Arrow Global Group

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") REPORT 2023

INTRODUCTION

As a vertically integrated alternative asset manager, specialising in credit and real estate, Arrow Global Group ("Arrow") recognises that climate change is one of the most significant risks facing our time and poses a substantial financial risk to the global economy. It's our objective as a responsible business and investor to understand, mitigate, and reduce our impact on the environment in a thoughtful and proportionate manner. As global attention increasingly focuses on the implications of climate change, we aim to be proactive in understanding and addressing the associated risks and opportunities. As a leading mid-market alternative asset manager that operates with key European regulatory licences, we understand our responsibilities and how TCFD adherence is important for effective risk management, regulatory compliance, transparency and importantly accountability. We strive to ensure that our approach continually evolves to be well-informed and aligned with our strategic and operational ambitions. To enhance our organisational understanding of these challenges in 2023, we have partnered with an independent sustainability consultant, Rio ESG Ltd. This partnership supports the identification of gaps in our TCFD alignment and provides a framework for the firm to communicate and act upon climate-related risks and opportunities.

Arrow is committed to meeting the needs of our stakeholders, including our investors who have trusted us to manage capital on their behalf. We pride ourselves with an ethos of continuous development and as such we are pleased to present our inaugural TCFD report, demonstrating the commitment that we have made in 2023 to understand and assess the climate-related risks and opportunities our business faces.

This TCFD report sets out the Financial Stability Board's 11 recommended disclosures within each of the four pillars of Governance, Strategy, Risk Management and Metrics and Targets and is an extension of Arrow's commitment to acting in a transparent and responsible manner. To read more about this, please visit our Sustainability web page Sustainability - Arrow Global.

"As we continue to evolve and mature within the context of a rapidly changing landscape of climate challenges and opportunities, we look forward to continuing this journey over coming years to improve our climate-related strategies."

Zach Lewy
Founder, CEO, Chief Investment Officer

GOVERNANCE

Arrow's Governance of Climate-Related Risks and Opportunities

TCFD Recommended Disclosure:

(a) Description of Arrow Board's oversight of climate-related risks and opportunities.

(b) Description of Arrow Management's role in assessing and managing climate-related risks and opportunities.

In 2023, Arrow operated a Sustainability & ESG Committee, comprised of members of the Group's Executive Leadership team and chaired by Monique O'Keefe, Chair of AGGCM and Chief Risk & Governance Officer. The committee is attended by senior members of the investment team including the Group Head of Platforms, Chief People Officer and Managing Director, Underwriting, as well as the leaders for each of Arrow's investment fund strategies and Portfolio Management. The committee is responsible for supporting the business in driving and measuring the delivery of the Group's ESG initiatives and ensuring broader awareness of ESG topics across key members of the leadership team. Where required, local specialists within Arrow's local asset management and servicing platforms support the ESG strategy of that platform by providing extensive knowledge of local requirements.

The diagram below provides a summary overview of our governance structure for the oversight of ESG factors, with the Sustainability & ESG Committee ultimately reporting to the Board of Sherwood Parentco Limited, the main operating company at Arrow, as well as feeding into the AGGCM Board, ensuring that ESG factors are firmly embedded in the company's and fund manager's strategy and operations.

Arrow Global Governance Structure

Arrow's Board, via the Sustainability & ESG Committee, oversees all climate-related risks and opportunities. The Sustainability & ESG Committee ensures that the Group remains transparent and defines how we manage and approach these challenges. The Board is informed about climate-related matters through updates, reflecting the importance of ESG considerations in the company's operations.

The AGGCM Board plays a crucial role in governing Arrow's funds, setting the strategic direction for the company's investments. By overseeing the investment strategy, the AGGCM Board ensures that Arrow's investment approach aligns with its broader ESG strategy and investment objectives. This governance ensures that investments are made with a clear understanding of the associated ESG risks and opportunities. As the investment strategy evolves, so shall the approach to climate risks and opportunities so that it remains commensurate with the risk-adjusted returns targeted by the firm. As we evolve climate-risk analytics in relation to our investments, we will endeavour to consider financed emissions. The AGGCM Board has standing agenda items relating to areas such as climate risk and responsible investment, with an update being provided by the Sustainability & ESG Director, including on the delivery of this report.

The Sustainability & ESG Committee continues to play a significant role in developing Arrow's ESG and Responsible Investment policies which are formally approved by Sherwood ParentCo Limited Board and AGGCM Board respectively and applied to all substantive entities in the Arrow Group. The Responsible Investment Policy sets out our approach to integrating the assessment of ESG factors, including material climate risk where appropriate, as part of AGGCM's investment evaluation and decision making, and ongoing portfolio management processes across each of its investment strategies as part of its overall mandate. You can find a copy of our Responsible Investment Policy here. The policy is implemented by specialist teams supporting the investment activity of AGGCM including Origination, Underwriting, Portfolio Management, advisory partners, and other key personnel involved in investment level activity, including but not limited to, Risk, Compliance, Finance, and Legal. It is the responsibility of individuals working within these teams to consider climate-related risks and opportunities for each investment opportunity and on an ongoing basis during portfolio management.

The ESG policy and framework guides our overarching approach to operating as a responsible business, including understanding and mitigating our environmental impact from an operational perspective. Our ESG policy applies to all substantive Arrow businesses, and we operate a quarterly policy attestation process to understand compliance with the policy and to address any gaps identified. It is therefore the responsibility of Arrow's central management team and the management teams of is local platforms to implement Arrow's ESG strategy, whilst allowing in-country teams to adopt additional requisite local practices.

In addition, the attestation process also supports collation of a quarterly ESG scorecard which measures KPIs across our operations and investments, including a range of environmental metrics related to our operations such as our scope 1, 2 and 3 emissions. We do not yet track emissions at the investment level but are actively considering how to best credibly do this across the portfolio, with a proposed assessment of the carbon footprint of the totality of our portfolio planned. These KPIs are reviewed and discussed at our quarterly Sustainability & ESG Committee, with any anomalies reported up to the relevant Board.

STRATEGY

Arrow Group's Approach to Climate-Related Risks and Opportunities

TCFD Recommended Disclosure:

(a) Describe the climate-related risks and opportunities the company has identified for the short, medium, and long term.

(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

(c) Describe the resilience of the organisation's strategy in respect of different climate-related scenarios, including a 2 degrees or lower scenario.

Climate-Related Risks and Opportunities and their potential impact on business, strategy and financial planning:

As Arrow has evolved its fund management capabilities and the strategies it offers, we recognise the importance of identifying climate-related risks and opportunities. This is especially important within our fund management opportunities where a material impact on investment performance and returns over the short, medium and long-term may be experienced. It is our goal as a responsible investor to understand, mitigate and reduce our impact on the environment in a thoughtful and proportionate manner throughout the investment lifecycle.

As part of our recent work with Rio ESG Ltd, our Sustainability & ESG Committee participated in workshops to identify these risks and opportunities over the short, medium and long-term. A total of 6 climate-related risks and 5 opportunities were identified, as seen in the table below. These have been categorised based on the following time horizons, which align broadly to our investment windows:

- Short term (0-2 years)
- Medium term (2-4 years)
- Long term (4-7 years)

Table 1: CLIMATE-RELATED RISKS & OPPORTUNITIES

	RISK	CATEGORY	DESCRIPTION	TIME HORIZON	POTENTIAL IMPACT
CLIMATE-RELATED RISKS	Current Regulation	Transition	- Cost of business to be compliant with current regulation (e.g. net zero regulation, TCFD, SFDR etc.) At a group and fund level.	Short – medium term	- Rapid increase in reporting obligations & cost of offsetting leading to increased upfront operational costs for resourcing & offsetting.
	Emerging Regulation / Market	Transition	- Extra external requirements around greater transparency and increased reporting. - Regulation changes during the period of time holding the asset, or market requirements change, and extra data requirements.	Short – long term	- Increased costs & resource requirements - Stranded assets - Lack of data collection from the beginning - Unnecessary spend on assets
	Reputation	Transition	- Current fund structures not aligning with regulation	Short-term	- Risk of reputational damage
	Legal	Transition	- Fines for non-compliance	Short – long-term	- Financial cost & risk of reputational damage
	Technology	Transition	- Asset level: cost of improvements in technology required in assets	Short – long-term	- Upfront operational costs to invest in energy efficient technologies
	Extreme weather-related events (Acute & Chronic)	Physical	- Operational level disruption. Risk of offices flooding, increased insurance, higher energy costs. - Asset level – rising water levels / risk of flooding / extreme weather events impacting assets, e.g. increased insurance premiums, higher energy costs impact on development assets / costs.	Short – long-term	- Financial cost, business disruption. - Additional spend required on assets, risk of stranded assets
CLIMATE-RELATED OPPORTUNITIES	Resource Efficiency	Transition	- Operational: Opportunity to make operations more energy efficient.	Long-term	- Reduced financial cost
	Energy Source	Transition	- Energy solutions for real estate investments to become more sustainable and more resilient, using/ producing renewable energy.	Medium – Long-term	- Higher asset valuations - Improved fund performance and enhanced track record - Enhanced reputation - Attraction of new clients
	Products & Services	Transition	- Potential future products that lend themselves to energy solutions.	Medium – Long-term	- Increase AUM - Diversified strategies - Attract new clients - Support deployment of new technology / solutions
	Products & Services	Transition	- Potential opportunity to develop sustainable funds.	Medium – Long-term	- Increase AUM - Diversified strategies - Attract new clients - Ability to have further positive impact on the environment through funnelling finances into those sorts of investment
	Market	Transition	- Decarbonization policies and changing tenant and investor demands, creating obsolete assets in need of refurbishment	Short – Long-term	- Diversified strategies - Ability to operate in otherwise unavailable area of market

As we embark on a continued journey of improvement, this climate-related risk and opportunities assessment is an important step in ensuring that we are better prepared for both immediate and future challenges and opportunities.

As part of Arrow's focus on embedding climate risk management into existing enterprise risk management frameworks and governance structures, some key steps have been implemented including the expansion of Arrow's risk taxonomy to support identification of climate risks across both transition and physical risks. This approach enables the Risk Management and ESG teams to provide a more consistent process of guidance and challenge to risk owners across the business. Furthermore, results of the risk assessment processes are reported into the Audit & Risk Committee, highlighting material issues and action plans.

At a more granular level, the respective investment strategies of Arrow consider material ESG and climate risks and opportunities via the AGGCM Investment Committee. An increasing focus on asset-backed investment opportunities requires an evolution of matters covered at the Investment Committee to ensure climate risks are considered and mitigated or adequately priced which may include costs to allow for implementing improvements in line with our ESG and Responsible Investment policies. Associated actions are communicated to the portfolio management teams for ongoing delivery in line with the approval conditions of the investment (for example, to ensure a specific level of energy efficiency improvement in a real estate transaction).

To meet the ambitions of a given fund strategy, the decision to invest has to consider the capital expenditure to be allocated to climate and sustainability matters in order to accurately price each deal. The need to do so – and to fully appreciate prevailing market conditions in respect of sustainability-linked asset characteristics – is an inherent aspect of our broader investment risk management assessments. Accordingly, Arrow's local asset management and servicing platforms and other operating partners that manage and service these assets are fully aligned with the asset management actions and associated data capture requirements. Where appropriate, Arrow will continue to deploy group policies, processes and systems to support more efficient and repeatable tracking of climate-related activities.

As Arrow continues to assess any impacts of climate change, there are also potential commercial opportunities which are regularly reviewed through the relevant Board and Management Committee meetings.

It is also our intention to adapt the financial planning process to include greater awareness of climate related costs and investment opportunities in the future – for example, in order to manage our own net zero journey or to meet increased reporting requirements.

Group Operations

Our primary operations face minimal exposure to physical climate-related risks. This is due to factors such as, offering professional and business services, not having a complex supply chain, not investing in research and development, and having the ability to operate from various locations.

We operate from leased offices across Europe. In recent years we have taken steps to combine platforms into one office location in both Portugal and Italy, significantly reducing our carbon emissions. We also operate a hybrid working model allowing colleagues to work remotely and therefore reducing office footprint requirements. Additionally, when moving to new offices, we consider the sustainability standards of the building to ensure these align to our overall ESG strategy.

Resilience of ESG Strategy:

To further understand the above climate-related risks and their potential impact to Arrow as a business and an investor, we are committed to conducting scenario analysis. Our goal is to ensure that our operations and investments remain resilient and adaptive, safeguarding our stakeholders' interests and setting the foundation for long-term sustainability.

Approach to Net Zero:

As above, we are not an operationally carbon intensive business. However, we recognise that it is our duty as a responsible business to reduce our impact on the environment. As such, Arrow is committed to reaching net zero in our operations by 2030, seeking to reduce emissions first and foremost and then offset using high-quality carbon credits. In the next twelve months, we hope to make significant strides in defining a credible plan to achieve this.

Arrow is aware that our financed emissions are likely to have a far greater impact and are actively considering how best to credibly commit to net zero across our investments. We are working to understand how to best undertake a carbon footprint assessment of the totality of our portfolios and potentially partner with a third-party consultancy to define realistic commitments for 2030 and 2050.

RISK MANAGEMENT

Arrow Group's Approach to Climate-Related Risks and Opportunities

TCFD Recommended Disclosure:

(a) Describe the organisation's processes for identifying and assessing climate-related risks.

(b) Describe the organisation's processes for managing climate-related risks.

(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management process.

Identification and Assessment of Climate-Related Risks:

Arrow's risk management framework is centred around the Group's values and the culture embedded within the organisation. This enterprise-wide risk management framework defines a common approach across the entire organisation, with the three lines of defence model enabling all colleagues to own and manage risk in a manner which supports well-informed decision-making. The enterprise-wide risk management framework includes:

- Embedding the three lines of defence throughout the firm.
- Clarity of roles and responsibilities.
- Establishment of risk appetite.
- Risk management aimed at understanding risks and enabling proportionate risk mitigation plans.
- Controls to address new and emerging risks.
- Recognition and maintenance of operational risk and resilience plans.
- Escalation and risk reporting.

The framework is frequently monitored and reviewed to ensure it remains suitable for the size and complexity of our business. In recent years, we have added more granular ESG taxonomy, including climate-related risks, to our enterprise-wide risk management framework to support risk and control self-assessments and incident management. This is reviewed with the Risk Management function on at least an annual basis, and material climate risks are reported onward to our Audit & Risk Committee.

ESG considerations, including climate-risk assessments where relevant, are built in at all stages as an investment makes its way through our investment pipeline. Outcomes from due diligence are reported to the Investment Committee for each proposed transaction through a risk assessment matrix. Where we cannot appropriately mitigate or resolve risks arising through the due diligence process, we may reject the investment opportunities on the basis of ESG related concerns but will consider these as part of a holistic review of the investment opportunity. Where investments contain certain ESG risks we will often get specialist due diligence reports to assist us with identifying and managing those risks. The investment due diligence process culminates in the Investment Committee memo which consider all factors relating to the transactions, including alignment with risk appetite and appropriate environmental, customer, financial crime, and regulatory due diligence. By the time of formal Investment Committee review, the second line internal risk and compliance teams will have assessed key criteria and provided the committee with areas for consideration. This process is governed by our Responsible Investment Policy.

Management of Climate-Related Risks:

To further embed climate risk management into existing enterprise risk management frameworks and governance structures, key steps have been implemented including the expansion of Arrow's risk taxonomy to support identification of climate risks across both transition and physical risks. The identification of climate-related risks at the Group level are reported at the Sustainability & ESG Committee, and the results of the risk assessment processes are reported into the Audit & Risk Committee, with onward reporting to the Board as required, where management plans are defined.

Inclusion of relevant climate risks and opportunities are included within Investment Committee papers, this varies depending upon the type of assets and strategy. Our fund strategies are aligned to a range of external sustainability standards or requirements, including SFDR, PRI and GRESB.

Climate-related risks and opportunities at the investment level are monitored and reviewed as part of the portfolio monitoring process in line with the approval conditions of the investment. Where necessary, onward reporting to the AGGCM Board would take place to help drive investment decisions and/or portfolio management action plans.

Integration into Overall Risk Management:

The processes for identifying, assessing, and managing climate-related risks are integrated into Arrow's overall risk management process. In recent workshops led by Rio ESG and attended by members of the Sustainability & ESG Committee, risks and opportunities were identified and discussed. The risks and opportunities identified are shown in Table 1 above and are integrated into Arrow's risk management. This collaborative approach ensures that our risk management strategy is comprehensive and that climate considerations are embedded throughout our operations. Furthermore, the Group uses a risk management technology tool to ensure all colleagues across the Group report material risks in a timely manner. Our principal risks are captured under the headline categories of strategic, operational, and financial risk.

METRICS AND TARGETS

Arrow's Approach to Climate-Related Metrics and Targets

TCFD Recommended Disclosure:

(a) Describe the metrics and targets used to assess climate-related risks and opportunities.

(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Metrics and Targets for Climate-Related Risks and Opportunities:

Arrow utilises a range of metrics and targets to assess and manage climate-related risks and opportunities, which forms part of its wider ESG scorecard. These metrics and targets are part of our broader commitment to sustainability and are aligned with our goal of achieving net zero in operations by 2030.

GHG Emissions and Related Risks:

We track our Scope 1, 2 and 3 emissions from an operational perspective, following the requirements of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) to measure and report greenhouse gas emissions.

The scopes table below outlines our definition of material GHG emissions by source and the annual CO2 emissions table includes our current performance.

Scope	Type	Reportable Items
1	Direct emissions by the Company	Refrigerant, natural gas and owned vehicle fleet
2	Indirect energy consumed but not owned by the Company	Electricity usage
3	Other indirect emissions not included in Scope 2	Other indirect emissions not included in Scope 2

The following emissions data for 2023 has been disclosed:

Scope	CO2 emissions (tonnes) per annum 2023	CO2 emissions (tonnes) per annum 2022
1	282.3	318.5
2	290.8	364.0
Total scope 1 and 2	**573.1**	**682.5**
3[1]	1,326.9	694.3
Total	**1,900.0**	**1,376.8**
Tonnes of CO_2 per employee[2]	**1.0**	**0.6**

1. Operational Scope 3 emissions only.
2. Using average number of employees for the year.

Greenhouse gas emission reporting methodology

We have followed the requirements of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) to measure and report greenhouse gas emissions.

The operational control method, which captures the sources that fall within our consolidated financial statements, has been used. Where we operate an outsourced model working with partners, these partners do not work exclusively for the Group and, therefore, it is not deemed appropriate to include emissions outside of the Group consolidated financial statements. The reporting year aligns to the financial year.

The associated risks with these emissions include transitional regulatory risks, physical risks due to climate change, and potential reputational risks.

We are in the process of defining the scope of data capture for our financed emissions with the intention to be able to disclose this information in future TCFD reporting.

Targets and Performance:

In 2023, we were pleased to see a further reduction in our Scope 1 and 2 emissions from 2022, a result of consolidating office spaces in Portugal, Italy, Ireland and the UK as well as due to the sale of one UK platform. We have seen an increase in our Scope 3 figures, a natural side effect of business growth and development as well as improved data capture. As the business continues to grow, we continue to monitor how this impacts our overall carbon footprint. Additionally, we are pleased to continue to host c. 95% of our data in cloud data centres.

Arrow has set a clear target to achieve net zero in its operations by 2030. As part of our commitment to this target, we are embarking on a project to review and develop strategies with each of our platforms, recognising the need to define a baseline year, set KPIs and interim targets. This project will be managed through our quarterly Sustainability & ESG Committee meetings.

We are also working to better understand the availability of Scope 3 financed emissions data at the investment level. We are assessing how to best undertake a carbon footprint assessment of the totality of our portfolios and potentially partner with a third-party consultancy to define realistic commitments for 2030 and 2050.

We recognise the importance of continuous improvement and are dedicated to refining our approach to ensure we meet our targets. Recent workshops with members of the Sustainability & ESG Committee, led by an external third-party consultancy, have been instrumental in guiding our strategies and setting clear directions.

CONCLUSION AND LOOKING AHEAD

Our inaugural TCFD Report will enhance transparency into how we perceive climate change affects our business and how we are preparing the firm to manage the associated risk and opportunities. As a rapidly evolving and maturing business and considering the rapidly changing landscape of climate challenges and opportunities, we are aware there is more to be done to improve our climate-related disclosures and strategies. We look forward to demonstrating these enhancements in subsequent TCFD reports. Our future priorities will include:

1. Further embedding climate-related risks and opportunities within the Group's overall business strategy and working with the senior management team to develop action plans and risk management strategies to manage and reduce our impact on the environment. These should be developed in such a way that all individuals across Arrow are aware of and able to manage the risks and opportunities relevant to their business line.
2. Conduct scenario analysis to further understand the resilience of our business and each of our investment strategies to the material risks of climate change. In doing so, we aim to review and sense-check the time horizons used when assessing any potential impacts.
3. Build specific climate-related risk and opportunity analysis into investment due diligence where relevant.
4. Further define the Group's Net Zero operations target and work to understand our financed emissions, defining emissions reduction commitments for our investments as appropriate.
5. Continue to assess developments in TCFD disclosures, as well as other reporting regulations and frameworks to ensure we are providing information aligned to stakeholder expectations and market practice.

CLIMATE RELATED CAUTIONARY STATEMENTS

Climate metrics

The climate metrics, projections, forecasts and other forward-looking statements used in this document should be treated with special caution, in particular as they are more uncertain than, for example, historical financial information, and given the wider uncertainty around the evolution and impact of climate change.

Our understanding of climate change and its impact continue to evolve. Accordingly, both historical and forward-looking climate metrics are inherently uncertain and, therefore, less decision-useful than metrics based on historical financial statements. Below we provide a non-exhaustive list of some of the challenges associated with using climate metrics in more detail.

i. The preparation of this report requires the application of a number of key judgements and also requires assumptions and estimates to be made. There is a risk that the judgement exercised, or the estimates or assumptions used, may subsequently turn out to be incorrect. These judgements and resulting data presented in this report are not a substitute for judgements and analysis made independently by the reader.
ii. Reported numbers reflect best estimates and judgements at the given point in time.
iii. This report uses models, external data and other sources/ methodologies, each of which are subject to ongoing adjustment and modifications beyond our control.
iv. The outputs of these models, external data and other sources/ methodologies can be materially affected by the quality of the underlying data used. They may be subject to uncertainties affecting the accuracy of their outputs. There is a risk that the outputs may be misinterpreted or misused when dealing with developing themes, such as climate-related disclosures and other ESG data points, due to the lack of market standards, historical reference points and benchmark data, as well as the inability to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution.
v. ESG reporting as a whole is not yet subject to the same accounting rigour or globally accepted principles and rules as financial reporting. Accordingly, there is a lack of commonly accepted reporting practices to follow or align to. We will continue to review available data sources and enhance our methodology and processes to improve the resilience of the performance disclosed over time.
vi. This report and the information contained within it is unaudited.
vii. Further development of accounting and/or reporting standards could materially impact the performance metrics, data points and targets contained in this report.
viii. As standards and practices continue to evolve, it may mean subsequent reports do not allow a reader to compare performance metrics, data points or targets from one reporting period to another, on a direct like-by-like basis.

In summary, the information in this report is subject to significant uncertainties and risks which may result in Arrow, its operations, strategies, and funds being unable to achieve the current plans, expectations, estimates, ambitions, targets or projections. Some of the information in this document has been or may have been obtained from public and other sources and Arrow has not independently verified it. Arrow makes no representation or warranty regarding its completeness, accuracy, fitness for a particular purpose or non-infringement of such information.

Other forward-looking statements

This report contains certain forward-looking statements with respect to Arrow. Arrow cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by: changes in legislation; the development of standards and interpretations including evolving practices in ESG reporting with regard to the interpretation and application of accounting, industry and regulatory standards; Arrow's ability along with government and other stakeholders to manage and mitigate the impacts of climate change effectively; and environmental, social and geopolitical risks. A number of these influences and factors are beyond Arrow's control.

General

While Arrow intends to include ESG as a component of its investment process, as described in this report, there can be no assurance that Arrow's ESG initiatives, policies, and procedures will be applied to a particular investment. Statements about ESG practices related to Arrow's local platforms also do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of an ESG initiative to or within the local platform; the nature and/or extent of investment in, ownership of, or control or influence exercised by Arrow with respect to the platform; and other factors as determined by investment and operation teams and/or platform teams on a case-by-case basis.

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