

Communication on Progress 2022

Period covered by your Communication on Progress (COP)

From: 16 February 2022

To: 15 February 2023

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 solid 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 integrating 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 seek to hire a diverse base of service providers, consultants, advisors, etc.
- We embrace and plurality of our people and believe that this is key to our corporate and social success.
- We have implemented an additional Code of Conduct in alignment with human rights' principles and in order to prevent potential abuses or discrimination.
- 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. Employees are trained periodically.
- Meridia Capital took a step forward on ESG and Compliance and over 7 years ago, in April 2014, 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. This program is reviewed and updated, if necessary.
- We have implemented an internal compliance program. Our Legal Counsel & Chief Compliance Officer, Ms Elisabet Gómez, has extensive experience in compliance and legal issues. In addition, Meridia Capital has a designated Compliance Unit to prevent, detect, correct and minimize risks.
- Meridia Capital’s ESG and purpose is embedded in the organisation and comes from the Board. In addition, Meridia has one designated person responsible for Corporate Social Responsibility who oversees all ESG issues, Ms. Paula Piera. Also, each team / division has one responsible who looks after ESG matters and its implementation within the team.
- Meridia has a designated ESG responsible in December 2020 started to implement and ESG committee that meets on a monthly basis.

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 due diligence. 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 requirements. 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 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.
- 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 reviews periodically that all the activities and operations are aligned with the universal human rights declaration.
- Limited partners also perform periodic 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

- We are committed to advancing diversity and inclusion in Meridia Capital. From recruitment of all employees to ongoing training and policies and procedures, our goal is to ensure that we have a best in class and diverse employee base across every level of the organisation.
- 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. As of today:
 - Demographics of management: 25% of the partners at Meridia are women
 - Demographics of employees: 50/50 gender equality
 - Age diversity: from 25 to 56 years old
- Meridia Capital is a member of the management team that leads Level 20's Spanish Chapter. Level 20 is an organisation formed with a common vision of improving gender diversity in the private equity industry.
- The health and well-being of Meridia's team is of high importance. Providing seasonal fruit twice a week and an annual medical checkout are some examples of implemented initiatives during the past year. Meridia Capital also encourages its employees to practise sport and green transportation, having financed a yearly bike city pass.
- Senior management also conduct regular meetings with employees in order to review, evaluate and advise on their performance. Tailored sponsored trainings to each employee are provided periodically.

Environment

- We aim to introduce sustainability measures into all our investments by following a strict environmental due diligence process. When looking at new investment opportunities we identify risks, mitigants and ESG opportunities.
- Meridia Capital real estate division carries out environmental phase 1 testing during a due diligence inspection on any site or possible target asset.
- Meridia Capital's Real Estate division has achieved 16 BREEAM certificates, 6 LEED certificates and 2 WELL certificates. In addition, we have achieved 2 financings following the Green Loan Principles from the EMEA Loan Market Association. We constantly seek to generate positive impact in the environment through sustainable upgrades.
- Meridia Capital, through its investments, is actively working towards United Nations Sustainable Development Goal 11: Sustainable Cities and Communities - Make cities inclusive, safe, resilient and sustainable. We seek to support and integrate the local communities in the buildings and the companies in which Meridia Capital, through its vehicles, invests.
- On its offices, Meridia Capital recycles plastic, paper and glass on a daily basis. Additionally, it utilizes recycled paper for its employees' daily use.
- Meridia Capital promotes a plastic free environment, having installed a water cooler and discarded plastic water bottles and other supplies in our break rooms and board rooms.

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.