



CROSSBAY FUND II SCSp SICAV-RAIF – Art. 10 SFDR – Website disclosure

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 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.

Appendix I

Product name: Crossbay Fund II SCSp SICAV-RAIF

Legal entity identifier: n/a

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments.]*

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental 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
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective 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"/> with an environmental objective 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"/> with a social objective
	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



Sustainability indicators

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

What environmental and/or social characteristics are promoted by this financial product? *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.]*

The following environmental characteristics will be promoted by Crossbay Fund II SCSp SICAV-RAIF (the "**Fund**"):

- Operational scope 1, 2 and 3 energy data will be collected. This will be achieved by installing automatic meter reading devices, if feasible or the use of manually read meters if not.
- Carbon intensity of assets will be calculated. This will be based on operational energy data where sufficient metered data are available.
- Physical climate risk assessments will be undertaken as part of the due diligence process for acquiring new assets.
- Operational green building certification. This will be achieved by certifying assets that are either new developments or have undergone a major refurbishment to a green building certification.
- Energy Performance Certificate ratings. We will aim to achieve EPC ratings of at least C (or equivalent) for assets that are either new developments or will undergo a major refurbishment.
- Green lease clauses will be implemented in new leases and lease renewals.

The following social characteristics will be promoted:

- Tenants will be invited to participate in annual tenant satisfaction surveys.
- All employees of MARK or MARK affiliates with responsibility for the management and operation of the assets will complete annual environmental and/or social training.
- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following indicators will be used to measure attainment of the environmental and social characteristics:

- Operational energy data - % data coverage (by floor area). Operational scope 1 and 2 energy data will be collected for 90% of assets under management by the end of 2025. We will also collect scope 3 energy data where possible. We have not set a metric for scope 3 data at this time because it is likely to require tenant agreement and the extent to which we will be able to obtain that agreement is uncertain. The collection of operational energy data for new assets will commence within 12 months of the date of acquisition.
- Carbon intensity - % asset under management (by floor area). Asset carbon intensity will be calculated for at least 90% of the assets for which sufficient operational data is available by the end of 2023. Whole building data will be required to calculate the carbon intensity, i.e. scope 1, 2 and 3 operational energy data.
- Physical climate risk assessments - % assets under management (by floor area). By 2023 we will undertake an assessment of 100% of assets during acquisition.
- Operational green building certification - % new or refurbished assets under management (by floor area). From 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. Assets will be certified within 12 months of the completion of the refurbishment project to a scheme that is on the GRESB list of approved certification schemes at the time of certification.
- Energy Performance Certificate ratings. % new or refurbished assets under management (by floor area). From 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.

- Green lease clauses - % tenants signed up to green lease clauses in new leases or lease renewals. From 2022, at least 90% of new leases and lease renewals will include green lease clauses.
- Tenant satisfaction surveys - % tenants invited to participate in the survey. By 2023 we will invite 100% of tenants to participate on an annual basis. For newly acquired assets, the first survey will be undertaken within 12 months of the date of acquisition.
- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?** *[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes.]*

Not applicable.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?** *[include a description for the financial product that partially intends to make sustainable investments.]*

Not applicable.

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 have the indicators for adverse impacts on sustainability factors been taken into account? *[explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I are taken into account.]*

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? *[include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.]*

Not applicable.

[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852.]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

- Yes *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available.]*
- No



What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis.]*

The Fund is a Pan European Urban Logistics fund, which will target small to mid-sized urban/last mile logistics assets and build to core infill developments. The assets targeted will be typically value add affording opportunities for asset management improvements particularly with energy and carbon performance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

At acquisition all assets will undergo full technical and sustainability due diligence as standard, which will allow the Fund to (i) thoroughly understand the physical risks associated with climate change through climate risk screening (ii) ascertain and analyse the energy and carbon performance of the asset (iii) monitor evolving regulatory expectations specific to the location (iv) model the cost of an asset improvement strategy in the context of transition risk.

During the hold period the Fund will implement an asset management plan to improve the performance of each asset, including on environmental and / or social issues. The investment committee will consider the findings of the sustainability and technical due diligence and, should it have been determined in the analysis that it is not financially viable or viable within the investment hold period to meet the criteria/threshold targeted in this document, the Fund will not invest in the asset.

A number of the environmental and social characteristics, such as metering operational energy data, undertaking physical climate risk assessments, green building certification, green leases, tenant satisfaction surveys and staff training, can be implemented and/or improved irrespective of the condition of the asset at the time of acquisition. Therefore, these characteristics do not automatically preclude investments in certain assets.

However, the ability to achieve a minimum Energy Performance Certificate rating of C could be impacted by the condition of an asset at the time of acquisition as well as whether or not the Fund will have the opportunity to redevelop or refurbish the asset if it is not already at the required level.

Therefore, the Fund will not invest in assets where:

- EPC rating is D or below, and
- the cost of improving rating to C or above is excessive, or
- the Fund will not have sufficient access or opportunity to redevelop or refurbish the asset during the planned hold period, e.g., no lease expiry or break.

Once an asset has been acquired, environmental and social characteristics will be monitored, both to allow the Fund to make the necessary periodic disclosures, but also to assess the progress being made in improving performance through delivery of the asset management plan for each asset. The asset management plans will

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

include monitoring of scope 1, 2 and 3 operational energy data and assessment of associated GHG emissions. The Fund will assess GHG emissions by comparing current performance to the CRREM net zero carbon trajectory appropriate for the asset type and location.

Where the Fund has the opportunity to refurbish or redevelop and assets, it will seek to improve energy and carbon performance, including the EPC rating of the assets, as well as the asset carbon intensity to align with the CRREM net zero carbon trajectory. The Fund will also use green building certification schemes, such as BREEAM, to provide independent assessment and certification of the level of environmental and social performance achieved.

The availability of robust carbon intensity data is still evolving in the real estate sector. At the current time the Fund does not believe it is sufficiently well developed to provide the basis of additional mandatory criteria. However, the Fund will keep this situation under review.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** *[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate.]*

Not applicable.

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

MARK Capital Management has a dedicated ESG committee who will oversee the good governance aspect of the acquisition and there are members of the ESG committee who sit on the Crossbay Fund II SCSp SICAV-RAIF investment committee. Every asset acquired will go through the same investment committee process to ensure that good governance issues are addressed in all aspects of the decision-making process.

- **What is the asset allocation planned for this financial product?** *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards.]*

The investment decisions are expected to be made according to the binding elements of the investment strategy used to attain the environmental and social characteristics. The Fund envisages 90% of its asset allocation to be aligned with E/S characteristics and the remainder 10% to fall into the "Other" category.

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



Asset allocation describes the share of investments in specific assets.

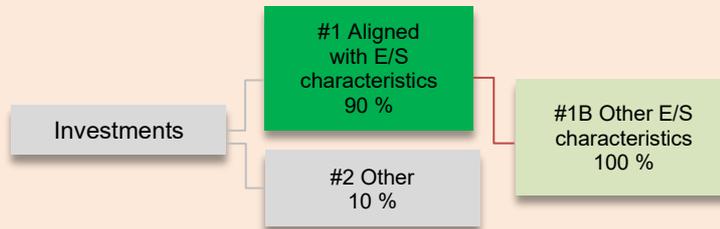
[include note only for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

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.

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product commits to making sustainable investments.]
The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics.]*

Not applicable.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation.]*

While the Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in "sustainable investments". Therefore, it is expected that 0% of the portfolio's investment will be aligned with the EU Taxonomy.

[include note only for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

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.

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 paragraph 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?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852.]*

Not applicable.

[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities.]



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy? *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned.]*

Not applicable.



What is the minimum share of socially sustainable investments? *[include section only where the financial product includes sustainable investments with a social objective.]*

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Not applicable.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.]

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes? *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found.]*
Not applicable.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

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: *[include a hyperlink to the website referred to in Article 23 of this Regulation.]*

<https://iqeq.com/luxembourg-sfdr-disclosures>