

# Communication on Progress 2019

Period covered by your Communication on Progress (COP)

From: 16 February 2019

To: 15 February 2020

## 1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

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

## 2. DESCRIPTION OF ACTIONS

### Human Rights

- Meridia Capital Partners supports the Universal Declaration of Human Rights, based on equality and non-discrimination principles. We ensure that our team is provided safe, suitable and sanitary facilities.
- 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.
- 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. Meridia's team is composed by c. 50% women integrated all professional categories and business areas.
- We have implemented an additional Code of Conduct in alignment with human rights' principles and in order to prevent potential abuses or discrimination. Therefore, we have now in place two Codes of Conducts: one for our fund manager and another one for our SOCIMI vehicle Meridia Real Estate III Socimi.
- We review periodically all the Codes of Conduct of our portfolio companies to promote a safe, healthy and productive workplace.

### Labour

- Meridia Capital Partners' internal compliance 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.

- In all our real estate investments, an appointed and certified Health & Safety Officer is included to analyse any potential labour health and safety risks.
- All our employees take “safety at work” training courses. Also, an external expert checks periodically our office’ installations (both in Barcelona and Madrid) in order to avoid labour risks.
- Meridia Capital Partners also has a remuneration policy in order to recognize the employees' contribution.
- In Spain, Meridia Capital and the funds managed by the latter do not have the formal obligation to implement an ESG / Compliance Program. Although not obliged to do so, Meridia Capital took a step forward on this matter in April 2014 and 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.
- We have implemented an internal compliance program. Our Legal Counsel & Chief Compliance Officer, Ms Elisabet Gómez, has extensive experience in compliance and legal issues, having worked more than 10 years as Group Corporate and Legal Director at Mixta Africa, a leading real estate developer in Africa with subsidiaries in 6 countries.

### Environment

- Throughout its investment process Meridia has integrated the consideration of ESG factors, including the concept of sustainability, to ensure its decision making occurs in a balanced manner that enhances creation of long-term value for investors. Meridia Capital’s procedure for every investment starts with 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.
- 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 obtained BREEAM certificates for most of our buildings and LEED certificate for all new development, which demonstrates our asset’s environmental, social and economic sustainability performance.
- We ensure emergency procedures to prevent and address accidents affecting the environmental and human health.
- When we accept a supplier, we value if the company is efficient and has an ISO. Meridia Capital doesn’t work with suppliers that have had environmental issues in the past or present. When doing the internal compliance process of acceptance/rejection of a supplier, a red flag arises if there has been any environmental issue with such company. Meridia Capital always prefers to collaborate with social enterprises suppliers.
- 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.

### Anti-Corruption

- Meridia assesses its employees on the risks of anti-corruption and has designated a contact point in charge of all anti-corruption issues.
- Meridia Capital Partners supports the UN Convention Against Corruption and other international instruments.
- Meridia offers all employees a training course on trading on stock exchange as Meridia Real Estate III is a SOCIMI - a listed vehicle.
- Meridia Capital Partners has in place a Code of Business Conduct in order to prevent any abuse, conflict of interests or any corruption issue. Internal procedures support the company’s anti-corruption commitment.

### **3. MEASUREMENT OF OUTCOMES**

## Human Rights

- Meridia's senior management review periodically that all the activities and operations are aligned with the universal human rights declaration.
- Limited partners also perform due diligence questionnaires that evaluate and monitor Meridia's performance in that regard.
- Meridia's human resources responsible ensures that all employees are treated equally, in a personal and professional matter.
- Meridia Capital has never been involved in any case of abuse or violation of human rights.

## Labour

At Meridia we strive to create a professional environment that helps us retain and attract professionals who share our values, irrespective of their gender and ethnicity.

- Demographics of management: 25% of the partners at Meridia are women
- Demographics of employees: 50/50 gender equality
- Age diversity: from 25 to 55 years old

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 conduct regular meetings with employees in order to review, evaluate and advise them how to improve.

## Environment

- Meridia Capital carries out environmental phase 1 testing during a due diligence inspection on any site or possible target asset.
- Meridia Capital recycles plastic, paper and glass in its daily basis (both Madrid and Barcelona offices). Additionally, utilizes recycled paper for its employees' daily use.
- Number of investments where we have achieved BREEAM and LEED certificates with a 'Good' and 'Very Good' ratings.
- Regular maintenance of all our real estate assets in order to ensure outstanding environmental and health performance.

## Anti-Corruption

- Training session on how Meridia's employees have to deal with incidents of corruption
- Internal audits to ensure consistency with anti-corruption commitment, including periodic review by senior management
- Clear reporting lines to allow adequate supervision.
- Separate duties to avoid opportunities of abuse.