

Template 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

Product name: Commerz Real Institutional Renewable
Energies Development Fund I SCA SICAV-RAIF (the "AIF" or "Fund")

Legal entity identifier: 529900Q54PCVPEOEC036

Sustainable investment objective

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 75% <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

Sustainability 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.



What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to make a positive measurable¹ contribution to environmental objectives as defined in the Taxonomy Regulation, in particular climate change mitigation and climate change adaptation. 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 environmental contribution. 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").

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the Fund.

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

- The Fund positively contributes to the transition to a low-carbon economy. In particular, the the AIFM intends that all of the fund's ecologically sustainable assets will emit less than 100 (one hundred) grams of CO₂e per kilowatt-hour and - as applicable – fulfil the technical screening criteria of the Taxonomy Regulation.

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

The requirement is addressed by the AIF as part of the so-called "Do No Significant Harm" assessment for the respective investments. In this regard, the AIF is committed to the environmental objectives defined within the framework of the EU Taxonomy. For each potential investment, the AIF performs a so-called "impact and ESG due diligence" during the acquisition process. Any negative impact on the five environmental goals is assessed and evaluated. Thus, the AIF meets the requirement to consider sustainability holistically at the project level and to invest in accordance with the EU Taxonomy with regard to defined environmental objectives. To ensure that the investments do not cause significant harm to environmental or social investment objectives, the Fund considers the Indicators for Principle Adverse Impacts on sustainability factors and ensures that the investments of the Fund comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

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

As a key parameter, the AIFM measures CO₂e emissions per kilowatt-hour directly associated with each investment of the Fund to consider the major negative impacts of the fund on sustainability factors. These measurements are conducted in line with relevant EU directives as well as ISO standards or

¹Statements on the "avoidance" or "measurability" of CO₂ emissions or similar statements regarding CO₂ and/or CO₂e (this refers to the CO₂ equivalent, which takes other greenhouse gases such as methane (CH₄), nitrous oxide (N₂O) or hydrofluorocarbons (HFCs) into account in addition to the greenhouse gas carbon dioxide (CO₂). For better readability, however, the term CO₂ is used here) should always be read and understood in the context of the methodology explained at <https://crfm.commerzreal.com/en/measurable/renewable-energies-development-fund/>. The measurable contribution is that the Fund calls for electricity generation from renewable energies, thereby avoiding CO₂ emissions that were produced during electricity generation from fossil fuels. CO₂ avoidance is calculated on the basis of country-specific avoidance factors of 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 upstream emission factors of the German Environment Agency. Avoidance factors will decrease in the future due to the expected increase in the proportion of electricity generated from renewable sources in the electricity mix. Statements on achieved or planned CO₂ avoidance are not a reliable indicator of actual future CO₂ avoidance. Targets can be exceeded as well as fallen short of.

equivalent measurement methodologies. For investment decisions as well as for the audit, the AIFM additionally takes into account the mandatory indicators.

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.

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?*

Regarding investment decisions on behalf of the Fund, the AIFM applies due diligence procedures and policies to ensure that social and labor concerns, respect for human rights, anti-bribery, and anti-corruption are achieved and that investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the conventions identified in the Declaration of the International Labour Organisation. The application of these procedures and guidelines includes reviews of key service providers and partners associated with investment decisions and potential investments by the Fund to ensure that they are operating in compliance with human rights standards, to the best of the Fund's knowledge. These reviews are based on the United Nations "Protect, Respect and Remedy" framework, in recognition of the role of corporated entities being special organs of society that perform specific functions and are required to comply with all applicable laws and to respect human rights. Further, the AIFM draws 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. The adverse impacts on sustainability factors are taken into account in both investment decisions and auditing. This is ensured through sustainability analyses applied both as part of the due diligence in order to determine the alignment with EU Taxonomy of the Fund's investments and as part of ongoing monitoring of its investments.

More information on the main adverse impacts on sustainability factors can be found in the Fund's annual report.



No

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.



What investment strategy does this financial product follow?

The Fund's objective is to directly or indirectly acquire and invest in Permitted Portfolio Investments, particularly infrastructure in the form of renewable energies assets ("Renewable Energies Assets") or renewable energies vehicles ("Renewable Energies Vehicles") and to develop a diversified portfolio composed of projects for the development of wind and solar power plants as well as future technologies of the energy transition such as grid-connected storage technologies, biomass and fuels and power-to-x investments.

The Fund wishes to create value by the development of early-, mid- and late-stage renewable energies projects under contract to preselected local partners. After completion of the developments, the Renewable Energies Assets are to be constructed by the Fund and sold or put into operation for an initial period of eight to ten years at the longest. The Fund intends to ensure that at least 75 % (seventy-five per cent) of the amount invested in Renewable Energies Assets qualify as sustainable investments, whereas "sustainable investments" shall have the meaning of investments in alignment with an environmental objective as defined in the EU Taxonomy.

Mentionings of the quota of 75 % (seventy-five per cent) sustainable investments as defined by the EU Taxonomy shall have the following meaning within this document: This quota is derived from the formula according to Art. 17 para. 1 of the Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory standards ("RTS SFDR") which is the "market value of all investments of the financial product in environmentally sustainable economic activities / market value of all investments of the financial product" resulting in "the degree to which investments are in environmentally sustainable economic activities". Whereas, "investments of the financial product in environmentally sustainable economic activities" are taxonomy-compliant assets. The quota does not include short-term Cash Management Investments with a duration of one year or less. The taxonomy-compliant assets comprise portfolio and project developments. The market value is derived from the respective appraised market value plus borrowed capital. Taxonomy conformity is ensured as part of the impact due diligence by an external consultant. Project developments for renewable energies can be classified as taxonomy-compliant, but will be indicted seperately. They are recognized at market value according to their construction progress. The market value of the investments of the renewable funds is further determined by external appraisers. As the values determined do not include borrowed capital, such must be added as well. Project developments are also recognized at market value according to the progress of construction.

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 environmental contribution. The Fund considers for each sustainable investment the amount of green power generated and determines the specific share of the total amount of green power generated in the specific country and 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 (the "Key Sustainability Indicator").

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

- 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.

Asset allocation describes the share of investments in specific assets.

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

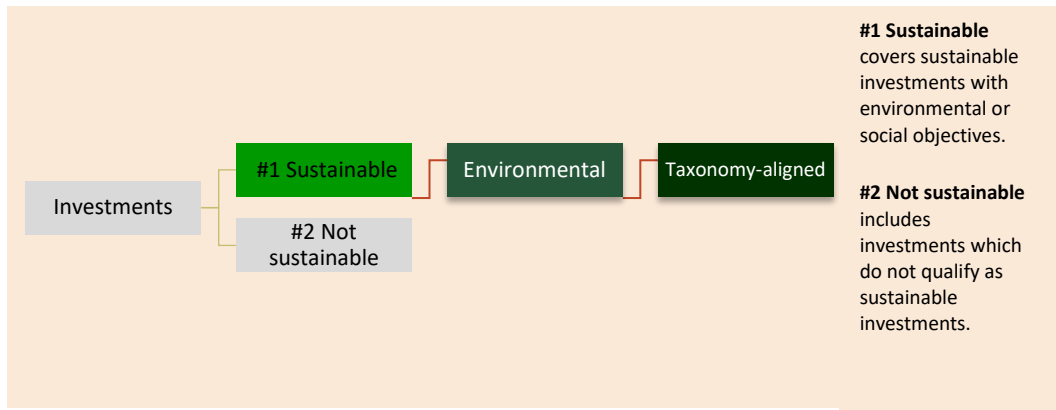
The AIFM ensures compliance with minimum human rights standards when an investment is selected. In this sense, when making an investment decision, the AIFM applies due diligence procedures and guidelines to ensure that social and labor concerns, respect for human rights and the fight against bribery 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 corporates 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.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



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).



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **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 investments that are aligned with an environmental objective (sustainable investments) as defined in the EU Taxonomy is set to 75 % (seventy-five per cent).

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?**

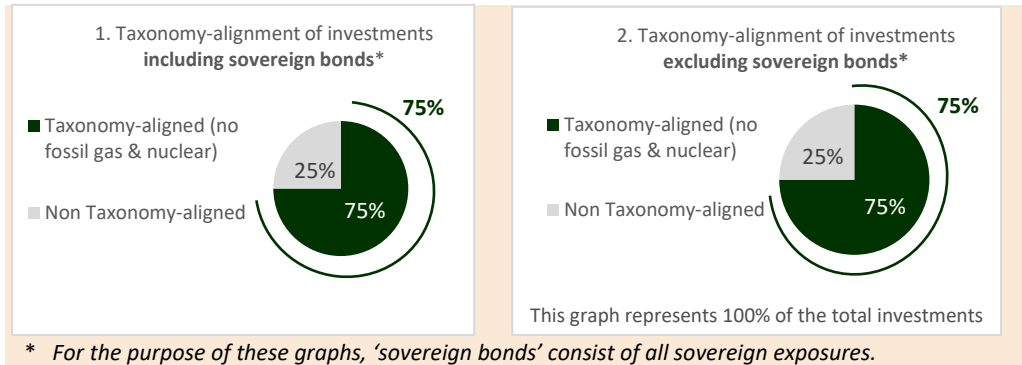
Yes:

In fossil gas In nuclear energy

No

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.*

² 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.



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

The minimum percentage of investments in transitional and enabling activities as defined in the EU Taxonomy 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?

At least 75% (seventy-five per cent) of the Fund's investments will be aligned with the EU Taxonomy. More investments could be aligned with the EU Taxonomy, but the Fund is not currently in a position to specify the exact proportion of the Fund's underlying investments which do not take into account the EU criteria for environmentally sustainable economic activities.



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

Not applicable.



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

The Fund also invests in assets that cannot be considered as sustainable (“#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?

Not applicable.



Where can I find more product specific information online?

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

<https://crfm.commerzreal.com/>