

## Sustainability Policy

### 1. Introduction

This sustainability policy ("**Policy**") applies to the following managers of alternative investment bodies of the Horizon group (the "**Horizon Managers**"):

- i) **Horizon Equity Partners Management II S.à r.l. ("HEP")** means a limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg and registered with the Luxembourg Commercial Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 248.626; and
- ii) **Horizon Equity Partners - SCR, S.A. ("Horizon SCR")**, a venture capital fund management company, incorporated under Portuguese law, with registered office at Rua Rodrigues Sampaio, n.º 76, 2nd floor, 1150-281 Lisbon, and with a share capital of € 75,000, registered at the Lisbon Companies Registry Office under the single registration and legal person number 514 396 954.

Through this Policy, Horizon Managers make known their commitment to responsible investment, in accordance with ESG (*Environment, Social and Governance*) criteria.

In preparing this Policy, they have taken into account the regulatory and legal framework in force, in particular:

- a) Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**SFDR**");
- b) Regulation (EU) 2022/1288, of 6 April, establishing the *regulatory technical standards* that develop the SFDR regime (the "**RTS**"); and
- c) Regulation 2020/852 of 18 June 2020 laying down the EU sustainability taxonomy.

### 2. Integrating sustainability risks

Each of the Horizon Managers integrates sustainability risks into investment decision-making processes for the purposes of its own portfolio and alternative investment undertakings ("**AIFs**") under management, in business relationships with its partners, and, in the case of Horizon SCR, in its venture capital advisory activity. Both assess the possible impacts of these risks on the return on the investments made.

For this purpose, sustainability risks are understood as the risks that, if they materialized, would cause a material negative impact on the value of the investment made by Horizon Managers.

Examples of sustainability risks are:



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- a) **Environmental** – climate change, carbon emissions, air pollution, sea level rise, coastal flooding or forest fires;
- b) **Social** – human rights violations, trafficking in human beings, child labour or gender discrimination;
- c) **Governance** – lack of diversity at board or management level, violation or restriction of shareholder rights, concerns about the health and safety of workers, or weak safeguards for personal data or IT security.

Throughout the investment process, Horizon Managers collect information and continuously identify, evaluate and monitor the different risks that can influence the value of your investments.

The policy for integrating sustainability risks of each of the Horizon Managers is as follows:

- a) The Investment Committee, together with the ESG and *Compliance Area* of each of the Horizon Managers, monitors legislative and regulatory developments in ESG to ensure that they are continuously compliant with them;
- b) Prior to making new investments, the sustainability risks relating to the target company are assessed, considering its specificities and sector of activity, as well as the materiality of the potential impact of such risks; information is also requested to be provided in this regard to the management of the target company. The sustainability risk assessment is made on the basis of the information collected by the management of the target company, as well as on publicly available information.
- c) Horizon Managers will not make investments in companies that have relevant sustainability risks detected during the review, and that do not commit to managing them in such a way that the potential impact of those risks on the investment is inadequate to the expected return, in particular, the review process includes a checklist that follows the list of entities excluded from IFC ([IFC Exclusion List](#)), as well as the UN Global Compact Principles ([The Ten Principles](#));
- d) Investment decisions are submitted to the Investment Area, with *prior input* from the ESG Area, which considers sustainability risks as an integral part of the approval process. Investments with high sustainability risks are subject to additional analysis and may be refused if they do not meet the sustainability criteria that are established at any given time.
- e) In monitoring the investee entities, the ESG Area continuously assesses the sustainability risks of these companies, and recommends, if necessary, that the Investment Area adopt measures to recommend to the management of the target company the appropriate management of such risks;
- f) To the extent necessary due to legislative or regulatory changes, the relevant teams of each Horizon Manager will receive specialized training on ESG topics;

- g) When doubts arise related to sustainability matters, Horizon Managers resort to the expert advice of qualified lawyers and technicians who provide guidance and technical-legal support, ensuring that all investment decisions are in accordance with current sustainability principles and regulations.

To the extent applicable and legally required, in the pre-contractual information provided to investors for each AIF under management, HEP and Horizon SCR will describe the results of the assessment of the potential impacts of sustainability risks on their respective returns, or provide a rationale in case they do not consider them relevant.

### **3. Failure to consider the negative impacts of investment decisions on sustainability factors**

In accordance with Article 4(1)(b) of the SFDR and Article 12 of the RTS, Horizon Managers declare that they do not consider the negative impacts of their investment decisions on sustainability factors<sup>1</sup> in compliance with the metrics set out in the RTS, which is due to the following reasons:

- i. Lack of Information: in the markets in which Horizon Managers operate, it is difficult to obtain information from the entities owned by the AIOs they manage. On the other hand, public information on adverse sustainability impacts is insufficient, insufficient, accurate and comparable;
- ii. Costs: Given the lack of centralised, reliable and comparable public information, access to information on ESG factors requires the use of external sources of information, especially companies owned by the AIOs under management, which entails high and disproportionate costs in verifying sustainability risks. In view of the above, Horizon Managers consider that, at this stage and bearing in mind their current size, the costs required to consider all the negative impacts of investment decisions on sustainability factors in accordance with SFDR and RTS standards would be too high and disproportionate considering the size of Horizon Managers.

As Horizon Managers expand their human resources team, increase the volume of their assets under management, and in the Portuguese business market there is a greater recognition of the need and imperative to obtain and process information on sustainability, they may integrate the main negative impacts of investment decisions on sustainability factors.

### **4. Funds that promote ESG characteristics or aim for sustainable investments**

The first AIO under Horizon SCR's management will promote environmental and social characteristics, in accordance with Article 8 of the SFDR, even if it does not have sustainability investment as its main objective (in accordance with Article 9 of the SFDR).

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<sup>1</sup> Environmental, social and labour issues, respect for human rights, the fight against corruption and bribery.



To that extent, Horizon SCR discloses the necessary information about the verification of environmental and social characteristics, through the disclosure of product information on its *website*, and the completion of the pre-contractual disclosure template for the financial products referred to in Article 8(1), (2) and (2a) of the SFDR, also available on its *website*.

#### **5. Remuneration policy**

As managers of small AIOs, Horizon Managers are not legally required to have a remuneration policy. Notwithstanding, any non-compliance by employees with the sustainability risk integration policy will have a negative weight on their annual assessment.

#### **6. Sustainability policy review**

This policy is reviewed by the Management Board at least once a year.

#### **7. Date of publication**

This policy was published on April 2, 2025.

Lisbon, April 2, 2025