

**Declaration on Principle Adverse Impacts on Sustainability Factors
Green Arrow Capital Alternative Funds SGR**

As per Art. 4 of Regulation (EU) 2019/2088

June 30th, 2026

Statement on principal adverse impacts of investment decisions on sustainability factors

1. Financial market participant

Green Arrow Capital Alternative Funds SGR

2. Summary

Green Arrow Capital Alternative Funds SGR (hereinafter "GAC AF" or "the Asset Manager"), in compliance with Article 4 of Regulation (EU) 2019/2088 on sustainability-related disclosure in the financial services sector (hereinafter "SFDR"), considers principal adverse impacts (hereinafter, "PAIs") of its investment decisions on sustainability factors.

The present consolidated statement on principal adverse impacts on sustainability factors covers the reference period from January 1st, 2025, to December 31st, 2025. The structure of the statement is aligned with the guidelines provided by the Regulatory Technical Standards (hereinafter "RTS")¹ that supplement the SFDR. The reporting scope includes investee companies present as of December 31st, 2025, within the following funds' portfolios pertaining to the *Direct Funds*² and *Special Situations* product lines³:

- IDeA Taste of Italy (TOI);
- Taste of Italy 2 (TOI2);
- IDeA Agro (Agro);
- Sviluppo Sostenibile (SS);
- IDeA Corporate Credit Recovery II (CCR II), limited to companies in which the Fund has an equity interest;
- Flexible Capital Fund (Flexible).

Additionally, building on the efforts made by the Asset Manager to integrate PAIs-related information into its proprietary data collection tool, the PAI disclosure includes investee funds held within the portfolios of the *Client Solutions*⁴ product line as of December 31st, 2025. The disclosure concerning adverse impacts associated with these products is provided separately in the table below, to allow for a meaningful comparison of the yearly trend of *Direct Funds* and *Special Situations*.

In addition to the 14 mandatory PAIs (refer to the table presented in the paragraph 3, describing the principal adverse impacts on sustainability factors), GAC AF also monitors two additional indicators from Tables 2 and 3 of Annex 1 of the RTS, namely:

- 7. Investments in companies without water management policies; and
- 3. Number of days lost to injuries, accidents, fatalities, or illnesses.

The monitoring of PAIs is carried out through proprietary tools for the collection and processing of ESG data, supplemented by dialogue with each portfolio company to discuss and understand

¹ Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

² The following direct funds approaching liquidation or in liquidation as of 2025 were excluded by the scope of this statement and PAI indicators: (i) "IDeA Opportunity Fund I"; (ii) "Investitori Associati IV"; (iii) "IDeA Efficienza Energetica e Sviluppo Sostenibile".

³ The scope of PAI indicators currently excludes the underlying investments within the portfolios of products pertaining to the *Non-performing Loans (NPL)* line, due to the specific characteristics and complexities associated, the late life stage of the Funds, and the moderate LPs' expectations on ESG integration. In particular, PAIs collection and monitoring for each individual credit exposure appears disproportionately complex and not materially impactful due to the high number of positions within the portfolio and the relevant size of each single position.

⁴ The scope of PAI disclosure within the client solutions product line is currently limited to 64% of total investments, due to the availability of information from the investee funds. The Asset Manager is committed to increase the availability of consistent and reliable data.

specific trend and implement, where necessary, specific actions aimed at mitigating the negative impacts identified.

3. Description of the principal adverse impacts on sustainability factors

Quantitative information pertaining to the PAIs considered is presented in the tables below. As previously indicated, the data specific to the *Client Solutions* business line is disclosed in a dedicated table.

Adverse sustainability indicator – Direct Funds and Special Situations		Metric	Impact 2023	Impact 2024 ⁵	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions (tCO ₂ e)	Scope 1 GHG emissions ⁶	7,849.5	6,815.79	10,766.50	<p>Overall, Total GHG emissions slightly decreased in 2025 compared with 2024, mainly reflecting changes in the portfolio perimeter and performance, and non-homogenous Scope 3 emissions quantification.</p> <p>In particular, the increase in Scope 1 is mainly attributable to the new investments in TOI 2 and AGRO funds' perimeters. Moreover, higher energy consumptions have been recorded for certain companies within the Agro Fund in line with the normal evolution of the business, for example following the start of production after the initial cultivation phase. The scope 2 emissions decline reflects the slight decrease in emission intensity of the Italian electricity grid, changes in the Funds' operational perimeter.</p> <p>The reduction in Scope 3 emissions is driven by portfolio changes during the reporting period, particularly the divestment of Legami from the Flexible fund in the second half of the year.</p>	<p>During the reporting year, GAC AF has promoted a biannual ESG data collection to monitor ESG performance of the portfolio. Moreover, when not already performed autonomously by the PCs, the collected energy consumptions have been used to quantify Scope 1 and 2 GHG emissions to achieve a complete overview of the financed emissions.</p> <p>Additionally, in relation to Scope 3 GHG emissions, GAC AF is working to ensure that the information coverage will improve in the coming years. A prioritization analysis to prioritize Scope 3 quantification where it is most significant has been undertaken.</p> <p>Finally, GAC AF has promoted further actions through the implementation of ESG Action Plans, which includes GHG-related actions.</p>
		Scope 2 GHG emissions ⁶	10,902.0	9,051.19	8,215.75		
Scope 3 GHG emissions ⁷		1,377.0	9,067.08	5,038.82			
		Total GHG emissions	20,128.3	24,943.06	24,036.79		
	2. Carbon footprint (tCO ₂ e / M€ current value of investments)	Carbon footprint	52.1	46.81	41.13	The decrease in carbon footprint observed in 2025 is mainly attributable to the slight decrease in total GHG emissions and changes in portfolio composition.	Please, refer to the <i>Scope 1, 2, and 3 GHG emissions</i> PAI indicators.

⁵ Please consider that following the consolidation and validation of ESG data from Portfolio Companies, some PAI indicators have been subject to changes with respect to the values reported last year.

⁶ The PAI indicators for Scope 1 and Scope 2 GHG emissions cover the entire Green Arrow Capital portfolio.

⁷ The PAI indicator for Scope 3 GHG emissions only includes values reported in the first semester of the 2025 by the Investee Company *Legami S.p.A.* and the yearly value of Scope 3 emissions of Demetra, for which the assessment refer to a limited set of Scope 3 categories, and corporate boundaries. The Asset Manager is working to ensure that increased information in relation to this KPI will be available in the coming years.

Adverse sustainability indicator – Direct Funds and Special Situations		Metric	Impact 2023	Impact 2024 ⁵	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
3. GHG intensity of investee companies (tCO ₂ e/M€ revenues)	GHG intensity of investee companies ⁷	537.9	96.46	201.19	GHG intensity increases because of investments made in the previous year, for which 2025 represents the first full year of reporting. In addition, the increase in energy consumptions and changes in revenue levels of certain investee companies contributes to higher GHG intensity.	Please, refer to the <i>Scope 1, 2, and 3 GHG emissions</i> PAI indicators.	
4. Exposure to companies active in the fossil fuel sector (%)	Share of investments in companies active in the fossil fuel sector	0%	0%	0%	The 2025 figure is in line with the previous years.	As stated in the ESG Policy, the Asset Manager excludes companies in the fossil fuel sector from the investable universe.	
5. Share of non-renewable energy consumption and production (%)	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	86.4%	80.15%	80.06%	The slight downward trend suggests a slight reduction in the portfolio's reliance on non-renewable energy sources. Among others, it relates to self-generated renewable electricity and the purchase of electricity backed by Guarantees of Origin (GOs) across portfolio companies.	GAC AF has three Article 8 funds which promote, among other Environmental and Social characteristics, the increase of the quota of renewable energy among the portfolio companies. In particular, for the companies within these portfolios, the asset manager has promoted actions related to the shift to renewable energy use and to the purchase of electricity backed by Guarantees of Origin (GOs) within existing ESG Action Plans. The Asset Manager commits to monitoring this KPI and integrating the related actions within investee companies' engagement (through dedicated ESG action plans) when material and where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).	

Adverse sustainability indicator – Direct Funds and Special Situations		Metric	Impact 2023	Impact 2024 ⁵	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
		of total energy sources					
	6. Energy consumption intensity per high impact climate sector <i>(GWh/M€ revenues)</i>	Energy consumption in GWh per million EUR of revenue in investee companies, per high impact climate sector	109.1	18.42	49.33	Energy consumption intensity per high impact climate sector increased in the latest year reflecting a combination higher energy consumption and changes in revenue levels within the reporting perimeter in 2025.	GAC AF has integrated actions related to energy efficiency within existing ESG Action Plans for portfolio companies. The Asset Manager commits to monitoring this KPI and integrating the related actions within investee companies' engagement (through dedicated ESG action plans) when material and where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas <i>(%)</i>	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	0%	The 2025 figure is in line with the previous years.	No investee companies reported having sites located in or near biodiversity-sensitive areas. The Asset Manager is committed to monitoring investee companies' activities with potential negative impacts on biodiversity and ecosystems by investigating such topic within ESG due diligence process, and to mitigate such impacts accordingly through ESG action plans in case non-conformities or areas for improvement are detected, where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).

Adverse sustainability indicator – Direct Funds and Special Situations		Metric	Impact 2023	Impact 2024 ⁵	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
Water	8. Emissions to water <i>(tCO₂e / M€ current value of investments)</i>	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average ⁸	0.005	0.000	0.000	The figure is in line with that of 2024.	GAC AF is committed to monitoring investee companies' emissions to water of priority substances, minimizing such emissions by including dedicated mitigatory measures within ESG action plans, when material, feasible, and where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).
Waste	9. Hazardous waste and radioactive waste ratio <i>(t of waste / M€ current value of investments)</i>	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.3	0.99	0.62	The decrease in the hazardous waste and radioactive waste ratio in 2025 is mainly driven by lower waste generated in some of the underlying investments with the highest impact on the aggregate indicator.	GAC AF is committed to monitoring investee companies' production of hazardous and radioactive waste, minimizing its generation by including dedicated mitigatory measures within ESG action plans, when material, feasible, and where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic	Share of investments in investee companies that have been involved in	0%	0%	0%	The 2025 figure is in line with the previous years.	GAC AF, besides regularly monitoring investee companies' UNGC and OECD compliance through the engagement processes outlined in paragraph 5, is committed to adopt dedicated ESG relevant incident ⁹ reporting mechanisms to grant

⁸ The following investee companies are excluded by the boundaries of the PAI indicator *Emissions to water*, due to unavailability of data:: Turatti S.r.l.; Gastronomica Roscio S.r.l.

⁹ ESG Relevant Incident refers to: (i) any significant fines and non-monetary sanctions for non-compliance with laws and/or regulations, or substantiated complaints regarding environmental, social and business ethics area (e.g. non-compliances with tax, customer safety, labelling, market communication, environmental, labor, human rights international, national, regional and local laws); (ii) substantiated company policy breaches concerning environmental,

Adverse sustainability indicator – Direct Funds and Special Situations		Metric	Impact 2023	Impact 2024 ⁵	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
	Cooperation and Development (OECD) Guidelines for Multinational Enterprises (%)	violations of the UNGC principles or OECD Guidelines for Multinational Enterprises					timely and adequate reporting of potential violations from the investee companies to the Asset Manager.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (%)	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for	91%	75.70%	67.32%	The change in the indicator is related to change in the funds' perimeters, and the implementation processes and procedures for one portfolio company.	GAC AF is committed to monitoring investee companies' compliance to the UNGC principles and OECD guidelines (refer to the <i>Violations of UNGC principles and OECD guidelines</i> PAI indicator) and to integrating the adoption of compliance monitoring mechanisms (i.e., through the adoption of dedicated policies or the integration of existing ones) within ESG action plans when material and where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).

social and business ethics area; (iii) fatalities and serious safety injuries; (iv) any other incident which has a material negative impact on the environment or the health, safety and security situation (including without limitation any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination); (v) any other relevant complaint received from stakeholders.

Adverse sustainability indicator – Direct Funds and Special Situations		Metric	Impact 2023	Impact 2024 ⁵	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
		Multinational Enterprises					
12. Unadjusted gender pay gap ¹⁰ (%)	Average unadjusted gender pay gap of investee companies	14.4%	11.62%	10.73%	The decrease in the indicator in 2025 appears to be mainly driven by lower reported gender pay gaps in some of the portfolio companies, supported by improved data coverage.	GAC AF is committed to monitoring investee companies' unadjusted gender pay gap, carrying out further analysis in case of strong discrepancies between the EU unadjusted gender pay gap average (11.1% as of 2024) ¹¹ , and undertaking mitigatory actions aimed to leveling the gender pay differences, when material and where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).	
13. Board gender diversity (%)	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	10.0%	10.63%	9.59%	The decrease in board gender diversity in 2025 reflect the changes in the funds' perimeter and low female representation at board level in some of the portfolio companies.	GAC AF is committed to assessing gender diversity on the board of directors of investee companies and to integrating specific actions within ESG action plans when material and where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments)	
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	0%	The 2025 figure is in line with the previous years.	As stated in the GAC AF's ESG Policy, the Asset Manager excludes from the investable universe companies active in the weapon industry.	

¹⁰ The following investee companies are excluded by the boundaries of the PAI indicator *Unadjusted gender pay gap*, due to unavailability of data: Grupp Tarulli S.c.a.r.l., and Atena Società Agricola S.r.l.

¹¹ Source: [Gender pay gap statistics - Statistics Explained \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

Adverse sustainability indicator – Direct Funds and Special Situations		Metric	Impact 2023	Impact 2024 ⁵	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
	biological weapons) (%)						
Water, waste and material emissions	7. Investment in companies without water management policies (%)	Share of investments in investee companies without water management policies	75.9%	75.44%	72.99%	The change with respect to previous years is related to changes in the funds' perimeter, and to the implementation of water management policies for some of the portfolio companies.	GAC AF is committed to monitoring the presence of water management policies where material (i.e., for investee companies which rely on substantial water use for their operations) and to promoting the integration of such policies within its ESG engagement practices, where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities, or illness (#)	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	15.3	7.48	3.09	The decrease in 2025 appears to reflect a lower number of workdays lost in most of the portfolio companies.	While acknowledging that certain sectors in which investee companies operate are more prone to the verification of accidents GAC AF is committed to monitoring the occurrence of such accidents, assessing their gravity by monitoring the subsequent loss of workdays, and to leveraging this indicator to promote the integration of sound health & safety practices across investments, an aspect covered in all ESG action plans for investee companies, where the Asset Manager holds leverage in relation to the type of investment (i.e., majority investments).

Adverse sustainability indicator – Client Solution		Metric	Impact 2024	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions (tCO ₂ e)	Scope 1 GHG emissions	4,481.21	7,724.50	In 2025, Total GHG emissions decreased compared with the previous year. This overall reduction was mainly driven by lower reported Scope 3 emissions values, together with lower Scope 2 emissions, which more than offset the increase in Scope 1.	GAC AF is committed to expanding the perimeter of data availability within its <i>client solutions</i> business line by supporting and encouraging each investee funds to collect, manage, and report their Scope 1, Scope 2 and Scope 3 GHG emission. The collection of granular and consistent data will enable the Asset Manager to collaborate with investee funds in developing and implementing decarbonization initiatives.
		Scope 2 GHG emissions	2,590.85	1,825.36	At sub-fund level, the overall downward trend appears to have been primarily driven by the Endowment portfolio, while DLS IV and, to a lesser extent, Endowment II showed increases that partially offset the reduction.	
		Scope 3 GHG emissions	33,401.89	9,960.17	Although total GHG emissions decreased year on year, the comparison with the previous year was influenced by changes in the reporting perimeter and data availability. In particular, the number of underlying funds increased in 2025, while data coverage improved with more underlying funds reporting PAI data.	
		Total GHG emissions	40,081.85	19,510.04		
	2. Carbon footprint (tCO ₂ e / M€ current value of investments)	Carbon footprint	53.40	38.30	The decrease in carbon footprint in 2025 was in line with the overall reduction in total GHG emissions recorded at portfolio level compared with 2024. The year-on-	

Adverse sustainability indicator – <i>Client Solution</i>	Metric	Impact 2024	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
				year movement may also reflect changes in data availability and reporting coverage.	
3. GHG intensity of investee companies (tCO ₂ e/M€ revenues)	GHG intensity of investee companies	11.45	2.15	The decrease in GHG intensity 2025 with respect to 2024 was primarily driven by changes in data availability and by changes in the reporting perimeter.	Please, refer to the <i>Scope 1, 2, and 3 GHG emissions</i> PAI indicators.
4. Exposure to companies active in the fossil fuel sector (%)	Share of investments in companies active in the fossil fuel sector	3.79%	3.21%	Exposure to companies active in the fossil fuel sector remained broadly stable in 2025. The limited year-on-year movement appears to reflect offsetting changes across the portfolio, as well as changes in the reporting perimeter.	GAC AF is committed to expanding the perimeter of data availability within its <i>client solutions</i> business line by supporting and encouraging each investee funds to collect, manage, and report their exposure to companies active in the fossil fuel sector.
5. Share of non-renewable energy consumption and production (%)	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	18.10%	28.65%	The increase in the share of non-renewable energy consumption and production in 2025 is related to a higher proportion of non-renewable energy in the reported energy mix, and it is also affected by changes in the reporting perimeter.	The Asset Manager is committed to expanding data availability within its <i>client solutions</i> business line by supporting and encouraging each investee funds to collect, manage, and report the share of non-renewable energy consumption and production of their investee companies. This will support the Asset Manager in developing actions to collaborate with its investees to reduce dependence on fossil fuel energy sources.
6. Energy consumption	Energy consumption in GWh per million EUR of	11.7	2.1	The decrease in energy consumption intensity per high impact climate sector in	GAC AF is committed to expanding data availability

Adverse sustainability indicator – Client Solution		Metric	Impact 2024	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
	intensity per high impact climate sector <i>(GWh/M€ revenues)</i>	revenue in investee companies, per high impact climate sector			2025 was mainly attributable to lower values reported by the funds.	within its <i>client solutions</i> business line by supporting and encouraging each investee funds to collect, manage, and report their information.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas <i>(%)</i>	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.12% ¹²	1.94%	The decrease in the percentage of activities negatively affecting biodiversity-sensitive areas in 2025 was primarily influenced by limited data availability, as only a small number of underlying funds reported this indicator.	
Water	8. Emissions to water <i>(tCO2e / M€ current value of investments)</i>	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0.00	No significant change in this indicator.	
Waste	9. Hazardous waste and radioactive waste ratio <i>(t of waste / M€ current value of investments)</i>	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.007	0.0011	The decrease in the hazardous waste and radioactive waste ratio in 2025 was primarily driven by lower values reported across the portfolio. The year-on-year movement also reflects changes in data availability and in the reporting perimeter.	
Social and employment matters	10. Violations of UN Global Compact principles and	Share of investments in investee companies that have been involved in	0%	0%	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD)	

¹² The data in 2024, 0.12%, was reported as 12%.

Adverse sustainability indicator – Client Solution		Metric	Impact 2024	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
	Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (%)	violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			Guidelines for Multinational Enterprises remained at zero in 2025, unchanged from 2024, reflecting no changes year on year.	
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (%)	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1.51%	12.55%	The indicator increases in 2025 compared with 2024, reflecting changes in portfolio composition.	
	12. Unadjusted gender pay gap (%)	Average unadjusted gender pay gap of investee companies	2.37%	2.76%	The unadjusted gender pay gap remained broadly stable in 2025, with no significant year-on-year change at aggregated level. While some variations were observed across sub-funds, these were relatively limited overall.	
	13. Board gender diversity (%)	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	8.23%	3.88%	The decrease in board gender diversity in 2025 appears to be primarily driven by changes in portfolio composition and reporting coverage.	

Adverse sustainability indicator – Client Solution		Metric	Impact 2024	Impact 2025	Explanation	Actions taken, actions planned, and targets set for the next reference period
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (%)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	The exposure to controversial weapons remained at zero in 2025, reflecting no changes year-on-year.	
Water, waste and material emissions	7. Investment in companies without water management policies (%)	Share of investments in investee companies without water management policies	8.71%	1.89%	The share of investments in companies without water management policies decreased in 2025 compared with 2024. The year-on-year decrease appears to have been primarily driven by changes in portfolio composition and reporting coverage.	
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities, or illness (#)	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	6.40	6.69	The number of days lost to injuries, accidents, fatalities or illness remained broadly stable in 2025 compared with 2024.	

4. Description of policies to identify and prioritize principal adverse impacts of investment decisions on sustainability factors

GAC AF's approach on ESG integration within the investment activity, including the identification and prioritization of principal adverse impacts of investment decisions on sustainability factors, is outlined within the Responsible Investment Policy, approved by the Board of Directors on 16th May 2024.

The Asset Manager has appointed clear responsibilities for the implementation of the Responsible Investment Policy. The Board of Directors plays a central role in guiding the organization towards sustainable practices by defining strategies, objectives, and formal responsibilities concerning ESG matters. The Head of ESG, supported by an internal ESG Specialist, is appointed to oversee, supervise, and enhance the implementation of the Responsible Investment Policy across the organization, ensuring alignment with the goals of the Asset Manager as a signatory of the UN PRI and UNGC frameworks. Additionally, ESG Champions are appointed within each fund's management team to implement responsible investment processes at investment level, identify sustainability risks and opportunities, and monitor them through direct interaction with designated representatives of each portfolio company.



GAC AF, considering the diverse nature of investments across different strategies, has selected the following additional indicators from Tables 2 and 3 of Annex 1 of the RTS:

- 7. Investments in companies without water management policies; and
- 3. Number of days lost to injuries, accidents, fatalities, or illnesses.

In order to assess the principal adverse impacts, each potential direct investment undergoes an ESG-based selection process to exclude investments that do not meet the eligibility criteria set by the Asset Manager and to preliminarily identify relevant ESG issues based on the characteristics of the potential investment, such as industry and type of activity. Compatible investments are then evaluated through third-party ESG Due Diligence, focusing on relevant ESG topics defined together with the management of the potential investment using a new data collection platform, leveraging recognized international ESG standards.

In the initial phase, the information gathered via the digital platform is used to determine the areas of investigation for ESG Due Diligence through dedicated questionnaires. This activity, supported by external consultants with specific expertise, serves to deepen the analysis of material aspects, prepare the final info memo report, and establish the baseline for measuring the ESG performance improvement of the invested company. The collected information summarizes the Due Diligence findings and quantitatively defines the target company's maturity in managing material ESG topics.

The results of the ESG Due Diligence are included in the investment memorandum, reviewed by the Risk Management function and the Advisory Committee, and finally approved by the Board of Directors.

During the ownership phase, the responsible ESG Champion evaluates the ESG performance of their investments through analysis of reports prepared by portfolio companies and active dialogue with them. Performance monitoring, conducted through the platform, involves a bi-yearly collection of several ESG indicators, which include those required for the assessment and monitoring of PAIs. It should be noted that all data collected is primary data, directly provided by the investee companies, and no ESG data provided by third parties is relied upon for the analyses and calculations described below. Whilst this enables greater precision in the assessment of PAIs and other ESG indicators, it should be noted that, generally, investee companies are SMEs, with limited pressure for structured ESG data monitoring.

The collected indicators are then subject to a quality check involving direct dialogue with the investee companies, and finally weighed and aggregated, through the use of another proprietary tool, into the final PAI indicators summarized within the table presented in paragraph 3, in line with the requirements of the RTS.

The employed methodology includes an associated margin of error, potentially related to inaccuracies in the reported data and/or with the lack of data from certain investments, due to inapplicability or unavailability of the indicator. Such margin of error is acknowledged and explained with high degree of detail for each indicator within the table presented in paragraph 3. In case primary data is not available at investee company level, the investment is excluded from the calculation boundary. In order to minimize the occurrence of errors, the Asset Manager leverages external consultant support and periodic review of the methodologies to ensure robustness and reliability.

It should be noted that, at Asset Manager level, no single PAI indicator is prioritized over others. The ESG integration process is guided by materiality considerations at topic level, which vary across different investments. Moreover, each Fund (specifically those aligned with SFDR Art. 8) promotes a distinct set of environmental and social characteristics. Consequently, the engagement activities with underlying investments address all material ESG topics relevant to the investment and the Fund, without an additional prioritization level defined by the Asset Manager. This ensures that all PAI indicators are subject to equally rigorous scrutiny to detect and mitigate relevant impacts and that GAC AF's approach remains comprehensive and adaptable to the unique ESG contexts of each investment.

5. Engagement policies section

As outlined within GAC AF's Responsible Investment Policy, the Asset Manager, throughout the ownership phase, carries out regular interactions with investee companies. Specifically, the ESG monitoring described in the previous paragraph aims to identify potential improvement opportunities and to ensure ESG value creation, through continuous dialogue as well as the development of dedicated ESG action plans. In this context, the ESG Champions actively and continuously collaborate with the investee companies' management to facilitate an effective enforcement and progress of the action plans. To this end, an ESG referent person is appointed within each investee company.

Amongst the key actions implemented in the course of 2025 as a result of such engagement, the following should be highlighted:

- The Asset Manager has integrated its digital data collection platform with additional functionalities, such as tailor-made scorecard at Fund- and Portfolio Company-level to assess and monitor their ESG maturity. Furthermore, GAF AF has promoted bi-annual data collection with portfolio companies. Among these, the Asset Manager collects environmental

- KPIs, such as those related to energy consumption, to perform an assessment of the Scope 1 & 2 GHG emissions of the entirety of the direct funds' investment companies;
- For each new investment, the Asset Manager conducted an analysis to determine the climate risk exposure where not already assessed by the company. Furthermore, GAC AF supported the development and the adoption of ESG action plan for each of the new portfolio companies;
 - GAC AF has developed a prioritization tool to identify the portfolio companies that contribute most significantly to selected ESG issues, considering performance on Principal Adverse Impact (PAI) and other ESG indicators. The tool offers a continuously updated view of the portfolio's impact and supports the engagement process on the specific topics, based on where it is most relevant.

Finally, the Asset Manager promotes the dissemination of ESG best practices across portfolios, supporting their effective implementation, and has adopted procedures for monitoring ESG risks and ensuring constant dialogue with relevant counterparties, taking into account the specific characteristics and objectives of individual investments.

6. References to international standard

GAC AF adheres to several international standards within its framework to prevent occurrences that could negatively impact sustainability. Additionally, it participates in various initiatives aimed at enhancing its management of ESG risks and factors.

Primarily, GAC AF is a signatory of the United Nations Principles for Responsible Investment (hereafter, "UN PRI"). As such, it is committed to annually reporting its progress on integrating ESG factors into the investment decision-making process through the UN PRI Reporting Tool. Such reporting is publicly available and includes insights into the practices adopted to identify and mitigate impacts on sustainability factors; it also allows for a self-assessment of the Asset Manager's progress against industry benchmarks, thereby enabling continuous improvement of internal processes and ESG practices.

Moreover, as a signatory of the United Nations Global Compact (hereafter, "UNGC"), GAC AF is committed to integrating the Ten Principles related to human rights, labor, environment, and anti-corruption into all aspects of its business operations and the activities of its investee companies. With regards to the United Nations Sustainable Development Goals (hereinafter "UN SDGs"), the Asset Manager has developed a methodology to consistently link its investments to the UN SDG, with the aim of identifying the contribution of its activity to each SDG.

As mentioned in the previous paragraphs, the digital platform used to facilitate the integration of ESG factors within investment activities including an ESG Materiality Checklist based on the SASB and GRI standards, used during the pre-investment phase to identify relevant issues for the target investment and ensure that all pertinent topics have been addressed.

Finally, recognizing and acknowledging the urgency of the fight against climate change and the crucial importance of achieving the objectives set out in the Paris Agreement, GAC AF assess the risks and opportunities related to climate change in its investment activities, taking into consideration, where possible, the recommendations of the International Sustainability Standards Board (hereinafter, "ISSB").

7. Historical comparison

This disclosure, covering the period from 1 January 2025 to 31 December 2025, provides a historical comparison between the data for this reporting period and the data from the previous years, spanning 1 January 2023 to 31 December 2024. The data, along with the corresponding comparison, is presented in the table above.