

# Tikehau Capital SCA

## 13.3 Low Risk

Asset Management and Custody Services | France | PAR:TKO



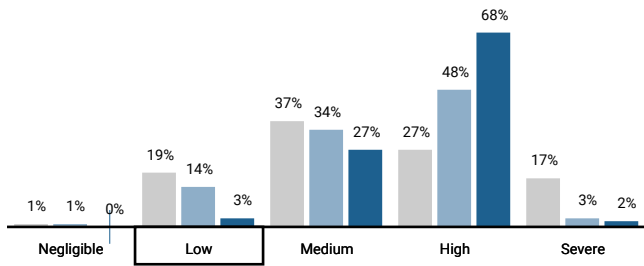
### Rating Overview

The company is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. The company is noted for its strong corporate governance performance, which is reducing its overall risk. Furthermore, the company has not experienced significant controversies.

### Momentum Score

Not available due to a lack of comparable historical information

### ESG Risk Rating Distribution



### Relative Performance

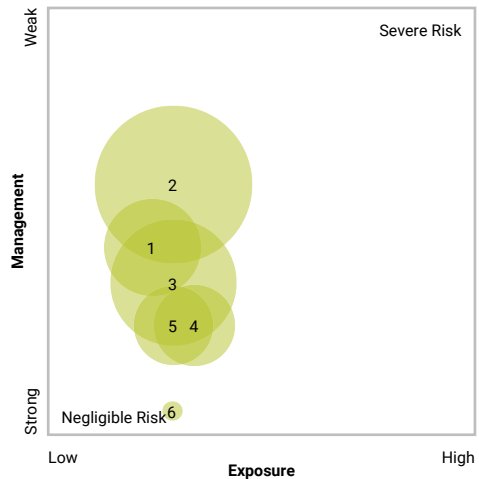
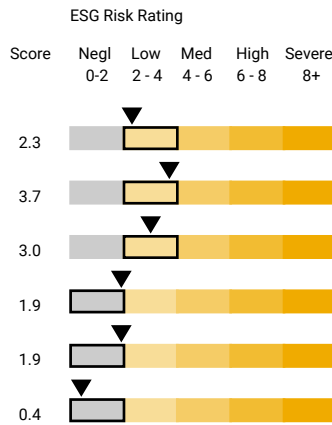
|   | Rank<br>(1 <sup>st</sup> = lowest risk) | Percentile<br>(1 <sup>st</sup> = lowest risk) |
|---|---|---|
| Global Universe                                     | 400 out of 12300                        | 4th   |
| Diversified Financials (Industry Group)             | 15 out of 595                           | 3rd   |
| Asset Management and Custody Services (Subindustry) | 2 out of 262                            | 1st   |



### Attribution Analysis

#### Top Material Issues

- Corporate Governance
- Human Capital
- Data Privacy and Security
- Product Governance
- Business Ethics
- ESG Integration - Financials

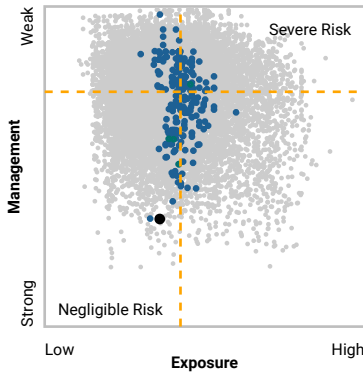


△ = Significant event

○ Circle size = Contribution to ESG Risk Rating



### Risk Analysis



#### Peers (Market cap \$3.5 - \$3.9bn)

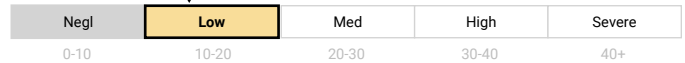
|                                  | ESG Risk Rating | Exposure    | Management   |
|----------------------------------|-----------------|-------------|--------------|
| 1. Tikehau Capital SCA           | 13.3 Low        | 36.0 Medium | 66.4 Strong  |
| 2. Eurazeo SA                    | 22.2 Medium     | 41.9 Medium | 49.3 Average |
| 3. Ashmore Group PLC             | 23.5 Medium     | 38.8 Medium | 41.3 Average |
| 4. Affiliated Managers Group Inc | 24.3 Medium     | 40.3 Medium | 41.5 Average |
| 5. Hamilton Lane, Inc.           | 35.1 High       | 45.5 Medium | 24.3 Weak    |

- Global Universe
- Asset Management and Custody Services
- Tikehau Capital SCA
- Peers
- + SubIndustryAvg.

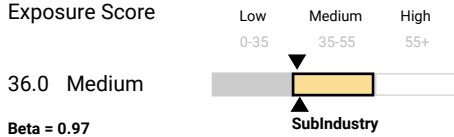
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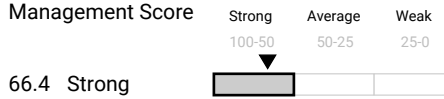
### Exposure Score



The company's product and service portfolio, as well as its customer base triggers exposure to quality and safety issues. Types of misconduct include unsafe features, insufficient transparency and misleading marketing. Due to its employee base and qualification needs, the company is exposed to labour relations issues and skill deficit. Companies that are unable to effectively manage its workforce may face obstacles, such as high operational costs, business disruptions and other inefficiencies. The company receives, stores and processes large volumes of sensitive customer data. This triggers exposure to data privacy and security breaches, which may result in regulatory actions, litigation, public scrutiny or loss of customer trust.

The company's overall exposure is medium and is similar to subindustry average. Product Governance, Human Capital and Data Privacy and Security are notable material ESG issues.

### Management Score



Tikehau Capital's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. The company's ESG-related issues are overseen by the board or the executive team, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

## Attribution Details

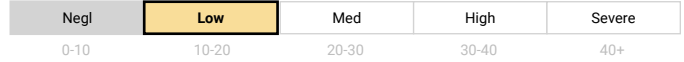
| Issue Name                  | Contribution to |                      |                  |                        |                  |                   |                 | ESG Risk Rating | Risk Category |
|-----------------------------|-----------------|----------------------|------------------|------------------------|------------------|-------------------|-----------------|-----------------|---------------|
|                             | ESG Risk Rating | Subindustry Exposure | Company Exposure | Manageable Risk Factor | Management Score | Management Weight | ESG Risk Rating |                 |               |
| Corporate Governance        | 17.3%           | 5.0                  | 5.0              | 100%                   | 54.2             | 14.6 %            | 2.3             |                 |               |
| Human Capital               | 28.2%           | 6.0                  | 6.0              | 95%                    | 39.5             | 16.7 %            | 3.7             |                 |               |
| Data Privacy and Security   | 22.6%           | 6.0                  | 6.0              | 80%                    | 62.5             | 14.1 %            | 3.0             |                 |               |
| Product Governance          | 14.5%           | 7.0                  | 7.0              | 100%                   | 72.5             | 20.5 %            | 1.9             |                 |               |
| Business Ethics             | 14.1%           | 6.0                  | 6.0              | 95%                    | 72.5             | 16.7 %            | 1.9             |                 |               |
| ESG Integration -Financials | 3.4%            | 7.0                  | 6.0              | 100%                   | 92.5             | 17.4 %            | 0.4             |                 |               |
| <b>Overall</b>              | <b>100.0%</b>   | <b>37.0</b>          | <b>36.0</b>      | <b>95.0 %</b>          | <b>66.4</b>      | <b>100.0%</b>     | <b>13.3</b>     | <b>Low</b>      |               |

△ =Significant event

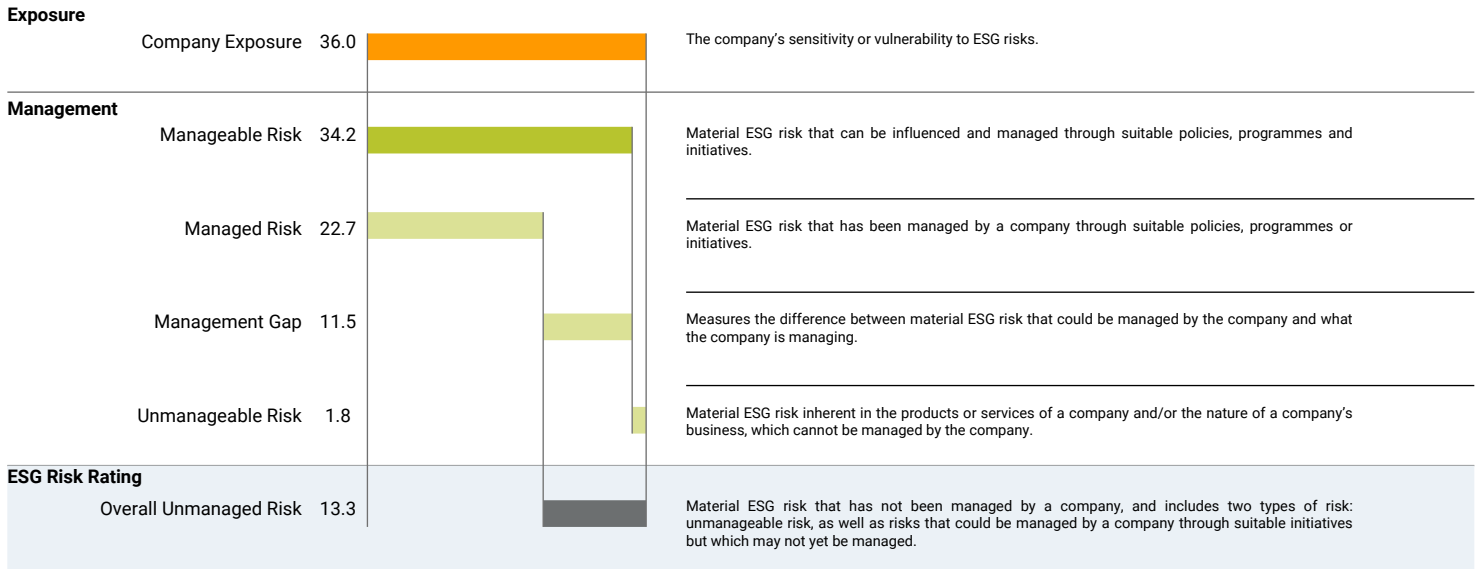
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### Risk Details



### Momentum Details

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## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )






A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

### Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

### ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

### ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

### Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

### Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

### Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

### Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

### Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

### Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

### Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

### Management

A company's handling of ESG risks.

### Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

### Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

### Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

### Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

### Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

### Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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