



RGREEN INVEST

ESG CHARTER

Synthesis of the Environmental and Social Management System “ESMS”
Presentation of key Management of Environmental, Social and Governance criteria

IMPORTANT DISCLAIMER - RGREEN INVEST is a French investment management company, regulated in France by the Autorité des Marchés Financiers (AMF) under the number GP-15000021. RGREEN INVEST is located at 47-51 rue de Chaillot, 75016 Paris, France. The website is accessible at <https://www.rgreeninvest.com/en/>. RGREEN INVEST has built an ESG framework that is presented in this report. The company adheres to several labels and certifications related to sustainable investment, which it implements for all the funds it manages. This document intends (1) to give information related to reporting requirements set by EU and French laws and regulations, (2) to inform clients, and (3) to answer to public information purposes. It is not a marketing document, rather its objective is to lay out the ESG work carried out by the management company, as well as present the company's outlook for the coming years. All funds managed by RGREEN INVEST are reserved for professional and qualified investors only. Investing in the funds managed by RGREEN INVEST entails significant risks of capital loss.



MESSAGE OF FOUNDER AND CEO

We incorporate ESG extra-financial analysis into our strategy for all our investments. By analysing ESG criteria, we can actively improve our knowledge of the renewable energy infrastructures we finance. We can also provide better support to our partners, developers and producers in the renewable energy field and identify sensitive issues that may lead to risk in the short, medium or long term.

Since infrastructure projects are inherently long-term, the analysis of ESG criteria is essential to laying the groundwork for financial sustainability. We firmly believe that, in our industry, taking ESG values and standards into account will be a decisive factor in successfully achieving the energy transition.

Our ESG Charter describes our principles, values and commitments. It presents the environmental, social and governance procedures we have adopted to date. With a view to continuously improve and align with industry best practices, we will continue to document and ensure transparency in our ESG implementation and performance, which we consider to be of the utmost importance.

Nicolas Rochon, Founder & CEO

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INTRODUCTION

AN ENTREPRENEURIAL ADVENTURE WITH A POSITIVE IMPACT

From the outset, RGREEN INVEST targeted to make a positive impact by investing in and financing infrastructure projects that power our energy transition, climate change mitigation and adaptation. We have supported entrepreneurs in more than 3000 projects in Europe and globally, initially solar and wind and now also other low-carbon technologies or technologies linked to adaptation to climate change.

At the beginning of 2021, RGREEN INVEST became a mission-driven company. Our purpose, enshrined in our Articles of Association, is to act in favour of the fight against climate change by accelerating the energy transition and the adaptation of society by financing infrastructure with a positive and lasting impact for the environment, local populations and the territories.

In addition, RGREEN INVEST was certified as a B Corporation in early 2023, making it one of the companies leading a global movement for an inclusive, equitable and regenerative economy.

RGREEN INVEST is a pioneer in responsible investment and is engaged in an active approach of managing ESG issues. RGREEN INVEST has integrated ESG issues at all stages of the investment process. Also, we continually improve our tools and procedures to better identify and manage our risks and integrate new best practices in the sector. Our guiding principles are defined in this ESG charter, published in 2018 and reinforced in 2023. We also set up a technical procedure, ESMS (Environmental and Social Management System) to implement these principles into our activity.

OUR VALUES

We are fully convinced that the energy and climate transition is a considerable opportunity to promote sustainable development and economic progress beyond the fight against climate change. Alongside our developer, independent power producers, operator and industrial partners, our investments allow, depending on the projects, (1) the avoidance of CO₂e emissions, by promoting clean and local energy, (2) the development of energy saving capabilities and promote energy sobriety, and (3) the adaptation to climate change and strengthen the resilience of communities.

Our investment activities are based on strong values:

- Reconciling investment with priorities for the climate,
- Building long-lasting relationships to align the interests of investors and entrepreneurs,
- Supporting local initiatives to achieve a far-reaching impact.



OUR OBJECTIVES

The principles and values presented above underpin our commitments and shape everything we do. They also reflect the expectations that a wide range of stakeholders (investors, governments, and representatives from civil society) expressed through the United Nations' Sustainable Development Goals (SDGs), particularly related to the following key goals:



We translate these five SDGs into operational targets integrated into our company mission and formalized in our Articles of Association. We wish to:

- Enable the large-scale development of efficient, low-carbon alternatives to today's widely used carbon-based solutions.
- Invest in sustainable infrastructure that creates local value and jobs, especially in developing regions.
- Support technologies adapted to the specific energy problems and challenges of the regions and populations in which they are located.
- Contribute to building infrastructure with lower environmental impacts.
- Support farmers in adopting sustainable production methods (*especially on agrivoltaic projects*).

These objectives guide all our interactions with our partners, our investors (family offices, insurers, pension funds, mutual societies, development banks, etc.), and our employees. We foster dialogue, respect, and attentiveness in all our relationships. The trust we inspire among stakeholders is our greatest asset.



KEY IMPACT INDICATORS

RGREEN INVEST assesses positive and negative impacts using indicators, for instance (non-exhaustive) to evaluate or assess (1) MW of renewable energy capacity and production, (2) CO₂e emissions and avoided emissions when relevant, (3) biodiversity risk, and especially land footprint or artificialization, and deforestation, (4) all principal adverse impacts as presented into SFDR Regulation, (5) alignment with EU Taxonomy and with IPCC technologies useful to mitigating climate change, etc.

OUR ESG GOVERNANCE

We wish to clearly differentiate the concepts of ESG and CSR. RGREEN INVEST defines ESG as environmental, social and governance issues at the level of funds' investments and holdings. When referring to the ethical and sustainability questions of the management company and its employees, the term CSR is used. Since 2022, we have therefore had a separate CSR steering committee and a specific documentary corpus for CSR (see Annex 1).

RGREEN INVEST has a dedicated ESG team. Today it includes our Head of ESG, Risk and Compliance, an ESG Manager and two ESG Analysts, totalling 3.5 full-time equivalents, representing almost 10% of the entire management company. The director of the team is part of the company's Management Committee, which allows better consideration of ESG subjects in internal governance. Since 2019, an ESG & CSR Committee has met twice a year to validate the ESG strategy, roadmap, and budget. The committee brings together the members of our management and board of directors to facilitate decision-making.

Finally, we undertake to have our ESG & CSR system audited by an independent third-party firm, at least every two years.

As explained, our approach to responsible investment is described in our Responsible Investment Policy, which is embedded in our Environmental and Social Management System (ESMS). The purpose of the Responsible Investment Policy is to govern RGREEN INVEST's approach to responsible investment and ESG, while ensuring compliance with applicable laws and regulations such as the Sustainable Finance Disclosure Regulation (SFDR). The ESMS sets out concrete procedures for assessing, evaluating, and monitoring investment related ESG issues, as well as setting action plans.



1. OUR RESPONSIBILITY AS A RESPONSIBLE INVESTOR

OUR REGULATORY FRAMEWORK: SFDR & EU TAXONOMY

RGREEN INVEST is committed to ESG extra-financial transparency, thanks to an ambitious French and European regulatory framework.

RGREEN INVEST is subject to the Sustainable Finance Disclosure Regulation (SFDR) (EU) 2019/2088. The purpose of the regulation is to improve sustainability disclosure requirements covering a broad range of ESG information and metrics at both entity - and product - level, as well as disclosure on integrating ESG risks into the investment decision process. All our managed funds are classified as Article 9 under the SFDR. This entails that all our funds target sustainable investments only. We are therefore committed to communicating on the ESG performance of our investments in our quarterly and annual reporting to our investors.

All our infrastructure managed funds aim to have a high-level of eligibility (and we hope alignment) to the European green Taxonomy at the end of the fund life cycle. INFRAGREEN V sets specific investment limits and targets concerning the EU Taxonomy.

INTERNATIONAL STANDARDS

As part of our investments, we are committed to respecting local regulations and relevant international standards. These standards are those identified by the EU Taxonomy, namely, the OECD Guiding Principles for Multinational Enterprises, United Nations Guiding Principles on Business and Human Rights, Declaration of the International Labor Organization (ILO) on fundamental principles and rights at work and the eight fundamental conventions of the ILO and the Universal Declaration of Human Rights.

In addition to the base of social standards presented above, we are committed to following specific standards for certain funds. For example, we commit to following the Performance Standards of the International Finance Corporation (IFC) for our AFRIGREEN DEBT IMPACT FUND and the environmental and social standards of the European Investment Bank for all our fund ranges.



PRI SIGNATORY

RGREEN INVEST has been a signatory of the Principles for Responsible Investment (PRI) since 2017. In 2021, RGREEN INVEST obtained a five-star rating (best rating) in both of its categories (asset management and infrastructure investment). This initiative is the cornerstone of a daily commitment to our investors and partners carrying out renewable energy projects. In 2023, RGREEN INVEST was rated compliant between 97% and 100%. The high rating underlines our work on sustainable investments and our asset management practices encouraging the energy transition.

By signing the PRI, we commit to implementing the following principles:

- 1. We will incorporate ESG issues into investment analysis and decision-making processes.*
- 2. We will be active owners and incorporate ESG issues into our ownership policies and practices.*
- 3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.*
- 4. We will promote acceptance and implementation of the Principles within the investment industry.*
- 5. We will work together to enhance our effectiveness in implementing the Principles.*
- 6. We will each report on our activities and progress towards implementing the Principles.*



GREENFIN LABEL

Our INFRAGREEN II 2015, INFRAGREEN III, IV and V funds have been classified under the Greenfin label, a label created by the French Ministry of Ecological Transition and Solidarity. This label identifies funds that finance the green economy and aims to guarantee the transparency and quality of the environmental characteristics of financial products as well as their fight against global warming, confirmed by the audit of an expert and independent third party. The label has been renewed every year since 2017 by external auditor Novethic.



2. OUR COMMITMENTS TO OUR STAKEHOLDERS

COMMITMENTS TO INVESTORS

RGREEN INVEST is the preferred partner of institutional, professional, and qualified investors, directing financial flows towards accelerating the energy transition and the mitigation and adaption to climate change. We aim to maintain dynamic, long-term relationships with our investors. We consider their specific expectations and ESG requirements in order to improve our practices.

We are committed to treating our investors with fairness and transparency. We are committed to providing them with accurate and fair information on a regular basis. We maintain a frequently updated website, send quarterly and annual reports to our investors and publish an annual ESG & Impact report. We are also committed to ongoingly informing our investors of the ESG performance of our portfolio investments, and we notify them in the event of an incident.

We have developed a process for managing ESG issues throughout our investment process (see our ESMS). We systematically carry out ESG due diligence on our investments. We ensure that ESG criteria are considered in project definition, construction, and operation. We define areas for improvement and monitor their implementation.

Finally, we allocate the resources needed to monitor ESG issues. The RGREEN INVEST ESG team is responsible for supervising and carrying out the operational follow up of our ESMS. The ESG team is assisted by the Investment team, and we ensure that our entire investment team receives adequate ESG training.

COMMITMENTS TO OUR INVESTEE COMPANIES

RGREEN INVEST is part of a rich ecosystem of companies involved in the energy and climate transition. We aim to build lasting relationships with these entrepreneurs and project leaders. Our focus lies in collaborating with our investees to generate positive impact and mitigate potential adverse effects of their business and their value chain.

ESG due diligence is carried out systematically at the investment stage using our proprietary ESG Scoring Tool. We take particular care to ensure that the projects in which we invest cause as little harm as possible to the environment or local ecosystems. We also ensure that these projects comply with health, safety and working conditions regulations.

Depending on the type of project and the risk involved, we additionally verify the acceptability of each project related to amongst other but not limited to: impact on local communities, compliance with international social standards and local regulations, and combating all forms of corruption. We require project owners to adhere to ethical commitments and to pay particular attention to ESG issues such as forced labour in their supply chain.



In addition, each ESG due diligence leads to the creation of a tailored ESG action plan. We regularly monitor progress made against the ESG action plan and provide our technical and methodological expertise to encourage the deployment of best practices.

COMMITMENTS TO SOCIETY AND THE COMMUNITY

Through its investment activities and the responsible management of its funds, RGREEN INVEST aims to have a positive impact on the environment. However, we are aware that these activities can also have potentially harmful impacts on the environment, biodiversity, and local communities.

At project level, we are committed to applying the highest social and environmental standards to ensure that risks and impacts are properly identified and managed. In particular, we apply the E&S standards of the European Investment Bank for all our funds, and the Performance Standards of the International Finance Corporation (IFC World Bank) for the AFRIGREEN DEBT IMPACT FUND.

At the level of the Management Company (see our CSR Charter), all employees are required to adopt the best practices and contribute individually to environmental protection (non exhaustive):

- Energy consumption is controlled,
- Waste is sorted and recycled,
- Public transport or hybrid cars are preferred for travel,
- The latest carbon footprint has been calculated in 2023 over 2022, and a carbon trajectory is currently being defined with an SBTi application planned for 2024.

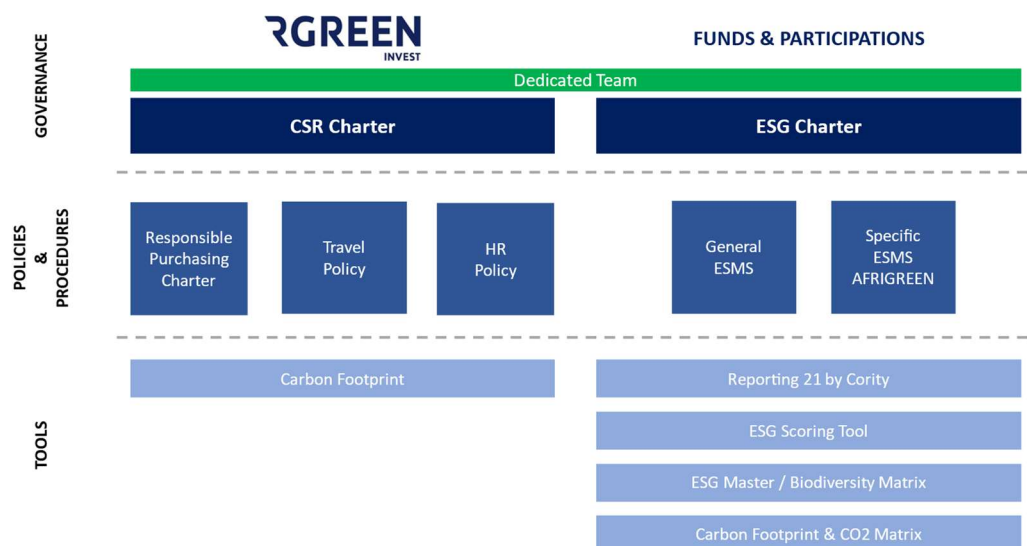
Last but not least, RGREEN INVEST is also involved in targeted philanthropic initiatives, notably in the fields of sport, health and the environment.



COMMITMENTS TO OUR EMPLOYEES

Please refer to CSR Charter.

ORGANIZATION between CSR and ESG

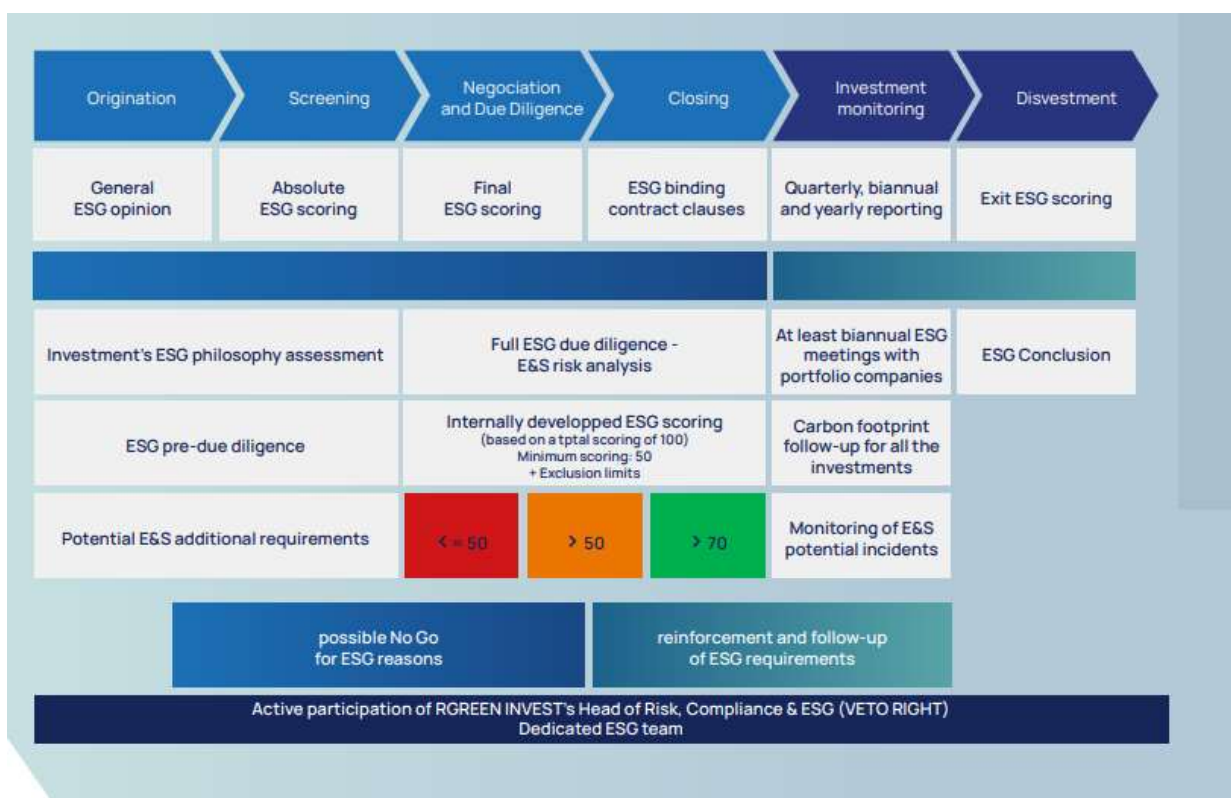




3. OUR INVESTMENT PROCESS *from an ESG point of view*

We have set up a robust Environmental and Social Management System “ESMS” to manage ESG issues throughout our investment cycle (please refer to our ESMS, available on demand). Our ESG team is responsible for implementing this management system. Our definition of responsible investment is described in detail in the Responsible Investment Policy.

Summary of the investment process from an ESG perspective



Exclusion Policy

RGREEN INVEST has developed a companywide exclusion list that specifies the activities it does not wish to finance, either directly or indirectly depending on the cases. This list is historically aligned with the European Investment Bank's exclusion policy and a recognized set of standards and rules (local regulations, social standards included in the Taxonomy, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the eight core ILO conventions and the Universal Declaration of Human Rights, as well as the IFC Performance Standards).

Please view the table of exclusions in [Annex 1](#).



Pre-investment process

To evaluate target investments, RGREEN INVEST defined (1) a methodology for systematically assessing ESG performance and risk (ESG due diligence), and (2) rigorous anti-money laundering, anti-terrorist financing, anti-corruption process and anti-tax-evasion procedures, as well as a process for managing conflicts of interest.

This ESG due diligence makes it possible to (1) validate the sustainable nature of each investment (within the framework of the SFDR Regulation approach), and (2) identify the most material ESG issues linked to the project. It presents, in a documented and precise manner, the level of maturity of the investee's ESG management and identifies the necessary improvements, if any, to meet RGREEN INVEST's requirements in terms of ESG performance and ESG risk monitoring, including in the value chain (developers, suppliers, EPC, subcontractors).

This due diligence phase is carried out using an ESG Scoring Tool developed in-house. It enables us to compare the ESG performance of an opportunity with a set of predefined criteria tailored to renewable infrastructure assets. All new due diligence processes have been conducted using the tool since January 2023. In addition, we are working on assessing existing deals using the ESG Scoring Tool.

Each ESG due diligence leads to (1) a check of exclusion lists, (2) an article 9 SFDR principles assessment (including positive / negative impacts and Principal Adverse Impact assessment), (3) a Taxonomy evaluation (eligibility / alignment / possibilities of future alignment), (4) a Greenfin assessment for labelled funds, (5) an ESG rating (no investment allowed below a certain level) and (6) the setup of an action plan and binding contractual ESG clauses into the legal documentation (shareholder agreement or bond/legal contract). These refer to the best industry practices applicable to the project. All deals are assessed to be article 9 compliant under RGREEN INVEST's definition.

Holding period (Equity or Debt)

RGREEN INVEST conducts a thorough monitoring of its investments during the holding phase. The purpose of the monitoring is to ensure investee companies are implementing requirements and recommendations from the ESG action plan (for instance Environmental and Social Action Plan "ESAP") and contractual clauses. The monitoring takes form of regular meetings between the RGREEN INVEST ESG team and the teams in charge of ESG and CSR issues in the partner companies, an annual reporting campaign to gather ESG data from partners using Cority's Reporting 21 tool and ongoing discussions with our partner companies held by the RGREEN INVEST Asset Management and Investment teams. The ESG Scoring is reassessed for each investment once a year.



We encourage dialogue and the exchange of best practices, and provide technical and methodological support on ESG issues, in response to any needs expressed by our partners. Meetings are organized on a quarterly basis for equity investments (as possible), and if possible and relevant on debt investments (i.e. relevance due to the short duration of senior debt strategy INFRABRIDGE for instance).

We also produce quarterly and annual ESG reports for our investors (using the SFDR template for periodic reporting), including information on the positive impacts and negative impact including the principle adverse indicators (“PAIs”). In the event of a material ESG incident, RGREEN INVEST undertakes to communicate transparently with investors, and to do its utmost to support the developer in implementing solutions.

Exit phase

During the exit phase in the case of an equity investment, or our repayment phase in the case of a debt investment (when relevant), we assess the progress made in terms of ESG. Before the exit or repayment we use our proprietary ESG Scoring Tool to make a final assessment of the investee company and to assess the buying counterparty as well. This assessment will be based on progress made against the ESG action plan put in place during the acquisition and holding phases.

In addition, changes in direct or indirect control of our investments represent an opportunity to reassess the relevance of the investment.

Annex 1 – Table of investment exclusions

Controversial Activity	Description	Allowed Exceptions
Adult entertainment	Adult entertainment companies	
Alcohol	Alcohol production and trade	Service providers
Biodiversity harmful activities	Destruction of Critical Habitats Production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES) Unustainable fishing methods	



	Commercial concessions over, and logging on tropical natural forest	
Cannabis	Production or trade in non-medical Cannabis	
Commercial logging	Commercial logging operations for use in primary tropical moist forest	
Controversial scientific activities	Production or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans.	
	Live animals for scientific and experimental purposes	
	Any cloning activity for reproduction purposes	
	Financial support to the research and development of GMO or any form of genetic engineering	
Conventional and non-conventional fossil fuel	Fossil fuel extraction, production sales, storage, and transport or any energy production project emitting more than 250 gCO ₂ e/kWh	Service providers & subsidiaries and their assets if their activity has a positive environmental and/or social impact
Forced/Child labour	Activities or projects involving harmful or exploitative forms of forced / child labour or that restrict people's individual rights and freedoms or violating their human rights	
Gambling & Casinos	Gambling, casinos, and equivalent enterprises	
Nuclear	Production, sales, storage, transport	Service providers
Palm oil	Non-RSPO certified palm oil activities	Service providers
Politics or Religion	Any business with political or religious content	



	Projects that have the effect of limiting people's individual rights and freedoms or violating their human rights	
Tobacco	Production or trade in Tobacco	
Waste	Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying national and EU regulations	For the avoidance of doubt, use of waste as a fuel in district heating or for bioenergy production is not excluded
Weapon	Production of ammunition and weapons.	Service providers
Other controversial and illegal activities	Companies with severe controversies regarding the UN Global Compact principles Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements	