

Disclosure according to Regulation (EU) 2019/2088 (Disclosure Regulation)

1. General Information on the Strategies for Dealing with Sustainability Risks

By ratifying the Paris Agreement, the participating countries have committed to limiting the global temperature increase to well below 2°C or, if possible, to 1.5°C compared to pre-industrial levels. To achieve these goals and reduce the effects of climate change, the European Commission has published a comprehensive action plan for financing sustainable growth and the European Green Deal. Part of this action plan provides for the reduction of information asymmetries in the relationships between customers and financial market participants or financial advisors with regard to the inclusion of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics and with regard to sustainable investments. These information asymmetries are to be eliminated through mandatory pre-contractual information and ongoing disclosures by financial market participants and financial advisors to end investors. Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector (in short: Disclosure Regulation) also requires financial market participants and financial advisors to publish written strategies for the integration of sustainability risks.

According to the Disclosure Regulation, sustainability risk is an environmental, social or governance event or condition that, if it occurs, could have an actual or potential material adverse effect on the value of the investment.

As the climate continues to change, climate risks in particular are increasingly coming to the fore alongside other sustainability risks. Climate risks include all risks that arise as a result of climate change or that are exacerbated as a result of climate change. In the case of climate risks, a distinction is made between physical risks, which arise directly from the consequences of climate change, and transition risks, which arise from the transition to a climate-neutral and resilient economy and society and can therefore lead to a devaluation of assets. Examples of sustainability risks are increased occurrence of natural disasters, loss of biodiversity, decline in snow cover, extreme drought, Sustainability risks can manifest themselves in an investment in the familiar risk categories such as credit risk, the risk of total loss and price risks.

In addition to sustainability risks, sustainability factors can also play a role in an investment decision. The Disclosure Regulation defines sustainability factors as environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. These include, for example, climate protection, the protection of biodiversity, compliance with recognised labour law standards, appropriate remuneration, measures to prevent corruption, etc.

2. Disclosure on Adverse Sustainability Impacts according to SFDR Art 4

Declaration that Infra One AT Management GmbH does not consider the adverse impacts of investment decisions on sustainability factors:

Infra One AT Management GmbH does currently not consider adverse impacts of its investment decisions on sustainability factors.

Reason for Non-consideration

Obtaining the necessary data to evaluate the adverse impacts on sustainability factors would be difficult and costly in the venture capital/private equity sector, especially in a small fund. We would expect the downside of the respective costs to (far) outweigh any potential benefits.

3. Disclosure on the Integration of Sustainability Risks according to SFDR Art 6

In the investment decisions which focuses exclusively on early-stage venture capital rounds, Infra One AT Management GmbH has decided not to systematically consider sustainability risks at this time. The reasons for this decision are as follows:

Justification for Not Considering Sustainability Risks

3.1 Insufficient Data Availability in Early-Stage Investments:

In the early stages of venture capital investments, companies are often still in the development or pilot phase, and only limited data is available. This includes both financial and non-financial information, such as those related to sustainability risks. The lack of data makes it significantly challenging to conduct a thorough assessment of sustainability risks.

3.2 Focus on Innovation and Growth Promotion:

The investment approach aims to support young and innovative companies that are in very early stages of development. At this stage, the focus is primarily on fostering innovation and growth, with sustainability aspects often not being the primary focus and difficult to quantify.

3.3 High Uncertainty and Volatility:

Early-stage venture capital investments are inherently associated with high uncertainty and volatility. Incorporating sustainability risks would introduce additional complexity without clear and reliable assessment methods that cater to the specific needs and dynamics of this sector.

3.4 Cost-Benefit Consideration for Young Companies:

Implementing comprehensive sustainability assessments in very early stages can require significant resources and costs that young companies often cannot afford. These additional requirements could divert focus from product development and market entry.

3.5 Regulatory Uncertainty:

The regulatory requirements and standards regarding the consideration of sustainability risks are still in development. Particularly in the venture capital sector, there are no clear and uniform guidelines yet. We closely monitor regulatory developments and will adjust our strategy as clearer and standardized requirements emerge.

4. Disclosure on Remuneration Policies in Relation to the Integration of Sustainability Risks according to SFDR Art 5

Infra One AT Management GmbH has currently not explicitly defined the impact of sustainability risks as part of its remuneration policy. In principle, only a small proportion of employee remuneration is variable - also taking into account qualitative characteristics - which also includes acting in accordance with the applicable legal provisions. Insofar as considering sustainability risks would be required by statutory law, they are therefore taken into account when calculating the variable part of the remuneration.

5. Disclosure according to Article 7 of the Taxonomy Regulation (Regulation (EU) 2020/852)

The investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities.

6. Future Steps

Infra One AT Management GmbH acknowledges the importance of sustainability risks and ESG factors and plans to regularly review this decision. As more reliable data becomes available and the regulatory framework evolves, Infra One AT Management GmbH will reassess and potentially integrate measures to consider sustainability risks in the investment processes.

7. Ensuring up-to-date information

Infra One AT Management GmbH establishes a regular review schedule to update information on a yearly basis including a clear explanation of changes by a change log on the website where the information is published.