

**P021\_ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)**  
**RESPONSIBLE INVESTMENT POLICY**

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### 1. Introduction

Green Arrow Capital SGR S.p.A. (“**GAC**” or the “**Company**”) is a private and independent investment platform founded in 2013 with the aim of connecting the financial industry with the real economy with the objective of generating value for all the stakeholders. GAC manages a range of strategies - including private equity, private debt, real estate and infrastructure – on behalf of institutions and individual investors in Italy and abroad.

GAC is committed to value creation for its investors and stakeholders. Within its value proposition lies an important consideration for responsible investments in its business philosophy.

The objective of this Responsible Investment Policy (the “**Policy**”) is to communicate and disclose the Company commitment to responsible and sustainable investing, as well as Company’s ESG strategy and objectives.

As such, this Policy highlights the official commitment of GAC to apply principles of responsible investment to its business and describe the criteria used in such approach.

In accordance with this Policy, through its managed funds, the Company intends to:

- communicate and engage with all stakeholders its vision, the direct and indirect impacts generated by its investment activities and keep them informed about these topics;
- define the principles that it will adhere to in the context of ESG with a tailor-made approach to the different investments;
- enhance the positive ESG contribution of our investments, while aiming at maximizing returns on capital and respecting both the rights and the expectations of investors;
- adhere to responsible internationally recognized investment principles and guidelines.

GAC’s commitment towards environmental, social and corporate governance issues is decisive and thorough. Given its particular focus on ESG, GAC will monitor, review and publicly report our ESG results in order to achieve a best practices approach going forward.

#### Regulation framework

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”);
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- Delegated Regulation (EU) 2021/1255 of the European Commission, amending Delegated Regulation (EU) No 231/2013 as regards the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers;
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives
- 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

- Commission Delegated Regulation (EU) 2023/363 of 31 October 2022 amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in pre-contractual documents and periodic reports for financial products investing in environmentally sustainable economic activities.

## 2. GAC's approach to ESG

GAC recognizes that it holds social, cultural and environmental responsibilities towards people and communities which it interacts with. In this context, the Company identified four main themes at the core of its ESG approach:

### ➤ Corporate Governance

The Company's corporate governance is designed to represent a solid guarantee of independence in the decision-making process and to ensure the fulfilment and the correct implementation of the commitments and the principles reported in this Policy. The investment process is a balanced decision-making set of procedures that aims to replicate best practices in the industry.

In particular, all managers and members of the governing bodies of the Company are required to be guided by the principles of the Code of Ethics in defining their objectives and carrying out their duties, as well as in any decision that may have an impact on the management of GAC or on the fund in which it invests, as well as on shareholder value, on the employees and on the territory in which it operates.

The internal control functions of the Company have been designed as a safeguard, and it is designed to assist in the investment process according to their specific role.

Specific issues regarding other governance topics not included in this document are covered by related policies.

### ➤ Employees and Communities

GAC's employees are expected to have a clear career path at all levels within the Company's departments and for all functions, based on their ability to develop technical and leadership skills, respecting the principles of diversity and equal opportunities.

GAC believes that human capital, besides contributing to the implementation of corporate strategies, is the primary source for the application of ethical values adopted through this Policy. For this reason, the aim of GAC is to make employees aware of the values of responsible investment policies organizing, where needed, training meetings dedicated to learning the tools used to integrate the ESG criteria in the respective work area.

In the context of corporate citizenship, GAC believes that the company activities should generate a positive impact on local communities, thus GAC is always seeking the optimal solution depending on the situation. In general, these projects may refer to strengthening of the relationship with the educational system, improving urban areas liveability, reforestation programs, supporting to charities, non-profit organizations and medical research.

### ➤ Investors

GAC strongly believes that an important component for the success of its business is investors' trust, with respect to which the Company assures that its business is conducted according to principles of fairness, objectivity and traceability, ensuring a professional service characterized by integrity and transparency.

Similarly, information relating to third parties within the premises of the Company's business, produced or acquired through business relationships, is protected in such a way as to guarantee maximum privacy and confidentiality.

GAC, its employees and third-party servicers are required to comply with all national and international rules and regulations regarding anti-money laundering and anti-terrorism. The Company's compliance function has adopted specific internal measures to verify the origin of the financial flows and the acquisition of an adequate knowledge regarding customers and counterparties with which transactions must be carried out, with the use of adequate databases.

➤ **Environment**

The Company is focusing on reducing any form of waste in the consumption of energy and resources in general. GAC encourages an approach which minimizes waste, differentiating its collection and appropriately disposing material classified as dangerous. In addition, the Company implements specific initiatives and projects to minimize paper consumption and, where possible, selects among suppliers those which offer products with reduced environmental impact.

The Company encourages its employees to use technology to reduce the environmental impact reducing emissions generated by business trips and private transport. This mindset is reflected in the investment analysis and the acquisition as the investment teams are committed to share and promote these values throughout their activities and, within portfolio, throughout the companies.

**3. ESG strategy and goals**

GAC is an active investor that embraces UN Principles for Responsible Investment ("UN PRI") as its main guideline for integrating sustainability risks into its practices in order to improve its impact as a responsible investment manager. For this purpose, top management and investment teams are directly involved in shaping and implementing the overall ESG strategy developed through detailed multi-year roadmaps for the organization itself and its managed funds.

The Company is committed to reviewing them on a regular basis to ensure a continuous improvement of GAC's responsible and sustainable approach. The commitment toward this topic is further strengthened with the participation to UN Global Compact as the Company fully shares its principles and it aims to promote them through its business practices. Furthermore, GAC considers UN Sustainable Development Goals as the prime framework to which to refer to for defining its ESG strategy and measuring sustainability impacts.

➤ **GAC's approach to ESG topics**

GAC's responsible investment approach is identified and constructed per asset class and fund characteristics, however the common approach to ESG topics in its investment practices can be summarized as follows:

- **Environment** – Being conscious of global warming and its related issues and conscious of the importance to reach the Paris Agreement's targets, GAC operates aiming at generating positive environmental impact through its infrastructure investments offsetting the negative impact of other investments as much as possible. As such, a priori (and even during the entire life cycle) of an investment, a thorough assessment of the environmental impact is carried out.

Besides its investments in renewable energy, which are of paramount importance to the Company, investee or financed companies should deliver a solid performance in terms of environmental-related issues and where necessary adopting promptly corrective and improvement actions. Investment teams exploit every possible engagement activity to support companies in this context and to verify the portfolio adherence to GAC environmental ambitions. Where practicable, investment teams consider implementing recommendations and guidelines from the Task Force on Climate-Related Financial Disclosures ("TCFD").

In the context of real estate investments, environmental considerations may include—on a proportional basis—exposure to climate-related physical risks, energy-efficiency potential, and compliance with applicable environmental and building regulations, particularly in the case of major renovations. These

elements provide high-level guidance during the evaluation of asset quality and long-term resilience;

- **Social** – GAC aims to ensure that portfolio companies promote appropriate working conditions and support the social development of the community in which these companies operate. The Company actively promotes a management approach aimed at enhancing people's skills and competences, pursuing a work approach based on equal opportunities, repudiating any form of discrimination. Within real estate investments, social considerations may include general evaluations of building conditions relevant to occupants' health and safety, accessibility, and the broader social context in which assets are located;
- **Governance** - The management of the portfolio companies' corporate governance is one of the key principles underlying the GAC process of Responsible Investment. In this context, the Company, ensuring the highest quality of management, promotes the achievement of high ethical standards in conducting the business. For real estate assets, governance considerations may relate primarily to compliance with national regulatory frameworks, permitting processes, and oversight of construction contractors in the case of major refurbishment projects.

In this perspective, GAC undertakes (i) to establish a proper ESG Governance with specific functions regarding ESG management and monitoring across all management levels (i.e. ESG Committee, Manager and Champions) and (ii) to improve ESG communication both with underlying portfolio companies and its stakeholders.

➤ **GAC's approach to sustainability risks**

GAC's overall approach to sustainability risks encompasses the ESG Committee and the Risk Management function for the identification of such risks. That said, investment teams contribute, at portfolio level for each specific case related to investments.

Since there could be different sources of sustainability risks which may not be relevant to all investments, the broader risk management system is tailored to each business unit (asset class) to better incorporate sector materiality and asset characteristics. This means that the identification of sustainability risks at investment level is performed during the due diligence phase by means of appropriate procedures and tools (section 5).

For investments in companies (private equity and debt) and, to a lesser extent, in infrastructures, material sustainability risks are identified through direct engagement with the management teams of target companies, as well as through the appointment of specialized ESG advisory firms for technical assessments. The process also incorporates sector-specific materiality to better prioritize both risks and opportunities, acknowledging that each sector has distinct business models and sources of exposure; a tailored approach is therefore considered the most appropriate.

For investments in real estate assets, the identification of sustainability risks is guided by asset-specific considerations, reflecting the geographic focus on Italy and the strategy of undertaking major residential renovations. As such, particular attention is given to exposure to climate-related physical hazards and to national regulatory constraints and permitting risks associated with extensive refurbishment works. Additional sustainability risks may stem from insufficient building resilience to climate stressors, structural deficiencies affecting occupants' health and safety, and potential social tensions arising from local demographic dynamics.

Management of sustainability risks is performed both in the due diligence and in the ownership phase for which the optimal solution is addressed case-by-case. In the due diligence phase a number of sustainability risks will be avoided whilst in the ownership phase such risks may be also mitigated by active ownership and other responsible investment activities. Independently from possible activities to carry out, investment teams are responsible for the correct monitoring and reporting of sustainability risks, in cooperation with

responsible professionals for ESG at investment level and with the supervision of the ESG Manager.

If a particular event related to sustainability risks occurs and it manifests negative impacts, then it is classified as an “ESG incident”. These events have a material impact on investments, particularly but not exclusively in terms of health and safety, environment, labour disputes or, more generally, business ethics. To better handle ESG incidents, an information flowchart encompassing the entire ESG Governance (section 7) is put in place with the aim of promptly inform GAC’s Board of Directors and impacted stakeholders on the situation and identify potential actions to be taken as quick as possible. The ESG Champion and the responsible professional for ESG at investment level (target company) are in charge of drafting an ESG incident report collecting all relevant data and proposing a corrective plan. This documentation is revised by the ESG Manager and the ESG Committee and then sent to the Board of Directors, investors and other stakeholders.

In case of a severe sustainability-related situation, a proper reporting document is drafted and attached to the ESG file of the investment to the ESG database. The report will provide information and data on:

- event and involved parties (type of investment/asset, fund and investors involvement, type of incident);
- notification and reporting process;
- assessment of sustainability impact and reputational risk;
- any follow-up actions taken.

The aim is to have meaningful documentation to disclose and to collect data for the risk management system and the optimisation of ESG-related incident handling.

With the purpose of guaranteeing timely and transparent information, GAC will adopt the best communication methods, depending on the nature of the stakeholder in addition to traditional communication channels such as the company’s website and the ESG report. In particular, the ESG annual report will include a section dedicated to ESG incident reporting.

#### ➤ **GAC’s approach to responsible investing**

GAC’s approach to responsible investing can be described as follows:

- exclude companies or sectors from the investable universe; in this context, among other exclusions are companies involved in severe violation of the 10 UNGC Principles, tobacco, pornography, controversial weapons and companies whose revenues derive mostly from coal;
- consider sustainability risks<sup>1</sup> and opportunities alongside traditional factors in the investment process;
- evaluate feasibility of promoting environmental and/or social characteristics according to the features of the fund to launch;
- exploit engagement and stewardship activities to carry out toward portfolio investment on a best effort basis;
- focus on companies which are aligned to ESG best characteristics and on those for which is possible to generate positive both ESG impact and financial return.

GAC believes that adherence to PRI and ESG integration across the investment process increases the value - generating capability for all its stakeholders by means of:

- creation and enhancement of new business opportunities able to attract investors which are aware of ESG topics and responsible investing;

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<sup>1</sup> Sustainability risks as resulting from the pre-screening analysis and evaluation.

- cost reduction by increasing efficiency of resources management and by reducing potential liability exposure;
- financial and reputational risks reduction thanks to an enhanced knowledge of non-financial metrics and KPIs.

#### 4. Scope of Policy

The Company commitment to responsible investing and ESG criteria valuation is reflected over its key activities, hence this Policy concerns all the direct and indirect investment classes in which GAC is currently involved and in which it will be involved in the future.

GAC will have a tailored approach to each investment class in order to ensure an appropriate and effective ESG management, the consideration of material ESG factors will be fundamental not only for private equity investing but for debt/credit underwriting and infrastructure investment.

This document applies to GAC and its managed funds. Detailed information related to the funds that promote environmental/and or social characteristics or that have sustainable investment as objective can be found on GAC website.

#### 5. ESG Integration and Stewardship

GAC believes that the introduction of ESG criteria throughout the entire life cycle of an investment is crucial for mitigating risks and creating value. Being aware of the importance of “active ownership” to enhance its responsible investment approach, GAC commits to conduct stewardship activities towards portfolio companies and infrastructure assets exploiting, where possible, its influence due to controlling interest (majority investments in private equity) and direct control (infrastructure assets).

Stewardship includes private debt funds, although to a lesser extent because of the limited governance influence on debt issuers. Moreover, GAC is committed to promote awareness and outreach regarding responsible investment and ESG topics within the industry by actively participating to sector and associations initiatives and by responding to policy consultations providing its expertise and technical input where necessary.

##### ➤ Pre-investment screening

This preliminary phase ensures that the investment team avoids investing in sectors or companies which are explicitly considered non compatible with GAC’s principles.

GAC refuses to invest in tobacco and pornography industries and in companies whose more than half of revenues comes from coal. In addition, the SGR excludes any investment in companies manufacturing and/or distributing controversial weapons. The latter are defined as weapons having a disproportionate impact on civilian population such as chemical, biological, depleted uranium, and nuclear weapons, anti-personnel landmines and cluster bombs. Finally, companies involved in severe violation of the 10 UNGC Principles are excluded from the investable universe.

This exclusion applies also to real estate funds which are not allowed to invest in assets owned by entities involved in the above-mentioned activities.

If the investment is eligible, then the investment team investigates further the areas which will undergo an ESG due diligence process. This process, along assessing all the financial criteria, provides for valuation of ESG criteria:

- **for direct investments in private equity, clean energy and infrastructure)** the due diligence is based on preliminary assessment and onsite visits in order to identify and assess key sustainability risks and understand how they can be managed. The investment team may be advised by an external consultant

for ESG due diligence activities;

- **for indirect investments private debt and fund of funds),** the ESG analysis considers (i) the lead sponsor or the external manager under a sustainability point of view and (ii) the business itself through an ESG assessment of the underlying companies on a best effort basis;
- **for direct investments in real estate,** the approach is differentiated according to the status of the asset and thus the type of investment. In case of greenfield and renovation projects, GAC integrates ESG considerations aimed at improving building environmental impact, quality, safety, and resilience over time. These include evaluating energy-performance potential, structural conditions relevant to health and safety and the exposure to climate-related hazards. For investments in standing assets, GAC applies proportionate ESG screening focused on identifying potential exposure to environmental risks, structural deficiencies, and negative local social dynamics.

For both direct and indirect investments:

- all data regarding ESG topics which have been collected in due diligence phase became an integral part of the final decision-making process;
- specific ESG issues or procedures are defined in the fund rules or in other fund documents (offering documents, side letters) only if they increase the SGR commitment to responsible and sustainable investing. Fund documents are binding.

### ➤ **Holding period and Ownership**

GAC coordinates the monitoring ESG practices and performances of its portfolio companies and funds guaranteeing a constant communication flow within the organization and its external stakeholders. During the monitoring phase of its investments, GAC aims to ensure that a sustainable and responsible investment approach is in place coherently with the strategy tailored for the specific investment class:

- **for direct investments,** ESG risk management and monitoring responsibility is performed by the Investment team in cooperation with the portfolio company's Board of Directors. GAC maintains a constant dialogue with the companies' management teams and actively monitors their ESG practices performance. In greenfield and major real estate renovation projects, the findings of the preliminary ESG assessment are used to identify potential areas for improvement and opportunities for value creation from both an environmental and a social perspective
- **for indirect investments,** the Investment team is directly responsible for ESG activities of their portfolio companies, for this reason GAC's investment teams engage continuously in order to (i) share GAC's ESG strategy and (ii) evaluate responsible investment methodology and performance of the portfolio companies. If required by the fund rules the Investment team actively encourages the achievement of specific ESG Target KPIs by each portfolio company in order to actively promote the overall positive ESG impact in the context of its investment program.

Active ownership towards private equity investee companies may include:

- development of action plans with the aim of mitigating ESG risks and improve sustainability performance;
- support top management of portfolio companies in setting up a proper ESG governance and management system;
- periodic information and data collection on ESG and sustainability matters.

GAC will also engage with issuers of private debt underlying investments, where new potential sustainability risks should arise or an ESG incident/controversy should occur.

For infrastructure assets, GAC aims to ensure the highest-level standards for health and safety on identifying appropriate policy and procedures (including reporting of relevant incidents). ESG information and data are periodically collected to assess assets and portfolio sustainability performance and to provide sufficient disclosure for ESG reporting and engagement with investors.

For real estate investments, where feasible and meaningful, GAC engages with tenants to improve operational, social and environmental performance of a property through a constructive dialogue that encourages energy efficiency, proper waste management, occupants' health and safety, respectful use of common areas. This approach also contributes to the alignment of interest among tenants, investors and local stakeholders. In addition, GAC expects construction contractors to operate in full compliance with applicable health, safety and environmental regulations. On a best-effort basis, the Company may also encourage contractors to use lower-impact building materials and to adopt good practices in areas such as waste minimization and recycling, worker safety management, and responsible site operations.

Noteworthy that the optimal ESG data governance system is calibrated on the basis of each fund's investments characteristics and is set to gather necessary information for monitoring and reporting purposes.

➤ **Divestment**

During the divestment phase, the investment team aims to estimate the ESG impact on the acquisition, comparing the ex-ante situation with the ex-post situation and thus evaluating the improvement of the investment's ESG profile and of the residual risk. These analyses are an integral part of ad hoc reports prepared pre-divestiture.

GAC reporting process will be aimed at providing potential investors with a summary of:

- critical ESG factors related to that specific investment;
- ESG performance tracked throughout the ownership phase;
- improvements of company's ESG profile from GAC's investment;
- the Company's ESG activities supported or promoted by GAC.

## **6. Responsible Investment Tools**

In the first two phases of the responsible investment process, data collection and monitoring activities are backed by ESG analysis tools so that investment teams are able to evaluate ESG risks and opportunities for a potential transaction. These tools are developed (i) following UN PRI, UN Global Compact, SASB, IFC standards and other specific standards such as GRESB for infrastructure and (ii) tailored on the basis of asset class sector materiality and specificities.

ESG monitoring tools have been developed to support ESG risk management during the ownership phase. These models collect ESG data from portfolio companies/assets and provide an assessment of portfolio ESG performance as well as a guidance for further action plans. Each investment team is provided with the ESG monitoring tool which is tailored to the investment style. The implementation of such monitoring system allows GAC to be proactive towards questionnaires and requests from LPs, UN PRI and other organizations and to comply with disclosure requirements set by Regulations.

GAC is committed to regularly review its responsible investment tools to ensure alignment with business developments, regulation, and standards.

## **7. ESG Reporting**

GAC is committed to delivering transparent and consistent ESG reporting in line with prevailing European regulatory framework and market practices for responsible investment managers. Thus, ESG disclosures are integrated into the existing regulatory and voluntary reporting framework.

At management company level, GAC adopts a “comply” approach under Article 4 SFDR and publishes an annual Principal Adverse Impacts (PAI) statement; this is complemented by a voluntary ESG report providing a consolidated view of GAC’s ESG approach, key initiatives and selected indicators across its investment strategies.

At fund level, for Article 8 and Article 9 SFDR funds, sustainability-related information is provided through the SFDR disclosure framework, including pre-contractual, website and periodic reporting, as applicable.

In particular, GAC makes available on a dedicated section of its website this Policy, updated periodically, containing the guidelines adopted on sustainability, as well as all information regarding the approach taken by the Company in relation to ESG topics. The disclosures required by the SFDR are published as follows:

- Article 3 “Transparency of sustainability risk policies”;
- Article 4 “Transparency of adverse sustainability impacts”;
- Article 5 “Transparency of remuneration policies regarding the integration of sustainability risks”;
- Article 10 “Transparency of the promotion of environmental or social characteristics and sustainable investments on websites”.

Moreover, in relation to each fund Article 8 and Article 9 SFDR, GAC draws up the report required by Article 11 “Transparency of the promotion of environmental or social characteristics and sustainable investments in periodic reports” which is supplied to investors.

The ESG Manager coordinates the data collection processes and the development of ESG reporting templates in collaboration with the funds’ ESG Champions, with the related templates subject to approval by the Board of Directors.

In addition, the Company reports on progress under the UN Global Compact and responds to the UN PRI assessment framework, thereby aligning its communication with widely recognized international standards for responsible investment. In the preparation of these disclosures, the ESG Manager coordinates the reporting process and, where appropriate, consults the ESG Committee and the ESG Champions of the funds. Indirectly, the ESG narrative is further reinforced by the impact report published by the holding company that owns GAC in its capacity of benefit company, which describes broader environmental and social outcomes at group level. These reporting instruments are designed to offer investors and stakeholders a coherent, accessible and regularly updated overview of GAC’s ESG practices, without prejudicing the flexibility needed to adapt to future regulatory and market developments.

## **8. Governance**

Governance of ESG responsibilities shall be shared among the following:

- **Board of Directors**

GAC’s Board of Directors approves the ESG policy and strategy and defines the approach in monitoring the achievement of ESG objectives. It may also define the degree of materiality of the ESG factors that may impact the business, its investment portfolio and its stakeholders, taking into account the reports from the ESG Manager.

- **ESG Board Member**

A Director with specific responsibilities in the ESG field - tasked with aligning the Sustainability Plan of the Company with that of GAC the Group, including related policies and improvement objectives, as well as promoting engagement and communication with stakeholders. - the Director is tasked with updating the Board of Directors at least semi-annually. The updates will concern the annual ESG report of the Company, the annual ESG objectives, and other regulatory updates as required.

- **ESG Committee**

The ESG Committee offers opinions and recommendations to the Board of Directors on ESG issues and is composed of the CEO, ESG Manager, the GCIO, the GGM and the Risk Manager. It contributes to integrate ESG factors into the Group's investment strategies. Controls and monitors the ESG Roadmap, the SGR's KPIs and the application of responsible investment practices by investment teams, carrying out, if deemed necessary, a review of ESG issues with the ESG Manager. The ESG Committee submits the ESG Annual Report to GAC's Board of Directors. The sections regarding each fund are transmitted to the investors.

- **ESG Manager**

The ESG Manager is responsible for overseeing, coordinating, and continuously improving the implementation of this Policy and related processes across the organization, based on the information and reports collected from ESG Champions. The ESG Manager reports to the ESG Committee and provides structured updates at least twice a year to the ESG-designated Board member and, more broadly, to the Board of Directors.

These periodic updates can cover a wide range of ESG topics, including progress towards the Company's ESG objectives, corporate and fund-level ESG reporting, performance against key ESG indicators, and potential updates to ESG targets in response to internal assessments or external developments.

In addition, the ESG Manager may present analyses on new regulatory frameworks (e.g. SFDR, EU Taxonomy, CSRD), results of ESG due diligence on portfolio companies, findings from engagement and stewardship activities, and key outcomes from internal controls or external assurance processes. These sessions ensure that the Board remains well-informed and engaged, fostering alignment between sustainability goals, corporate strategy, and risk management.

- **ESG Champion**

The ESG Champion, appointed within the investment team of each single fund, shall be responsible for the assessment and monitoring of ESG risks and opportunities during pre-investment, acquisition, ownership and exit. The ESG Champion shall be given appropriate training and shall receive instructions from the ESG Manager.

- **Risk Manager**

The Risk Manager, with concerns to all activities related to sustainability risk updates at least semi-annually the ESG Board member and is involved in defining and implementing the monitoring approach for the achievement of ESG objectives by the Company and portfolio companies.

- **Advisory Board of managed funds**

If stated in the fund rules, the Advisory Board of the fund must be involved in the investment process regarding ESG issues.

Within its governance of monitoring phase, the Board of Directors is updated on a semi-annual basis directly by the investment teams on sustainability and responsible investment matters as well.

## **9. Approval and publication of Policy**

The Policy is intended to be reviewed annually by the ESG Committee, if an update is necessary or appropriate, it is submitted to GAC's Board of Directors for approval.

The approval of the Policy follows the internal dispositions of GAC (in particular, “R015 Internal regulatory sources”).

The updated edition of the Policy is published on GAC’s website.