

# Communication on Progress, October 2016

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## Statement of continued support by the Chief Executive Officer

Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.

To our stakeholders:

I am pleased to confirm that Meridia Capital Partners, SGEIC, S.A. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Javier Faus

Founding Partner & CEO

## Human Rights

### Assessment, policy and goals

Meridia Capital Partners supports the Universal Declaration of Human Rights, based on equality and non-discrimination principles. We are committed to equal opportunities and strive to create a professional environment that helps us retain and attract professional men and women who share our values, irrespective of their gender or ethnicity.

### Implementation

At Meridia Capital Partners we deal with employees/internal consultants/trainees of several nationalities and ethnic groups across the years and diversity. We embrace and plurality of our people and believe that this is key to our corporate and social success.

We have in place a Code of conduct in alignment with human rights' principles and in order to prevent potential abuses or discrimination.

### **Measurement of outcomes**

Meridia Capital Partner's senior management reviews periodically that all the activities and operations in alignment with the universal human rights declaration.

Limited partners also perform due diligence questionnaires that evaluate and monitor our performance in that regard.

Meridia Capital Partners has never been involved in any case of abuse or violation of human rights.

## **Labour**

### **Assessment, policy and goals**

Meridia Capital Partners' internal compliance & corporate defense programme comprises compliance with labour rules and regulations.

Our values are based on anti-discrimination and equality principles. We select our partners and employees according to their skills, background and potential, irrespective of their ethnicity, gender, religion, age or sexual orientation.

### **Implementation**

Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

An appointed and certified Health & Safety Officer is always included in our sites or building refurbishments. Additionally, all our employees take "safety at work" training courses.

Meridia Capital Partners also has a remuneration policy in order to recognize the employees' contribution.

In Spain, entities which are not listed nor regulated (such as Meridia Capital), do not have the formal obligation to implement an ESG / Compliance Program. Although not obliged to do so, Meridia Capital has, however, taken a step forward on this matter, and in April 2014 we requested an international consultancy firm to implement and execute an internal Compliance & Corporate Defense Program in Meridia. The Compliance & Corporate Defense Program foresees a Training Course to be addressed to all the Meridia's personnel.

## **Measurement of outcomes**

As previously mentioned, we strive to create a professional environment that helps us retain and attract professional men and women who share our values, irrespective of their gender and ethnicity. In fact, Meridia has dealt with employees/internal consultants/trainees of several nationalities and ethnic groups across the years.

Furthermore, our limited partners perform different types of due diligence questionnaires, including an ESG one. Meridia Capital Partners hasn't had any issues regarding investigations, legal cases, rulings, fines or other relevant events related to Labour.

Senior management also conducts meetings with employees in order to evaluate and advise them how to improve.

## **Environment**

### **Assessment, policy and goals**

Once an agreement is reached with a seller, Meridia Capital starts a formal due diligence that includes an environmental DD. Our investment policies and due diligence practices include third party environmental, legal, human resources, benefits, insurance, accounting, industry & management review and assessment.

### **Implementation**

Our building operators meet strict standards regarding environmental performance and health standards. These include the use of renewable energy sources, an overall reduction in energy and water consumption, measures to reduce waste, environmental policy setting and the provision of non-smoking areas.

We have implemented an internal compliance & corporate defense program. Our management team is involved in the daily management of the portfolio and, for that reason, there are aware of any ESG factor and/or risk management.

### **Measurement of outcomes**

We carry out environmental phase 1 testing during a due diligence inspection on any site or possible target asset.

## **Anti-Corruption**

### **Assessment, policy and goals**

Meridia Capital Partners supports the UN Convention Against Corruption and other international instruments.

Meridia's employees have attended training on money laundering. In addition, an ethical code has been signed by every employee.

## **Implementation**

Meridia Capital Partners has in place a Code of business conduct in order to prevent any abuse, conflict of interests or any corruption issue.

Meridia Capital Partners has designated a contact point in charge of all anti-corruption issues.

## **Measurement of outcomes**

- Clear definition of responsibilities for resources, activities, objectives and targets.  
Transactions have to be properly approved.
- Clear reporting lines to allow adequate supervision.
- Separate duties to avoid opportunities of abuse.
- Avoid undue reliance on any one individual.
- Supervision. Including checks over operation control by staff.
- Random checks.
- Audit process to allow detection of fraud and also to enable control to be reviewed.
- Adequate staffing.
- Use of budgets as a monitoring tool.
- We are preparing a formal code of business Conduct to be implemented shortly.