GREEN ARROW CAPITAL

Sustainability disclosure pursuant to art. 10 of Regulation (EU) 2019/2088 (SFDR) and art. 25 to 36 of Delegated Regulation (EU) 2022/1288 on the Fund
MiTo Real Estate
promoting environmental or social characteristics pursuant to art. 8 SFDR

Green Arrow Capital SGR S.p.A.	LEI code: 8156002A0330F6E5A549	
MiTo Real Estate		
	Units A ISIN IT0005600090 (bearer)	Units A ISIN IT0005600108 (registered)
	Units B ISIN IT0005600116 (bearer)	Units B ISIN IT0005600124 (registered)
	Units C ISIN IT0005600132 (bearer)	Units C ISIN IT0005600140 (registered)
	Units D ISIN IT0005600157 (bearer)	Units D ISIN IT0005600165 (registered)

A) Summary

MiTo Real Estate (the "**Fund**"), managed by Green Arrow Capital SGR S.p.A. (the "**Company**"), promotes environmental and/or social characteristics pursuant to art. 8 SFDR.

The Fund invests in properties with potential for enhancement through development, redevelopment or active management, focusing primarily on residential assets — new, under construction or existing, including to be renovated, refurbished or converted (with possible change of use). The geographical focus is on the metropolitan cities of Milan and Turin, with particular attention to urban regeneration and the conversion of offices into residential complexes.

- No sustainable investment objectives: The Fund does not pursue sustainable investment objectives but promotes environmental and/or social characteristics;
- Environmental or social characteristics of the financial product: The features promoted include the reduction of environmental impact and the correct disposal of waste, as well as improving the health and well-being of employees and ensuring accessibility for people with reduced mobility;
- Investment Strategy: The Fund integrates ESG factors into investment processes through a pre-investment ESG assessment and continuous monitoring during the holding period. The strategy is based on negative screening with respect to the exclusion list and ESG due diligence which, in addition to identifying any risks and impacts on sustainability, assesses the potential for a positive contribution of buildings (i.e. urban regeneration, sustainable materials, accessibility);
- Investment Share: At least 80% of the portfolio (#1) is invested in real estate that promotes environmental or social characteristics, either directly or through real estate companies or other vehicles, in accordance with the Binding Elements and Investment Strategy; the Fund does not pursue sustainable investment objectives within the meaning of the SFDR. The remaining portion (#2 Others) consists of properties that do not promote these characteristics and liquidity and equivalent instruments held for cash and hedging needs;
- Monitoring of environmental or social characteristics: On an annual basis, the Fund monitors the progress of properties on each promoted characteristic, through the indicators (KPIs) identified for each of them. The oversight is entrusted to the ESG governance bodies of the Company and to the control of the advisor specialized in ESG matters (the "**Advisor**");
- Methodologies: Compliance with the exclusion list is verified on an ongoing basis to ensure zero

exposure to the excluded properties; the ESG tools used in the pre-investment and monitoring phases are based on internationally recognized standards;

- Data sources and processing: Data is collected directly from the underlying assets by the investment teams with the support of ESG Champions and, where appropriate, the Advisor. Where the information is not directly available, it is supplemented with estimates and industry data provided by authoritative and certified external sources. The data flows into the Company's ESG data management system;
- Limitations of methodologies and data: The main limitations relate to the availability, completeness and comparability of data at the individual investment level, in particular for recently acquired properties. Such limitations shall be without prejudice to the promotion of environmental and/or social characteristics, which shall be ensured by binding elements that do not depend on estimated data: the absence of exposure to projects on the exclusion list and the continuous monitoring of indicators;
- Due diligence: the pre-investment phase involves negative screening against the exclusion list and estimation of the project's ESG risk profile. Due diligence is subject to internal and external controls;
- Engagement policies: engagement is an integral part of the responsible investment strategy. The Fund dialogues with the teams responsible for the projects to share ESG culture and methods, collect the data necessary to measure the characteristics promoted and to report on the main adverse impacts (PAI) and manage any sustainability incidents ("ESG incidents") through a structured management and reporting process;
- Designated Benchmark: No benchmark has been designated to meet the environmental or social characteristics promoted by the financial product.

B) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not aim to invest sustainably.

(C) Environmental or social characteristics of the financial product

The Fund promotes environmental and social characteristics pursuant to art. 8 SFDR.

The Fund promotes the following characteristics:

Environmental	Social
Reduction of the environmental impact of real estate	Improving occupant health and well-being
Proper waste disposal focused on recycling and reuse	Ensuring accessibility for people with reduced mobility

Therefore, the Fund is committed to adopting best practice in the context of sustainable construction, focusing on innovative and more sustainable materials, efficient systems and the redevelopment of spaces and areas.

No benchmark has been selected as a benchmark for the purpose of achieving the Fund's environmental and social promotion objectives.

D) Investment strategy

The Fund aims to promote sustainable value creation and growth by integrating ESG factors into its investment processes and procedures, through a careful ESG assessment in the preliminary phase of each potential investment and careful monitoring during the holding phase. In accordance with the Environmental, Social, Governance (ESG) Responsible Investment Policy (the "**Policy**"), the Fund's responsible investment strategy is based on:

- Negative ESG screening: The Fund does not invest in real estate projects that involve the development or construction within protected natural areas in order to preserve biodiversity, protect ecosystems and prevent environmental degradation in designated conservation regions and in new buildings intended for the extraction, storage, transport or production of fossil fuels. By avoiding these types of projects, the Fund aims to reduce dependence on non-renewable energy sources, mitigate climate change and support the transition to a more sustainable and low-carbon economy.

- ESG due diligence: aims to identify any risks in advance and assess potential impacts on sustainability.

In addition, the potential for positive contribution to the following aspects is assessed:

- Urban regeneration: investing in projects that reduce the environmental impact of buildings;
- Sustainable materials: focus on sustainable design and materials, preferring renewable energy systems ensuring superior energy efficiency in the design and development phase;
- Accessibility: promoting accessibility for disadvantaged social groups.

This activity can be assisted by the Advisor, who provides specialized expertise and ensures that the assessments are aligned with international best practices in sustainability and governance.

ESG analysis of investments is carried out both in the pre-investment phase and after the investment:

- Preliminary phase (pre-investment): prior to each transaction, the Company carries out negative ESG screening and considers the results, reserving full discretion regarding the implementation of the transaction;
- Post-investment phase (monitoring): during the entire holding period, the Company periodically monitors the ESG performance of the properties in the portfolio and compliance with the sustainability characteristics promoted by the Fund through predefined environmental and social indicators listed in section F "Monitoring of environmental and social characteristics".

The Fund's exposure to sectors and companies included in the exclusion list mentioned above must be zero at each stage of the Fund's life cycle.

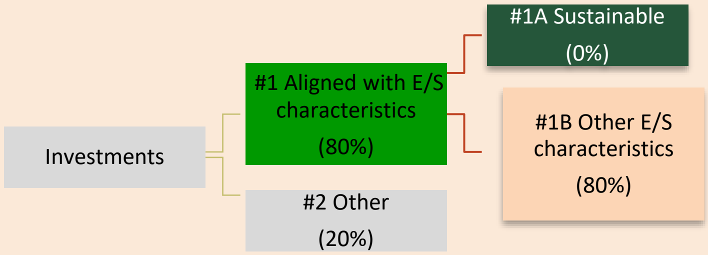
Policy for the evaluation of good governance practices: The ESG tool adopted in the screening phase uses a checklist aimed at verifying the adoption of good governance practices, with particular attention to the solidity of the managerial structure, relations with personnel, staff remuneration and tax compliance. Based on high standards, reference frameworks and certifications, the tool detects whether good governance practices are implemented or if critical issues emerge. In this way, the Fund has the opportunity to intervene promptly in the event that a potential investment does not meet the requirements. Where material issues in corporate governance are identified, the Fund will prioritise any action necessary to ensure concrete solutions in the shortest possible time.

E) Share of investments

The Fund has a direct exposure to investments, each of which must comply with the binding elements and investment strategy. The asset allocation provides for at least 80% of the portfolio to be allocated to investments that promote environmental or social characteristics. The remaining part will consist of properties not able to promote these characteristics, as well as cash and equivalent instruments held for liquidity and hedging purposes.

F) Monitoring environmental or social characteristics

As described in section "D) Investment Strategy", the Fund carries out ESG due diligence that starts in the pre-investment phase and continues throughout the life of the real estate investment in the portfolio companies.



#1 A/S Aligned Characteristics: Includes financial product investments used to comply with the environmental or social characteristics promoted by the financial product
#2 Others: includes the remaining investments of the financial product that are not aligned with environmental or social characteristics, nor are they considered sustainable investments.

The Fund has identified a set of performance indicators (KPIs) for each of the environmental and social characteristics in order to adequately measure their promotion. These indicators are monitored annually to assess and quantify the environmental or social performance of investments. The Fund monitors the following indicators to measure the promotion of environmental and social characteristics:

Environmental indicators

- Carbon intensity (kgCO2/m²/year)
- Percentage of renewable energy (purchased and self-produced) on total consumption
- Percentage of "sustainable" raw materials out of the total (materials for which the environmental impact is lower than traditional materials is certified)
- Percentage of properties with an energy certification equal to or higher than B
- Percentage of buildings equipped for separate collection and/or recovery of waste

Social indicators

- Percentage of common spaces dedicated to the well-being of occupants out of the total spaces
- Percentage of properties equipped with advanced home automation and connectivity systems
- Percentage of properties with zero architectural barriers

The monitoring of these indicators is ensured throughout the life cycle of the Fund. This oversight is entrusted to the Company's ESG governance bodies and to the Advisor.

G) Methodologies

Compliance with the exclusion list is constantly monitored to ensure zero exposure to the type of properties excluded from it. ESG tools developed to support the pre-investment and monitoring phases incorporate guidance and recommendations from globally recognized standards.

H) Sources and processing of data

The data used to measure the achievement of each of the environmental and/or social characteristics promoted are collected primarily and directly from the relevant underlying assets, through the investment teams supported by the ESG Champions and, where appropriate, by the Advisor, both during the due diligence phase and throughout the entire holding period.

The quality and reliability of the data are ensured by direct collection at the source, the use of certified and authoritative external sources and the consistency checks of the ESG monitoring tool, which is able to identify inconsistent data and guide the investment team in the correct management of ESG information.

All the data collected flows into the Company's ESG data management system, which supports the calculation, monitoring, historicization and publication of indicators, and feeds into the annual reporting of the main negative impacts (PAI) at the Company level.

The data collected must be certain and verifiable; the use of estimates is allowed on a residual basis, limited to cases in which the data is not directly available.

I) Limitations of methodologies and data

A margin of estimation is inherent in the calculation of some indicators, in particular where data are not directly available. The main sources of uncertainty concern:

- the availability, completeness and comparability of data at the level of individual investments, with particular reference to recently acquired properties, for which the timing of the transaction may prevent the immediate implementation of structured ESG data collection systems;
- the absence of fully standardized measurement methodologies for some environmental and social metrics.

These limitations do not affect the promotion of the Fund's environmental or social characteristics, which is ensured by binding elements of the investment strategy that are not dependent on estimated data: zero exposure to projects on the exclusion list, verified on an ongoing basis, and continuous monitoring of the indicators assigned to each environmental and social characteristic promoted for each of the Fund's investments.

The **Company** is also committed to progressively reducing the margins of error through the strengthening of its ESG data management system and the progressive integration of new investments within it. None of the limitations described above therefore precludes the promotion of the environmental and/or social characteristics of the Fund.

J) Due diligence

As described in section "D) Investment Strategy", the pre-investment phase is characterized by a negative screening against the exclusion list. Investment projects are further evaluated using a tool that can estimate the ESG risk profile based on several factors.

Due diligence is subject to controls:

- Internal:
  - **Board of Directors** (i) approves the ESG policy and strategy and defines the approach for monitoring the achievement of ESG objectives and (ii) defines the degree of materiality of ESG factors that may impact the business, the investment portfolio and stakeholders;
  - **ESG Board Member** is a director with specific ESG responsibilities, with the task of (i) aligning the Company's ESG plan with that of the Group, including the related policies and improvement objectives, as well as promoting engagement and communication with stakeholders and (ii) updating the Board of Directors at least every six months;
  - **ESG Committee** (i) expresses opinions and recommendations to the Board on ESG issues, (ii) is composed of the Chief Executive Officer, the ESG Manager, the Global Chief Investment Officer, the Global General Manager and the Risk Manager, (iii) contributes to integrating ESG factors into investment strategies, (iv) controls and monitors the ESG Roadmap, the Company's KPIs and the application of responsible investment practices by the Teams by carrying out, where deemed necessary, an ESG review with the ESG Manager and (v) presents the Annual ESG Report to the Board;
  - **ESG Manager** supervises and coordinates the implementation of the Policy and processes at company level, based on the information and reports collected by ESG Champions, (ii) reports to the ESG Committee and provides structured updates at least twice a year to the ESG Board Member, (iii) may present analyses on new regulatory frameworks (e.g. SFDR, EU Taxonomy, CSRD), the results of

ESG *due diligence* on portfolio companies, the results of *engagement* and *stewardship* activities, as well as the main results of internal controls or external verification processes;

- **ESG Champion** (i) is appointed within the Team, (ii) is responsible for assessing and monitoring ESG risks and opportunities during the pre-investment, acquisition, management (*ownership*) and divestment (exit) phases;
- **Risk Manager**, with reference to all activities related to sustainability risk, (i) updates the ESG Board Member at least every six months and (ii) is involved in the definition and implementation of the monitoring approach for the achievement of ESG objectives by the Company and its portfolio companies;
- **Advisory Board** is involved in the investment process and provides views and recommendations on ESG issues (where established by the Fund's regulations).

- External:
  - **Advisor** provides opinions and recommendations on the ESG Targets identified by the Fund and on the related plans, the progress of which is subject to periodic measurement.

K) Commitment policies

Engagement activities are a central component of the Company's responsible investment strategy and are governed by the Policy. The Company believes that monitoring is an essential tool to mitigate sustainability risks and create value throughout the entire life cycle of the investment. During the post-investment phase, the Fund communicates regularly with project teams in order to:

- share a culture of sustainability, knowledge and ESG methods;
- collect the ESG data and information necessary to measure the characteristics promoted and report on the principal adverse impacts;
- manage possible sustainability-related incidents.

If a negative effect is not reduced over several reference periods, the Company intensifies its engagement with the parties involved in the management of the project, supported if necessary by the Advisor.

In the event of an event related to sustainability risks with negative impacts ("ESG incident"), the Company activates a structured management and reporting process, with the aim of promptly identifying the appropriate corrective actions. For indicators that are primarily managed through portfolio construction rather than dialogue, in particular exposure to controversial armaments and violations of the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises, the exclusion list is the primary lever. At the sector level, in line with the United Nations Principles for Responsible Investment (UN PRI), the Company promotes the dissemination of the culture of responsible investment by participating in initiatives and events organized by trade associations, including AIFI.

L) Designated benchmark

No index has been designated as a benchmark to meet the environmental or social characteristics promoted by the financial product.

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