

Sustainable Finance Disclosures Regulation ("SFDR") Sustainability Related Website Disclosures

[April 2025]

Product Name: Horizon Infrastructure Fund III, Fundo de Capital de Risco Fechado ("Horizon III") is a private equity fund managed by Horizon Equity Partners – SCR, S.A. ("**Horizon SCR**").

This statement is made in accordance with the requirements under Article 10 of SFDR and Articles 23 to 36 of the Commission Delegated Regulatory Technical Standards ("**RTS**").

1. Summary

Horizon III promotes environmental and social characteristics in its diversified investments, considering three main pillars: energy transition, essential services and social infrastructure (while it aims at focusing on this type of investments, there is no assurance that they will always exhibit these environmental and/or social characteristics).

The fund targets long-term projects, often involving multiple phases and requiring partnerships, such as joint ventures.

It focuses on scale-up projects with significant growth potential, prioritizing those that offer stable, predictable cash flows, secured by long-term contracts.

These investments are selected for their low demand risk, sustainable growth, and strong barriers to entry, with inflation-linked pricing to ensure financial stability over time.

2. No sustainable investment objective

Horizon III promotes environmental or social characteristics, but it does not have as objective sustainable investments.

3. Environmental/Social Characteristics of the financial product

Horizon III promotes environmental and social characteristics in its diversified investments, considering three main pillars: i) energy transition; ii) essential services; and iii) social infrastructure, namely:

- a) Environmental:** Investment in the transition to a sustainable, low-carbon economy, aiming at investments in (i) clean energy production, ii) buildings and industry efficiency improvement, and iii) transportation electrification;
- b) Essential Services:** Investments in projects that provide basic services necessary for daily life, especially in urban areas, such as projects related to water supply and transportation services, such as water utility companies and city center tram lines;
- c) Social Infrastructure:** Investment the construction, maintenance or improvement of physical facilities and spaces where communities can access social services such as hospitals, schools, social housing, police and firefighters' stations, among others.

Horizon III will integrate ESG promotion as a tool for value creation, in terms of both mitigating risks and seizing opportunities. ESG analysis and ESG risks will be assessed in the due diligence, engagement and monitoring stages.

While Horizon III aims at focusing on this type of investments, there is no assurance that they will always exhibit these environmental and/or social characteristics.

4. Investment Strategy

Although Horizon III does not commit to exclusively making sustainable investments, it does promote environmental and social characteristics by focusing on infrastructure sectors that have a positive societal or environmental impact, incorporating ESG considerations into the entire investment process—from deal origination and due diligence to ownership and exit.

The fund targets long-term projects, often involving multiple phases of development. These projects may require partnerships, such as joint ventures, to achieve success.

The investment strategy prioritizes projects that deliver stable, predictable cash flows, typically secured by long-term contracts. These investments are chosen for their low demand risk, sustainable growth profiles, and strong barriers to entry, which protect them from market volatility. Additionally, inflation-linked pricing mechanisms are utilized to help maintain financial stability over time.

5. Proportion of Investments

The environmental and social characteristics will be promoted in at least 80% of the investments made by Horizon III.

The use of 20% allocations not covered by Article 8 constitutes, but are not limited to, cash management and obtaining exposure to investment opportunities where no suitable Article 8 opportunities are available, any investment complying, in any case, with the exclusions policy and governance standards of Horizon III.

6. Methodologies

Horizon SCR will seek to promote environmental and social characteristics based on three major pillars: energy transition, essential services and social infrastructures.

Horizon SCR will select, from time to time, the environmental and social indicators that are proportionate to each investment, taking into account data availability, market practice and evolving regulatory guidance.

7. Data Sources and processing

Horizon III relies on various data sources, but the main source is the sustainability indicators provided by the portfolio companies.

The information is obtained directly from portfolio companies and then processed by the Horizon SCR's ESG Department. The data quality and data processing are reviewed and processed by the ESG Department that may require external support from an advisor.

8. Limitations to methodologies and data

Horizon SCR acknowledges that ESG related information is mainly provided by portfolio companies and the data collection can have limitations such as: (i) limited capacity from the portfolio companies to measure or report; (ii) human error in the provision of data.

Although this information is verified, it cannot be ruled out completely that certain incorrect information may sometimes remain undetected.

9. Due Diligence

As part of its due diligence process, Horizon SCR analyses the ESG matters, corporate structure and governance practices of investee companies, Horizon SCR advises on best practices and supports the implementation of standards for company operations.



10. Engagement Policies

Horizon SCR maintains regular dialogue with the management teams of investee companies and collaborates with the portfolio companies' management teams to gather environmental and social data, develop ESG action plans and measure performance over time.

11. Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by Horizon III.