

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Commerz Real Institutional Infrastructure Offshore Fund I

Legal entity identifier:
529900ST3U000HJV9V72

Sustainable investment objective

Does this financial product have a sustainable investment objective?	
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What is the sustainable investment objective of this financial product?

The investment strategy of Commerz Real Institutional Infrastructure Offshore Fund I (the “AIF” or ‘Fund’) managed by Commerz Real Kapitalverwaltungsgesellschaft mbH (the “AIFM”) is to make a positive measurable contribution to environmental objectives as defined in the EU Taxonomy Regulation (EU) No. 2019/2088 (the „EU Taxonomy”), in particular climate change mitigation and climate change adaption.

Statements regarding the “avoidance” or “measurability” of CO₂ emissions or similar statements regarding CO₂ and/or CO₂e (meaning the CO₂ equivalent, which includes greenhouse gases other than carbon dioxide (CO₂), such as methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs); however, for the sake of readability, the term CO₂ is used here) must always be read and understood in conjunction with the methodology described on <https://crkvq.commerzreal.com/en/messbar/offshore-fund-i/>. The positive measurable contribution is that the Fund promotes the generation of electricity from renewable energy sources, thereby avoiding CO₂ emissions that would have been generated by electricity production from fossil fuels. CO₂ avoidance is calculated on the

basis of country-specific avoidance factors from the Technical Working Group of International Financial Institutions (IFI) based on the Combined Margin Approach of the United Nations Framework Convention on Climate Change (UNFCCC), taking into account sector-specific CO₂ supply chain emission factors from the German Federal Environment Agency. Avoidance factors are expected to decline in the future due to the anticipated increase in the share of renewable electricity in the electricity mix. Statements on achieved or planned CO₂ avoidance are not a reliable indicator of actual future CO₂ avoidance. Targets may be exceeded or fallen short of.

The Fund pursues an active management strategy and therefore does not invest with reference to an index (including EU benchmarks for climate-related change or Paris-aligned EU benchmarks within the meaning of Title III, Chapter 3a) of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council) and does not intend to do so in the future. Thus, no reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the Fund.

By pursuing its investment objective, the Fund seeks to contribute to the long-term limitation of global warming in accordance with the objectives of the United Nations Framework Convention on Climate Change 2015 (the "Paris Agreement").

The Fund intends to use its investments to positively contribute to the transition of the European energy system by ensuring or increasing the share of green electricity in the power grid to generate a positive contribution to environmental objectives as defined in the EU Taxonomy, in particular climate change mitigation and climate change adaption. By pursuing its investment objective, the fund aims to contribute to the long-term limitation of global warming in line with the objectives of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. In order to take into account the principal adverse impacts of the Fund, the CO₂e emissions per kilowatt hour directly associated with each investment of the Fund are calculated. These calculations are performed in accordance with the relevant EU directives and ISO standards or equivalent methods.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The following sustainability indicators are used to measure the attainment of the sustainable investment objective:

- *The percentage of investments that meet the technical screening criteria of the EU Taxonomy for the environmental objectives of climate change mitigation or climate change adaptation;*
- *The percentage of investments in the sector of electricity generation attributable to the fossil fuel sector (the Fund will not invest in energy production assets attributable to the fossil fuel sector);*
- *The percentage of investments that (i) emit less than 100 grams of CO₂e per kilowatt hour or (ii) are directly linked to electricity generation that emits less than 100 grams of CO₂e per kilowatt hour.*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

How have the indicators for adverse impacts on sustainability factors been taken into account?

For each potential investment, the Fund conducts an “Impact and ESG due diligence” during the acquisition process. Any negative impacts on environmental objectives as defined in the EU Taxonomy are examined and evaluated.

In order to take into account the principal adverse impacts of the Fund, the CO₂e emissions per kilowatt hour directly associated with each investment of the Fund are calculated. These calculations are performed in accordance with the relevant EU directives and ISO standards or equivalent methods. In addition, when making investment decisions and conducting due diligence, the AIFM takes into account the principal adverse impacts of the Fund on the following sustainability factors as defined in the Disclosure Regulation:

- i. Climate, including greenhouse gas emissions and energy performance;*
- ii. Biodiversity, that is the abundance of different life forms in a specific landscape or geographically limited area;*
- iii. Emissions (emissions of inorganic pollutants; emissions of air pollutants; emissions of substances that contribute to the depletion of the ozone layer; investments in companies without initiatives to reduce CO₂e emissions);*
- iv. Water, waste, and materials (water use; water that is reused and recycled; investments in companies with water management initiatives; soil degradation, desertification, soil sealing; investments in companies without sustainable land/forestry/agricultural management; investments in companies without sustainable practices in the ocean/marine sector);*
- v. Respect for human rights and anti-corruption and anti-bribery measures;*
- vi. Social and labor concerns (number/rate of accidents, injuries, fatalities, frequency; number of days lost due to injuries, accidents, fatalities, illness; code of conduct for suppliers; procedures for handling complaints; incidents of discrimination; lack of separation of functions in the management boards and supervisory bodies of affiliated companies)*

This is ensured by means of a sustainability analysis that is applied both as part of the due diligence process for investments by the fund and as part of the ongoing monitoring of its investments.

In addition, the AIFM seeks to ensure that the Fund's investments do not counteract to local environmental objectives, for example that wind or solar plants are not built in protected areas and that they do not have a significant negative impact on local biodiversity.

In the event of potentially adverse impacts on sustainability factors, the AIFM reports at Fund level using the Principal Adverse Impact Statement. In order to take into account the principal adverse impacts of the Fund on sustainability factors, the AIFM measures in particular the indicators in the greenhouse gas emissions category.

If a potential investment of the fund would have a significant negative impact on one or more of the environmental or social objectives and such a significant negative impact is identified during the due diligence, the investment will be rejected.

— — — **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

In its activities for the fund, the AIFM applies due diligence procedures and guidelines in relation to investment decisions, which are designed to ensure that social and employee concerns, respect for human rights, and the fight against bribery and corruption are achieved. The application of these procedures and guidelines includes conducting reviews of key service providers and partners in connection with investment decisions and potential investments of the fund to ensure that, to the best of the fund's knowledge, they operate in accordance with human rights standards. These checks are based on the United Nations' "Protect, Respect and Remedy" framework, which is based on the recognition of the role of business enterprises as specialized organs of society that perform specific functions and are obliged to comply with all applicable laws and respect human rights. In addition, the AIFM relies on information to be provided by the fund's key service providers and partners, such as sustainability reports and specifications of the ultimate beneficial owner, as well as publicly available information such as press articles and analyst reports.



Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The Fund considers the 14 (fourteen) 'mandatory' indicators. As explained above, the adverse impacts on sustainability factors are taken into account in both investment decisions and auditing in the context of an "Impact and ESG due diligence". This is ensured by a sustainability analysis, which is applied both as part of the "impact and ESG due diligence" for investments made by the fund and as part of the ongoing monitoring of its investments.

You can find more information on the principal adverse impacts on sustainability factors at <https://crkvg.commerzreal.com/de/>.



No



What investment strategy does this financial product follow?

The Fund aims to use its investments to positively contribute to the transition of the European energy system by ensuring or increasing the share of green electricity in the power grid to generate a positive contribution to environmental objectives as defined in the EU Taxonomy, in particular climate change mitigation and climate change adaption. For each sustainable investment, the Fund takes into account the amount of green electricity generated and determines the specific share of the total amount of green electricity generated in the respective country and in the European Union.

The Fund's most important indicator for measuring the contribution to the sustainable investment objective are the kilowatt-hours generated from renewable energies, which are linked directly to each investment of the Fund. In order to take into account the principal adverse impacts of the Fund, the CO₂e emissions per kilowatt hour directly associated with each investment of the Fund are calculated, based on the aforementioned measurements. These calculations are performed in accordance with the relevant EU directives and ISO standards or equivalent methods.

The Fund's investment strategy specifically consists of (i) the acquisition, holding and management and also sale of shares in VM Offshore Beteiligungsgesellschaft mbH and (ii) the granting and ending of shareholder loans to VM Offshore Beteiligungsgesellschaft mbH. The Fund's investment objective is the generation of long-term stable

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

cash flows and a risk-appropriate return. This is mainly pursued via the long-term indirect participation in Veja Mate Offshore Project GmbH, which operates an existing offshore wind park 95 (ninety-five) kilometres north-west of the island of Borkum in the German Exclusive Economic Zone.

The Fund will not invest in assets in sectors of energy production that are attributable to the fossil fuel sector.

The Fund intends to ensure that at least 75 % (seventy-five per cent) of the Fund's investments qualify as sustainable investments, whereby "sustainable investments" as defined by the EU Taxonomy are investments with an environmental objective.

This quota is calculated in accordance with Article 17(1) of Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088.

The Fund's „investments in environmentally sustainable economic activities“ consist exclusively of Taxonomy-aligned assets that generate a positive contribution to environmental objectives as defined in the EU Taxonomy, in particular climate change mitigation and climate change adaptation. This comprises portfolio and project developments as well as invested liquidity, provided that they are classified as Taxonomy-aligned in the course of the impact due diligence conducted by an external consultant (Deloitte).

The market value of this portfolio and project developments is derived from the respective appraised market value plus borrowed capital. The market value of the investments of the Fund is further determined by external appraisers. Project developments are also recognized at market value according to the progress of construction. As the values determined do not include borrowed capital, such must be added as well.

Liquidity is reported at nominal value. Taxonomy-aligned liquidity is reported as Taxonomy-aligned asset in the amount of the underlying Taxonomy-aligned investments. Thereby, the proportion of Taxonomy-aligned investments reported by the issuing bank is multiplied by the nominal amount of the invested liquidity.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The Fund applies the following binding elements in selecting investments to achieve its sustainable investment objective:

- *The Fund will not invest in assets in sectors of energy production that are attributable to the fossil fuel sector;*
- *At least 75 % (seventy-five per cent) of the assets are sustainable investments as defined by the EU Taxonomy.*

● **What is the policy to assess good governance practices of the investee companies?**

The AIFM ensures compliance with minimum human rights standards when an investment is selected. In this sense, when making an investment decision, the AIFM applies due diligence procedures and guidelines to ensure that social and labor concerns, respect for human rights and the fight against bribery and corruption are achieved. The application of these procedures and guidelines includes conducting reviews of key service providers and partners in connection with investment decisions and potential investments of the Fund to ensure that, to the best of the Fund's knowledge, they are operating in accordance with human rights standards. These reviews are based on the United Nations "Protect, Respect and Remedy" framework, which is based on the recognition of the role corporations as specialized organs of society that perform special functions and are obligated to respect all applicable laws and to respect human rights.

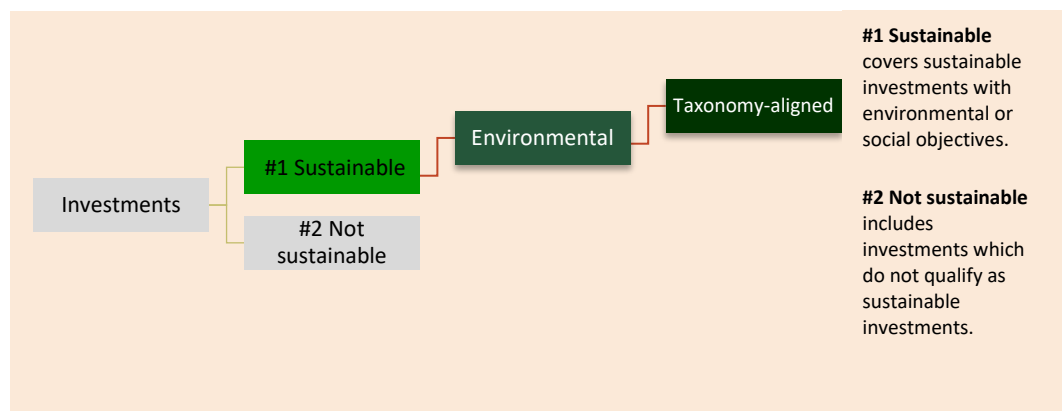
The AIFM, which has the required expertise and experience in the field ESG respectively sustainable investments, will apply the due diligence procedures and guidelines. The Fund's due diligence procedures and guidelines intend to assess the governance practices of potential and existing

investments, including whether they have sound management and compensation structures, employee relations and remuneration of staff and tax compliance practices. Thereby, the AIFM relies on information obtained by the key service providers and partners of the Fund, such as sustainability reports and specifications of the ultimate beneficial owner, as well as publicly available information such as press articles and analyst reports.



What is the asset allocation and the minimum share of sustainable investments?

The Fund intends to ensure that at least 75 % (seventy-five per cent) of the Fund's capital invested in assets are sustainable investments ("#1 Sustainable"). Of these investments falling under the category "#1 Sustainable" all of them shall be sustainable investments with an environmental objective that are Taxonomy-aligned. Consequently, the maximum percentage of investments in assets that cannot be considered sustainable ("#2 Not sustainable") is limited to 25 % (twenty-five per-cent).



- **How does the use of derivatives attain the sustainable investment objective?**
Not applicable.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum percentage of sustainable investments of the Fund (which account for at least 75 % (seventy-five per cent) of the Fund's investments) that are aligned with an environmental objective as defined in the EU Taxonomy is set to 100 % (one hundred per cent).

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒


No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

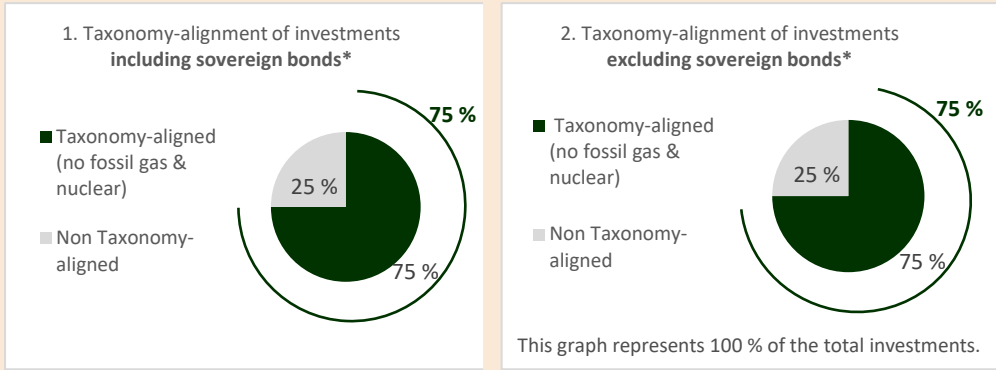
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



** For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.*

● **What is the minimum share of investments in transitional and enabling activities?**

There is no minimum share of investments in transitional and enabling activities. Consequently, the minimum percentage of investments in transitional and enabling activities is set to 0 % (zero per cent).



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Consequently, the minimum percentage of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is set to 0 % (zero per cent).



What is the minimum share of sustainable investments with a social objective?

There is no minimum share of sustainable investments with a social objective. Consequently, the minimum percentage of sustainable investments with a social objective is set to 0 % (zero per cent).



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund invests a maximum of 25 % (twenty-five per cent) in assets that are not classified as sustainable investments (“#2 Not sustainable”). Amongst others, the Fund invests in derivatives to hedge currency, credit and interest risks of the Fund. Further, the Fund invests in money market instruments or other liquid instruments that are held for the purpose of distributions, redemptions or maintaining the day-to-day business operations. The intended use of these investments does not consider environmental or social minimum safeguards.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

The fund does not currently invest with reference to an index (including EU benchmarks for climate-related change or Paris-aligned EU benchmarks within the meaning of Title III, Chapter 3a) of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council) and does not intend to do so in the future.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

- **How does the designated index differ from a relevant broad market index?**

Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

More product-specific information can be found on the website:

<https://crkv.commerzreal.com/de/>