DISCLOSURE
PURSUANT TO ART. 4 of Regulation 2088/19

Sustainable Finance Disclosure Regulation
(SFDR)

Premise and Definitions

Green Arrow Capital Alternative Funds SGR (hereinafter also referred to simply as GAC) intends to align itself with the global framework for sustainable development defined on 25 September 2015 by the United Nations General Assembly, by directing its investment choices towards sustainable development goals.

This disclosure aims to illustrate the choices made by the SGR, as expressly required by Regulation (EU) 2019/2088 of the European Parliament and Council of 27 November 2019 (hereinafter SFDR), regarding sustainability-related disclosures in the financial services sector with reference to:

- Information on whether the SGR takes into consideration or does not take into consideration the principal adverse impacts of investment decisions on sustainability factors (Art. 4 SFDR).

Below are some definitions useful for understanding the aforementioned disclosure:

- **Sustainability Risk:** An environmental, social, or governance event or condition that, if it occurs, could cause a significant actual or potential negative impact on the value of the investment;
- **Sustainable Investment:** An investment in an economic activity that contributes to an environmental objective, measured, for example, through key resource efficiency indicators relating to the use of energy, the use of renewable energy, the use of raw materials and water resources and land use, waste production, greenhouse gas emissions, as well as the impact on biodiversity and the circular economy; or an investment in an economic activity that contributes to a social objective, particularly an investment that contributes to the fight against inequality, or that promotes social cohesion, social integration, and industrial relations; or an investment in human capital or in economically or socially disadvantaged communities, provided that such investments do not significantly harm any of these objectives and that the companies benefiting from such investments follow good governance practices, particularly regarding sound management structures, employee relations, staff remuneration, and compliance with tax obligations.
- **ESG**: *Environmental, Social, Governance.*

Art. 4 – Transparency of Adverse Sustainability Impacts at Entity Level

The EU SFDR Regulation 2019/2088 on sustainability-related disclosures in the financial services sector requires that the SGR publish the methods by which it considers the potential adverse impacts of its investment decisions on ESG (Environment, Social, Governance) sustainability factors or, alternatively, provide an explanation of the reasons why it is not possible to consider such impacts.

In compliance with Art. 4 of the EU Regulation 2019/2088 ("SFDR") on sustainability-related disclosures in the financial services sector, the SGR has decided to adopt an "explain" approach to the consideration of the principal adverse impacts of its investment decisions on ESG (Environment, Social, Governance) sustainability factors.

Green Arrow Capital Alternative Funds SGR confirms its strong commitment to implementing its ESG strategy, already embedded in the investment selection and management processes as well as in governance processes, which apply both at the entity and product levels, and closely monitors regulatory and contextual developments so that its activities can actively contribute to raising awareness of the topic and subsequent action by the entire industry.

In compliance with Article 4 of the SFDR, regarding sustainability-related disclosures in the financial services sector, the SGR has evolved its approach to managing the principal adverse impacts of investment decisions on sustainability factors, moving from an "explain" model to a "comply" model with reference to the fund in question.

As of 1 January 2023, the SGR has implemented a process for calculating Principal Adverse Impact (PAI) indicators and preparing the dedicated disclosure, to be published according to the timelines set by the SFDR regulation. The SGR maintains a proactive approach in defining the indicators and metrics used to determine the aforementioned adverse impacts, while also monitoring the evolution of the relevant regulatory provisions. The SGR will ensure timely updates on this matter.

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