CONFLUENCE HORIZON FUND

Principal Adverse Impacts Report

For calendar year ended 31 December 2025

Summary

Under Regulation (EU) 2019/2088 (the “Sustainable Finance Disclosure Regulation” or “SFDR”), the Confluence Horizon Fund Limited (“Confluence”) considers Principal Adverse Impacts (“PAI’s") as part of its investment decisions. Details of our approach to Principal Adverse Impacts can be found in our **PAI Statement** available on our website.

Confluence uses a combination of activities to mitigate principal adverse impacts. The most prominent ones are engagement, voting, and negative screening. These activities are ongoing and are described in our **Responsible Investing Policy** which is available on our website. Confluence currently does not set targets in relation to any of the PAIs set out in the reporting below. Confluence’s approach towards international standards such as the United Nations Global Compact and the Guidelines for Multinational Enterprises developed by the Organization for Economic Co-operation and Development (“OECD”) and the UN Guiding Principles on Business and Human Rights, is described in the Responsible Investing Policy.

No investments were made in real estate assets by the in-scope businesses during the reference period, and as such indicators applicable to real estate assets are therefore not applicable. Confluence does not report on metrics relating to Sovereigns or supranationals as investments in this area represent only debt holdings for treasury, cash management or efficient portfolio management purposes.
There are various limitations associated with the reporting of sustainability-related metrics due to emerging methodologies and data gaps. The data reported below is for 2025, and generally using investee reporting for financial year 2024. No attempt is made to adjust to account for the varying fiscal year ends of investee companies. Underlying company reporting methodologies are not always disclosed and may not be comparable either between companies or across time periods.

ENVIRONMENTAL	SOCIAL
Principal Adverse Impact Indictors	
Indicators applicable to Investees (Corporates)	
1. Greenhouse gas (GHG) emissions 2. Carbon Footprint 3. GHG intensity of investee companies 4. Exposure to companies active in the fossil fuel sector 5. Share of non-renewable energy consumption and production 6. Energy consumption intensity per high impact climate sector 7. Activities negatively affecting biodiversity sensitive areas 8. Emissions to water 9. Hazardous waste ratio	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation Enterprises 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Enterprises 12. Unadjusted gender pay gap 13. Board Gender diversity 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons)
Additional Indicators Applicable to Investees (Corporates)	
15. No carbon reduction initiatives 16. Number of identified cases of severe human rights issues and incidents	
Indicators Applicable to Sovereigns and Supra nationals	
17. GHG Intensity 18. Investee countries subject to social violations	
Indicators Applicable to Investments in Real estate	
19. Exposure to fossil fuels through real estate assets 20. Exposure to energy inefficient real estate assets	

Indicator	Metric	Impact 2024		Data coverage	Explanation / notes
		Weighted portfolio	*Average of reporting investees*		
1. GHG emissions	Scope 1 GHG emissions		567.7	41%	Datapoints in tons CO2 equivalent. As companies' reporting coverage increases and the quality improves, so will the coverage and quality of the Fund's reporting. Underlying company methodologies are not always disclosed, and may not be comparable either between companies or across time periods.
	Scope 2 GHG emissions		643.4	41%	
	Scope 3 GHG emissions		22.6	41%	
	Total GHG emissions		1233.7	41%	
2. Carbon footprint	Carbon footprint	0.000	0.0	0%	Per €1 million invested.
3. GHG intensity of investee companies	GHG intensity of investee companies	0.000	0.0	0%	Per €1 million revenue.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%		100%	No exposure
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources		78.0%	18%	

Indicator	Metric	Impact 2024		Data coverage	Explanation / notes
		Weighted portfolio	*Average of reporting investees*		
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.00001	0.0726	35%	
7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	N/A		0%	Reporting on this metric is still nascent from the companies in Confluence's investment portfolio
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.0	0.0	24%	Reporting on this metric is improving from the companies in Confluence's investment portfolio
9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A		0%	Reporting on this metric is still nascent from the companies in Confluence's investment portfolio

Indicator	Metric	Impact 2024		Data coverage	Explanation / notes
		Weighted portfolio	*Average of reporting investees*		
Social related indicators					
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	None		100%	No violations of the UNGC principles and OECD Cooperation and Development (OECD) Guidelines for Multinational Enterprises were reported or identified.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A		0%	Reporting on this metric is still nascent from the companies in Confluence's investment portfolio

Indicator	Metric	Impact 2024		Data coverage	Explanation / notes
		Weighted portfolio	*Average of reporting investees*		
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	16%	24%	Reporting on this metric is still limited from the companies in Confluence's investment portfolio
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members		31%	100%	
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	None		100%	The fund has no exposure to controversial weapons reported or identified.

Indicator	Metric	Impact 2024		Data coverage	Explanation / notes
		Weighted portfolio	*Average of reporting investees*		
Additional indicators					
15. No carbon reduction initiatives	Share of investments in investee companies that do not have a published carbon footprint reduction initiative		47%	100%	Many investee companies have carbon reduction initiatives. Though these vary in degrees of implementation effectiveness.
16. Number of identified cases of severe human rights issues and incidents	Number of identified cases of severe human rights issues and incidents		0%		The fund has not identified any cases of severe human rights issues and incidents in any investee companies in the period.