Horizon
Equity Partners

Sustainable Finance Disclosure Regulation (SFDR), Article 6 Disclosure of Sustainability Risks:

Horizon Equity Partners Management II S.à r.l. (“**HEP**”) has integrated sustainability risks into its discretionary investment decision-making process. Sustainability risk forms part of HEP’s overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to HEP’s determination of risk. In line with existing risk management processes, where HEP are not comfortable with the level of risk (including sustainability risk) posed by an investment, HEP will take steps to mitigate and manage that risk which may include divestment from a particular investment.

The investments do not consider the EU criteria for environmentally sustainable economic activities and do not integrate specific principal adverse impacts of its investment decisions on sustainability factors.

“Sustainability risk” is defined in the EU’s Sustainable Finance Disclosure Regulation (2019/2088) as an environmental, social or governance event or condition which, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

Examples of sustainability risks which are potentially likely to cause a material negative impact on the value of an investment, should those risks occur, are as follows:

- Environmental – climate change, carbon emissions, air pollution, rising sea levels, coastal flooding or wildfires;
- Social – human rights violations, human trafficking, child labour or gender discrimination;
- Governance – lack of diversity at board or governing body level, infringement or curtailment of rights of shareholders, health and safety concerns for the workforce or poor safeguards on personal data or IT security.

The likely impacts of a sustainability risk may be numerous and can vary depending on the specific risk and asset class. To the extent that a sustainability risk materialises or materialises in a manner that is not anticipated by HEP, there may be a sudden, material negative impact on the value of an investment.