

KRONOS IBERIAN REAL ESTATE FUND IV S.C.A., SICAV-RAIF:
Sustainability-related disclosures

Summary: the Fund has (E) environmental and (S) social characteristics and promotes investment into companies which follow good governance practices in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (“SFDR”).

Sustainable Investment Objective: the Fund promotes environmental or social characteristics but does not have sustainable investment as its objective.

Environmental or social characteristics of the financial product: the Fund promotes environmental and social characteristics such as waste management, sustainable land/soil management and efficient energy management. Additionally, the sub-fund is aligned with the Sustainable Development Goal 11 which covers sustainable cities and communities through making cities and human settlements inclusive, safe, resilient, and sustainable, through an efficient use of resources.

Investment strategy: The objective of the Sub-Fund is to offer to Shareholders, in return for the risk they bear, attractive potential for capital growth through Investments in Real Estate. The focus will be mainly on acquiring residential lands across Spain and Portugal (mainly in the major cities, such as Madrid, Barcelona, Málaga, Valencia, Seville or Lisbon, and in selected areas of the Spanish and Portuguese Coast, such as Costa del Sol and Algarve Coast), with the intention of developing or selling the acquired lands. The Sub-Fund will not acquire any land with a period of over twenty-four (24) months to be ready to apply for building permits or to start infrastructure works. The ESG Strategy is a key component in the investment decision-making process, integrating environmental characteristics and ESG risks and opportunities in the investment process.

Proportion of investments: all of the projects of the Sub-fund are direct investments and are allocated to contribute to the environmental and social characteristics.

Monitoring of environmental or social characteristics: The development of these characteristics are monitored and published in the publicly available periodic ESG report.

Methodologies: in order to attain the ESG characteristics, a fully transparent waste management traceability plan to track and monitor the sub-fund’s projects and their value chain efficiencies will be implemented at 100% of the projects; and an environmental due diligence prior to soil acquisition will be carried out at every single project; and 100% of the developments will hold an EPC rate A certification.

Additionally, a control-questionnaire will be completed for each project prior to the investment decision, in order to assess how the following ESG themes are taken into account: waste, energy, water, environment (certificate, audit).

Data Sources and processing: the Fund operates with non-listed and non-liquid real assets and with non-listed counterparties, as consequence data will be resulting from a

due diligence process with the relevant counterparty and by independent analysis and controls performed by the Fund.

Limitations to methodologies and data: The Fund's sustainability risk criteria may differ from the sustainability risk resulting from the application of the ESG Methodology.

Due Diligence: the ESG analysis is implemented in investment analysis, decision-making processes and post-acquisition, including, as relevant, the portfolio and risk management procedures and the internal control system. The Fund may refuse investments that it considers that are not responsible from the ESG perspective.

Engagement of policies: The Fund will monitor a set of ESG-related indicators and reviews sustainability issues for its real estate assets. If during the term of the Fund, any of the Investments are in breach of the ESG criteria, rules and conditions set out by the Fund, or the AIFM, the Fund will carry out all the relevant measures to reverse the situation.

Designated reference benchmark: the Fund does not have a reference indicator.