



CROSSBAY Environmental Social & Governance (ESG) Policy

Corporate Commitment

MARK Capital Management Limited (MARK) is a vertically integrated investment management firm focused on the acquisition and management of real estate assets across Europe, including retail, offices, residential and logistics.

At MARK, we recognise that in order to enhance the value of our properties, it is critical to integrate Environmental, Social and Governance (ESG) practice into our investment process. Our hands-on management approach strives to deliver buildings that meet both current and future needs of our stakeholders. We aim to lead on sustainable business practices and encourage sustainable behaviour amongst our key stakeholders.

As a signatory to the United Nations Principles for Responsible Investment (UN PRI), MARK commits to abide by the UN PRI's principles, and ensure consistency with the operating guidelines agreed with our clients.

Crossbay SCSp RAIF & SFDR Disclosure: Article 6

As part of Crossbay, MARK (as defined above) and Mark Capital Management LP (the "**Investment Advisers**") have been appointed to act as investment adviser / sub-investment adviser to IQ-EQ Fund Management (Luxembourg) S.A. acting as external alternative investment fund manager (the "**AIFM**") of Crossbay SCSp RAIF, a Luxembourg *société en commandite spéciale* qualifying as a reserved alternative investment funds, registered with the Luxembourg trade and companies register (RCS) under number B 224135, and/or any of its Luxembourg affiliated structures qualifying as alternative investment funds within the meaning of the Luxembourg law dated 12 July 2013 on alternative investment fund managers, as amended, (together, the "**Fund**").

The AIFM is responsible for the portfolio and risk management of the Fund. In accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended (the "**SFDR**"), the AIFM is integrating sustainability risk (as such term is defined in the SFDR) in its investment decisions process and assesses the likely impacts of sustainability risks on the returns of the Fund, in coordination with the investment advice received from the Investment Advisers.

Crossbay Fund II SCSp SICAV-RAIF

Crossbay Fund II SCSp SICAV-RAIF ("**Crossbay Fund II**") is the pan-European last-mile logistics investment fund platform of MARK which invests specifically in single tenant logistics buildings in close proximity to major European cities. The Crossbay Fund II will target small to mid-sized urban assets and build to core infill developments. The assets targeted will be typically value added, affording opportunities for asset management improvements particularly with energy and carbon performance.

As a responsible owner and operator of real estate assets, with a focal point on distribution centers, we will, where practically feasible:

- Incorporate key ESG risks and opportunities into asset operation, from acquisition to development and refurbishment to disposal.
- Certify all new developments to a minimum standard of BREEAM Very Good or equivalent alternative certification.
- Ensure ESG performance and the progress against the commitments is clearly communicated to investors and relevant stakeholders.
- Strive to minimise our impact on the environment through improved resource efficiency, both at development and operational stages, by identification and implementation of sustainable performance measures.
- Take measures to adapt to climate change, including management of physical, social and transition risks, including procurement of renewable energy, where feasible.
- Establish responsible consumption methods by monitoring and recording energy, water, waste impacts, and associated greenhouse gas emissions.
- Reduce adverse impacts on the environment, including prevention of pollution, to protect biodiversity and the ecosystems in which we operate.
- Exercise sustainable procurement and practice due diligence with responsible resourcing of materials, for new acquisitions, developments and at the operational level.
- Select sites located in close proximity to major European cities, thereby optimising transportation networks and minimising the associated greenhouse gases and pollution.
- Favour the re-use of existing buildings and structures to minimise the adverse impacts of demolition and new development, where feasible.
- Minimise waste and pollution during construction processes, including light, noise, and air pollution, as well as soil and water contaminants.

To achieve these commitments, MARK has developed an ESG framework for the Crossbay Fund II in alignment with the internationally recognised standard ISO 14001 for environmental management. This will ensure that:

- Establish regulatory compliance with upcoming and local legislation.
- Establish clear roles, responsibilities, and accountability for ESG management.
- Establish ESG objectives and measurable targets, with defined responsibility and ownership.
- Demonstrate business activities that integrate best practice ESG initiatives into operational procedures.
- Ensure ESG risks and opportunities are identified within the investment cycle.

This policy applies specifically to the operation of the Crossbay Fund II as a component of the MARK ESG policy and is supplemented by overarching governance policies relating to MARK's broader ESG commitments.

MARK's ESG Committee, which includes members from the Board of Directors, Fund/Portfolio Management, Asset Management, Risk/Compliance, and Investor Relations, is accountable for ESG-related issues and has responsibility for upholding this policy and the ESG Strategy.

As part of MARK, Crossbay commits to aligning with the United Nations Principles for Responsible Investment (UN PRI) and ensuring consistency with the operating guidelines agreed with our clients. Senior Management within the Crossbay fund team are responsible for the ascendancy of this policy and ensuring the ESG framework is suitably resourced, with regular reviews to foster continual improvement.

Crossbay Fund II & SFDR Disclosure: Article 8

Last updated in July 2022

Crossbay Fund II has been categorised by the AIFM, in coordination with the Investment Advisers, as a financial product falling under Article 8 of SFDR. meaning that Crossbay Fund II promotes environmental and/or social characteristics, while not committing to make any Sustainable Investment (as such term is defined in article 2(17) of the SFDR).

As part of the Crossbay Fund II investment strategy, it intends, on a continuous basis, to promote environmental and social characteristics through targeting the following measures:

- By the end of 2025, to have collected 90% of operational scope 1 and 2 energy data of assets under management.
- To collect scope 3 energy data whenever possible.

- By the end of 2023, to calculate the asset carbon intensity for at least 90% of the assets for which sufficient operational data is available.
- By the year 2023, we will undertake a physical risk assessment of 100% of assets at the acquisition stage.
- From the year 2023, we will achieve a minimum rating of BREEAM Very Good or equivalent for 90% of assets that are new developments or have undergone a major refurbishment.
- From the year 2023, We will achieve a minimum rating of C (or equivalent) for at least 90% of assets that are new developments or will undergo a major refurbishment.
- From the year 2022, a minimum of 90% of new leases and lease renewals will include green lease clauses.
- By 2023, we will invite 100% of tenants to participate in a tenant satisfaction survey on an annual basis.
- From 2022, 100% of the employees of MARK or MARK affiliates, such as Crossbay, will participate in ESG training, with responsibility for the management and operation of the assets, on an annual basis.

The above environmental characteristics (the “*Environmental Characteristics*”) are described in more detail in the “*Precontractual Disclosures*” document, attached in Appendix I.

As part of MARK investment process, real estate transactions, and construction, redevelopment or refurbishment the projects undertaken by Crossbay Fund II are assessed at the due diligence stage against identified sustainability risks and other environmental social and governance (“ESG”) factors and potential mitigants identified.

This includes the assessment of the real estate transaction or project against the Environmental Characteristics and, where it does not currently satisfy the Environmental Characteristics, consideration of whether steps should be taken to target the underlying real estate satisfying the Environmental Characteristics in the future. The outcome of this assessment is then considered within the investment decision making process in relation to that potential acquisition or project and, where the underlying real estate does not satisfy the Environmental Characteristics, the investment decision may include a decision to take steps to target that underlying real estate satisfying the Environmental Characteristics in the future.