DISCLOSURE
PURSUANT TO ART. 5 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 how the SGR has aligned its remuneration policy with the objectives of managing sustainability risks (Art. 5 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. 5 – Transparency of Remuneration Policies Regarding the Integration of Sustainability Risks

The SFDR regulation requires that the SGR include in its remuneration policy information on how such policies are consistent with the integration of sustainability risks.
Green Arrow Capital Alternative Funds SGR, with reference to its remuneration policy and corporate evaluation, is aligned with the relevant sector regulations and best practices. In particular, starting from 2021, ESG objectives have been integrated into the corporate remuneration framework, which are also considered in performance evaluations within incentive schemes.
For further details on ESG risk management, please refer to the information on the sustainability risk policy as outlined in Art. 3 SFDR.