage key non-financial risks associated with the investments. In addition, when needed, the EIB would provide non-objections to waivers on fund strategy, main KPIs, policy matters, sector and eligibility thresholds, specific sector and horizontal policy requirements, reputational matters.

What are your expectations concerning the future European Taxonomy for players such as RGREEN INVEST?

In the wider context of the capital market union, in 2018 the European Commission adopted an action plan on financing sustainable growth. This aims to re-orientate capital flows towards a more sustainable economy, mainstream sustainability into risk management, and foster transparency and long-termism. In the context of the European Green Deal, and concerned that the financial system as a whole is not transitioning fast enough, the European Commission has announced a Renewed Sustainable Finance Strategy. The EIB has contributed to this, participating in the development of this action plan, continued into the development of the EU Taxonomy for green, sustainable activities and the EU Green Bond Standard. The EIB is also actively seeking to transfer its knowledge to other potential green issuers, to help them develop and market products that meet the EU Taxonomy and so contribute to broadening and deepening the market for green finance. Under the European Investment Advisory Hub, work is ongoing to scope the needs and delivery options for a European Green Debt Advisory Platform, a comprehensive advisory program to raise awareness, build capacity, and provide support to improve the quantity and quality of the issuance of green debt (bonds and loans) to finance climate action and environmental sustainability investments.



Adaptation to climate change is a real and short-term priority for all of us. We are very capable of rolling out solutions that anticipate future constraints.



How do you forecast the future of ESG in renewable Infrastructure assets in Europe?

In the EIB group responsible investment approach, ESG principles form part of the general due diligence process via standard undertakings requested in contractual documentation on internal controls. In particular in the equity space, the EIF regularly acts as cornerstone investor and takes a hands-on approach, through the regular participation in investor committees. In this role, the EIB actively promotes a dialogue with its counterparts on its general policy framework and mission requirements. Further, as part of an enhanced ESG framework, the EIB is implementing as of 2020 ESG questionnaires across all of its product lines to assess current ESG practices of financial intermediaries.

In addition the EIB group will make continuous improvements to develop additional climate, environment and social risk management tools designed to assess physical, transition and systemic risks at project, portfolio and counterparty levels.

Future work will include:

- **THE ESTABLISHMENT OF AN INTEGRATED CLIMATE**, environment and social risk management tool (at project level);
- **THE DEVELOPMENT OF CLIMATE AND ENVIRONMENTAL**, Social and Governance (ESG) risk scores (portfolio and counterparty level);
- **THE DEVELOPMENT** of social impact indicators;
- **THE INTEGRATION OF RELEVANT EXTERNALITIES** and appropriate baselines into the economic appraisal;
- **THE ADOPTION OF LIFE CYCLE ASSESSMENT METHODOLOGIES** in the design, production and use of products and assets, where applicable; as well as
- **THE REFINEMENT AND ENHANCEMENT OF TOOLS**, indicators, criteria and methodologies for the calculation, estimation and reporting of both GHG emissions of investments, projects, sectors, and where needed also Short-Lived Climate Pollutants (SLCPs), and of climate-resilience metrics.



A RISK-DRIVEN APPROACH

RGREEN INVEST has adopted a risk-based vision of ESG. Our 2019 ESG Report already defined a range of potential environmental, social and governance risk areas. We are aware that our activities may endanger biodiversity, even if these activities also contribute to saving carbon.

A RISK-BASED VISION OF ESG

The Environmental “E” and the Social “S” of the acronym are the cornerstones of our commitment. In terms of risks, we have strongly reinforced our approach and monitoring, both before and after investment. As a direct consequence, we have to refuse a large number of opportunities before the investment process. At the same time, we have to intensify the support we provide for project developers and monitor their actions. The ESG & Risk Team and the Asset Management Department are tasked with identifying and managing environmental incidents as efficiently as possible.

We consider part “G” (for Governance) as a specific prerequisite. In terms of risk, we apply the highest compliance standards within the company and monitor them through tools such as WorldCheck Refinitiv, along with a number of internally developed solutions. Our processes are progressively being strengthened in line with the increasingly international scope of our business.

2019
ADOPTION
OF A RISK-BASED
VISION OF ESG



Interview

JULIEN COMMARIEU Head of Risk, Compliance & ESG

What is your role at RGREEN INVEST as Head of Risk, Compliance & ESG? How is the ESG Team organised?

I joined RGREEN INVEST in 2019 in order to oversee matters related to regulatory compliance and risk management. In addition, I now spearhead company ESG guidelines and strategies, vital to the current RGREEN INVEST business model. We have decided to apply a risk-oriented approach to such policies, to the extent of analysing each investment opportunity both upstream and downstream, for a full view of the environmental impact as well as the social and/or governance risks.

“*ESG is a critical topic at RGREEN INVEST, and we decided to apply a risk-oriented approach on it.*”

A large number of investment opportunities do not meet the minimum requirements set out by RGREEN INVEST’s environmental commitments. They are simply rejected, but not without an explanation. We closely monitor our investments throughout their life cycle, which includes any and all ESG incidents that we reflect in our relevant ESG reports.

Why does RGREEN INVEST have to reject some projects for ESG reasons?

RGREEN INVEST stands up for its beliefs, as we recently demonstrated by becoming an “Entreprise à mission”, offering a range of funds with the Greenfin label, and by making direct commitments to certain discerning investors. We strive to have an impact. This is the core of the company’s commitment. We see a lot of projects originating from the vibrant, prolific field of energy transition, but we are very selective from an ESG point of view. For example, we recently refused a major wood biomass plant project in Northern Europe, due

to fact that the sourced wood was not fully certified and that local forests were already strained. This is not part of a general reluctance to invest in biomass projects but highlights how we carefully evaluate the potential risks and consequences of our investments.

What ESG-related projects are you working on in 2021?

For ESG, 2021 is already underway to being one of our most intense years to date! We are working towards implementing an ESG data collection tool and at the same time, we will be rolling out internally developed specific ESG rating tool, both of which require a lot of work. In addition, we will carry out a full tax compliance analysis of our portfolios, and from a more business point of view, several impact fund projects are underway (an Africa focused fund and an international fund with clearly defined impact objectives). Needless to say we will have our hands full! To ensure the success of all these great projects, we’ve started recruiting talent and will continue to do so.

For each new project or opportunity, we often anticipate and think about potential environmental issues such as:

<p>USE OF METALS Risk concerning the origin and conditions of extraction of metals used in the energy transition: in particular copper, cobalt, lithium, nickel, etc.</p>	<p>PRODUCTION AND RECYCLING OF BATTERIES Risk on the production & recycling of lithium-ion batteries (for example NMC Nickel-Manganese-Cobalt batteries)</p>	<p>ESG AND DEVELOPING COUNTRIES Difficulties in controlling the ESG risk of renewable energy developers which are becoming international, with growth potential in emerging countries</p>	<p>PHOTOVOLTAIC AND DESTRUCTION OF FORESTS Photovoltaic or wind power project located on cultivated areas or following clear cutting of forests without permit</p>	<p>RECYCLING OF WINDFARMS Difficulty in recycling wind turbines to be expected, especially in Brownfield projects</p>
<p>WOOD BIOMASS Environmental complexity of wood biomass projects, even with labelled wood</p>	<p>ENERGY EFFICIENCY Difficulties surrounding the notion of energy efficiency in industrial or commercial projects</p>	<p>BLUE OF GREY HYDROGEN Positioning of projects mixing green hydrogen and blue or grey hydrogen</p>	<p>INNOVATIVE AGRICULTURE Innovative agriculture projects that may be related to intensive agriculture that do not respect the environment (soilless cultivation, insect meal, etc.)</p>	<p>CIES BENEFITING FROM PHOTOVOLTAIC PROJECTS FOR THEIR IN-HOUSE ENERGY CONSUMPTION Positioning on companies using PV for self-consumption: control over companies from an environmental and social point of view</p>

A GLOSSARY TO UNDERSTAND OUR ECOSYSTEM

Green project

A project that generates electricity from renewable sources or participates in the effort to adapt to climate change. In terms of emissions, these projects are not zero carbon, but target to be low carbon. We sometimes use the term “green” to refer to renewable and adaptation to climate change concepts. It is important to understand that any project or action hold a risk on biodiversity, even when it is a so-called green project.

Impact Fund

A fund with an Environmental or Social impact, using for instance CO₂ savings binding targets (under the conservative view of RGREEN INVEST). As of today, we do not consider the Funds managed by RGREEN INVEST are Impact Funds, even if they all only invest only in renewable energies and in the adaptation to climate change. The two projects of funds AFRIGREEN and INFRAGREEN V will define binding environmental targets and limits and will clearly become Impact Funds.

IPP/ Independent Power Producer

An Independent Power Producer is an independent entity that owns facilities to generate electric power for sale to utilities and final users.

Project developer

A project developer is a company that holds industry expertise in the project they

are working on and uses that expertise to research, plan, and complete a project. In our case, our partners develop assets generating electricity from renewable sources or participating in the effort to adapt to climate change.

ESG / Environmental, Social and Governance

This acronym refers to a class of investing that is also known as “sustainable investing.” It is an umbrella term for investments that seek positive returns and long-term impacts on society, business performance and the environment.

SDGs / Sustainable Development Goals

These standards are a collection of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all. The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

AUM / Assets Under Management

Drawn and undrawn commitments minus redemption. This report introduces the figures calculated as of March 31st, 2021.

CPV / Concentrated Photovoltaic solar technology

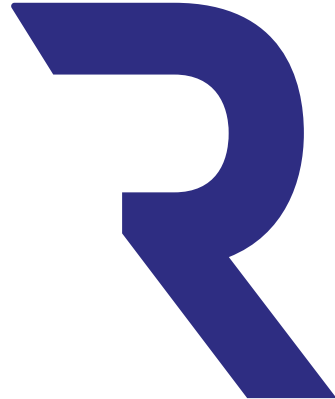
It is a technology using photovoltaic panels and a Fresnel compact lens.



RGREEN INVEST is an investment Management Company regulated in France by the Autorité des Marchés Financiers (AMF) under approval no. GP-15000021. RGREEN INVEST is located 63 avenue des Champs-Élysées, 75008 Paris, France – rgreeninvest.com

RGREEN INVEST has updated its ESG policy (on Environmental, Social and Governance matters) to make it more effective. The company uses several labels and certifications, which it implements for all or some of the funds it manages. The aim of this report is to meet the reporting requirements set out by European and French Laws and Regulations.

This is not intended to be a marketing document. Its purpose is to introduce the ESG management company's work in 2020 and its outlook for 2021. Upon request, the RGREEN INVEST team will be pleased to provide you additional documentation on the management company and its funds. The funds managed by RGREEN INVEST are only open to professional investors.



CONTACT

**63 avenue des Champs-Élysées
75008 Paris**

Office: +33 (0)1 85 65 90 11
info@rgreeninvest.com