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green  **arrow**
CAPITAL

The Alternatives Platform

A Case Study on Responsible Leadership

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Who Is Green Arrow Capital?

- **Sector:** Alternative investments (Europe)
- **Structure:** Investment + asset management + financial advisory
- **Legal status:** Benefit Company (legally mandated social/environmental mission)
- **ESG standard:** UN PRI signatory
- **Carbon target:** Neutrality by 2028

Positioning Statement

Green Arrow Capita competes on three dimensions simultaneously: financial return, ESG integration at portfolio level, and internal operational sustainability. A combination rare among mid-market alternative investment firms



Executive Summary

Strategic Lever	Action Taken	Result
Legal Structuring	Became a Benefit Company	ESG legally binding, not discretionary
Governance	ESG Committee + Champions per team	Accountability embedded at every level
Incentives	~10% compensation tied to ESG KPIs	Individual behaviour aligned to org goals
Operations	Carbon tracking, plastic-free offices	Measurable footprint reduction
Culture	Feedback loops + internal communication	ESG adopted, not imposed

Environmental, Social, and Governance

RESPONSIBLE INVESTMENT STRATEGY

- Differentiated across platform, fund, and full investment cycle.
- Each team has an ESG champion, and an ESG Committee reviews investments and advises the Board to ensure alignment with ESG policy.

THREE LEVELS OF GOVERNANCE

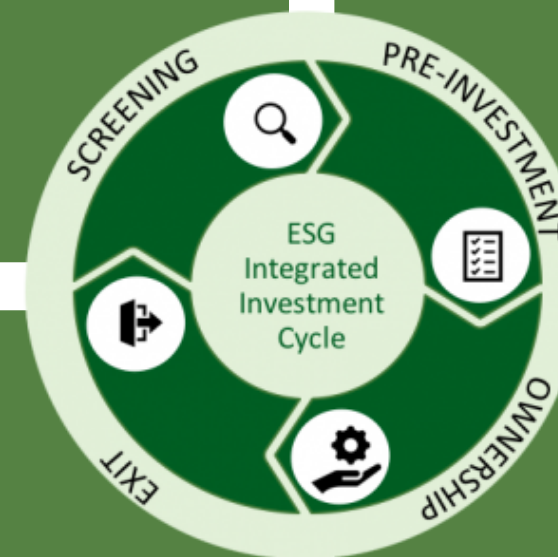
- ESG Committee: Advises the Board on ESG issues (CEO, ESG Manager, CIO, CFO, CRO).
- ESG Manager: Coordinates ESG activities across the SGR and its funds.
- ESG Champion: Ensures responsible investment processes within each team.

INTEGRATION

- Fully-integrated ESG Management System at platform level.
- ESG factors integrated into investment procedures.
- ESG requirements embedded within Fund constitution documents.

REPORTING

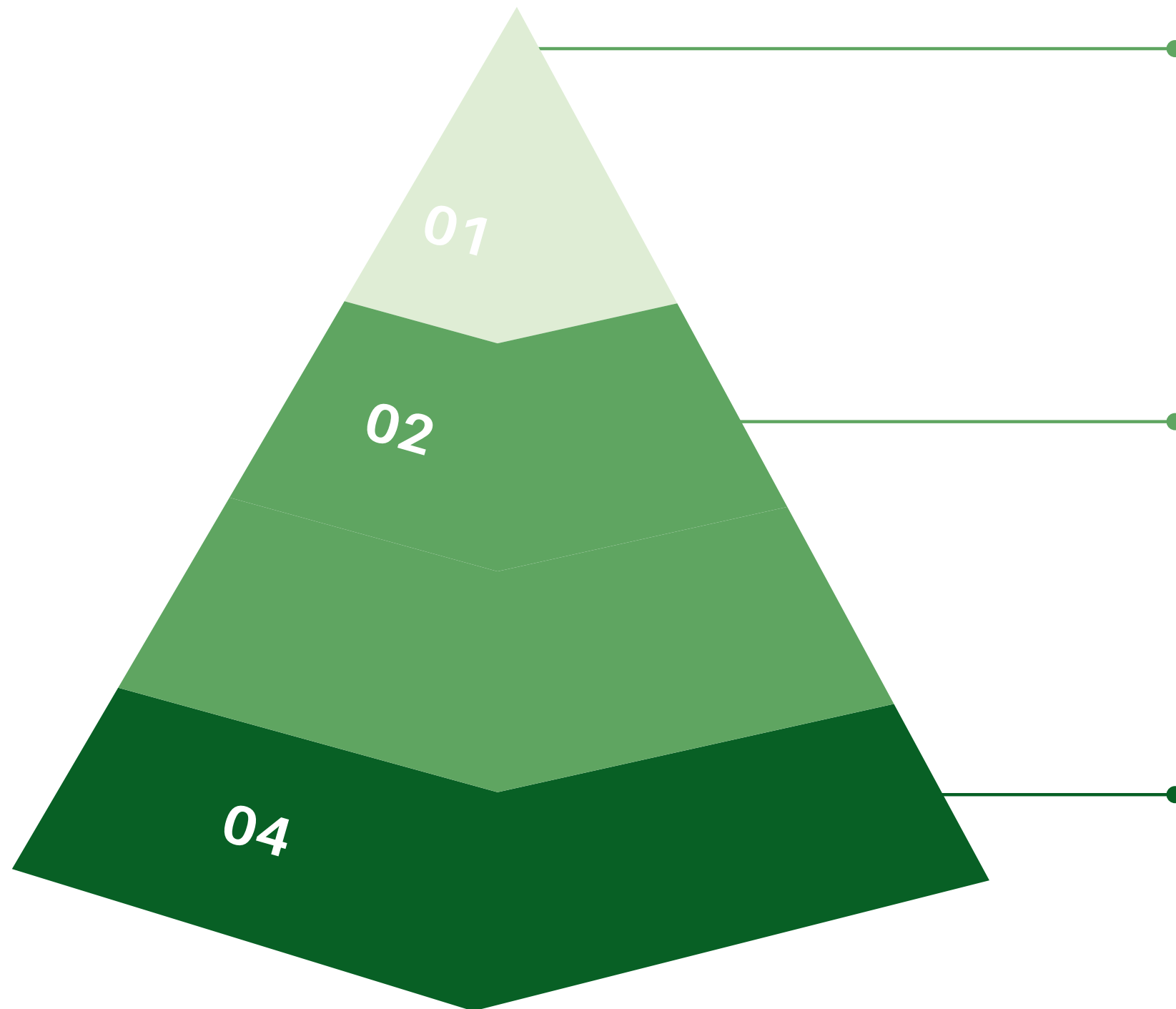
ESG reporting is integrated into the fund reporting cycle for LPs. Under Sustainable Finance Disclosure Regulation, the Portfolio Manager monitors key PAI indicators such as GHG emissions, energy use, and water consumption.



Problem Diagnosis

THE GAP	ROOT CAUSES	CONSEQUENCE
ESG fully integrated into investment decisions	No legal obligation to embed ESG operationally	Risk of greenwashing perception from external stakeholders
ESG absent from day-to-day organisational behaviour	Employee perception: ESG = investment team's job, not mine	Internal cultural fragmentation between investment and operational teams
Result: reputational and strategic inconsistency	No measurement systems for internal environmental/social performance	Inability to credibly claim "sustainable organisation" status





EXECUTION: BEHAVIOURAL CHANGE

- Plastic-free office rollout
- Carbon footprint tracking (travel-focused)
- Print monitoring systems
- Employee well-being surveys → flexible work policy
- Remote work institutionalised post-COVID

ARCHITECTURE: GOVERNANCE SYSTEMS

- ESG Committee (strategic oversight)
- ESG Manager (operational coordination)
- ESG Champions per investment team (frontline accountability)
- ESG metrics embedded in performance reviews

FOUNDATION: LEGAL & STRUCTURAL

- Benefit Company registration → mission legally redefined
- Articles of association updated
- Board-level ESG accountability mandated



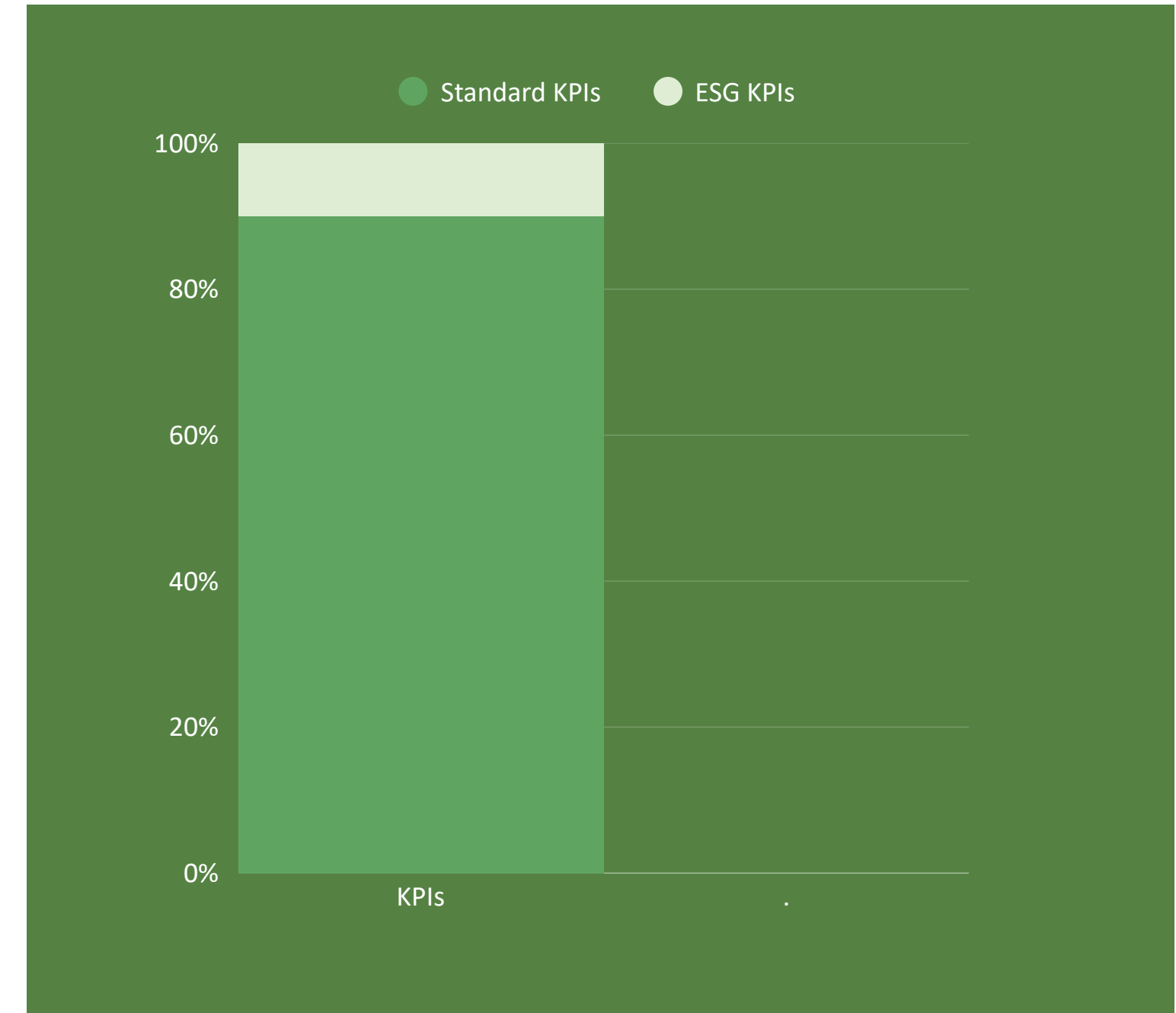
Linking around 10% of Compensation to ESG KPIs Was the Critical Mechanisms for Aligning Individual Behaviour With Organisational Goals

Logic

- **Problem:** ESG initiatives depend on voluntary behaviour change
- **Solution:** make ESG performance financially consequential
- **Mechanism:** ESG targets included in annual performance evaluation
- **Weight:** approximately 10% of total compensation

Why it matters

- Converts ESG from 'nice to have' to measurable professional obligation
- creates peer accountability
 - ESG becomes a shared team metric
- Signals organisational seriousness to both employees and investors
- Low % by design: avoids resistance while still anchoring



Communication as Strategic Infrastructure

AUDIENCE	MECHANISM	PURPOSE
Employees	Regular feedback surveys (scaled + open-ended)	Co-ownership of ESG initiatives
Management	ESG Committee reporting cadence	Strategic alignment + accountability
Investors & Stakeholders	Transparent ESG reporting	Credibility, anti-greenwashing signal
Entire organisation	Making visible the invisible behaviours	Reinforce collective ESG identity

Results & Impact Assessment

DIMENSION	INITIATIVE	OUTCOME
Environmental	Plastic-free offices	Eliminated single-use plastics across all offices
Environmental	Carbon tracking	Business travel emissions actively measured + reduced
Environmental	Print monitoring	Reduced paper consumption organisation-wide
Social	Well-being surveys	Flexible working arrangements introduced
Social	Remote work policy	Permanent post-COVID; reduced commuting emissions
Governance	ESG in performance reviews	100% of staff evaluated on ESG metrics
Governance	Benefit Company status	Legally binding ESG mission – not reversible
Reputational	Internal/external alignment	Strengthened investor credibility; consistent ESG narrative



Growth via M&A Is the Primary Threat to ESG Continuity and Requires a Deliberate Scaling Strategy

RISK	SEVERITY	MITIGATION
Acquired company has misaligned ESG culture	HIGH	ESG due diligence and integration roadmap
Expanded operations increase carbon footprint	HIGH	Reassess 2028 timeline if needed
ESG dilution across larger, more diverse workforce	MEDIUM	ESG Champions model extended to new entity
Stakeholder perception of greenwashing post-acquisition	MEDIUM	Proactive transparent communication



- ESG frameworks must be portable by design
- 2028 carbon neutrality target may require recalibration. Which is acknowledged openly by leadership
- Next phase: developed an ESG integration playbook for M&A scenarios
- Cultures cannot be mandated it requires investment in onboarding and dialogue

GAC Proves That Responsible Leadership Is a System, Not a Statement

Key Takeaways

1. **Structure first:** Without legal anchoring, ESG commitments remain optional
2. **Measure everything:** What isn't tracked isn't managed — carbon, paper, well-being
3. **Incentivise alignment:** Even 10% compensation linkage shifts culture
4. **Communicate relentlessly:** Dialogue converts compliance into conviction
5. **Build to scale:** ESG frameworks must survive growth, M&A, and leadership change

The question for any organisation is not whether to commit to ESG — it is whether that commitment is structurally impossible to ignore.





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THANK YOU!

