

# ESG & IMPACT REPORT

2023 in Review and 2024 Outlook

Foreword by the CSR-ESG Team

Message from our Founder and CEO

## 1. OUR VISION

## 2. OUR IDENTITY

## 3. OUR COMPANY CSR STRATEGY & METRICS

## 4. OUR INVESTMENTS PROMOTING SUSTAINABILITY IN OUR INVESTMENTS / ESG FRAMEWORK

## 5. INTERVIEW OF ENTREPRENEURS

Glossary

Appendices

1. Summary of the main potential macro-risks
2. Task Force on Climate-Related Financial Disclosure (TCFD) reporting
3. CSR and ESG performance indicators calculation methodology
4. Methodology

Credits

# WARNING

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, covering all managed funds. This report 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 the last months, 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.

Cover photo : Biogas power plant, Belenergia, Ronco, Italy

Wind project, Qair, Widuchowa, Poland

# ABOUT THIS REPORT

This is the third ESG & Impact report published by RGREEN INVEST. This report provides an overview of our ESG and CSR strategies and describes how we are progressing on our environmental, social and governance (ESG) commitments and objectives as a fund manager and on our Corporate Social Responsibility (CSR) as an organisation. This report covers the activities of the management company RGREEN INVEST and of all the funds managed by the company. It aims to provide transparent and balanced information on the impact of our own activities and the impact of our investments on people and the planet.

This report refers to the period 2023 and provides an outlook to early 2024. The data presented in the report is drawn from a twelve-month period beginning 1 January 2023 and ending 31 December 2023, unless otherwise stated for specific data points.

Since 2023 we also publish a yearly Mission Report outlining our key impact commitments and our progress against these commitments. The Mission Report is in response to our follow-up on our commitment as a mission-driven company (Entreprise à mission). We have also published our Sustainable Investment Report to comply with our statutory reporting obligation under Article 29 of the French Energy-Climate Law. Both reports are available on our website.

# TRANSPARENCY

RGREEN INVEST is subject to the Sustainable Finance Disclosure Regulation (SFDR) (EU) 2019/2088. Disclosures under Article 11 of the SFDR are made as part of regular reporting in the quarterly and annual investor reports. The quarterly reports include information on Principal Adverse Impact (PAI) indicators and EU Taxonomy eligibility and alignment at fund level. The quarterly investor reports are distributed to all investors and are available upon request at [info@rgreeninvest.com](mailto:info@rgreeninvest.com). Regulatory website disclosures under Article 10 of the SFDR can be found in the ESG & Impact section of our website. In addition, RGREEN INVEST voluntarily discloses PAIs of our investments on entity-level in accordance with Article 4 of the SFDR. An overview of PAIs at the management company level can be found in this report and the full information on Article 4 is included in our Sustainable Investment Report.

RGREEN INVEST discloses information in relation to the SFDR in form of the entity-level Principal Adverse Impact (PAI) indicators under Article 4 of Disclosure Regulation (EU) 2019/2088. It is to be noted that the company also voluntary discloses EU Taxonomy related information but does not fully comply with specifications of Article 8 of REGULATION (EU) 2020/852.

For the second consecutive time, RGREEN INVEST has included reporting on climate risks in accordance with TCFD guidelines. This demonstrates the company's growing commitment to formalising the consideration of climate risks and opportunities in its investment and management process.

## Overviews of our reports are available here:

- [Mission Report – Entreprise à mission](#)
- [Sustainable investment report – Taxonomy & SFDR](#)
- [SFDR Article 10 website disclosure](#)
- [2023 ESG & Impact Report](#)

# FOREWORD BY THE ESG TEAM

*Through this ESG & Impact Report, we strive to be transparent with all our stakeholders by presenting our ESG and CSR strategies, progress towards our goals, actions taken and our future ambitions.*

2024 is a year of geostrategic uncertainty. Several conflicts are scattered around the world and bring their share of instability, particularly with regard to global supply chains and the energy market.

However, the climate emergency remains. The need to decarbonize our economies and adapt our infrastructure to the climate changes that have already begun and are perceptible on a daily basis across the planet remains. In such a context, we are particularly proud to contribute to the redirection of financial flows towards activities scientifically recognised as compatible or even essential for compliance with the Paris Agreement. More renewable energy, less emissions related to transportation, these are some of the first «solutions» already within humanity's reach.

Nevertheless, any anthropogenic activity has the potential to have an impact on the environment and on society itself. As responsible investors, we demand ambitious processes for analysing and mitigating environmental, social and governance risks and are committed to a rigorous application of the best standards in this area as much as we can.

The year of 2024 is also a year of acceleration for RGREEN INVEST on ESG issues. The company has continued to strengthen its capabilities on technical issues, from the operation of industrial equipment to the material balance of renewable energies and other green technologies. The company has already acquired tools and expertise on the subjects of physical climate risk and biodiversity.

The integration of transition climate risks and opportunities, led by the ESG, Risk and Investment teams, should lead to the proposal of a methodology to the board and the deployment of an approach for each new investment.

For the management company, we have developed policies relating to professional transport and its carbon footprint, we are committed to well-being at work through sport and we are pursuing our societal commitments as part of our status as a company with a mission. We will continue to promote equality by focusing on diversity, equity and inclusion.

Today RGREEN INVEST has a dedicated ESG team with a total of 5 people for 4 full-time equivalents (FTE), representing almost 10% of the management company's workforce. The team is responsible for deploying the company's ESG and Impact policies from origination to investment until final repayment. The team is also a major contributor to the company's CSR issues. The team is independent from the investment teams and is part of a partnership logic within the company in order to contribute in its own way to controlling risks and preserving the value of assets.

RGREEN INVEST is working closely with its portfolio companies to go further in terms of ESG. We encourage the application of the European Taxonomy, the decarbonisation and sustainability of value chains, the consideration of social issues in the choice of suppliers, the mitigation of critical mineral related social and environmental risks, etc.

This ESG and Impact report, in line with the previous ones, aims to give the reader an overview of our challenges, our measures, our positive or negative impacts.



**Julien Commarieu**  
Managing Director,  
Head of ESG, Risk & Compliance



**Franck Kambou**  
ESG Manager



**Briac Le Mestre**  
ESG Analyst



**Hugo Favretto**  
ESG Analyst



**Maud Grimont**  
ESG intern



**Laetitia Simo**  
ESG intern

# MESSAGE FROM RGREEN INVEST FOUNDER AND CEO



**Nicolas Rochon**  
Founder and CEO

*In the rapidly evolving landscape of the energy sector, the importance of ESG principles has never been more critical. Our commitment to these principles is the foundation of our strategy and the driving force behind our long-term vision for sustainable development and value creation. That is why all our Funds are classified or recognized as “Article 9” under SFDR regulation, thanks to assets that have a strong positive environmental impact.*

*The potential in the energy transition field remains immense. Over the past year, we have diligently worked towards harnessing this potential, managing almost €2.5 billion in assets and setting ambitious plans to invest €10 billion in the next decade. The scale of this investment demonstrates our confidence in the opportunities that lie ahead and our commitment to the energy transition.*

*The path to achieving these goals is not straightforward. It requires a distinct set of skills and an innovative approach that differs significantly from traditional energy investments. Successful navigation of this landscape demands not only expertise in managing core energy production from our Partners but also the ability to negotiate the best prices and integrate diverse technologies seamlessly. Our focus is on working with entrepreneurs able to produce, manage, and optimize energy solutions to create lasting value. By combining complementary technologies, incorporating energy storage, and mastering market routes, the objective is to promote green energy in the most efficient way possible.*

*Our commitment to ESG principles extends naturally beyond financial metrics. We believe that true success comes from a mission-driven approach, grounded in a deep understanding of underlying principles. This conviction is at the heart of our efforts to support entrepreneurs and innovators who are essential to scaling up sustainable energy solutions, the most possible in line with the top environmental regulations and labels (for instance the EU Taxonomy). We recognize that our role is not just to invest but to foster an ecosystem where these pioneers can thrive while being attentive to biodiversity and social matters.*

*As a mission-driven company, our approach is holistic and thorough. Each investment undergoes an in-depth analysis (using tools mainly developed internally and in line with the best standards) to understand the positive and negative externalities fully. This ensures that our projects contribute positively to society and the environment while delivering financial returns.*

*As we look forward, our commitment to climate and environmental questions will remain central to our strategy. We believe that by integrating these values into every aspect of our operations, we target to drive meaningful change and contribute to a more sustainable and stable future.*

“Our commitment to ESG principles extends naturally beyond financial metrics. We believe that true success comes from a mission-driven approach, grounded in a deep understanding of underlying principles.”



Photovoltaic solar project, Renalfa, Razlog, Bulgaria

1

# OUR VISION

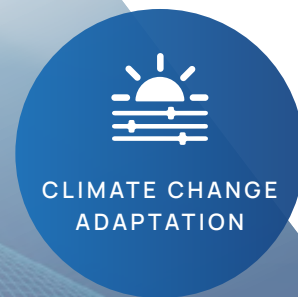
# OUR APPROACH TO ESG

*At RGREEN INVEST we approach all ESG issues with transparency and rigor. For instance, we built internal capacity in order to perform Greenhouse Gas (GHG) gas accounting. We seek for external expertise when needed on specific issues related to biodiversity, risk of pollution, etc.*

We are very sensitive to the dynamic European ESG regulatory landscape which we see as an opportunity for methodological normalization and transparency-driven ESG performance reporting for European corporates and their shareholders. In order to understand impact, we need to apprehend properly the functioning and the magnitude of projects we finance.

Although the projects and companies we fund are deemed positive for the Climate, we attach great importance to assessing and mitigating ESG risks of projects with impartiality and technical rigor. However, the availability and reliability of ESG data remains a constant challenge.

## OUR MISSION



Photovoltaic solar project, Renalfa, Razlog, Bulgaria





## Strategic ESG and CSR focus

When it comes to sustainability, RGREEN INVEST uses two concepts: ESG and CSR.

RGREEN INVEST defines ESG as environmental, social and governance issues that relate to investments. When it comes to the ethical and sustainability issues of the management company and its employees, the term Corporate Social Responsibility (CSR) is used.

## Implementing CSRD

The Corporate Sustainability Reporting Directive (CSRD) strengthens the extra-financial reporting obligations of companies throughout Europe and will accelerate the identification and analysis of ESG impacts, risks and opportunities within companies. Transition and adaptation plans will become important elements of corporate strategy. Even the smallest companies are being impacted by the connection of value chains and the necessary transformation of the largest.

Although neither RGREEN INVEST nor its portfolio companies are directly concerned by the application of CSRD at this stage, we enthusiastically welcome this European directive, which will allow greater transparency in terms of ESG performance within the economy. We believe that the CSRD will make ESG due diligences and investment decisions even more informed. Some of the companies in our portfolios will be subject to the CSRD and have already launched work to analyse double materiality. We are participating in this work as a committed shareholder.

### Our methodology for conducting the double materiality assessment

In 2023, a first double materiality assessment was conducted internally, and the results were validated by the Board of Directors and the Executive Board of RGREEN INVEST.

In 2024, the double materiality assessment was updated and reinforced collaboratively within the ESG Risk and Compliance teams to identify a comprehensive list of ESG and CSR risks and opportunities relevant to RGREEN INVEST. We combine quantitative scores and qualitative insights to prioritize ESG, factors based on RGREEN INVEST's strategic focus, industry trends, and stakeholder expectations. The team ensured that the matrix reflects both internal (financial) and external (impact) perspectives accurately. The results were presented to the ESG & CSR committee and validated by the Executive Board of RGREEN INVEST. The purpose of the assessment is to improve our strategic direction, reporting, and communication. The focus areas identified are by no means static but depend on the development and maturity of RGREEN INVEST as well as the evolution of stakeholder priorities, macroeconomic trends, and impacts.

Double materiality assessment results for RGREEN INVEST in 2024



- |  |                                     |  |
|--|-------------------------------------|--|
| 1 Grievance management                 | 10 Health, Safety and well-being    | 20 Climate transition risks and opportunities                            |
| 2 Water pollution                      | 11 Biodiversity footprint           | 21 Conflict of interest  |
| 2 Air pollution                        | 12 Ecodesign of projects            | 22 Reputational risks of financed projects                               |
| 3 Soil pollution                       | 13 Recycling of waste               | 23 Attractiveness and employee retention                                 |
| 4 Socioeconomic development            | 14 Health and safety of workers     | 24 Transparency towards investors  |
| 5 Impact on local communities          | 15 Artificialisation of land        | 25 Reputation towards investors  |
| 6 Labor & human rights in supply chain | 16 Stakeholder engagement           | 26 Compliance, anti-money laundering, anti-corruption & anti-tax evasion |
| 7 Impact on ecosystemic services       | 17 Personal data protection         | 27 Respect of ESG provisions   |
| 8 Diversity & inclusion                | 18 Climate physical risks           |  |
| 9 Water Usage                          | 19 Responsible use of raw materials |  |
- environmental ● social ● governance

We have already been able to identify certain material challenges: the climate transition is an opportunity for RGREEN INVEST because of its investment strategy focused on green technologies. Compliance and anti-corruption issues remain a major challenge in a globalised financial sector. In addition, more sector-specific issues such as the criticality of materials or biodiversity are of particular importance for the activities financed by RGREEN INVEST. The elements presented in the graph above indicate an initial perception of the double materiality of certain issues. It shows the raw materiality, without taking into account the measures put in place to mitigate risks and realise opportunities. These are the subjects covered throughout this report.

This exercise will continue with a broadening of the stakeholders and a better consideration of the inputs of contributions subject or not to the CSRD.



## Voluntary ESG frameworks



### UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

RGREEN INVEST has been a signatory since 2017



### FRANCE INVEST

RGREEN INVEST has been a signatory since 2017



### B CORP

RGREEN INVEST is certified B Corp since 2022



### TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD)

RGREEN INVEST is voluntarily disclosing information on climate related risks and opportunities in line with recommendations of TCFD



### EUROPEAN INVESTMENT BANK ENVIRONMENTAL AND SOCIAL STANDARDS



### IFC PERFORMANCE STANDARDS ON ENVIRONMENTAL AND SOCIAL SUSTAINABILITY



We are moving very gradually from an era of stability to an era of recurrent macro shocks. In this context, ESG is the subject of a deep controversy over its sometimes very political vision of the world. This political vision is not our vision, and implementing ESG criteria is certainly not dictating what is right or wrong.

#### ESG, operational risk, financial risk

Environmental, social and governance principles are for us a method of analysing the long-term operational risks of our projects. Integrating an environmental impact analysis on a project (including when the regulations do not require it) before financing the construction allows, for example, to limit the risks of recourse against projects and civil society disputes. Conducting an analysis of future climate risks on the asset also helps to anticipate operational risks of flooding, drought and other extreme weather conditions, allowing projects to be best adapted and resilience to be strengthened.

From a social point of view, ensuring that the supply chain of the equipment used complies with the fundamental principles of international social law, ensuring that renewable energy projects do not produce limited nuisances, all this also contributes to the management of the operational risk of projects.

Governance or compliance holds a special place in that it does not frame operational risk so much as financial risk directly. Ensuring that companies that build and operate solar or wind farms have procedures in place to combat money laundering, anti-corruption and tax evasion, and the fight against fraud, is directly a way to limit financial risk in the long term.

#### Energy transition, materials and sovereignty

Renewable energies and the electrification of uses (particularly in the context of the deployment of electric vehicles) have seen recurrent criticism concerning the risk of sovereignty and concerning, as well as the use of large quantities of metals. Thus, our annual report was a great opportunity to perform a reflexion around material used with negative and positive outcomes.

Sovereignty is also a very relevant topic: is it compatible with ESG commitments? We mainly finance projects in Europe, a continent that currently has few base metals, starting with copper. Setting up renewable energy projects in Europe is tantamount to creating artificial mines on our soil. These metals, aluminium, steel, copper, silver, etc. can be recycled and reused. In a finite world with scarce resources, the notion of sovereignty will necessarily take these aspects into account. One of the next challenges of RGREEN INVEST will be to participate to the financing of solar, wind, batteries manufacturers directly in Europe.

Through this ESG & Impact Report, we strive to be transparent with all our stakeholders by presenting our ESG and CSR strategies, progress towards our goals, actions taken and our future ambitions.

We hope you enjoy reading this report and continue to follow our progress.”

**Julien Commarieu**  
Managing Director,  
Head of ESG, Risk & Compliance



# OUR COMMITMENTS AS A MISSION-DRIVEN COMPANY

RGREEN INVEST became a mission-driven company (Entreprise à mission) in early 2021. Through our mission, RGREEN INVEST is committed to financing infrastructures based on criteria that contribute to the achievement of the Sustainable Development Goals (SDGs) set by the United Nations for 2030.

Please read more about our impact objectives in our Mission Report.

	Statutory objectives	SDG	Operational targets	Key Performance Indicators	2023 Outcome	2025 Targets
1	Enable the large-scale development of efficient, low-carbon alternatives to the carbon-based solutions widely used today	 <b>SDG 13 - Take urgent action to combat climate change and its impacts</b>	Providing financing for climate change mitigation and adaptation	Share of fundclassified as Article 9 under the SFDR (in number of funds) Share of portfolio eligible to EU Taxonomy Share of portfolio aligned to EU Taxonomy Carbon trajectory validated by SBTi	100% 95% 0% To be submitted in 2024	90% 50% 20% yes
2	Invest in sustainable infrastructure that creates local value and jobs, particularly in developing regions	 <b>SDG 9 - Build resilient infrastructure, promote inclusive sustainable industrialization and foster innovation</b>	Involving stakeholders in project development to promote local job creation Diversifying our portfolio's geographic footprint, particularly in Africa	Jobs supported. Number of developers supported since the creation of RGREEN INVEST. Investment in areas requiring significant investment according to the IPCC: Amount invested and committed in Eastern Europe. Investment in areas requiring significant investment according to the IPCC: Amount invested and committed in Africa	62 €477M €87.5M	70 Additional €150M Additional €40M
3	Support technologies adapted to the specific energy issues and challenges of the territories and populations where they are located	 <b>SDG 7 - Guarantee access for all to reliable, sustainable and modern energy services at an affordable cost</b>	Exploring new technologies to diversify the portfolio Supporting small businesses with local roots	Portfolio technologies. Direct exposure to the fossil fuel sector GW installed capacity financed in operation (with other sources of financing) Number of VSE-SME-ETI supported related to renewable energy production in Europe Number of VSE-SME-ETI supported related to renewable energy production in Africa	0 3.2 GW 59 3	0 4 GW 70 60
4	Contribute to the deployment of infrastructures with reduced environmental impact	 <b>SDG 12 - Establish sustainable consumption and production patterns</b>	Financing resource-efficient infrastructure Supporting our partners in managing their environmental and social impact	Amount invested and committed to infrastructure projects Number of participations supported by the ESG team via systematic follow-up meetings on ESG issues	€2.2Bn 19	€2.5Bn 20
5	Support farmers in implementing sustainable production methods	 <b>SDG 2 - Eradicate hunger, ensure food security, improve nutrition and promote sustainable agriculture</b>	Financing one or more agrivoltaic projects	Amount committed to agrivoltaic and agriculture-related projects	€52M	Additional €20M

## Our ESG Scoring

We have strengthened our processes and developed new tools to better integrate ESG into our investment and asset management processes. This ESG process integrates criteria related to the different standards such as the EU Taxonomy, IFC Performance Standards, EIB standards, etc.

### ESG Scoring Tool

RGREEN INVEST has created a proprietary ESG Scoring Tool that is used to assess

- (1) All new investments since January 2023,
- (2) All investments on an annual basis (backtracking of old deals),
- (3) All deals prior to exit.

	Explanation	Scoring
<b>General Principles</b>	Does the investment comply with general principles (Fund by-laws, side letters and ESG principles)?	YES / NO
<b>Fund Exclusions</b>	Does the investment comply with Fund Exclusion list?	YES / NO
<b>Greenfin Label</b>	Is the investment in line with Greenfin Exclusion list + is it eligible to the label?	YES / NO + % of eligibility
<b>EU Taxonomy</b>	Share of EU Taxonomy eligibility and alignment (Turnover, CAPEX, OPEX)	% of eligibility and alignment
<b>SFDR</b>	Initial SFDR Article 9 classification Assessment of Principle Adverse Impact Indicators	YES / NO
<b>Initial ESG Scoring</b>	Is the investment in line with Greenfin Exclusion list + is it eligible to the label?	A B C1 C2
<b>Final ESG Scoring</b>	Rating of ESG risks, impacts and opportunities against robust ESG criteria through the value chain	0 - 100 %
<b>ESG legal negotiation</b>	ESG requirements implemented into the legal doc depending on the risk	

For an exhaustive overview, please refer to the ESG Due diligence process page 37.

# OUR DAY-TO-DAY ESG PRACTICE

### Presentation of the ESG scoring system

Our ESG scoring tool consists of several stages corresponding to the life cycle of the investment. Various ESG factors are assessed (hectares artificialised, land use, existence of Health, Safety and Environment (HSE) procedures, robustness of the ESIA, gender mix of teams, etc.). It looks at the developer, builder and operator of the power plants and the offtaker. It uses a scoring system based on thresholds of capacity and magnitude of different environmental and social items.

The initial score is A, B, C1 or C2 - A being the score given to the riskiest projects and constituting a reason to stop the appraisal. The final scoring system expresses a score out of 100. As a reminder, only transactions with a score above 50% can be completed.

### Future outlook

The next few years will see an acceleration in the recognition of the challenges associated with the supply chain for energy transition equipment and technologies. These issues mainly concern the social and environmental impact of the sites where materials are extracted and machinery manufactured (mainly in Asia), the geographical diversification of supply chains, the recyclability and recoverability of equipment at the end of its life, etc.

More specifically, issues relating to the extraction of critical materials will require the availability of more accurate data and will be analyzed from the environmental, social and sovereignty angles, i.e. from the angle of security and environmental protection, because the energy transition needs secure and reliable supply chains.

Once the main risks have been identified, our approach is to work with our stakeholders on possible mitigation measures and timescales for implementation. We place great value on integrating ESG criteria into our partner companies' procedures. We work to provide technical and regulatory expertise on ESG to prepare our investees - as they grow - to cultivate good practice. We carry out site visits throughout the investment cycle.

With regards to different technologies we cover, there is a permanent update on technical understanding of both known and emerging technologies like electricity storage, industrial energy efficiency, electric mobility, etc.

We are also currently working on our impact thesis based on marketplace definitions in order to valorize the positive impact of our funds in our marketing strategy.

### Example of topics covered

#### Project developer - Environment

Renewable energy production capacity	+	Impact on Biodiversity	+	Decommissioning and recycling	-
Land use / deforestation	-	Rare Earth & critical metals	-	GHG emissions (project & value chain)	-

#### C&I Company - Environment

Replacing fossil fuels	+	HSE management	-	Climate and environmental impact	-
Impact on Biodiversity	-				

#### Project developer - Social

Health & Safety	-	Impact on local community	+	Social risk in supply chain	-
Diversity & Equality	-	Labor conditions	-		

#### C&I Company - Social

Local and global impact of activity	+	HSE management	-	Climate and environmental impact	-
Labor conditions	-				

#### Governance - C&I / Project / Project developer

Anti-Money Laundering	-	Anti-corruption and bribery	-	Fighting tax evasion	-
Country governance indicator	-				

# EU GREEN FINANCE REGULATIONS: A PERIOD OF CLARIFICATION

RGREEN INVEST targets compliance with all EU regulation related to the European Green Deal and encourages its corporate partners to follow these regulations. Ever more, we consider this European framework has the potential to boost efficient allocation of private and public resources in favor of the Climate.

The European Green Deal brought different regulations aiming to support the net zero objectives of the European Union. This is the very purpose of the European Green Taxonomy (EU Taxonomy), the Sustainable Finance Disclosure Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD) and others. During the last months, different developments have been made.

## **Sustainable Finance Disclosure Regulation (SFDR): ongoing discussions**

RGREEN INVEST keeps considering all its funds to be in line with Article 9 of the SFDR. In the context of the revision of the SFDR regulation, projects are undertaken to include more differentiation in the classification system. The potential future distinction between solution and transition activities – as proposed by French AMF – may provide more accurate information to the market, regarding sustainability objectives and strategies of the funds. This would facilitate effective allocation of the financings to support climate transition and acceleration climate solutions.

RGREEN INVEST has also taken note of the opinion published by the ESA on the SFDR update. This paper also aims to clarify the SFDR, particularly for retail investors, by proposing the use of investment categories and/or sustainability indicators to differentiate products. This should make it possible to align with the current use of SFDR categories, which are used as labels rather than levels of transparency.

## **EU Taxonomy for sustainable economic activities**

Recently the Commission has published the four remaining delegated acts related to non-climate environmental objectives of the EU Taxonomy (circular economy, water, biodiversity, pollution). Ever though RGREEN INVEST's strategies are focused on climate change mitigation and adaptation objectives, we are open to the financing of environmental solution covered by all the EU taxonomy and welcome the extension of the classification system to all the Union's environmental objectives.

## **Corporate Sustainability Reporting Directive: Data providing, game changing**

Since the beginning of 2024, the CSRD entered into force and is shaping future ESG strategies. It incorporates the concept of double materiality analysis, covering the entire value chain and requiring companies to extend their analysis beyond what is already known, and to take into account what is not the direct responsibility of the company. As an investor, we believe that the application of this directive will provide us with even more ESG data and facilitate decision-making.

Although this regulation will directly affect very few of our portfolio companies in the short term, we believe that it will improve the way ESG criteria are considered in all business relationships and at all levels, and this is why we encourage our portfolio companies and counterparts to implement CSRD as much as possible.

## **ESMA final report on Guidelines on funds' names: the clarification**

The European Security Markets Authority has published its Final Report on Guidelines on funds' names using ESG or sustainability-related terms.

The objective of the text is to give provisions in order to clarify and harmonize the conditions required for the use of specific terminologies like "impact", "ESG", "Environment", "sustainable", that could mislead investors and may increase the risk of "greenwashing".

The key elements consisted of the integration of requirements based on:

- (I) sustainable investment thresholds (based for example on the SFDR),
- (II) sector exclusion criteria and
- (III) the use of Paris-aligned benchmark (PAB) rules

RGREEN INVEST welcomes these moves to standardize fund marketing. This contributes to transparency about the sustainability risks and opportunities associated with the private equity sector.



2

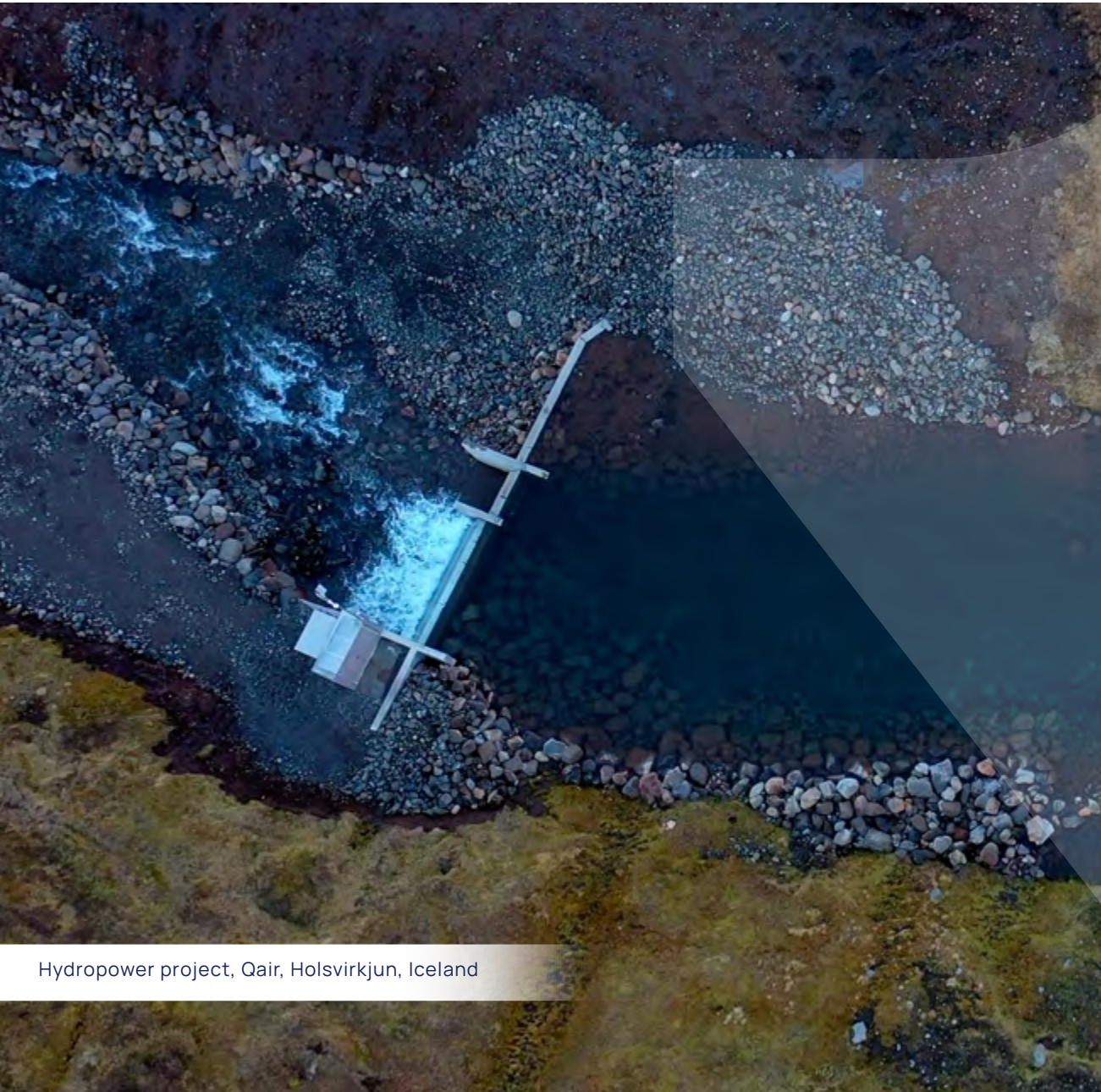
## OUR IDENTITY

Floating Wind project, Qair, Eolmed, France

# WHO WE ARE

**+10**  
years of existence  
Company founded in 2013

**+50**  
experienced professionals  
with complementary profiles coming from renewable energy, fund management and investment banking backgrounds, making it one of the largest renewable energy teams.



*RGREEN INVEST is a unique company in terms of its purpose, its mission and its teams. Over the years, we have become a preferred partner for developers and manufacturers in the European energy transition.*

*For the last decade, we have been playing an active role in achieving European and global climate objectives, while providing our investors with solid and sustainable returns. We are recognised in the marketplace as an impact investor, and we are continuing to build on this momentum.*

*The company's workforce has doubled in 2 years, a sign of growing activity and responsibility in all areas: from the performance of our investments to the management of ESG, financial and compliance risks. We believe that well-being in the workplace is not only meaningful, but is also a source of performance for the company and therefore for our shareholders.*

*All thanks to our multi-disciplinary, passionate and pragmatic team of experts. We intend to continue strengthening our ESG systems in response to the regulatory framework, the needs of LPs and, above all, because sustainability is in our DNA."*



**Cédric Lacaze**  
Managing Partner

Hydropower project, Qair, Holsvirkjun, Iceland

## FUNDS & HOLDINGS

€2.2Bn

in assets under management / fund commitments

10

funds

(active) dedicated to infrastructure projects related to the energy transition and adaptation to climate change.

+10

technologies deployed<sup>2</sup>:

photovoltaic and concentrated photovoltaic solar power (CPV), wind power, biogas, hydroelectricity, biomass, geothermal energy, hydrogen, battery storage, industrial and commercial energy efficiency, etc.

+60

funded

-developers

-IPPs

-industrial companies

+3000

projects financed across Europe

€3Bn

managed

since inception<sup>3</sup>

## CLIMATE

+3.2 GW

green projects in operation

financed in the portfolio<sup>1</sup>

financed jointly with other sources of financing, banks or investors. Including +765 MW financed solely by RGREEN INVEST.

By way of comparison, this maximum installed capacity corresponds to the theoretical capacity of the Flamanville EPR (1.6 GW), but with a lower load factor and increased intermittency.

+5.2 GW

green projects in operation, under construction

or ready to build financed in the portfolio<sup>1</sup>

financed jointly with other sources of financing, banks or investors. Including +1.3 GW financed solely by RGREEN INVEST.

5.5 TWh

of renewable electricity

generated by projects in the portfolio financed jointly with other sources of financing, banks or investors.

Including +1.1 TWh financed by RGREEN INVEST.

1.8 MtCO<sub>2</sub>e

estimated CO<sub>2</sub>e avoided

from projects funded in the portfolio ("Scope 4") financed with other sources of financing. Including 390 ktCO<sub>2</sub>e financed solely by RGREEN INVEST.

To be compared with RGREEN INVEST's carbon footprint for 2022 (calculated by RGREEN INVEST and counter-validated by Carbometrix).

Scope 1 = 27 tCO<sub>2</sub>e (vs 16 tCO<sub>2</sub>e in 2022)

Scope 2 = 2 tCO<sub>2</sub>e (vs 2 tCO<sub>2</sub>e in 2022)

Scope 3 (ex. 3.15) = 1 072 tCO<sub>2</sub>e (vs 614 tCO<sub>2</sub>e in 2022)

Scope 3.15 = 252 ktCO<sub>2</sub>e (vs 242 ktCO<sub>2</sub>e in 2022)

Ratio avoided emissions to carbon footprint Scopes 1, 2 & 3 = x7

The avoided emissions are seven times larger than the carbon footprint of the projects invested in.

## ESG & IMPACT

10

funds Article 9 SFDR

i.e., all funds managed by the company.

1

impact focused fund

(AFRIGREEN)

Launched in February 2023.

(1) Green projects generate electricity or heat from renewable sources or contribute to climate change adaptation efforts. In terms of emissions, these projects are not zero carbon, they aim to be low carbon. We sometimes use the term "green" to refer to the concepts of renewable energy and climate change adaptation; however, it is important to note that any project or action can pose a potential risk to biodiversity, even when it is presented as green.

(2) It should be noted that RGREEN INVEST only invests in infrastructure projects using proven and validated technologies. The figures show the current level of investment by type of technology, all funds combined. A new equity fund (non-infrastructure) has been launched in 2022, focusing on other technologies.













(3) Calculated as the following: invested and committed amount + dry powder.



# TECHNOLOGY BREAKDOWN BY PORTFOLIO

AS OF 31/03/2024

Estimated (rounded) amounts invested in million euros M€. This table excludes, as of 31 March 2024, (1) liquidated funds, (2) equity and bonds reimbursed or repaid. INFRAGREEN II and Co-investments funds are in reality divided into several sub funds. This synthesis is only provided for explanatory purpose.

	CO-INVEST- MENTS	INFRAMEZZ	RSOLUTIONS	AFRIGREEN	INFRABRIDGE II	INFRABRIDGE III	INFRABRIDGE IV	INFRAGREEN II	INFRAGREEN III	INFRAGREEN IV	INFRAGREEN V	TOTAL	%
 Photovoltaic	5	14	-	1	9	171	-	26	90	273	68	658	44%
 Storage	89	-	-	-	-	-	-	-	-	145	117	351	23%
 Onshore Wind	10	-	-	-	-	-	-	9	94	95	11	219	14%
 Mobility	7	-	-	-	43	-	-	-	-	29	25	104	7%
 Energy efficiency	-	-	-	-	-	-	-	-	-	47	-	47	3%
 Offshore Wind	2	-	-	-	-	-	-	6	24	4	-	35	2%
 Hydro	0	-	-	-	-	-	-	-	0	22	-	22	1%
 Agrivoltaic	-	-	-	-	-	5	-	-	-	17	-	21	1%
 Biomass	-	-	-	-	-	-	-	-	12	-	-	12	1%
 Hydrogen generation	2	-	-	-	-	-	-	-	6	4	-	12	1%
 Biogas	-	-	-	-	-	-	-	2	5	-	-	6	0%
 Geothermal	-	-	-	-	-	-	-	-	4	-	-	4	0%
Other	1	-	11	-	-	-	-	-	5	2	2	21	1%
<b>TOTAL</b>	<b>116</b>	<b>14</b>	<b>11</b>	<b>1</b>	<b>52</b>	<b>175</b>	<b>Launched in 2024</b>	<b>44</b>	<b>240</b>	<b>637</b>	<b>223</b>	<b>1 512</b>	<b>100%</b>

# GEOGRAPHIC SCOPE OF ACTION

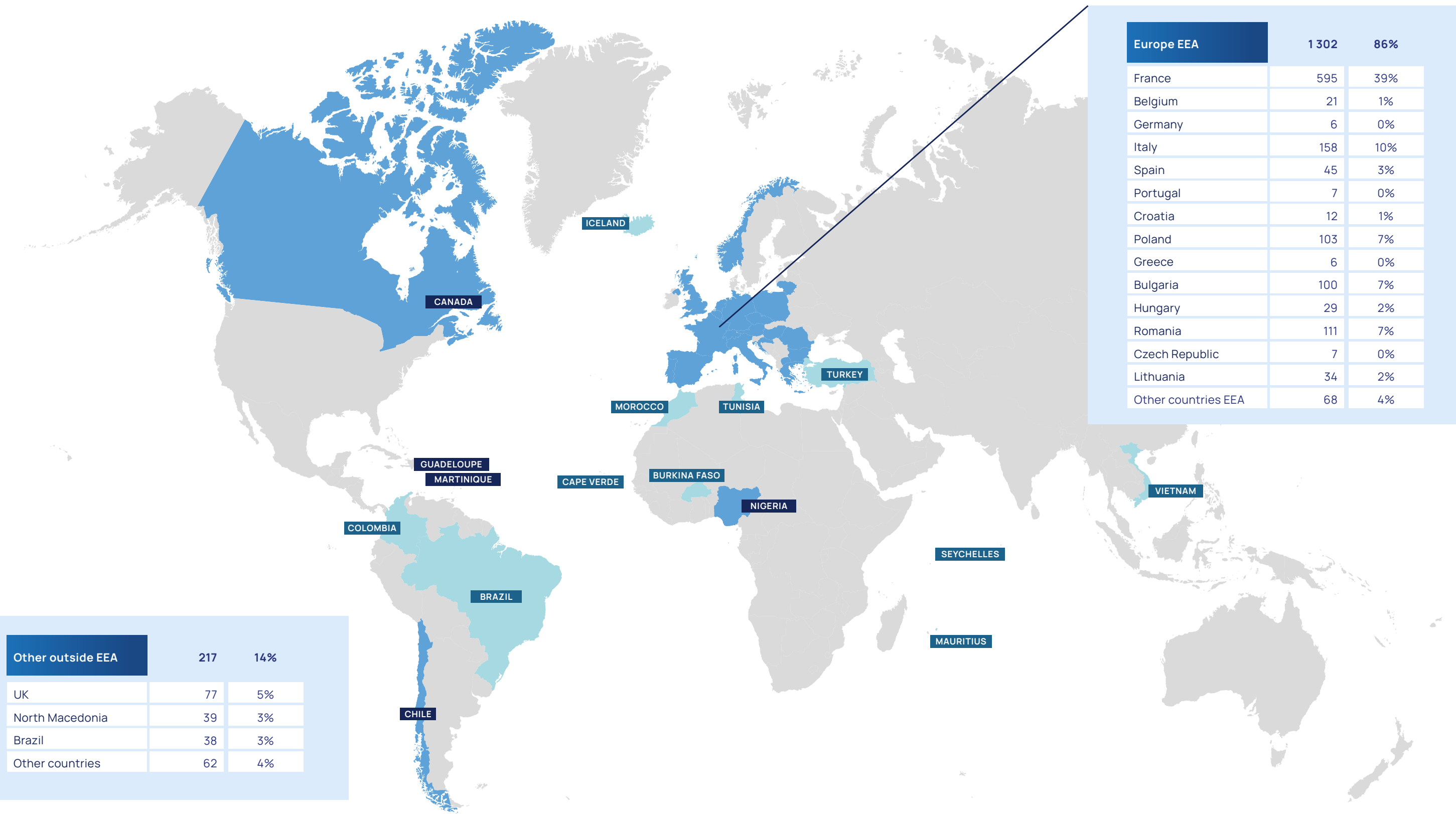
AS OF 31/03/2024

Estimated amounts invested in million euros M€. This table excludes, as of 31 March 2024, (1) liquidated funds, (2) equity and bonds reimbursed or repaid. INFRAGREEN II and Co-investments funds are in reality divided into several sub funds. This synthesis is only provided for explanatory purpose.



Europe EEA	1 302	86%
France	595	39%
Belgium	21	1%
Germany	6	0%
Italy	158	10%
Spain	45	3%
Portugal	7	0%
Croatia	12	1%
Poland	103	7%
Greece	6	0%
Bulgaria	100	7%
Hungary	29	2%
Romania	111	7%
Czech Republic	7	0%
Lithuania	34	2%
Other countries EEA	68	4%

Other outside EEA	217	14%
UK	77	5%
North Macedonia	39	3%
Brazil	38	3%
Other countries	62	4%



# OUR FUNDS

RGREEN INVEST has deployed a portfolio of investment strategies composed of funds that are all classified as Article 9 under the SFDR and are expected to achieve a high level of minimum alignment with the EU Taxonomy by the end of the fund's life. The portfolio is diversified in terms of instruments, technologies, regions and investor types. INFRABRIDGE IV, the latest addition to our debt strategy, was launched in 2024. It aims to fill the funding gap for clean energy infrastructure across Europe.


	Investment objectives	Instruments	Area	ESG Analysis	Impact Fund	Certification	SFDR	Minimum level of sustainable assets*	EU Taxonomy minimum level of eligibility**	ESG criteria linked to remuneration
<b>INFRABRIDGE II</b> (previously NOUV. ENERGIES II)	Renewable energy infrastructure and adaptation to climate change	Short term senior debt (bridge financing)	Europe	Yes	-	-	Article 9 (launched before SFDR)	100%	Minimum level of eligibility under revision	Yes
<b>INFRABRIDGE III</b>	Renewable energy infrastructure and adaptation to climate change	Short term senior debt (bridge financing)	Europe	Yes	-	-	Article 9	100%	Minimum level of eligibility under revision	Yes
<b>INFRABRIDGE IV</b> launched in Q4 2024	Renewable energy infrastructure and adaptation to climate change	Short term senior debt (bridge financing)	Europe	Yes	-	-	Article 9 (launched before SFDR)	100%	80%	Yes
<b>INFRAGREEN II</b> 2015	Renewable energy infrastructure	Junior debt	Europe	Yes	-	Greenfin	Article 9 (launched before SFDR)	100%	Minimum level of eligibility under revision	Yes
<b>INFRAGREEN II</b> 2016	Renewable energy infrastructure	Junior debt	Europe	Yes	-	-	Article 9 (launched before SFDR)	100%	Minimum level of eligibility under revision	Yes
<b>INFRAGREEN III</b>	Renewable energy infrastructure and adaptation to climate change	Equity and junior debt	Europe	Yes	-	Greenfin	Article 9 (launched before SFDR)	100%	Minimum level of eligibility under revision	Yes
<b>INFRAGREEN IV</b>	Renewable energy infrastructure and adaptation to climate change	Equity and junior debt	Europe	Yes	-	Greenfin	Article 9	100%	80%	Yes
<b>INFRAGREEN V</b>	Renewable energy infrastructure and adaptation to climate change	Equity	Europe & international	Yes	-	Greenfin	Article 9	100%	80%	Yes
<b>AFRIGREEN DEBT IMPACT FUND</b>	Renewable infrastructure projects for commercial and industrial customers	Senior debt & Direct lending	Africa	Yes	Yes	-	Article 9	100%	80%	Yes
<b>RSOLUTIONS</b>	Companies involved in climate change mitigation and adaptation or linked to the protection of human life	Equity	Europe	Yes	-	-	Article 9	100%	0%	Yes
<b>INFRAMEZZ</b>	Renewable energy infrastructure and adaptation to climate change	Junior debt (mezzanine)	France, Germany	Yes	-	-	Article 9 (launched before SFDR)	100%	Minimum level of eligibility under revision	Yes

\*Minimum level of sustainable investment included in fund as defined in the pre-contractual disclosures of fund. Definition of sustainable investment follows SFDR and RGREEN INVEST Responsible investment Policy except during the liquidation period where the percentage of sustainable investments will decrease as the Partnership divests until its complete liquidation and liquidity assets qualified as 'not sustainable' will increase.

\*\*Minimum level of Taxonomy alignment required at end of life for fund. With exception of AFRIGREEN DEBT IMPACT FUND for which Taxonomy alignment is required at all times. INFRAGREEN V is the only fund with an official alignment target. The fund targets 80% of full alignment with the EU Taxonomy technologies. The Carried Interest will be equal to 20%, including 5% in the ESG Carried Reserve, payable to the Carried Interest Holders if a minimum of 80% of the Partnership's investments is aligned with the EU Taxonomy. INFRABRIDGE IV targets 80% eligibility and substantial contribution to the EU Taxonomy. 25% of the performance fee is subject to meeting at least 2 ESG KPIs.

# SUMMARY OF THE MAIN OPERATIONS CARRIED OUT IN 2023-2024

RGREEN INVEST has completed numerous transactions through its funds in recent months, which represents a significant acceleration in its investments. Some important transactions are listed in the table below.

<p><b>BELENERGIA</b> </p> <p><b>€100M</b> INFRAGREEN V Equity Italy, France, Spain</p> <p> Solar, Wind, Biogas and Biomass</p>	<p><b>BNEWABLE</b> </p> <p><b>€2M</b> INFRAGREEN V Equity Belgium</p> <p> Solar, Storage</p>	<p><b>CCE</b> </p> <p><b>€70M</b> INFRABRIDGE III, INFRABRIDGE IV Senior Debt Austria, Europe</p> <p> Solar</p>	<p><b>CVE</b> </p> <p><b>€17M</b> INFRABRIDGE III Senior Debt France, Spain</p> <p> Solar</p>	<p><b>ODASCO</b> </p> <p><b>€7M</b> AFRIGREEN Senior Debt Morocco</p> <p> Solar</p>
<p><b>LANGA INTERNATIONAL</b> </p> <p><b>€32M</b> INFRAGREEN III Equity France, Europe, South America</p> <p> Solar</p>	<p><b>SWISH</b> </p> <p><b>€47M</b> INFRAGREEN V Equity France</p> <p> EV charging stations</p>	<p><b>IMPAX</b> </p> <p><b>€5M</b> INFRABRIDGE III Senior Debt Italy</p> <p> Solar</p>	<p><b>GREEN GENIUS *</b> </p> <p><b>€47M</b> INFRABRIDGE III Senior Debt Lithuania</p> <p> Solar</p> <p>* second tranche</p>	<p><b>NEOLITHE</b> </p> <p><b>€1M</b> RSOLUTIONS Junior Debt France</p> <p> Waste recycling</p>

# FOCUS ON OUR MAIN INVESTMENT STRATEGIES

From the outset, we were determined to unlock the entrepreneurial potential in the area of green energy infrastructure by meeting the renewable energy market's demand for more tailored and flexible financial structuring. Since then, we have grown with the support of more than 50 financial investors alongside nearly 60 project developers. In doing so, we have always been guided by the challenges they face, the increasing environmental demands and the evolving requirements of the market, which has gone from a «niche-to-mainstream» market within ten years.

We support our historical partners, the pioneers of the energy transition, throughout their development. Thanks to our solutions that keep pace with a fast-growing market, we are able to build new partnerships every year. However, business models have changed. With the expansion of developers into international markets, the diversification of technologies within the portfolio and the increase in corporate Power Purchase Agreements (PPA) type contracts, the demand for equity and private debt is on the rise and so is the level of our investment.

€3Bn  
managed  
since inception

+60  
developers  
supported

**INFRAGREEN**  
**INFRABRIDGE**  
**AFRIGREEN**  
**RSOLUTIONS**

# INFRAGREEN

Focus on our INFRAGREEN strategy



RGREEN INVEST plays an important role in accelerating the energy transition in Europe by financing SMEs actively driving the development, construction and management of projects across three pillars in the energy transition: renewable energy production, electrification of usages and energy efficiency. In order to maximize impact per invested capital, RGREEN INVEST favors investments in new renewable energy capacity in countries with carbon-intensive electricity mixes, while supporting the electrification of usages (such as electric vehicle charging infrastructure) in countries with less carbon-intensive electricity mixes. Energy storage infrastructure has gained prominence and will play a key role in managing the intermittency of renewable energies and support the stabilization of the electricity grids.

INFRAGREEN solutions are designed to support leading developers in the energy transition space attain scale through the deployment of bankable infrastructure projects with an industrial approach. RGREEN INVEST's investment and asset management teams closely monitor developments across markets and tailor investment solutions to sector-specific needs. INFRAGREEN funds' investment strategies combine downside protection with operational excellence. The management teams of our investee companies are driven professionals with track record and are properly incentivized through mechanisms of upside sharing that are asymmetrical to the capital invested. This approach enables and accelerates RGREEN INVEST's partners to achieve scale.

ESG is embedded at each stage of our investment process, from the initial screening of an opportunity to

the final investment decision and asset management. We have noted over the years increasing demand for support from our portfolio companies in terms of understanding ESG regulations, GHG accounting, and more. We are also increasingly more cautious with regards to risks associated with supply chains, including those associated with the key components essential to the energy transition.

INFRAGREEN V was launched in summer 2023. The fund aims to reach a target size of €1 billion. On this fifth vintage, our ESG approach goes further beyond what we have done in the past, with our strongest commitments and highest standards including our ESG scoring, and management tools developed in alignment with the support of IFC, the leader globally in setting the benchmarks for the ESG Performance Standards. Part of the carried interest is directly linked to the fund's alignment with the EU Taxonomy. The fund has received the French Greenfin label and is classified as Article 9 under the SFDR."

**Olivier Guillaume**  
Partner & Chief Investment Officer



## **BELENERGIA** Italy, France, Spain



**Technology:** Photovoltaic, Wind, Biogas, Biomass  
**Type of deal:** Equity  
**Commitment:** €100M  
**Sustainable investment objective:** Climate change mitigation, Circular economy

*Belenergia is a group specialized in the construction, operation and management of renewable energy plants. As today, the company has started the construction and the operation of photovoltaic and wind renewable electricity (150 MW), biogas (19MW) and Biomethane (1900 Sm<sup>3</sup>/h) plants. The Group's headquarters are in Milan (Lombardy) since 2022 and Lecce (Puglia) with a current headcount of c.180 FTEs. With the support of RGREEN INVEST, the company is continuing to expand, stepping up its focus on biomethane and diversifying its European footprint.*

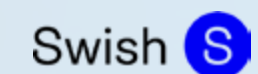
## **LANGA INTERNATIONAL** France, Europe, South America



**Technology:** Photovoltaic, Wind, Hydroelectricity  
**Type of deal:** Equity  
**Commitment:** €32M  
**Sustainable investment objective:** Climate change mitigation

*Langa International is an independent French developer and producer of renewable energy assets globally. Langa International's strategy is based on opportunistic co-development of projects with well-established local partners in approximately fifteen countries with a strong presence in Europe, insular markets and Latin America. The company is pursuing its international strategy with new markets such as Latin America and Africa.*

## **SWISH** France



**Technology:** Electric Vehicle charging stations  
**Type of deal:** Equity  
**Commitment:** €47M

*Swish is a French group specialising in the development, financing, construction, operation and maintenance of electric vehicles charging stations for professionals. Swish supports companies at every stage of their project to decarbonise mobility by installing recharging infrastructures, with the aim of helping to accelerate the transition to more sustainable mobility.*

**IMPACT:** INFRAGREEN V have an 80 % of alignment to the EU Taxonomy at the liquidation of the fund. The fund will contribute to drive capital towards identified assets classes to achieve EU Environmental targets with a strong focus on climate change mitigation and adaptation.

# INFRABRIDGE

Focus on our INFRABRIDGE strategy

Since the beginning of its journey, RGREEN INVEST has executed €1.1BN with private debt transactions and supported the construction of more than 2000 projects. INFRABRIDGE strategy, RGREEN INVEST's flagship debt fund, perfectly illustrates our "raison d'être": bringing added-value to both i) the makers of the energy transition, on the field, through tailored made financing solutions which are not addressed by traditional lenders, and ii) our clients investors, via superior returns thanks to its specific market positioning. For our 4th vintage, INFRABRIDGE IV, we will keep providing short term senior debt solutions to the industry players, both at project and corporate level, to finance mainly greenfield energy transition infrastructure. The volume of opportunities is huge with the acceleration of the race to Net Zero and the diversification of technologies and businesses plans: from traditional renewables to BESS storage, to e-mobility and biomethane, offering wide diversification to our investors base.

The INFRAGREEN IV strategy has 4 impact targets to which are linked the management fees that RGREEN INVEST will receive.

Criteria = "impact targets" To be calculated on a fund basis (to be adjusted pro rata)	Impact objective
1. Minimum 80% eligibility EU Taxonomy (including substantial contribution) at investment	Drive capital towards identified assets classes to achieve EU Climate targets
2. Climate adaptation assessment on assets	Ensure sustainable climate resilience over the long term
3. Minimum capacity of renewable assets financed	Ensure Renewables infrastructure minimum tangible capacities
4. Minimum quantity of GHG avoided (tCO2e/year)	Ensure efficient and measurable Climate impact

**CCE**  
Austria, Europe



**Technology:** Photovoltaic  
**Type of deal:** Debt  
**Commitment:** €50M  
**Sustainable investment objective:** Climate change mitigation

CCE, based in Vienna, Austria, focuses on the realisation, financing, flexibilisation and operational management of large ground-mounted PV systems, commercial PV rooftop systems and Battery Energy Storage Systems. With its solution orientated approach and many years of experience along the entire value chain, the company aims to make an important contribution to the global energy transition. In addition to Austria, the company is currently active in Italy, France, the Netherlands, Germany, Romania and Chile. As part of its commitment to sustainable and responsible business practices, CCE is committed to the ten principles of the United Nations Global Compact for labour rights, environmental protection and combating corruption in all its forms. In Q1 2024, RGREEN INVEST supported CCE via €50 million corporate loan to provide growth capital directly mainly towards capex financing across its European subsidiaries.

**CVE**  
France, Spain



**Technology:** Photovoltaic  
**Type of deal:** Debt  
**Commitment:** €17M  
**Sustainable investment objective:** Climate change mitigation

A mission driven company since 2022, CVE is an independent French producer of renewable energies across multiple countries and sources of power (solar, biogas and hydrogen). The group develops, finances and builds solar power plants, biomethane units and hydrogen production facilities to operate them on its own over the long term. CVE's aim is to create the energy models of tomorrow by producing local renewable energies to meet the needs of local authorities, businesses and the agricultural sector, in a model of direct energy sales. RGREEN INVEST has supported CVE in its ambition to established a new business unit in Spain and provided a €17m senior bond for the construction and start of operation of a portfolio of ground-mounted solar photovoltaic plants with a capacity of 29.97MWp in Spain.

## INFRABRIDGE IV : Private Debt as an impact booster



What is your competitive edge in managing Private Infrastructure Debt Investments?

*Our competitive edge relies on two main pillars:*

- i) we are specialized and have only one focus: energy transition;*
- ii) we have built a team with strong dual expertise, ie combining deep credit knowledge and actual experience of the energy transition from the inside (half of the team comes from investment banks, the other half comes from IPPs and European developers).*

*As a result, we are best placed to create impactful financing solutions which add value:*

*- For our infrastructure partners: we know their needs thanks to our sector expertise. Over the year, we have successfully moved from a portfolio essentially made up of photovoltaic and wind energy to a portfolio that includes storage, electric mobility and biomethane. Unlike generalist funds or players recently converted to financing the decarbonization of the economy, we know how to assess risks accurately and we speak the same language as our entrepreneurial partners. We believe that we have a more accurate vision and a better ability to interpret their business plans and the challenges they face in terms of growth, supply, technology and markets. As a result, we can make informed investment decisions and offer debt financing solutions tailored to the specific needs of each player. The investment team has the experience and expertise to cover the full range of debt products, including short- and long-term, senior and subordinated, project and corporate.*

*- For our investors: Our unique position and experience give us the ability to place debt investments with a certain pricing power which enables us to serve superior returns to our investors. We are part of a solid and diverse ecosystem of players in the European energy transition. This gives us the ability to select the best opportunities. Interaction with our equity strategy also gives us a good understanding of the capital structures of players in the sector and the managerial qualities needed for successful projects. This is also an asset in terms of our ability to find the right benchmarks during the analysis, our agility in structuring financing and our accuracy in valuing assets.*

Do you see changes in the market for energy transition related infrastructure for the near future?

*The market has been constantly evolving over the past decade with even more rapid changes over the past 2-3 years, including:*

- Renewable assets have become the most competitive source of electricity with even lower LCOE than nuclear energy.*
- The renewable producing assets are no longer dependent on state subsidies to be profitable, changing the business model optionality with many different offtake strategies and cash flow profiles (merchant, long term tariff medium term PPA, hybridization of storage etc.)*
- The whole energy transition sector has not only become key to reach Net Zero but also has become cornerstone to secure Europe's energy independence.*
- Many new asset classes have emerged (hydrogen, EV charging, BESS to name a few) with the i) electrification of usage and ii) the growing penetration of intermittent renewable electricity which both induce tremendous needs of investments to stabilize the European grids.*
- The European power infrastructures, which have been built based on a centralized model are undergoing major changes to switch from a centralized production system to a decentralized network of producing assets of variable scales and with variable consumption profiles (including auto-consumption). Consequently, massive investments to enhance and stabilize the transmission and distribution networks across Europe are required.*

*This is super exciting for specialists such as RGREEN INVEST, as our playground has been drastically widened.*

How do you position INFRABRIDGE's strategy in terms of geographical coverage?

*INFRABRIDGE is focused on Europe. We have made investments in almost all European countries. This also enables us to enrich our decision-making models because we observe, understand and integrate certain differences between countries. For example, construction permits and grid connection procedures can vary. The electricity market is also a major factor, as is the current or projected composition of countries' energy mixes. We have been analysing all this for over more than a decade. This enables us to better control the risks and analyse the bankability of projects as they emerge. We also support our European transition specialists internationally, mainly in OECD countries.*

What are the ESG ambitions of INFRABRIDGE IV?

*Our INFRABRIDGE strategy has always pursued the ambition to have a direct impact on the Net Zero trajectory given it was mainly dedicated to the construction of greenfield renewable assets. The news for INFRABRIDGE IV is that we have raised the bar of our ambitions with dedicated ESG KPIs, which will sanction RGREEN INVEST's remuneration in case the targets are not achieved. This more stringent approach follows the natural evolution of our sector, professionalization and increased awareness of our partners. A few years ago, our counterparties would have asked us "why" ESG should be complied with, now our partners ask "how" they should be implemented and improved. Our ESG KPIs have been set up combining the expertise of our ESG team, our Technical Director and the Investment team to ensure that the targets are sufficiently ambitious, can be measurable and audited. The 4 KPIs target 4 different impact: i) driving capital towards the European priorities, ii) ensure climate resilience, iii) ensure additionality by volume and iv) ensure efficiency via avoided GHG monitoring."*



**Mathilde Ketoff**  
Deputy CIO  
and Head of Debt Investment



# AFRIGREEN

Focus on our AFRIGREEN strategy



*The AFRIGREEN fund was launched in 2022 with the promise of contributing to the energy transition on the African continent. One of the major challenges is also the application of ESG best practices to the transactions carried out. How are environmental and social standards being promoted through application?*

*AFRIGREEN systematically takes account of international ESG standards - in particular those of the IFC and the EIB. Right from the start of the commercial relationship, we point out the need for our counterparties to put in place systems that enable them to comply with performance standards on health and safety at work, consideration for local communities, direct environmental risks, etc. This being said, our approach also takes into account the need for our counterparties to comply with international standards. Having said that, our approach also takes into account the cultural elements in our areas of operation, and this has the impact of requiring resources and time. These resources and time enable us to build the capacity of players on the ground, train them in standards and governance that are often demanding given the size of the players involved, etc. This is why we are very pleased to have the support of BIO (Belgian Investment Company for Developing countries), with whom we are setting up a Technical Assistance facility, enabling our partners to finance the training, tools and resources they need to adopt E&S standards. They will thus be able to finance training and intellectual services relating to environmental and social issues in particular. In addition to this initiative, it is clear that the involvement of the Development Banks alongside the other partners in this fund has made it possible to structure a high level of ambition with regard to the environmental and social performance of our investments, since they have a certain amount of experience in the design and development of international environmental and social standards.*

*AFRIGREEN declares itself to be an impact fund. Can you give us a few concrete examples of the impact it has achieved in just a few months?*

*Obviously, our impact is first and foremost materialised by the renewable energy capacity we install, which replaces fossil fuels and at the same time increases access to electricity. We measure this in MW and tonnes of CO2 avoided. The other key dimension of this impact is decentralisation: deploying solar energy, for example, enables African economic players to free themselves from the networks, and countries to rapidly increase access to electricity without having to go through the high costs and delays involved in electricity transmission lines; we count the number of commercial*

*and industrial SMEs and SMLs served in this way. Electricity is produced close to where it is consumed, so the local impact is obvious. So it's a question of contributing to the diversification of energy mixes, decarbonisation and sovereignty. Speaking specifically of ESG, we see ourselves as helping to raise awareness of the African renewable energy industry on a number of fronts: we have partners who, as part of our collaboration, have developed value chain policies and adapted their procurement policies. We also promote gender equality and work to strengthen the positive impact of projects on communities. We help developers to create value, create jobs, and provide end customers with reliable electricity and greater independence from the existing grid, this without requiring new infrastructure, enabling faster deployment. Overall, our investments are driving the uptake of renewable energy, underlining its necessity and added value.*

## *What are the results and current developments?*

*Our counterparties are satisfied with our collaboration, as we are providing capital in an economic segment that needs it. Our ambition is to deploy the fund in as many countries as possible and to serve, directly or indirectly, as many African SMEs and SMLs as possible. With a view to diversifying geographically and technologically in order to have a positive and lasting impact on as many users as possible, we are currently looking at high-impact investments in Ghana, Nigeria, Morocco, Botswana and Madagascar, using solar photovoltaic technology as well as electricity storage and biomass cogeneration using agricultural waste."*

**Alexandre Gilles**  
Managing Partner of ECHOSYS  
INVEST



**ECHOSYS**  
INVEST

Nicolas Rochon creates the RGREEN group

2010

**JAN.** / Launch of the INFRAGREEN I fund

★ **FEB.** / On 02/18/13, 1st participation: A convertible bond in Holding PDR for an amount of €8.2M, financing of two solar parks in France with Quadran (today QAIR)

**OCT.** / Approval of RGREEN INVEST as a management company

2013

**JAN.** / INFRAGREEN I fence with a size of €62M

**MAY** / INFRAGREEN II Launch – 2015 Compartment

2015

**FEB.** / INFRAGREEN II Launch – 2016 Compartment

★ **JUL.** / INFRAGREEN III launch, labeled Greenfin

2017

**JAN.** / RGREEN INVEST celebrates its 5th anniversary with + €1 billion raised, 1.6 GW of installed renewable energy power, mainly solar and onshore wind

**JUL.** / INFRABRIDGE I Launch

**DEC.** / INFRAGREEN III fence with a size of €309M

2018

★ **FEB.** / RGREEN INVEST becomes a “Mission Company”  
**MAR.** / Launch of the fund project in Africa AFRIGREEN  
**JUN.** / INFRAGREEN IV fence with a size of €670M

2021

**APR.** / INFRABRIDGE II fence with a size of €171M  
**JUN.** / Success and liquidation INFRAGREEN I  
**DEC.** / Success and liquidation INFRABRIDGE I  
★ **DEC.** / Membership of France Invest

2020

★ GREENFIN labeling for the INFRAGREEN II and INFRAGREEN III funds  
**SEP.** / INFRABRIDGE II launch  
★ **SEP.** / Membership of the “Institute of Sustainable Finance”  
★ **DEC.** / Launch of INFRAGREEN IV, labeled Greenfin  
★ **DEC.** / GREENFIN labeling for the INFRAGREEN IV fund

2019

**JUN.** / Launch of RSOLUTIONS  
**JUL.** / Closing INFRABRIDGE III at €225M  
**SEP.** / Launch of the first RSOLUTIONS development capital fund  
★ **SEP.** / PRI rating 5 Stars, 100% in the Investment & Stewardship Policy category, 95% in the Direct infrastructure category  
★ **NOV.** / Greenfin labeling for INFRAGREEN II, III, IV, V, audited by Novethic  
★ **DEC.** / 4.7 GW in renewable energy installed power\*

2022

**FEB.** / 1st closing of the AFRIGREEN fund at €87.5M  
★ **FEB.** / B Corp labeling  
**MAR.** / Progress of the ESG team: +3 people. The ESG team represents almost 10% of the company’s workforce  
**APR.** / Arrival of ARMEN in the capital of RGREEN INVEST (minority stake). ARMEN is also a company with a mission  
★ **NOV.** / Renewal of the Greenfin label for INFRAGREEN II, III, IV, V  
★ **NOV.** / AAA Winner for Best ESG fund: Climate focused  
AA Winner for Best ESG Firm  
AA Winner for Best ESG fund: Energy transition/clean energy  
**DEC.** / 5.2 GW in renewable energy installed power\*

2023

★ **JAN.** / PRI rating: PRI A+ / 5 stars, 97% in the Policy Governance and Strategy category, 97% in Direct - Infrastructure and 100% in Confidence building measures  
★ **MAR.** / ESG/Climate Report Prize at the Transparency Awards 2024  
**JUL.** / Launch of INFRABRIDGE IV

2024

★ ESG RELATED  
★ CSR RELATED

# ESG and Impact are inherent to RGREEN INVEST



## How is RGREEN INVEST a unique player among the private equity landscape?

For almost 15 years, our INFRAGREEN and INFRABRIDGE strategies have been dedicated to investing in energy transition infrastructure projects in Europe, to support new infrastructures linked to energy transition and increase renewable energy production capacity. The aim of our strategies is to help create more greenfield low-carbon infrastructure that contribute to decarbonising the economy through electricity production and mobility, for example. By investing with RGREEN INVEST, our investors are making a direct contribution to the European Union's objective of almost doubling the share of renewable energy in the European energy mix by 2050 with an intermediate target of 32% by 2030. In this context of Net Zero target, we are here to channel financial flows towards the most relevant and financially efficient activities. There is no longer any reason for our investors not to invest responsibly: we offer them impactful strategies with attractive risk return profiles.

## From an ESG perspective?

With regards to ESG and impact, we have set up concrete mechanisms. In addition to being inherently impact-oriented, we have adopted ESG best practices and standards, sometimes even before (or without) the existence of binding regulations. We apply demanding standards such as the European Taxonomy. In this regard, we are aiming for eligibility and alignment levels close to 100% with our latest funds. All our funds are Article 9 with a 100% sustainability objective.

As a strong proof of our commitment, in our latest vintages, we link our carried interest or performance fees to extra-financial performance.

## Is ESG risk management a key issue for investors when partnering with management companies?

Our investors are sensitive to ESG issues. Firstly, in terms of solutions, investors entrust their resources to RGREEN INVEST because they are certain that by doing so, they are contributing to the energy transition. They know that we are committed to constantly reconciling their financial interests with their

environmental and social convictions. They are also reassured by our environmental and social management system. More importantly, the companies we work with are also committed to ESG, and some of them look to us for technical and strategic support, either in terms of regulation or ESG governance. Our ESG team acts partly as an advisory team to our investors and our investees.

## How do you manage the increasing demand for ESG data by investors?

We respond to an increasing number of annual ESG or Due Diligence Questionnaires, which we can handle with ease thanks to our dedicated ESG team. Our investors have access to our ESG team who are at their disposal to answer questions regarding a transaction, a methodology, a regulation, an indicator and so on. RGREEN INVEST is the first line of communication for ESG information between its investees' physical and tangible assets and the financial administration of its investors. The ability to disseminate and transmit reliable ESG information on a regular basis is therefore key, and RGREEN INVEST is continually working to meet this need with a well-staffed team of experts and high-performance tools.

## How do you see investor appetite for financing decarbonisation evolving, and how is RGREEN INVEST positioned?

In an unstable macroeconomic context, decarbonisation remains paramount to our partners. To limit global warming and comply with the Paris Agreements, the global financing requirement is estimated to be between \$1,000 and \$2,000 billion per year.

The European economy is challenged to do what we have done for energy transition in 40 years, in just 7 years to meet the 2030 target.

At RGREEN INVEST, we help our investors to direct their resources towards innovative, efficient and committed players for the energy transition. In Europe and beyond, we continue to invest in renewable energy production infrastructures, we are leaders in battery storage in France, and we deploy electric mobility solutions worldwide. Finally, we are contributing to the energy transition in Africa through our dedicated fund. We rely on our solid network

of partners that we have built over the last 15 years who are the leaders the energy transition in Europe.

## ESG and Business Development: Duel or Duo?

We clearly observe a convergence of interests between the risks, the profitability of investments and business development on ESG and Impact.

We are long-term investors; we cannot imagine building unsustainable infrastructure. It is not possible to talk about ESG without talking about value creation. We all understand that sustainability helps guarantee the maximization of the value of assets at resale. The alignment of interests between RGREEN INVEST, our investors and our partners is very strong. Without hesitation, we are a duo, or even a trio with the additional support of our like-minded investment partners."



**Stéphanie Bégué**  
Partner - Head of Business Development  
& Investor Relations



4

# OUR COMPANY

MISSION-DRIVEN  
COMPANY /  
CSR STRATEGY  
AND METRICS

# OUR TEAM

With a decade of experience, RGREEN INVEST brings together over 50 professionals specialised in sustainable infrastructure and green technology financing and dedicated to making finance a vehicle for climate change mitigation and adaptation. Proficient across the entire value chain in this sector, covering development, operations, management, industry and banking, our team is one of the most well-rounded in Europe .

Diversity is key to driving innovation and productivity. In recent years, our teams have been restructured, strengthened and diversified, and even more women have been recruited and promoted to management positions. In 2023, we hired 10 new employees, 50% of whom are women. At the end of 2023, 40% of our employees were women and 50% of business unit managers were women. However, we want to ensure gender parity not only at the management company level, but also within our larger teams. Our investment team is our largest team with 20 employees, of which only 25% are women. We are currently aiming to increase the proportion of women in our investment team to at least 40% by 2030.

+50  
people

40%  
of women  
among employees

10  
people hired  
in 2023



## Our main commitments

*RGREEN INVEST has been a mission-driven company (Entreprise à mission) since the beginning of 2021. Our raison d'être is to act in favour of the fight against climate change by accelerating the energy transition and the adaptation of society through the financing of infrastructure with a positive and sustainable impact on the environment, local populations and territories.*

In September 2022, we launched our first Mission Committee, whose role is to oversee the implementation of the mission, but also to enrich it over time. It is made up of members of our Executive Board and ESG teams.

Plenary meetings are held every six months. As a mission-driven company, we publish an annual Mission Report that clearly outlines our progress towards our five mission objectives.

We published our first Mission Report in July 2023. This report describes our impact objectives for 2025 and the results of the current year. Our impact objectives are presented earlier in the report and the full Mission Report can be found on our website. Our Mission Report is audited annually by an independent third party to verify compliance with the commitments outlined. The first report was audited by KPMG in spring 2023.

In 2022, we signed the France Invest Charter for Parity and Value Sharing. This sets out goals and commitments to promote diversity and equality and value sharing in our own organisation and in the companies we fund.

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.

As a mission-driven company, RGREEN INVEST is also committed to contributing to the achievement of several Sustainable Development Goals (SDGs) defined by UN by financing innovative and sustainable businesses and projects. In 2021, we identified five SDGs that are central to our investment strategies.



NW Storm, EV Charger, Saint-Léon-sur-l'Isle, France



# OUR CSR APPROACH

As a mission-driven company, RGREEN INVEST applies and promotes the principles of sustainable development.

Our CSR approach covers the three dimensions of ESG:



Our objectives structure our CSR roadmap for the coming years. This roadmap is accompanied by an action plan, CSR indicators to be monitored and disclosed, and targets for key indicators.

Our semi-annual ESG & CSR Committee, established in 2019 and composed of members of our management team, approves the annual CSR plan and tracks progress. To ensure continuous progress on many ongoing projects, we have also established a CSR Steering Committee composed of volunteer representatives from three complementary teams (Business Development, Office Management, ESG & Compliance). This committee meets frequently to decide on the annual programme and ongoing actions. This committee is responsible for monitoring the proper application of our CSR Charter. Progress made by the Steering Committee is then presented to the ESG & CSR Committee.

We are also working on implementing a formal policy to reduce our emissions. This may involve guarantees of origin for electricity supplies, a plan for electric and soft mobility, a streamlined travel policy, etc. With the SBTi exercise, which will be launched in the 4th quarter of 2024, we will be working to establish a decarbonisation trajectory for our operational emissions in the same way as for our portfolio emissions.

## Key milestones in 2022-2023

- Establishing a strategic partnership with an external organisation to increase opportunities for employees to learn about CSR issues, volunteer and influence the company's donation recipients.
- Defining a Responsible Purchasing Charter and evaluating current service providers on their CSR commitments.
- Launching a sustainable travel policy.
- Raising employee awareness of eco-actions.
- Becoming a signatory of the France Invest Parity Charter.

## Actions for 2023 and 2024

This year, RGREEN INVEST continued its commitment to CSR issues. First of all, the company, which attaches great importance to sport in the workplace, has strengthened its system through a range of multidisciplinary courses accessible to all employees and paid for by the company. In addition, RGREEN INVEST works through various associations to promote knowledge of solar energy and support research on topics related to the energy transition.

For the next months RGREEN INVEST has committed to :

- Draw up an energy sobriety plan
- Setting up a community involvement plan for employees
- Initiate reflexion on financing projects to offset biodiversity related impacts
- Establishing a strategic partnership with an external organisation to increase opportunities for employees

The company will also strengthen its presence in the forums of major business and engineering schools to promote its employer brand and continue to attract the best talents.

# OUR CSR IMPACT

We assess the environmental, social and governance performance of our management company against our CSR performance indicators.

The table below shows our CSR performance indicators and the targets set for 2025 and 2030. The actions we have taken in relation to the performance of certain key indicators are explained on the following pages.

## CSR dashboard – Performance of RGREEN INVEST management company in 2023

	Performance indicator	Unit	2022	2023	Target 2025	Target 2030	Origin of target
ENVIRONMENT	Total GHG emissions (excluding investments)*	tCO2e	632	1 100	-	Target definition on going	Science Based Target
	Carbon intensity	tCO2e/M€ revenue	39	61.8	-	Target definition on going	Science Based Target
	Energy usage	MWh	80	80	-	Target definition on going	Science Based Target
	Waste produced	kg	209	876	-	-	-
	Proportion of suppliers that have performed a carbon footprint calculation	%	15	N/A	-	100	Internal
SOCIAL	Workforce	No.	37	42	70	100	-
	Gender diversity among all employees** (31/12/2023)	%	43	40	50	50	Internal
	Gender diversity within business unit manager (31/12/2023)	%	50	50	50	50	Internal
	Gender diversity in Board of Directors (31/12/2023)	%	33	33	40	40	Internal
	Gender diversity in investment team (31/12/2023)	%	26	25	-	40	France Invest
	Proportion of female with responsibility in investment committee	%	14	14	-	25	France Invest
	Turnover rate	%	18	15	-	-	Internal
	Proportion of employees participating in annual HR discussions	%	100	100	100 annual target	100 annual target	Regulatory
	Absenteeism rate	%	0.6	0.96	-	0 annual target	Internal
	Number of lost time accidents	No.	1	2	0 annual target	0 annual target	Internal
GOVERNANCE	Payments to non-profit organisations	€	110 000	110 000	-	-	Internal
	Proportion of employees trained in ethical business, anti-corruption and bribery	%	100	100	100 annual target	100 annual target	Internal
	Proportion of key suppliers with a CSR policy	%	25	25	-	100	Internal

\* Including Scopes 1, 2 and 3 emissions of RGREEN INVEST management company. Excluding emissions from our investments. Please see page 40 and 41 for more details on our carbon footprint and the carbon footprint of our investments in this report.

\*\*All indicators on gender split are calculated as proportion of females compared to males.



# SOCIAL

Against a backdrop of strong growth in the company's workforce in recent months, RGREEN INVEST has placed human capital at the heart of its approach.

The objectives in terms of Human Resources are as follows:

- to attract, recruit, integrate and retain the best talent with a multiplicity and complementarity of skills
- to create optimum working conditions conducive to professional fulfilment
- to promote diversity and equality within the workforce

To this end, the company has a dedicated Human Ressource and Office Management team also in charge of the promotion of sport, an important part of RGREEN INVEST's culture.

## Diversity, equity and inclusion

We believe that a diverse team promotes innovation and productivity. In 2022, we signed France Invest's Parity Charter, which sets out goals and commitments to promote diversity and equality both in our own organisation and in the companies we fund. At the end of 2022, we also updated our internal policies on non-discrimination and anti-harassment to take a clearer stance on these issues.

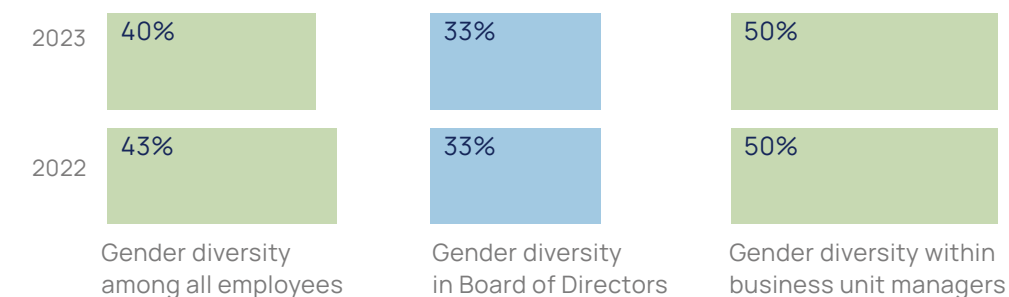
At the end of 2021, we achieved gender parity. In 2022 and early 2023, RGREEN INVEST hired 13 new talents - including 31% female talents. For us, gender parity is a 40/60 split. However, we want to ensure gender parity not only among all our employees, but also at different management levels and within our larger teams.

A comparative study of the gender pay gap was conducted in 2022 to ensure that the differences are not due to gender.

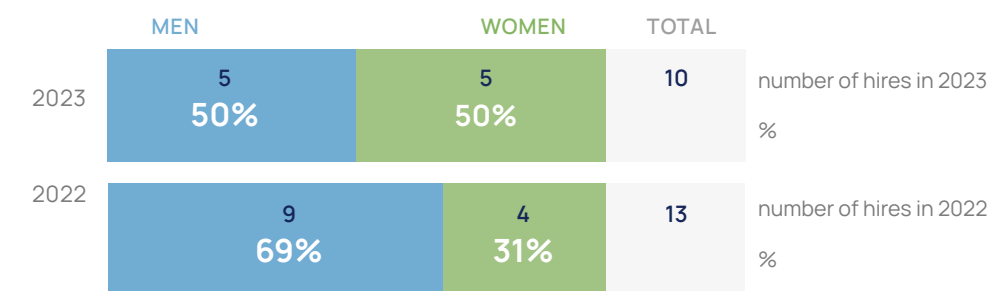
## Our corporate culture

At RGREEN INVEST, our corporate values create an entrepreneurial environment where employees connect and collaborate. We organize various events throughout the year to strengthen our workplace culture. Our employees have access to an on-site gym and regular sports sessions, promoting health and well-being. Our employes also participated in run races, encouraging a healthy, active lifestyle while creating a team spirit.

### Gender split diversity (proportion of women)



### Number of hires from 1st January to 31st December





Photovoltaic solar project, Renalfa, Razlog, Bulgaria



Renalfa &amp; RGREEN INVEST Team, Razlog, Bulgaria



# GOVERNANCE

*We are committed to high ethical business practices and operate in compliance with applicable laws, regulations and generally accepted practices of good corporate governance.*

## Ethical business practices

Governance is the essential framework to ensure coherence between expectations, commitments and actions. RGREEN INVEST is a collective project based on open, transparent and dynamic governance. With a fast-growing team, we pay particular attention to the way we must fulfill our mission, facilitate the circulation of information and guarantee the freedom of our employees.

Over the past decade, we have worked to build strong governance and develop a clear, inclusive and accessible decision-making system. We have opened up our management committee to the directors of strategic divisions. We have established an independent team responsible for compliance and internal control, leading the ongoing training of our staff, partners and directors.

## Responsible purchasing

In July 2022 we published our new Responsible Purchasing Charter. Since 2019 RGREEN INVEST has had a procedure in place for selecting service providers, covering the process of tendering, contracting as well as monitoring and evaluating the relationship with our suppliers. The Responsible Purchasing Charter completes this process by formalising the key principles of environmental and social responsibility on our supply chain.

As part of our policy, we give preference to suppliers who are committed to environmental protection, especially in terms of emissions management, recycling and circular economy. In addition, we prefer to anchor purchases locally to improve our direct local impact, and we improve the social impact of our purchases by using companies from the specially adapted and protected labour sectors.

Our policy sets out a procedure to be followed for purchases of different sizes. This includes compliance with the Responsible Purchasing Charter for all purchases, as well as reputational checks and potential controversies related to the service provider. For large purchases, we additionally request CSR-related information from the supplier and require the inclusion of specific ESG clauses in the contract.



4

# OUR INVESTMENTS

PROMOTING  
SUSTAINABILITY IN  
OUR INVESTMENTS /  
ESG FRAMEWORK

Rooftop photovoltaic solar project, CCE, LIST Salzhandel, Austria

# OUR ESG APPROACH



As a financier of the energy transition, as well as mitigation and adaptation to climate change, we have the capacity to make a significant and positive impact on people and the planet. However, we recognise that the projects we support also have an environmental and social footprint that we need to manage, such as the direct environmental risks related to ecosystems, pressures on biodiversity and local communities. RGREEN INVEST defines ESG as environmental, social and governance issues related to our investments.

RGREEN INVEST has integrated ESG issues into all stages of the investment process to improve operations and minimise risks while ensuring competitiveness, long-term value protection and value creation.

We want to ensure that the companies we invest in are committed to sustainability. Incorporating ESG best practices can give them first-mover advantages, improve access to sustainable financing, facilitate cost reductions and enable efficiency gains through proficient business management.

## ESG Governance

RGREEN INVEST has a dedicated ESG team. Today it includes the Managing Director - Head of ESG, Risk and Compliance, the ESG Manager, two ESG Analysts and an ESG intern, totaling 4 full-time equivalents, representing almost 10% of the entire management company. The Director of the ESG team reports directly to the CEO and is a member of the company's Board of Directors, enabling better consideration of ESG issues in internal governance.

Since 2019, an ESG and CSR Committee, consisting of the ESG team and the Board of RGREEN INVEST, has been meeting semi-annually to validate the ESG strategy, roadmap and budget. RGREEN INVEST has also committed to have its ESG and CSR systems externally audited annually and provided a critical opinion on the CSR policy and ESG mechanism at the fund management level. In 2022, KPMG conducted this assessment and rated our ESG system as satisfactory. Fifteen recommendations were made, none of which were rated as high priority.

In 2023, an audit has been conducted by Finegan to examine and assess the adequacy and effectiveness of the portfolio management company's systems, internal control mechanisms and procedures relating to ESG. The entire system was declared compliant with only two low priority recommendations.

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.

## Sustainability commitments in our investments

All funds managed by RGREEN INVEST are classified as Article 9 under the SFDR Sustainable Finance Disclosure Regulation. They all have the objective of enabling mitigation and adaptation to climate change. This ambition implies a high level of transparency. In 2021, RGREEN INVEST initiated a project to implement the requirements of the SFDR Regulation by updating legal documentation and reporting. This project continued in 2022 and early 2023 to ensure compliance with the second wave of the regulation.

In 2023, we updated our Environmental and Social Management System (ESMS), our remuneration and voting policies. We also integrated new information into the contractual documents of existing and newly launched funds.

RGREEN INVEST aims to align as far as possible with the technologies defined in the EU Taxonomy regulation. Within this framework, we have set a minimum EU Taxonomy eligibility and alignment requirement for each fund.

We also pay close attention to market discussions on the use of the terms 'impact', 'ESG', etc. in the marketing of our funds. We are thinking about structuring the impact thesis of several of our current funds in line with the best standards.

## ESG integration in the investment process

**To achieve the most positive impact, ESG issues are integrated and considered throughout our investment process. We have implemented an Environmental and Social Management System (ESMS) that sets out each step of the process, the frameworks and tools used, and responsibilities.**

**Every potential new investment is subject to a rigorous ESG due diligence. In addition, existing investee companies are regularly analysed throughout the life of the investment.**

We have further developed our legal documentation for bonds and especially for equities to strengthen our ESG requirements for our investee companies. The requirements are tailored to each investment company and are based on a specific environmental and social action plan created as part of the ESG due diligence process. Requirements typically include conducting a carbon footprint, implementing decarbonisation plans, establishing a recycling and/or decommissioning plan, forced labour requirements, ESG reporting, ESG processes establishment, and company-specific requirements.

In 2023, we updated our Environmental and Social Management System (ESMS), our remuneration and voting policies, our quarterly and annual reporting templates and our website disclosure. We also integrated new information into the contractual documents of existing and newly launched funds.

RGREEN INVEST aims to align as much as possible with the technologies defined in the EU Taxonomy regulation. Within this framework, we have set a minimum EU Taxonomy eligibility and alignment requirement for each fund.

### Exclusion Policy

RGREEN INVEST has established a company-wide exclusion list of activities that it does not wish to fund, either directly or indirectly. This list is historically aligned with the European Investment Bank's Exclusion Policy and a number of recognised standards and rules (local regulations, social standards included in the EU Taxonomy, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO's eight core conventions and the Universal Declaration of Human Rights, and the IFC Performance Standards). Among other things, the exclusion policy of RGREEN INVEST prohibits the financing of fossil fuel-related projects.

## A word from the investment team



*The investment teams and the ESG team work hand in hand throughout the investment process. As soon as opportunities arise, environmental, social/societal, governance and reputational risks are factored into our analysis and are subject to in-depth due diligence as the investment process progresses.*

*While the investment team remains the primary point of contact for our partners, we will support ESG team members in collecting all information necessary to perform their review independently (environmental and social impact studies, carbon footprints, CSR policies, etc.) as well as in building their expertise to deepen the risks analysis.*

*In the infrastructure sector, ESG has been identified as one of the most important risks, requiring both a robust and comprehensive analysis as well as continuous monitoring. But ESG has also revealed itself to be a core contributing factor to long term value creation for investors such as RGREEN INVEST.*

*For debt investments, the riskiest phase is the construction period; consequently, RGREEN INVEST needs to ensure that the projects it finances are, at the very minimum, compliant with local laws but also ensure that the best international industry standards are complied with, even for the smaller projects.*

*Equity investments are subject to just as rigorous an ESG due diligence process to preserve value, with the added benefit of medium-term support for further improvements during the holding phase. Applying high*

*ESG standards is also critical to ensure a successful exit of our investments, as, for instance, having a carbon footprint and a decarbonisation trajectory consistent with a supply chain policy is deemed as a prerequisite for a successful IPO.*

*We believe that supporting our partners in strengthening their ESG procedures up to the best international standards and upcoming regulatory changes will contribute to a better control of the operational risks and financial performance of the companies and projects we invest in.*

*In addition, we have continuous ongoing discussions with the ESG team to evaluate the alignment of new incoming projects in our pipeline, in particular those outside of RES generation, with our environmental and climate mitigation targets. The ESG team will provide us with an assurance that a project or player complies with the investment thesis and the company's raison d'être, and will share their view on potential regulatory issues such as the European Taxonomy."*

### A teamwork!



**Guillaume Ktorza**  
Senior Investment Director



**Edouard Seferian**  
Debt Investment Director

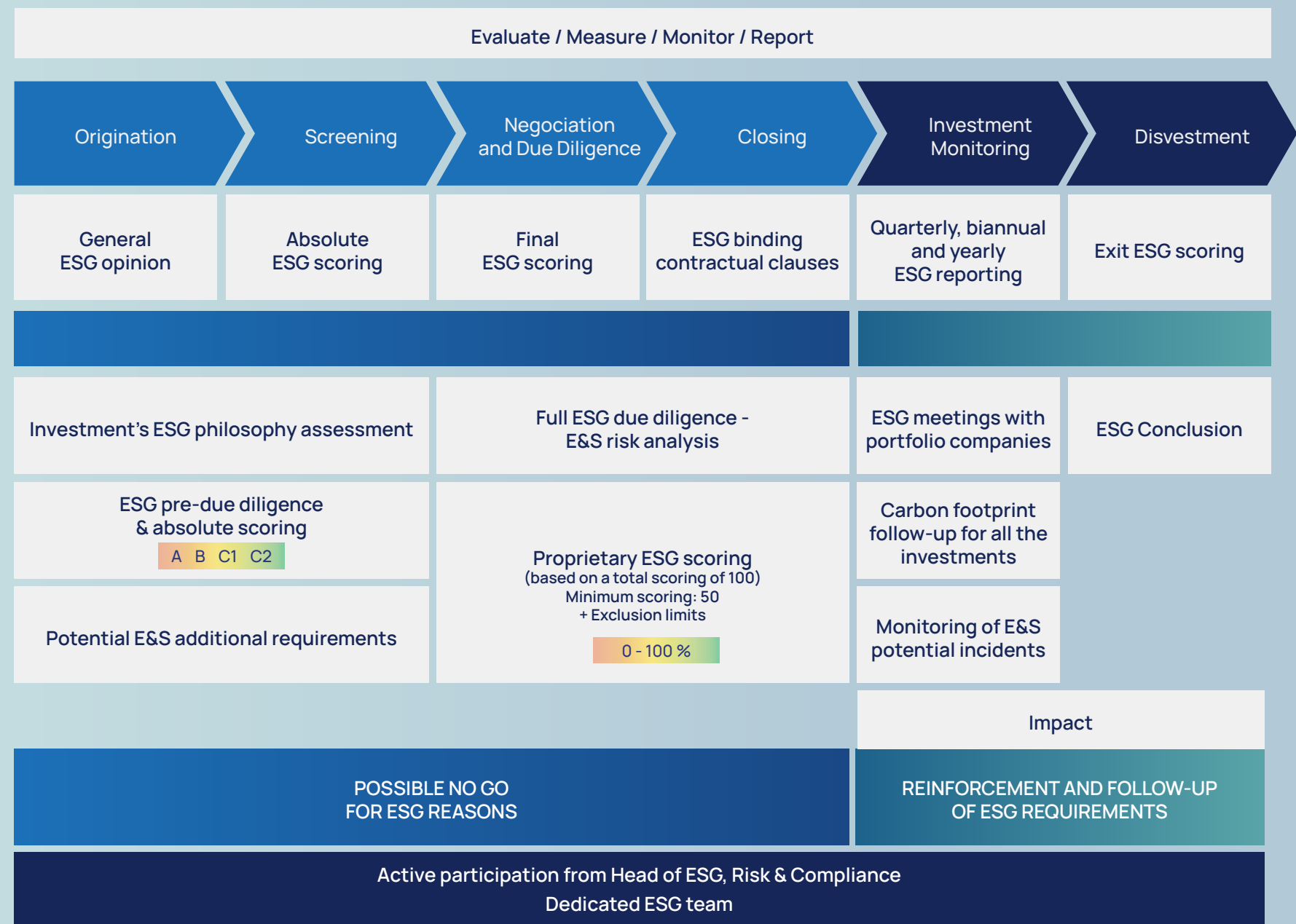
### ESG due diligence process

As part of the investment process, due diligence has been reinforced in the context of the launch of AFRIGREEN DEBT IMPACT FUND, RSOLUTIONS and INFRAGREEN V funds and is now applicable to all our transactions. To this end, RGREEN INVEST has developed an internal ESG scoring tool that defines a score for a company or project and its value chain according to environmental, social and governance criteria.

All new ESG due diligence procedures from January 2023 onwards have been conducted using the ESG scoring tool. In addition, we have committed to scoring existing deals through the same process. The ESG score, which is reviewed annually, allows us to exclude the riskiest or unacceptable projects and systematically request additional measures to reduce risk during the investment period. It also allows us to identify gaps in the current management of ESG issues and develop a roadmap for improvement.

Scores are awarded based on reliable and substantiated information provided by the potential partner or submitted as part of our annual reporting campaigns. When needed external and reliable sources are used to collect ESG information about a company, a sector or a country.

ESG issues are monitored for all investee companies. For significant transactions, monitoring is reinforced through systematic follow-up meetings on ESG issues together with our investees. These meetings allow us to monitor the development of our investments, exchange views and organise feedback. Since 2022 RGREEN INVEST has arranged regular monitoring meetings with key investment companies. In the coming years, we intend to include all investee companies in this practice.



# OUR ESG IMPACT

We assess the environmental, social and governance performance of our funds against our ESG performance indicators.

The purpose of our ESG dashboard is to demonstrate the positive impact of our investments as well as being transparent about their environmental and social footprint. In the coming years, we aim to demonstrate positive development towards achieving our targets by providing comparable data over the past years.

RGREEN INVEST is required by the SFDR regulation to provide investors with information on our portfolio's principal adverse impact (PAI) indicators. These metrics have been included in our ESG Dashboard in addition to metrics representing the positive impacts of our investments.



Hydropower project, Akuo, Svoghe, Bulgaria

## ESG Dashboard at the level of investment: Performance of positive and negative impacts indicators including SFDR Principle Adverse Impact (PAI) indicators.

	SFDR PAI**	Performance indicator*	Unit	2023	2022	Coverage of portfolio
ENVIRONMENT	Positive impact	Capacity installed (based on project Ready To Build, In Construction and In Operation) according to RGREEN INVEST's pro-rata	GW	1.3	1.6	100%
	Positive impact	Capacity installed (based on project Ready To Build, In Construction and In Operation) including other investments than RGREEN INVEST's	GW	5.2	4.7	100%
	Positive impact	Renewable energy produced by infrastructures funded by RGREEN INVEST according to its investment pro-rata	TWh	1.1	1.6	100%
	Positive impact	Renewable energy produced by infrastructures funded by RGREEN INVEST including other investment than RGREEN INVEST's	TWh	5.5	5.8	100%
	PAI 1	GHG emissions* Scope 1 Scope 2 (location based) Scope 3	tCO2e	69 352 2 080 1 387 65 885	77 403 2 322 1 548 73 533	100%
	PAI 2	Carbon footprint (Scopes 1, 2 and 3)	tCO2e/M€ invested	40.5	47	100%
	PAI 3	GHG intensity (Scopes 1, 2 and 3)	tCO2e/revenue of investee companies	1 927	1 208	100%
		Avoided emissions (Scope 4)	tCO2e	389 618	509 339	100%
	PAI 4	Exposure to companies active in the fossil fuel sector	%	0	0	100%
	PAI 5	Share of non-renewable energy consumption and production	%	0% (production) 33% (consumption)	0% (production) 34% (consumption)	100% (production) 66% (consumption)
	PAI 6	Energy consumption intensity	tCO2e	0.55	1.1	58%
	PAI 7	Activities negatively affecting biodiversity sensitive areas	tCO2e/revenue of investee companies	0	0	100%
	PAI 8	Emissions to water	Tonne	ND	ND	71%
	PAI 9	Hazardous waste and radioactive waste	Tonne	0	0	71%
SOCIAL	Voluntary PAI	Lack of deforestation policy	%	98	98	100%
	Voluntary PAI	Lack of biodiversity protection policy	nb	99	ND	100%
		Environmental incidents	nb	0	1	100%
		Social incidents	nb	0	0	100%
GOVERNANCE	PAI 12	Unadjusted gender pay gap	%	9.73	4	63%
	PAI 13	Board gender diversity	%(female/male)	27	17	63%
	PAI 10	Human rights violations***	%	0	0	100%
	PAI 11	Lack of human rights policy	%	38	47	100%
	Voluntary PAI	Lack of Human Rights compliance mechanisms****	%	61	66	100%
	Voluntary PAI	Lack of supplier code of conduct	%	63	ND	100%
	PAI 14	Exposure to controversial weapons	%	0	0	100%

\*RGREEN INVEST share of investments with no other source of financing i.e., only the share directly attributable to RGREEN INVEST

\*\*The principle adverse impact (PAI) indicators defined by SFDR are included in our core ESG KPIs

\*\*\* Share of investments that have been involved in Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises

\*\*\*\* Share of investments with lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

# OUR CARBON FOOTPRINT

In the context of the economic and technological transformations required to combat climate change, electricity generation models play a major role alongside with transportation and manufacturing sectors. For example, Electricity and heat production accounts for c. 60% of direct CO2 emissions worldwide (35% in the EU). The decarbonisation scenarios for reducing the rate of emissions and aiming to limit global warming to below 1.5°C (compared with the pre-industrial era) point to the need to develop electricity generation technologies, which are currently essentially based on the combustion of fossil fuels (coal, oil, gas, etc.). The electricity demand will likely grow in the following years and all major decarbonisation scenarios anticipate the essential acceleration of renewable energy. All three STEPS, APS and NZE scenarios (\*) anticipate a share of 70 to 85 % of renewables in electricity generation mix by 2050.

At RGREEN INVEST we claim to make a positive contribution to the fight against climate change by promoting and financing renewable energies and other technologies linked to low-carbon mobility and industry. Nevertheless, since 2021 the company has been committed to a transparent calculation of emissions generated and emissions avoided to account for its impact in a holistic way.

## Overview of our carbon footprint

The climate impact associated with RGREEN INVEST as a management company is small, while almost all of our greenhouse gas emissions, approximately 99%, come from our portfolios.

These portfolio emissions are relatively low given the low-carbon nature of our funds. For example, in the case of wind and solar projects, the emissions generated mainly come from the upstream scope 3 (the supply chain for panels or wind turbines), with direct emissions being virtually zero. The same applies to electricity storage systems and electric charging stations. As the emission factors used are often generic, we are working to translate the emission 'savings' that can result from choosing more virtuous suppliers or relocating production to Europe.

To this end, we are working to ensure that carbon footprint estimates are carried out - in compliance with the highest standards - by our counterparties in order to provide more contextualised results, where relevant. Even though the direct emissions of our management company is relatively low, we are aware that our actions also have an impact. For the management company, the

main emissions relate to the depreciation of premises, business travel, commercial events, consumption of materials (food, office equipment, etc.) and the production of waste.

Our annual comprehensive assessment of our carbon footprint, covering scopes 1, 2 and 3 emissions, aims to reflect our ambition in terms of carbon footprint transparency. This assessment was conducted for the third year in a row covering 2023. Our team is trained (i.e Carbone 4 training, Association Bilan Carbone, etc) to make the calculations with respect to international standards such as GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF). The Carbon footprint exercise of RGREEN INVEST is counter assessed by a third party (Carbometrix in 2022 and 2023).

Since the start of 2022, we have calculated the greenhouse gas emissions related to the companies and projects we finance on a quarterly basis. The assessment represents a rolling twelve months of emissions for the portfolio at the end of each quarter. It includes the Scopes 1, 2 and 3 emissions and Scope 4

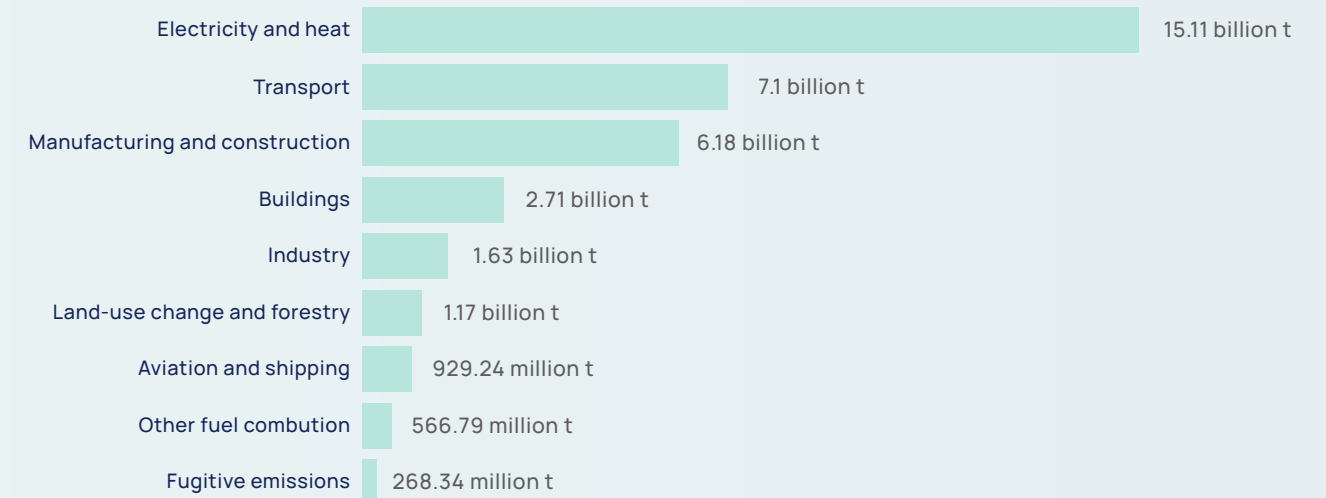


Figure: CO2 emissions by sector, World, 2020 (Climate watch, 2023)

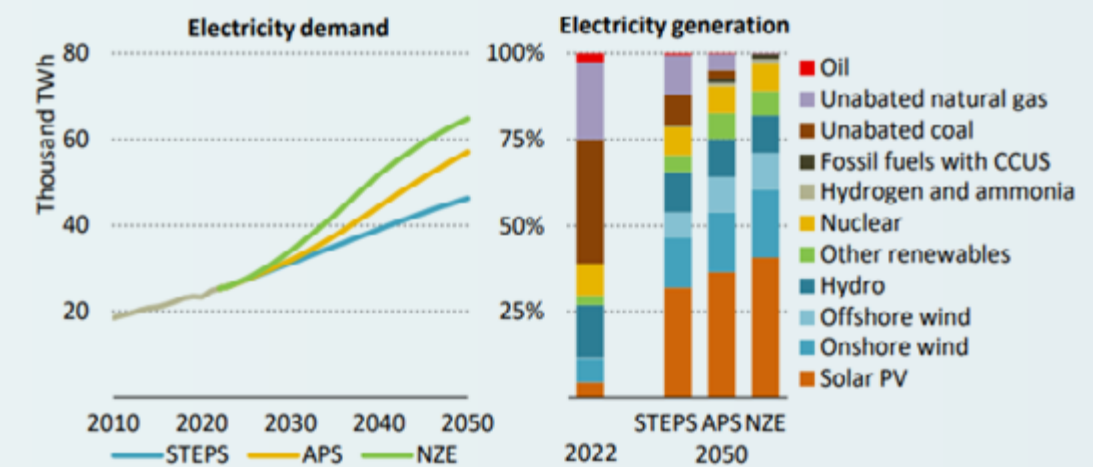


Figure: Global electricity demand, 2010-2050, and generation mix by scenario, 2022 and 2050 (IEA, 2023)

(\*) Net Zero Emissions by 2050 (NZE) : Scenario which limits global warming to 1.5 °C.  
 Stated Policies Scenario (STEPS) : provides an outlook based on the latest policy settings, including energy, climate and related industrial policies  
 Announced Pledges Scenario (APS) : assumes all national energy and climate targets made by governments are met in full and on time





# Carbon footprint calculation approach

## GENERAL METHODOLOGY

The calculation of the carbon footprint follows the methodology set out in the GHG Protocol Corporate Guidance. For emissions related to investments, the calculation follows the GHG Protocol methodology applied to financial investments, called Partnership for Carbon Accounting Financials (PCAF). In terms of the management company's Scopes 1-2-3 (excluding the carbon footprint of investments), it should be noted that Scope 3 is relatively high due to the emissions generated by purchased services. We have used an ADEME methodology with a carbon cost for each euro spent, which we consider conservative. This assumption will be adjusted in the future by encouraging our service providers to produce their own carbon footprint.

## DEVELOPMENT ON THE MANAGEMENT COMPANY'S CARBON FOOTPRINT

**Scope 1** emissions have increased by approximately 70% in 2023 compared to the previous year. The main reason for this sharp rise is the improvement in methodology, both on car and on refrigerant gases.

**Scope 2** emissions have increased by about 15% in 2023. Scope 2 emissions are small, so an insignificant reduction makes a larger percentage difference. RGREEN INVEST expanded its offices in 2022, resulting in an increase in energy consumption.

**Scope 3** (without taking into account portfolio emissions) has almost doubled by 2023. The main reason is the increase in activity and growth of the company. This can be seen mainly in purchases of goods and services, which increased by 93% between 2022 and 2023. Similarly, this increase in activity has also had an impact on emissions from services purchased through the various funds. These emissions represent around 47% of emissions from goods and services purchased.

## DEVELOPMENT ON THE PORTFOLIOS CARBON FOOTPRINT

### Estimated data and reported data

To date, few of our holdings calculate and publish data on their emissions, although we ensure that all our key partners undertake this work. We have therefore made estimates of their carbon footprint for 2023 and encouraged our key partners to publish this data in the future. The data received from our partners was used to cross-check the results of our own estimate, which is based on internal modelling derived from projects capacities, estimated kWh production and technology of projects under construction and in operation. We expect more of our partners to publish their own carbon footprints in the coming years. For those accounts where the data quality is reliable, we will move to using company-specific calculations.

In 2023, data quality was further improved to ensure full coverage of our projects. In addition, the methodology for calculating the avoided greenhouse gas emissions of our investments has been improved in 2023. It should be noted that the emissions calculation of the projects in the portfolio are based on their productivity. The carbon footprint per million euros increased from 44 tCO<sub>2</sub>e/€million in 2022 to 62 tCO<sub>2</sub>e/€ million in 2023.

The avoided emissions have decreased from 2022 to 2023 and the carbon impact ratio (scope 4 over scopes 1 + 2 + 3) has decreased from 6.6 to 5.6.

This fall can be explained by delay in delivering some projects, update of emissions factors and attribution factors and the growing share of electricity storage systems in our portfolio for which we did not consider avoided emissions this year (see GHG Methodology Focus in Appendix 4).

# Carbon metrics

## 1- Carbon footprint of our management company for 2023

Greenhouse gas emissions (tCO <sub>2</sub> e)	2023	2022	2021
<b>Scope 1</b>	<b>27</b>	<b>16</b>	<b>8</b>
<b>Scope 2 (location based)</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Scope 3</b>	<b>253 806</b>	<b>242 497</b>	<b>159 595</b>
category 1. Purchased goods and services	976**	546**	202
category 2. Capital Goods	8	11	16
category 5. Waste Generated in Operations	2	~0	~0
category 6. Business Travels	86	52	36
category 7. Employee Commuting	NA	6	3
category 15. Financed Emissions*	252 734	241 882	159 337
<b>Total Carbon Footprint of Management company (Excluding investments)</b>	<b>1 100</b>	<b>632</b>	<b>268</b>
<b>Total Carbon Footprint (Including investments)</b>	<b>253 835</b>	<b>242 514</b>	<b>159 606</b>
<b>Total avoided emissions</b>	<b>1 788 412</b>	<b>1 765 331</b>	<b>ND</b>

Financed by RGREEN INVEST and other sources of financing (for instance banks, investors, etc.)

\*Financed emissions include emissions financed by RGREEN INVEST and other finance sources.  
\*\*Including emissions deriving from services purchased through the different funds.

## 2- Carbon footprint of our portfolio: Financed by RGREEN INVEST and other sources of financing (for instance banks, investors, etc.)

Greenhouse gas emissions (tCO <sub>2</sub> e)	2023	2022	2021
<b>Portfolio financed GHG Emissions (total)</b>	<b>252 734</b>	<b>241 882</b>	<b>159 337</b>
<b>Total avoided emissions</b>	<b>1 788 412</b>	<b>1 765 331</b>	<b>ND</b>

## 3- Carbon footprint of our portfolio: Only financed by RGREEN INVEST Funds (Fair share)

Greenhouse gas emissions (tCO <sub>2</sub> e)	2023	2022	2021
<b>Scope 1</b>	<b>2081</b>	<b>2 322</b>	<b>1 504</b>
<b>Scope 2 (location based)</b>	<b>1 387</b>	<b>1 548</b>	<b>1 003</b>
<b>Scope 3</b>	<b>65 885</b>	<b>73 533</b>	<b>47 643</b>
<b>Total financed GHG emissions (Fair shared)</b>	<b>69 352</b>	<b>77 403</b>	<b>50 151</b>
<b>Scope 4 avoided emissions</b>	<b>389 618</b>	<b>509 339</b>	<b>109 439</b>

## Roadmap for decarbonisation

For our portfolio, it is important to note that all of RGREEN INVEST's strategies support activities that are dedicated to the energy and ecological transition and are promoted by the IPCC to achieve the objectives set by the Paris Agreement.

We are committed to setting a short and long-term, science-based target for reducing our management company's emissions, covering scopes 1, 2 and specific scope 3 categories, including emissions from our investments.

Although our investments are already low-carbon and in line with the objectives of the Paris Agreement, we are committed to working towards decarbonising our portfolios wherever possible. To this end, we are working to formalise our commitment through the SBTi or another industry initiative. At this stage, players in the renewable energy sector are working to clarify the methodology so that sectors that are already low-carbon or essential to the energy transition can be better taken into account in market initiatives.

However, our aim is to define a trajectory that is consistent with Science based targets and European net zero objectives.

### At the level of our management company, we are committed to:

- 1 Implementing and applying a travel plan based on the promotion of soft mobility and rail.
- 2 Following our Responsible Purchasing Charter to better manage the impact of our service providers.
- 3 Raising awareness on green measures among our teams.

### At the fund level, we are committed to:

- 1 Encouraging our investees to establish their own carbon footprint and define a decarbonisation and reduction plan through active shareholder engagement.
- 2 Encouraging our investees to favour local suppliers and service providers, for example in the manufacturing of solar panels or batteries.
- 3 Requiring the development of reuse and recycling plan for the equipments in order to promote energy and material efficiency during the lifecycle of energy transition equipments.

Wind project, Renalfa, Vetrocom, Bulgaria

# MEASURING OUR FOOTPRINT ON BIODIVERSITY

While our investments make a positive contribution to climate change mitigation and adaptation, we are aware that the projects we finance can have a negative impact on local biodiversity. Therefore, we strive to identify and monitor the impact of our investments on biodiversity.

For all projects where a potential adverse impact exists, a thorough Environmental Impact Assessment (EIA) is required and is subject to approval by the ESG team. For each potential new investment, we systematically track the impact on biodiversity using various metrics, such as hectares developed, type of land, areas deforested, proximity to biodiversity-sensitive areas and specific negative impacts on flora and fauna.

**Footprint of land use and artificialized land use for 31.12.2023 - Estimated by fund**

Fund	Ready to build	In construction	In operation	Total Ha
INFRAGREEN V	0	124	224	348
INFRAGREEN IV	270	1802	998	3 069
INFRAGREEN III	153	474	908	1 536
INFRAGREEN II-2015-1	0	0	285	285
INFRAGREEN II-2016-1	0	0	59	59
INFRABRIDGE II	142	43	0	185
INFRABRIDGE III	35	157	204	396
INFRAMEZZ	0	15	168	183
QUINT PARTICIPATIONS	153	460	501	1 114
RSOLUTIONS	0	0	0	0
<b>TOTAL</b> <small>avoiding double accounting from co-investments*</small>	<b>447</b>	<b>2 030</b>	<b>2 057</b>	<b>4 534</b>

\*The overall figure varies from the prior table as we have fine-tuned our footprint, ensuring the avoidance of double-counting projects in which we have invested through multiple funds.

**For the year 2023, we have estimated that we will have consumed a total of 4 534 ha of land for the implementation of our infrastructure projects. In this calculation, we have taken into account projects ready to build, projects under construction and projects in operation, but not projects under development.**

In the second half of 2024, we intend to launch a project aimed at quantifying our net contribution to the environment, particularly in terms of biodiversity conservation, and defining a biodiversity footprint indicator. This approach could enable us to more accurately assess the financial impact of adverse impacts on biodiversity and the proportion of assets exposed to these impacts. To help us standardise our approach, we intend to rely on external methodologies such as the Global Biodiversity Score, introduced by the French company CDC Biodiversité.



Hydropower project, Akuo, Svoghe, Bulgaria

# ENERGY TRANSITION, METALS AND MATERIALS: THINKING ABOUT ORDERS OF MAGNITUDE

**IDEA**

The ESG Team has launched a reflection in view of the usual (justified) criticism of energy transition technologies. The energy transition in general, and renewable energies in particular, require metals and materials in large quantities, thus inducing the development of mines, which have a strong impact on the environment and local communities.

Metals are essential for means of production related to renewable energies<sup>1</sup>, such as solar panels (silicon, silver, copper, etc.), onshore wind turbines (steel, copper, zinc, etc.) and offshore or floating wind turbines (steel, zinc, neodymium, praseodymium, dysprosium, etc.), batteries (lithium, cobalt, nickel, manganese, aluminum, etc.), and electric vehicle charging stations (copper). These materials are also used in electronic components and materials in the construction sector.

Electricity produced by these renewables can replace coal-fired electricity. It still accounts for 36% of global electricity production<sup>2</sup> (coal itself accounts for around 50% of the world's mining extraction). Natural gas now accounts for 24% of global electricity production<sup>3</sup>.

**METALS AND EXTRACTED MATERIALS: A COMPARISON OF RENEWABLE ELECTRICITY AND COAL-FIRED ELECTRICITY**

We have determined orders of magnitude around the mining impact of different technologies. To do this, we relied on the Total Material Requirement (in t-TMR/t) indicator of the different metals and according to the material intensity (in t/GW) of the technologies analyzed.

Schematically, we have evaluated the amount of material extracted (including the unused portion of these materials extracted) from the ground to satisfy the renewable electricity production induced by our portfolio compared to equivalent coal-fired production. A recently published study (September 2024) by researcher Hannah Ritchie (University of Oxford) has confirmed our analysis, proposing similar conclusions, via different and of course much more precise calculations<sup>4</sup>.

<sup>1</sup> Source: IEA [The Role of Critical Minerals in Clean Energy Transitions – Analysis – IEA](#)  
<sup>2</sup> Source: IEA [Coal 2023 - Analysis and forecast to 2026 \(iea.blob.core.windows.net\)](#)  
<sup>3</sup> Source: IEA [Fuel shares in world electricity generation, 2019 – Charts – Data & Statistics – IEA](#)  
<sup>4</sup> Source: Our World in Data [Low-carbon technologies need far less mining than fossil fuels - Our World in Data](#)

Final figures

- Large quantities of metals and materials are needed to deploy the RGREEN INVEST portfolio, including 54k tons of copper, 600k tons of steel, 1M tons of concrete, for a total of 1.9M tons of metals and concrete.
- This last figure must be weighed against a total of 36M tons of materials (TMR) used in 2023, i.e. a medium TMR factor of 21 for the portfolio.
- The overall TMR factor<sup>5</sup> of the portfolio is very high, as for one ton of copper, 430 tons of material must be excavated. For one ton of lithium, 1,500 tons of material must be excavated. For one ton of concrete, we estimated about 2 tons of materials.
- These 36M tons of materials compare with the total of materials that would have been necessary to produce the same amount of electricity using coal-fired power plants, i.e 530M tons of materials (TMR),
- Reminder of the installed capacity and electricity produced by the projects financed by RGREEN INVEST: installed capacity of 5.2 GW (including ready-to-build, under construction or operating projects), 5.5 TWh of electricity production from renewable sources per year, and a average lifetime assumed for our renewable infrastructures of 20 years.

Conclusion: Coal-fired electricity would consume x15 more materials (tons of excavated soil, multiple in order of magnitude). The replacement of coal-fired electricity with renewable electricity is largely positive from a metals point of view. The calculation was not carried out with natural gas, which is more complex, but the multiple would be much smaller.

Main Materials	tons of metals & materials estimated in RGREEN INVEST portfolios = 5,5 GW
Copper	50 560
Steel	556 427
Concrete	876 754
Lithium	1 041
Cobalt	114

<sup>5</sup> Source: (Watari et al., 2020) Sustainable energy transitions require enhanced resource governance– Supplementary material - Material intensity for electricity generation technologies (Unit: t/GW). [Sustainable energy transitions require enhanced resource governance - ScienceDirect](#)  
 Alternative source: (Nassar et al. 2022) Rock-to-metal ratios of the rare earth elements [Rock-to-metal ratios of the rare earth elements - ScienceDirect](#)



Technology	Main Materials	Use	Availability risk level	Key countries of production	Tons/MW required	k tons materials	TMR factor	k tons TMR	
based on estimated installed capacity in RGREEN INVEST portfolios = tons TMR / tons material of RGREEN INVEST portfolios									
Solar photovoltaic	Silicon	Photovoltaic cells	Medium	China, Brazil, Norway	2	5	34	182	
	Silver	Electrical conductors	Medium	Mexico, China, Peru	0	0	4 800	347	
	Copper	Cables, electrical conductors	High	Chile, Peru, Democratic Republic of Congo (DRC)	16	37	430	16 053	
	Glass	Protective layer and structural support	Low	-	45	107	34	3 652	
	Aluminium	Frame, cables	High	China, Australia, Brazil	10	23	48	1 103	
	Steel	Frame and tracker	Low	-	125	301	8	2 409	
	Zinc	Frame, support	High	-	1.46	4	40	140	
	Concrete	Foundations and support	Low	-	2	5	2	10	
Wind (Onshore)	Steel	Frame	Low	-	123	255	8	2 043	
	Concrete	Foundations and support	Low	-	420	872	2	1 744	
	Copper	Gearbox, cables, electric conductors	High	Chile, Peru, DRC	6	12	430	5 356	
	Zinc	Frame, support	High	-	5	11	40	453	
	Fiber glass	Blades, structure	Low	-	25	52	34	1 765	
Lithium batteries	LFP	Copper	Cables, electrical conductors	High	-	1	0	430	176
		Iron	Cathode	Low	-	1	1	8	4
		Phosphate	Cathode	Medium	-	0.1	0	16	1
		Aluminium	Cables, electrical conductors	High	China, Australia, Brazil	1	1	48	41
		Lithium	Electrolyte and electrodes	High	Australia, China, Chile	2	1	1 500	1 445
	NMC	Nickel	Electrolyte and electrodes	High	Indonesia, Philippines, New Caledonia	1	0	290	77
		Manganese	Electrolyte and electrodes	High	South Africa, Gabon, Australia	0.2	0	14	1
		Cobalt	Electrolyte and electrodes	High	DRC, Indonesia, Australia	0.2	0	600	50
		Copper	Cables, electrical conductors	High	Chile, Peru, DRC	1	0	430	113
		Aluminium	Cables, electrical conductors	High	China, Australia, Brazil	2	1	48	34
		Lithium	Electrolyte and electrodes	High	Australia, China, Chile	0.1	0	1 500	85
						1 688		36 070	
							Coal-fired based electricity	532 229	
							Comparison (Multiple estimated)	15	

T: Tons  
t-TMR: tons TMR (including all materials since extraction)  
GW: Gigawatt

**Definitions:**

TMR: In the context of mining, the TMR (Total Material Requirement) is a key performance indicator that measures the efficiency with which a mining operation recovers valuable materials from the ore mined. The MRR represents the ratio of the total amount of valuable materials present in the ore that is actually recovered and processed into final or intermediate products. The TMR represents the total amount of materials required to provide the resources, including quantities of inputs that do not typically exist in statistical data, such as mine waste, in addition to the resources themselves, and can be expressed as follows:  $TMR_m = \sum M_{direct} + \sum M_{indirect} + \sum M_{hidden}$   
Where TMRm represents the total material requirement of mineral type m, Mdirect represents direct material flows, Mindirect represents indirect material flows, and Mhidden expresses hidden flows.

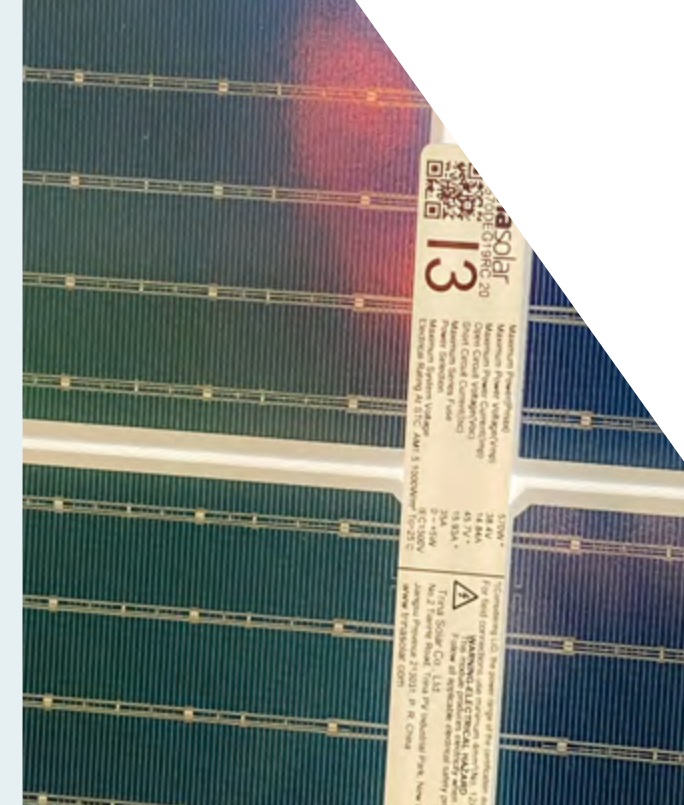
**Reminder of the main risks specific to metals in the energy transition:**

1. Supply and dependence: The growing demand for certain critical metals, such as lithium, cobalt, and rare earths, can lead to shortages and increased dependence on producing countries. This can pose geopolitical and economic risks, with the current example of Russia in particular (next nickel embargo?).
2. Environmental impact: Metal mining and refining can have significant environmental impacts, including deforestation, water and air pollution, and toxic waste generation.
3. Working conditions: Mining, especially in developing countries, can be associated with unsafe working conditions and human rights violations, such as child labor in cobalt mines in the Democratic Republic of Congo.
4. Lifecycle and recycling: Managing e-waste and used batteries poses significant challenges. Recycling critical metals is often complex and expensive, and recycling infrastructure is not always sufficiently developed.
5. Innovation and substitution: Reliance on certain metals can limit innovation and the search for alternative materials. It is important to develop technologies that reduce reliance on specific metals or that use more abundant and less harmful materials.

**Sources used:**

- Internal data collected from or estimated from holdings
- IEA [The Role of Critical Minerals in Clean Energy Transitions – Analysis – IEA](#)
- IEA [Coal 2023 – Analysis and forecast to 2026 \(iea.blob.core.windows.net\)](#)
- IEA [Fuel shares in world electricity generation, 2019 – Charts – Data & Statistics – IEA](#)
- Our World in Data [Low-carbon technologies need far less mining than fossil fuels – Our World in Data](#)
- (Watari et al., 2020) Sustainable energy transitions require enhanced resource governance– Supplementary material - Material intensity for electricity generation technologies (Unit: t/GW). [Sustainable energy transitions require enhanced resource governance - ScienceDirect](#)
- (Nassar et al. 2022) Rock-to-metal ratios of the rare earth elements [Rock-to-metal ratios of the rare earth elements - ScienceDirect](#)

**Authors :** Maud Grimont, Julien Commarieu, Franck Kambou, Hugo Favretto, Briac Le Mestre.



**Disclaimer :**

This reflection is not a scientific study, it was carried out by RGREEN INVEST on the basis of public data. For comparison, it is assumed that all of the substituted electricity comes from coal-fired power plants, which is not the case in all countries where the portfolio technologies are used. In addition, Watari et al. base the calculation of its material intensities (t/GW) on a 40-year lifetime assumption for coal-fired power plants, which should be taken into account when compared to renewable plants with an estimated lifespan of 20 years. This has very little impact because the TMR of the coal-fired power plant equipment represents 0.1% of that estimated for their entire operation, i.e. the supply of coal to produce electricity (the latter element having well integrated a 20-year life of the plant for comparison with renewable energies). Finally, it is assumed that batteries are added – although this technology does not generate electricity – to make the comparison. Storage is essential to the deployment of renewable energies in existing networks, it seemed right to take it into account in the material balance of the renewable power plants present in the portfolio. This synthesis is the first results of a long-term project. All assumptions and calculation elements are available on request. Details are given in the appendix to this report.



# EU TAXONOMY FOR SUSTAINABLE ECONOMIC ACTIVITIES

RGREEN INVEST is subject to disclosure on EU Taxonomy eligibility and alignment through the SFDR. **We have chosen to invest in activities that are aligned with the EU Taxonomy and are therefore identified as 'green' economic activities.** In 2022, we updated the pre-contractual disclosures in our funds' legal documentation to include a minimum level of EU Taxonomy eligibility and alignment. In addition, our quarterly reports and website disclosures have been updated to provide our investors with more information on EU Taxonomy eligibility and alignment. This report provides an overview of the eligibility and alignment with the EU Taxonomy but does not answer to regulatory disclosure requirements at this stage.

## Assessment of eligibility and alignment with the EU Taxonomy

To date, the EU Taxonomy regulation on disclosure does not affect any of our investment companies. Therefore, RGREEN INVEST has decided to conduct an eligibility and alignment assessment on their behalf and based on information provided by investees. Activities that are aligned with the EU Taxonomy are those that meet the criteria of 'substantial contribution', 'do no significant harm' and 'minimum social safeguard' as outlined in the EU Taxonomy.

The results confirm that RGREEN INVEST funds substantially contribute to climate change mitigation and that the assessment and documentation of alignment with the EU Taxonomy is still in its infancy. It should be emphasised that RGREEN INVEST encourages each investment company to conduct its own assessment in the coming years.

## EU Taxonomy eligibility

**In 2023, 95% of RGREEN INVEST's investments were EU Taxonomy eligible.** These investments mainly fall under the following categories under Climate Change Mitigation:

- 4.3. Electricity generation from wind power,
- 4.1. Electricity generation using solar photovoltaic technology,
- 4.5. Electricity generation from hydropower,
- 4.8. Electricity generation from bioenergy,
- 4.10. Storage of electricity,
- 7.3. Installation, maintenance and repair of energy efficiency equipment and
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).

## EU Taxonomy alignment

**In 2023, we will report 0% of our investments as aligned to the EU Taxonomy.** Even for an activity generally considered "green", such as renewable energy generation, alignment with the EU Taxonomy is not a given. In order to align with the EU Taxonomy, several assessments need to be carried out to ensure that all technical criteria are met, and that the activity does not have a negative impact on the environment or people. All assessments must be supported by robust documentation. Some of these assessments are not yet standard market practice for small and medium-sized enterprises, such as conducting a forward-looking climate risk scenario analysis or ensuring that each project has a dismantling and recycling plan. Therefore, we expect little alignment with the EU Taxonomy in the first years until the required assessments, strategies and potential mitigation or enhancement measures are in place.

We are working to support our investee companies in carrying out such assessments and updating the documentation of their procedures, and we expect alignment with the EU Taxonomy to increase as early as 2024. One such measure is the engagement of an external service provider to assess physical climate risks for investments in our INFRAGREEN V fund.

## Overview of eligibility and alignment per fund for 2023 and alignment targets

Fund	Launched before or after publication of the Taxonomy?	Eligibility*	Alignment*	Alignment target **	Expected alignment level***
INFRAGREEN II - 2015	Before	100%	0%		High
INFRAGREEN II - 2016	Before	100%	0%		High
INFRAGREEN III	Before	99%	0%		High
INFRAGREEN IV	Before	91%	0%		High
INFRAGREEN V	After	100%	0%	80%	Very high
INFRABRIDGE II	Before	100%	0%		High
INFRABRIDGE III	Before	100%	0%		High
INFRABRIDGE IV	After	100%	0%	(80% Substantial contribution)	High
INFRAMEZZ	Before	100%	0%		High
AFRIGREEN	After	100%	NA		Very high
RSOLUTIONS	After	NA	NA		Medium

\* Calculated based on turnover of companies and projects invested in

\*\* End of fund lifetime (linked to carried interest)

\*\*\* Expected level of EU Taxonomy alignment at end of life for fund



5

# INTERVIEW OF ENTREPRENEURS

# INTERVIEW

## NICOLAS BARON, CHIEF INDUSTRIAL OFFICER OF BELENERGIA



*“At BelEnergia, we strive to provide both an energy and environmental solution to local situations.”*

**We note an increasing interest in biomethane in the market in recent years. As an entrepreneur and expert on the subject, how do you explain this trend?**

“Since 2022, the energy landscape has been disrupted by the war in Ukraine, highlighting the importance of energy sovereignty for Europe's political independence. Through the REPowerEU program, the EU aims to end its dependence on fossil fuels by leveraging three main strategies: (i) energy savings, (ii) diversification of supply sources, and (iii) acceleration of the transition to clean energy, with the goal of achieving 42.5% renewable energy in its energy mix by 2030. Anaerobic digestion of organic matter stands out as a mature and industrial technology capable of meeting these continental challenges by producing renewable energy locally, which is easily transportable and quickly applicable to current industrial systems: a perfect substitute for imported fossil gas, aligning with European climate ambitions. For instance, Europe produced 21 bcm of biomethane in 2022, representing 6% of the EU's natural gas consumption. Decarbonizing gas plays an essential role in enabling the EU to meet its climate objectives and achieve energy sovereignty.”

**Anaerobic digestion (or methanization) is a well-known process that has been part of energy strategy discussions for many decades. However, it is a technology that generates both curiosity and hesitation. How have you successfully positioned yourself in this field?**

“At BelEnergia, we strive to provide both an energy and environmental solution to local situations. In our approach, we integrate into local ecosystems, considering their context in terms of the production of various organic residues, energy needs, agricultural requirements, cultural sensitivities, and the existing or future industrial base. We offer multiple technologies focused on the valorization of organic matter, tailored to meet the needs of the territory. In some areas, we promote methanization combined with a bio-stabilization unit to produce biomethane and organic amendments. In other local contexts, we propose different industrial solutions, complementing them with thermal or methanization installations to valorize the locally available organic matter. This way, we create value through synergies between our sites, fostering complementarity among our sites organized into clusters and interconnected by various material flows. Our approach is that of an ecosystem. It is important to note that we exclusively use residues, co-products, and bio-waste, and not raw materials, unlike other competitors who use energy crops that compete with food crops. All our installations comply with the RED II directive, ensuring the sustainability of our supply strategy. Our solution is both energetic and environmental.”

Finally, we have developed expertise that sets us apart. Methanization is a full-fledged industry, just like other production processes, requiring industrial know-how, analytical capabilities, and a partnership strategy with suppliers and local partners. We have our laboratories with in-house biological experts to ensure control of our inputs and outputs. We have established an operational platform for the O&M management of our sites, resulting in a solid industrial track record. Additionally, our EPC teams design and construct our units based on the experience gained from operating our sites, ensuring the industrial performance of our assets.”

**What do you think about the role of the European Taxonomy in the development of renewable energy projects?**

“We welcome it favorably. For example, the European Taxonomy directs investments towards sustainable and relevant activities for the EU. At BelEnergia, integrating the taxonomy into our project development relies on an internally developed methodology, embraced by our teams, and reviewed and validated by an independent third party (RINA). The procedures and risk mitigation measures put in place allow us to structure our projects very early, thus improving operational efficiency and risk management. Consequently, it is a valuable tool for both our financial attractiveness and our operational management.”



Biogas project, Belenergia, Ronco, Italy



Biogas project, Belenergia, Perbel, Italy



# INTERVIEW

## GIULIO DI GENNARO, FOUNDING PRESIDENT AND ROBIN GODET, REAL ESTATE DEVELOPMENT & CSR MANAGER OF SWISH

*“This collaboration pushes us to achieve higher levels of quality, which ultimately translates into competitive advantages and increased opportunities compared to our competitors.”*

### How do you integrate ESG into your development strategy at Swish?

“Swish is a leading player in electric mobility for BtoB professionals, contributing to the transition in modes of transport in France and Europe. The integration of ESG (Environmental, Social and Governance) issues is therefore a compass and one of the driving forces behind our Sustainable Development approach to strengthen our commitment to sustainability. The incorporation of ESG stands out as a crucial differentiator vis-à-vis our competitors, responding to growing demand from stakeholders and positively influencing our relationships with customers and suppliers. In the context of certain calls for tender or consultations, it is today the element that can make all the difference. Last but not least, it facilitates recruitment and the integration of the many talented people who join us and enable our business to grow. This approach inspires and challenges us on a daily basis to create value around our project, so that every journey contributes to a better world.”

### What is your most strategic ESG commitment?

“We believe that our ESG commitments should not stop at the door of our company, and that it is necessary to take concrete action outside to make our impact more global. To this end, we have decided to create a non-profit association in 2024 to bring together all the internal and external players of good will in order to «Show the way and prove that change is possible». Through this association, we will finance, sponsor and promote various projects aimed at electrifying and decarbonizing transport-related uses, as well as raising awareness among public, private and voluntary players of the urgent need to accelerate the decarbonization of our society. Actions to support other areas are also envisaged, such as promoting equal opportunities and supporting players working for the most vulnerable or disadvantaged groups.”

### How have the advent and evolution of the European Taxonomy influenced your business?

“The Taxonomy is a European regulation that makes it possible to differentiate between «green» or «social» investments and those that are not, in a harmonized way within the European Union. Taking these regulations into account enables us to have a complete vision of our business and to better identify our impacts, while meeting the new expectations of our stakeholders. As a player in the transport sector, we are well covered by the Taxonomy and benefit from it in terms of access to financing, as more and more players are registering their investments within the Taxonomy framework. Finally, we stand out from the banks when it comes to obtaining credit and advantageous financing rates, strengthening our strategic position, our growth and our impact.”

### What is the impact of your collaboration with RGREEN INVEST on ESG?

“We share common values with RGREEN INVEST on ESG issues, which initiated our collaboration. Their teams work with us on CSR, ESG and Taxonomy issues. We can share and challenge our best practices and the strategic decisions we make that are beneficial to our company. Discussions focus, for example, on developing our CSR approach to bring it into line with CSRD reporting obligations, or more operationally on identifying French or European equipment suppliers that are more relevant to our positioning. This collaboration pushes us to achieve higher levels of quality, which ultimately translates into competitive advantages and increased opportunities compared to our competitors.”



# INTERVIEW

NICOLAS CRUAUD,  
FOUNDER OF NEOLITHE



*“Our aim is to limit the use of new resources and reduce the carbon footprint of the construction industry.”*

## Can you describe the process developed by Neolithe and its role in the transition to a circular economy?

*“Neolithe is developing technologies for the sustainable treatment of final waste using Accelerated Fossilisation. This process transforms non-recyclable, noninert and non-hazardous waste into aggregates for use in non-structural concrete, and in the future, depending on future certifications, in structural concrete and bituminous gravel. Aggregates derived from the accelerated fossilisation of waste, Anthropocite aggregates, can safely replace natural aggregates from quarries for use in non-structural concrete. They act as carbon sinks by preventing the degradation of biogenic materials contained in waste (known as WAS: Economic Activity Waste). What's more, this solution makes it possible to avoid landfilling and incinerating waste, which are practices that emit large quantities of greenhouse gases and various pollutants. Anthropocite has a negative carbon footprint, meaning that for every tonne of aggregate produced, nearly 337 kg of CO2 equivalent is stored within the aggregate. The manufacture and use of these aggregates by the construction industry therefore has a positive effect on the carbon footprint of built structures. Our ambition is to deploy our technology throughout France and thereby help reduce the country's CO2 emissions by 7%.”*

## To what extent do you integrate ESG issues into your business?

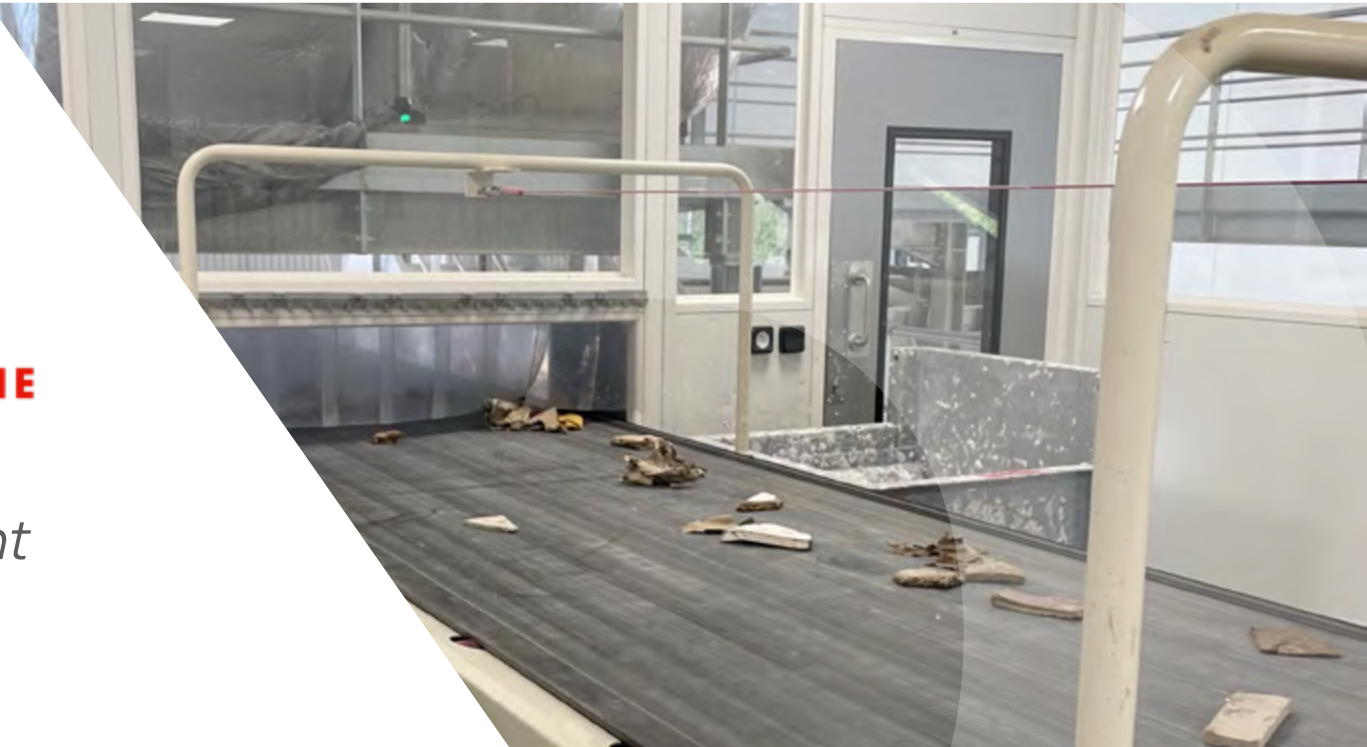
*“We are natively ESG-oriented. Our aim is to limit the use of new resources and reduce the carbon footprint of the construction industry. We have gradually built up our expertise in ESG issues. We are taking account of regulatory developments such as the CSRD, as well as the Taxonomy, which, by requiring greater transparency, provides an incentive to improve ESG performance. Regulatory constraints are thus becoming a differentiating factor for companies like ours. Any additional costs associated with virtuous approaches are offset by better environmental 'value' than conventional products. This contributes to the ongoing transition. In the case of Neolithe, we offer construction aggregates with properties equivalent to those of traditional aggregates. Developers and builders are looking to improve their carbon footprint, particularly through concrete, and are therefore interested in our aggregates, which are sold at the same price as those on the market with a negative carbon footprint. Construction standards such as RE2020, which restrict emissions in the building industry, encourage the use of materials such as those we offer. Finally, from a social point of view, we are helping to create local jobs. By way of comparison, a landfill generates 10 jobs, whereas a fossil plant requires 60 full-time employees. The internal commitment of our employees is also encouraged by a 2% employee shareholding.”*

## Are you able to collect and provide adequate ESG data to demonstrate the performance of your solution?

*“We have carried out a precise calculation of Anthropocite's carbon footprint, validated by external third parties, which enables our customers to claim a virtuous approach with precise data. In the future, we plan to produce even more precise data, depending on the nature of the fossilised waste, and to step up monitoring to optimise the management of the carbon footprint of our different batches of Anthropocite. In particular, a new Life Cycle Assessment (LCA) is being drafted to take account of changes in the process resulting from our R&D.”*

## How do shareholders like RGREEN INVEST support you on ESG issues?

*“RGREEN INVEST plays an important role in helping us to develop our expertise in ESG governance issues. For example, we have set up an impact committee, of which RGREEN INVEST is a stakeholder, to help us move forward and structure our approach to environmental and societal impact. This committee takes the time to reflect on and analyse the impacts in order to guide our actions more effectively and responsibly. We can benefit from support in terms of strategic regulatory monitoring on ESG issues, before taking the matter in hand ourselves at a later stage and structuring our teams.”*



Waste treatment facility (fossilizer), Neolithe, France





# GLOSSARY

Solar station, Sunology, France

**Agrivoltaics:** Synergy between agricultural production and photovoltaic production on the same plot of land.

**AUM (Assets under Management):** Total assets under management.

**B Corp Certification:** B Corp Certification is a designation that certifies a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

**Carbon Footprint:** A measure of the total greenhouse gas emissions produced by an individual, group or company.

**Compliance:** All organisational measures that ensure compliance with laws, standards and internal company codes of conduct, from data protection to money laundering and corruption.

**Corporate Social Responsibility (CSR):** Contribution of companies to sustainable development through the voluntary inclusion of social and environmental concerns of stakeholders in the business activities of these companies. For RGREEN INVEST this is in connection with the processes of the management company.

**Corporate Sustainability Reporting Directive (CSRD):** EU standard adopted by the Council of the European Union on 28 November 2022 to make corporate sustainability reporting more uniform, consistent and standardised than financial accounting and reporting. Companies subject to the CSRD must report in accordance with the European Sustainability Reporting Standards (ESRS).

**Decarbonisation:** Measures and techniques used to reduce the carbon footprint of a company, industry, country or economy.

**Electricity mix:** The combination of the different primary sources of electricity used to meet the energy demand in a given geographical area.

**Environment, Social and Governance (ESG):** This acronym refers to the three criteria we use to measure the sustainability and social impact of an investment in a project or company. For RGREEN INVEST it refers to the processes of our investee companies.

**Environmental and Social Management System (ESMS):** A formalised set of policies, procedures, tools and internal capabilities to identify

and manage a financial institution's exposure to environmental and social risks. RGREEN INVEST has established an ESMS to support its ESG due diligence process before and after investments.

**EU Taxonomy:** European Regulation 2020/852 on the classification of economic activities having a positive impact on the environment. Its aim is to direct investments towards sustainable economic activities by providing a detailed list of activities and the conditions required for an investment to be considered eligible.

**Green project:** A project that generates electricity or heat from renewable sources or contributes to climate change adaptation efforts. In terms of emissions, these projects are not carbon-free, but aim to be low-carbon. The term 'green' is sometimes used to refer to the concepts of renewable energy and climate change adaptation. However, it is important to note that any project or measure can pose a potential risk to biodiversity, even if it is presented as green.

**Greenfield / Brownfield:** Construction phase of a project, where Greenfield is in the pre-construction phase and Brownfield is in the operational phase.

**Greenwashing:** The promotion of a product, service or company as being more environmentally friendly than it actually is by claiming false environmental benefits or concealing risks.

**Impact Investing:** An investment methodology that is not currently defined by regulation, but which meets at least three key characteristics (some meanings add supplementary criteria) defined by market practice:

- Additionality, which is the contribution to the modification of the ecosystem around the investment target
- Intentionality, which corresponds to the investor's desire to generate a measurable social or environmental benefit and thus contribute to sustainable development
- Impact measurement, which aims to verify the reality of the impact through the monitoring of quantified and measurable indicators

**Mission-driven company (entreprise or société à mission):** A company that has a recognised social or environmental objective enshrined in its Articles of Association. This qualification has been defined in France by the Loi Pacte.

**Principles for Responsible Investment (PRI):** An independent initiative supported by the United Nations that works to better define and promote responsible investment. PRI members are rated each year via a published

reporting questionnaire.

**Project Developer:** A company that has industry expertise and uses this expertise to research, plan and execute an infrastructure project. In our case, our partners are developing assets that generate electricity from renewable sources or contribute to the climate change adaptation effort.

**Renewable Energy:** Energy generated from sources that nature rapidly renews on a human scale, such as energy produced by solar panels or wind turbines. These technologies are recognised by the IPCC, in particular in the April 2022 report on climate change mitigation.

**Sustainable development:** A concept of development that consists of meeting the needs of the present while ensuring that future generations can meet their own needs. It is based on three pillars: Economic, Environmental and Social. The concept has been incorporated into financial regulations and in particular into the regulation of investment funds via the European regulation SFDR n°2019/2088.

**Sustainable Development Goals (SDGs):** A set of 17 interlinked global goals designed to serve as a blueprint for a better, more sustainable future for all. The SDGs were established by the United Nations General Assembly in 2015 and are to be achieved by 2030.

**Sustainable Finance Disclosure Regulation (SFDR):** European Sustainable Finance Disclosure Regulation n°2019/2088, which introduced various transparency requirements for financial market participants and financial advisors at entity, service and product level.

**Sustainable investments:** Investment typology that integrates extra-financial criteria (ESG) into the decision-making process beyond traditional financial criteria, in accordance with European Regulation SFDR n°2019/2088.



# APPENDICES

Floating wind project, Qair, Eolmed, France

# Appendix 1 - Summary of the main potential macro-risks

As part of our risk monitoring and based on our experience, we have identified key risks for the main technologies financed. Each risk is reviewed prior to investment and monitored over the life of the portfolio.

	SOCIAL		ENVIRONMENTAL					
	Workers	Local communities	Fauna	Flora	Dismantling & Recycling	GHG emissions	Climate	Other
<b>MAIN POTENTIAL MACRO-RISKS</b>	<ul style="list-style-type: none"> <li>• Health and safety on site</li> <li>• Workers' rights over the value chain</li> </ul>	<ul style="list-style-type: none"> <li>• Social acceptability and dialogue</li> <li>• Health &amp; Safety of local communities</li> <li>• Land acquisition</li> <li>• Displacement of indigenous communities</li> <li>• Cultural heritage &amp; visual impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Habitat loss and destruction due to footprint</li> <li>• Danger to species due to operations</li> </ul>	<ul style="list-style-type: none"> <li>• Habitat loss and destruction</li> <li>• Deforestation</li> </ul>	<ul style="list-style-type: none"> <li>• Dismantling/Recycling planification and costs</li> </ul>	<ul style="list-style-type: none"> <li>• Imports of materials</li> <li>• High direct emissions for specific technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Exposition to climate-related physical risks</li> <li>• Low preparedness of certain countries</li> </ul>	<ul style="list-style-type: none"> <li>• Impacts on physical environment</li> <li>• Inefficient use of resources (land, water...)</li> </ul>
Ground-mounted photovoltaic	<ul style="list-style-type: none"> <li>-Working in high temperature environment</li> <li>-High risk of human rights breaches on the value chain</li> <li>-Electrical risk</li> </ul>	<ul style="list-style-type: none"> <li>-Risk of non-acceptance</li> <li>-Site remediation</li> <li>-Fire</li> </ul>	<ul style="list-style-type: none"> <li>-Habitat loss</li> <li>-Birds and amphibians</li> </ul>	<ul style="list-style-type: none"> <li>-Deforestation / Competition with agriculture</li> </ul>	<ul style="list-style-type: none"> <li>-Partially functional recycling chain</li> </ul>	<ul style="list-style-type: none"> <li>-Imported panels and primary materials (from outside Europe)</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on location</li> <li>-Highly vulnerable to flooding, hail, and high temperature</li> </ul>	<ul style="list-style-type: none"> <li>-Use of metals</li> <li>-Use of large quantities of water for maintenance (risk in arid regions)</li> </ul>
Roof- or shade structure-based photovoltaic	<ul style="list-style-type: none"> <li>-Working in high temperature environment</li> <li>-High risk of human rights breaches on the value chain</li> <li>-Electrical risk</li> </ul>	<ul style="list-style-type: none"> <li>-Fire</li> <li>-Roof refurbishment</li> </ul>	<ul style="list-style-type: none"> <li>-Habitat loss due to new construction specifically for solar roofing</li> </ul>	<ul style="list-style-type: none"> <li>-Habitat loss due to new construction specifically for solar roofing</li> </ul>	<ul style="list-style-type: none"> <li>-Partially functional recycling chain</li> </ul>	<ul style="list-style-type: none"> <li>-Imported panels and primary materials (from outside Europe)</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on location</li> <li>-Highly vulnerable to flooding, hail, and high temperature</li> </ul>	<ul style="list-style-type: none"> <li>-Use of metals</li> <li>-Use of large quantities of water for maintenance (risk in arid regions)</li> </ul>
Onshore wind farm	<ul style="list-style-type: none"> <li>-Working at height</li> <li>-Electrical risk</li> </ul>	<ul style="list-style-type: none"> <li>-Non-acceptance</li> <li>-Site remediation</li> <li>-Wind turbine noise</li> <li>-Shadow-flicking</li> </ul>	<ul style="list-style-type: none"> <li>-Risk to birds and chiropterans</li> </ul>	<ul style="list-style-type: none"> <li>-Habitat loss due to localised use of subsoil/concrete foundation</li> </ul>	<ul style="list-style-type: none"> <li>-High recycling cost: blades difficult to recycle</li> </ul>	<ul style="list-style-type: none"> <li>-Imported parts (from outside Europe)</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on location</li> <li>-Highly vulnerable to storms and wind changes</li> </ul>	<ul style="list-style-type: none"> <li>-Use of metals and rare-earth elements (Dysprosium/Neodymium)</li> </ul>
Offshore or floating wind farm	<ul style="list-style-type: none"> <li>-Working at height &amp; over water</li> </ul>	<ul style="list-style-type: none"> <li>-Non-acceptance</li> <li>-Site remediation</li> <li>-Fishing zones</li> </ul>	<ul style="list-style-type: none"> <li>-Risk to birds and chiropterans</li> <li>-Significant noise that may affect wildlife</li> </ul>	<ul style="list-style-type: none"> <li>-Habitat loss due to localised use of subsoil piles</li> </ul>	<ul style="list-style-type: none"> <li>-High recycling cost: blades difficult to recycle, problem of sea foundations</li> </ul>	<ul style="list-style-type: none"> <li>-Imported parts (from outside Europe)</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on location</li> <li>-Highly vulnerable to storms and wind changes</li> </ul>	<ul style="list-style-type: none"> <li>-Use of metals and rare-earth elements</li> </ul>
Small hydroelectric facilities	<ul style="list-style-type: none"> <li>-Working in difficult to access areas</li> </ul>	<ul style="list-style-type: none"> <li>-Immersion of areas used by local populations</li> </ul>	<ul style="list-style-type: none"> <li>-Impact on life in water. Thus fishways necessary</li> </ul>	<ul style="list-style-type: none"> <li>-Immersion of plants</li> <li>-Disturbance of ecological and sedimentary continuity</li> <li>-Rise of water temperature</li> <li>-Modification of the hydrological regime</li> </ul>	<ul style="list-style-type: none"> <li>-High cost and blasting works</li> </ul>	<ul style="list-style-type: none"> <li>-Use of concrete</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on location</li> <li>-Highly vulnerable to high temperature, cold waves, droughts, flooding, earthquakes</li> </ul>	
Geothermal		<ul style="list-style-type: none"> <li>-Groundwater pollution</li> <li>-Earthquake</li> </ul>		<ul style="list-style-type: none"> <li>-Groundwater pollution</li> </ul>	<ul style="list-style-type: none"> <li>-Rather complex</li> </ul>	<ul style="list-style-type: none"> <li>-Possible emissions depending on the site</li> </ul>		<ul style="list-style-type: none"> <li>-Ground water pollution</li> </ul>
Methanization	<ul style="list-style-type: none"> <li>-Explosion</li> </ul>	<ul style="list-style-type: none"> <li>-Non-acceptance</li> <li>-Foul odor</li> <li>-Site remediation</li> </ul>	<ul style="list-style-type: none"> <li>-On-site habitat destruction / Power station's coverage</li> </ul>	<ul style="list-style-type: none"> <li>-Ground water and river pollution / On-site habitat destruction / Power station's coverage</li> </ul>	<ul style="list-style-type: none"> <li>-Rather complex</li> </ul>	<ul style="list-style-type: none"> <li>-CH4 and H2S emissions risk</li> <li>-Imported supplies (long distance)</li> <li>-Feedstock linked to unsustainable agriculture and non-compliant with EU regulation</li> </ul>		
Biomass	<ul style="list-style-type: none"> <li>-Fire</li> </ul>	<ul style="list-style-type: none"> <li>-Non-acceptance</li> <li>-Foul odor</li> <li>-Local pollution: carbon monoxide and fine particles</li> </ul>	<ul style="list-style-type: none"> <li>-On-site habitat destruction / Power station's coverage</li> </ul>	<ul style="list-style-type: none"> <li>-Forest destruction / Sustainable forest management necessary</li> </ul>	<ul style="list-style-type: none"> <li>-Rather complex</li> </ul>	<ul style="list-style-type: none"> <li>-Discharge of carbon and local pollution</li> <li>-Imported supplies (long distance)</li> <li>-Gas leakage</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on location</li> <li>-Highly vulnerable to high temperature, cold waves, droughts, flooding</li> </ul>	<ul style="list-style-type: none"> <li>-Discharge of fine particles</li> <li>-Local pollution: carbon monoxide</li> </ul>
Hydrogen	<ul style="list-style-type: none"> <li>-Fire and explosion</li> </ul>	<ul style="list-style-type: none"> <li>-High usage of power reducing availability for local communities</li> </ul>	<ul style="list-style-type: none"> <li>-On-site habitat destruction / Power station's coverage</li> </ul>	<ul style="list-style-type: none"> <li>-On-site habitat destruction / Power station's coverage</li> </ul>	<ul style="list-style-type: none"> <li>-Rather complex</li> </ul>	<ul style="list-style-type: none"> <li>-CO2 cost varies depending on the technology used (green, blue or grey hydrogen)</li> <li>-Indirect GHG due to leaks</li> <li>-High usage of power resulting in high emissions if based on fossil sources</li> <li>-Gas leakage</li> </ul>		<ul style="list-style-type: none"> <li>-Water purification necessary via electrolysis</li> </ul>
EV charging and Electricity storage	<ul style="list-style-type: none"> <li>-Electrical risk</li> <li>-Fire</li> </ul>		<ul style="list-style-type: none"> <li>-On-site habitat destruction / Power station's coverage</li> </ul>	<ul style="list-style-type: none"> <li>-On-site habitat destruction / Power station's coverage</li> </ul>	<ul style="list-style-type: none"> <li>-Rather complex</li> </ul>	<ul style="list-style-type: none"> <li>-CO2 cost varies depending on the technology used and place of manufacture</li> </ul>	<ul style="list-style-type: none"> <li>-Depends on location</li> <li>-Highly vulnerable to temperature changes</li> </ul>	<ul style="list-style-type: none"> <li>-Use of metals and rare-earth elements</li> </ul>

## Appendix 2 - Climate-Related Risk (TCFD reporting)

The recommendations of the Task Force on Climate Related Financial Disclosure (TCFD) were first published by the Financial Stability Board in 2017 in response to how the financial sector should consider climate-related issues. These recommendations are a single global standard for climate-related financial disclosure for both non-financial companies and financial companies. It is now the most widely accepted framework for assessing and reporting on the business impacts of climate change.

RGREEN INVEST is committed to applying the TCFD recommendations to identify, understand and assess potential climate change impacts.

### Governance

Climate-related risks and opportunities are governed as part of our ESG risk and opportunity management process within our ESMS. Along with other sustainability-related risks, our climate-related risk assessment is validated in our ESG & CSR Committee. The Committee meets semi-annually and consists of the ESG team and the Board of RGREEN INVEST. The climate impact of our funds as well as our path to achieving our climate goals are also validated through the same process.

Climate-related risks are also discussed in our Risk Committee and at the level of the RGREEN INVEST Strategic Committee with shareholders.

### Strategy

Climate-related risks and opportunities are central to the strategy of RGREEN INVEST. The company's core objective, enshrined in our Articles of Association, is to combat climate change by accelerating the energy transition and adapting society by financing infrastructure with positive and sustainable impacts on the environment, local people and communities.

RGREEN INVEST uses the TCFD recommendations to categorise, manage and report on climate-related risks. Based on the recommendations, we disclose climate-related risks in the following categories

#### - PHYSICAL RISKS

- (a) acute (extreme weather events),
- (b) chronic (changing weather patterns and rising sea level)

#### - TRANSITION RISKS

- (a) Policy and legal,
- (b) Technology,
- (c) Market,
- (d) Reputation.

### Transition risks

As we have no exposure to fossil fuels and the carbon intensity of our portfolio is low, we expect that the transition risks associated with the phase-out of fossil fuels will have a limited impact on our portfolios. However, we are aware that the value chain of the projects we invest in is not entirely carbon-free, which also exposes our portfolio to transition risks.

In 2022, RGREEN INVEST conducted an exercise to identify and assess climate-related transition risks for the first time. We conducted a high-level scenario analysis to examine the resilience of RGREEN INVEST's strategy to climate change. We used internationally recognised climate pathways, which are well-established benchmarks for the energy industry published by the International Energy Agency (IEA). Transition risk was assessed at a qualitative level, describing risks and ranking them on a scale from minimal to high. In the coming years, we intend to deepen our assessment and link our analysis with qualitative data from our portfolio to further assess the exposure and potential impact of the different risks.

Transition risks are assessed with a short (< 10 years), medium (10-20 years) and long (> 20 years) time horizon. The time frame is based on the lifetime of renewable energy installations. The average lifespan is 25-30 years. We therefore assume a longer time horizon, taking into account the development of the renewable energy sector and the fact that we will continue to invest in this sector in the future.

*please refer to transition risk table in the next page*

### Physical risks

RGREEN INVEST aims to assess its portfolio against the twenty-eight climate risks identified in the EU Taxonomy's Do No Significant Harm for climate change adaptation. In 2023, we launched a pilot project with an external service provider, EcoAct, to conduct a detailed physical climate risk assessment for INFRAGREEN V and a number of other investments. The assessment was conducted using the geographical location of the projects invested in and the modelling of short, medium and long-term exposure to physical climate risks using two different climate scenarios RCP2.6 and RCP8.5 aligned with the IPCC 6th Assessment Report from 2021. Since end of 2023, we use AXA Climate tool to perform physical climate risk assessment and to design adaptation plans.

As a next step, we will use the input from the exposure analysis to conduct a vulnerability assessment on all our portfolios. Then we will use the results of the physical climate risk assessment to stress-test our portfolio for climate risks associated with certain technologies and geographical areas. This will allow us to have a comprehensive understanding of the potential financial impact of climate related risks on our portfolio and help our portfolio companies set up any mitigation actions needed.

For renewable energy projects, modelling specific environmental risks, such as flooding, is already part of the project development process. In some cases, aspects of increased extreme weather due to climate change are even considered. However, robust physical risk modelling based on future-oriented climate scenarios

is not yet standard practise today. A partial result of our pilot project is also that we discuss the methodology and its benefits with our investment partners and how it can be used already in the development phase. It is at this stage that the greatest remedial action can be taken.

The physical climate-related risks identified in this report are based on our pilot project in collaboration with EcoAct and industry knowledge. This disclosure will be further quantified in the coming years once our entire portfolio has been included in the scenario assessment.

*please refer to physical risk table in the next page*

### Risk management

Our ESG team is responsible for the ongoing identification and assessment of ESG risks in new and existing investments. Each potential investment is assessed based on its positive contribution to the energy transition and climate change mitigation or adaptation. In addition, we assess the carbon footprint of each investment and the exposure to fossil fuels in our own operations and value chain. Climate-related risks and opportunities are embedded in our exclusion policy and in our definition of a responsible investment. For example, we exclude all projects that emit more than 250 gCO<sub>2</sub>e/kWh. This means we exclude fossil fuels, which are affected to a higher degree by climate-related transition risks.

Our operations are climate-dependent, as we only invest in power plants with renewable energy or other energy transition technologies. In view of this, climate risk for RGREEN INVEST is linked to traditional business risks and is taken into account in the business plans of any new investment. The business plans of our potential investments are based on climate-related events such as wind forecasts or irradiation rates for PV power plants. In addition, our models and sensitivity analyses include future carbon and electricity pricing, and we calculate our sensitivity to electricity prices and thus also to climate risk.

ESG risks, including climate risks, associated with specific assets are highlighted in our quarterly risk reports. Over the next year, we plan to further integrate the assessment of climate-related risks into our risk management process and further standardise the way we include climate-related risks in our quarterly risk reports. In addition, we aim to further formalise our definition, assessment and communication of climate-related risks.

### Metrics and targets

We measure our impact on climate and the environment, and therefore our exposure to climate-related risks and opportunities, through our carbon footprint (Scopes 1, 2 and 3), avoided emissions (Scope 4), renewable energy consumption and production, emissions in water and hazardous waste. For more information on our key performance indicators and related targets, see Our Investments - ESG Framework.

**Key transition climate risks of RGREEN INVEST management company and investments**

Type of risk**	Topic	Description	Risk Level*	Scope	Technology	Time horizon	Opportunity Level	Governance, current and planned actions
POLICY & LEGAL	Increased pricing of GHG emissions	Minimal impact on renewable energy production due to low GHG emissions during operation. Potential impact on increased cost in supply chain. Opportunity related to fossil fuel production hit by carbon prices and taxation.	Minimal	Future investments	All	Medium	Medium	Investing mainly in renewable energy assets. Monitoring on a regular basis.
	Regulation of existing products and services	Current policy in support of renewable energy (i.e: long-term subsidization contracts on feeding tariffs). Risks of mainstreaming of frameworks (i.e: Green Taxonomies) that do not cover all technologies that RGREEN INVEST finance. Risk of not fulfilling all EU Taxonomy requirements if requirements become stricter.	Low	Management Company, Existing funds, Future investments	All	Short-Medium	Medium	Monitoring on regular basis upcoming regulation and discussions related to energy sector. Performing EU Taxonomy assessment as part of initial investment process. Supporting capacity building of our holdings/ counterparts on Green Taxonomies
	European carbon tax	Risk of potential carbon tax for Europe resulting in higher CAPEX for projects when prices for imported goods go up. Risk of over exposition to carbon tax because of the supply of equipment (i.e. solar panels) outside EU. Opportunity for companies having implemented local EU supply chains.	High	Future investments	All	Medium	High	Monitoring on regular basis upcoming regulation and discussions related to energy sector. Encourage local sourcing wherever possible.
	More sustainable land-use	Decreased availability of land due to climate change and transition towards low carbon economy leading to competition of land, mainly with agriculture.	High	Future investments	Solar	Medium	Not applicable	Preference for projects with co-usage of land. Ensuring decommissioning practices allow future land-use for agriculture.
	Higher insurance costs	Possible that insurance costs increase for our investees if extreme weather events become more frequent. Possible difficulty to get insurance in more exposed regions. Possible growing share of insurance costs in the total operating costs of renewable energy infrastructures.	Medium	Existing funds, Future investments	All	Medium	Not applicable	Encouraging physical climate risk analysis as part of project development. Selecting projects that are more resilient to climate hazards and monitoring physical risks.
	Exposure to litigation	Potential risk of litigation related to environmental and biodiversity impact if not mitigated adequately. Increased risks of expropriation or deforestation. Increased risk of litigation linked to water access for hydropower specially.	Medium	Existing funds, Future investments	Hydro, Wind, Ocean wind, Solar ground	Medium	Not applicable	If local regulation does not require environmental impact assessment RGREEN INVEST requires one to be conducted for all projects over 5MW on ground.
MARKET	Increase cost of raw materials	Higher CAPEX due to increased production cost in supply chain because of scarcity of raw materials or global constrains. Special risk related to critical minerals such as lithium and nickel required for battery manufacturing. Security of supply risk related to high geographical concentration of critical minerals. Risk of increased prices for PV-polysilicon, copper and steel resulting in higher prices for PV and wind turbines. Special supply risks related to biomass related feedstock affected by climate change consequences (i.e: Biogas production)	High	Future investments	Battery storage, wind, solar	Short	Not applicable	
	Change in energy cost and availability of green energy	Renewable energy assets consume low amounts of energy. However, the supply chain is energy intensive. Due to rise in energy prices, especially rise of price for fossil energy, the CAPEX of renewable energy projects is expected to rise. Minimal risk of decreasing renewable energy usage as total global energy usage is expected to increase and a higher share of fossil emissions shall be replaced by renewables. Fluctuating energy prices as a result of the energy transition expected to lead to less visibility for the future and difficulty to value projects properly.	Low	Management Company, Future investments	Solar	Short-Long	High	Conducting annual carbon footprint assessment, including supply chain of projects invested in. Encouraging investees to decarbonise supply chain emissions and setting decarbonisation targets covering Scope 3 emissions.
	Availability of workforce	Potential risk related to bottlenecks in labour and skills due to expanding renewable energy industry. The projects we invest in have few direct employees. However, we see potential scarcity of skills in their supply chain and among skilled contractors.	Medium	Management Company, Existing Fund	All	Short	Not applicable	Long term relationships with carefully chosen partners. Corporate policy and the ability to attract talent is part of choice of partners. Signed France Invest parity charter setting targets and commitments for driving diversity and equality in the companies that we finance.
REPUTATION	Reduction in capital availability	Energy crisis leading to poor economy, increased interest rates and cost of capital raising. Risk of reduced access to capital. However, an opportunity related to sustainable investments being prioritised (Article 9 funds) by investors.	High	Management Company	All	Short-Long	High	Investing in projects enabling energy transition, climate change mitigation and adaptation. All funds categorized as Article 9, sustainable investments.
	Increased stakeholder concern or negative stakeholder feedback	Increased scrutiny from different stakeholders (e.g. supervisors, regulators, media, NGO's, shareholders, investors, etc). RGREEN INVEST has ambitious sustainability targets linked to climate. Thus reputational damage if not sufficient progress or targets are not met or any project RGREEN INVEST has financed is found to be linked to greenwashing claims. Reputational impact from potential misalignment of emissions reduction commitments with performance in specific portfolios. Generally wider society looks upon renewable energy positively. Possible risk of local resistance due to visual, odour or noise pollution.	Low	Management Company	All	Short	Medium	Robust scrutiny of each potential deal through ESG due diligence and technical due diligence. Quarterly follow up of portfolio carbon footprint. Ongoing discussions and sparring for portfolio companies to reduce emissions.

\*Risk level measured as an assessment of exposure and vulnerability.

\*\*No technological risk was identified. Opportunities related to technology relate to the replacement of fossil energy sources with renewable energy.





## Key physical climate risks of RGREEN INVEST investment portfolio

Risk level measured as an assessment of exposure and vulnerability. Risk level assessed for specific technologies in the portfolio and does not take into account the share of exposure to specific technology in the portfolio. Exposure assessed by EcoAct for specific asset locations covering INFRAGREEN V and a number of other investments and using using two different climate scenarios RCP2.6 and RCP8.5 aligned with the IPCC 6th Assessment Report from 2021. The timeframes used were short (2021-2040), medium (2041-2060) and long term (2081-2100). Results of exposure analysis have been extrapolated to give high level understanding of risk of exposure for full portfolio. High level vulnerability assessment conducted by RGREEN INVEST. The analysis of climate risks was completed in 2024 using a new tool (Altitude by Axa Climate). New risks have been identified, and their level is considered low at this stage.

Type of risk	Topic	Description	Regions in portfolio exposed	Risk Level	Technology	Governance, current and planned actions
CHRONIC	Changing temperature and heat stress	It is estimated that photovoltaic modules work better up to around 25 degrees Celsius. Above this temperature, they loose up to approximately 0,3% of their performance for each additional degree. Higher degrees can lead to lower productivity, higher energy use for cooling and higher fire safety risk for energy storage.	Europe, global	Medium	Solar, Storage	At current stage temperature is not considered as part of production modelling as the impact is expected to be under sensitivity threshold. This will become increasingly relevant in future modelling.
	Water stress	High impact on hydro electricity production. Additionally, low impact on solar PV. Solar panels need to be cleaned regularly to avoid performance loss due to accumulation of dust, dirt and pollution. Combined with other hazards such as wildfires, water stress can cause maintenance problems for solar PV.	Bulgaria, Romania, North Macedonia	High	Solar, Hydro	Inclusion in project development and business models of future production. Implementation of water management plan.
	Low wind	Can have significant impact on the productivity of wind turbines, if wind speed lower than the cut-in speed (3m/s). In this case turbines are not able to rotate and generate power. However, low wind is a very local effect and can in some cases also have a positive effect.	Morocco, Bulgaria, Italy, Europe,	High	Wind	Local effect that is difficult to include in modelling of future production.
	Soil Erosion	Soil erosion caused by wind and/or water; deterioration of the physical, chemical, biological, or economic properties of soil; and long-term loss of natural vegetation.	Europe, global	Low	Solar, Storage, Wind, Hydro, Biogas	Soil erosion risks is part of technical and/or environmental studies for wind projects. It integrated before site selection, and it is part of health and safety management plans.
	Sea level rise	Climate change phenomenon through which the ocean water volume increases as a consequence of several factors (thermal expansion, glacier melting...) combined with land subsidence at the coastline. For assets located in coastal areas, there is a risk of physical damage and operational interruption.	Europe, global	Low	Solar, Storage, Wind, Hydro, Biogas	Sea level rise is part of technical and/or environmental studies for any near coast projects. It is integrated before site selection, and it is part of health, safety & emergency management plans.
	Changing precipitation patterns	Gradual increase/decrease of mean precipitation and change in patterns (rain). It may affect positively and negatively PV and wind energy installation and feedstock availability for Biogas.	Europe, global	Low	Solar, Hydro, Biogas	Changing precipitation patterns is not enough taken into account for operation and maintenance projections for PV and most importantly for feedstock availability and quality in the case of Biogas plants. RGREEN INVEST is more and more sensitive to
ACCUTE	Cold wave/frost	The accumulation of frost on the blades of wind turbines can lead to a decrease in electricity production. In addition, it can reduce battery efficiency. With the increase in temperature the number of frost days is decreasing for all assets. However, as the impact is usually short term the impact on productivity is low.	Europe	Low-Medium	Wind, Storage	Considered as part of development of wind power technologies. Considered as part of plan for safety, health and wellbeing of workers.
	Heat wave	The days above 41 degrees Celsius will increase. Extreme heat will have a significant impact on the performance of solar panels and could cause health issues during maintenance and operations. Higher degrees can lead to lower productivity, higher energy use for cooling and higher fire safety risk for energy storage.	Brazil, Morocco, Italy	Low-Medium	Solar, Storage	Considered as part of plan for safety, health and wellbeing of workers.
	Wildfire	The wilfire risk is low for our portfolio as assets are generally not located close to forests. Smoke can impact solar PV productivity. Can damage the power infrastructure and disrupt the supply of electricity affecting the efficiency of batteries. For the assets assessed the vegetation close by consists of grasslands/fields and other dry areas. Ash and debris can damage blades.	Brazil, Morocco, North America	Low	Solar, Storage, Wind, Hydro	Strategic decision to not finance development of projects in forests to avoid deforestation. Thus, indirectly avoiding the impact of wildfires by the majority of assets located in non-forest areas.
	Cyclone/hurricane/typhoon	Impact infrastructure and disrupt production.	UK, French Islands	Low-Medium	Solar, Storage, Wind, Hydro	Considered as part of plan for safety, health and wellbeing of workers. Considered as part of development of renewable energy technologies.
	Storm (including blizzards/dust/sandstorms)	Impact infrastructure and disrupt production. Impact of storm damaging wind turbine already takenocured for assets in RGREEN INVEST portfolio.		Low	Hydro	Considered as part of plan for safety, health and wellbeing of workers. Considered as part of development of renewable energy technologies.
	Heavy precipitation (rain/hail/snow/)	Impact infrastructure and disrupts production. Hail can damage solar PV sites by cracking and shatting glass or plastic covering of panel. Extreme rainfall can also have significant impact on the power grid, damaging the electric infrastructures.	Mauritius, Brazil, Sardinia	Low-Medium	Wind, Solar	-
	Flood	Damage infrastructure, disrupt production and delay maintenance operations.	Poland, Romania	Low-Medium	Solar	Considered as part of project development. Considered as part of plan for safety, health and wellbeing of workers.
	Drought	Period of abnormally dry weather long enough to cause a serious hydrological imbalance. For Hydroelectricity projects it can affect water flows. For biogas/biomethane, it can affect the feedstock in terms of quantity and/or quality.	Europe, global	Low	Biogas	Drought related risks is considered in some technical and/or environmental impact studies depending on the project. It is not sufficiently analyzed in terms of feedstock availability and quality in the case of Biogas plants. RGREEN INVEST is more and more sensitive to this latest topic during due diligence
	Landslide	Collapse of an unstable soil, debris or rock mass under its own weight. Landslides are geological weather sensitive events. Landslide can cause physical damages to any onshore installation (i.e PV, Wind, Biogas, Storage, etc.)	Europe, global	Low	Solar, Storage, Wind,	Considered as part of plan for safety, health and wellbeing of workers. Considered as part of development of renewable energy technologies.
	Earthquake	Phenomenon corresponding to a sudden slip on a fault and the resulting ground shaking and radiated seismic energy caused by the slip, or by volcanic or magmatic activity, or other sudden stress changes in the earth. These exceptional events may cause damages to any installation.	Europe, global	Low	Solar, Storage, Wind, Hydro, Biogas	

# Appendix 3 – CSR and ESG performance indicators calculation methodology

## Accounting practice for CSR Dashboard - Performance of RGREEN INVEST management company for 2023

	Performance indicator	Accounting practice
ENVIRONMENT	Total GHG emissions (excluding investments)*	Including Scopes 1, 2 and 3 emissions of the management company RGREEN INVEST for the reporting year. Scope 1 emissions come from fuel consumption of company cars and refrigerants in the office of RGREEN INVEST. Scope 2 emissions include the electricity consumption of the office building. Scope 2 is calculated using the location-based methodology. Scope 1 and 2 emissions are calculated based on consumption data. Scope 3 emissions include the purchase of goods and services, capital goods, waste generated in our operations, business travel and commuting by our employees. This calculation does not include emissions related to our investments. Scope 3 emissions are mainly calculated based on expenditure data and estimated data, e.g., related to employee commuting. Emission factors are from ADEME and IPCC 2014.
	Carbon intensity	Including Scopes 1, 2 and 3 emissions of the management company RGREEN INVEST for the reporting year divided by the turnover for RGREEN INVEST for 2023.
	Energy usage	Calculated as the total amount of energy consumed by RGREEN INVEST in Mwh, including electricity for the offices and fuel for company vehicles in the reporting year.
	Waste produced	Calculated as the total kg amount of waste produced in the RGREEN INVEST office, including, among others, food waste, plastic bottles and packaging, paper, cardboard, paperboard and mixed office waste. Based on data reported by the waste supplier.
	Proportion of suppliers that have performed a carbon footprint calculation	Calculated as a proportion of annual expenditure for suppliers that have carried out a carbon footprint calculation. The calculation refers only to purchases from RGREEN INVEST, not to purchases by the funds.
SOCIAL	Gender diversity among all employees**	Calculated based on FTE female / total FTE at end of year 31.12.2023.
	Gender diversity in management	Calculated on the basis of FTE female managers / total FTE managers at year-end 31.12.2023. A manager refers to any person with a title of manager or higher.
	Gender diversity in top-management	Calculated based on FTE female managers / total FTE manager at year-end 31.12.2023. Top management refers to any person with a team lead or head of department position.
	Gender diversity in Board of Directors	Calculated based on headcount female Board member / total headcount of Board members at year-end 31.12.2023.
	Gender diversity in investment team	Calculated based on FTE female in investment team / total FTE in investment team at year-end 31.12.2023.
	Proportion of females with responsibility in investment committee	Calculated based on FTE females in investment committee with voting rights / total FTE in investment committee with voting rights at year-end 31.12.2023.
	Distribution of employees by age group	Calculated based on FTE at year-end 31.12.2023.
	Turnover rate	Calculated with the following formula: $(\text{Number of people who left voluntary} + \text{involuntary during the year}) / (\text{average headcount during the year}) * 100$ .
	Proportion of employees participating in annual HR discussions	Calculation based on headcount at year-end 31.12.2023 and calculated as number of people that participated in at least one development discussion / total number of people at year-end.
	Absenteeism rate	Calculated using the following formula: $\text{Total number of days lost to work-related ill health and fatalities from ill health} / \text{Number of working days in the year} * \text{average number of employees during the reporting period} * 100$ . Number of working days used in calculation is 253.
	Number of lost time accidents	Calculated as number of accidents that have resulted in at least one day's absence from work.
	Total remuneration ratio (excluding dividends)	This indicator follows the guidelines of the European Sustainability Reporting Standard (ESRS) S1 Own Workforce, Disclosure requirement S1-16, Remuneration metrics - Annual total remuneration ratio. The indicator is calculated as the difference between the annual total compensation for the highest paid individual and the annual total compensation of the median employee (excluding the highest-paid individual).
Payments to non-profit organisations	Philanthropic payments made during the reporting year in euro. Includes for example payments made to NGOs, universities and other organizations.	
GOVERNANCE	Proportion of employees trained in ethical business, anti-corruption and bribery.	Calculation based on headcount at year-end 31.12.2023 and calculated as number of people who participated in at least one training on ethical business, anti-money laundering, anti-corruption and bribery.
	Proportion of suppliers having signed the responsible purchasing charter	Calculated as proportion of annual expenditure related to suppliers who have signed the Responsible Purchasing Charter. Calculation covers only purchases made by RGREEN INVEST not purchases made by the Funds.
	Proportion of key suppliers with a CSR policy	Calculated as proportion of annual expenditure related to suppliers who have a CSR policy. Calculation covers only purchases made by RGREEN INVEST not purchases made by the Funds.

\*Including Scopes 1, 2 and 3 emissions of RGREEN INVEST management company. Excluding emissions from our investments. Please see page 40 and 41 for more details on our carbon footprint and the carbon footprint of our investments.

\*\*All indicators on gender split are calculated as proportion of females compared to males.

**Accounting practice for ESG Dashboard at the level of investment - Performance of positive and negative impacts of RGREEN INVEST investment portfolio in 2023**

	Performance indicator	Accounting practice
<b>ENVIRONMENT</b>	Capacity installed	Calculated based on project ready to build, in construction and in operation. Only share of capacity financed by RGI included.
	Renewable energy produced	Calculated based on project ready to build, in construction and in operation. Based on annual production data when available and P50 production data for projects in construction, ready to build and for projects in operation where reliable production data is not available.
	GHG emissions Scope 1 Scope 2 (location based) Scope 3	The GHG emissions are calculated by RGREEN INVEST for all infrastructure projects based on the technology used, the capacity of the projects and the theoretical hours run by each project. Projects in operation and under construction are included. The emission factor is based on the total lifetime emissions of each technology (such as solar PV or windmills), thus the emission factor does not distinguish between Scopes 1, 2 and 3 emissions. The emissions are annualized over the lifetime of the assets. RGREEN INVEST has conducted an estimated split for the Scopes 1, 2 and 3 emissions based on an average split between the three scopes generated from data provided by the investee companies. Includes only emissions financed by RGREEN INVEST with no other source of financing. The GHG emissions is calculated based on share of investment of RGREEN INVEST, taking into account the size of the investment made and the enterprise value of each portfolio company. The emission factors are received from ADEME and IPCC 2014.
	Carbon footprint (Scope 1, 2 and 3)	The Carbon Footprint is calculated as the total GHG emissions (Scopes 1, 2 and 3) divided by the current value of the portfolio (million €).
	GHG intensity (Scopes 1, 2 and 3)	The GHG intensity is calculated as the total GHG emissions (Scopes 1, 2 and 3) divided by the revenue of the investee companies (million €).
	Avoided emissions (Scope 4)	Calculated based on projects in construction and in operation. The calculation of avoided GHG emissions (Scope 4) is based on an internal methodology that estimates avoided emissions attributable to a renewable energy project financed by RGREEN INVEST, with no other source of financing. The scope 4 calculation is highly dependent on the electricity mix of the country where the project is located. When renewables replace fossil fuel capacity, particularly coal-fired power plants, the avoided emissions will be significant. Avoided emissions also vary due to the different lifecycles of renewable technologies. The emission factors are received from ADEME and IPCC 2014.
	Exposure to companies active in the fossil fuel sector	RGREEN INVEST does not invest in fossil-fuel activities. Our company wide exclusion list prevents us from investing in projects emitting more than 250 gCO <sub>2</sub> e/Kwh.
	Share of non-renewable energy consumption and production	Share of non-renewable energy in 1) total energy consumption and in 2) total energy production (percentage of total energy sources) (in %). RGREEN INVEST primarily invests in renewable infrastructure projects and does not invest in fossil-fuel activities. Thus, the generation of fossil fuel energy in our portfolio is 0%. Guarantees of origin (GOO) or Renewable energy certificates (REC) have not been considered in the calculation of renewable energy consumption. The renewable energy consumed is based on auto consumption of investees from their own renewable-electricity production.
	Energy consumption intensity	Energy consumption in GWh per million euros of sales of investee companies, by sector with high climate impact.
	Activities negatively affecting biodiversity sensitive areas	Share of investments made in companies with sites/establishments located in or near biodiversity-sensitive areas, if the activities of these companies have a negative impact on these areas (expressed as a %). Activities negatively affecting biodiversity-sensitive areas refer to activities that are characterised by all of the following: (1) activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated, (2) no mitigation measures adopted pursuant to impact assessment, based on related regulation or international standards.
	Emissions to water	Tonnes of emissions to water generated by investee companies per million euros invested, expressed as a weighted average. This figure shall be measured more in depth in 2024.
	Hazardous waste and radioactive waste	Tonnes of hazardous waste and radioactive waste generated by investee companies per million euros invested, expressed as a weighted average.
	Lack of deforestation policy	Share of investments in companies without a policy to address deforestation.
	Environmental incidents	Number of incidents related to environment that have taken place in portfolio during the reporting year. Examples of environmental incidents are pollution, flooding, damage to natural environment and biodiversity or spill.
	<b>SOCIAL</b>	Social incidents
Unadjusted gender pay gap		Average unadjusted gender pay gap of investee companies.
Board gender diversity		Average ratio of female to male board members in investee companies, expressed as a percentage of all board members.
<b>GOVERNANCE</b>	Human rights violations	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
	Lack of Human Rights compliance mechanisms	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
	Lack of human rights policy	Share of investments in entities without a human rights policy.
	Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons.

# Appendix 4 - Focus on Carbon Footprint methodologies

Biomass power plant, Belenergia, Enterra, Italy

## Carbon footprint

### METHODOLOGY FOCUS #1 Electricity storage

#### Generated emissions

In the context of our continuous support towards the energy transition we have provided equity investment to companies specialized in electricity storage. The technology contributes to the balance and stability of the electricity grid and offers a solution to the intermittent nature of renewable energies. Modelling GHG emissions such technologies is always challenging because of the lack of methodological transparency of business companies and the lack of publicly available research on the topic. Therefore, RGREEN INVEST developed its own methodology in compliance with international standards such as ISO and GHG Protocol.

Scope 1: Direct onsite emissions; Neglectable.

Scope 2: Grid electricity supply (for storage) including lost energy and transmitted energy.

Scope 3: Construction process (including raw materials supply) of Batteries, Transformer, concrete envelope, etc.

#### Avoided emissions scopes

For such storage systems, there are different business strategies which imply different consequences in terms of emissions. The reference scenario to be modelled consisted of an electricity network scenario without the storage systems analyzed. The emissions avoided would therefore be proportional to the energy lost due to network overcapacity and the intermittency of renewable energies. However, it is difficult to establish a fictitious reference scenario when we do not know precisely the electricity mix with and without grid electricity storage systems; we have decided not to calculate avoided emissions for these technologies at this stage:

- Firstly, the data that we have collected has not enabled us to characterize precisely certain temporal elements that make it possible, for example, to determine the source(s) of the electricity stored by the batteries and consequently the emissions associated with these sources.
- Secondly, batteries are considered to be a means of transmitting electricity and there is little consensus on the carbon balance methodology for this type of equipment, which neither generates nor saves energy directly (apart from the fact that their presence enables a greater proportion of the energy produced by the network to be distributed).

- Finally, storage batteries can unfortunately be used for trading purposes, i.e. storing electricity when it is cheaper and selling it when the price is better. A priori, this logic should favour the storage of renewable energies, but this remains to be demonstrated, depending on the context.

To conclude, although electricity storage undeniably plays a part in the energy transition, we believe that it is difficult to establish quantified estimates of its impact in terms of CO2 avoided, particularly in the absence of sufficiently precise data and a consensus on the boundaries of the system to be modeled. Work is continuing to establish a methodological framework for this activity.

Sources: Gutsch and Leker (2022):  
<https://doi.org/10.1016/j.est.2022.105030>

## GHG

### METHODOLOGY FOCUS #2 Waste heat recovery

#### Generated emissions

We also support several industrial heat recovery processes (known as waste heat) leading to its recovery in situ, in heat networks or its conversion into electrical or mechanical energy.

- Scope 1: By convention, given the 'recovered' nature of heat, which is destined to be lost by the Joule effect, emissions linked to the recovery and recovery of waste heat are considered to be zero (ADEME).
- Scope 2: Neglectable.
- Scope 3 : Construction process (including raw materials supply) of Heat recovery machines.

#### Avoided emissions scopes

The baseline scenario consists of traditional heat supply to households and businesses.

The avoided GHG emissions is due to the replacement of CO2 intensive heat with recovered heat (zero emissions). The calculation is based on the current GHG emission factor of heat in the operation country (France for instance).

Storage of electricity, Renalfa, Razlog BESS, Bulgaria



An aerial photograph showing a large-scale renewable energy project. In the foreground, the white tower and three blades of a wind turbine are visible, extending from the left side of the frame. Below the turbine, a vast solar farm is laid out in neat, rectangular rows of panels across a green, hilly landscape. In the distance, several more wind turbines are scattered across the horizon under a cloudy sky. The overall scene depicts a combined wind and solar power plant.

# CREDITS

**Contributors:** Julien Commarieu, Franck Kambou, Briac Le Mestre, Hugo Favretto, Maud Grimont, Laetitia Simo, Nicolas Rochon, Cédric Lacaze, Stéphanie Bégué, Mathilde Ketoff, Olivier Guillaume, Edouard Seferian, Guillaume Ktorza, Maëla Roudot, Simón Osejo, Alexandre Gilles, Myriam Mirroir, Jacques Cikurel, Olivier Pinard.

**Conception and graphic design:** Agence Caroline Benech

**Photo credits:** RGREEN INVEST, Caroline Benech, Wladimir Simitch, Akuo, Belenergia, CCE, Neolithe, NW Storm, Qair, Renalfa, Rensource, Swish, 4RE

**Publication date:** October 2024



## RGREEN INVEST

Founded in 2013, RGREEN INVEST is an independent French mission-driven investment management company committed to helping investors channel their capital towards financing projects dedicated to accelerating the energy transition and adaptation to climate change.

## CONTACT

47-51 rue de Chaillot  
75016 PARIS

Tel: +33 (0)1 85 65 90 00

[info@rgreeninvest.com](mailto:info@rgreeninvest.com)