



MADISON
INTERNATIONAL
REALTY

CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABILITY REPORT | 2020



MIRELF VI, Monogram



MIRELF VII, CH89



MIRELF VI, Equity Residential



MIRELF VI, Merlin



SUSTAINABILITY REPORT 2020 → DISCLOSURE⁽¹⁰⁾

Madison takes a disciplined, comprehensive approach to underwriting prospective investment opportunities, employing a systematic due diligence process conducted in-house by Madison and assisted, when appropriate, by industry specialists. During the investment underwriting process, Madison may consider long-term ESG factors through in-depth asset, deal sponsor and company research and engagement. Madison seeks to understand material ESG risks and opportunities in the assets, sponsors, funds and companies we analyze and integrate into our investment process in a way that Madison believes is suitable and consistent with client mandates. Where material, Madison is committed to evaluating the impact of a company's or an asset's ESG policies in the investment process. *Where consistent with Madison's duties to its clients, Madison integrates ESG considerations into its investment and asset management processes and works with the companies in which Madison invests to promote environmental, social, and governance change.* However, ESG-related information may be difficult to obtain in connection with real estate investing, and ESG-related factors may have little to no impact on an investment's profitability or value. **Madison does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns. Please also see the Endnotes at the end of this presentation for further ESG information.**



SUSTAINABILITY REPORT 2020 → GRI DISCLOSURE SELECTION

In 2020, Madison International Realty completed the firm's first Materiality Assessment with the assistance of its ESG consultant to help Madison identify initial focus areas associated with ESG-related considerations, and to develop a multi-year strategy to address its focus areas. The assessment focused primarily on topics that Madison and its ESG consultant believed are to be the most material to Madison's operations and stakeholders, including Madison investors. This assessment included qualitative interviews with members of the firm's senior leadership team and ESG committee, as well as a number of our sponsor companies, to understand the internal and external perspectives of ESG-related risks and opportunities. These interviews were followed by a quantitative survey in which interviewees were asked to rank the importance of several ESG topics to Madison's business. The results of the assessment process were analyzed against industry-relevant reporting frameworks to ensure that significant impacts were not inadvertently excluded from the assessment. A matrix of focus areas based on the 2020 assessment appears on page 19 of this report.

The reporting frameworks considered by Madison and its ESG consultant were GRESB, a global voluntary standard for ESG benchmarking and reporting for listed property companies, private property funds, developers, and investors that invest directly in real estate, and the UN Principles for Responsible Investment (UNPRI), a voluntary and aspirational set of investment principles that create a blueprint for possible actions that investment managers can take to help develop a more sustainable global financial system. Madison and its ESG consultant also utilized its matrix of focus areas to help guide the selection of GRI topic-specific standards referenced in this report which are: Economic Performance, Anti-corruption, Energy, Emissions, Environmental Compliance, Water and Effluents, Employment, Tax, Training and Education, Diversity and Equal Opportunity, Non-discrimination, Occupational Health and Safety, Local Communities, and Customer Privacy. Madison International Realty has incorporated disclosures for these topics throughout this CSR Report.



MADISON
INTERNATIONAL
REALTY

SUSTAINABILITY REPORT 2020 → AGENDA

01

FOREWORD

04

SOCIAL IMPACT

02

CORPORATE
OVERVIEW

05

GOVERNANCE &
ETHICAL CONDUCT

03

ENVIRONMENTAL
IMPACT



MADISON
INTERNATIONAL
REALTY

01 FOREWORD

LETTER FROM OUR CEO
COVID-19 RESPONSE

MIRELF IV, Madison

01
FOREWORD

02
CORPORATE
OVERVIEW

03
ENVIRONMENTAL
IMPACT

04
SOCIAL IMPACT

05
GOVERNANCE &
ETHICAL CONDUCT



A NOTE FROM RONALD DICKERMAN, FOUNDER AND PRESIDENT

From underwriting investment opportunities to managing ESG risks, we strive to integrate sustainable practices into our operations.

2020 was a transformative year marked with various challenges, from the onset of a global pandemic, social and political unrest in the United States and globally, to the devastating effects of the extreme weather events and natural disasters from climate change. We believe these events demonstrated that environmental, social, and governance considerations cannot be disentangled from financial markets or investment decisions and emphasized the need for change. At Madison International Realty (“Madison”), we strive to expand our focus and incorporate ESG considerations into our day-to-day interactions.

This report underscores our belief that the management of environmental, social, and governance issues is a critical component of long-term value creation. We strive to implement our firm’s principles of quality, value, discipline, relationships, and leadership to ensure we focus on our investors, people, and other stakeholders. To further our firm’s initiatives towards transparency, our first GRI-referenced disclosures can be found on pages 41-46.

On behalf of the entire ESG Committee, we are pleased to share this first Corporate Sustainability Report with you.

KEY UPDATES ON MADISON’S PROGRESS

Following one of our key themes this year, ‘thoughtful growth’ has guided our efforts to refine best practices for ESG and corporate sustainability initiatives.

2019 was marked with the formalization of Madison’s ESG Policy along with the establishment of both our ESG and Philanthropy Committees. In 2020, we accelerated this growth through the following initiatives:

- Became a Signatory of the UNPRI
- Signed a new headquarter green lease
- Signed the CEO Action for Diversity and Inclusion
- Created an ESG Scorecard to evaluate 4 key categories that assess the ESG maturity of our sponsors
- Tracked asset-level energy consumption across Madison Funds VI and VII
- Developed Madison’s ESG website content
- Negotiated ESG Reporting Requirements in JVAs: Integrated specific ESG language into 100% of our joint venture agreements to promote a homogenous approach to investing in a responsible manner
- Engaged with ESG and sustainability advisors for policy development and due diligence
- Completed mandatory ESG training for all Madison investment professionals

CREATING A CULTURE AROUND SOCIAL RESPONSIBILITY

Looking ahead, we plan to consistently share ESG practices with our sponsors, enhance our DE&I training, further our long-term philanthropy and diversity partnerships, and continue developing our strategy around ESG assessments and benchmarking. In 2021, we have continued to build off the ESG momentum of the past two years and have achieved several milestones thus far. I am pleased to share that Madison completed its first unconscious bias training for all employees in April 2021. Madison also successfully submitted our first UNPRI report in May 2021 and we are now working on a new Responsible Contracting Policy (RCP) to promote the health, safety, and well-being of workers associated with Madison’s investments.

As we emerge from a challenging 2020 and expand our investment offerings on behalf of the world’s top global investors and their stakeholders, we will strive to lead by example. Constructing differentiated investment vehicles for our clients alongside trusted operators, sponsors and investment partners is a privilege, and should be fulfilled in concert with Madison’s commitment to a safer, more sustainable world. We can seek enhanced returns while being mindful of tomorrow’s future generation of leaders.

We wish everyone health and prosperity as we move into the end of 2021 and look forward to a dynamic 2022.



Ronald Dickerman
President

COVID-19 RESPONSE

When the COVID-19 pandemic emerged in early 2020, Madison International Realty strived to maintain our commitment to service amidst turbulence and uncertainty. While sheltering in place, Madison personnel began outreach and relief efforts, utilizing technology from within the home to establish and maintain ties to local, regional and national organizations.

Madison personnel responded by providing face masks, hosting virtual mentoring workshops, organizing food drives and, when possible, delivering essential supplies to immunocompromised and elderly neighbors. Our team members also patronized their local restaurants and vendors to support the vibrancy of their communities through Madison provided employee lunch stipends. Madison's global volunteer network and offerings evolved despite the pandemic's limiting effects.

Our organization felt the societal shift that occurred during the height of the pandemic. Programs such as the "Madison Cares" monthly newsletter, launched in May 2020, highlighted best practices for self-care and sustaining optimal health while sheltering in place and emergency childcare allowances that were already in place were more widely used. Our Philanthropy Manager, in partnership with Madison's Philanthropy Committee, also distributed weekly e-newsletters outlining actionable steps Madison employees could take in their communities to combat disparities. These educational efforts lead to the launch of the virtual Madison Book Club in Summer 2020, which focused exclusively on topics within the realms of diversity, equity and inclusion.

As Madison transitioned back into the office, we proceeded with caution and empathy. Safety protocols were diligently implemented and monitored, providing PPE to personnel and a free medical concierge services for all personnel. Globally, we kept a close eye on developments around the world, engaging regularly with sponsors and supporting struggling businesses in our tenant base. While the long-term impact of COVID-19 remains uncertain, we are proud to have come together as an organization to support social well-being.





MADISON
INTERNATIONAL
REALTY

02 CORPORATE OVERVIEW

BUSINESS PERFORMANCE
SECTOR PARTICIPATION
LEADERSHIP
ESG OVERVIEW
INVESTMENT PROCESS
CASE STUDIES
MATERIALITY MATRIX

MIR, Madison HQ

01

FOREWORD

02

CORPORATE
OVERVIEW

03

ENVIRONMENTAL
IMPACT

04

SOCIAL IMPACT

05

GOVERNANCE &
ETHICAL CONDUCT



WHO WE ARE

Madison International Realty is global real estate private equity firm with a differentiated direct secondary investment strategy which seeks to provide liquidity to owners and investors in class A properties and portfolios.

The firm was founded in 2002 by Ronald Dickerman, Madison's Founder and President, with the idea of building a global investment platform focused on providing liquidity to real estate owners and investors who otherwise had few options for facilitating early exits from their illiquid real estate ownership positions or monetizing embedded equity. Today, with offices in New York, Los Angeles, London, Frankfurt, Luxembourg and Amsterdam and a full team of professionals dedicated to the sourcing, underwriting, acquisition, asset management and investor relations, Madison has become a global leader in providing equity capital in a diverse range of real estate transactions involving class A properties and portfolios.

\$7.2B

CAPITAL COMMITMENTS
FROM GLOBAL
INSTITUTIONAL INVESTORS

150+

INSTITUTIONAL INVESTORS
WITH INVESTMENTS IN
MADISON FUNDS

60+

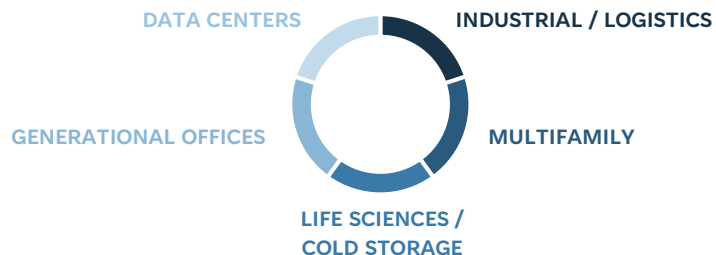
NUMBER OF PROFESSIONALS
DEDICATED TO SOURCING,
ACQUISITION, AND ASSET
MANAGEMENT FOR MADISON

MADISON'S INVESTMENT SIZE

\$50M

\$300M+

PREFERRED ASSET TYPES



GEOGRAPHIC LOCATIONS



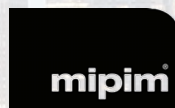
OFFICES

NEW YORK
LOS ANGELES
LONDON
FRANKFURT
AMSTERDAM
LUXEMBOURG



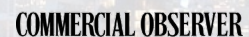
INDUSTRY PARTICIPATION

Madison attends numerous industry real estate conferences annually sponsored by real estate associations and organizations including:



PRESS PARTICIPATION

Madison is featured in many industry publications including:





SENIOR MANAGEMENT TEAM



CAREY J. FLAHERTY
Chief Investment Officer

Oversees Madison's investment origination, underwriting and execution as well as portfolio and asset management activity across all Madison funds.



YEHUDA HECHT
Chief Financial Officer

Oversees all of Madison's finance and accounting functions.



GREGG MICHEL
Chief Compliance Officer

Responsible for developing and maintaining all aspects of Madison's compliance program.



MICHAEL CHEN
Managing Director

Responsible for developing and executing Madison's fundraising strategy and serves as a liaison with the investor community.



KIM ADAMEK
Co-Head Portfolio Management

Oversees the firm's global portfolio and asset management team focused on its investment positions in real estate assets.



DIANA SHIEH
Co-Head Portfolio Management

Oversees the firm's global portfolio and asset management team focused on its investment positions in real estate assets.



MICHAEL SIEFERT
Managing Director

Focuses on originating transactions from the European and Middle Eastern markets and fundraising.



KATHLEEN HURLEY
Chief Information Officer

Responsible for Madison's global IT infrastructure.



NAUSHEEN HUSSAIN
Director of Human Resources

Oversees the firm's human capital management processes, including recruitment, organizational development and coaching of Madison's talent base.



JASMIN CHITRAKAR
Managing Director

Oversees Madison's fund finance and accounting team.



ALEX LUKESCH
Managing Director

Responsible for sourcing, underwriting, and execution of equity transactions across Europe.



KYLE TORPEY
Managing Director

Oversees U.S. investment activities including sourcing, underwriting, and execution of transactions for Madison's managed funds.

RONALD M. DICKERMAN
President

Acts as the President and Founder of Madison International Realty.



*“Investors are increasingly considering how GPs, like Madison are reviewing and incorporating **ESG issues and data** into their corporate and investment policies.”*

MICHAEL CHEN
Managing Director, Equity Capital Markets





MICHAEL SIEFERT
ESG Co-Chair (Europe)
Investments

DIANA SHIEH
ESG Co-Chair (U.S.)
Portfolio & Asset Management

MISSION^(*)

Madison is committed to incorporating environmental, social, and governance (“ESG”) considerations into our practices and procedures. Madison believes that it must act as a responsible owner and market participant to be able to best fulfil its commitments, and to protect and enhance the value of its investments. Madison further believes that ESG factors can have an impact on investment performance, and that managing ESG risks effectively has the potential to add value.

2020 ACHIEVEMENTS

- ✓ Updated Madison’s Investment Process
- ✓ Updated Madison’s ESG Policy
- ✓ UNPRI Signatory
- ✓ CEO Action for Diversity & Inclusion
- ✓ ESG Index/Sponsor Questionnaire
- ✓ Offset Corporate Carbon Footprint⁽¹⁾
- ✓ New York Office Corporate Green Lease
- ✓ ESG Reporting Requirements in JVAs
- ✓ ESG Due Diligence at Acquisition
- ✓ EnergyStar and Green Certifications Tracking
- ✓ Formalized Madison’s Philanthropy Committee
- ✓ Engaged with ESG and Sustainability Advisors

2021 GOALS^(†)

- First UNPRI Submission May 2021
- Update Diversity, Equity, and Inclusion Policy– Training, Industry Benchmarking, ILPA Membership, Data Collection
- Enhance ESG Data Analytics including Asset-Level KPI Tracking Dashboard
- Continue Long-term Philanthropic Partnerships
- Launch ESG Website
- Develop Responsible Contracting Policy
- Publish First Corporate Social Responsibility Report

* While the General Partner may consider ESG factors when making an investment decision, the Partnership does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns. See ESG Endnotes for definitions of key terms as well as further disclosures regarding Madison’s approach to ESG initiatives.

† As of 12/31/2020

ESG HIGHLIGHTS

- 2017**
Began tracking ESG initiatives across investments
- 2018**
Incorporated ESG assessment into Investment Committee Memorandums
- 2019**
Appointed U.S. and European ESG Co-Chairs
Formalized Madison's ESG policy
- 2020**
Became UNPRI Signatory
Signed CEO Action for Diversity & Inclusion
Offset all 2019 and 2020 Corporate Electric Consumption with RECs
- 2021**
Submitted UNPRI Report
Published GRI-Referenced CSR Report
Began Tracking Asset-Level Environmental KPIs

ESG COMMITTEE STRUCTURE



DIANA SHIEH
ESG Co-Chair | Portfolio & Asset Management
dshieh@madisonint.com



MICHAEL SIEFERT
ESG Co-Chair | Investments
msiefert@madisonint.com

PORTFOLIO & ASSET MANAGEMENT



EVAN WALKE

EQUITY CAPITAL MARKETS



MATTHEW JABLON

INVESTMENTS



CONRAD HARRON

COMPLIANCE



GREGG MICHEL

TECHNOLOGY



KATHLEEN HURLEY

HUMAN RESOURCES



NAUSHEEN HUSSAIN



SPENCER KERSH



KEVIN FALAHEE



ADRIAN KAY



FLORA BERTANO



*“ESG initiatives have the potential to unlock value throughout an organization, from retention of diverse talent to bottom line financial performance. But it’s not only an investment into the **value** of our portfolio, but it is also an investment in the **preservation of our environment** for future generations and an investment in the **people** who drive our business forward every day.”*

DIANA SHIEH
Managing Director, ESG Co-Chair





SCREENING OF PROSPECTIVE INVESTMENTS

- Pursue and Consider Pipeline Opportunities Based on Madison's Investment Criteria



DUE DILIGENCE & UNDERWRITING MEETINGS

- Property Assessments
- Environmental Due Diligence
- ESG Sponsor Survey & Policy Review
- Evaluate Social Factors
- Financial and Legal Due Diligence



INVESTMENT COMMITTEE APPROVAL

- Produce IC Memorandum with Full Transaction Details
- Summarize Diligence Findings
- Identify any Environmental and Transition Risks
- Approve JV Terms and Offer Price



INVESTMENT REALIZATION

- Execute Value-Add Initiatives
- Encourage ESG Initiatives during Holding Period
- Seeks to Maximize Investment Performance in Disposition Process



ASSET MANAGEMENT TRANSITION

- Asset Management Team Involved during Diligence Phase
- Identify Risks and Reviews Underwriting
- Active Sponsor Engagement and Ongoing ESG Monitoring



TRANSACTION CLOSING

- Negotiate and Document All Aspects of the Transaction
- Include ESG Reporting Requirements in JV Agreements
- Execute and Close Transaction

OUR INVESTMENT PROCESS^(*)(2)

Integrating ESG into Each Stage

Preacquisition: Madison conducts extensive due diligence coupled with the firm's underwriting procedures which are subject to various stress tests across its assumptions.

As part of the preacquisition process, we factor in ESG considerations across sectors and geographies and may engage sustainability advisors to assist in evaluating environmental and transition risks at the asset level.

In January 2020, Madison began negotiating for ESG reporting requirements within its joint venture agreements that support our efforts to track ESG metrics during our ownership period.

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Madison's approach to responsible investing starts from incorporating ESG factors into investment decisions by seeking to partner with like-minded sponsors.

CASE STUDIES^(*,3)



CAPITAL PROPERTIES

Office | New York and Boston, US

Through a partnership with Capital Properties, this portfolio consists of two Class A office buildings located in New York and Boston, totaling 1.5 million square feet. Capital Properties actively seeks out initiatives to improve the environmental efficiency of the Portfolio and has worked collaboratively with Madison on various retrofit projects.

ESG initiatives include:

- Near-term Capex Plan to obtain LEED Certification⁽⁴⁾ for the New York asset; Boston asset has obtained the LEED Gold Certification⁽⁴⁾
- Window replacement and facade restoration at Trinity Centre (New York) completed in 2020
- Proactively analyzed and addressed 2025 implications of Local Law 97 regulation regarding carbon emission reduction in New York
- Sustainable Building Standards such as LED lighting and recycling programs for tenants
- Capital Properties Founder & Chairman is a Trustee of Boston University and chairs the Real Estate and Governance Committees
- Capital Properties Executive Vice President, Hani Salama, serves as BOMA New York President and LEED AP Certified⁽⁴⁾



PROJECT ELI

Logistics | Various, Europe

Through a partnership with Griffin Real Estate, Project ELI is a portfolio of Class A European logistics assets newly developed by Panattoni totaling over 1.1 million square meters located across Poland, Germany and Spain. Griffin Real Estate has shown commitment to sustainability through its expansion to develop renewable energy projects in Europe. In addition, Panattoni is the most active logistics developer in Europe with the largest number of certified industrial assets in the UK, Czech, Slovakia, Germany, and Poland. Panattoni's development projects are designed to a minimum BREEAM Very Good⁽⁵⁾ rating and characterized by reduced CO2 emissions due to enhanced insulation of walls and roofs. The company believes that its responsibility reaches beyond the structure of a building and carefully considers wider impact on the surrounding area.

Environmental initiatives include:

- Dusk to dawn sensors for outdoor lighting
- BMS for monitoring appliances
- LED lighting
- 90% of all energy and water consumption is sub metered
- Modern low-emission gas heating systems
- Thermographic survey to eliminate heat loss

* Madison selected its first four acquisitions in 2020 as the representative case studies. While Madison may consider ESG factors when making an investment decision, it does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns. See ESG Endnotes for definitions of key terms as well as further disclosures regarding Madison's approach to ESG initiatives.



When investing in properties, Madison carefully considers the inclusion of ESG measures including green building certification(s) such as LEED or equivalent, prioritization of energy efficiency, a sustainable approach to real estate operations, and property performance data relating to electricity, water, and gas use where available.

CASE STUDIES^(*,3)



IQHQ Life Sciences | Various, US

Through a partnership with IQHQ, this portfolio is made up of over 5.8 million square feet of Class A life science properties and development projects in San Francisco, San Diego, and Boston. IQHQ empowers the life science community to thrive and succeed by creating environments that inspire progress and give innovation a home to grow. IQHQ not only has a desire to meet high standards of environmental safety and sustainability, but also requires compliance with federal, state, and local environmental and sustainability laws in order to prevent adverse effects to the business.

ESG achievements and initiatives include:

- All development projects adhere to IQHQ's Sustainability Design and Construction Standards with LEED Gold certification⁽⁴⁾ requirements (at a minimum)
- Fitwel or Well Building Certifications compliment all LEED projects⁽⁴⁾ to address occupant health
- All existing assets are in compliance with local energy benchmarking ordinances
- IQHQ's Social Impact Program allocates corporate and project charitable funds to strengthen and engage the communities in which they develop properties
- The Founder and Executive Chairman of IQHQ serves as a member of the Board of Trustees for the Salk Institute for Biological Studies and is a member of the Board of Directors of the philanthropic Campanile Foundation



CHMIELNA 89 Office | Warsaw, Poland

Through a partnership with Chmielna 89, this investment consists of a 25,825 square meter, thirteen-story, Class A office asset in the heart of Warsaw, Poland. The asset was designed and built with sustainability in mind which led to the property to earn a BREEAM Excellent⁽⁵⁾ certification upon completion, meeting the expectations of modern international tenants.

ESG initiatives include:

- Initiatives to transform city parkways and major cultural venues to improve public spaces and promote urban revitalization
- Heat recovery systems
- Energy saving lighting
- Environmental management during construction
- Seller Cavatina regularly participates in charity events

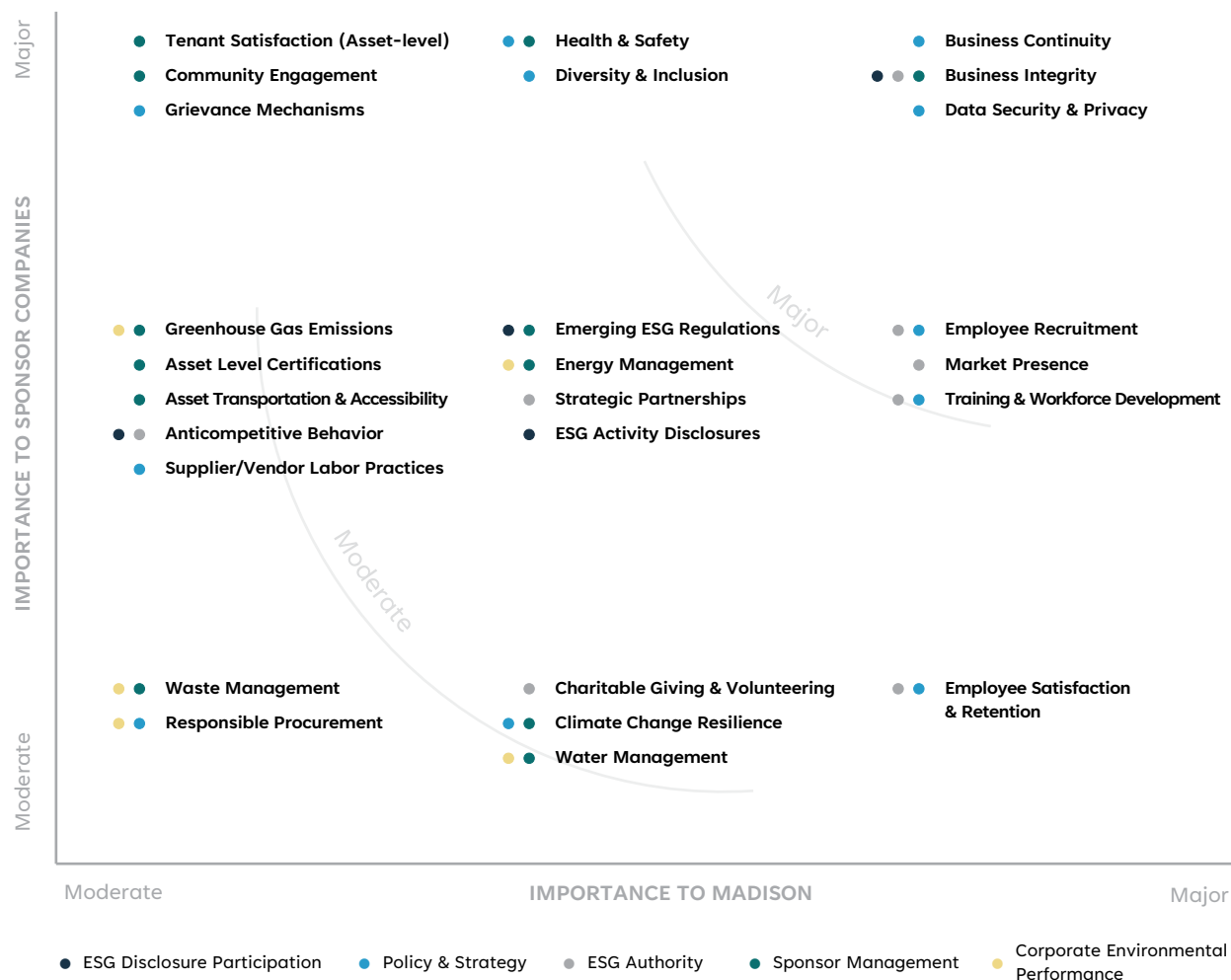
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In 2020, Madison International Realty completed the firm's first Materiality Assessment, with the assistance of its ESG consultant, to help Madison identify initial focus areas associated with ESG-related considerations. Madison and its ESG consultant developed a multi-year strategy to address focus areas that Madison and its ESG consultant considered most material to Madison's operations and stakeholders, including Madison investors. The assessment included qualitative interviews with members of the firm's senior leadership team and ESG committee to understand the internal and external perspectives of ESG-related risks and opportunities.

Qualitative interviews were also conducted with a sample of our sponsor companies to understand which focus areas they viewed as most relevant and to uncover opportunities for collaboration. In total, eight sponsor companies were engaged that represented three different funds and almost 50% of unrealized invested capital as of December 31, 2020. Because our investments represent a significant source of our environmental and social impacts, it was crucial that our sponsor companies were involved in this initial materiality assessment. For future assessments and engagement, Madison will consider expanding to additional stakeholder groups and adding more participants from our internal and sponsor company groups.

The interviews were followed by a quantitative survey where interviewees ranked the importance for several ESG topic areas, the results of which were used to generate Madison's materiality matrix to the right. While all areas had some level of importance to internal and external stakeholders, the matrix highlighted key areas for Madison to focus on through specific ESG initiatives. The matrix also helped guide the GRI topic-specific standards that Madison and its ESG consultant decided to include in this report. At this time, Madison is referencing certain GRI Standards and will be evaluating the potential for subsequent annual reports to be prepared in accordance with the GRI Standards: Core option.

MADISON'S MATERIALITY MATRIX^(*)



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MADISON
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03

ENVIRONMENTAL IMPACT

OVERVIEW
CORPORATE INITIATIVES
CORPORATE IMPACT
SCORECARD
PERFORMANCE HIGHLIGHTS
ENVIRONMENTAL KPI TRACKING



SECTOR OVERVIEW

The real estate sector is responsible for 38% of global greenhouse gas emissions and 35% of global energy consumption based on the Q4 2020 report, "2020 Global Status Report for Buildings and Construction" prepared by the Global Alliance for Building and Construction (GlobalABC) and the UN Environmental Programme. As a global real estate private equity firm, we understand that our industry and the assets in which we invest in are contributors to the sector's large environmental footprint. In order to help mitigate the potential implications of climate change and other environmental concerns, we believe it is crucial that the industry makes significant progress in the adoption of sustainable building operations and low-carbon energy consumption.

AT MADISON

We impact the environment through our own corporate operations and the physical assets in which Madison is invested. We have implemented initiatives that seek to address both aspects. Internally, Madison monitors the environmental performance of our workplaces and can seek to reduce our net impact on the environment by choosing to lease resource efficient buildings and pursue carbon offsetting projects.

DATA COLLECTION

Across our investments, we consider the environmental performance of properties in the decision-making process through our ESG scorecard. In January 2020, Madison began collecting relevant data where possible and incorporating environmental assessments to help identify sustainable best practices and opportunities for improvement, while providing Madison with a better understanding of the overall environmental performance and impact of our existing and potential investments.



INITIATIVES AT MADISON

At Madison, we incorporate ESG factors into our corporate operations by setting to the goal to reduce our environmental footprint, maximize our social impact, and continue to drive improvements.

MIR, Madison HQ

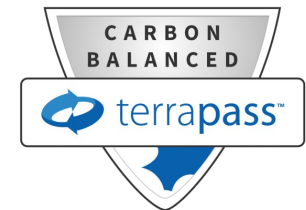
GREEN LEASING & RECs

NEW GREEN LEASE

In 2020, Madison relocated its New York headquarters to 300 Park Avenue where it signed a new corporate green lease and negotiated a comprehensive Sustainability Clause with Tishman Speyer as part of its ongoing ESG Corporate Initiatives.

100% ENERGY OFFSETS

Madison retroactively offset 100% of its 2019 and 2020 corporate electric use in its New York, London, and Frankfurt offices through the purchase of Green-e Energy® Certified Terrapass Renewable Energy Certificate (RECs). Madison supports the expanded use of renewable energy and will continue to incorporate the purchase of RECs in our climate change mitigation strategy moving forward.

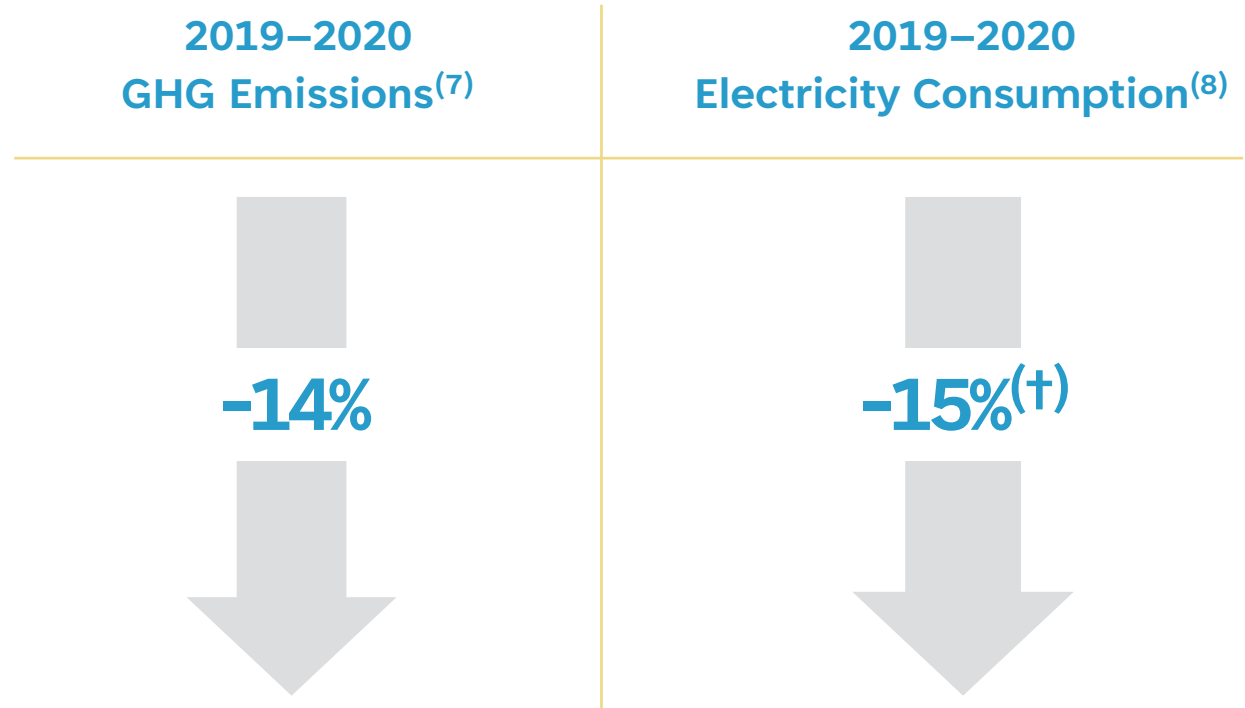


CORPORATE ENVIRONMENTAL IMPACT

To better understand and manage our corporate environmental impacts, Madison has begun tracking the energy consumption and associated emissions for our corporate offices where data is available. Currently, this includes our New York, London, and Frankfurt offices. Madison will continue working with our lessors to track utility consumption and mitigate our environmental footprint where possible through the utilization of green leases where appropriate.

This past year also marked Madison's first step in the tracking of greenhouse gas emissions associated with corporate operations. The emissions values for 2019 and 2020 are those generated from the electricity consumption at Madison corporate offices. Madison acknowledges that there are additional sources of relevant emissions throughout corporate operations and the value chain and will consider further disclosures when internal data collection processes become more comprehensive.

IMPACT BREAKDOWN



† While there was a decrease of 15% in electricity consumption across these offices from 2019 to 2020, much of this can be attributed to the impacts of COVID-19. For subsequent disclosures, Madison will continue evaluating trends in electricity consumption based on the pre-pandemic 2019 baseline.



MADISON'S ESG SCORECARD(*)

A proprietary online questionnaire created to evaluate four key ESG categories that screen the ESG maturity of our prospective and existing sponsors.

Madison's ESG Policy asks its sponsors to complete the ESG Scorecard on an annual basis for performance benchmarking. The intention is to highlight areas for improvement and create opportunities for sponsor engagement on ESG issues. Madison has created an ESG Dashboard to consolidate and track the data.

SCORECARD BREAKDOWN

I. Policy and Strategy

"Strategic Actions" seek to evaluate policies our sponsors have in place to manage risks related to climate change, i.e. "future proofing", and the phase of their ESG program.

II. Governance & Resourcing

The second section of the questionnaire inquires about who the responsible parties are at the company to implement the ESG policies and how they engage their employees to support their ESG commitments.

III. Portfolio Management

The third section of the questionnaire evaluates asset-level ESG policies and monitoring.

IV. Monitoring & Reporting

The fourth section of the questionnaire specifically evaluates the company's energy, water, waste, and carbon emission tracking.

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SCORECARD HIGHLIGHTS^(†)

ENVIRONMENTAL

59%

HAVE ENVIRONMENTAL POLICIES

SOCIAL

56%

HAVE POLICIES IN PLACE FOR SOCIAL ISSUES

GOVERNANCE

69%

HAVE A CODE OF BUSINESS CONDUCT AND ETHICS

CERTIFICATION HIGHLIGHTS^(*)

MADISON INTERNATIONAL REAL ESTATE LIQUIDITY FUNDS



FUND VI

25

LEED CERTIFIED⁽⁴⁾
BUILDINGS
OUT OF 218
APPLICABLE BUILDINGS

2

BREEAM CERTIFIED⁽⁵⁾
BUILDINGS
OUT OF 17
APPLICABLE BUILDINGS

14.9%

ENERGY/RI CERTIFIED⁽⁶⁾
BUILDINGS

FUND VII

6

LEED CERTIFIED⁽⁴⁾
BUILDINGS
OUT OF 43
APPLICABLE BUILDINGS

19

BREEAM CERTIFIED⁽⁵⁾
BUILDINGS
OUT OF 119
APPLICABLE BUILDINGS

62.3%

ENERGY/RI CERTIFIED⁽⁶⁾
BUILDINGS

[†] Madison began integrating ESG initiatives into its investment process in January of 2020, beginning with Fund VII and subsequently Fund VI, therefore Funds VI and VII have been highlighted as they represent the funds most active in incorporating these ESG considerations as of 12/31/2020.

^{*} While Madison may consider ESG factors when making an investment decision, it does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns. See ESG Endnotes for definitions of key terms as well as further disclosures regarding Madison's approach to ESG initiatives.



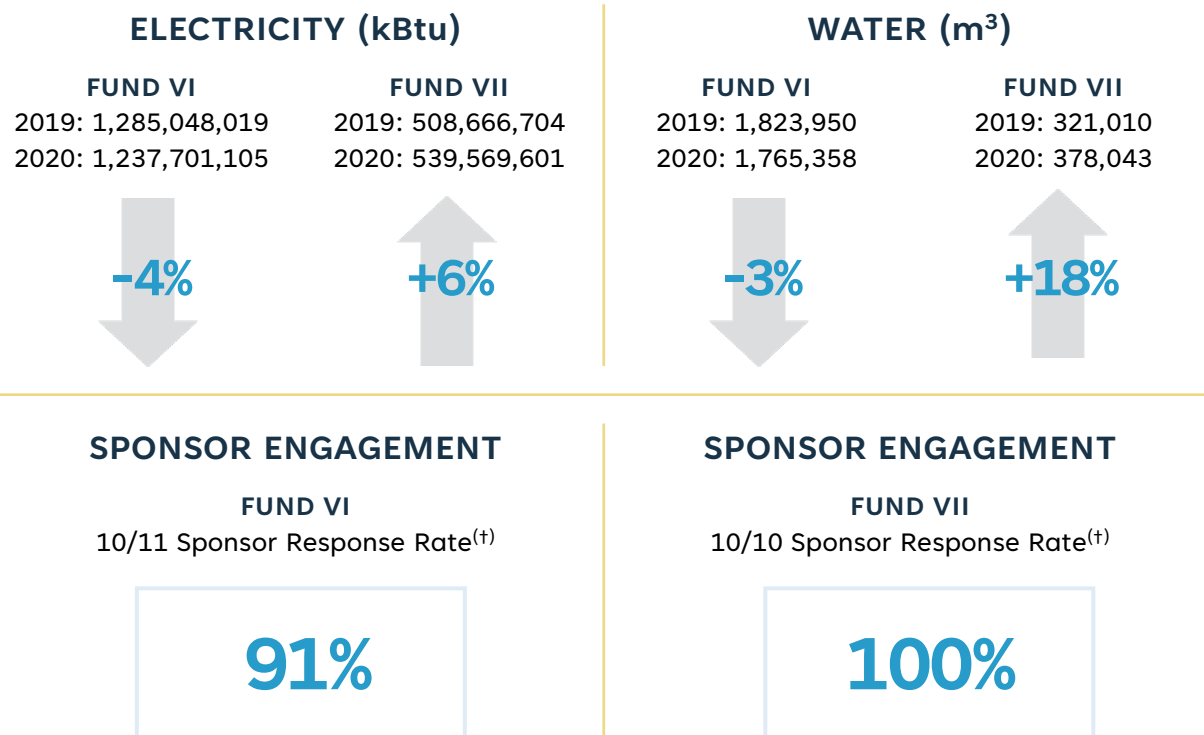
ENVIRONMENTAL

Integrating ESG into Operations

This year, Madison International began to create data transparency through its proprietary energy consumption tracking for all private investments in Fund VI and Fund VII with the intention of doing the same for Fund VIII.

FUND VI & FUND VII PERFORMANCE HIGHLIGHTS^(*)

Total Environmental KPI Consumption: 2019-2020 YoY Same Store Comparisons



* While Madison may consider ESG factors when making an investment decision, it does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns. See ESG Endnotes for definitions of key terms as well as further disclosures regarding Madison's approach to ESG initiatives.

† No response from Lion Plaza. Sponsor response rate is the absolute number of investments with corresponding sponsor companies that have provided owner-controlled energy KPI data to the best of their knowledge.



MADISON
INTERNATIONAL
REALTY

01

FOREWORD

02

CORPORATE
OVERVIEW

03

ENVIRONMENTAL
IMPACT

04

SOCIAL IMPACT

05

GOVERNANCE &
ETHICAL CONDUCT

04 SOCIAL IMPACT

OVERVIEW
DIVERSITY, EQUITY, INCLUSION
FIRM METRICS
HEALTH & WELLNESS
CAREER DEVELOPMENT



OVERVIEW

With offices in five countries and investments globally, Madison has a far-reaching social impact through our employees and the communities in which we operate and invest. That is why we take pride in our commitment to be a global citizen. This past year was marked by significant social unrest, particularly in the United States, and invoked much needed discussions around diversity, equity, and inclusion in the country and around the world. We are very proud of the resiliency of our employees and communities during these times and Madison has done, and will continue to do, what we can to support them.

OUR PEOPLE

It's our people that make us successful, so we are always striving to create a positive and inclusive workplace. Madison accomplishes this by investing in our employees, promoting the improvement of diversity in our firm and industry, and encouraging active participation in our philanthropic efforts. We have established committees, such as Women of Madison and our Philanthropy Committee to support these objectives and further the positive social impact of our firm. Despite the challenges that 2020 posed, Madison was able to continue, and further develop, these efforts and keep our employees connected with each other and their communities.

OUR PARTNER ORGANIZATIONS





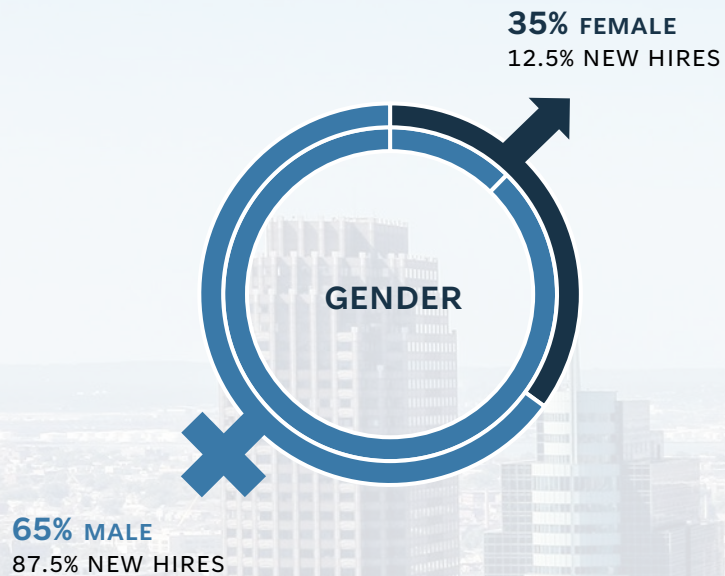
*“The most essential requirement for running a business is **human capital** – at Madison it is our **employees** who help our company run. We don’t need white papers to help us understand that **diverse teams** are more **creative, productive, and adept at decision-making**. Differences of background from diverse talent allows us to gain in on valuable skills and perspectives. Diversity, equity, and inclusion initiatives are **crucial** to our success.”*

NAUSHEEN HUSSAIN
Director of Human Resources

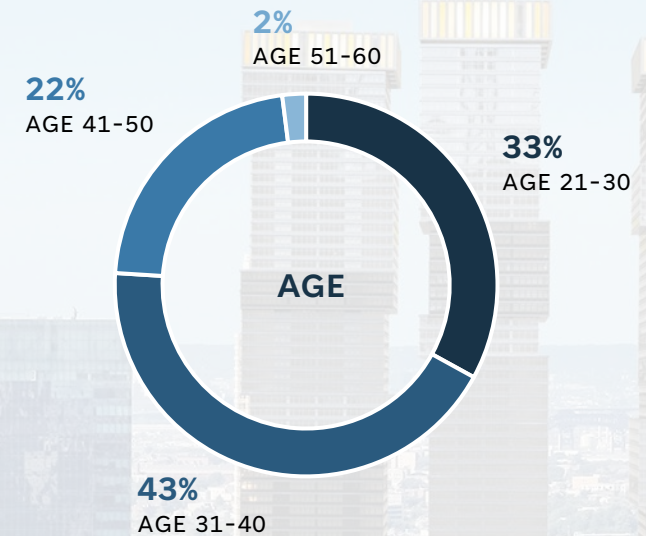
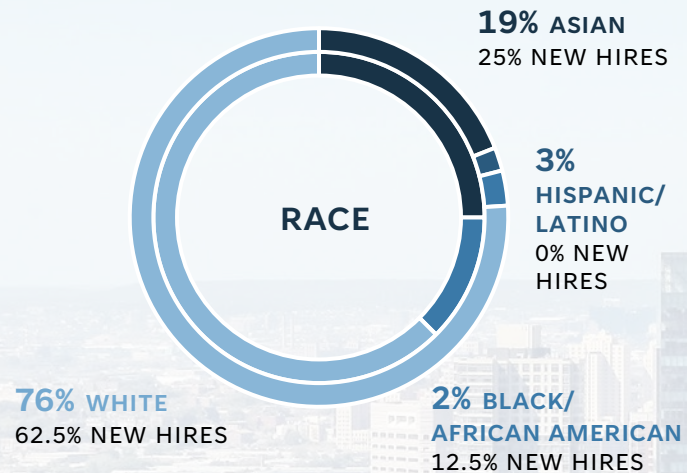


Madison holds itself to the highest standards of ethical and inclusive behavior and respect for others. Madison's DEI Policy commits to examining activities through the lens of diversity and inclusivity. Madison enhanced its Diversity & Inclusion ("D&I") Policy in 2020 with a pledge to provide unconscious bias training for its staff, prioritize D&I in its recruitment and mentoring initiatives, create a repository of D&I best practices to drive innovation, and continually educate its workforce on Madison's policies against discrimination and harassment.

EMPLOYEE METRICS

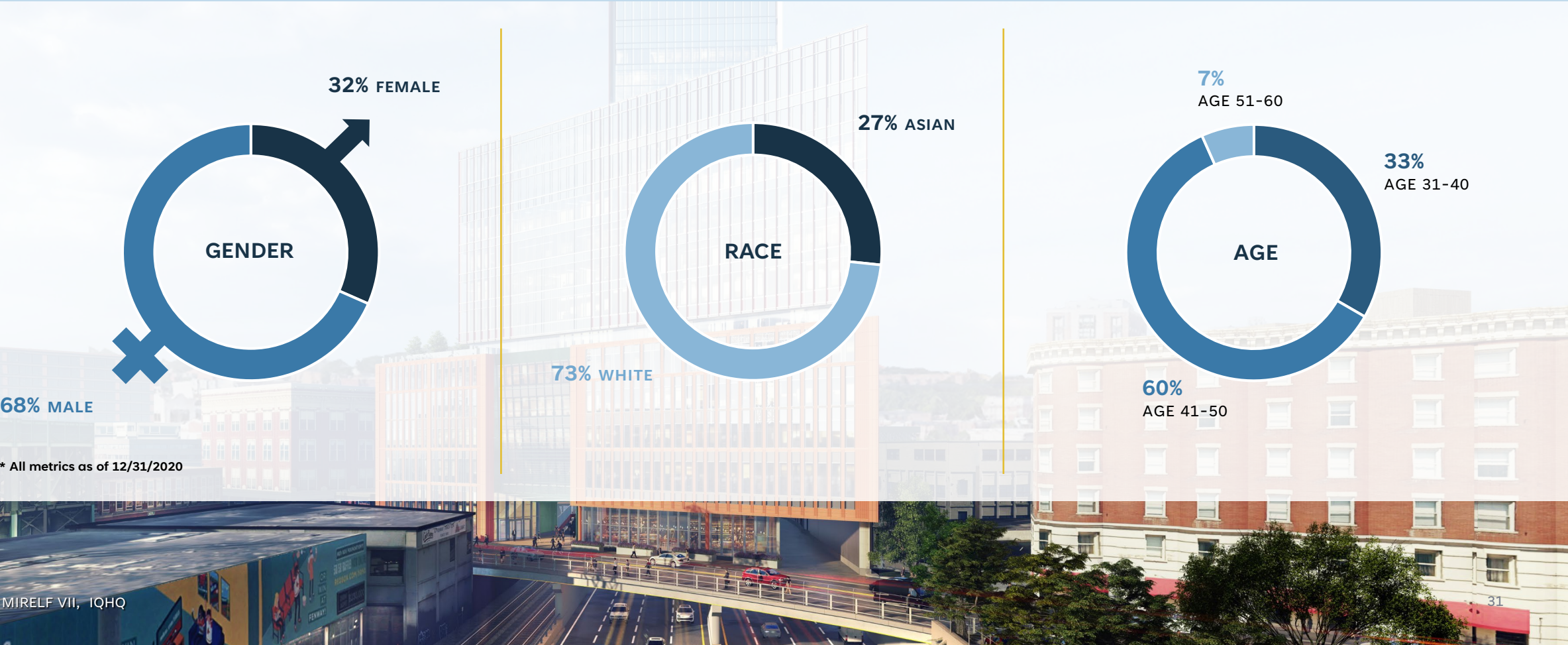


* All metrics as of 12/31/2020



Madison’s Senior Management Team consists of individuals who serve across various functional areas within the organization, including Investments, Finance & Accounting, Asset Management, Business Development, Equity Capital Markets, Compliance, and Human Resources. This team meets weekly to discuss and implement operational control oversight for the firm while also regularly monitoring all transactions and operations to protect the interests of the Fund.

SENIOR MANAGEMENT TEAM





WOMEN OF MADISON

Madison launched the Women of Madison initiative in 2019 to promote the professional goals of women in the industry by engaging all employees in a discussion about relevant real estate topics. The organization focuses on fostering and developing talent and abilities with a commitment to providing mentoring and training programs for the women at the firm.

*“In this industry, you can sometimes be the **only woman** in the room, so it’s important for women to have the **confidence** to voice their opinion.”*

JASMIN CHITRAKAR
Managing Director



WORKSHOPS

Women of Madison hosts quarterly luncheons featuring female panelists who are leaders in their field to speak to Madison employees. These workshops are intended to not only build skills that will help them here at MIR but also help their personal and professional growth.



For our speaker series, we host presentations from industry professionals to discuss their experiences and share their subject matter expertise.



25%

EMPLOYEES HOLDING NON-PROFIT
BOARD SEATS IN 2020

100%

EMPLOYEES RECEIVING PERFORMANCE
DEVELOPMENT REVIEWS

1,277

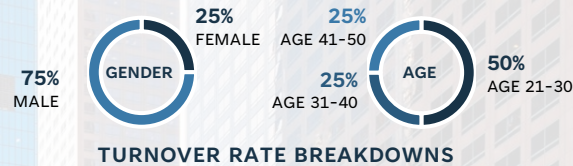
2020 HOURS OF TRAINING
20 AVG HRS PER EMPLOYEE

1,177

2020 SOCIAL IMPACT HOURS

13%

TURNOVER RATE



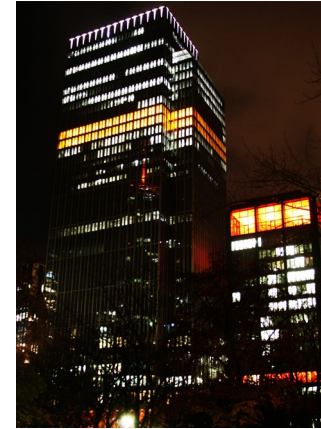
\$8,213

AMOUNT DONATED BY EMPLOYEES IN 2020

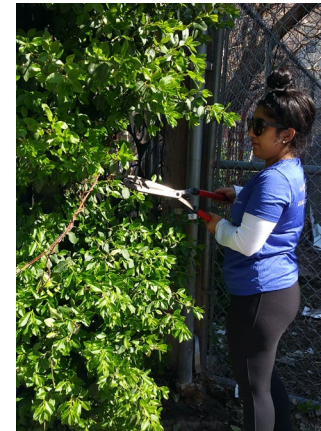
\$165,011

AMOUNT DONATED BY MADISON IN 2020

MADISON SOCIAL IMPACT HIGHLIGHTS



Madison International Realty's Frankfurt Office Illuminates In Orange To Bring Awareness To Gender-Based Violence. Madison's Frankfurt office joined many landmark buildings throughout the world in illuminating the office orange to set a clear sign against Gender-Based Violence.



In honor of Earth Day, Madison volunteered with GrowNYC to distribute flower, vegetable, and herb seedlings to participating schools, block associations, public housing developments, community gardens, and community-based organizations.



PHILANTHROPY

Madison International Realty's employee base is dedicated to serving the needs of our communities by combining the resources of the company and the energy of our staff with local community-based social and environmental projects.

Madison International European Liquidity Investors, L.P., Sony Center

*"Being able to give back is important to us at Madison, we **care** about being a **good corporate citizen** and **positively impacting our communities**."*

CONRAD HARRON
Head of the Philanthropy Committee



PARTNERSHIPS



Madison provides a weekly catered lunch and have partnered with Rescuing Leftover Cuisine (RLC) to donate any leftovers to a local homeless shelter.



Members of our accounting team worked with these students weekly to teach financial literacy during a 6-month program and were able to continue this program by using video calls.



Madison ensured our team's health and wellness was top of mind. Much of the world was entangled in demanding and inflexible workplace cultures; at Madison, we try to cultivate a work environment that prevents employee burnout.

HEALTH & WELLNESS BENEFITS

Medical Concierge Enrollment
Engagement Surveys
Work From Home Meal Allowances
Safety Commuting Allowances
Health/Home/Auto/Pet Insurance
Mentoring & Buddy Program
The Employee Assistance Program

Meditation App Download Reimbursements
401k Program Participation
✓ Begins 1 month post start date up to 3% match of salary and bonus
Paid Parental/Family Leave
✓ Birth / Adoption / Care of a family member in need



Took Parental Leave



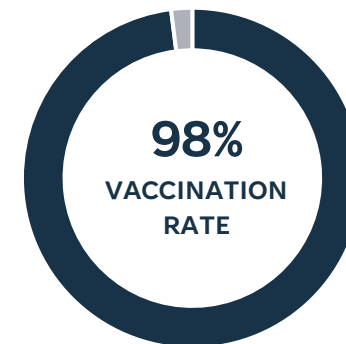
Took Parental Leave and Left within 12 Months

DELTA RESPONSE IN OUR OPERATIONS

The Delta variant impacted our team as we had a handful of cases where vaccinated staff experienced breakthrough infections. Our employees' health and safety remain our number one priority throughout this crisis period, and it required us reintroduce earlier protocol measures. We also set up a COVID vaccination mandate for staff to be office-based and reinstituted weekly COVID testing protocols.

As of the end of 2021, 98% of our staff was vaccinated and we continue to believe that our teams work better when we are together as we navigate a hybrid working model.

We keep very detailed track of the statistics, science, and data to ensure our protocols are up to date to meet our needs. By continuing to be creative, flexible, and adaptive in our approaches to COVID-19, we believe that we can have a safe workplace with an engaged workforce.





05 GOVERNANCE & ETHICAL CONDUCT

POLICIES AND REPORTING
COMPLIANCE TRAINING
CYBERSECURITY
GLOBAL REPORTING
INITIATIVE DISCLOSURES



GOVERNANCE

Madison operates within a framework of policies, procedures, principles and practices that have been established to ensure that we embrace corporate responsibility, accountability, fairness, and transparency in our business relationships.

ESG POLICIES

Madison's ESG Policies guide the firm's commitment to incorporating environmental, social, and governance considerations to maintain high ethical standards.

ESG POLICY

DEI POLICY

COMPLIANCE
POLICY

CODE OF
ETHICS

MADISON REPORTING



UNPRI SIGNATORY

Madison is a signatory to the UN-supported Principles for Responsible Investment (PRI), which lays out a set of best practice principles with regards to responsible investments. Madison intends to use these principles to guide its own investment practices across the assets in which it invests, which includes the incorporation of ESG factors into its investment process.



GRI-REFERENCED CSR

This CSR report references key Global Reporting Initiative Standards.



GRESB⁽⁹⁾

Some of Madison's portfolio companies participate in the annual GRESB submission to benchmark their assets' sustainability performance against industry peers.



*“One of the **primary goals** of ESG for investment firms is ultimately to provide greater **transparency** to their investors. Given the enhanced focus on ESG, both for investment firms as well as regulators, I expect to see **more guidelines and uniformity** regarding how firms share their approach to ESG, which ultimately will allow investors to compare firms and benefit their investment decision-making.”*

GREGG MICHEL
Chief Compliance Officer





COMPLIANCE TRAINING^(*)

Firm employees receive detailed compliance training and are expected to monitor and help enforce adherence to the compliance manual and to the investment objectives, policies and restrictions of its investment vehicles.

DATA PRIVACY

All new employees are also subject to code of ethics and data privacy including compliance with the European Union General Data Protection Regulation (“GDPR”) training with the compliance team as part of the new-hire orientation program and the Firm’s annual training program. In addition, policies are presented related to confidentiality agreements, handling of material non-public information, AML, marketing materials, social media, electronic communications, whistleblowing, and vendor onboarding/diligence, among others.

MADISON POLICIES

Firm-wide training is conducted annually, which most recently included a focus on the Firm’s Code of Ethics, Cybersecurity and Conflicts of Interest. In addition, policies were presented related to confidentiality agreements, handling of Material Non-Public Information (“MNPI”), AML, marketing materials, social media, electronic communications, whistleblowing, and vendor onboarding/diligence, among others.

CYBERSECURITY

Each new employee receives targeted computer-based data privacy, basic cybersecurity and phishing training which is required to be completed satisfactorily. Employees who experience issues with phishing email tests are enrolled in further targeted cybersecurity training (“CBT”) and in-person training.



CYBERSECURITY GOVERNANCE & RISK COMPLIANCE

POLICIES & PROCEDURES

Madison has developed and continues a regular review process around its cybersecurity documentary guidance.

AUDITS

Annual penetration testing, ongoing vulnerability scanning and other technical auditing as well as internal self-auditing protocols, are designed to reinforce best practices and aid in rapidly detecting and stopping threats.

STRATEGIC MANAGEMENT & BUSINESS PROCESSES

Deeply engage with the business
Ongoing process improvement cycle

CONTROL ACTIVITIES

PoLP, MFA, minimize the attack surface

RISK MANAGEMENT

Vendor risk management,
Complicating access
Resilience & DR

PERFORMANCE MANAGEMENT

Service and industry benchmarking
Conference attendance certifications

GENERAL DISCLOSURES^(*)
ORGANIZATIONAL PROFILE

102-1	Name of the organization	Corporate Overview.
102-2	Activities, brands, products, and services	Corporate Overview.
102-3	Location of headquarters	Corporate Overview. Madison International Realty is currently headquartered in New York, U.S.
102-4	Location of operations	Corporate Overview.
102-5	Ownership and legal form	Corporate Overview. Madison International Realty is a privately owned real estate investment firm.
102-6	Markets Served	Corporate Overview.
102-7	Scale of the organization	Corporate Overview. Madison International Realty is unable to currently disclose its net sales or total capitalization.
102-8	Information on employees and other workers	Social section.
102-9	Supply chain	Madison International Realty does not have a significant supply chain due to the nature of its operations and primary services as a real estate private equity firm.
102-10	Significant changes to the organization and its supply chain	There were no significant changes to the organization's supply chain in 2020.
102-11	Precautionary Principle or approach	Madison International Realty does not use the Precautionary Principle but follows a detailed risk management protocol through compliance training.
102-12	External Initiatives	ESG Timeline, Social Impact, and Philanthropy Sections.
102-13	Member of associations	Corporate Overview.

STRATEGY

102-14	Statement from senior decision-maker	CEO Letter.
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ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behavior	Corporate Overview, CEO Letter. WSPs and Code of Ethics can be provided upon request.
102-17	Mechanisms for advice and concerns about ethics	Compliance section.

GOVERNANCE

102-18	Governance structure	In the corporate overview section for senior management.
102-20	Executive-level responsibility for economic, environmental, and social topics	ESG committee section.
102-30	Effectiveness of risk management processes	Investment process section.
102-31	Review of economic, environmental, and social topics	Investment process section.
102-32	Highest governance body's role in sustainability reporting	Approved by senior management members Gregg Michel (CCO) and Ron Dickerman.

STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	Materiality Assessment section.
102-41	Collective bargaining agreements	0%; The organization does not have any employees that are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Materiality Assessment section.
102-43	Approach to stakeholder engagement	Materiality Assessment section.
102-44	Key topics and concerns raised	Materiality Assessment section.

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	Madison International Realty is a private company, and therefore cannot disclose financial statements to the general public.
102-46	Defining report content and topic Boundaries	Materiality Assessment section.
102-47	List of material topics	Materiality Assessment section.
102-48	Restatements of information	This is MIR's first GRI-referenced report, there are no applicable restatements of information.
102-49	Changes in reporting	This is MIR's first GRI-referenced report, there are no applicable changes in regard to material topics or topic boundaries.
102-50	Reporting period	January 1, 2020 - December 31, 2020.
102-51	Date of most recent report	This is MIR's first GRI-referenced report.

* This report references the GRI standards but was not prepared in accordance with the GRI Core or Comprehensive Options. The standards referenced represent GRI standards published as of 2019. As discussed on pg. 3, Madison and its ESG consultant conducted an initial assessment of the economic, environmental, and social topics believed to be most material to its operations and stakeholders in 2020 and identified the list of topics identified in the matrix on pg. 19 of this Presentation. Madison and its ESG consultant then analyzed this list to identify the GRI topic-specific standards: (i) that appear to most closely correspond to the focus areas identified by Madison's initial assessment; and (ii) that Madison and its ESG consultant believe that Madison has sufficient information to report on at the time of this inaugural report.

REPORTING PRACTICE (continued)

102-52	Reporting cycle	Annual.
102-53	Contact point for questions regarding the report	ESG Structure, Committee Overview.
102-54	Claims of reporting in accordance with the GRI Standards	This material references GRI Standards for Sustainability Reporting.
102-55	GRI content index	GRI Content Index section.
102-56	External assurance	MIR did not seek external assurance for the content or data found in this report, but the report was reviewed by Madison's ESG consultant.

ECONOMIC^(*)
ECONOMIC PERFORMANCE

103	Management Approach	Materiality Assessment section.
201-3	Defined benefit plan obligations and other retirement plans	Madison International Realty offers a 401k program that offers a 3% match of salary and bonus. The level of participation in this program has not yet been calculated.

ANTI-CORRUPTION

103	Management Approach	Materiality Assessment section, Compliance Training section.
205-2	Communication and training about anti-corruption policies and procedures	Compliance & training section. Anti-Corruption policies are trained firm-wide annually across all regions/offices. Madison's Anti-Corruption policies are also provided to investors upon request. Madison has discussed its Anti-Corruption policies with some but not all of its business partners.
205-3	Confirmed incidents of corruption and actions taken	There were no incidents of corruption during the reporting year (January 1st, 2020 - December 31st, 2020).

TAX

207-1	Approach to tax	Madison does not have a tax process document detailing tax strategy.
207-2	Tax governance, control, and risk management	Madison does not have a tax process document detailing tax strategy.
207-3	Stakeholder engagement and management of concerns related to tax	Madison does not have a tax process document detailing tax strategy.
207-4	Country-by-country reporting	Madison does not have a tax process document detailing tax strategy.

ENVIRONMENTAL
ENERGY

103	Management Approach	Materiality Assessment section, Environmental section.
302-1	Energy consumption within the organization	Environmental section. Madison International Realty's 2020 energy consumption includes the New York, London, and Frankfurt offices. The energy consumption data was not available in coworking spaces for the Amsterdam or Luxembourg offices.

**WATER AND
EFFLUENTS**

303-2	Management of water discharge-related impacts	Materiality Assessment section, Environmental section.
303-5	Water consumption	Madison does not currently monitor its own water usage, but we do monitor the water usage of certain investments, as the impact of water usage by our investments significantly outweighs the impact of water usage of Madison's own operations.

* This report references the GRI standards but was not prepared in accordance with the GRI Core or Comprehensive Options. The standards referenced represent GRI standards published as of 2019. As discussed on pg. 3, Madison and its ESG consultant conducted an initial assessment of the economic, environmental, and social topics believed to be most material to its operations and stakeholders in 2020 and identified the list of topics identified in the matrix on pg. 19 of this Presentation. Madison and its ESG consultant then analyzed this list to identify the GRI topic-specific standards: (i) that appear to most closely correspond to the focus areas identified by Madison's initial assessment; and (ii) that Madison and its ESG consultant believe that Madison has sufficient information to report on at the time of this inaugural report.

EMISSIONS

103	Management Approach	Materiality Assessment section, Environmental section.
305-3	Other indirect (Scope 3) GHG emissions	Environmental section. Madison International Realty has limited Scope 1 and 2 emissions due to the nature of its operations as a real estate private equity firm. The firm does not currently have operational control over its office spaces, so the emissions associated with corporate operations are considered Scope 3 and classified as upstream leased assets. Madison International Realty acknowledges that there are additional relevant sources of emissions associated with its operations and investments and will look to include additional material sources in future disclosures.

ENVIRONMENTAL COMPLIANCE

103	Management Approach	Materiality Assessment section, Environmental section.
307-1	Non-compliance with environmental laws and regulations	Madison is not aware of incidences where it did not comply with environmental laws and/or regulations in 2020.

SOCIAL(*)
EMPLOYMENT

103	Management Approach	Materiality Assessment section, Social section.
401-1	New employee hires and employee turnover	Social section.
401-2	Benefits provided to full-time employees	Social section.
401-3	Parental leave	Social section. Parental/Family Leave is available to 100% of full-time Madison International Realty employees. In 2020, 8 employees entitled took leave and 6 of which were still employed 12 months following their leave. Madison International Realty is currently unable to provide the specific gender breakdown for these disclosures.

OCCUPATIONAL HEALTH AND SAFETY

403-6	Promotion of worker health	Health and wellness section.
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TRAINING AND EDUCATION

103	Management Approach	Materiality Assessment section, Social section.
404-1	Average hours of training per year per employee	Social section. On average, Madison International Realty employees received 20 hours of training in 2020. This did not vary based on gender.
404-3	Percentage of employees receiving regular performance and career development reviews	Social section.

DIVERSITY AND EQUAL OPPORTUNITY

103	Management Approach	Materiality Assessment section, Social section.
405-1	Diversity of governance bodies and employees	Social section.

NON-DISCRIMINATION

103	Management Approach	Materiality Assessment section, Social section.
406-1	Incidents of discrimination and corrective actions taken	Madison International Realty did not have any incidences of discrimination during the reporting year.

* This report references the GRI standards but was not prepared in accordance with the GRI Core or Comprehensive Options. The standards referenced represent GRI standards published as of 2019. As discussed on pg. 3, Madison and its ESG consultant conducted an initial assessment of the economic, environmental, and social topics believed to be most material to its operations and stakeholders in 2020 and identified the list of topics identified in the matrix on pg. 19 of this Presentation. Madison and its ESG consultant then analyzed this list to identify the GRI topic-specific standards: (i) that appear to most closely correspond to the focus areas identified by Madison's initial assessment; and (ii) that Madison and its ESG consultant believe that Madison has sufficient information to report on at the time of this inaugural report.



LOCAL COMMUNITIES

103	Management Approach	Materiality Assessment section, Philanthropy section.
413-1	Operations with local community engagement, impact assessments, and development programs	Social section.

CUSTOMER PRIVACY

103	Management Approach	Materiality Assessment section, Governance section.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Madison International Realty did not have any substantiated complaints regarding breaches of customer privacy or losses of customer data during the reporting year.

ENDNOTE

This Sustainability Report and most of the metrics herein cover the time period January 1, 2020 - December 31, 2020. The Sustainability Report was drafted in 2021, however, so parts of the report do discuss events that occurred in 2021. Madison takes a disciplined, comprehensive approach to underwriting prospective investment opportunities, employing a systematic due diligence process conducted in-house by Madison and assisted, when appropriate, by industry specialists. During the investment underwriting process, Madison may consider long-term ESG factors through in-depth asset, deal sponsor and company research and engagement. We seek to understand material ESG risks and opportunities in the assets, sponsors, funds and companies we analyze and integrate into our investment process in a way that we believe is suitable and consistent with our investors' mandates. Where material, we are committed to evaluating the impact of a company's or an asset's ESG policies in the investment process. Where consistent with our client mandates, we can integrate ESG issues into the portfolio and asset management process to pursue a positive impact with the companies in which we invest and work with. While Madison may consider ESG factors during the investment review process, ESG-related information may be difficult to obtain in connection with real estate investing, and ESG-related factors may have little to no impact on an investment's profitability or value. Madison does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns.

1. Madison retroactively offset all its 2019 and 2020 corporate electric use in its New York, London, and Frankfurt (excludes Luxembourg and Amsterdam) offices through the purchase of Green-e Energy® Certified Terrapass Renewable Energy Certificate (RECS).
2. While Madison may consider ESG factors during the investment review process, ESG-related information may be difficult to obtain in connection with real estate investing, and ESG-related factors may have little to no impact on an investment's profitability or value.
3. References to specific investments are intended to only illustrate the application of Madison's ESG integration in its investment process. The investment described in the selected case study does not represent all of the investments purchased or sold by any fund or other product; further, not all of the real estate investments made by Madison have undergone the same or similar ESG inspections, audit processes and/or considerations
4. LEED (Leadership in Energy and Environmental Design) is a third-party green building certification program and a globally recognized sustainability standard for the design, construction and operation of highly efficient green buildings. The LEED rating systems are made up of prerequisites and credits. Prerequisites are required elements or green building strategies that must be included in any LEED-certified project. Credits are optional elements that projects can pursue to gain points towards LEED certification. The levels of certification are then awarded based on points and follow the following thresholds: Certified (40–49 points), Silver (50–59 points), Gold (60–79 points) and Platinum (80+ points). A "LEED AP" credential distinguishes those with advanced knowledge in green building, plus expertise in a particular LEED rating system.
5. BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability assessment method that measures the sustainable value of infrastructure and buildings using a series of categories, ranging from energy to ecology. Each of these categories addresses the most influential factors, including low impact design and carbon emissions reduction; design durability and resilience; adaption to climate change; and ecological value and biodiversity protection. The BREEAM ratings range from Acceptable (In-Use scheme only) to Pass, Good, Very Good, Excellent to Outstanding and it is reflected in a series of stars on the BREEAM certificate. BREEAM is not currently developed for residential properties.
6. Energy or RI Certified" indicates any building with an EnergyStar certification, EPC Rating, or any other renewable energy certification. EnergyStar is a joint program run by the US Department of Energy and EPA to help implement energy-efficient products and practices and best assess building energy performance. The label identifies top-performing, cost-effective products and properties, through a series of set specifications, testing procedures, and verifications. EPC (Energy Performance Certificate) is a four-page document which sets out the energy efficiency of a property on a traffic light system of A to G, with A being the most efficient. An EPC provides an indication of how much it will cost to heat and power a property. A renewable energy certificate (REC) is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource. Similar to EPCs, Certificado de Eficiencia Energética (CEE) labels set out the energy efficiency of a property on a traffic light system of A to G, with A being the most efficient.

ENDNOTE

7. Associated greenhouse gas emissions were calculated following the Greenhouse Gas Protocol: Corporate Standard and based on an operational control approach. The values for 2019 and 2020 represent location-based energy indirect emissions and were calculated using factors from EPA Center for Corporate Climate Leadership. 2019: 38.669 MTCO₂e // 2020: 33.195 MTCO₂e
8. Two months of 2020 electricity data was unavailable; estimates were used to calculate the annual value. Electricity data for the Frankfurt office was only available in 12-month intervals for September 2018 –September 2019 and September 2019 –September 2020. To maintain consistency in our data reporting, these values were calendarized to estimate CY 2019 and CY 2020 consumption values. 2019: 145,013.06 kWh // 2020: 122,885.31 kWh
9. GRESB assesses and benchmarks the Environmental, Social and Governance (ESG) performance of real assets, providing standardized and validated data to the capital markets. The GRESB rating is calculated relative to the global performance of all reporting entities – property type and geography are not taken into account. GRESB 5-star rating represents a top quintile ranking; GRESB 1-star rating represents a bottom quintile ranking.
10. This Sustainability Report and most of the metrics herein cover the time period January 1, 2020 - December 31, 2020. The Sustainability Report was drafted in 2021, however, so parts of the report do discuss events that occurred in 2021.



MADISON
INTERNATIONAL
REALTY

FRANKFURT
Taunusanlage 11
60329 Frankfurt am Main
Germany

NEW YORK
300 Park Avenue 3rd Floor
New York, NY 10022
United States

LONDON
53/54 Grosvenor Street
London W1K 3HU
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