REICHMUTH & CO

ESG Report 2023

(public version)

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About this report (public version)

This report presents a review of the Environmental, Social and Governance (ESG) activities of the infrastructure platform of Reichmuth & Co Investment Management AG (RIMAG), along with its management approach to material sustainability topics for calendar year 2023. The core of the report refers only to RIMAG's sustainability-related investment solutions. This is RIMAG's second ESG report; it was approved by RIMAG's management board on 13 June 2024. This public version of the Report is exclusively intended for professional investors within the definition of the Directive 2014/65/EU residing in countries of the European Economic Area and for qualified investors within the definition of article 10(3) of the Swiss Collective Investment Schemes Act residing in Switzerland. See disclaimer, p. 31.

Our ESG journey at a glance

2020

Signatory to the UN Principles for Responsible Investment (PRI).

2021

Member of Swiss Sustainable Finance (SSF).

2022

Implemented first ESG framework and strategy. Launched Reichmuth Sustainable Infrastructure (RSI), the first alternative investment fund in accordance with article 9 of the SFDR. Joined IMPACT on Sustainable Aviation as a member. Closed RSI's first acquisitions: project Brillante (see p. 21 for more details) and project Titan (see p. 20).

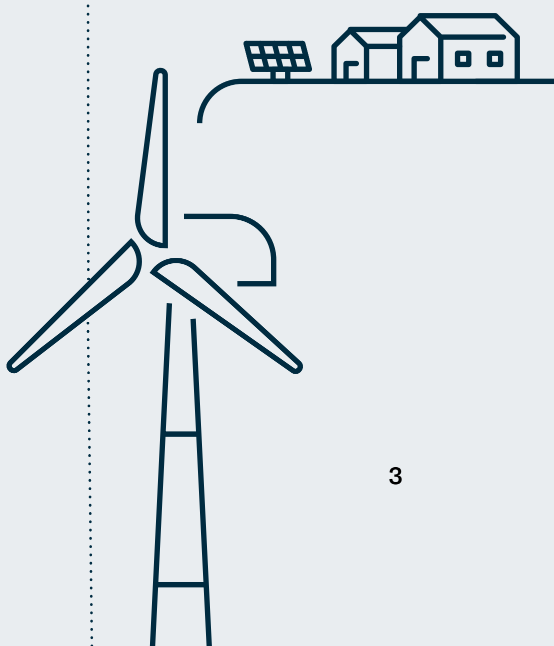
2023

February: RSI's first closing.

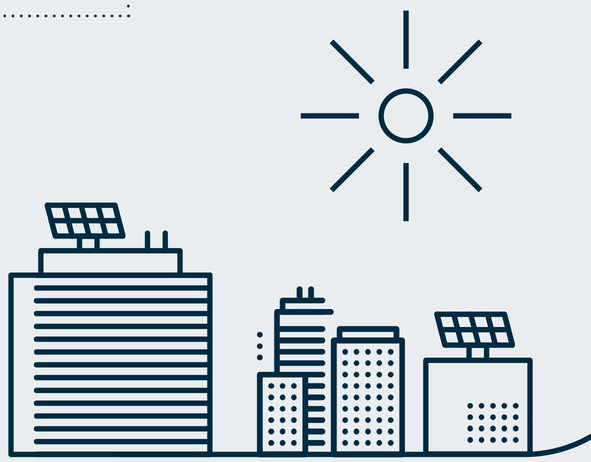
January: Advanced the ESG due diligence framework implementing new regulation and lessons learned from investment activities in 2022.

July: Completed first reporting cycle: reporting taking into consideration different frameworks and regulations, plus publication of RIMAG's first ESG report. RSI acquired a majority interest in Rail Care and Management GmbH, a leading asset manager in the rail rolling stock industry (see p. 25 for more details).

August: Annual ESG strategy review with a focus on verifying ESG reporting processes, ESG data availability and quality as well as clients' and other market participants' perceptions of the reporting in comparison with the current market standard.



2023



September: Launched the alternative investment fund Reichmuth Next Gen Mobility (NGM) in accordance with article 8 of the SFDR focusing on transport infrastructure (see p. 27 for more details).

October: Further improvement of ESG governance taking into account initial experience gained in the context of the investments made and the operationalisation of the ESG strategy (see p. 14 for more details).

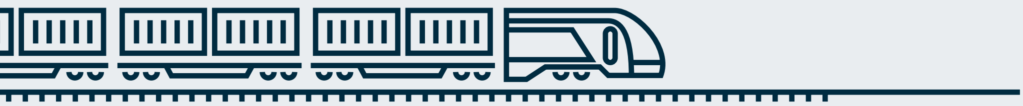
November: Closed RSI's fourth investment: MW Storage NOB project, a battery energy storage system (BESS) in Wunsiedel, Germany, with a storage capacity of 101 MW (see p. 24 for more details). As its first investment, NGM acquired an equity interest in CargoRoll Holding AG, a holding company with investments in rail transport companies and a freight wagon portfolio (see p. 29 for more details).

December: Intense effort to fully align RSI's existing assets with the EU Taxonomy completed successfully. NGM acquires an equity interest in Meeberg Holding B.V., a renowned leasing provider specialising in ISO tank containers (see p. 30 for more details).

2024

January: ESG e-learning delivered to the most senior management and the persons responsible throughout the line organisation.

April: Baseline data capture finalised for the regulatory reporting and the ESG Report 2023, and full Scope 3 emissions data modelled for the first time together with Infras/Inrate (see p. 11 for more details).



Message from our CEO

Dear Investors and Clients,

In Europe, 2023 was another year dominated by the conflict in Ukraine, which continued to leave its mark on our continent's economic performance. High energy prices and inflation were slow to normalise during the year. At the same time, the restrictive monetary policy stance adopted by central banks dragged on economic activity. However, the need for a near-term, gradual transformation of the European economy remained unchanged. Similarly, the huge demand for extensive investment in sustainable infrastructure across Europe is undiminished.

Despite the economic backdrop, we are delighted that, in 2023, RIMAG again successfully showed a growing number of institutional investors the opportunities and need for direct investments in infrastructure assets. The fact that cash flows were stable and the performance of our existing portfolio companies met expectations established further confidence and enabled us to embrace new initiatives, even in these uncertain times.

In September 2023, we took the next important step on our ESG journey by launching our second fund focusing on sustainability: Reichmuth Next Gen Mobility (NGM). Regulated as an Article 8 SFDR fund, NGM will make investments that support the shift to more sustainable forms of transport and the development of next-generation logistics value chains. For both RSI and NGM, we use our network to access exclusive, mid-market projects with a view to completing attractive, bilaterally negotiated transactions. This enables us to tap new technologies and markets. The combination of renewable energy-producing and energy-consuming assets has a diversifying effect.

In the case of RSI, we acquired a new portfolio company during the reporting period by purchasing shares in a project for a battery energy storage system in Wunsiedel, Germany, with a storage capacity of 101 MW. RSI also acquired a majority interest in Rail Care and Management GmbH (RCM), a specialist asset manager for locomotives and specialty freight wagons. Likewise, NGM made two initial investments: through CargoRoll Holding AG, it is involved in building a diversified modern freight wagon portfolio and invested in an experienced freight wagon lessor. And, through Meeberg Holding B.V., NGM is supporting the growth of an established ISO tank container portfolio.

In 2023, RIMAG continued its ESG journey across its business operations, enhancing governance and developing various ESG processes and policies. During our young ESG history, we are also focusing on gradually developing our sustainability strategy and practices. With this ESG report, we have significantly broadened our quantitative and qualitative reporting, including key ESG data points for portfolio companies. For example, we are publishing detailed carbon footprint information, including Scope 3 data, for all portfolio companies, thereby creating greater transparency for our investors. Last but not least, after intensive engagement with our portfolio companies, we received external confirmation that all existing RSI assets are 100% aligned with the EU Taxonomy, an important milestone for us.

Throughout 2024, we will continue to develop our ESG structures and skills. For example, we are in the process of enhancing our internal directives. We are likewise looking forward to selectively expanding our existing ESG investments in consultation with the management of our portfolio companies and further improving their performance.

Our thanks go to our investors who trust us and whose investments enable us to implement our ESG strategy and contribute to Europe's transition to a sustainable economy.

Stefan Hasenböhler,
CEO
June 2024

About RIMAG

As a Swiss infrastructure manager with many years' experience, RIMAG focuses particularly on mid-market investment opportunities that are shaping the future of society. We create long-term solutions for our clients by listening closely and understanding their needs.

Established in 2001, RIMAG is licensed by the Swiss Financial Market Supervisory Authority (FINMA) and domiciled in Lucerne. The company is a wholly-owned subsidiary of Reichmuth & Co Holding AG.

In 2012, RIMAG launched the first private infrastructure investment vehicle, which has since built a portfolio of more than 4,500 rail freight cars, promoting low-carbon freight transport in Europe. Since then, we have provided investors with access to sustainable infrastructure investments that boast attractive, long-term, stable cash flows and returns, and span the transportation, renewable energy and circular economy sectors.

RIMAG's infrastructure platform has experienced solid growth, reaching more than CHF 2 billion in assets under management (AUM) by the end of 2023. This growth is testament to our investment strategy and the continued trust our investors have placed in us. Today, RIMAG offers a variety of infrastructure investment options, including several infrastructure funds, mandates, and direct co-investment solutions.

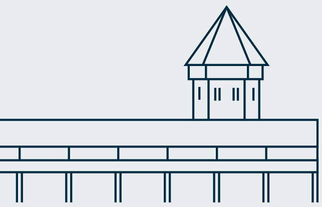
Thanks to our partnerships, the dedicated team of infrastructure specialists and their network, we are one of Europe's leading mid-market infrastructure managers. Our investor base now includes over 70 pension funds and other institutional investors in Switzerland and across Europe.

Facts and figures as of December 2023

Established
2001

Employees
24

Infrastructure assets
26



Headquarters
Lucerne
SWITZERLAND

AUM
> 2
bn CHF

ESG Report 2023

ESG at RIMAG

Our ESG strategy

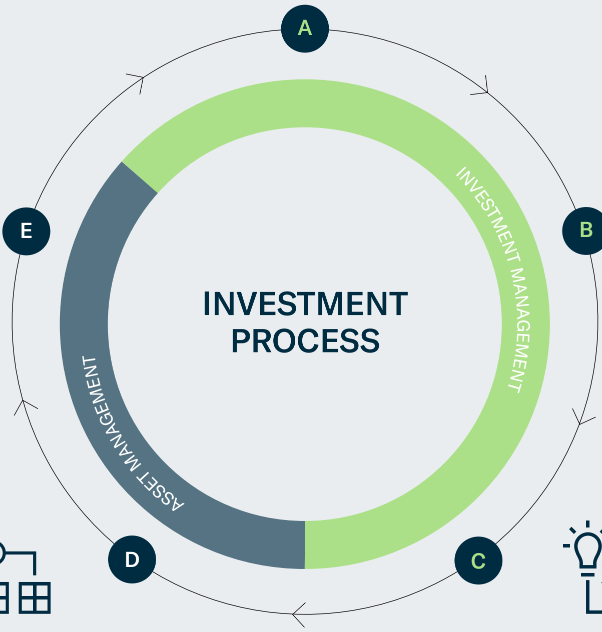
RIMAG, as an asset manager, currently offers two alternative infrastructure funds with a dedicated ESG strategy. Reichmuth Sustainable Infrastructure (RSI) reports under Article 9 of EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). Reichmuth Next Gen Mobility (NGM) reports under Article 8 of the SFDR. For these two funds, RIMAG, in coordination with the external AIFM (Alternative Investment Fund Manager), has set a dedicated ESG strategy that is reflected, in particular, in an ESG investment strategy and the engagement strategy.

ESG is at the core of our investment strategy

RIMAG follows a structured investment process for all investment solutions focusing on sustainability. ESG criteria or considerations are systematically integrated into all five steps of the investment process, as set out below. Consideration is in each case given to sustainability criteria at the individual project level, and this is documented and monitored in accordance with the governance structure in effect at RIMAG (see p. 14).

>>

Sourcing
Potential investments are selected and screened by the Investment Team.



Pre-Approval
The Investment Team conducts preliminary due diligence, on the basis of which the potential investment is submitted to the Investment Committee for pre-approval.

Due Diligence, Structuring, and Approval
The Investment Team performs detailed and conclusive due diligence on the potential investment, which may include recourse to external expertise. For cases with positive outcomes, the Investment Team proposes the potential investment to the AIFM, and for each case, the decision based on the prior final approval of the investment by the internal Investment Committee.

Asset Management
The Investment is valued and monitored by the Investment Team on an ongoing basis with the aim of optimising its value and distributions.

Exit
When the timing appears suitable in our view as Investment Advisor, a divestment will be recommended to the AIFM based on the approval of the Investment Advisor's Investment Committee and, if authorised, carried out.

>> In the course of ESG due diligence, each potential investment is reviewed in accordance with a clearly specified process and uniform sustainability criteria. The criteria are set out in the ESG due diligence framework applicable to the respective investment product. The review produces an ESG due diligence report containing the following:

- a detailed analysis of the actual and potential ESG risks and opportunities for the infrastructure project being reviewed.
- its contribution to specified, product-specific sustainability indicators.
- where applicable, an assessment of its alignment with the EU Taxonomy.
- where applicable, an assessment of the Principal Adverse Impact (PAI) indicators.
- where applicable, an ESG action plan for monitoring the risk and opportunity factors for the purpose of ensuring the value of the investment.

If the result of the ESG due diligence exercise is generally positive, i.e. no irremediable red flags (that is, critical ESG risks) or breaches of the exclusion criteria are identified, the report serves, firstly, as a basis for decision-making by the internal Investment Committee as well as the AIFM. Secondly, following a decision in favour of an investment, the report or the resulting ESG action plan forms the basis for continual monitoring of ESG performance and ESG risks and opportunities. Through targeted measures set out in the ESG action plan, RIMAG aims to improve the assets' ESG performance. If necessary, an ESG action plan is agreed upon by contract during the acquisition. Under its engagement strategy, RIMAG also maintains an ongoing dialogue with the management of the portfolio companies (see next section).

RIMAG continuously reviews the effectiveness and efficiency of the five steps in this investment process and the systematic integration of the ESG criteria with regards to their further development. For example, new statutory requirements and insights gained from practical application in 2022 were integrated into the revised and enhanced ESG due diligence framework introduced by RIMAG in January 2023.

Our engagement strategy emphasises cooperation based on partnership and gradual development

On behalf of the investors of its investment solutions focusing on sustainability, RIMAG, as an asset manager, plays an active role in dialogue with portfolio companies to ensure and gradually improve the assets' ESG performance. In this context, RIMAG is committed to constructing and operating infrastructure projects with a focus on sustainable development, underscoring its commitment to practices that are both beneficial and ethical from an economic, environmental and social perspective.

Our engagement with portfolio companies occurs at the highest level, through our positions on boards and committees, and regular dialogue with management teams of the portfolio companies. This direct approach allows us to address ESG risks and opportunities, fostering constructive dialogue. RIMAG engages with other shareholders regarding the ESG practices of investee companies, where relevant. The aim in each case is to take account of ESG risks and opportunities and foster sustainable practices.

Efficient data structures for our transparent reporting

RIMAG pursues infrastructure investments that support Europe's transition towards a sustainable economy. This automatically results in a duty of accountability and transparency towards investors. It is imperative to report comprehensively, consistently and regularly on the current status of the opportunities and risks associated with the relevant ESG topics and the investments' contribution to the transition. To this end, RIMAG has set down a comprehensive ESG data structure and transparent reporting processes. On a regular basis, it requests ESG data from all portfolio companies, validates the data, consolidates the data and prepares both the reports required by law and under voluntary reporting frameworks.

In the first half of 2023, RIMAG completed its first reporting cycle and, in doing so, met the legal requirements under the SFDR. It then conducted its annual strategy review, analysing in detail its ESG reporting processes, its ESG governance, the level of ESG data availability and quality, and defined measures for their further development. Among other things, it was decided not to report in accordance with TCFD and GRESB for the time being.

By publishing its annual ESG report and such reports as required under regulatory requirements, RIMAG will continue to provide a complete overview of its efforts. In particular, the current reporting period saw the expansion of the quantitative and qualitative reporting at the level of the investments funds as well as the various portfolio companies (see p. 19 ff.). For the first time, detailed information on the carbon footprint of infrastructure investments (including Scope 3) is being published for all portfolio companies. The report demonstrates our commitment to fulfilling our duty of accountability and transparency.

Scope 3 emissions: why they are so important

By Moritz Reisser, INFRAS / Inrate

Not all emissions are equal

It is now undisputed that greenhouse gas (GHG) emissions need to be cut dramatically in order to minimise the damage caused by climate change. But there is also a lot that remains unclear: for example, which measures exactly are the most efficient. And how we should handle so-called Scope 3 emissions. The GHG emissions reported by a company as Scope 3 are those that are not generated in its own operations, but elsewhere in the value chain[1].

For an auto manufacturer, for instance, Scope 3 includes the GHG emissions produced in extracting the raw materials and making supplied components, during transportation and disposal, and above all when the cars are in use. Figure 1 shows the different categories of emissions, including the classification of Scope 3 into 15 further categories.

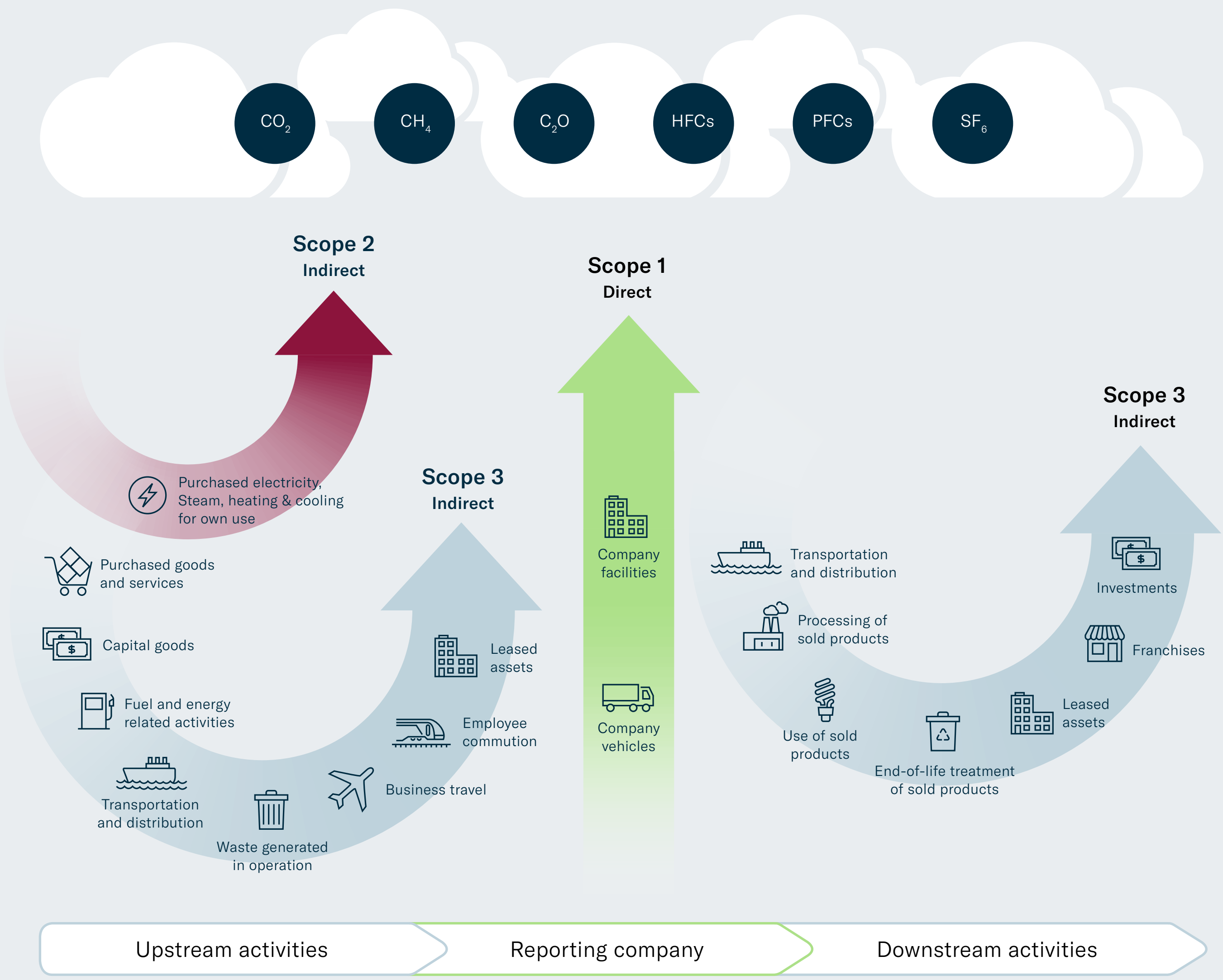


Figure 1: Scope 1, 2 and 3 emissions.
Source: WRI/WBCSD Corporate Value Chain (Scope 3) Accounting and Reporting Standard (GHG Protocol).

1 Emissions associated with purchased electricity and heating are reported separately as Scope 2.

For the climate, it is irrelevant where the emissions occur. Companies that want to set science-based reduction targets[2] and take appropriate measures must therefore include all significant GHG categories including these more indirect ones.

Scope 3 emissions often make up the lion's share

In most industries, Scope 3 emissions make up the majority of the total emissions inventory. This is the case especially in sectors that produce fossil fuels (e.g. coal mining) or whose products use them (e.g. automotive manufacturing), but also in the service sector (e.g. wealth management). This is illustrated in Figure 2.

From a financial perspective, Scope 3 emissions are often regarded as less relevant, as they do not occur in a company's own operations and are not produced by the company 'itself'. Their significance should not be underestimated, however. High emissions - and Scope 3 emissions explicitly – harbour various risks for the company.

For example, Scope 3 emissions can be an indicator of hidden costs or transition risks if, say, the introduction of a carbon tax would increase the company's operating costs. At the same time, they can point to stranded assets in the supply chain. Due to changes in consumer behaviour or new regulations, for instance, suppliers with high CO_2 emissions could lose their business livelihood, which can cause a company to suffer critical shortfalls in supply. In addition, high Scope 3 emissions often entail reputational risks. For example, financial institutions that invest in companies that continue to operate or even expand their coal and/or oil business come in for repeated criticism[3].

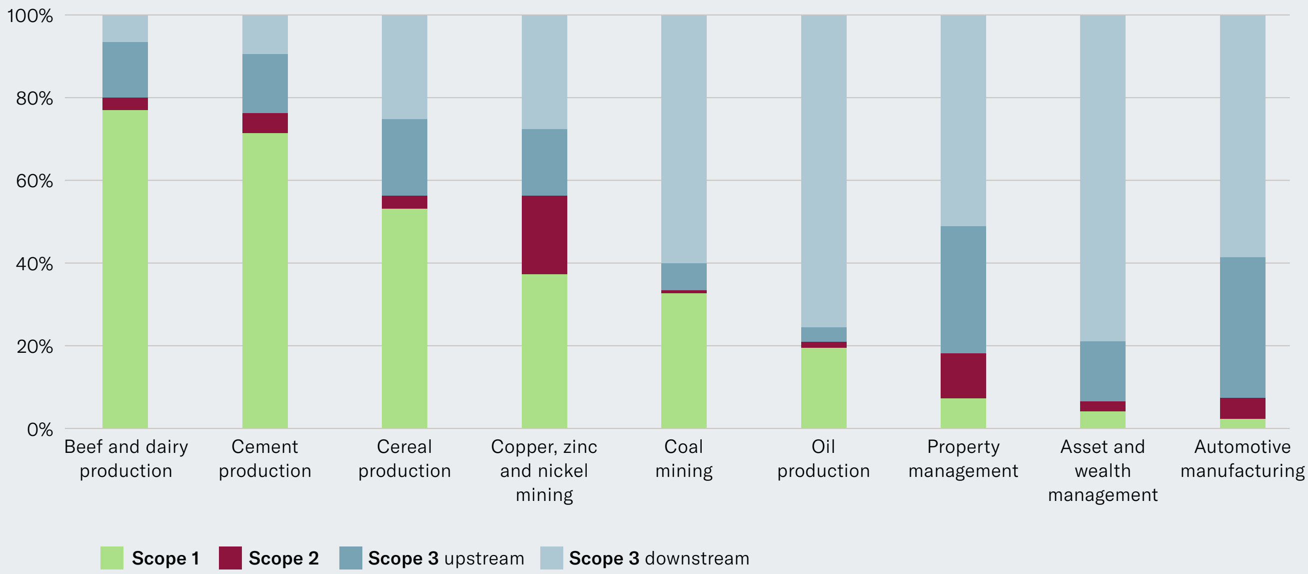


Figure 2: Percentage of Scope 1, 2 and 3 emissions in selected economic activities. The estimate is based on global averages. Source: Exiobase, INFRAS, Inrate.

2 For example, through the Science Based Targets initiative (SBTi); see *Ambitious corporate climate action – Science Based Targets*
3 See, for example, the fossil fuel financing scorecard Asset_Manager_Climate_Scorecard_2022.pdf (reclaimfinance.org)

Consistent and reliable Scope 3 emissions data are scarce

Ascertaining Scope 1 and 2 emissions requires various assumptions and, in some cases, a considerable amount of work. With Scope 3, things are even much more difficult. Although there are now certain standards that govern the recording of these emissions, Scope 3 emissions data have, for the most part, not been fully, consistently and reliably available from stakeholders in the supply chain.

At the same time, a complete and consistent GHG inventory is essential to gaining an adequate picture of a company's own climate footprint and appropriate action areas. Models that can estimate emissions by applying uniform assumptions across all economic activities are therefore a worthwhile alternative to a company trying to capture all the data itself. Although, at individual asset level, such models are usually far less accurate than a properly determined climate footprint, they are comparable, easily scalable and provide a good overview of where within the value chain the most emissions occur. This enables measures to be initiated precisely where there is the greatest potential for reductions.

Modelled Scope 3 emissions data provide an efficient alternative

In this ESG Report, RIMAG is publishing its first modelled Scope 3 emissions data on the investments of its two ESG infrastructure funds. To do so, RIMAG is adding to the data that it has captured itself by using the Inrate Scope 3 emissions model, which enables Scope 1 to 3 emissions to be estimated for over 350 economic activities. The estimated Scope 3 emissions are based on an input-output model supplemented with emissions data[4], which maps the entire value chain of the economic activities. This means that the database records which products and activities are required within a product's value chain and factors all of the Scope 1 emissions of those various inputs into the total emissions inventory of the output. Scope 3 emissions are expressed by the model as intensities; that is, in t CO_2 per million of US dollar revenue.

A different approach is used for electricity producers. In this case, specific, known conversion factors[5] in g CO_2 per kWh of produced electricity are used to calculate the absolute emissions based on the actual electricity output. A particular advantage of this is that the calculation is independent of price fluctuations.

Knowing is the first step

To lessen the costs and risks that climate change places not only on society and the economy, but also on individual companies and assets, it is vital to reduce the GHG emissions produced insofar as is possible. To do so, however, it is first necessary to gain a full picture of the situation and, based on that picture, derive efficient measures and set realistic targets. Scope 3 emissions play a critical role in many sectors, as they often make up a large proportion of a company's total GHG emissions. However, they are, by nature, very difficult to record. By modelling Scope 3 emissions and disclosing them in this ESG Report, RIMAG has taken the first step on that journey. Both internally and on the investor side, it is laying the foundations to address and raise awareness of the climate impact of its assets.

4 exiobase.eu
5 Based on the lifecycle analysis in accordance with IPCC Assessment Report 5 (2018), p. 1335.

Our ESG governance

RIMAG's overarching ESG governance with clearly defined structures and responsibilities provides the framework for implementing the ESG strategy, ESG guidelines and standards for our two infrastructure funds focusing on sustainability, i.e. RSI and NGM.

In the reporting period, RIMAG conducted an effectiveness review of its ESG governance. In October 2023, various changes were decided upon, taking into consideration the practical experiences regarding the applicable processes and structures in the context of existing and new ESG investments, the operationalisation of ESG requirements and the resources available. Here are some examples of particular note:

- the further clarification of responsibilities and the further development of specific processes, such as for the mapping of ESG requirements in the investment management and asset management processes as well as in processes in operations,
- the introduction of specific, remuneration-related ESG targets for all responsible employees (from 2024 onwards) and
- the expansion of the ESG organisation's resources.

Some of these decisions were implemented in the reporting period and some will be implemented in 2024.

The ESG Committee has overall strategic and operational responsibility for ESG matters. In addition to the CEO, this Committee is comprised of the Head of Sustainability and the Heads of all of RIMAG's business units, i.e. Investment Management, Client Relations and Finance & Operations.

The Head of Sustainability and the ESG core team are responsible for developing the ESG strategy of the two alternative infrastructure funds focusing on sustainability and for coordinating its operational implementation. The ESG core team is also responsible for implementing the strategic initiatives, ensuring regulatory compliance and assisting with product structuring. The business units are responsible for operational implementation within a matrix organisation.

Partnerships and initiatives

RIMAG is committed to acting as a responsible global citizen and ensuring that its efforts generate positive impact for business and society. To respond to these needs, we partner with leading national, European and international organisations that are working to advance ESG.

Today, RIMAG partners with the following organisations:

- **Principles for Responsible Investment (PRI)**, the world's leading responsible-investment initiative. PRI helps a global network of investor signatories incorporate ESG factors into decision-making. RIMAG is involved in the PRI's Swiss Regional Policy Reference Group and its Global Policy Reference Group; as one of the chosen participants in these groups, RIMAG actively contributes to the development of the PRI framework.
- **Swiss Sustainable Finance (SSF)**, the leading Swiss association in sustainable finance. Consisting of over 200 members and network partners, including banks, asset managers and other organisations.
- **Asset Management Association Switzerland (AMAS)**, aims to strengthen Switzerland's position as a leading centre for asset management with high standards of quality, performance and sustainability. As a member of AMAS, RIMAG will operate in alignment with the ESG-related self-regulations prepared by the association.

Outlook for 2024

RIMAG will continue its ESG journey in 2024, concentrating its efforts not only on managing existing and leveraging further ESG infrastructure investments but also on the following focus areas with regards to the further development of its ESG framework:

I. Revamping a **Sustainability Policy Framework** that sharpens the integration of the sustainability strategy at organisation, product and investment level.

II. Continuing to **build and expand RIMAG's internal ESG expertise and resources** and thus completing the implementation of the decisions taken in 2023 regarding the further development of RIMAG's ESG governance.

III. **Annual strategy review** of RIMAG's business operations and future product offerings with regard to ESG, **as well as a reporting review** following the completion of the second reporting cycle in line with SFDR and PRI.

ESG Report 2023

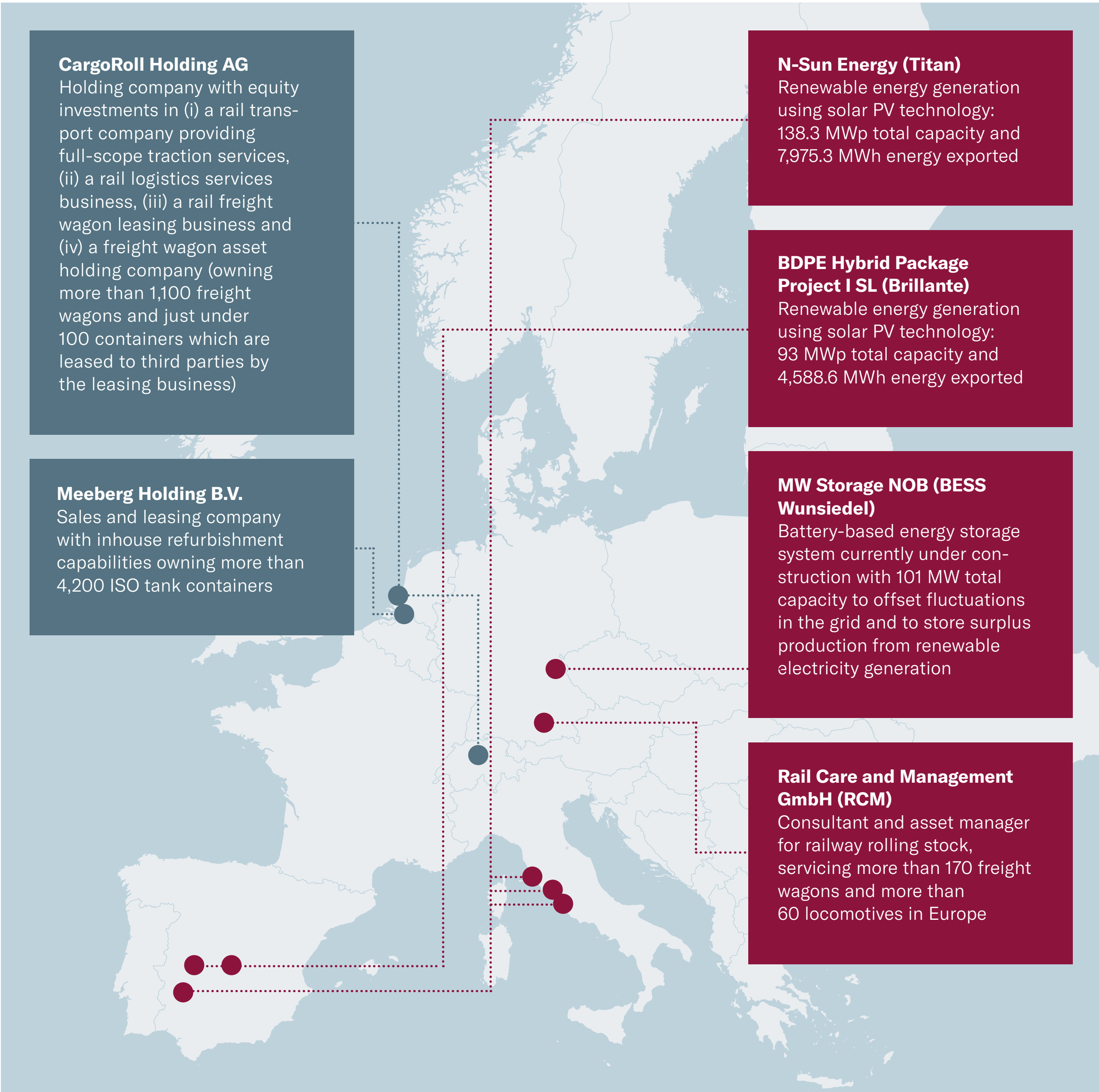
RIMAG's current ESG investments

Overview

Since 2022, RIMAG has been putting into practice its dedicated ESG strategy (see p. 8) and investing in infrastructure assets and portfolios across Europe with a sustainability focus. To this end, it launched two investment funds authorised for distribution in the EU. The following map shows the equity investments owned by the two funds at the end of 2023. Some infrastructure assets and portfolios are already in operation, and some are still under construction. Details of the individual assets held by each fund can be found on the following pages.

● Reichmuth Next Gen Mobility (NGM)*

● Reichmuth Sustainable Infrastructure (RSI)*



*All figures relate to FY23 and/or 31 December 2023, as applicable.

Reichmuth Sustainable Infrastructure

An alternative infrastructure fund launched in 2022, Reichmuth Sustainable Infrastructure (RSI) invests in sustainable infrastructure assets in Europe in the sectors of transportation, energy infrastructure and circular economy.

Illustrative description of the investment areas

Transportation

Efficient rail infrastructure such as freight wagons, passenger wagons and sustainable locomotives

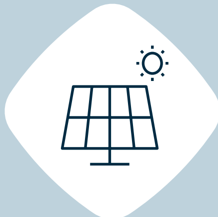
Sustainable mobility and cargo transportation infrastructure (land, air and water)

Circular Economy

Efficient resource reutilisation and disposal

Water treatment

Energy Infrastructure



Renewable energy production, storage, distribution and resource efficiency-related infrastructure

RSI is an infrastructure fund that reports under Article 9 of the EU's Sustainable Finance Disclosure Regulation (SFDR) and therefore meets the highest sustainability standards for funds in Europe. RSI's sustainability objective is to invest in reducing greenhouse gas emissions across Europe, support the transition to a low-carbon economy and foster the circular economy. All fund assets, with the exception of cash and ancillary investments for liquidity and hedging purposes, must be sustainable within the meaning of the SFDR, and at least 70% must be aligned with the EU Taxonomy.

Aggregated sustainability indicators for all current RSI assets

Indicator	2023	2022	Change YoY
Renewable energy production capacity enabled by the fund's energy infrastructure assets (total capacity in MWp)	231.8	166.3	+39%
Renewable energy production capacity enabled by the fund's energy infrastructure assets (RSI's share in MWp)	143.4	96.4	+49%
Total energy exported/sold (in MWh)	12,563.9	N.A. (no asset in operation)	N.A.
GHG emissions (Scope 1, 2 and 3 in tCO_2e)*	487	N.A. (no data for Scope 3)	N.A.
GHG intensity (Scope 1, 2 and 3 in tCO_2e per million EUR turnover**	971	N.A. (no data for Scope 3)	N.A.
Total fleet under management (number of freight wagons and locomotives)	> 240	N.A.	N.A.
EU Taxonomy alignment	100%	0%	N.A.

* Financed GHG emissions
** GHG intensity weighted over portfolio

All figures relate to FY and/or 31 December, as applicable.

Under the specified exclusions, RSI may not invest in companies in various sectors (production and distribution of fossil fuels, including oil sands, manufacture of controversial weapons and production of tobacco, pornography, alcohol and gambling), companies that have severely breached certain norms (human rights, labour standards, severe environmental degradation, aggressive tax planning/avoidance, financial crime, bribery, corruption and money laundering) or companies under UN, EU or US sanctions.

With regard to RSI, the following 16 PAI (Principal Adverse Impacts) indicators have been identified as the most significant (potential) negative impacts of investment decisions on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters:

- GHG emissions
- Carbon footprint
- GHG intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy, consumption and production
- Energy consumption intensity per high-impact climate sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste and radioactive waste ratio
- Violations of UN Global Compact principles
- Lack of governance to monitor OECD Guidelines
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons
- Investments in companies without carbon emissions reduction initiatives
- Lack of anti-corruption policies

All of these 16 PAI indicators are considered and monitored at product level for RSI.

N-Sun Energy (Titan)

RSI has invested in a Spanish and Italian solar PV platform ("N-Sun Energy SL") under the project name Titan. By 2026, it is intended to expand the platform to encompass up to 50 different PV facilities in Spain and Italy, with a total production capacity of up to 1.7 GW. All PV facilities will be developed through to construction by Solarig, a well-known Spanish project developer, and transferred to N-Sun Energy under an exclusivity agreement. Solarig will also take on construction services and operation and maintenance for most of the portfolio.

As part of phase one, four PV facilities ready for construction in Zafra (Spain) and in Montalto di Castro, Piombino and Marotti (all Italy), with a total capacity of 138.8 MWp, delivered 99.7 MWp (ownership-adjusted share) to RSI's portfolio in 2023. The Zafra PV facility, with a capacity of 16.2 MWp (ownership-adjusted share of 11.6 MWp), has been in operation since November 2023. It produced 7,975.3 MWh of renewable electricity in 2023. A further four PV facilities with a total capacity of 185.1 MWp – three in Spain and a further facility in Italy – are still at the development stage and will be transferred to N-Sun Energy as they become ready for construction over the course of 2024.

With an eye towards the second expansion phase that is to follow immediately thereafter, a further five projects in Italy with a total capacity of 274.6 MWp are currently being prepared for transfer. The projects will be developed simultaneously with the first expansion phase and transferred to N-Sun Energy under the same sale mechanism. All projects should be ready for construction by the end of 2024 or the beginning of 2025.

An independent assessment confirmed that Titan's current portfolio at the end of 2023 and its turnover, operating expenditure and capital expenditure are fully compliant with the requirements of the EU Taxonomy.

The holding company established for the project was financed by various investors, with a majority share being managed by RIMAG.

Sustainability indicators for Titan

Indicator	2023	2022	Change YoY
Renewable energy production capacity enabled by the fund's energy infrastructure assets (total capacity in MWp)	138.8	73.3	+89%
Renewable energy production capacity enabled by the fund's energy infrastructure assets (RSI's share in MWp)	99.7	52.7	+89%
Total energy exported/sold (in MWh)	7,975.3	N.A. (no asset in operation)	N.A.
GHG emissions (Scope 1, 2 and 3 in tCO_2e)*	232.2	N.A. (no data for Scope 3)	N.A.
GHG intensity (Scope 1, 2 and 3 in tCO_2e per million EUR turnover)**	777	N.A. (no data for Scope 3)	N.A.
EU Taxonomy alignment	100%	0%	N.A.

* Financed GHG emissions
** GHG intensity of the asset, absolute

All figures relate to FY and/or 31 December, as applicable.

BDPE Hybrid Package Project (Brillante)

The Brillante project encompasses the development, construction and operation of a portfolio comprising two PV facilities in southern Spain with a capacity of 93.0 MWp. The first PV facility in Trujillo, in the Cáceres region, has a capacity of 56.5 MWp, and the second in Picón, in the Ciudad Real region, has a capacity of 36.5 MWp. Both PV projects were developed by ABEI Energy, a globally active, independent electricity producer based in Madrid, Spain. ABEI provides end-to-end implementation of the projects to produce electricity from renewable energy sources.

The PV facility in Trujillo started operating in December 2023 and has already produced 4,588.6 MWh of renewable electricity. The PV facility in Picón is expected to be brought into commercial operation at the beginning of the third quarter of 2024. It is anticipated that the two PV facilities will produce around 184 GWh of renewable electricity a year.

An independent assessment confirmed that Brillante's current portfolio at the end of 2023 and its turnover, operating expenditure and capital expenditure are fully compliant with the requirements of the EU Taxonomy.

The holding company established for the project was financed by various investors, with the holdings being managed entirely by RIMAG.

Operational since December 2023:
the Trujillo PV facility (Cáceres region)

Sustainability indicators for Brillante

Indicator	2023	2022	Change YoY
Renewable energy production capacity enabled by the fund's energy infrastructure assets (total capacity in MWp)	93	93	0%
Renewable energy production capacity enabled by the fund's energy infrastructure assets (only RSI's share in MWp)	43.7	43.7	0%
Total energy exported/sold (in MWh)	4,588.6	N.A. (no asset in operation)	N.A.
GHG emissions (Scope 1, 2 and 3 in tCO_2e)*	85.9	N.A. (no data for Scope 3)	N.A.
GHG intensity (Scope 1, 2 and 3 in tCO_2e per million EUR turnover)**	1,190.8	N.A. (no data for Scope 3)	N.A.
EU Taxonomy alignment	100%	0%	N.A.

* Financed GHG emissions
** GHG intensity of the asset, absolute

All figures relate to FY and/or 31 December, as applicable.

Aiming for Excellence in Sustainability certification from UNEF

RIMAG is aiming for the Brillante project to be awarded the (voluntary) 'Sello de Excelencia en Sostenibilidad' certification by UNEF, Spain's leading photovoltaic industry association. This certification requires solar projects to include a diverse range of measures during the construction phase in order to meet circular economy-, biodiversity-, and social economy-related criteria.

Already completed, the two not-for-profit projects in Picón and Trujillo (see Case Study, p. 23) were the last of many measures necessary in order to meet the UNEF certification criteria. The review of all the measures necessary for the certification of the Brillante project, to be conducted by an independent certification body engaged by UNEF, has already been initiated.

Case Study

First showcase examples of future sustainable, not-for-profit initiatives

“The two sustainable, not-for-profit initiatives implemented in Picón and Trujillo in the course of the Brillante project are our first concrete showcase examples of the RSI portfolio companies’ future pro bono activities. Across our sustainable infrastructure projects, we want to create value for our investors as well as added value for sustainable development, while at the same time embed examples of sustainable development in the local communities, which contributes not least to social acceptance of the projects,” explains Nicolas Wyss, RIMAG’s Head of Investment Management. With this in mind, RIMAG places emphasis on projects that have a positive social and/or environmental impact. The ideal locations for such projects are those that not only benefit from sustainable infrastructure but also provide local benefits that help increase local acceptance. RIMAG believes that the two projects in Spain set the standard for how sustainable infrastructure projects can and should be integrated with social and environmental goals.

Free PV modules for a public school in Picón

In November 2023, the operating company BDPE Hybrid Package Project I SL (BDPE) entered into an agreement with Picón city council, under which BDPE, under the supervision of the municipal technician, would donate and install PV modules on the roof of the José María del Moral public school in Picón.

The installation of the PV modules in Picón was completed in January 2024. The free installation of twelve 450 Wp solar PV modules reduces the education centre’s carbon footprint and energy costs and transforms the facility into a living classroom where students learn first-hand about the impact and importance of renewable energy.

With this project, RIMAG goes beyond providing sustainable infrastructure and wants to inspire the next generation to embrace the energy transition. Students witness the process of solar energy generation and become ambassadors for sustainability in their own communities, sharing what they learn about renewable energy, conservation and environmental responsibility within the local community.

Successful PV installation at the school in Picón in January 2024

Promoting municipal sustainability in Trujillo

As in Picón, BDPE reached an agreement with Trujillo city council in 2023 to install 31 solar modules with a capacity of 550 Wp at the Aldeacentenera municipal swimming pool treatment plant in Trujillo free of charge. Reflecting RIMAG’s holistic approach to sustainability, this project will optimise the use of water resources by employing clean energy in water treatment and also serve as a practical example of sustainable practices for community residents of all generations. By powering the treatment plant with solar energy, BDPE will not only significantly enhance the energy efficiency of the municipal swimming pool and contribute to the protection of the local environment but also promote community health and well-being.

The installation of the PV system will start in June 2024, after the city council has completed the required refurbishment work at the water treatment plant.

MW Storage NOB (BESS Wunsiedel)

In the course of the transition of our economies to renewable energy sources, grid stability will become an increasingly critical issue without technical measures and infrastructure investments, as electricity production from wind and solar power is intermittent. To make a contribution here, a battery storage facility is currently being built in Arzberg in the district of Wunsiedel, Germany, under the project name BESS Wunsiedel. It has a storage capacity of 101 MW and a charging capacity of 202 MWh.

The BESS Wunsiedel will be integrated into the local electricity grid at a high voltage level. Firstly, it will provide reserve services for frequency stability and grid stabilisation. Secondly, it will take advantage of energy pricing volatility to generate revenue. To do so, it will participate in intraday energy trading. BESS Wunsiedel will recharge the battery when energy prices are low and discharge the battery, i.e. sell energy, when prices are high.

Construction work on the BESS Wunsiedel began in February 2024 and it is expected to be brought into commercial operation in the first half of 2025. The storage system purchased from Fluence, a joint venture between US company AES and German company Siemens Energy, will use a lithium-ion battery technology that was selected due to its rapid response capability and its high durability.

The holding company established for the BESS Wunsiedel was financed by various investors with a majority of holdings being managed by RIMAG. As of 31 December 2023, it was a pure development project, and as a result it is not possible to report ESG data for the reporting period.

Rail Care and Management GmbH (RCM)

In July 2023, RSI acquired a majority interest in Rail Care and Management GmbH (RCM). RCM is a specialist asset manager with a long track record in the rail sector – primarily for locomotives but also for freight wagons. RCM does not hold any assets of its own but instead manages third-party fleets. By the end of 2023, RCM was servicing more than 60 locomotives and more than 170 freight wagons. By investing in RCM, RSI aims to extend Europe's fleet of locomotives, in particular, electric or hybrid locomotives, and support the shift of passenger and freight traffic from road to rail.

RCM's main business activity is to act as a certified 'entity in charge of maintenance' under EU rail regulation. Accordingly, RCM's business activity is a fully EU-regulated and licensed business activity, which (a) directly (and exclusively) serves the rail industry (and, by extension, contributes to climate change mitigation by enabling low-carbon passenger and freight traffic) and which (b) serves the purpose of ensuring proper maintenance and by that safety and proper technical functioning of rail transportation means.

What makes an entity in charge of maintenance (ECM), and which maintenance tasks does RCM take on itself?

Under EU regulation, there are four different ECM functions:

1. Overall responsibility for and supervision of maintenance management.

2. Preparing, managing and developing maintenance specifications. This is usually carried out by the original equipment manufacturer (OEM), especially in the case of technically sophisticated vehicles such as locomotives.

3. Operational fleet management, i.e. registering vehicles for maintenance in good time.

4. Delivery of maintenance by the actual workshops.

RCM, as an asset manager, takes on the first three functions in some cases itself or by outsourcing them to external workshops which it rates as ECM-compliant beforehand. RCM is therefore responsible for developing the maintenance policy as well as planning the individual maintenance activities for third-party freight wagons and locomotives and ensures that all ECM requirements are met within the maintenance chain. The actual maintenance work is carried out in external workshops.

An independent assessment confirmed that RCM's business activities at the end of 2023 and its turnover, operating expenditure and capital expenditure are fully compliant with the requirements of the EU Taxonomy.

Sustainability indicators for Rail Care and Management GmbH

Indicator	2023	2022	Change YoY
Total fleet under management (number of freight wagons and locomotives)	> 240	N.A. (no asset in 2022)	N.A.
GHG emissions (Scope 1, 2 and 3 in tCO_2e)*	168.9	N.A. (no asset in 2022)	N.A.
GHG intensity (Scope 1, 2 and 3 in tCO_2e per million EUR turnover)**	523.2	N.A. (no asset in 2022)	N.A.
EU Taxonomy alignment	100%	N.A. (no asset in 2022)	N.A.

* Financed GHG emissions
** GHG intensity of the asset, absolute

All figures relate to FY and/or 31 December, as applicable.

Reichmuth Next Gen Mobility

In 2023, RIMAG launched its fourth infrastructure fund, Reichmuth Next Gen Mobility (NGM). The fund's investment strategy is heavily based on the EU's Green Deal for sustainable and smart mobility. The aim by 2050 is to reduce transport-related emissions in the EU by 90%. To this end, the fund will invest in unlisted infrastructure projects and companies that support the shift to more sustainable forms of transport and contribute to developing next-generation logistics value chains.

NGM is a fund that reports under Article 8 of the EU's Sustainable Finance Disclosure Regulation (SFDR) and thus promotes environmental characteristics, among others. Its investments will also take sustainability issues into account, among other things, and aim to support the European economy's energy transition. To this end, ESG criteria are integrated into the investment and asset management processes. At least 90% of NGM's investments are in assets that promote the fund's environmental characteristics. Up to 10% of the fund assets can be invested in cash or ancillary investments for liquidity and hedging purposes.

The importance of sustainable mobility across Europe

Freight and passenger transport are integral to Europe's transition to a low-carbon economy. According to the latest data from the European Environment Agency, transport is currently responsible for around 25% of the EU's total greenhouse gas emissions and causes significant air and noise pollution and habitat loss. Transport's negative externalities on the environment and health offset its positive role as a linchpin of a decentralised economy and as a facilitator of access to important public services such as education and healthcare.

Sustainability indicators for all current NGM assets

Indicator	2023	2022	Change YoY
Total fleet under management (number of wagons, locomotives, containers and tank containers)	> 5,400	N.A. (no asset in 2022)	N.A.
GHG emissions (Scope 1 and 2 in tCO_2e)*	7,497	N.A. (no asset in 2022)	N.A.
GHG intensity (Scope 1 and 2 in tCO_2e per million EUR turnover)**	1.9	N.A. (no asset in 2022)	N.A.
Percentage of investments in the fossil fuel sector (production)	0%	N.A. (no asset in 2022)	N.A.

* Absolute GHG emissions
** GHG intensity weighted over portfolio

All figures relate to FY and/or 31 December, as applicable.

Under the specified exclusions, NGM may not invest in companies in various sectors (production of fossil fuels, including oil sands, manufacture of controversial weapons and production of tobacco, pornography, alcohol and gambling), companies that severely have severely breached certain norms (human rights, labour standards, environmental degradation, aggressive tax planning/avoidance, financial crime, bribery, corruption and money laundering) or companies under UN, EU or US sanctions.

CargoRoll Holding AG

In line with proven freight wagon and locomotive leasing models, CargoRoll Holding AG was established in 2021 with the aim of building a diversified modern freight wagon portfolio, while at the same time combining this with an investment in a freight wagon lessor with many years' experience. To this end, CargoRoll Holding AG finances CargoRoll AG, which holds the freight wagon portfolio. Secondly, CargoRoll Holding AG holds a 45.1% equity interest in the Dutch Rail Innovators Group, which, in addition to providing logistics and traction services, also operates as a freight wagon lessor and leases the freight wagons acquired by CargoRoll AG to European rail and logistics companies. At the end of 2023, CargoRoll AG's portfolio comprised more than 1,200 freight wagons and just under 100 containers.

Over the coming years, CargoRoll AG intends to gradually expand and diversify its freight wagon portfolio and support the growth strategy of the Dutch Rail Innovators Group. The investments are intended to support both rail freight transport and the shift of transport from road to rail.

The holding company established for the project was financed by various investors, with the holdings being managed entirely by RIMAG.

Sustainability indicators for CargoRoll Holding AG

Indicator	2023	2022	Change YoY
Total fleet under management (number of wagons and containers)	> 1,300	N.A. (no asset in 2022)	N.A.
GHG emissions (Scope 1 and 2 in tCO_2e)*	7,419.1	N.A. (no asset in 2022)	N.A.
GHG intensity (Scope 1 and 2 in tCO_2e per million EUR turnover)**	0.1	N.A. (no asset in 2022)	N.A.
Percentage of investments in the fossil fuel sector (production)	0%	N.A. (no asset in 2022)	N.A.

* Absolute GHG emissions
** GHG intensity of the asset, absolute

All figures relate to FY and/or 31 December, as applicable.

Meeberg Holding B.V. (Tank Holding AG)

At the end of 2023, NGM held an equity interest in Meeberg Holding B.V. As a renowned specialist provider, Meeberg is currently one of the few companies on the market for the leasing of ISO tank containers with its own depot and workshop specialising in overhauling and modernising them. The company aims to drive the organic and inorganic growth of its ISO tank container portfolio.

At the end of 2023, Meeberg's portfolio consisted of more than 4,100 ISO tank containers with a capacity of between 13,000 and 35,000 litres, comprising a combination of standard tanks and specialty units. Standard tanks can be used to transport various product categories such as chemicals, foods and liquid pharmaceuticals, while specialty tanks are used to transport products such as bitumen and liquefied gases.

ISO tank containers have a positive impact on the environment due to their large volumes, high degree of standardisation for handling and transport, their long lifecycle and high recycling rates (90%), as they are mainly produced using steel and nickel. Thus, tank containers represent the most environmentally-friendly means of transport for bulk liquids, fuelling the global fleet's growth and avoiding potentially millions of tonnes of plastic waste annually. In addition to the positive environmental aspects, Meeberg is extending the lifecycle of its products even further through the refurbishment work it performs in its workshops.

NGM holds a minority stake in Meeberg Holding B.V.

Sustainability indicators for Meeberg Holding B.V.

Indicator	2023	2022	Change YoY
Total fleet under management (number of containers and tank containers)	> 4,100	N.A. (no asset in 2022)	N.A.
GHG emissions (Scope 1 and 2 in tCO_2e)*	77.9	N.A. (no asset in 2022)	N.A.
GHG intensity (Scope 1 and 2 in tCO_2e per million EUR turnover)**	3.5	N.A. (no asset in 2022)	N.A.
Percentage of investments in the fossil fuel sector (production)	0%	N.A. (no asset in 2022)	N.A.

* Absolute GHG emissions
** GHG intensity of the asset, absolute

All figures relate to FY and/or 31 December, as applicable.

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