

Transparency in sustainable investments

Information pursuant to Article 10 of the Disclosure Regulation

Summary

Commerz Real Fund Management S.à r.l. (“AIFM”), LEI-Code: 529900FAXUZRLWRIFD51, in its role as Alternative Investment Fund Manager, discloses the following information pursuant to Art. 10 of Regulation (EU) 2019 / 2088 on Sustainability-Related Disclosures in the Financial Services Sector (“Disclosure Regulation”) for Commerz Real Institutional European Hotel Fund (“AIF”), ISIN: LU1840856667, as a financial product referred to in Art. 8 of the Disclosure Regulation.

As such, as an environmental characteristic, the AIF has set itself the objective of making a positive contribution to the environmental objectives of climate change mitigation and climate change adaptation as defined by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (“EU Taxonomy”) when selecting and managing the investment properties in its portfolio and real estate companies. As a guideline, the AIF will use the technical screening criteria defined in Annex 1 and Annex 2 of the Delegated Regulation (EU) 2021/2139 supplementing the EU Taxonomy for the economic activity of acquisition and ownership of buildings. The technical screening criteria for climate change mitigation intend to increase energy efficiency of buildings, which is reflected in EPC-ratings or energy consumptions of the buildings. The technical screening criteria for climate change adaptation intend to implement adaptation solutions that reduce the risk of the adverse impact of the current climate and the expected future climate on that economic activity without increasing the risk of an adverse impact on people, nature or assets. Further, as part of the promotion of environmental and / or social characteristics, at least 10 per cent of sustainable investments are made in accordance with Article 3 of the EU Taxonomy. A maximum of 90% of the AIF’s investments do not promote environmental and/or social characteristics, and no sustainable investments are sought.

The following sustainability indicator is used to measure the achievement of individual environmental characteristics: The percentage of investments in real estate that meet the technical screening criteria of the EU taxonomy for the environmental objectives of climate change mitigation or climate change adaptation, having an EPC rating of A or being within the top 15 per cent of the national or regional building stock or having implemented solutions to adapt to climate change.

An internal monthly review of compliance with the minimum taxonomy quota is carried out. The taxonomy conformity of the properties is also checked by an qualified third party assessor. Furthermore, the proportion of taxonomy-compliant investments will be reviewed by the auditor as part of the audit of the annual report.

The name of the auditor can be found in the main part of the Fund's Sales Prospectus.

There is also a check to ensure that adverse impacts are avoided for each property in the sustainable investment quota. There are no restrictions on meeting the environmental or social characteristics advertised with the financial product.

The AIF invests in real estate assets and real estate companies in accordance with its investment principles, taking into account the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

The data is collected on a monthly basis from the market value appraisal, the energy certificates, the evaluations of the climate risk tool and the property-specific conditions (technical due diligence, building descriptions, etc.). These result in the percentage of investments in real estate that meet the technical screening criteria of the Taxonomy Regulation for the environmental objectives of climate change mitigation or climate change adaptation.

The AIF invests in real estate and real estate companies, so the participation policy is not part of the environmental or social investment strategy.

No index has been determined for the AIF as a reference value for the environmental or social characteristics promoted by the financial product.

Zusammenfassung

Die Commerz Real Fund Management S.à r.l. („AIFM“), LEI-Code: 529900FAXUZRLWRIFD51, in ihrer Rolle als Alternative Investment Fund Manager, gibt gemäß Art. 10 der Verordnung (EU) 2019/2088 über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor („Offenlegungsverordnung“) für den Commerz Real Institutional European Hotel Fund („AIF“), ISIN: LU1840856667, als Finanzprodukt im Sinne von Art. 8 der Offenlegungsverordnung folgende Informationen bekannt.

Als ökologisches Merkmal hat sich der AIF zum Ziel gesetzt, bei der Auswahl und Verwaltung der Anlageimmobilien in seinem Portfolio und der Immobiliengesellschaften einen positiven Beitrag zu den Umweltzielen Klimaschutz oder Anpassung an den Klimawandel im Sinne der Verordnung (EU) 2020/852 des Europäischen Parlaments und des Rates vom 18. Juni 2020 über die Einrichtung eines Rahmens zur Erleichterung nachhaltiger Investitionen und zur Änderung der Verordnung (EU) 2019/2088 („EU-Taxonomie“) zu leisten. Als Richtlinie verwendet der AIF die technischen Auswahlkriterien, die in Anhang 1 und Anhang 2 der Delegierten Verordnung (EU) 2021/2139 zur Ergänzung der EU-Taxonomie für die wirtschaftliche Tätigkeit „Erwerb und Eigentum an Gebäuden“ definiert sind. Die technischen Auswahlkriterien zum Klimaschutz zielen darauf ab, die Energieeffizienz von Gebäuden zu erhöhen, was sich in den EPC-Bewertungen oder dem Energieverbrauch der Gebäude widerspiegelt. Die technischen Auswahlkriterien zur Anpassung an den Klimawandel zielen darauf ab, Anpassungslösungen umzusetzen, die das Risiko der nachteiligen Auswirkungen des gegenwärtigen und des erwarteten künftigen Klimas auf die Wirtschaftstätigkeit selbst erheblich verringern,



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ohne dabei das Risiko nachteiliger Auswirkungen auf Menschen, Natur oder Vermögenswerte zu erhöhen. Darüber hinaus werden im Rahmen der Förderung ökologischer und/oder sozialer Merkmale mindestens 10 Prozent nachhaltige Investitionen gemäß Artikel 3 der EU-Taxonomie getätigt. Maximal 90 % der Investitionen des AIF fördern keine ökologischen und/oder sozialen Merkmale. Es werden keine nachhaltigen Investitionen angestrebt.

Zur Messung der Erreichung einzelner Umwelteigenschaften wird folgender Nachhaltigkeitsindikator herangezogen: Der Anteil der Investitionen in Immobilien, die die technischen Auswahlkriterien der EU-Taxonomie für die Umweltziele Klimaschutz oder Klimaanpassung erfüllen, und daher ein EPC-Rating von A aufweisen oder zu den oberen 15 Prozent des nationalen oder regionalen Gebäudebestands gehören oder Lösungen zur Anpassung an den Klimawandel umgesetzt haben.

Es wird eine interne monatliche Überprüfung der Einhaltung der Mindesttaxonomiequote durchgeführt. Die Taxonomiekonformität der Immobilien wird zudem durch einen qualifizierten externen Gutachter geprüft. Des Weiteren wird der Anteil taxonomiekonformer Investitionen im Rahmen der Prüfung des Jahresberichts durch den Wirtschaftsprüfer überprüft. Der Name des Wirtschaftsprüfers ist im Hauptteil des Verkaufsprospekts des Fonds zu finden.

Für jede Immobilie innerhalb der Quote nachhaltiger Investitionen erfolgt zudem eine Prüfung, ob nachteilige Auswirkungen vermieden werden. Es bestehen keine Einschränkungen hinsichtlich der Erfüllung der mit dem Finanzprodukt beworbenen ökologischen und/oder sozialen Merkmale.

Der AIF investiert gemäß seiner Anlagegrundsätze unter Berücksichtigung der OECD-Leitsätze für multinationale Unternehmen und der Leitprinzipien der Vereinten Nationen für Wirtschaft und Menschenrechte in Immobilienvermögen und Immobilienunternehmen.

Die Daten werden monatlich aus dem Verkehrswertgutachten, den Energieausweisen, den Auswertungen des Klimarisikotools und den objektspezifischen Bedingungen (technische Due Diligence, Gebäudebeschreibungen etc.) erhoben. Daraus ergibt sich der Prozentsatz der Investitionen in Immobilien, die die technischen Auswahlkriterien der EU-Taxonomie für die Umweltziele Klimaschutz oder Anpassung an den Klimawandel erfüllen.

Der AIF investiert in Immobilien, die Partizipationspolitik ist daher nicht Teil der ökologischen oder sozialen Anlagestrategie.

Für den AIF wurde kein Index als Referenzwert für die vom Finanzprodukt beworbenen ökologischen oder sozialen Merkmale ermittelt.

No sustainable investment objective

This financial product promotes environmental characteristics but no sustainable investment goal is aimed at.

Environmental or social characteristics of the financial product

As an environmental characteristic, the AIF has set itself the goal of making a positive contribution to the environmental goals of climate change mitigation and climate change adaptation in the sense of the EU taxonomy when selecting and managing the properties in the portfolio. In order to reach the criteria of climate change mitigation or climate change adaptation, investments have to have an EPC rating of A or be within the top 15 per cent of the national or regional building stock or have to have implemented measures to adapt to climate change.

The AIF's investments should make a positive contribution to the environmental objectives within the meaning of Art. 9 lit. a) or b) of the EU Taxonomy, as they meet the technical requirements in the annex to Delegated Regulation (EU) 2021/2139 supplementing the EU Taxonomy for the economic activity of acquisition and ownership of buildings. The technical screening criteria for climate change mitigation intend to increase energy efficiency of buildings, which is reflected in EPC-ratings or energy consumptions of the buildings. The technical screening criteria for climate change adaptation intend to implement adaptation solutions that reduce the risk of the adverse impact of the current climate and the expected future climate on that economic activity without increasing the risk of an adverse impact on people, nature or assets. Thus, buildings in this category already have an EPC rating of A or belong to the top 15 per cent of the real estate portfolio in their respective regional or national market or have implemented measures to adapt to climate change.

No sustainable investments are targeted with this financial product. Nevertheless, as part of the promotion of environmental and / or social characteristics, at least 10 per cent of sustainable investments are made in accordance with Article 3 of the EU Taxonomy.

Economic activities subsumed in the category climate change mitigation contribute significantly to stabilizing greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by avoiding or reducing greenhouse gas emissions or enhancing greenhouse gas storage in accordance with the long-term temperature goal of the Paris Agreement.

An economic activity subsumed in the category climate change adaptation is an activity that (a) includes adaptation solutions that either substantially reduce the risk of the adverse impact of the current climate and the expected future climate on

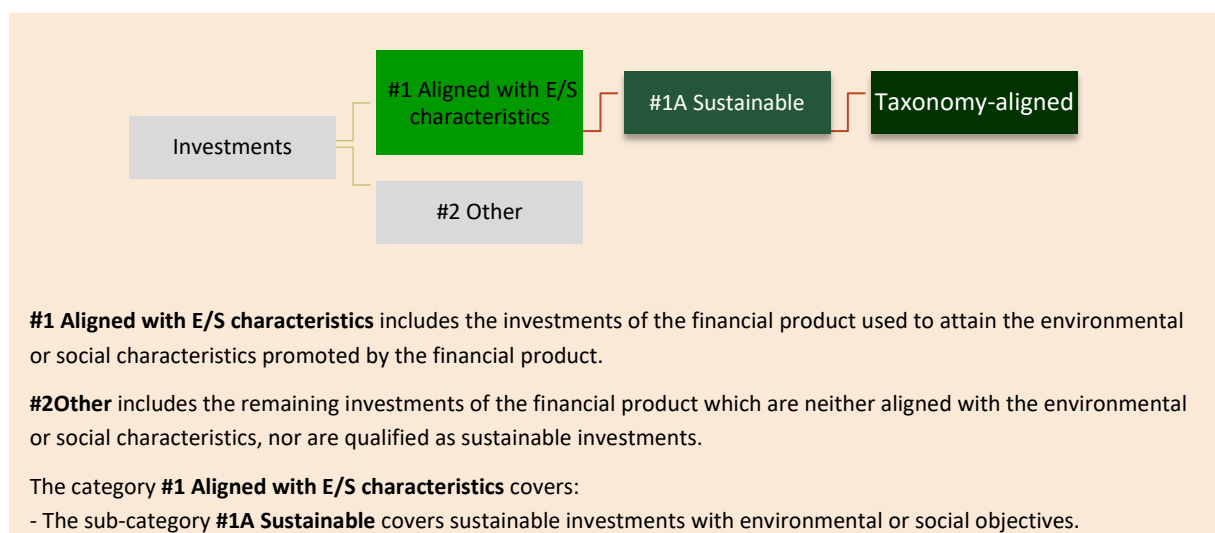
that economic activity or substantially reduce that adverse impact, without increasing the risk of an adverse impact on people, nature or assets; or (b) provides adaptation solutions that, in addition to satisfying the conditions set out in Article 16, contribute substantially to preventing or reducing the risk of the adverse impact of the current climate and the expected future climate on people, nature or assets, without increasing the risk of an adverse impact on other people, nature or assets. The adaptation solutions referred to in litera (a) shall be assessed and ranked in order of priority using the best available climate projections and shall, at a minimum, prevent or reduce: (i) the location-specific and context-specific adverse impact of climate change on the economic activity; or (ii) the potential adverse impact of climate change on the environment within which the economic activity takes place.

Investment strategy

The AIF has set itself the goal of making a positive contribution to the environmental goals of climate change mitigation or climate change adaptation in the sense of the EU Taxonomy when selecting and managing the properties in the portfolio. Furthermore, at least 10 per cent of investments will be invested in properties that meet the technical screening criteria of the EU Taxonomy for these environmental goals. The AIFM will ensure this by checking the criteria defined above both when buying and selling properties as well as in an ongoing process. An ESG due diligence is carried out for this purpose. If the minimum quota requires, the AIF will therefore primarily invest in properties that meet the criteria.

Proportion of investments

No sustainable investments are targeted with this financial product. Nevertheless, as part of the promotion of environmental characteristics, at least 10 per cent of sustainable investments are made in accordance with Article 3 of the Taxonomy Regulation. These investments should make a positive contribution to the environmental objectives of climate change mitigation or climate change adaptation in the sense of the EU Taxonomy. A maximum of 90 per cent of the AIF's investments do not promote any environmental and/or social characteristics.



Monitoring of environmental or social characteristics

An internal monthly review of compliance with the minimum taxonomy quota is carried out. The taxonomy conformity of the properties is also checked by a qualified third party assessor. Furthermore, the proportion of taxonomy-compliant investments will be reviewed by the auditor as part of the audit of the annual report. The name of the auditor can be found in the main part of the Fund's Sales Prospectus.

Methodologies for environmental or social characteristics

The AIF has the taxonomy conformity of sustainable investments checked externally by qualified third parties assessors and, as part of this, the so-called "Do not Significant Harm" check is carried out for the respective property in order to avoid significant impairments. No significant impairments means for climate change mitigation, that the asset does not suffer from significant physical climate risks without having implemented adaptation solutions. For climate change adaptation, the asset should have an EPC rating of at least B or be within the top 30 per cent of the regional or national building stock. The result of this check is confirmed externally. For the environmental objective of climate change mitigation, it is checked whether the buildings meet the criteria for climate change adaptation in Annex A of the EU Taxonomy Delegate Regulation. For the environmental objective of climate change adaptation, it is checked whether the buildings meet the criteria for avoiding significant impairments of the environmental objective of climate change mitigation for the activity acquisition and ownership of buildings. The criteria are described in the section "Environmental or social characteristics of the financial product"

Data Sources and processing

Collection of indicators relating to the AIF's real estate

- The percentage of investments in real estate that meet the technical screening criteria of the EU Taxonomy for the environmental objectives of climate change mitigation or climate change adaptation, having an EPC rating of A or being within the top 15 per cent of the national or regional building stock or having implemented solutions to adapt to climate change.

The indicator is calculated and verified as follows:

The quota is calculated in accordance with Article 17 (1) of Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088. The "investments of the financial product in environmentally sustainable economic activities" of the Fund are exclusively taxonomy-compliant assets that contribute to the achievement of environmental objectives within the meaning of the EU

Taxonomy, in particular climate change mitigation or climate change adaptation. This includes real estate investments and project developments as well as liquidity invested in accordance with the EU Taxonomy. The taxonomy conformity of the properties and project developments is reviewed and ensured by an independent third party, the TÜV Rheinland.

Real estate investments and project developments are recognized at fair value. The fair value of the real estate assets is determined by external appraisers on the basis of the income capitalization approach. Project developments are recognized at fair value according to the progress of construction.

Liquidity is recognized at nominal value and for the taxonomy-compliant proportion in the amount of the underlying taxonomy-compliant investments, meaning the share of taxonomy-compliant investments reported by the issuing bank is multiplied by the nominal amount of the liquidity invested.

The calculation is carried out on a monthly basis. The market value report is updated annually. The data is processed in an Excel calculation, with the quotas being reviewed by AIFM's management board. The energy certificate, the evaluations of the climate risk scenario analyses and the property-specific conditions (technical due diligence, building descriptions, etc.) are used to determine taxonomy conformity. With the exception of the climate scenario analyses, no data is estimated.

Limitations to methodologies and data

Not applicable. There are no restrictions on the fulfillment of the environmental characteristics being met.

Due diligence

The AIF invests in real estate and real estate companies in accordance with its investment principles and observes the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. All business partners with an annual order volume of more than EUR 50,000 (for outsourcing and associated persons: EUR 0) undergo an examination in the Business Partner Due Diligence Tool, which examines business partners in particular with regard to sanctions, corruption, money laundering, fraud and bribery. Sanctioned companies and individuals are generally excluded from a business relationship. Commerz Real's Compliance department decides case related on exclusions and restrictions and acts in accordance with the Compliance - Anti-Bribery and Corruption Policy. Since mid-2021, the due diligence includes ESG criteria, based on the principles of the UN Global Compact.

Engagement policies

Not applicable. The AIF invests in real estate and real estate companies, so the participation policy is not part of the environmental or social investment strategy.

Designated reference benchmark

Not applicable. No index has been determined for the AIF as a reference value for the environmental or social characteristics promoted with the financial product.

Change history according to Art. 12 of the Disclosure Regulation

14.10.2024: Publication of the first version of this document.

20.12.2024: Update on the calculation of the quota of 10 % (ten per cent) Sustainable Investments as defined by the EU Taxonomy.

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