

GROWING GREEN

An ambitious sustainability strategy
for climate stability.



MFDRail 
CERTIFIED

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1/ FOREWORD / ABOUT MFD RAIL

Dear stakeholders,

2025 has been a year of meaningful progress - in our fleet, our sustainability performance, and our ambition. As we publish our second Sustainability Report, we do so with a clear sense of direction: rail freight is not just our business, it is our active contribution to a more climate-stable Europe.

Who we are and what's important to us

MFD Rail is an intermodal freight railcar lessor headquartered in Rotkreuz, Switzerland. Founded in 2020, we focus on the procurement, leasing, and maintenance of a modern railcar fleet across Europe. As of **December 31, 2025**, our fleet comprises around **6.000 platforms**, and we remain firmly on track to manage more than **10.000 platforms in the near future**.

Our portfolio is built on a clear principle: modern, high-quality, noise-reduced railcars for intermodal transport, financed entirely through **green loans** 🌱. As a specialized railcar lessor, we combine deep operational expertise with the highest standards of technological availability, customer support, and service quality.

MFD Rail was established by Oaktree Capital Management, L.P. in partnership with a banking syndicate, who together finance the development of our European freight railcar portfolio for combined freight transport.

Markus Basler



MARKUS BASLER
Managing Partner/CFO and ESG Officer

2/ GENERAL INFORMATION

We continuously challenge and refine the way we do business - not just with tomorrow in mind, but with a much longer horizon. We believe that integrating environmental, social, governance, cultural, and ethical considerations ("ESG") into every business decision is not optional; it is fundamental. Our strategic framework for sustainable development is grounded in our core values and shaped by ongoing stakeholder dialogue. Built on three strategic pillars, it serves as a practical roadmap for creating long-term, sustainable value - for our customers, our partners, our people, and the broader society.

As a rail asset owner and lessor, sustainability is closely linked to long-term value creation, responsible financing and the role of rail freight in supporting a lower-carbon transport system. ESG principles are embedded throughout our entire business cycle - from asset procurement and financing to operations, maintenance and end-of-life management.

Our sustainability performance is externally validated through independent ESG ratings and assurance processes.

Our business model contributes to the objectives of the European Green Deal and the "Fit for 55" programme, both of which aim to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. Rail freight has a central role to play in achieving that goal - and so do we.

Transparency and dialogue

We actively seek open dialogue with our stakeholders. This engagement helps us identify the topics that matter most - today and in the future. The insights gained are systematically evaluated and incorporated into our materiality assessment and sustainability strategy on an ongoing basis.

🌱 ESG Highlights 2025

- ✓ 100% Green Loan financed fleet
- ✓ EcoVadis Gold Medal 95th percentile
- ✓ GRESB 2-Star rating 88/100
- ✓ 622,701 tCO₂ avoided through modal shift



3/ ESG POLICY



Our commitment to environmental, social, and governance responsibility is strong, structured, and grounded in practice. At MFD Rail, Executive Management sets the strategic direction on sustainability and holds overall accountability for our sustainability performance and reporting. The Executive Management team is operationally tasked with driving improvements across key ESG areas and reports regularly to the Board of Directors.

ESG Code of Conduct

Our Code of Conduct defines the standards of behavior expected of every employee. It ensures that each individual actively contributes to protecting the integrity of the company and its social and environmental context - everywhere, at all times.

The Code of Conduct covers:

- Brand integrity
- Conflicts of interest
- Unauthorized acceptance of benefits
- Confidentiality and data protection
- Combating money laundering and financial crimes
- Fraud
- Equality and employee protection through the disclosure of irregularities

3.1/ MATERIALITY ASSESSMENT - DOUBLE MATERIALITY

What double materiality means

Double materiality is the analytical lens through which we identify and prioritize the sustainability topics that are genuinely relevant to MFD Rail. It combines two distinct but complementary perspectives:

Impact materiality (inside-out): How does our business activity affect the environment, society, and people - both directly and through our value chain? This perspective captures the actual or potential positive and negative impacts we have on the world around us.

Financial materiality (outside-in): How do sustainability-related factors - such as climate risk, regulatory change, or shifting market conditions - affect our business performance, financial position, and access to capital?

A topic is considered material to MFD Rail when it scores significantly on one or both dimensions. We adopted this framework as a matter of best practice - in close collaboration with our external ESG advisors - because it provides a more complete and honest picture of our sustainability performance than a single-perspective approach would allow.

3.1/ MATERIALITY ASSESSMENT - OUR THREE-STEP PROCESS

Step

Understand the sustainability context

We conducted qualitative benchmarking and stakeholder analysis to develop a well-grounded understanding of the sustainability issues relevant to MFD Rail and its operating environment – including regulatory trends, sector-specific risks, and stakeholder expectations.

The assessment was based on stakeholder expectations, industry benchmarks, regulatory developments and internal risk assessments. Stakeholders considered included customers, investors and lenders, railcar manufacturers, maintenance providers, employees, industry associations and regulators.

The assessment was developed in collaboration with external ESG advisors and reviewed against recognized sustainability reporting practices.

Step

Identify potential topics

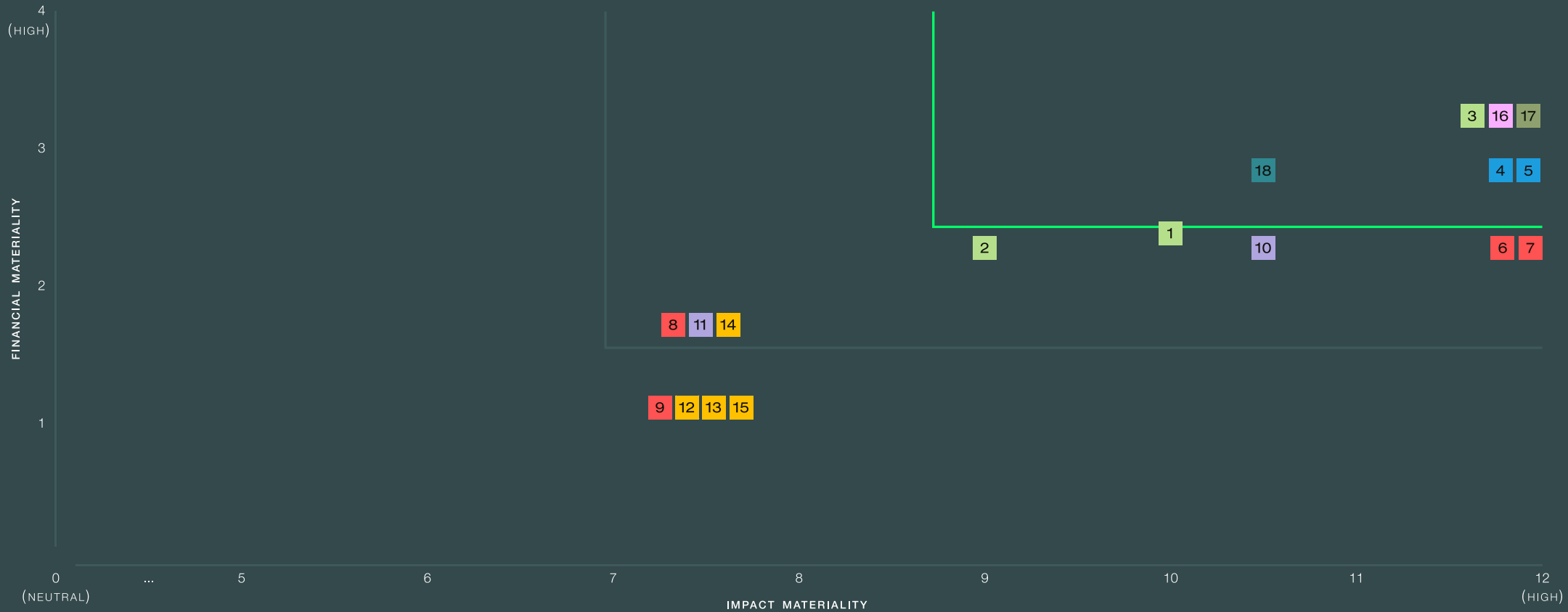
Applying both the impact and financial materiality perspectives, we mapped the broadest possible range of environmental, social, and economic issues that are - or could become - relevant to us in the short, medium, and long term. This produced a long list of 18 candidate topics spanning eight thematic clusters: Environment, Social, Digitalization, Governance, Supply Chain, Economic Performance, Circular Economy, and Fleet Innovation.

Step

Assess topic significance

In collaboration with external experts, we assessed the significance of each topic along both axes and plotted the results in a materiality matrix. Topics were scored on impact materiality (x-axis, scale 0-12) and financial materiality (y-axis, scale 0-4). This enables us to distinguish clearly between topics that are strategically critical, operationally relevant, or of lower priority.

3.1/ MATERIALITY ASSESSMENT - IMPACT / MATERIALITY MATRIX



- Environment**
- 1. Noise Pollution
 - 2. Energy consumption and contribution to climate change
 - 3. Contribution to climate change transition

- Social**
- 12. Diversity and inclusion
 - 13. Personal development
 - 14. Workers in the supply chain (health and safety)
 - 15. Recruitment and talent development

- Digitalization**
- 4. Telematics (GPS tracking)
 - 5. Automatic connection / coupling (DAC)

- Environment / circular economy**
- 16. Multifunctional railcars

- Governance**
- 6. Product safety
 - 7. Quality, safety and reliability
 - 8. Compliance
 - 9. Data protection

- Economic**
- 17. Economic performance

- Supply Chain**
- 10. Supply chain resilience
 - 11. Human rights in the supply chain

- Circular economy**
- 18. Material usage and waste

3.1/ MATERIALITY ASSESSMENT - KEY FINDINGS

Key findings

The materiality assessment confirms that MFD Rail's most significant topics - those scoring highest on both impact and financial materiality - are:

- Contribution to climate change transition: as a green infrastructure provider, our core business model directly serves European decarbonization goals and is central to our investor and customer proposition.
- Economic performance: long-term financial sustainability underpins our ability to deliver on all ESG commitments.
- Product safety, quality, and reliability: as a certified ECM operator, the safety and performance of our fleet is both a regulatory obligation and a fundamental customer expectation.
- Multifunctional and future-proof railcars: the technical adaptability of our fleet is a key factor in both environmental impact and commercial resilience.
- Digitalization (telematics, GPS, and DAC): smart fleet management enables transparency, efficiency, and measurable CO₂ impact - and is increasingly demanded by customers and financiers alike.

Topics such as noise pollution, energy consumption, and supply chain resilience are assessed as operationally material from an impact perspective, and are addressed accordingly in sections 3.1.1 and 3.1.3. Social topics - including workforce diversity, health and safety, and talent development - score lower in relative terms but remain integral to our governance framework and long-term organizational health.

3.1.1/ ENVIRONMENT

Environmental protection and eco-efficiency, CO₂ emissions, biodiversity, dealing with climate change, natural resources, responsible use of energy and raw materials, environmental pollution and waste, careful water management, renewable energy and energy efficiency, environmentally friendly production, short supply chains, circular economy.

Environmental footprint

Rail freight transport is central to reconciling growing freight volumes with Europe's climate protection goals. As European integration deepens and global trade expands, goods must travel ever-longer distances - making the modal shift from road to climate-friendly rail not just desirable, but essential. This is where MFD Rail's contribution is most direct.

Through railcar-based telematics and GPS tracking across our fully digitalized fleet, **we monitor the rail kilometers covered by every individual freight railcar** 🚂. This data allows us to calculate the total CO₂ reduction achieved by transporting goods via our intermodal fleet rather than by road.

As a member of the "Allianz pro Schiene" initiative - which advocates for shifting more goods to rail - we are proud to be committed to environmentally responsible freight operations.



3.1.1/ ENVIRONMENT

Contribution to climate change transition

As one of the emerging market leaders in rail freight leasing, we recognize our responsibility to pursue a cleaner investment strategy - one that supports the energy transition in the transport sector and contributes to the decarbonization of the European economy as a whole.

Green loan financing is central to this approach: it channels our investment exclusively into green assets, supporting European environmental objectives and contributing to the development of the sustainable finance market.

Reduction of noise pollution

Increased rail traffic brings clear environmental benefits - but the risk of noise pollution must not be overlooked. Our entire fleet is equipped with state-of-the-art noise-reduced braking systems, minimizing the acoustic impact of our operations on the communities along rail corridors across Europe.

Circular economy

To support the transition from a linear to a circular economy, MFD Rail focuses on maximizing the useful life of its rail assets. Through regular maintenance, refurbishment, and component replacement, freight railcars can remain in service for several decades, reducing resource consumption and supporting the principles of a circular economy.

By maintaining a modern and efficient fleet throughout its lifecycle, we contribute to a more resource-efficient transport system while providing reliable and sustainable transport solutions for our customers.

3.1.1/ ENVIRONMENT

Key figures	2024 (restated) ¹	2025	2026 BUD	2027 FC
Smart & digital fleet (telematics, GPS)	100%	100%	100%	100%
Kilometers of rail	186,958,994 km ✓	220,911,467 km ✓	243,000,000 km	264,000,000 km
Saved CO ₂ emissions (avoided vs. road)	526,997 tCO ₂ ✓	622,701 tCO ₂ ✓	684,965 tCO ₂	744,160 tCO ₂
Energy purchased (MWh)	35.7 MWh	38.7 MWh	45.0 MWh	45.0 MWh
Share of renewable energy	28%	27%	30%	30%
Scope 1	0 tCO ₂ /year	0 tCO ₂ /year	0 tCO ₂ /year	0 tCO ₂ /year
Scope 2 (market based)	5.51 tCO ₂ /year	5.84 tCO ₂ /year	6.00 tCO ₂ /year	6.00 tCO ₂ /year

Energy and greenhouse gases

We acknowledge the environmental impact of our business operations and actively work to minimize it - analyzing energy consumption patterns, reducing fossil fuel dependency, and reinforcing environmental awareness through internal communication and employee training. Our sustainability strategy commits us to contributing to the reduction of global greenhouse gas emissions. We actively track and report our Scope 1 and Scope 2 emissions with the long-term ambition of reducing **the environmental footprint of our operations** 🌱.

All emissions are measured and reported in tons of carbon dioxide equivalent (tCO₂e). Scope 3 emissions are not yet systematically measured; we are currently evaluating a methodology for inclusion in future reporting periods.

The key environmental KPIs below include metrics that have been independently assured by KPMG AG, Zurich, under ISAE 3000 limited assurance standards as part of the annual Green Loan reporting process. Assured figures are marked by ✓.

✓ = independently assured by KPMG AG, Zurich, April 2026 (ISAE 3000 limited assurance)

¹ The 2024 Scope 1 and Scope 2 figures have been restated to reflect a refined calculation methodology. The restatement has no impact on any other reported figures.

3.1.2/ SOCIAL, CULTURAL AND ETHICAL ASPECTS

Respect for human rights and human dignity, workplace conditions, education and training opportunities, occupational safety and health protection, compliance with labor rights, enforcement of sustainability standards for suppliers, health impacts of materials and products.

Our people

Our employees are the foundation of MFD Rail's success. As of December 31, 2025, MFD Rail employs **28 people across its operations** 🌱. We are committed to a working environment defined by integrity, fairness, and mutual respect - one in which every individual can develop, contribute, and be heard.

We cultivate a culture of meritocracy, openness, and transparency. All managers and employees are expected to uphold these principles without exception. Any behavior that undermines them - or the development of our ESG policy - will not be tolerated. These standards apply across all employment, performance, and compensation processes.

We recognize freedom of association and the right to collective representation and negotiation. Attracting and retaining talented people is essential to our sustainable growth - and we invest in them accordingly.

Development and training

We provide personalized development opportunities for every colleague. Our development strategy encompasses all projects and initiatives designed to support individual growth, because a company that invests in its people **invests in its future** 🌱.

An inclusive and respectful workplace

We apply a zero-tolerance policy toward discrimination of any kind - on the basis of ethnic origin, cultural background, religion, age, disability, race, gender identity, sexual orientation, or worldview. This commitment is embedded in our Code of Conduct and ESG Policy, and extends to our customers and business partners.

We actively empower employees to speak up, raise concerns, and contribute to the continuous improvement of our workplace culture. **Fostering genuine diversity and equal opportunity** 🌱 is a long-term organizational goal, not a one-time measure.

3.1.2/ SOCIAL, CULTURAL AND ETHICAL ASPECTS

Health protection and safety

The health and safety of our employees is non-negotiable. We operate a comprehensive health and safety framework managed by a dedicated safety officer, who oversees day-to-day activities and collaborates with employee representatives to **continuously refine our approach** 🌱.

All employees complete mandatory annual safety training. Primary identified risk areas include fire, track-area safety, and information security. Regular hazard assessments ensure that risk management remains proactive rather than reactive.

🌱 Key figures

	2024	2025	2026 BUD	2027 FC
Overall retention rate	90%	88%	100%	100%
Training and qualifications completed	100%	100%	100%	100%
Workforce diversity - Gen X	78%	70%	65%	55%
Workforce diversity - Gen Y	16%	27%	30%	35%
Workforce diversity - Gen Z	6%	3%	5%	10%
Gender diversity - Female	20%	32%	40%	40%
Gender diversity - Male	80%	68%	60%	60%
Employee fatalities	-	-	-	-
Employee injuries	-	-	-	-

"-" – indicates that no incidents were reported during the reporting period.

3.1.3/ CORPORATE GOVERNANCE

Internal controls and accountability, transparency and openness, diversity and equal opportunities, anti-corruption and anti-bribery measures, risk and reputation management, compliance, internal training, participation in ESG initiatives - particularly in the rail leasing sector.

Economic value and long-term viability

Operating a profitable and financially sustainable business is itself a component of our sustainability strategy. We focus on securing long-term growth while simultaneously generating positive outcomes for our stakeholders, our sector, and our planet.

Responsibility for leading a sustainable and financially healthy organization rests with management. Our objectives are informed by global megatrends, stakeholder expectations, and a rigorous assessment of all material risks - with sustainability at their core.

Anti-corruption, compliance and human rights

We conduct our business with integrity and apply a zero-tolerance policy toward bribery and corruption in all its forms. Our Anti-Bribery and Corruption Policy ensures full compliance with all applicable regulations and applies without exception to employees, suppliers, and business partners. In both 2024 and 2025, all employees completed **mandatory annual training** 🟢 covering ESG topics, compliance requirements, anti-bribery principles, and the MFD Rail Code of Conduct.

Management holds ultimate responsibility for ensuring the policy aligns with our legal and ethical obligations, and that all individuals acting under our authority comply with it.

The Company Secretary is responsible for implementation, monitoring, and effectiveness. Internal control systems and procedures are reviewed on a regular basis.

Anti-corruption training is part of onboarding for all new employees; existing staff receive regular refresher training. At the outset of every business relationship - and as needed thereafter - we communicate our Anti-Bribery and Corruption Policy to customers, suppliers, and partners.

To facilitate the reporting of potential violations, we maintain a dedicated compliance reporting channel accessible to **employees, customers, suppliers, and other parties** 🟢.

3.1.3/ CORPORATE GOVERNANCE

Key figures

Incidents type:

bribery and corruption

violation against data protection and privacy

fraud

violation against shareholder rights and minority

discrimination

violation against compliance rules

2024

2025

2026 BUD

2027 FC

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Customer safety and satisfaction

Safety at MFD Rail is not merely a priority - it is a core value embedded in everything we do. We ensure our business activities meet the highest ethical standards and the expectations of our stakeholders.

As a certified ECM (Entity in Charge of Maintenance) for railcars under applicable EU regulations, and registered as responsible ECM in ERADIS, we ensure that all maintenance is carried out in full regulatory compliance. Our comprehensive quality management systems maintain consistent adherence to certification standards and customer requirements.

As our operations become increasingly digitalized, data security has become a growing area of focus. Our digitalization policy ensures that customer data is **managed and stored securely across all processes** 🌱.

Supply chain resilience

With rail freight volumes expected to grow significantly across Europe - driven by both regulatory momentum and market demand - supply chain resilience is a strategic priority. Due to our long-term relationships with a limited number of established European manufacturers and maintenance providers, we consider supply chain disruption risk manageable.

3.2/ TOWARDS SUSTAINABILITY EXCELLENCE



Independent external assessments are an important part of how we validate and benchmark our ESG performance. MFD Rail participates in two leading international sustainability ratings - EcoVadis and GRESB - and uses the results to identify areas for continued improvement.

3.2.1/ EcoVadis

EcoVadis provides independent sustainability assessments for global supply chains, evaluating companies across environment, labor and human rights, ethics, and sustainable procurement.

In March 2026, MFD Rail was reassessed and retained its Gold Medal with a score of 80/100 - placing us in the 95th percentile and among the top 5% of all companies assessed globally.

EcoVadis scorecard

	MAR 2026	NOV 2024 (ref.)
Overall score	80 / 100	80 / 100
Percentile	95th	98th
Environment	78 / 100	80 / 100
Labour and human rights	78 / 100	80 / 100
Ethics	87 / 100	80 / 100

3.2.2/ GRESB

GRESB provides ESG performance data and peer benchmarks for the real estate and infrastructure sector. MFD Rail achieved a GRESB score of 88/100, corresponding to a 2-Star Rating.

GRESB score

	2025	Peer group avg	2024 (ref.)
Overall score	88 / 100	95	91 / 100
Environment	50 / 50	50	50 / 50
Social	22 / 22	22	22 / 22
Governance	19 / 28	23	19 / 28

4/ CONCLUSION / APPENDIX

The following tables provide a consolidated overview of all key performance indicators reported in this document.

1/ FOREWORD

Key figures	2024	2025	2026 BUD	2027 FC
Railcar fleet financed by green loans	100%	100%	100%	100%

3.1.1/ ENVIRONMENT

Key figures	2024 (restated) ¹	2025	2026 BUD	2027 FC
Smart & digital fleet (telematics, GPS)	100%	100%	100%	100%
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Scope 1	0 tCO ₂ /year	0 tCO ₂ /year	0 tCO ₂ /year	0 tCO ₂ /year
Scope 2 (market based)	5.51 tCO ₂ /year	5.84 tCO ₂ /year	6.00 tCO ₂ /year	6.00 tCO ₂ /year

3.1.2/ SOCIAL, CULTURAL AND ETHICAL ASPECTS

Key figures	2024	2025	2026 BUD	2027 FC
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4/ CONCLUSION / APPENDIX

The following tables provide a consolidated overview of all key performance indicators reported in this document.

3.1.3/ CORPORATE GOVERNANCE

Key figures	2024	2025	2026 BUD	2027 FC
Incidents type:				
bribery and corruption	-	-	-	-
violation against data protection and privacy	-	-	-	-
fraud	-	-	-	-
violation against shareholder rights and minority discrimination	-	-	-	-
violation against compliance rules	-	-	-	-

3.2.1/ EcoVadis

	MAR 2026	NOV 2024 (ref.)
Overall score	80 / 100	80 / 100
Percentile	95th	98th
Environment	78 / 100	80 / 100
Labour and human rights	78 / 100	80 / 100
Ethics	87 / 100	80 / 100

3.2.2/ GRESB

	2025	Peer group avg	2024 (ref.)
Overall score	88 / 100	95	91 / 100
Environment	50 / 50	50	50 / 50
Social	22 / 22	22	22 / 22
Governance	19 / 28	23	19 / 28

5/ OUTLOOK

A fully circular, smart, and digital green fleet for climate stability.

We will pursue our sustainability strategy with the same consistency and ambition that has defined MFD Rail since its founding. Our primary focus remains the continuous reduction of CO₂ emissions - through the ongoing shift of freight transport from road to rail - and the responsible stewardship of our growing fleet.

Within our Green Loan Framework, all future growth will be financed exclusively on a sustainable basis. Supported by our capital providers, our expansion plan ensures the reliable, continuous provision of all intermodal railcar types across Europe. We will continue to invest in modernizing and growing our fleet - and in the digitalization and artificial intelligence capabilities that make our services ever more transparent, flexible, and efficient.

Above all, we will deepen our dialogue with stakeholders - because their expectations and requirements are integral to the ongoing evolution of our sustainability strategy. We are convinced that MFD Rail's contribution to transforming European freight transport is not just meaningful, but necessary.

Best regards



MARKUS BASLER

Managing Partner/CFO and ESG Officer

Sustainability Report 2025

This report covers the period from January 1 to December 31, 2025.

We are committed to continuous improvement in transparency and sustainability performance. Should you have any questions, feedback, or suggestions, we warmly invite you to reach out.

Publication date: June 2026.

Version 01/2026

 **Please consider the environment before printing this report.**

This document has been designed to be read digitally. Printing contributes to paper waste and carbon emissions. We encourage stakeholders to access and share this report electronically whenever possible.



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