



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE POLICY

Effective August 1, 2020

The Meridian Group is a Washington, D.C. based real estate investment and development firm with a strategic focus in the Metropolitan Washington, D.C. region. As a property owner, developer, operator, and private equity fund manager, The Meridian Group recognizes the importance of the environmental, social, and governance (“ESG”) factors in all the decisions that we make.

We strive to embed ESG best practices throughout our real estate investment, asset management, risk management, fund management and talent management processes. **We believe by taking a thorough and disciplined approach to ESG, we can successfully balance our social and environmental responsibilities while fulfilling our duties to our investment funds and investors (including our responsibility to maximize the financial return on investment), real estate investment properties, tenants, and employees.** Doing the right thing for our people, the environment, and our communities ultimately leads to better results.

Our ESG initiatives are driven primarily through its ESG Committee, an internal group consisting of Meridian professionals across functions. The ESG Committee is charged with identifying near and long-term strategic ESG initiatives aimed at encouraging continuous, incremental improvements in the performance of Meridian’s assets under management.

OUR ENVIRONMENTAL PHILOSOPHIES

Our environmental commitment is shared by all employees of the firm and reflected in all phases of our investment process, from initial acquisition through exit. We are committed to reducing our energy use, waste production, and greenhouse gas emissions both at our corporate office and real estate investments. We believe that by applying environmentally conscious strategies, we will enhance our environmental performance as well as our investment performance.

At our own headquarters, we implement sustainable practices such as composting and recycling. We eliminate the use of plastic water bottles by providing reusable drinking cups to all employees and guests. We educate our employees about environmentally conscious initiatives and best practices through the leadership of our office Sustainability Manager.

Sustainable practices also extend to our real estate investments, where we are committed to decreasing our environmental footprint and strive to achieve voluntary green certifications. We

work with the property management teams and vendors to reduce energy consumption, water usage, waste disposal, and carbon emissions. We strive to have our properties sourced from 100% renewable energy where feasible. We also work to promote strategies that progress towards encouraging these reductions. For example, we continually measure and manage the usage of electricity using EPA's ENERGY STAR Portfolio Manager® and partner with software companies such as Cortex and Acquicore that learn how our building equipment responds under different operating conditions. We analyze BMS data, meter data, billing history, occupancy information and detailed weather forecasts to make predictive, proactive measures to reduce energy consumption.

By taking these steps towards improving sustainable operational practices at our assets, we are in a better position both environmentally and financially. The sustainability initiatives implemented are generally practical and cost-effective, thus providing the potential to increase value to our investors as well as our tenants and the community in which our investments reside.

SOCIAL RESPONSIBILITY

We are obligated to make decisions and take actions that will enhance the welfare of our own employees while acting in the interest of society as a whole. We are focused on the well-being and the professional development of our people, diversity and inclusion in our workforce, the social and economic impact of our investments, the delivery and operation of healthy buildings (including the wellness of our tenants), partnering with businesses that align with our values, and making positive contributions to the communities we serve.

- Our People

We strive to foster an inclusive culture that promotes the welfare of our employees and acts in the interest of our society. We are deeply invested in our employees and believe that we have a responsibility to provide them and their families with a competitive benefits package that delivers flexibility and financial security. Work-life balance is actively promoted to support individuals through flexible working arrangements and fully paid parental leave. We are also dedicated to advancing employees to their full potential and support their ongoing growth and development. The Meridian Group has placed in Washington Business Journal's Best Places to Work for four consecutive years from 2017 – 2020.

- Diversity and Inclusion

The Meridian Group is dedicated to advancing diversity and inclusiveness at our firm; we believe that having diversity of perspective and experiences makes us better investment managers. We approach diversity by seeking out and employing the most qualified people for all positions regardless of race, color, religion, national origin, disability, age, sex, pregnancy, genetic information, citizenship, or any other basis protected by applicable federal, state, or local laws. Meridian is proactive in supporting initiatives and activities which pursue a diverse workplace. These include fostering a collaborative team environment where people from all backgrounds work cross-functionally on a daily basis to produce high quality work. Team building events are also focused on inclusion, with

most requiring full employee participation.

These values instilled at the corporate level are imbedded in everything we do and pushed down and promoted operationally at the asset level amongst the property management and operations teams.

- **Our Investors**

ESG is embedded throughout all phases of the investment management process, from acquisition through disposition. We identify any relevant ESG risks, and furthermore brainstorm how to mitigate the sources of such risks in order to advance the interests of our stakeholders. We strive to identify any relevant ESG risks during a due diligence period; we will typically consult with outside advisors to help us arrive at the best investment decision. In addition, we consider all ESG initiatives, including decisions that affect our society and social responsibility when creating value add business plans for our investments and development projects.

In addition, all investors and partners are evaluated during the fundraising process to ensure compliance with all applicable anti-money laundering and anti-boycott laws and regulations. The Meridian Group takes seriously its commitment to combating money laundering activity and has adopted anti-money laundering policies and procedures, including requiring representations from all investors and partners in subscription and partnership agreements.

- **Our Tenants**

As a real estate investment manager, we understand our responsibility to foster a culture that promotes the welfare of our tenants at our investment properties. This includes the delivery and operation of healthy buildings, both from a physical and social standpoint.

The Meridian Group has developed a unique and diverse network of resources and opportunities that enhance the tenant's holistic experience both in our buildings and at home. A strong emphasis has been put towards individual wellness, corporate wellness, productivity and community engagement.

Tenants across the portfolio have access to the TMG Wellness Program that offers over 20+ live virtual fitness classes, 4+ virtual experiences a week and an on demand library that allows tenants to access resources and classes on their own schedule. The Breakaway is a unique TMG virtual website for tenants that includes community updates, tips for a successful workday, entertainment, lifestyle and more (Boro Breakaway | TMG Breakaway). In addition, through our partnership with Cove, we have developed an at home solution to enhance the tenant experience. cove@Home offers tenants a seamless way to support their own employees with perk packs, workspace upgrades, and custom solutions to keep teams productive.

Fostering and cultivating a connected community is an important part of Meridian's DNA

as a hands-on real estate operator. Throughout the years, an emphasis has been put towards on-site events to allow tenants to interact and network in a creative and engaging manner. More recently, a virtual program has been instituted to allow tenants to remain connected.

Transportation management is a theme of increasing importance. Within The Boro, a program called The Boro Connect is offered to assist tenants and residents with custom commute plans, public transportation updates and additional travel related information. Other properties have resources such as Transit Screen and other custom travel management solutions.

- **Our Vendors**

The Meridian Group is committed to doing business with firms that align with our values and adhere to our policies and standards. For example, our janitorial partner has adopted environmental best practices for cleaning the interior of our assets to reduce adverse impacts on public health and the environment. Our trash vendor is committed to the highest standards of ESG governance practices by managing recyclables, reducing fleet emissions, producing renewable energy from waste, supporting wildlife habitat programs, and protecting land.

- **Our Community**

The success of our business depends on fostering mutually beneficial relationships within the communities where we live and work. We make significant donations to local charitable organizations and hold a firm wide volunteer opportunity at least once a year. We also believe that active involvement in our community is part of our social responsibility and promote employee participation in real estate community events.

We understand that as a property owner and manager, it is also important to give back to the communities where our investments are located. Through our local network, we have been able to foster meaningful relationships with agencies to benefit the community. We hold various tenant events throughout the year that directly impact the local community, such as blood drives, food and toy drives, and social events benefitting a neighborhood charitable organization. For example, our annual Valentine's Day event raises awareness and donations for The Rare Kids Network, which supports families with kids diagnosed with rare illnesses in the DMV area. We've also partnered with both INOVA and the American Red Cross to host blood drives, as well as Wolftrap Animal Rescue, offering puppy therapy and adoption opportunities to tenants and residents.

GOVERNANCE

We consider governance in the following three aspects of our operations: (i) how Meridian itself is governed, (ii) how the funds that we sponsor and manage are governed and (iii) how the real estate assets owned and operated by Meridian are governed.

Meridian itself operates within a framework of policies, procedures, principles, and best practices to ensure that our business embraces corporate responsibility, accountability, fairness, ethics and integrity, and transparency in all our stakeholder relationships. We have several committees and task forces in place that meet regularly to discuss a wide variety of topics, including firm management, investment business plans, valuations, and information technology.

At the funds, Meridian operates in accordance with their organizational documents as well as applicable laws, rules, regulations, policies, and procedures. We rely on committee structures to ensure that our most senior professionals focus on core business objectives throughout all aspects of our business, from key transactions to valuations. The Meridian team focused on fund reporting attends national private equity conferences and other industry working groups to ensure that Meridian keeps abreast of best practice governance trends in the fund industry.

ESG issues are also an important part of Meridian's real estate investment analysis and due diligence processes, which include a robust underwriting regimen, risk management evaluation and approval processes. Once an asset is acquired and becomes a part of Meridian's investment portfolio, we oversee and manage the asset within a framework of policies and best practices. We also ensure that every property complies with all local and national laws, including sustainability standards.

Our Progress and Reporting

The Meridian Group strives to maintain transparency with our employees, investors, and all stakeholders in outlining our ESG program and monitoring its progress across our portfolio. Meridian's achievements in sustainability, social responsibility, and governance as well as our ESG goals and initiatives going forward are regularly discussed with our investors, employees, and all stakeholders of our firm.