GREEN ARROW CAPITAL

Disclosure pursuant to art. 3 SFDR

Transparency of sustainability risk policies

This communication aims to illustrate—pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (“**SFDR**”)—the position adopted by Green Arrow Capital SGR S.p.A. (the “**Company**”, LEI code 8156002A0330F6E5A549) regarding sustainability.

Pursuant to Article 3 SFDR, the Company provides for the inclusion of sustainability risks in its investment decisions

Principles and Reference Framework

The Company considers the integration of ESG factors and the management of related risks across the entire investment lifecycle to be essential for long-term sustainable value creation, benefiting investors and all stakeholders alike.

This approach is grounded in adherence to the United Nations Principles for Responsible Investment (UN PRI), adopted as the primary guideline for integrating sustainability risks, the UN Global Compact, and the United Nations Sustainable Development Goals (SDGs), as well as the status of the Group's holding company as a Benefit Corporation.

The integration of sustainability risks is governed by the Company’s “Environmental, Social, Governance (ESG) Responsible Investment Policy” (the “**Policy**”), which is approved by the Board of Directors and periodically updated. For a comprehensive description of the approach adopted, please refer to the full text of the Policy available on the Company’s website

Integration of sustainability risks into the investment process

The Company integrates the assessment and management of sustainability risks throughout the entire life cycle of investment with an approach calculated for each area of activity (asset class) according to the sectoral materiality and the characteristics of the assets. Risk identification involves the ESG Committee, the Risk Management Function and the investment teams at the individual portfolio level.

- Screening: the Company excludes from its investable universe companies and sectors deemed not compatible with its principles of responsible investment. The exclusion covers the tobacco sectors, pornography, companies with predominantly coal revenues, companies involved in the production and/or distribution of controversial weapons (such as chemical, biological, depleted uranium and nuclear weapons, anti-personnel mines and cluster bombs) and those involved in serious violations of the 10 Principles of the UN Global Compact.
  Potential investments are subject to an ESG due diligence process, the results of which are an integral part of the decision-making process, differentiated according to the type of investment.
- Investment management: after the completion of the investment, the Company periodically monitors the ESG risks and performance of the companies and the assets in the portfolio and, where possible, exercises active ownership and stewardship activities aimed at mitigating the risks identified, including through improvement plans and dialogue with management. Any negative events related to sustainability risks are managed according to a procedure dedicated to "ESG incidents", which provides for timely information to the corporate bodies and the identification of the necessary corrective actions.

- <u>Divestment: </u>during the disposal phase, the Comapny assesses the evolution of the ESG profile of the investment and the residual risk, comparing the situation ex ante and ex post.
- <u>Tools:</u> Analysis and monitoring activities are supported by tools developed in line with international reference standards (including UN PRI, UN Global Compact, SASB, IFC and, for infrastructure and real estate, GRESB) and calibrated to the specificities of each asset class.

Governance

The management of sustainability risks is integrated into the governance structure of the Company, which involves the Board of Directors, the ESG Board Member, the ESG Committee (composed, among others, of the CEO, ESG Manager, GCIO, and Chief Risk Officer), the ESG Manager, the ESG Champions identified in the investment teams and the Risk Management Function, in addition to the Advisory Board of the funds, where required by the relevant regulations.

Product classification

The methods for integrating sustainability risks are further broken down at the level of the individual fund according to the relative classification pursuant to Articles 6, 8 or 9 SFDR, as described in the pre-contractual documentation and in the periodic disclosures of each product, available on the Company's website.

First published date: 10 March 2021
Date of update: 27 July 2026