



Sustainability Report

July 2024

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Letter to our stakeholders

Driving sustainable impact



During the past year, Meridia has once again demonstrated its remarkable ability to generate long-term value in the real estate sector, driven by our commitment to our values and the support of our investors and community. Reflecting on our journey, I am proud of how our dedicated team has embraced our strategic vision and turned challenges into opportunities.

Through a combination of key strategic initiatives, we have achieved several significant milestones in 2023 and set ambitious objectives both financially and in terms of the firm's ESG performance. Our efforts are a testament to the hard work and dedication of everyone at Meridia, as well as the unwavering support from our partners and stakeholders.

Among our main actions, Meridia successfully launched its new fund, Meridia V, with a target of €400 million and the purpose of acquiring and transforming assets in Spain's key economic hubs. As of this report closing, this new vehicle has already acquired four assets in Barcelona, Málaga, Ibiza and Valencia. These investments highlight our dedication to creating value in renowned Spanish destinations. The fund will be registered under Article 8 according to the requirements of the SFDR next year, and our objective is to improve its ESG performance and enhance our internal reporting standards to monitor the impact of our initiatives.

This will be our second fund registered under Article 8, following the registration of Meridia's MGP last year. This expansion reflects our commitment to ESG-aligned business decisions in product development. MGP's scalable platform continues to grow, resulting in a total of 13 assets as of this report's closing.

Furthermore, Meridia continues to create value in its existing portfolio, having recently strengthened our presence in operational real estate by building several platforms in flexible living and hospitality. This strategic move will enable Meridia to add value through operations and our focus on the social aspects of our assets, ensuring a positive impact on the communities we serve.

Looking ahead, we are excited about the opportunities the Spanish real estate market offers and our strategy to address them. We will continue to leverage our expertise, industry relationships, and market insights to identify promising investment opportunities and deliver exceptional value to our investors and clients in terms of financial and ESG performance. Our commitment to excellence, integrity, and sustainable growth will remain at the core of our strategy as we strive to create enduring value in the years to come.

We will continue working to align Meridia's performance with the highest ESG standards in the financial market, while setting goals to further improve our overall ESG initiatives. We aim to contribute to generating both financial and environmental value, making the cities in which we operate more sustainable. We extend our most sincere gratitude to our stakeholders for their continued support and trust.

Thank you for being a part of our journey.

Sincerely,

Javier Faus
Chairman & CEO

Letter to our stakeholders

Our progress



Meridia's commitment to ESG has remained firm throughout 2023, a year marked by our responsible expansion initiatives and strong ESG performance. In this report, we show an analysis of our ESG key figures, sustainable growth, objectives, and overall alignment with the most relevant business standards in Real Estate. We have aligned the information with that reported in 2022 to compare the firm's performance and underline every improvement made throughout the year.

This is the first year in which we have reported according to the Task Force on Climate-related Financial Disclosures recommendations (currently integrated into ISSB) to disclose our climate risk and opportunities management. By adopting these guidelines, we show our commitment to align and improve our ESG information disclosure standards and provide our stakeholders with an initial analysis on the actions that are taking place in Meridia to analyze aspects such as our Governance, Strategy, Risk management and Targets & Metrics.

Furthermore, in 2023 the Meridia Glamping Program Fund has been registered as Article 8 under the EU Sustainable Finance Disclosure Regulation (SFDR). This registration makes MGP part of the vehicles that promote environmental or social characteristics, and our SFDR Declarations have been made public at our website, together with our Responsible Investment Policy. In addition to the publication of these documents, Meridia has acquired the commitment to disclose several metrics present in this report, that we will work to improve in the following years.

Our ESG Strategy has also been reinforced, and we have presented a decarbonization plan for our vehicles Meridia IV, Meridia V and MGP. The goal of achieving Net-Zero targets for Meridia's operational carbon footprint has been established for 2024, so this will be the first step towards achieving a full business decarbonization, including portfolio emissions. This kind of initiatives show our commitment to making our operations more environmentally sustainable and serve as the first step towards achieving a broader sustainable impact.

Meridia recognizes the importance of sustainability in creating long-term success, so we are integrating sustainable practices into our core business operations. Through our ongoing engagement with stakeholders, we aim to foster positive change and create value not only for our investors and clients, but also for the communities and the environment in which we operate.

Meridia is committed to advancing sustainability and taking the necessary steps to ensure a better future in the years to come, and we are confident that our business structure and overall alignment will yield the better results.

Paula Piera
Investor Relations & ESG



Meridia at a glance

 **Meridia**
Transformative Investments

Meridia at a glance

+17

years track
record

€1bn

of assets under
management

8

vehicles
launched

+60

deals &
projects so far

80%

of institutional
investors

2

Offices:
Madrid &
Barcelona

26

Professionals

Our main business lines

Real Assets



Real Estate

Solid track record investing and transforming assets in Spain.



Glamping

Turning campings into a sustainable, open air concept with modern design.



Advisory Accounts

A partner on the ground for global institutions.

PE



Private Equity

Development of leading Spanish companies with high growth potential.



Purpose, values & commitments

Our purpose

In Meridia, we are fully committed to implementing sustainable practices across our operations, products, and services. From minimizing our environmental footprint and promoting resource efficiency to supporting ethical sourcing and fostering social responsibility, we strive to create a positive impact on the planet and society. Our commitment to sustainability drives our decision-making process, and we continuously seek innovative solutions to ensure a more sustainable future for generations to come. Our identity evolves around transformation, innovation, excellence, and trust, reinforcing Meridia's commitment as an active agent of change.

We are committed to the transformation of assets to achieve sustainable economic growth, always seeking to strengthen the community in which we live. Our commitment to transformation is reflected in the results: long-term value creation for our investors and a positive impact on our culture, cities, and community.

We believe that private capital is the key to face the great challenges of society. We are convinced that we can go one step further, creating an ecosystem of value, beyond investors. Through our portfolio, Meridia's commitment is to be an active agent of change, making positive impact in our ecosystem while strengthening local communities.

Our strategy is based on four drivers

Generate sustainable value across all our investments

1

Strengthen our communities

2

Promote sustainability with reinforced internal processes

3

Spearhead private investment in Spain while promoting positive impact

4



Values

With an active role, discipline, entrepreneurial spirit, and responsible investment, we want to **lead the transformation of today's assets into assets of the future.**

We invest to transform

INTEGRITY

Our investments are analyzed and managed in accordance with the highest ethical values.

EXCELLENCE

We seek to be the best in everything we do.

SOCIAL IMPACT

Responsibility is embedded into every decision we make. Careful management of ESG factors is of the outmost importance to the firm.

ENTREPRENEURSHIP

An agile and flexible professional environment allows us to differentiate ourselves through creative thinking.

Our ESG strategy

Sustainability has long been a cornerstone of Meridia's corporate strategy.

Our enduring commitment to ESG, has lived significant milestones, such as the creation of our first ESG policy in 2014, and the affiliation to UN PRI in 2018. The past few years have been crucial in reinforcing this commitment, leading the firm to create its first Article 8 fund and develop a decarbonization strategy for Meridia IV, Meridia V, and the MGP.

Looking ahead, we aim to be one of the first fully Net Zero Spanish investment managers during the next year, when it comes to the carbon footprint related to our own operations. Thus, this year, we will reinforce our efforts to decrease our internal Scope 1 and Scope 2 emissions to reach this milestone, and work towards decreasing the carbon footprint of our portfolio assets in the coming years. In addition, we have shown our commitment to TCFD (currently integrated into ISSB) and have taken steps to achieve the best outcomes. This will be the first year in which we report according to the TCFD recommendations.

During the next year we want to register Meridia V as an Article 8 under the SFDR, making it the second Meridia's fund to have this added value. Our most ambitious goal is to have an ESG plan for all assets and develop environmental and social actions across all our portfolio.



Commitment

To ensure adherence to the highest standards of ESG performance management, we actively endorse several internationally recognized sustainability frameworks to benchmark our ESG performance.

By doing so, we enhance our transparency in showcasing our business performance. Additionally, it enables us to stay abreast of the latest global ESG trends and best practices, empowering us to provide valuable insights that drive ongoing improvement.

Main supports and memberships



We became a signatory to the United Nations Principles for Responsible Investments (UN PRI) in 2018.

PRI Assessment Scorecard: 2023

Real Estate: 5 stars



We completed the GRESB Real Estate assessment for the first time in 2021. In Meridia we aim to improve our overall ESG performance by continuously improving our GRESB rating. Since Meridia follows a value-add business model, our score reflects the ongoing transformation of multiple assets.

GRESB Assessment Scorecard 2023

Total score: 64 points



We are a longstanding supporter to the United Nations Global Compact and reported against its principles since 2014.



In 2023, Meridia will report following TCFD recommendations for the first time, making its best efforts to ensure compliance and continuously improving upon the chosen disclosure standards as a Real Estate company.

A photograph of a modern, two-story building with a prominent orange upper section and a grey lower section. The building features large glass windows and a glass entrance. A dark car is parked in the foreground on the left, and a small tree is visible in the foreground on the right. The sky is clear blue.

Contribution to the Sustainable Development Goals

Our contribution to the SDG

Our firm is fully committed to the Sustainable Development Goals (SDGs) set by the United Nations.

We recognize the urgent need to address global challenges such as inequality and Climate Change. Through our operations and initiatives, we aim to contribute to the achievement of the SDGs and create a more sustainable future for all. After a careful analysis of the SDGs, our stakeholders, our ESG strategy and our Responsible Investment Policy, Meridia is focusing on four Goals where it can best deliver opportunities and minimize risks through its activities and corporate strategy.





Achieve gender equality and empower all women and girls

Meridia has an special focus on diversity, as such, gender inclusion is at the top of our agenda.

Ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making is key to achieve the goal, as such, we have been measuring women proportion and assuming a nongender-pay gap policy for several years.

Over 50%

of Meridia's
employees are
female.

50%

of senior management
positions (Director and
above) are women.



Make cities and human settlements inclusive, safe, resilient, and sustainable

Meridia has the opportunity to design more inclusive, efficient, and sustainable buildings. Through our asset investment strategy, our focus is to reduce environmental impact and support local communities. Examples include measuring and reducing waste generation, using renewable and local building materials, designing buildings that integrate with the local environment, and promoting job creation and activities within the local areas where assets are being developed.

64%

of Meridia IV's assets are certified
by the BREEAM, LEED and/or
WELL standards.

Meridia has a target to achieve
BREEAM or equivalent certificates
in **100%** of all real estate
assets.



Goal 6 – Clear water and sanitation

Meridia promotes the implementation of measures to reduce water consumption and replace inefficient water fixtures in all assets.

For constructions and major renovations, Meridia requires the protection of surface water, groundwater, and aquatic ecosystems.

Meridia has the following objectives for brown-to-green projects:

- Install permanent water metering.
- Implement rainwater harvesting systems in new developments.
- Use native vegetation with low water consumption and efficient irrigation.

On brown-to-green projects, Meridia has the goal
to achieve a **50%** water reduction.



Take urgent action to combat Climate Change and its impacts

Meridia is actively and thoroughly integrating Climate Change into its investments. We have an unequalled opportunity to act against Climate Change. For this reason, Meridia has implemented initiatives to tackle climate impacts, such as the following:

- Implement energy efficiency measures in all investments.
- Reducing water consumption in all investments.
- Reducing CO₂ emissions in all investments.

We are committed to the **SBTi** and its mission to
mitigate climate change.

In addition to the main SDGs supported by Meridia, our activities also indirectly contribute to four additional ones, as detailed below:



Good health and well-being

- Healthy environments and activities are promoted in MGP's assets.
- Healthy design and construction are emphasized in projects such as Project Stone and Midtown.
- The construction of green spaces and sports facilities is promoted in our assets, exemplified by Project Smart.



Quality education

- Meridia actively promotes training on tenant selection, collaborates with business schools, and offers a special training program for employees.



Affordable and clean energy

- Meridia promotes energy efficiency in its buildings and camping facilities, as well as the use of renewable energy sources such as solar panels and geothermal energy. Additionally, it has been awarded and certified for its transition from brown-to-green buildings and camping facilities.



Life on land

- Meridia encourages the restoration of natural habitats and biodiversity near its facilities. Across all MGP assets, Meridia promotes activities to foster nature conservation and sustainable practices. Buildings located in big cities feature green rooftops or gardens, contributing to urban biodiversity.



Management & governance structure

ESG governance

Beyond good governance, we are continually striving to strengthen our foundation in ESG management. Meridia has embedded its ESG policy and principles within its fund management activities and internal corporate operations.

To facilitate the integration of ESG factors into our operations, Meridia has established the following governance structure and processes:

Board of Directors

ultimately supervises all ESG decisions, oversees the implementation of all actions and is therefore directly accountable for the implementation of the ESG strategy.

Sustainability Manager

responsible for the implementation and evaluation of the Responsible Investment Policy, for the implementation and coordination of environmental initiatives and certifications within the organization.

Compliance Unit

regularly reviews the procedures to prevent, detect, rectify, and minimize risks of sanctions, material financial loss or reputational damage due to the violation of any law or regulation, or breaches of the Code of Conduct.

Performance Evaluation

involvement in ESG issues of Meridia's employees is evaluated annually in their performance evaluation. The variable remuneration is aligned with and depends on the results, and an element that is also assessed is the integration of sustainability risks into employees' investment analysis and decision-making tasks.

Additionally, Meridia also secures the services of **external advisors** for specific matters, when necessary, to incorporate the best practices when designing ESG policies and procedures, as well as in measuring and auditing ESG KPIs, among others.

ESG Committee

The ESG Committee is led by Javier Faus, Chairman & CEO, coordinated by Paula Piera and formed by members from different business units, aiming to spread sustainability to all Meridia's activities. It meets monthly with the aim of having sustainability perfectly integrated in all Meridia's business activities.

Main functions

- Preparing and updating the Responsible Investment Policy.
- Creating and reviewing the corporate ESG strategy and its embedment in the different business lines and investment programs.
- Defining processes and measures to integrate responsible investment practices in the different business lines and investment programs, in addition to reviewing their constant update and improvement.

Structure



Javier Faus
Chairman & CEO



Paula Piera
Investor Relations & ESG



Víctor Iborra
Partner
Real Estate



Jose Luis Raso
CFO & Risk Management



Elisabet Gómez
Head of Legal & Compliance



Anna Castan
Director
Hospitality and Glamping



Jaime Monzó
Associate Director
RE Project Management



Zulema Canosa
Associate Director
RE Asset Management

Materiality analysis



Meridia
Transformative Investments

Materiality analysis

Materiality assessment is aimed to help us focus on the most significant sustainability issues, engage stakeholders, enhance transparency, and drive performance, leading to improved business resilience.

Materiality assessments support our understanding of the risks and opportunities associated with sustainability, which have a significant impact on the organization's financial performance, reputation, and long-term viability. This allows us to allocate our resources and investments more effectively and efficiently, reducing costs, improving operational efficiencies, and enhancing our social and environmental impact.

Among the increasing complexity and disclosure requirements from regulators and stakeholders, nowadays the sustainability reporting framework is being defined by the concept of double materiality, which entails analyzing both the organization's impact on the environment and society (inside-out approach or impact materiality) and the impact of certain issues on the organization's value creation potential (outside-in approach or financial materiality). This has been central for the evolution of the Non-Financial

Reporting Directive (NFRD) in the EU and is currently being reviewed by the Corporate Sustainability Reporting directive (CSRD), as well as by the European Financial Reporting Advisory Group (EFRAG). It is also crucial for the most recognized non-financial reporting standards such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). 2023 is the first year in which we report in accordance with the TCFD's disclosure recommendations, demonstrating our commitment to transparency and aligning with industry best practices.

To find out which sustainability topics are material to Meridia, a shortlist of 20 ESG issues was elaborated prior to the in-depth analysis. Then, each issue was assessed by its relevance to Meridia's activities, following the concept of double materiality explained above and its methodology:

Impact materiality / external

relevance: peer benchmark, ESG prescribers (SDG, PRI, MSCI, SASB, GRESB), and sectorial prescribers (INREV, EPRA) were used to address how our activities could impact society and environment.

Financial materiality / internal relevance:

the shortlist of sustainability sensitive issues was also addressed by an internal perspective, by which we assessed how those potential impacts could financially affect our business.

ESG prescribers

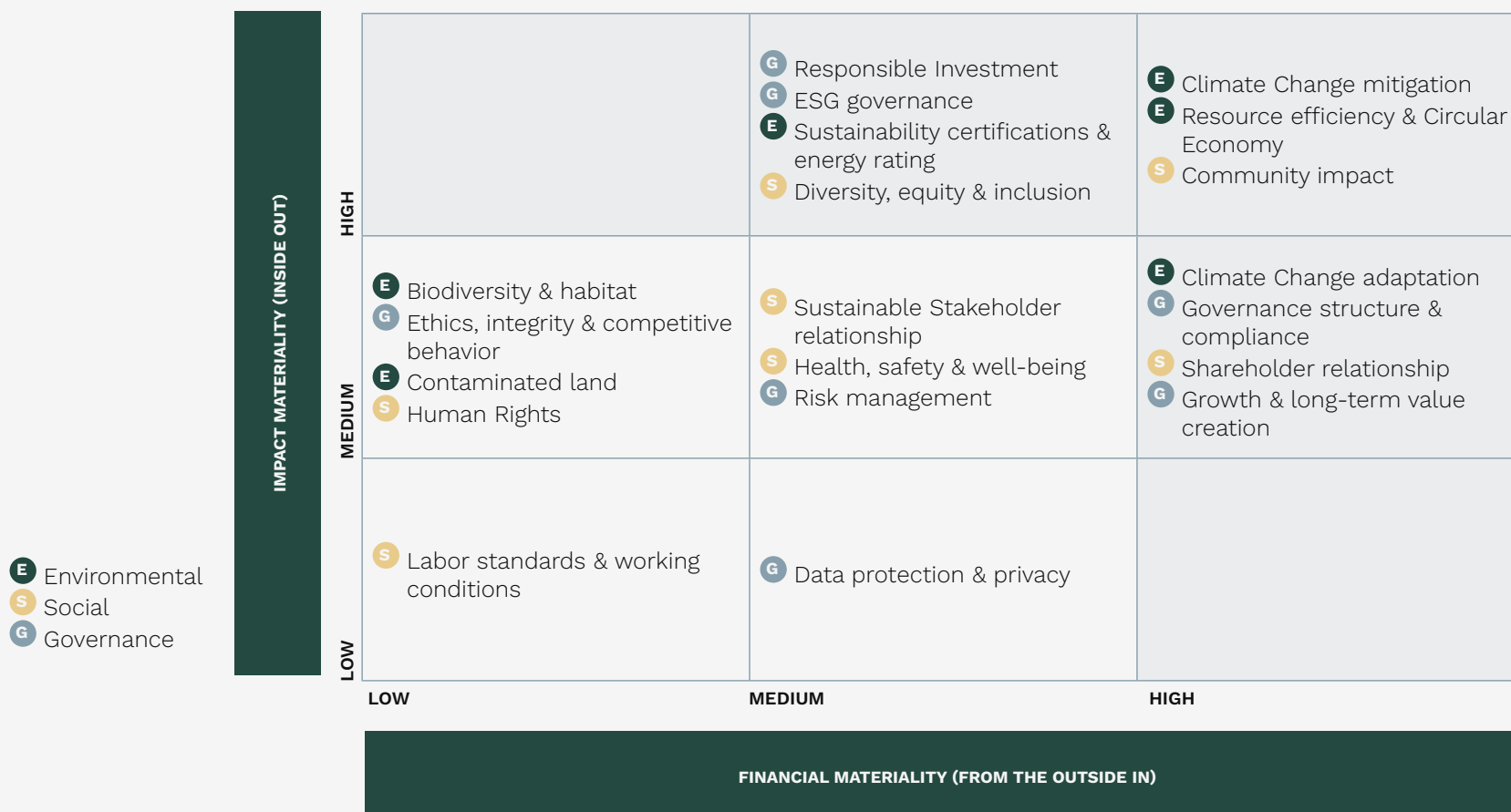


Sector prescribers



Once the relevance of each sustainability topic was calculated, weight was assigned to each input. Based on this ponderation, the final materiality matrix is elaborated, allowing us to identify those sustainability topics material to Meridia and its business activity.

Additionally, we have assessed the material topics for our different kind of real estate assets, aiming to enhance the general picture of our business activity and deepen our knowledge on our impacts.





Integration of responsible investment in the investment lifecycle

Endorsement of the Principles of Responsible Investment

As institutional investors, we have the duty to act in the best long-term interests of the beneficiaries. In this fiduciary role, Meridia believes that ESG issues can affect the performance of investment portfolios.

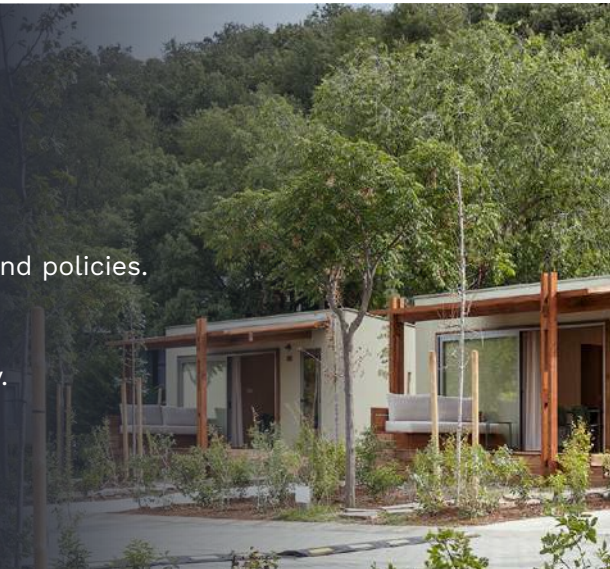
Meridia, as signatory of the UN PRI, recognizes that applying these Principles may better align investors with society broader objectives. Therefore, where consistent with the fiduciary responsibilities, Meridia commits to the following Principles:

- Principle 1:** Incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2:** Be active owners and incorporate ESG issues in the exercise of our ownership practices and policies.
- Principle 3:** Seek appropriate disclosure on ESG issues by the investee's entities.
- Principle 4:** Promote acceptance and implementation of the Principles within the investment industry.
- Principle 5:** Work together to enhance our effectiveness in implementing the Principles.
- Principle 6:** Report on our activities and progress towards implementing the Principles.

Signatory of:



This year, UN PRI recognized Meridia's performance by awarding the firm an A+ rating in the real estate sector. This represents a significant achievement for the firm and reflects our commitment to excellence and sustainable practices within the industry.



SFDR

Meridia registered its Meridia Glamping Program (MGP) as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR).

SFDR is a financial services disclosure regulation created by the European Union to promote ESG integration during the investment decision-making processes. It imposes certain requirements for disclosing ESG information, ensuring consistency and comparability among companies, and enabling investors to assess the sustainability performance of different financial products.

Our Article 8 fund has committed to annually ensure the disclosure of certain information, such as the energy efficiency, water use, and waste management. All this ESG performance information is periodically disclosed through the fund's annual reporting and Meridia's presentations for investors.

Furthermore, as a financial institution subject to the SFDR disclosure requirements, we have made the entity-level SFDR Declarations publicly available on

our website. These provide a concise overview of how we implement our Responsible Investment Policy and address ESG risks and opportunities. Additionally, in 2023 we modified our Remuneration policy to establish a connection between management and employee's variable salary and factors related to non-financial results, including ESG general objectives.

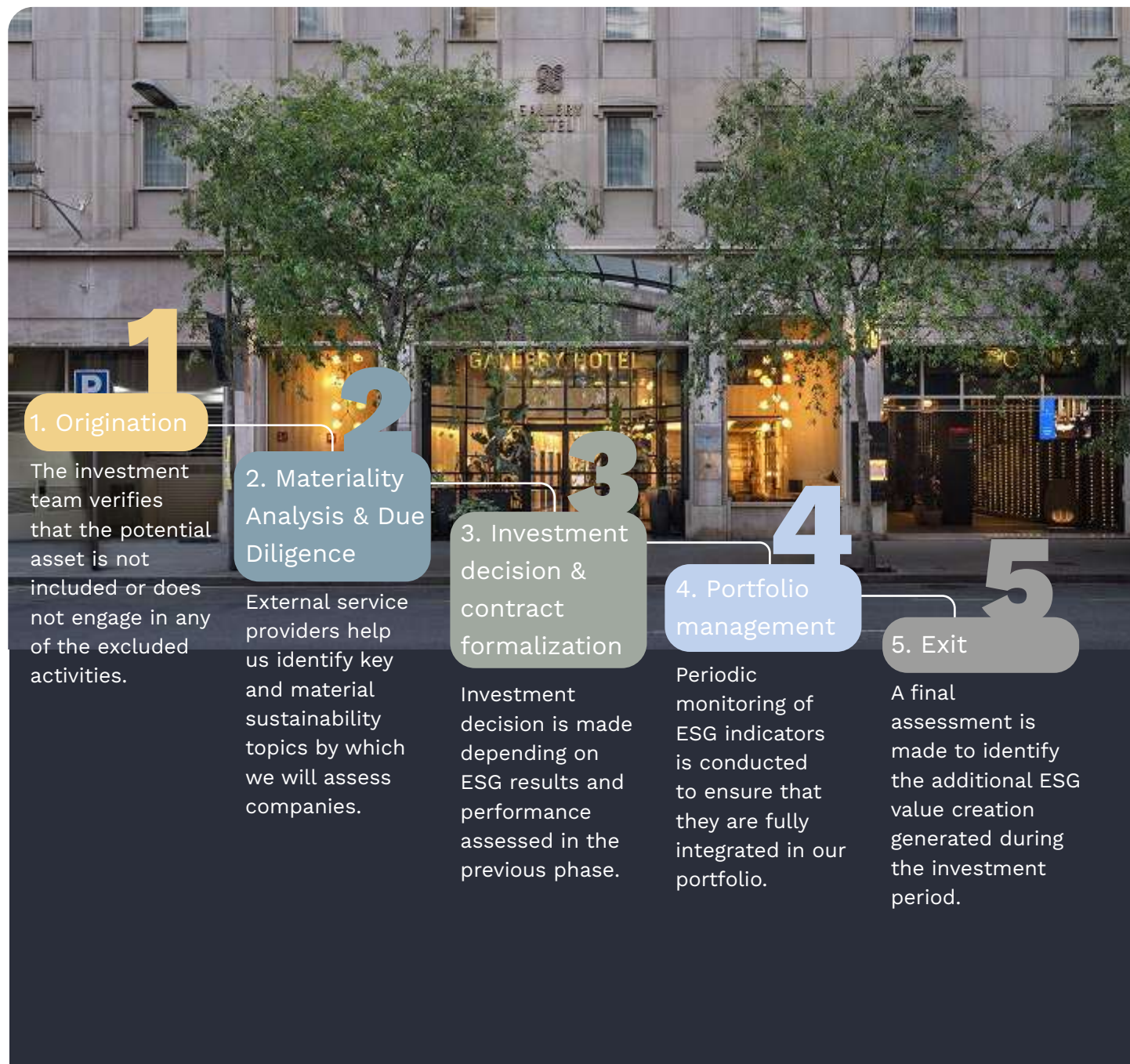
By complying with these requirements, Meridia not only ensures transparency and accountability in ESG matters, but also contributes to achieving a more sustainable and socially responsible financial industry.

Meridia is focusing on four Goals where it can best deliver opportunities and minimize risks through its activities and corporate strategy.

Key phases on ESG integration in the investment process

As part of Meridia's active ownership strategy, ESG aspects are entirely integrated into the investment life of their projects to achieve long-term value creation.

Our Responsible Investment Policy covers 100% of Meridia's assets under management and is integrated into all investment phases.



1

Origination

As a first step for the investment procedure, investment teams verify that the assessed company or project does not engage in any of the excluded activities. Meridia follows the exclusion list of the World Bank's International Finance Corporation and that of the European Investment Bank.

Additionally, Meridia does not invest or partner with stakeholders that are not likeminded, particularly those related to the following illegal or controversial activities, which are excluded from the universe of potential investments:

- The production or distribution of tobacco and tobacco-related products.
- Companies related with controversial weapons (anti-personnel mines, Biological and chemical weapons, or Cluster Munitions).
- Gambling.
- Any resulting in the limitation of the individual rights or freedoms of individuals, or Human rights violations.
- Stakeholders not in compliance with UN Global Compact principles and that do not consider legally required elements.

2

Materiality Analysis & Due Diligence

Meridia works with external service providers and industry experts to review and assess the relevant information to ultimately reach valuation and investment decisions. All material ESG factors, sustainability risks and adverse impacts, as well as those likely to be material, are identified and considered as part of its investment decision making framework.

As previously explained, in the due diligence process, prior to the selection of assets, Meridia will consider the environmental and social impact of the assets in which it may invest. Additionally, it will conduct an ESG materiality analysis to identify key sustainability problems, risks, and opportunities that potential assets subject to investment may present.

A specific ESG Due Diligence will be carried out based on the aspects identified in the materiality analysis, which additionally may include:

- Analysis of performance on key issues and indicators.
- Identification of actions and CapEx plans to improve on selected indicators.
- Determine monitoring plan of key indicators.
- Identification of cost-effective environmental improvements to future proof the value of assets.

3

Investment Decision & Contract Formalization

With regards to assets: the Investment Committee relies on key results of the previous ESG materiality analysis and due diligence, which are integrated in the Investment Memorandum and ensures the alignment with Meridia's Responsible Investment Policy. Investments with suboptimal ESG can be quickly improved by defining an ESG roadmap during the holding period.

With regards to tenants: we acknowledge the need to engage with our tenants in order to manage the broader environmental and social impacts of their business operations. Therefore, a series of clauses related to ESG issues are included, aiming to drive improvement and limit negative impacts.

With regards to construction companies: when selecting construction companies, we ensure that they share the values and practices of Meridia's Responsible Investment Policy and that they consider the relevant sustainability issues in real estate assets. It will also be ensured compliance with labor legislation and inclusion of decent labor practices, work conditions, and respect for human rights principles.

With regards to property or facility managers: when assessing property or facility managers, we seek clear and detailed expectations of ESG issues, climate risk factors (risk & performance) and monitoring to be included in the service agreement. Once a property or facility manager is accepted, an evaluation is made to prove that the company is efficient and has an ISO.

4

Portfolio management

We undertake periodic monitoring of relevant ESG metrics at asset and portfolio level.

To ensure integration of ESG factors across all assets and the consecutions of sustainability targets, we engage with real estate tenants on energy, water consumption and/or waste production, among others, to ensure ongoing improvement of the data collected and at the same time guaranteeing duly disclosure for investors on such topics. Monitoring and reporting of the relevant ESG KPIs is done at least on a quarterly basis by property or facility managers and/or tenants. Meridia gives constant support when collecting quantitative and qualitative data to measure and assess the ESG performance of assets.

– Environmental:

- Energy and Resource efficiency.
- Environmental footprint & Climate Change.
- Green Building Certification.
- Construction, renovation & refurbishment.

– Social:

- Human resources management.
- Community relationships.

– Governance:

- Promote Human Rights throughout the entire value-chain.
- Ensure fair, transparent, and tailored negotiations.
- Guarantee data protection and privacy.
- Promote an ethical business environment.

5

Exit

Meridia recognizes the importance of long-term value creation since the investment life doesn't end with our exit from assets or investments. That is why we want to make a difference by developing and repositioning investments, guaranteeing that they do not become obsolete over the long term, and willing to leave improved assets and surroundings.

When an asset has achieved the exit readiness phase, the investment team performs an assessment and evaluation of the asset through the ESG performance records, with the objective of capturing the additional ESG value generated during the investment period.

Driving sustainable real estate investments: an interview with **Jaime Monzó**, Associate Director, Project Management



What is the role of the Project Management Team at Meridia?

Our role involves overseeing the technical aspects of our real estate assets. This includes managing the development, renovation, and maintenance projects across our portfolio. We ensure that all projects are executed efficiently, on time, and within budget while meeting the highest quality standards. We are also responsible for ensuring compliance with regulatory requirements and implementing sustainability practices in our projects.

How is Project Management integrated with the Real Estate team at Meridia?

We are integrated throughout the entire life cycle of Meridia's assets. During the acquisition process, we handle technical due diligence and analyze potential CapEx/refurbishment projects. We oversee project development across all its phases and closely monitor all assets throughout their investment cycle. Meridia is one of the few investment institutions within the real estate industry that has an in-house project management team.

What are some of the key challenges you face in managing the technical aspects of the portfolio, and how do you address them?

One of the main challenges we face is balancing cost, time, and quality. Real estate projects can be complex, with many moving parts, and unexpected issues can arise. To address this, we implement rigorous planning and risk management processes. We also foster strong relationships with our contractors and suppliers to ensure clear communication and collaboration. Another challenge is staying ahead of regulatory changes and incorporating sustainable practices. We tackle this by continuously monitoring regulatory updates and integrating innovative, eco-friendly solutions into our projects.

How does Meridia ensure that its real estate projects align with its ESG objectives?

Aligning our projects with ESG objectives is a top priority for us. We start by incorporating sustainability criteria into our project planning and design phases. This includes using energy-efficient materials, implementing water conservation systems, and ensuring good indoor air quality. We also

focus on the social aspect by creating spaces that enhance the well-being of occupants and the surrounding community. We discuss every asset in our ESG committee to make sure that project management is aligned with asset management and the firm's overall objectives.

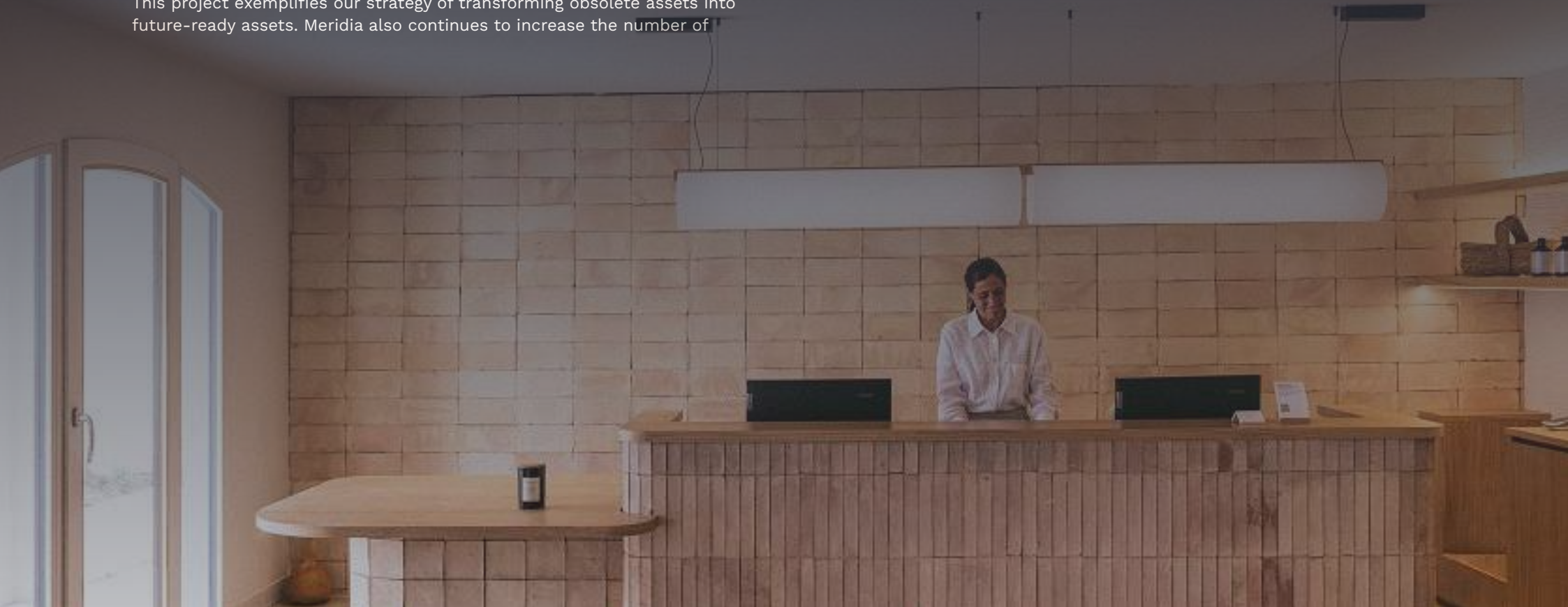
Can you share an example of a project where Meridia applied its ESG principles effectively?

One example is our new industrial development in Martorell, where we are pursuing a Net Zero Carbon certification. We are compensating for all emissions generated from the construction of the building and the carbon imported from the production and transportation of construction materials. This project exemplifies our strategy of transforming obsolete assets into future-ready assets. Meridia also continues to increase the number of

assets with sustainable building certifications, moving towards our goal of 100% certification with BREEAM, LEED, and/or WELL standards.

What are Meridia's future goals concerning ESG?

We are dedicated to continuing our efforts to enhance our ESG initiatives. Our aim is to maintain the highest standards in environmental and social governance, achieve comprehensive certification for our assets, and further reduce our carbon footprint. We are confident that by staying committed to these goals, we will continue to address new projects, opportunities, and challenges, building a socially responsible real estate sector and investing in a shared future.





Our impact



 **Meridia**
Transformative Investments

Our impact

The following information focuses only on Meridia's indicators as an investment manager and its main active vehicles: Meridia IV, Meridia V, and Meridia Glamping Program (MGP).

Meridia IV:

- 2019
- Equity of +€250m
- Value-add Real Estate



MGP:

- 2022
- Equity of €136m
- Building a consolidated and unique premium platform in Iberia



Meridia V:

- 2023
- Target €400m
- Diversified portfolio in real estate investment with strategies concentrated in the most liquid markets





Meridia III

Value-add Real Estate			
Project	Asset Type	City/Town	Number of Individual Properties
Project ICE	Living	Barcelona	36
Project Beagle	Alternative	Barcelona	1
Project Smart	Office	Barcelona	1
Project Insurance	Office	Madrid	4





Meridia IV

Value-add Real Estate			
Project	Asset Type	City/Town	Number of Individual Properties
Project Granollers	Logistics	Barcelona	1
Project Nest	Hospitality	Seville/ Barcelona	4
Project Milanesado	Office	Barcelona	2
Project Xamenes	Logistics	Barcelona	1
Project Caterina	Living	Barcelona	4
Caterina (OpCo)	Living	Barcelona	1
Project Stone	Office	Barcelona	1
Project Glam	Hospitality	Various	12
Project Uptown	Office	Barcelona	1
Project JC 22	Alternative	Madrid	1
Project Barberá	Logistics	Barcelona	1
Project Swiss	Office	Barcelona	1
Project Hotel Maritim	Hospitality	Barcelona	1
Project Black	Office	Madrid / Barcelona	4
Project Cronos	Office	Madrid	1
Project Cold	Logistics	Gélida	1

MGP

Value-add Real Estate					
Site	Accommodations	Dry Tents	Plots	Total Units	Wecamp Brand
Pedraforca	54	2	166	222	2025
Cádiz	72	-	-	72	2025
Cudillero	19	27	89	135	2024
Pirineos	80	29	108	217	2023
Cadaqués	39	36	67	142	2023
Empordà	23	30	61	114	2025
San Sebastián	79	33	140	252	2023
Cala Montgó	157	68	260	485	2023
Cabo de Gata	94	22	72	188	2022
Santa Cristina	103	24	76	203	2022

As of this report closing, an additional two sites were acquired: Jávea - an exclusive coastal location in Alicante, and São Miguel - a camping facility located in Odeceixe, Portugal.





Meridia V

Value-add Real Estate			
Project	Asset Type	City/Town	Number of Individual Properties
Project Gallery	Hospitality	Barcelona / Málaga	2
Project Pitiusa	Hospitality	Ibiza	1

In June 2024 Meridia V acquired Project Orange, a logistics project in Valencia.



Operational Real Estate

Meridia is creating value through operational real estate, by investing in OPCO (Operating Companies) platforms and professionalizing industries, such as glamping, as well as other examples:



Caterina

Meridia has strengthened its presence in the operational real estate market through a recent partnership with Caterina, a Spanish hospitality company specializing in renting corporate apartments to professionals in major business and economic cities in Spain for short-term stays. This innovative business model is unique in the Spanish market, and our plan is to scale it to achieve the highest standards in ESG management, profitability, and people management.

Meridia is not only the owner of the real estate but also the majority owner of the operator, enabling us to ensure greater comfort for our residents and respond more effectively to any issues that may arise. We are pleased to have joined forces with Caterina and are committed to maintaining the highest environmental standards across both companies.

In 2024, our objective is to obtain BREEAM In-Use certification for Caterina's buildings located in Puerto Príncipe, Bac de Roda, and Príncipe de Viana.

Until now, Meridia's focus has been on enhancing its buildings' value through various improvements, most of them related to ESG topics. However, the acquisition of the opco, Caterina will provide us with a greater opportunity to engage with society, and social value.

B&B

In 2023, Meridia established a business relationship with B&B, a European hotel chain known for its affordable, yet comfortable accommodations. This collaboration has marked Meridia's entry into the budget hotel business, signifying a strategic step towards expanding its market.

Initial investments for this scalable program comprise four plots of land: one in Vallecas (Madrid), two in Seville, and one in Vilaseca (Tarragona) that will be dedicated to the construction of four hotels. It is expected that these buildings will yield a total of +500 rooms, and we are starting operations from 2024. Our firm will be responsible for constructing and maintaining the hotel premises, while B&B will focus on customer service and operations.

Environmental

We seek to minimize our corporate environmental footprint by engaging in environmentally responsible initiatives.

Internal Management

We promote environmental awareness within our organization and have implemented several initiatives that align with our environmental principles:

- Continuous internal recycling programs and reduction of paper product usage.
- Promotion of a plastic-free environment.
- Implementation of energy efficiency measures in our offices.
- Encouragement of green transportation among employees.
- Calculation of Meridia's corporate operational footprint.
- Establishment of an internal energy-saving program using energy-efficient equipment.
- Participation in environmental volunteering projects.
- Use of locally sourced materials (from Km 0 sources).

Environmental key figures

Energy consumed (MWh)	47.42
Energy intensity - Barcelona (MWh/sqm)	0.12
Energy intensity - Madrid (MWh/sqm):	0.032
Emissions (Tn CO ₂):	23.33



Portfolio Management

From a portfolio management perspective, our goal is to sustain a portfolio that demonstrates resilience amidst the ongoing challenges posed by the Climate Change. Additionally, we strive to optimize resource use while minimizing our environmental footprint. To achieve this, we adhere to a rigorous environmental due diligence process, ensuring a comprehensive assessment of environmental risks and issues associated with prospective acquisitions. Simultaneously, we actively seek out new opportunities that can enhance the environmental performance of our assets.

Road to Net-Zero

In Meridia, we are committed to the Science Based Targets initiative (SBTi) and its mission to combat climate change through ambitious and measurable goals, starting its application in Meridia IV. We understand the urgent need for collective action to address environmental challenges, and as a result, we have embraced the SBTi framework to build a solid base for further setting of science-based targets for reducing greenhouse gas emissions.



Green lease clauses

As a mean to drive improvement among tenants, we have implemented the inclusion of green lease clauses, while adapting to serve their needs and sustainability priorities. The clauses included cover the following topics:

- **Protection of environmental risk:** measures relating to the protection of the environment.
- **Management and Reciprocal Information on Energy Consumption:** improving the energy and environmental performance of assets and guaranteeing the provision of data and information on their consumptions and/or emissions.
- **Waste Separation:** improving waste recycling and reduction measures and commitments.
- **Waste Reduction:** reducing waste by avoiding single use and plastic packaging and prioritizing fresh food.
- **Sustainable public services:** installation of low- and zero-carbon technology and alternative energy sources.
- **Biodiversity:** enhancing the biodiversity of the assets and their surroundings.
- **Raw materials:** elaborating menus preferably with fresh, seasonal, and proximity food.
- **Social Value:** commitment with society.

Sustainability certifications & energy rating

To integrate and promote sustainable practices in our building operations, we are proactively expanding our green building portfolio by obtaining internationally recognized certifications for our assets. As of July 2024, Meridia has achieved the following certifications for both assets under management and assets exited:

Meridia is working to obtain four additional Biosphere certifications and two Star light certifications in our MGP assets. Furthermore, the Molina Lario hotel is initiating the necessary renovations and processes to obtain the Biosphere certification. Currently, several actions are taking place, including the installation of timers, changing sinks, and replacing bathtubs with showers.

MGP

Sustainable building certifications:

7 Biosphere

Hospitality certifications:

1 Bed & Bike

2 Sleep Friendly

1 Starlight

58%

assets with sustainable buildings certificates.

Meridia III

Sustainable building certifications:

14 BREEAM

2 LEED

Hospitality certifications:

2 WELL

1 Wirescore

100%

assets with sustainable buildings certificates.

Meridia IV

Sustainable building certifications:

7 BREEAM

3 LEED

Hospitality certifications:

1 Wirescore

83%

assets with sustainable buildings certificates.

Meridia V

Sustainable building certifications:

1 Biosphere

33%

assets with sustainable buildings certificates.

Progress towards target:

78%

We have established the target of having **100%** of our assets environmentally certified*

*As of 2023, targets refer to Meridia IV, Meridia V, MGP and the upcoming vehicles of the management company.

Case Study

Enhancing Environmental Value through ESG Initiatives at Aragó 90

Meridia acquired a residential building centrally located in Barcelona. The building was outdated, and we implemented numerous ESG-related changes to enhance its environmental and overall value. Among other improvements, Meridia:

- Upgraded the energy system by adding thermal insulation to the main façade and replacing the existing heating and hot water systems with aerothermal energy.
- Reduced energy consumption by installing LED lighting in both individual units and common areas.
- Installed new, energy-efficient lighting devices.
- Promoted the improvement of various environmental features for interior equipment, including indoor air quality, the use of sustainable materials, and effective waste management.
- Upgraded sinks to meet the flow rates required by BREEAM standards and implemented a leak detection system to reduce the building's water consumption.



2023 Energy Consumption

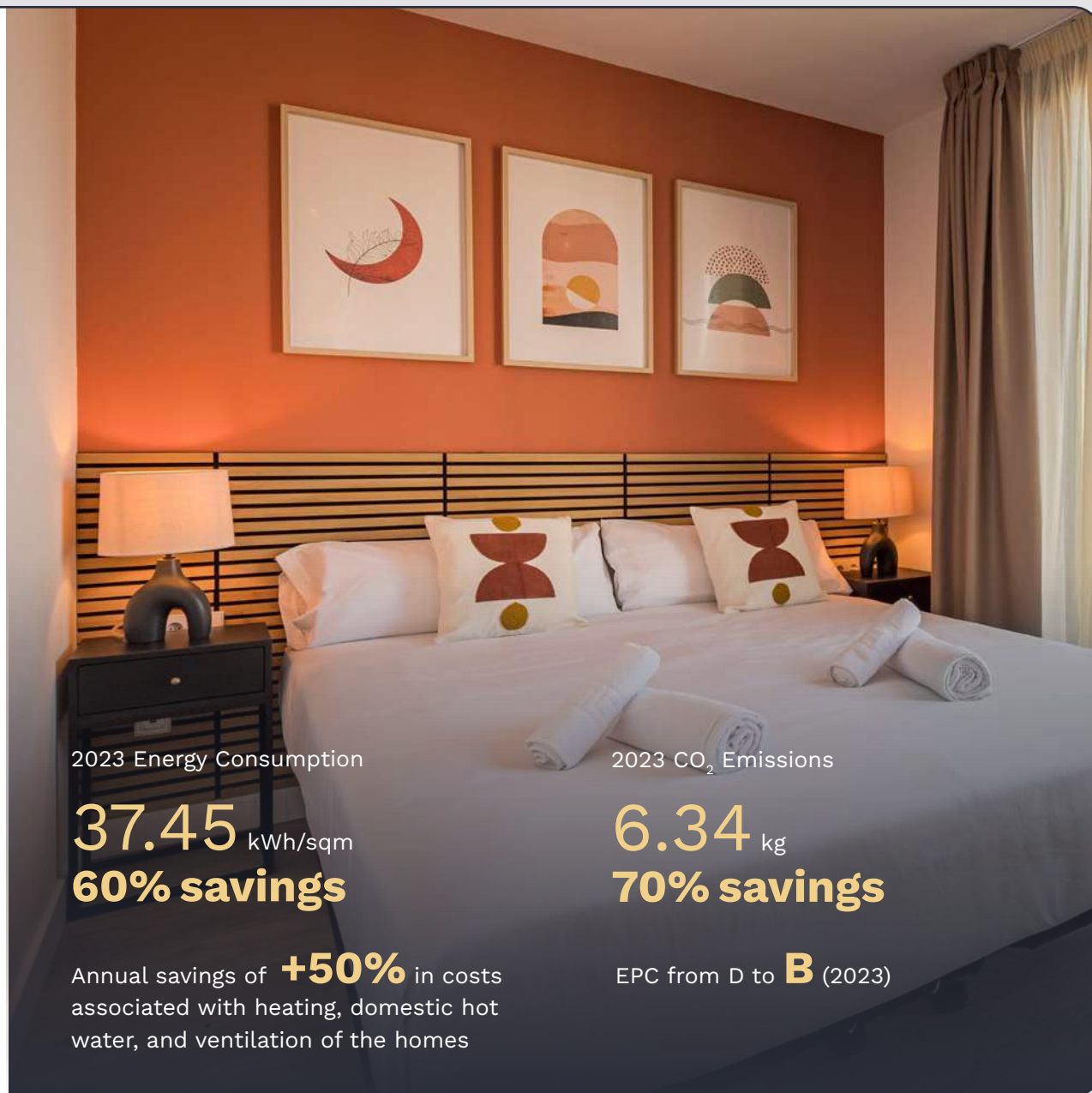
37.45 kWh/sqm
60% savings

Annual savings of **+50%** in costs associated with heating, domestic hot water, and ventilation of the homes

2023 CO₂ Emissions

6.34 kg
70% savings

EPC from D to **B** (2023)



Transforming cities: Brown-to-Green

Transformation and refurbishment of assets is at the core of our investment strategy. Here are some examples of green asset requirements we follow, in order to meet future standards and not be exposed to obsolescence:

Energy

- Reduce greenhouse gas emissions
- Reduce fossil fuel energy
- Install advanced energy metering
- Energy certification – EPC A or B
- Comply with energy standards
- Light pollution reduction

Material & Waste

- Develop and implement a construction and demolition waste management plan
- Reduce landfill waste by 50% in refurbishments
- Over 60% of the waste produced by assets in operations recycled
- 10% of materials used in refurbishment and new developments extracted or acquired responsibly
- Promotion of recycling during the construction and operation
- Reduce disproportionate burden of landfills and incinerators

Water

- 50% water reduction system
- Install permanent water metering
- Target rainwater harvesting system in new development
- Native vegetation (low water consumption + efficient irrigation)

Social Aspects

- Green lease clauses to tenants
- Neighborhood development
- Promote public transport and bicycle facilities to reduce parking footprint
- Provide green outdoor areas for users
- Promote physical, educational, and cultural activities for the community
- Tenant survey satisfaction

Brown to Green Case Studies

Project Gallery & Molina Lario: Meridia transforms two Hotels

Project Gallery involved the acquisition of two hotels in Barcelona and Málaga. Meridia V is undertaking various actions in both environmental and social fields to elevate both buildings to the highest ESG standards. Notably, we have promoted the use of 100% green energy starting from November 2023. Our goal for 2024 is to continue actively promoting best practices to increase the value of our assets and enhance environmental friendliness.

Gallery Barcelona

- Adjust WC cisterns to reduce the capacity from 8L to 6L, and from 6L to 3L.
- Optimize A/C consumption in deluxe rooms and suites by synchronizing machines with window disconnection.
- Replace fluorescent lights with LED in offices.
- Provide parking area for bicycles and scooters for employees.
- Substitution of single-use bottles with filtered water (restaurant).

Molina Lario Málaga

- Replace fluorescent and incandescent lights with LED in meeting rooms.
- Reduction of pool water renewals.

We have established objectives in the field of energy efficiency, responsible purchasing, waste management, accessibility, and digitalization. Thanks to our efforts, in 2024 we have obtained the Biosphere certification in Barcelona, and we are working to obtain it in Málaga in the coming years.

On the social field, Meridia has provided sustainability training for the management team. In addition, for the first time the fund performed a 24h training on recycling for all staff members.

We have implemented several initiatives in both hotels, as well as supported non-profit organizations while promoting good practices:

Gallery Barcelona

- Food donation to Social Fooding.
- ELA research: providing a space for the solidarity ELA event.
- IBIDELL collaboration: providing a space for their solidarity event.
- Sant Joan de Déu: collection of gifts at the hotel for the Cap nen sense joguina campaign during Christmas.
- CODESPA: during Sant Jordi, we donated books and provided a free space to sell them and raise funds for the association.

Molina Lario Málaga

- Solidarity event Mozambique: provided a space for an exhibition for one week.
- Solidarity event Harena: donation of two testing menus for their raffle.
- Fundación La Caixa and Lumen: preparation and service of 60 Christmas lunch desserts at the Santa Sofía courtyard.
- Menkes disease: contributed with hotel chefs to the Russian Museum solidarity lunch, to raise funds for Menkes disease.

Brown to Green logistics

Xamenes

New development of a 26,000 sqm logistics warehouse. Developing a state-of-the-art logistics warehouse in a sought-after logistic hub, with strong demand for modern ESG compliant assets.

- BREEAM Outstanding rating.
- EPC A.
- Potential to become the first net zero certified warehouse in Spain.
- We have been designing this project in 2023, and the construction process will begin in 2024.



Barberà

Remodelling of a c.20,000 sqm industrial asset located next to Barcelona, in Barberà de Valles

Examples of brown to green actions:

- Installation of LED lighting, which promotes energy saving and improves the well-being of occupants.
- Implemented low-consumption devices to save water.
- Controlled light pollution.
- Used insulation with ISO 14,001 certification.
- Installed electric car chargers.
- Replaced climate machinery with environmentally friendly refrigerants.



Climate Change mitigation & adaptation

Embracing Climate Change mitigation measures presents Meridia with more than just an ethical and environmental imperative; it also opens a strategic opportunity to spearhead the transition towards a low-carbon economy and actively contribute to a sustainable future. As the impacts of Climate Change become more pronounced, we need to anticipate and respond to the challenges it presents. Implementing adaptation measures allows us to build resilience and minimize the risks associated with changing climate patterns.

MGP	Meridia IV
	Energy Performance Certificates: 64% A 18% B 9% C 9% D 9% Under construction
32% renewable energy consumption	
Energy consumption: 1,711 MWh	Energy consumption: 3,270.06 MWh
87.5% assets with landscape study	42.42 Emissions Scope 1 (tnCO ₂)
0 environmental incidents	275.34 Emissions Scope 2 (tnCO ₂)
	484.42 Emissions Scope 3 (tnCO ₂)



Circular economy & resource efficiency

Circular economy is crucial for optimizing resource efficiency, reducing waste, and creating sustainable, resilient, and value-enhancing properties.

MGP	Meridia IV
6.5/7 recycled waste ¹	11,776 m³ water consumed
210.36 Tn landfill waste	
56,761 m³ water consumed	
100% assets have one or more responsible suppliers	

1. We separate the waste we report into 7 different types: cardboard, plastic, glass, cooking oil, organic waste, landfill waste, and others (batteries, light bulbs, and paint residue). Thus, in global terms for the different MGP assets, we recycle 6.5 out of 7 categories of waste.



Social

Our People: Internal Management

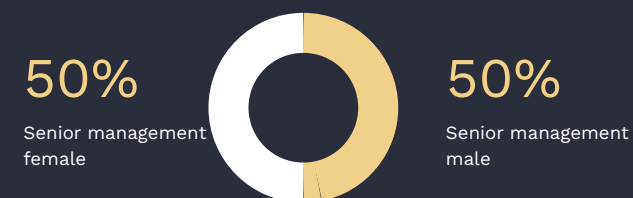
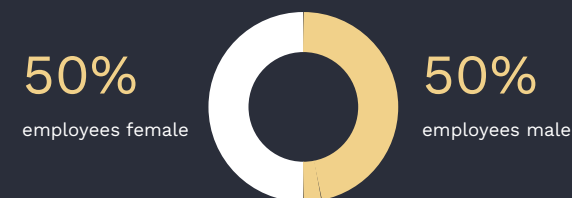
It is our constant belief that our employees comprise the core of our business. Therefore, Meridia strives to maintain a healthy, engaged, and connected workforce such that we all share the same values in advancing innovation and pursuing sustainability. With an average tenure of 7 years, our workforce demonstrates a deep sense of loyalty, reflecting the positive and nurturing culture we have cultivated to pursue success.

Meridia will support a high level of socially acceptable and equitable standards in its internal operations and will promote respect for and protection of Human Rights, safety, and healthy work conditions:

- Providing continuous training to employees.
- Prioritizing health and wellbeing at workplace.
- Committing to several organizations that foster positive social impact.



Diversity, equity & inclusion



We understand that diversity brings broad perspectives that lead to better decision-making, and hence we select partners and employees according to their skills and potential irrespective of their gender, ethnicity, or any other minorities.

Staff Development

We acknowledge that our 26 employees are our most important asset and resource in advancing innovation and we are committed to providing them with new opportunities to contribute to their development.

Meridia's agile and flexible professional environment enables an entrepreneurial and creative culture. The company supports measures to foster labor flexibility, allowing for a balance between work and personal life. Meridia gives the possibility of teleworking one day a week, has agreements to reduce workhours for childcare, implements intensive hours during summer, and provides a month of paid leave when reaching 10 years in the company.

In addition to this, we strongly encourage personal accountability across every level of the organization. Meridia employees have objectives and performance feedback provided on an ongoing basis, also based on ESG objectives and ESG performance, which are relevant criteria when addressing variable remuneration as stated in the Policy.

Staff training

We foster a culture of continuous learning and personal growth within the organization. We believe that by equipping our employees with the necessary skills and knowledge, we can create a stronger, more sustainable future for both our company and the communities we serve.

Our commitment to employee development is evident through our monthly training program, accessible to all members of our organization: Meridia offers a diverse range of training designed to enhance the skills and knowledge of our employees. These programs are facilitated by both external experts and internal professionals who are well-versed in their respective fields.

At our company, we place great emphasis on training and nurturing our employees in various key professional areas. Communication skills, compliance, and sector-specific knowledge are among the focal points of our training initiatives. We believe that equipping our workforce with these essential competencies not only enhances individual growth but also contributes to the overall success of our organization.

Selected trainings during 2023 include

Environmental Net Zero Training

Asset Certification

Cybersecurity

Real Estate Regulation

With regards to ESG, in addition to Meridia's monthly training, all employees must undergo a training from the PRI Academy: Understanding Responsible Investment. This training explores responsible investment principles to illustrate ESG materiality and introduces key strategies for identifying and managing ESG risks and opportunities. In 2023, we have delivered 369 hours of training.

Environmental awareness has been a key focus, and we have prioritized the development of this aspect among our team. Our comprehensive ESG training has played a central role in promoting sustainability and responsible practices. During 2023 we delivered trainings covering various aspects of ESG, for the employees of each of Meridia's funds.



Environmentally friendly activities

On September 27th, Meridia organized an ESG-related workshop in collaboration with the Cuidem Cadaqués Association. The goal was to engage with the community and clean up the perimeter of the Wecamp Cadaqués campsite, enhancing its appearance and fostering team building. Under the slogan “GO GREEN”, Meridia’s employees spent the entire morning cleaning the surroundings of Camping Cadaqués, a unique place founded in 1960 that has not constructed any new permanent structures. Since its acquisition by Meridia, the campsite has

introduced mobile units similar to caravans, highlighting the project’s sustainable approach.

After spending the morning removing waste, Meridia’s employees created a “GO GREEN” slogan with the collected garbage. This activity was filmed, capturing both the team and the slogan. It was a special day where we strengthened our team and cared for the local natural areas.



Wellbeing

We are committed to fostering a healthy and sustainable work environment through a comprehensive set of wellbeing initiatives. These actions reflect our dedication to environmental stewardship, employee health, and community engagement:

Wellbeing
We promote using eco-friendly transportation by providing bicycles to our employees.
We organize and encourage participation in group sports activities.
We offer flexible working options, such as remote work and flexible hours.
We provide seasonal fresh food options and free healthy lunch options for our employees.
We strive to create a plastic-free workplace by eliminating single-use plastics.
We offer mandatory first-aid training and other health workshops to our employees.
We have created a program of diverse trainings to all employees and provide access to bespoke courses and certifications relevant to the employees' roles. Including voluntary English language lessons.
We encourage our employees to participate in volunteer work and community service.
Offer regular health check-ups and screenings to monitor and maintain employee health.

Social initiatives

Over the past years we have embraced community initiatives by committing our time and resources to local non-profit organizations. Both Meridia and its portfolio assets have collaborated with several institutions. Our involvement with non-profit organizations is displayed through direct action, via corporate volunteering, or monetary donations. The actions we have recently supported are the following:

Social initiatives
Fundación Pere Tarrés
Hospital Sant Joan de Déu
Banco Alimentos Gavà managed by Cruz Roja
Asociación FAGA
A Violet Point has been created along with the city hall.
Mentoring participation in the "Talent a les aules" program promoted by Gavà and Viladecans city hall
SOS Galgo
Asociación pulseras Candela
Asociación Animales sin techo
Cruz Roja
Cudem Cadaqués
Associació de Familiars de Malalts d'Alzheimer de Gavà
Fundació Social Fooding



Through these initiatives, Meridia demonstrates its commitment to creating a supportive, healthy, and sustainable work environment. We believe that these efforts not only enhance the well-being of our employees but also contribute positively to our overall corporate responsibility goals.

Meridia Cultura

In early 2024 we introduced Meridia Cultura, an initiative designed to foster cultural engagement and dialogue within our organization. The project involves organizing internal events within the organization related to culture revolving around three sections: literature, theater, and art.

Meridia Cultura represents our commitment to nurturing a culture of intellectual curiosity and exploration among our team members. By providing periodic forums for robust debate and knowledge sharing, we aim to deepen our collective appreciation for the arts and humanities.

In our inaugural session, in April 2024, we had the honor of hosting distinguished industry leaders, including Manel Manchón, Director of Metrópoli Abierta, and Andreu Jaume, Editor at Random House, literary critic, and poet. It was a privilege to engage in profound discussions and exchange insights with these esteemed figures in the literature sphere.



Portfolio Management

As a dedicated real estate investor, we are deeply committed to fostering strong and vibrant communities by prioritizing sustainable development, engaging with local stakeholders, and investing in projects that promote social and economic growth.

MGP

100% assets with security & health systems

2 work accidents

52% female employees

+1.3m used to enhance asset surroundings in landscaping

7,099 training hours (1,052 of them related to ESG matters)

33% of employees hired from local communities

75% women in management positions

0% gender pay gap

96 training workshops with clients, focusing on environmental stewardship

Adding value to our communities

One of our greatest commitments is with the communities directly impacted by our assets. As a result of transforming our assets, Meridia can design more inclusive, efficient, and sustainable buildings, contributing to the creation of better communities. Through our asset investment strategy, our focus is to reduce environmental impact and support the local economy and the cities we invest, adding value to local communities.

Meridia IV and Meridia V

100% assets with security & health systems

100% assets with complaint systems for customers

0 work accidents

Building Passport: effective ESG information disclosure

In order to disclose MGP's ESG information to investors and stakeholders in a more enhanced and comprehensive way, Meridia wants to implement a new tool called Building Passports (or Green Passports). The Building Passport of an asset compiles comprehensive details emphasizing sustainability and responsible management. It will include information such as the building's basic data, owner details, alongside architectural plans and materials specifications, highlighting eco-friendly materials and energy-efficient designs. Structural information is detailed, accompanied with ESG information, with a focus on systems that reduce environmental impact, like energy-efficient systems, renewable energy sources, and water-saving plumbing.

The passport also features energy performance certificates, green building certifications (such as LEED or BREEAM), and maintenance records that prioritize sustainable practices. Additionally, it includes operation manuals for eco-friendly systems, legal documents ensuring compliance with environmental regulations, and photographic documentation showcasing green features. This thorough documentation supports ESG goals by ensuring transparency, promoting sustainability, and facilitating responsible building management.

24%

of the tenants of the Meridia IV fund's assets are dedicated to socially positive activities such as education and health.

Engagement with our stakeholders

Reporting

We understand disclosure and accountability as key parts of our governance framework. Our commitment to transparency is aligned with the Principles of Responsible Investment (PRI) and the SFDR. Thus, we annually elaborate the UN PRI Transparency Report and publish the present annual ESG Report, with the aim to disclose Meridia's treatment of sustainability risks and integration of ESG factors throughout the whole investment process.

Relationship with investors

Meridia's culture prioritizes proactive communication with investors, offering comprehensive explanations of fund performance and outlining future strategies.

- We are committed to keeping our investors informed about our ESG progress through our Responsible Investment Policy and ESG Reports. These are posted and updated annually on our website.
- We report quarterly for both limited and general partners, each of which includes a section on ESG (Environmental, Social, and Governance).
- Meridia hosts an annual in-person meeting where all investors from all funds are invited to review the funds' performance. This meeting features a dedicated section on ESG aspects, presented by internal ESG specialists.

Meridia wants to raise awareness about the benefits that Real Estate can have for society

In collaboration with 22@Network Barcelona, we hosted a breakfast around the topic of "A Path Towards a More Sustainable and Human District".

IE Real Estate Club Alumni.

We took part of the panel organized by LLYC and RocaJunyent.

We participated with the building Smart in 48h Open House Barcelona festival.

Meridia was invited to the APD panel discussion.

One of our partners, expressed in Revista Inversión the status of gender diversity in the Private Equity industry.

We participated in WIRES (Women in Real Estate Spain) event, titled "New Real Estate Investment Products".

We participated in LEVEL 20 Spain talk about "Empowering Young Women for Success in Venture Capital and Private Equity".

Participation in the IESE Real Estate Industry Meeting.

Governance

Governance and compliance are crucial for real estate investors to ensure transparency, mitigate risks, and maintain ethical practices while maximizing returns and fostering trust among stakeholders.

Internal Management

Shareholder Relationship

General Investors Meeting

Once a year, Meridia carries out a General Investors Meeting for each of its funds.

Advisory Committee

Each fund has an Advisory Committee in which main investors are included and meets at least twice a year. The function of the Advisory Committee is to review and discuss matters related to the investment policy and other specific stipulated rights and obligations.

Annual General Meeting

Our funds also hold an Annual General Meeting that is held right after the closing of the accounting period.



Ethical Business & Practices

We are committed to adhering to the highest standards, principles, and safeguards of transparency throughout our activities. The company is dedicated to maintaining ethical performance and integrity in its decision-making and management processes.

- Actively supports the United Nations Global Compact and is a member of UN PRI, and annually reports against both initiatives reporting frameworks.
- Prevents any kind of unethical practice by stakeholders as declared in the Anti-fraud policy.
- Meridia contributes to the UN Convention Against Corruption and the OECD Anti-Bribery Convention Bribery and corruption and has implemented anti-bribery and corruption policies to ensure that their activities are carried out in an ethical and legal manner.
- Meridia ensures that all employees are aware of and comply with the company's codes, policies, and other internal regulatory documents. Also, the Management Company respects the privacy of employees' data guarded by the company.
- Meridia has implemented a strict Supplier Management Policy, that establishes a set of guidelines and procedures to ensure a proper relationship with suppliers. Thanks to it, we can address any compliance-related issue, and foster continuous improvement in supplier performance.
- Additionally, Meridia does not tolerate:
 - Violations and abuse of human rights.
 - Discrimination based on race, gender, sexual orientation, religion, or age.
 - Business practices considered generally unethical and unacceptable.



Portfolio Management

Effective governance is of utmost importance in portfolio management as it ensures transparency, accountability, and responsible decision-making. In addition, it allows us to understand governance risks and avoid compliance sanctions, as well as promoting a proactive approach to adequate business practices.

The received complaint for Human Rights infringement in MGP referred to an employee's allegation of workplace harassment. After a careful investigation, it was determined that the situation couldn't be described as Human Rights infringement, so it was dismissed and treated properly with Human Resources.

In the following tables, Meridia showcases the key metrics related to compliance and best practices in our funds.

MGP	Meridia IV - Meridia V
100% assets with a Code of Ethics and /or Code of Conduct	0 significant compliance sanctions
0 significant compliance sanctions	0 complaints for Human Rights infringement or discrimination
100% assets with a Harassment Protocol	
1 complaint for Human Rights infringement	





Climate risks and opportunities management

Meridia recognizes the importance of addressing climate-related risks and opportunities and supports the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. Our alignment with the principles of reliability, verifiability, and objectivity, enable stakeholders to make informed decisions regarding our sustainability performance in terms of Governance, Strategy, Risk Management and Metrics & Targets. In this section we provide a comprehensive view of our approach to climate-related financial disclosure and demonstrate our commitment to managing climate-related risks and seizing opportunities.

The Task Force on Climate-related Financial Disclosures (TCFD) is an organization created to develop recommendations to help organizations effectively disclose

financial risks and opportunities related to climate change. It was created on December 2015, by the Financial Stability Board (FSB), an international body that coordinates global financial stability. On October 2023, TCFD published its final status report and, following that, the TCFD recommendations have been integrated into the International Sustainability Standards Board (ISSB) Standards. This does not imply any change on the content of TCFD recommendations but provides yet further simplification of the so-called 'alphabet soup' of ESG initiatives for companies and investors. Thus, Meridia has chosen to maintain the TCFD's recommendations in its sustainability and climate change reporting frameworks, to show the steps taken to address climate-related risks and opportunities.



To effectively disclose the status of each TCFD recommendation, we present our TCFD Achievement Tracker. The state of progress of every recommendation is reflected by how fully the recommendations are implemented within the management company.



Not yet started



In progress



Completed

TCFD Requirements			
Governance	Strategy	Risk Management	Metrics and Targets
<i>Disclose the organization's governance around climate-related risks and opportunities</i>	<i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</i>	<i>Disclose how the organization identifies, assesses, and manages climate-related risks</i>	<i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i>
a. Describe the board's oversight of climate-related risks and opportunities 	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term 	a. Describe the organization's processes for identifying and assessing climate-related risks 	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b. Describe management's role in assessing and managing climate-related risks and opportunities 	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning 	b. Describe the organization's processes for managing climate-related risks 	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks
	c. Describe the resilience of the organization's strategy, taking into consideration different climaterelated scenarios, including a 2°C or lower scenario 	c. Describe how processes for identifying, assessing, and managing climaterelated risks are integrated into the organization's overall risk management 	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Governance

Meridia has assigned climate-related responsibilities to the Project Management team, who is responsible for defining and implementing climate objectives for each asset.

At a corporate level, Meridia has established several ESG governance functions and roles:

- **Board of Directors:** The Board of Directors has ultimate oversight of all ESG decisions, ensuring the execution of all actions and holding direct accountability for implementing the ESG strategy.
- **Sustainability Manager:** The Sustainability Manager is tasked with implementing and evaluating the Responsible Investment Policy, as well as coordinating and overseeing environmental initiatives and certifications within the organization.
- **ESG Committee:** Led by Meridia's Chairman & CEO, and formed by different business units, its responsibilities include preparing and updating the Responsible Investment Policy, creating and reviewing the corporate ESG strategy to ensure its integration across various business lines and investment programs, and defining processes and measures for embedding responsible investment practices. Additionally, there is a focus on the continual update and improvement of these practices. It reports biannually to the Board of Directors.

The current ESG governance structure does not explicitly have supervision of climate risks among its functions, although it could eventually address these issues in its periodic meetings. As outlined in the Governance chapter, the Board of Directors at Meridia is kept well-informed about ESG matters (and eventually, climate-related ones) through monthly meetings, and they participate in the supervision of their assets, ensuring informed decision-making. Thus, the integration of ESG matters has the support of the

highest level of the company. Even though we already have a clear structure to manage ESG-related issues, we must specifically introduce and address climate-related issues into this governance structure.

The company tries to encourage the integration of ESG factors in the investment process by introducing ESG factors in the Remuneration Policy as an additional factor when evaluating the performance of members of management and employees. However, the variable remuneration is not yet explicitly linked to specific ESG or climate objectives and metrics.

At the portfolio level, during the acquisition of an asset, an ESG Due Diligence is conducted to address risks and necessary capital expenditures. Later, the investment committee discusses whether to proceed with the investment or not and, if the decision is to acquire the asset, climate objectives will be assigned, and their achievement will be monitored.

Meridia has assigned climate-related responsibilities to the Project Management team, who is responsible for defining and implementing climate objectives for each asset. On the ESG Committee there is a Project Management technician, whose duty is to regularly update on indicators and processes related to climate. Additionally, Meridia maintains an internal Project Management department specifically focused on addressing climate-related risks and overseeing investments in this area. This department reports directly to the Real Estate Partner, ensuring Meridia's effective management and integration of climate considerations throughout the organization.

Governance next steps

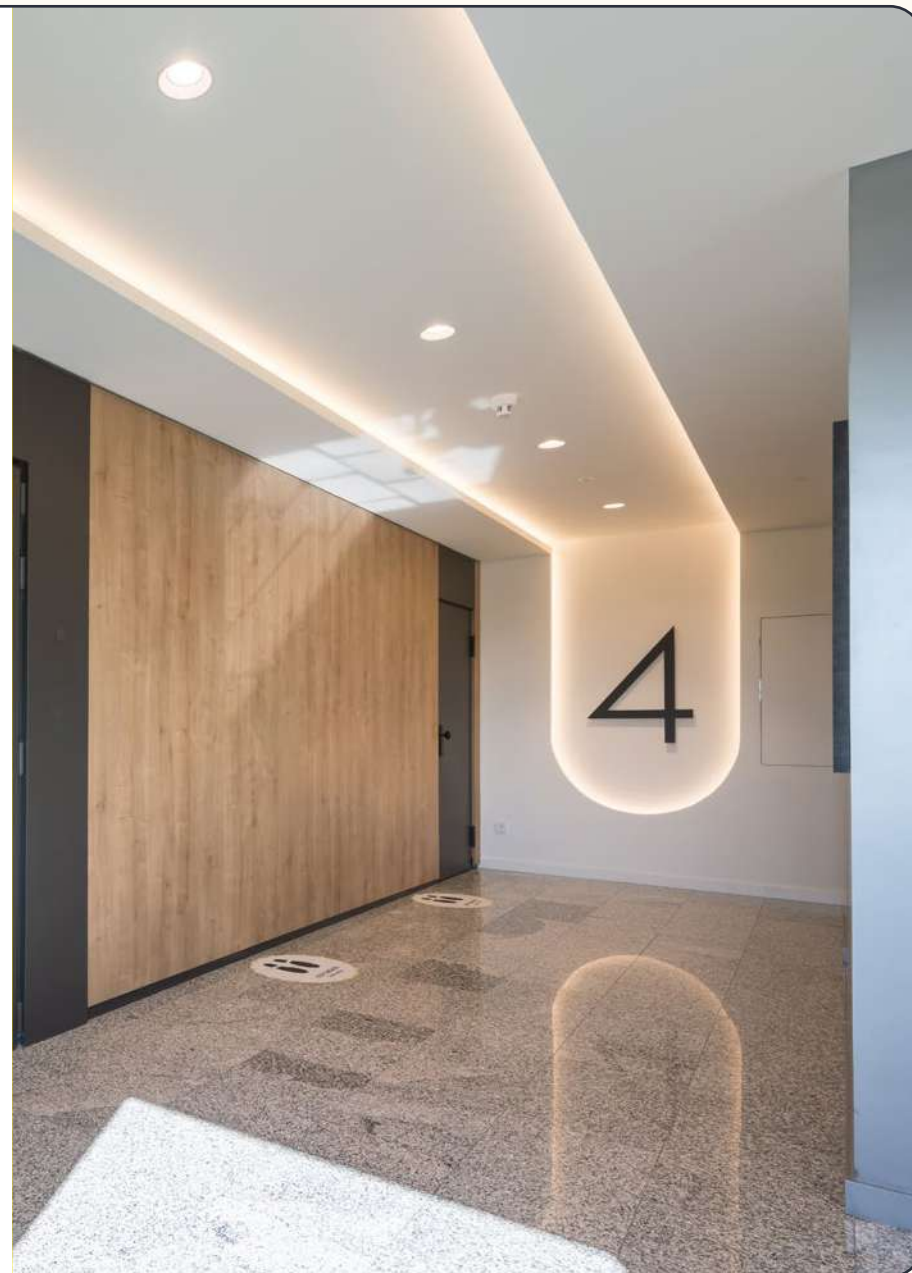
Link variable remuneration to concrete ESG key-figures: Currently, ESG factors have been included as additional inputs to consider in the management and employees' annual performance evaluation, but to incentivize an effective management of climate-related risks and opportunities, there is a need to set concrete ESG metrics linked to variable salary, to ensure effective actions are taking place, for example linking the consecution of the decarbonization objectives to the variable salary.

ESG management: To ensure alignment with the TCFD, Meridia should assign specific climate change functions to the existing ESG bodies within the firm to enhance its focus on addressing environmental concerns and promoting sustainable practices.

Climate-risk management: At portfolio approach, we must incorporate climate risk management into our overall risk management function to ensure a holistic and proactive approach, ultimately safeguarding our business resilience and long-term sustainability.

Effective Risk and Opportunities Governance: Meridia must improve communication channels with board members, management, and department heads regarding ESG matters, to ensure a proper treatment and management of climate-related risks and opportunities.

Risk and opportunities focus: Right now, Meridia's focus is on monitoring key ESG-metrics and setting environmental and social goals. However, we should ensure our commitment to address climate-related risks and opportunities in the near future, so we must work towards full compliance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for monitoring the entire scope of ESG and climate-related risks and opportunities material to us.



Strategy

Meridia must incorporate the TCFD recommendations into the strategic planning process, ensuring that climate-related risks and opportunities are thoroughly assessed and integrated to business operations.

During the asset acquisition phase, we conduct a thorough Due Diligence of the main climate-related risks and opportunities. This analysis enables us to develop a strategy for different time horizons, including the short term (one year), mid-term (two to five years), and long term (over five years). Meridia has pre-identified the key physical and transition risks associated with these timeframes, that are displayed in the table presented below, based on the type of assets that we have or manage and based on certain trends that we have detected in the regions in which we tend to invest:

Key physical and transition risks associated

	Short term	Mid-term	Long term*
Physical risks	<p>Extreme weather events: Storms, floods, snowfall, heatwave-induced fires can cause direct losses due to property damage and income loss from operational disruptions.</p> <p>Changes in precipitation patterns: Variations in rainfall amount and distribution can affect water availability for the tourism sector and have inflationary effects on costs.</p>	<p>Increase in frequency and intensity of extreme weather events: Over time, extreme weather events are expected to become more frequent and intense due to climate change, increasing the risk of material losses and activity disruptions.</p> <p>Ecosystem changes: Alterations in natural ecosystems, such as habitat loss and species extinction, could affect the availability of key natural resources for the organization. Heatwaves in areas where Meridia's hotel assets are located could also decrease tourist demand.</p>	<p>Sea-level rise: Rising sea levels due to glacier melting and thermal expansion of oceans could threaten coastal infrastructure and organization's facilities located in lowlying coastal areas (e.g., Wecamp Cabo de Gata campground).</p> <p>Disease distribution changes: Climate changes could alter the geographic distribution of diseases, potentially affecting a decline in tourism in current areas where Meridia has assets.</p>
Transition risks	<p>Climate regulations: Sudden changes in government policies related to the environment and climate change may require additional investments in clean technologies or changes in operational practices, increasing operational costs.</p> <p>Investor demand changes: Increasing environmental awareness may drive demand for more sustainable assets, requiring the organization to make changes in investment strategies and CapEx decisions.</p>	<p>Investments in low-carbon technologies: Stricter regulations on carbon emissions may require the organization to invest in cleaner and more sustainable technologies, generating additional capital and operational costs.</p> <p>Changes in financing: Financial policy changes and investor preferences towards more sustainable companies could impact access to capital and borrowing costs for the organization.</p>	<p>Divestment from carbon-intensive assets: As the transition to a low-carbon economy progresses, assets related to fossil fuels and other carbon-intensive industries may experience a decline in value, negatively impacting project balance sheets.</p> <p>Climate-related litigation: As awareness grows regarding corporate responsibility for climate change, the organization may face legal risks related to environmental and social damages associated with its past and present operations.</p>

*The expected lifespan of a fund in Meridia is approximately eight years.

As part of our ESG corporate strategy, Meridia has set various objectives, one of which is to certify all the portfolio assets in the medium term. At this moment, we have achieved a completion rate of 78%. Two of the certifications we want to get are BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design). Both certifications evaluate and promote sustainability in the construction and operation of buildings. Having them demonstrates that the building has implemented measures to enhance energy efficiency, decrease water consumption, utilize environmentally friendly materials, promote air quality, and consider the overall impact on the environment. Furthermore, this past years Meridia has conducted an analysis of the Energy Performance Certificate (EPC) rating levels for all the assets and the actions to be taken to improve the output ratings.

To avoid the risk of stranded assets, we are working to enhance the energy efficiency of our buildings. As of 2023, the current Energy Performance Certificate (EPC)

ratings in Meridia IV are as follows: 64% A, 18% B, 9% C, 9% D, and 9% are under construction. In the following years, we will incorporate obtaining a high EPC score into our value-add strategy.

Prior to obtaining a certification, when deciding whether to undertake an investment decision it is important to consider the financial impact that it may have. This analysis ensures that the potential returns and risks are aligned with the firm's investment objectives and strategies. In fact, during the asset investment phase, the climate-related risks are addressed, evaluating whether to proceed with the purchase and determining necessary investments in measures required to mitigate them. Subsequently, we monitor the evolution of the capital expenditure and transition risks that may impact the return of the asset. This ensures that the investment remains aligned with the organization's risk management and sustainability objectives and allows for informed decision-making during divestment. Climate-related risks may impact on Meridia's CapEx and Investment Strategy, so our Due Diligence process is crucial to advance any future inconvenience.

In terms of corporate Strategy, Meridia has embraced the SBTi framework at a strategic level, aiming to establish a solid foundation to reduce greenhouse gas emissions. This decision reflects our commitment to aligning with scientific evidence and actively contributing to the fight against climate change. The strategic decision allows us to prioritize actions that will have the greatest impact on reducing our carbon footprint. By focusing on areas that offer the most significant environmental benefits, we can make meaningful contributions towards mitigating climate change and fostering a low-carbon economy.

This year, Meridia has established the goal of achieving net-zero emissions at the management company level by 2024. This ambitious commitment reflects our determination to take decisive action in addressing climate change and reducing our carbon footprint. By adopting sustainable practices across our operations, we aim to contribute to a more sustainable future.



Strategy next steps

Scenario Study: Meridia has not yet implemented a precise risk and opportunities assessment based on geolocation and using commonly accepted scenarios such as the ones of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), that can provide insights into specific locations, allowing to assess physical and transitional risks and opportunities. What we have done so far is provide a general perspective, but our goal must be to gain a deeper understanding of our material climate-related risks and base our strategy on them. We must work towards utilizing geolocation and climatic projections to align our business with the best practices, and our objectives with the Paris Agreement goals.

Real estate asset managers should develop resiliency and adaptation plans for their most important sites. These plans can begin with an assessment of current climate risks and asset vulnerabilities. They should also explore different climate scenarios that focus on how the frequency and severity of climate risks may change over time. Resiliency planning should also create procedures for operational continuity (e.g. minimizing power and service disruptions), as well as include climate-readiness procedures for new and existing buildings.

Net Zero: Meridia has committed to achieving carbon neutrality by 2024, a decision that will lower climate risks (especially, on the regulatory field). This is a very important decision, because it is aligned with the recently reviewed EU Energy Performance of Buildings Directive (EPBD), which states that by 2030 all new-construction buildings will be required to achieve a Net Zero status. All new buildings will have to be fit to host rooftop photovoltaic or solar thermal installations. In addition to emission reductions, the directive also includes targets for building renovation, to trigger the renovation of the worst-performing buildings. We want to focus on enhancing our capacity to adapt to such regulations, which would also result in enhancing our climate resilience. This year, we are working to prepare our climate and decarbonization plan to be validated by SBTi. It will be implemented in the coming years, and will include fully renovating all MGPs to achieve Net Zero emissions.

Recently, the Science-Based Target initiative (SBTi) has tightened the requirements to maintain or obtain their certification. Financial institutions will need to adopt the net-zero standard of a 1.5°C maximum pathway for their Scope 1 and Scope 2 emissions (until now, it was “well-below” 2°C).



Risk Management

Meridia is developing a risk management and identification structure based on the needs of our ESG Strategy, considering the regulatory changes that have recently occurred. Currently, Meridia takes future regulatory changes into account when assessing the company's future risks.

To define the material climate risks and opportunities to our entity, we are working with the framework developed by the CDP to evaluate and raise awareness on climate-related risks from a corporate perspective. This framework categorizes risks into three categories: physical risks (such as extreme weather events and changes in climate patterns), transition risks (related to regulatory or technological changes), and opportunities linked to climate change mitigation and adaptation.

To accept, minimize, and control these risks, we have the Investment Committee, which assesses and develops a strategy during the acquisition process, in collaboration with Meridia's risk management team. However, despite taking climate-related risks into account at the asset level in investment processes, we have not yet integrated climate risk management into our general risk management function, considering a portfolio approach, which would allow us to quantify, monitor and manage these risks comprehensively across all our funds.

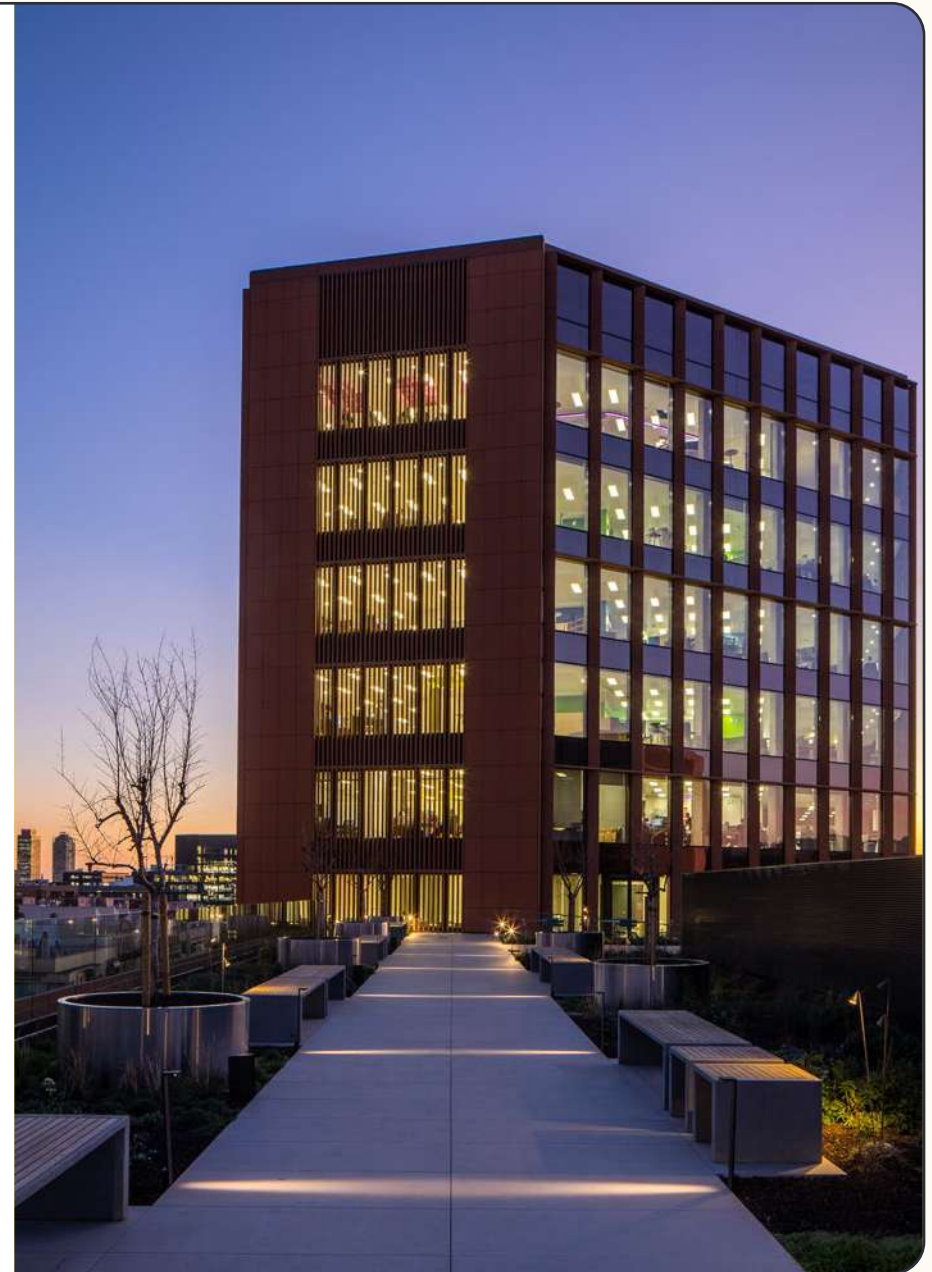


Risk management next steps

Identification: The Group's risk registers must be reviewed using precise localizations to ensure they reflect all material climate risks of the Group in all timeframe's scenarios. Furthermore, we want to continue developing and analyzing the risks and opportunities identified in the double materiality analysis related to climate aspects.

Climate risk management: The Group's business model must be adapted to demonstrate resilience to short and medium-term climate risks. The Group is in the process of transitioning its portfolio to carbon-neutral, through its decarbonization strategic plan, to increase its adaptation measures for the effects of climate change and long-term climate risk impacts.

Understand insurance coverage: A thorough climate risk assessment is critical to understand exposure to those risks. Financial institutions should be aware of the evolution of insurance markets in the areas in which they operate and identify potential risks of uninsurability. Financial institutions with exposure to climate-sensitive assets need to be familiar with local insurance markets and know the extent of coverage for each portfolio asset. Insurance also has implications for future asset values since higher levels of climate impacts can drive insurance costs up while pushing affordability and desirability down.



Metrics and Targets

In this report, Meridia shows the main metrics used to manage risks related to water management, land-use, and waste management. To accomplish the best possible performance, Meridia has established ambitious goals and will monitor them to ensure the best outputs.

Key figure	MGP	Meridia IV	Meridia V*
Energy consumed	1,711 MWh	3,270 MWh	
Fuel consumed		347.94 MWh	
Building energy intensity by square meter		0.039. MWh/ sqm	
Building water intensity by square meter		-	
GHG emissions intensity from buildings by square meter		0.01 Ton CO ₂ / sqm	
Percentage of assets certified as sustainable	58%	83%	33%
Percentage of materials purchased from sustainable suppliers			

*Meridia V acquired its first asset in October 2023. Therefore, the reporting will start in 2024.

This year, MGP has been registered as an Article 8 fund under the SFDR regulation, and Meridia V is in process to achieving this same categorization. To be an Article 8 fund implies the commitment to report certain metrics such as the energy consumption, water consumption, environmental incidents and environmental certifications.

As of now, Meridia is developing its own metrics and performing their calculation. Among others, we calculate our Scope 1, 2 and 3 following GHG Protocol

methodology. By the next year, we plan to include the financed emissions by our investments (Scope 3, category 15) in the calculation of our carbon footprint. By tracking emissions, Meridia can identify strategies to reduce and mitigate its environmental impact. This commitment to measuring and managing emissions demonstrates Meridia's dedication to sustainability and responsible business practices, and allows us to compare different year's emissions on Meridia IV, MGP and Meridia V.

Metrics and targets next steps

Scenario analysis to select risks and monitor the solutions: To ensure an effective monitoring and management of climate-related risks, it is crucial for Meridia to undertake a comprehensive scenario analysis and a thorough climate-related risks assessment. This will provide valuable insights into the potential impacts and vulnerabilities associated with climate risks, such as sea level rise, inland flooding, extreme storms and wind, wildfires, and heat and water stress.

After identifying specific areas of concern, Meridia would develop targeted strategies to keep track of the company's response to them. This proactive approach will not only enhance the resilience of the organization but also contribute to the long-term sustainability and well-being of the environment in which Meridia operates.

Decarbonization targets establishment: Meridia must establish decarbonization targets as part of its commitment to the SBTi initiative. Since we joined this initiative in 2023, our deadline for setting targets is scheduled for 2025. By prioritizing the transition to a low-carbon economy within this timeframe, Meridia aims to make a significant contribution towards combating climate change and creating a more sustainable future for all.



About this report

This sustainability report was prepared in 2024 and encompasses the period from January 1 to December 31, 2023. It has been released in July 2024 and includes relevant information that occurred as a post-period event during 2024.

This is Meridia's third sustainability report, building upon the information disclosed in the 2021 and 2022 reports. This comprehensive document aims to showcase our current ESG milestones, progress, and foster transparency with our stakeholders, following UE reporting standards. Please note that this report has not undergone an audit process.

For a more comprehensive understanding of the financial information regarding the management company and its vehicles, we encourage you to refer to Meridia's separate annual or quarterly financial reports.

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With the collaboration of:

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