

# 4.

## SUSTAINABLE DEVELOPMENT

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## 4.1 CONTEXT OF THE SUSTAINABILITY APPROACH

### 4.1.1 Introduction

***Building on the entrepreneurial spirit of the Group to anticipate the needs of tomorrow and accelerate positive change in the real economy through impactful and meaningful financial solutions***

Tikehau Capital has been entrusted by financial institutions, public bodies and individuals to manage global savings. It is committed to invest these savings through bespoke, innovative business financing solutions in a sustainable, efficient and responsible manner.

The aim of creating long-term value, the cornerstone of the Group's strategy, leads the Tikehau Capital teams to provide financing and investment solutions, using equity or debt, that are tailored to the sustainability needs of companies, the lifeblood of the economy. Companies are selected on the basis of financial and operational data, as well as environmental, social and governance criteria. The consideration of the impacts of portfolio companies on society is an integral part of Tikehau Capital's approach and that of its employees, across all of the Group's business lines.

Building on its multilocal platform, Tikehau Capital finances the real economy and<sup>(1)</sup> provides vital support for businesses. Tikehau Capital aims to promote the development and growth of companies by offering them tailored financing solutions (either directly or *via* the capital markets), by investing in their capital, and by releasing financial resources through the purchase or financing of real assets such as real estate. The Group thus contributes to the functioning of the economy and global prosperity.

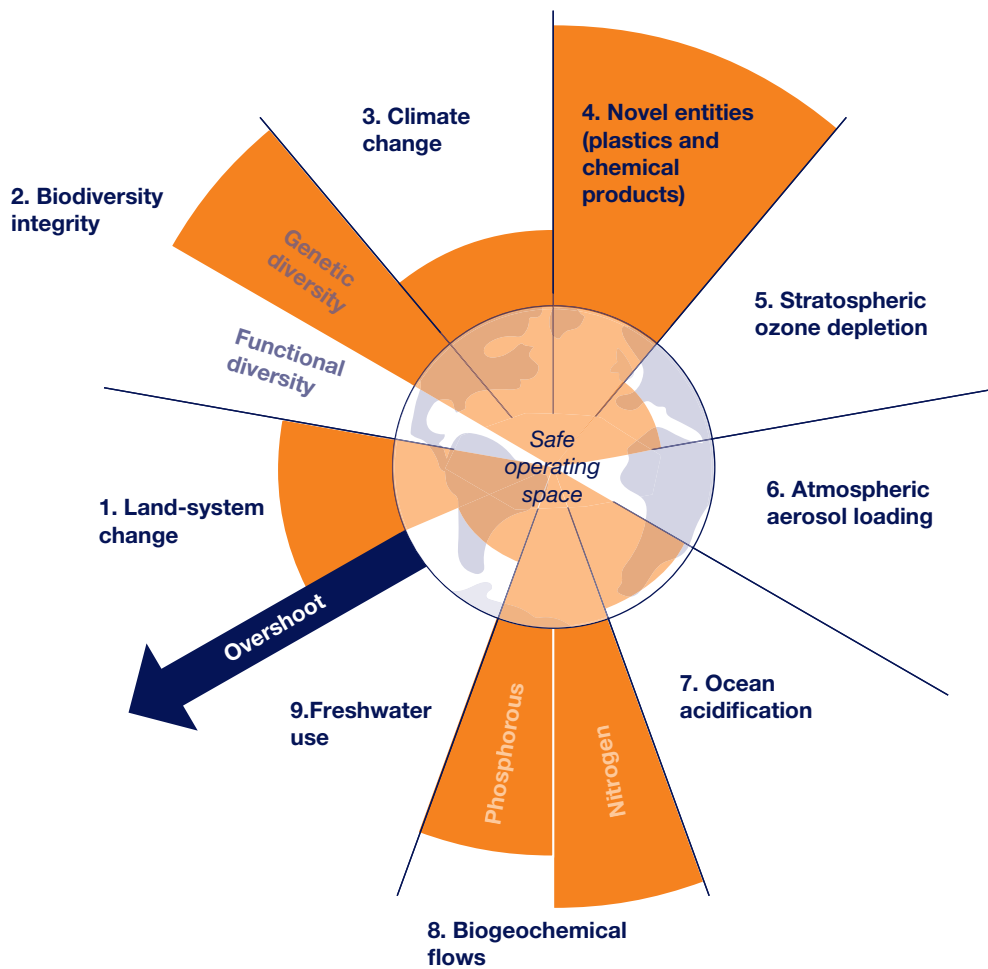
The Group believes that a responsible investor is also a responsible employer and partner. That being said, it should be noted Tikehau Capital's social and environmental impact relates primarily to its investments and the responsible investing policy or environmental, social and governance ("ESG") investment policy underpins the Group's sustainability approach.

In particular, Tikehau Capital team is convinced that the unprecedented crisis caused by Covid-19 pandemic as well as the current conflict in Ukraine require us to review our economic models and take into account potentially more significant shocks.

In August 2021, the sixth climate report of the Intergovernmental Panel on Climate Change ("IPCC") confirmed that the threshold of 1.1°C average global warming compared to the pre-industrial era has already been reached. Climate change affects all regions of the world and is critically intensifying.

Since 2009, the team of the Stockholm Resilience Centre (Sweden) has been working on the notion of planetary boundaries by modelling the nine main regulatory processes of the planet and the thresholds not to be exceeded to preserve the state of the planetary ecosystem. In January 2022, scientists claimed that a fifth limit has been exceeded. Crossing the limits related to (i) climate change, (ii) biodiversity loss, (iii) global disruption of the nitrogen and phosphorous cycle, and (iv) changes in land use comes in addition to exceeding the limit related to (v) chemical and plastic pollution (or "new entities").

(1) *The real economy refers to economic activities related to the production of goods and services or the construction and management of physical assets (real estate and infrastructure). Through its disintermediated investment strategies, Tikehau Capital finances companies and projects that seek to create long-term value.*



To help solve these global issues, Tikehau Capital launched an impact investing platform in 2020.

#### 4.1.2 Non-financial reporting framework and applicable regulations

As a listed company, Tikehau Capital falls within the scope of directive 2014/95/EU on the publication of non-financial information amending directive 2013/34/EU and of Taxonomy Regulation which governs the publication of information on the assessment of the sustainability of the economic activities of the companies falling in its scope of application.

The Company must therefore prepare a statement of non-financial performance in its management report (obligation codified under Article L.22-10-36 of the French Commercial Code) and this Universal Registration Document includes considerations relating to both corporate social responsibility ("CSR") and the responsible investment approach <sup>(1)</sup>.

The Group's asset management companies fall within the scope of the Sustainable Finance Disclosure Regulation ("SFDR"). They are also subject to the Article 29 of the Energy-Climate law codified in Article L.533-22-1 of the French Monetary and

Financial Code, supplementing and replacing the provisions of Article 173 of the Law on the Energy Transition for Green Growth. The Group pro-actively consolidates certain information for transparency purposes and strives to consider both the risks and opportunities related to sustainability factors and climate change ("Climate") in particular, as well as biodiversity.

In addition, in line with the principles of the SFDR Regulation, the Group strives to improve transparency on the main negative externalities of its investments ("principle adverse impacts") and to consider different sustainability objectives so as not to pursue an objective which risks causing harm ("do no significant harm").

This Universal Registration Document also includes certain recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"), the working group on climate reporting led by the G20 Financial Stability Fund. As of the date of this Universal Registration Document, the information concerning the carbon assessment of investments is not yet available and will be presented subsequently in the Group's 2021 Sustainability report.

(1) Tikehau Capital's business model is presented in the introduction of this Universal Registration Document.

### 4.1.3 Tikehau Capital's DNA contributes to shaping the sustainability policy

The Group was founded in 2004 by entrepreneurs from the financial sector and has since seen considerable growth in its activities. Today, it continues to develop while retaining its original *modus operandi*.

**Entrepreneurship** and the **alignment of interests** with its investor-clients, employees and the corporate partners in its

portfolio form the basis of Tikehau Capital's development. The Group bases its investment decisions on **conviction management** and promotes an **alternative vision** and **cross-functionality**.

These key areas structure the Group's sustainability policy.



### 4.1.4 History and recognition of Tikehau Capital's commitment

Since signing the United Nations-supported Principles for Responsible Investment ("PRI") in 2014, efforts have been deployed each year to improve the Group's approach to responsibility, both in terms of investments and in its relations with stakeholders. The year 2021 was marked by:

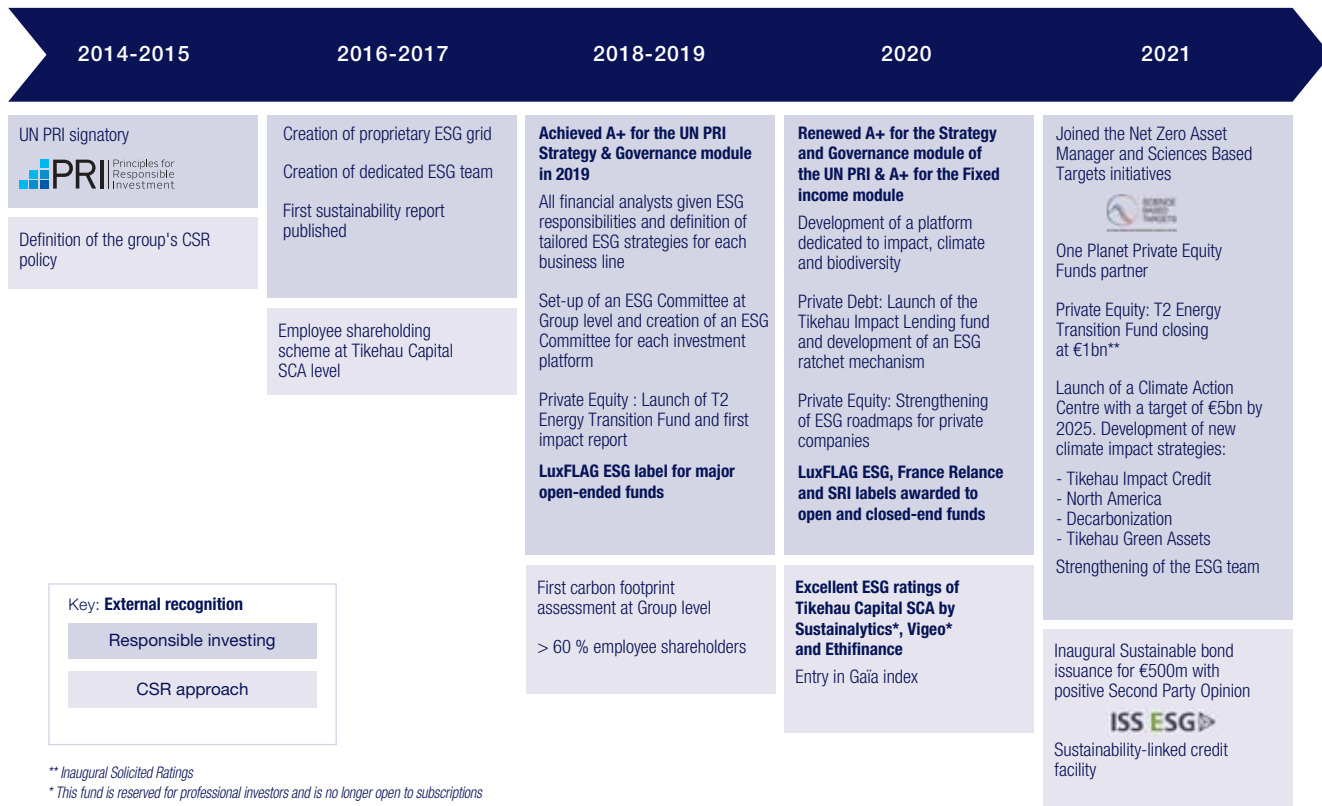
- (i) the announcement of the creation of a Climate Action Centre and a target of €5 billion in assets under management dedicated to climate and biodiversity by 2025,
- (ii) the signature of the Sciences Based Targets ("SBT") initiative,
- (iii) the reinforcement of sustainability governance with the arrival of Cécile Cabanis as Deputy Chief Executive Officer in charge of human capital, sustainability, communication and brand marketing, and
- (iv) the inclusion of ESG items in the Group's bank loans and bonds.

On 24 March 2021, the Group successfully completed the placement of an inaugural €500 million sustainable bond due 2029. This sustainable bond is the first to rely on an innovative Sustainable Bond Framework that allows the Group to invest the proceeds into sustainable assets (green and social activities) and ESG funds aligned with the Group's priority Sustainable Development Goals. A Sustainable Bond Allocation Committee has been set up and will meet annually before the anniversary of each issue.

On 11 February 2022, Tikehau Capital announced that it had successfully set the terms of an inaugural private placement of US\$180 million on the US market (USPP). The proceeds of this financing are intended to be used in strict compliance with the allocation framework (Sustainable Bond Framework) implemented as part of the Group's first sustainable bond.

In addition, in July 2021, the interest rate margin of the Group's bank credit line was indexed to three ESG criteria: (1) amount of assets under management dedicated to climate and biodiversity, (2) the feminisation of management, and (3) the alignment of interests. At 31 December 2021, the Group had met the thresholds set for the first year of testing.

At the end of 2021, more than 60% of the Group's financing had an ESG component, which is an additional incentive to accelerate the impact strategy.



\*\* Inaugural Solicited Ratings

\* This fund is reserved for professional investors and is no longer open to subscriptions



The Group's approach is recognised by a variety of standards. Using annual reviews and comparison exercises with its peers, the Group is able to identify potential areas for improvement and strengthen its approach. The Group as a whole is keen to apply a market-leading sustainability policy. In January 2022, Tikehau Capital was awarded two top rated badges by the non-financial rating agency Sustainalytics.

## 4. SUSTAINABLE DEVELOPMENT

Context of the sustainability approach

### Recognition of the Group's approach

Products and services level	Tikehau Capital Group level
 <ul style="list-style-type: none"> <li>➤ Signatory since 2014</li> <li>➤ Excellent ratings in 2020<sup>(1)</sup>: <b>A+</b> for the "Strategy and Governance" module, <b>A+</b> for the "Fixed Income" module, and <b>A</b> for the "Private Equity" module</li> </ul>	 <ul style="list-style-type: none"> <li>➤ ESG Rating - 12.0 (low risk) - In January 2022, Tikehau Capital was awarded the "ESG Industry Top-Rated" and "ESG Regional Top-Rated" badges by Sustainalytics, based on their ESG risk rating, which covers more than 14,000 companies in 42 sectors</li> </ul>
 <ul style="list-style-type: none"> <li>➤ LuxFLAG (Luxembourg Finance Labelling Agency) ESG Label renewed 12 of our main open-ended funds and to the Tikehau Special Opportunities II fund</li> <li>➤ LuxFLAG ESG Applicant Fund Status granted to several Private Debt funds</li> </ul>	 <ul style="list-style-type: none"> <li>➤ ESG Rating - Governance score of 3/10 in 2021, placing Tikehau Capital in the top tier of asset managers (1/10 = highest score possible)</li> </ul>
 <ul style="list-style-type: none"> <li>➤ "Reliance" label of the French Ministry of the Economy, Finance and the Recovery attributed to 4 Private Equity funds: Ace Aéro Partenaires, Brienne III, T2 Energy Transition and Tikehau Growth Equity II</li> </ul>	 <ul style="list-style-type: none"> <li>➤ ESG Rating - 75/100 in 2021 by Ethifinance, above the sector average</li> </ul>
 <ul style="list-style-type: none"> <li>➤ SRI Real Estate label awarded in December 2021 to the SCPI SOFIDY EUROPE INVEST and to the OPPCI SOFIMMO as part of Sofidy's "So Durable" ESG strategy</li> <li>➤ SRI label renewed for S.YTIC, a mutual fund</li> </ul>	 <ul style="list-style-type: none"> <li>➤ Above sector-average ESG Disclosure Score (39/100) in 2020</li> </ul>
Prizes and Awards	
 <ul style="list-style-type: none"> <li>➤ <i>Private Debt Investor</i> magazine awarded the Responsible Investor of the Year, Europe 2021 prize to Tikehau Capital for its ESG approach in Private Debt</li> </ul>	 <ul style="list-style-type: none"> <li>➤ The online journal <i>Environnemental Finance</i> awarded the Environmental fund of the year, private equity/private debt prize to the T2 Energy Transition fund</li> </ul>

(1) In 2021, the PRI rating methodology was reviewed and the next reporting exercise is planned for 2023.

### 4.1.5 Identification and response to material non-financial challenges

Maintaining a close relationship with stakeholders is a key factor in Tikehau Capital's sustainability approach. Employees, investor-clients, shareholders and civil society are included in ESG considerations (e.g. through the Code of conduct or the Group's responsible purchasing charter available on its website). This close relationship helps to identify and optimise the management of non-financial risks and strengthen the entrepreneurial and innovative approach that is at the heart of the Group's strategy.

In 2019, the Group called on its internal and external stakeholders to carry out an initial mapping of its main non-financial risks and opportunities. In 2021, the exercise of the ESG materiality matrix was included in the mapping of major risks conducted by the internal audit team (see Section 2.3 (Risk management culture and compliance obligations) of this Universal Registration Document).

Material non-financial risks and opportunities are managed through the Group's daily ESG processes, which are disseminated among the operational and investment teams.

Aware that ESG and CSR issues can represent both risks and opportunities, the Group is committed to working on all significant aspects. Three key issues emerged from the mapping of major risks and priorities:

- (i) climate change and biodiversity,
- (ii) governance, business ethics and responsible investment, and
- (iii) innovation and cybersecurity.

In addition, the Group is working particularly on:

- (iv) economic development and social inclusion, and
- (v) health.

The sustainable development goals ("SDGs") offer a reference framework that enables communication with all stakeholders. Where appropriate, the Group ensures that the link is made between ESG and CSR issues and the relevant SDG(s).

In addition, the Group carefully considers scientific studies on planetary boundaries and the work of the Organisation for Economic Co-operation and Development (OECD) on the combination of social and planetary boundaries.

## PRIORITY ESG THEMES FOR TIKEHAU CAPITAL ACTIONS AND INVESTMENTS

	Group actions	Product offering
<p><b>CLIMATE CHANGE AND BIODIVERSITY</b></p> 	<ul style="list-style-type: none"> <li>• Launch of a Climate Action Centre and training plan</li> <li>• Science Based Targets signatory in 2021</li> <li>• Carbon emissions financed: extension of the measure to all funds with direct investments</li> <li>• Carbon emissions related to the Group's operations (scope 1-2 and 3 upstream): annual offsetting</li> </ul>	<ul style="list-style-type: none"> <li>• Private Equity: T2 Energy Transition Fund (closing in excess of €1 billion) and announcement of the launch of T2 North America</li> <li>• Real Assets: Tikehau Green Assets</li> <li>• Private Debt: Tikehau Impact Lending</li> <li>• Capital Markets Strategies: Tikehau Impact Credit</li> <li>• Development of other funds with a major climate and biodiversity focus with a target of €5 billion by 2025</li> </ul>
<p><b>INNOVATION</b></p> 	<ul style="list-style-type: none"> <li>• Effort to digitize tools and improve data quality</li> <li>• Cybersecurity initiatives (e.g. employee training, pen tests and regular audits)</li> <li>• Partnerships with experts in energy transition or sustainable agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Private Debt: Tikehau Impact Lending and the Belgium Recovery Fund promote growth and support the real economy</li> <li>• Private Equity: Brienne III dedicated to cybersecurity</li> </ul>
<p><b>ECONOMIC DEVELOPMENT AND SOCIAL INCLUSION</b></p> 	<ul style="list-style-type: none"> <li>• 37 nationalities</li> <li>• &gt; 40% female employees at Group level</li> <li>• Objective to increase the proportion of women in the investment teams and management</li> </ul>	<ul style="list-style-type: none"> <li>• Private Debt: Tikehau Impact Lending promotes social inclusion beyond diversity</li> <li>• Private Debt: launch of the Belgian Recovery Fund and stimulus bonds in 2021</li> <li>• Private Equity: Relance label from the French Ministry of the Economy awarded to four funds</li> </ul>
<p><b>HEALTH</b></p> 	<ul style="list-style-type: none"> <li>• Prioritising of employee protection during the COVID-19 pandemic</li> <li>• Action plan to promote the recruitment and inclusion of people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• More than 50 companies financed in the pharmaceutical and health sector</li> </ul>



## ESG FOUNDATIONS STRENGTHENED EACH YEAR

### GOVERNANCE AND BUSINESS ETHICS

- Robust procedures: (i) code of conduct, (ii) code of conduct for the prevention of corruption and influence peddling, (iii) compliance manuals for asset management companies, (iv) responsible purchasing charter
- Alert system and sanctions policy
- Responsible investment strategy adapted to the specificities of the Group with first and second level controls

### RELATIONS WITH CUSTOMERS AND STAKEHOLDERS

- Responsible purchasing charter integrated into contracts with suppliers
- Responsible marketing approach embedded in compliance manuals

## BEYOND BUSINESS LINES

### LOCAL COMMUNITIES RELATIONS

- Sponsorship and partnership budget of around €550 thousand in 2021 and support for more than 20 charities around 3 key themes: (i) health, (ii) youth, (iii) climate and biodiversity.

## 4. SUSTAINABLE DEVELOPMENT

Context of the sustainability approach

### 4.1.6 Sustainability governance

The Group firmly believes that defining a responsible investing strategy is key to creating sustainable value (i.e. long-term value linked to global societal and environmental challenges) for all of its stakeholders.

This belief is demonstrated through the strong involvement across all levels of seniority - from investment and operations teams to the Managers and the Supervisory Board representatives - in the roll-out of the ESG and Climate policies.

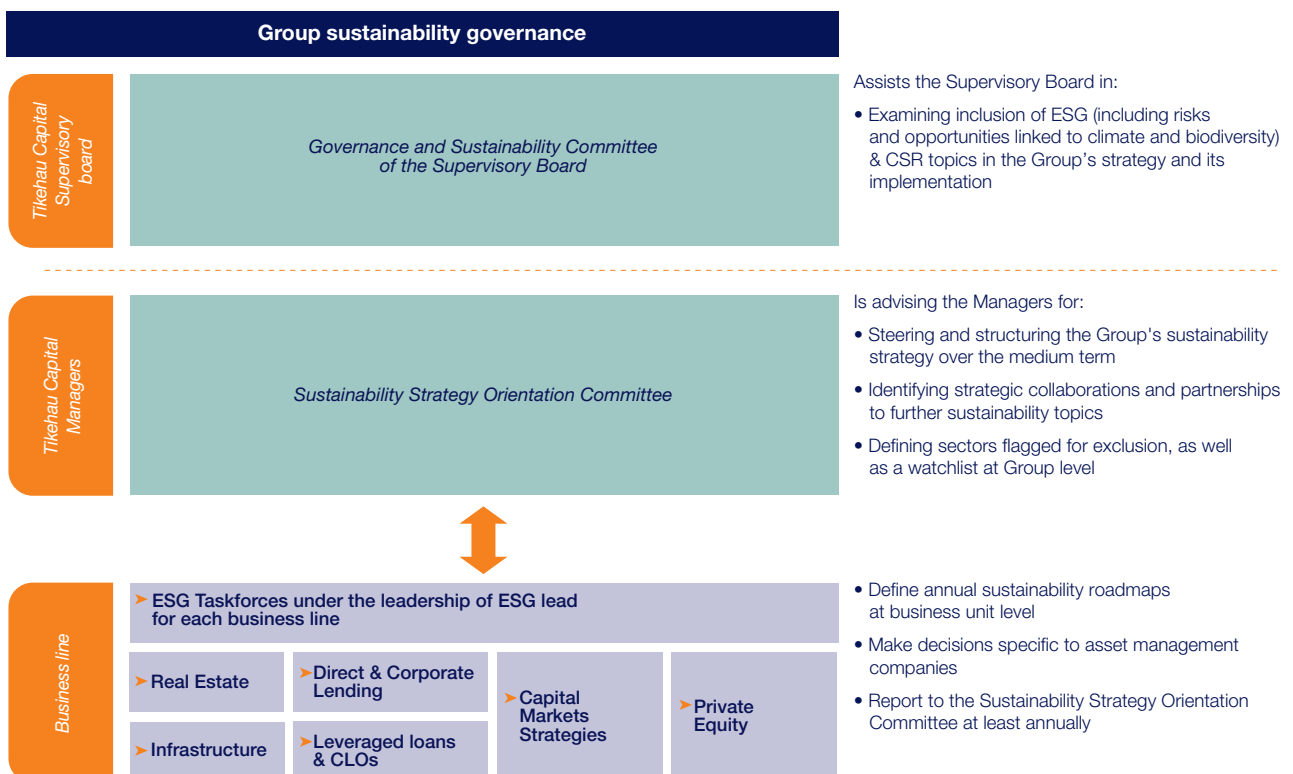
The Supervisory Board of Tikehau Capital reviews the ESG and CSR strategy by systematically discussing this topic at its meetings. The Supervisory Board also has a “Governance and

Sustainability Committee” composed of three independent members (see Section 3.4.2 (Committees of the Supervisory Board) of this Universal Registration Document).

In March 2021, the establishment of a Sustainable Bond Allocation Committee was announced.

In April 2021, the Group launched a Climate Action Centre to mobilise expertise and innovation and to coordinate the global climate and biodiversity strategy.

At the beginning of 2022, the Group’s sustainability governance at the Managers level was updated to give it a medium-term strategic push and set up operational working groups by business line.



\* Some entities (Sofidy, IREIT and Star America) have set up dedicated ESG Committees that rely on the work of ESG working groups.

A Sustainability Strategy Orientation Committee has replaced the Group ESG Committee to steer and structure the Group’s sustainability strategy. Composed of both Group employees (including one of the co-founders representing of the Managers) and external members, it sets the guidelines for the ESG, climate and biodiversity policy. It meets at least twice a year.

In addition, operational ESG working groups for each of the Group’s business lines have been set up to roll out the sustainability strategy with an annual roadmap. Moreover, the members of these working groups regularly discuss ESG priority or trending topics.

As at 31 December 2021, the ESG team and the Climate Action Centre consisted of seven people. The ESG team is in charge of

overseeing the integration of the ESG policy into all activities, developing the ESG, impact, climate and biodiversity competencies of the investment and management teams, and participating in commitment actions with portfolio companies in the real asset progress plans.

The responsibility for ESG integration and engagement falls to the investment teams. As such, all investment analysts, managers and directors are responsible for integrating the ESG criteria into the fundamental analysis of investment opportunities.

Finally, a portion of the variable compensation is linked to the achievement of collective ESG objectives.



Key indicators:	2021	2020
Employees in the ESG team and the Climate Action Centre	7 <sup>(1)</sup>	3
Active participation in working groups on ESG and impact	5 <sup>(2)</sup>	3

(1) Excluding Cécile Cabanis, Deputy Chief Executive Officer in charge of the Group's Human Capital, Sustainability, Communication and Brand Marketing functions.

(2) At Finance for Tomorrow, France Invest, One Planet Private Equity Funds (OPPEF) and UN PRI.

## 4.2 RESPONSIBLE INVESTMENT APPROACH

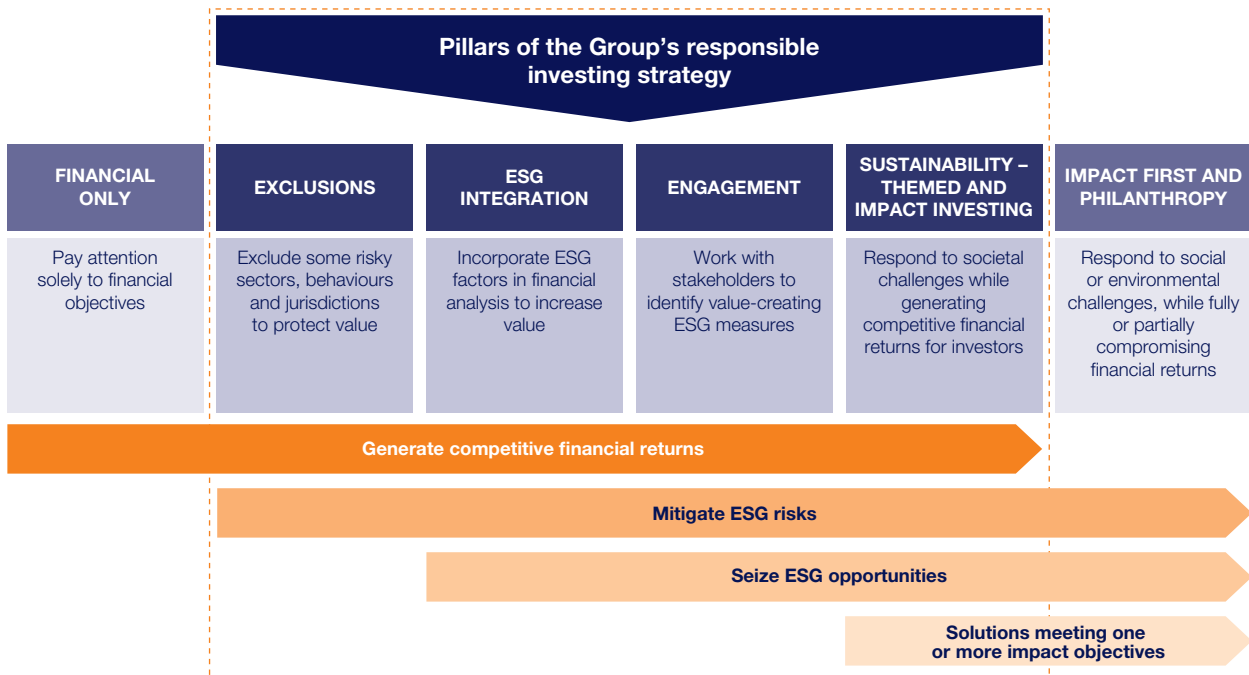
### 4.2.1 Introduction

The Group's responsible investing policy covers the full spectrum of responsible investment through four pillars ranging from exclusions to the development of sustainability-themed products. ESG integration is the backbone of the Group's responsible investing strategy and engagement is held on an *ad hoc* basis with a view to helping the portfolio companies improve.

The Group's Sustainability reports provide an overview of ESG performance (and impact where relevant) by business line.

For certain funds, ESG and Climate reports are integrated into periodic reports or published separately where relevant.

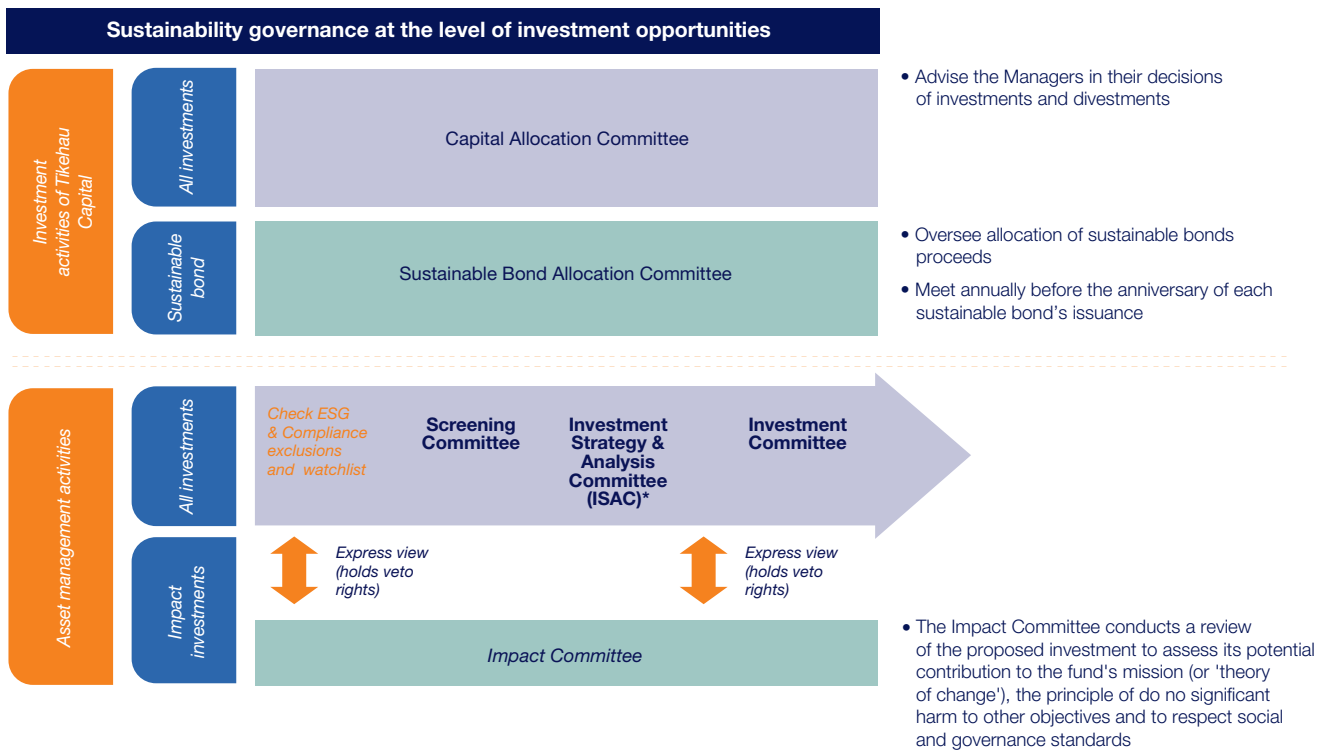
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The Group's responsible investment policy covers all investments and, since the beginning of 2022, strengthened procedures have been put in place for the allocation of sustainable bond issues as well as for the opportunities considered for impact funds.

## 4. SUSTAINABLE DEVELOPMENT

Responsible investment approach



### 4.2.2 Pillar 1/Exclusions

Tikehau Capital has defined an exclusion policy that covers sectors for which negative impacts on the environment or society have been demonstrated. It should be noted that the Group's exclusion policy has been developed on the basis of the most objective criteria possible. In addition to existing regulatory and international frameworks (e.g. national laws and regulations, the Universal Declaration of Human Rights, recommendations from international agencies, etc.), the Group consults its network of experts wherever relevant.

As at 31 December 2021, six areas were excluded from the Group's investment universe:

- controversial weapons <sup>(1)</sup>;
- destruction of critical habitat <sup>(2)</sup>;
- prostitution and pornography;
- thermal coal and controversial fossil fuels <sup>(3)</sup>;
- tobacco and recreational marijuana <sup>(4)</sup>.

Furthermore, the Group has defined a three-level watchlist that seeks to identify the industries and geographical areas that may have negative external impacts on the environment or society (e.g. non-cooperative countries, allegations of corruption, tax evasion or money-laundering and other allegations of breaches of the United Nations Global Compact etc.)

Level (1) recommended consultation of the ESG and compliance teams for sensitive cases (risk of pollution or other risky business sectors).

Level (2) detailed analysis by the compliance team required for cases presenting sectoral risks of money laundering and terrorism financing, corruption, fraud, reputation and sanctions.

Level (3) mandatory consultation of ESG and compliance teams for certain highly controversial sectors (e.g. production of lethal weapons, cloning) or certain risky behaviours (poor governance, litigation or alleged violation of one of the pillars of the Global Compact of the United Nations).

(1) With a zero tolerance standard for companies involved in cluster munitions, land mines, chemical and biological weapons.

(2) Critical habitat includes areas of high biodiversity value that meet the classification criteria of the International Union for Conservation of Nature ("IUCN"), including habitats necessary for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas of particular importance to endemic or restricted-range species; sites critical to the survival of migratory species; areas containing globally important concentrations of migratory species; areas containing unique assemblages of species or associated with key evolutionary processes or providing key ecosystem services; and areas whose biodiversity is of significant social, economic or cultural importance to local communities.

(3) Companies where more than 5% of estimated revenue by 2024 is exposed to the extraction, processing/refining, storage, distribution and production of thermal coal energy, drilling in the Arctic, deep-sea oil and gas, tar sands and shale gas. Exclusion of developers of new coal-fired power plant projects. It should be noted that instruments issued by excluded companies financing activities in line with a Paris Agreement target remain authorised (for example, green bonds).

(4) Companies where more than 30% of revenue is devoted to the cultivation and production of tobacco and recreational marijuana.

Topics linked to climate change are also taken into account in the risk analysis. Finally, the exclusion list and the watchlist are

reviewed and updated periodically to refine the positions, anticipate unhedged non-financial risks, as new situations arise.

#### Focus on the exclusion of controversial fossil fuels

Tikehau Capital is committed to limiting its exposure to the companies, assets and projects which are highly polluting or pose a risk to biodiversity. Thus, in 2018, the Group imposed an initial exclusion for companies deriving more than 30% of their revenue from thermal coal. This threshold was increased in 2021 and, since 1 January 2022, Tikehau Capital and its subsidiaries stopped investing in:

- developers of new coal-fired power plants;
- companies involved in coal and unconventional oil and gas (*i.e.* when they represent more than 5% of expected

revenues by 2024 in extraction, processing/refining, trade, storage and distribution); and

- companies involved in the production of electricity from coal, or fuel oil/diesel, *i.e.* when they represent more than 5% of expected revenues by 2024.

It should be noted that instruments issued by excluded companies financing activities in line with a Paris Agreement target remain authorised (for example, green bonds).

The policy of excluding controversial fossil fuels applies to direct investment strategies.

### 4.2.3 Pillar 2/ESG integration

In accordance with the Sustainable Finance Disclosure Regulation, Tikehau Capital and the management companies of the Group integrate sustainability risks into their investment decision-making process and apply reasonable efforts regarding the principal adverse impacts.

Beyond regulatory requirements, the Group aims to integrate ESG criteria into the core of its investment process as it believes that these criteria have a material impact on the risk-adjusted financial performance of the asset under consideration.

#### A proprietary analysis grid

Tikehau Capital is convinced of the importance of an independent assessment fully embedded in fundamental research, and it has decided to formalise its approach to ESG using a proprietary non-financial analysis grid tailored to each activity.

Within the **Capital Market Strategies**, **Private Equity** and **Private Debt** business lines, the research and investment teams take into account a common series of ESG themes that affect the operations, products and services of the companies concerned.

A proprietary ESG analysis grid adapted to the specificities of the activities of Tikehau Ace Capital was also rolled out in 2021.

#### Example of ESG criteria analysed for companies:

- products and services – Review of the breakdown of revenue and the main positive and negative externalities, taking into account standards such as the European Taxonomy;
- governance – Analysis of the exposure to at-risk countries with regard to corruption and breaches of human rights, the quality of the management (ability to deliver the strategy, key person risk) and the governance bodies (expertise and diversity of Board members), and the commitments made to support sustainable development (signing of the Global Compact, CSR policy), or even the exposure to known or potential controversies;

- social – Analysis of sectoral and/or business risks relating to human rights, health and safety within the supply chain but also exposure to controversies linked to products and services, human resources and/or other stakeholders across the value chain;
- environment – Analysis of risks associated with the type of real assets, consideration of issues relating to climate change, resource conservation and the energy transition, and even the exposure to known or potential environmental controversies.

## 4. SUSTAINABLE DEVELOPMENT

*Responsible investment approach*

For **Real Estate activities**, the ESG ratings depend on the stage of completion of the project with a focus on the intrinsic characteristics of the asset and the practices of stakeholders (notably, developer, property manager, tenant) in relation to environmental (energy performance, biodiversity footprint) and societal matters.

In a continuous improvement process ("best in progress"), Sofidy strengthened its ESG rating grid used during the acquisition phase and takes into account energy and carbon performance, the social impact of tenants' activities and the commitment of stakeholders.

In 2021, SCPI Sofidy EUROPE INVEST and OPPCI SOFIMMO obtained the SRI Real Estate label.

The ESG strategy of these funds is based on a "Best in progress" approach, with the deployment of demanding action plans for each of the three pillars: Environment, Social and Governance.

At the end of 2021, a real estate ESG manager was recruited.

In 2022, Sofidy plans to strengthen its responsible approach across all of its funds with other labels or approaches to strengthen the consideration of ESG issues across its entire portfolio.



Biarritz – Avenue de l'Impératrice

### Key indicators as of 31 December 2021:

<b>Percentage of analysts and managers responsible for integrating ESG criteria into the fundamental analysis of investments</b>	<b>100%</b>
<b>Assets under management in Article 8 or Article 9 SFDR funds</b>	<b>€14.4 billion</b>
<b>Assets under management with an ESG label <sup>(1)</sup></b>	<b>€9.2 billion</b>

*(1) Includes ESG and ESG Applicant Fund Status labels from the Luxembourg Finance Labelling Agency (LuxFLAG), and "Relance" label awarded to three private equity funds by the French Ministry of the Economy*

Within each business line, ESG grids are periodically updated to ensure the monitoring of ESG issues.

### Raising teams' awareness of ESG topics

Placing ESG at the heart of the investment policy requires continuous training of the teams (by regularly raising awareness with the ESG employees working alongside the investment teams, sharing of cases or organising consultations with experts) and formalising the approach to non-financial criteria (via the application of a proprietary grid and systematic summary in investment memos). With regards to the environment, financial analysts are not expected to carry out complex assessments themselves (for instance, energy audits), but rather are expected to consider and identify the main ESG risks and opportunities. This analysis is the natural corollary to a financial appraisal.

Beyond awareness-raising sessions, the employees of the investment teams are involved in carbon footprint workshops in order to reinforce their approach to the environmental analysis of their assets.

### Consideration of positive outcomes and principal adverse impacts (externalities)

The Group has adopted a holistic approach to identifying the potential positive and negative impacts of the businesses and assets financed within their value chain (i.e. supply chain, operations and products and services). This approach provides a

better understanding of the impact of investment portfolios on sustainability issues (e.g. carbon footprint of portfolios) and complements the traditional ESG approach which assesses ESG risks on the portfolio (e.g. the impact of natural disasters on portfolio assets). One of the principal adverse impacts identified by Tikehau Capital is related to climate change (see the mapping of extra-financial risks and opportunities in Section 4.1.5. (Identification and response to material non-financial challenges of this Universal Registration Document). Other negative and positive impacts are considered on a case-by-case basis, using the various tools put in place by the Group (e.g. pre-investment ESG analysis grids, monitoring ESG questionnaires, etc.).

### 4.2.4 Pillar 3/Engagement

Tikehau Capital establishes an engagement approach with companies. Starting at the investment decision and throughout the holding period of the investment, Tikehau Capital promotes the adoption of practices that align financial performance with social and environmental impact. The investment teams and the ESG team maintain dialogue with the portfolio companies with a view to creating sustainable value.

**Voting policy**

The Group believes that active shareholding stimulates communication and contributes to the creation of value. In this context, the Group is committed to voting at shareholder meetings of all companies held in funds it manages (excluding funds of funds). Portfolio managers have access to a leading platform to vote.

With regard to **investments in listed companies** (equity funds of the Capital Markets Strategies activity and investments through the balance sheet), the Tikehau Capital analysts and fund managers analyse the resolutions of the general meetings. They may use proxy advisors to help assess problematic resolutions.

With regard to **Private Equity investments**, whether Tikehau Capital has a minority or majority stake in the share capital in a given company, the teams can systematically exercise their voting rights.

Resolutions added to the agenda by external shareholders are analysed on a case-by-case basis and approved if they contribute to the improvement of business practices or if they have the potential to create value for shareholders.

**ESG monitoring**

**In Private Equity and Private Debt**, the Group aims at working together with the management team of the companies in the portfolio, the equity sponsor and/or potential co-investors on ESG-related topics.

To raise the management’s awareness in the early stages of the investment relationship, an ESG clause is included wherever possible in shareholders’ agreements or credit documentation.

This clause lists Tikehau Capital’s commitments to responsible investment and binds executives to adopt a progressive approach based on their resources.

During the holding period, the portfolio companies are subject to an annual review of their ESG performance through a dedicated questionnaire. Thanks to companies’ responses, Tikehau Capital is able to identify risks and/or opportunities relating to ESG factors. Where appropriate, the investment teams and ESG team may be encouraged to engage in dialogue with the companies to help identify the risk management strategies in place. For example, as a minimum, the Group encourages the establishment of formal Codes of Ethics to promote an exemplary approach within companies.

Depending on the level of proximity between the teams and the management, and when the investment teams have a seat on the corporate governance bodies of portfolio companies, the most material ESG topics are included at least annually on the agendas of such bodies.

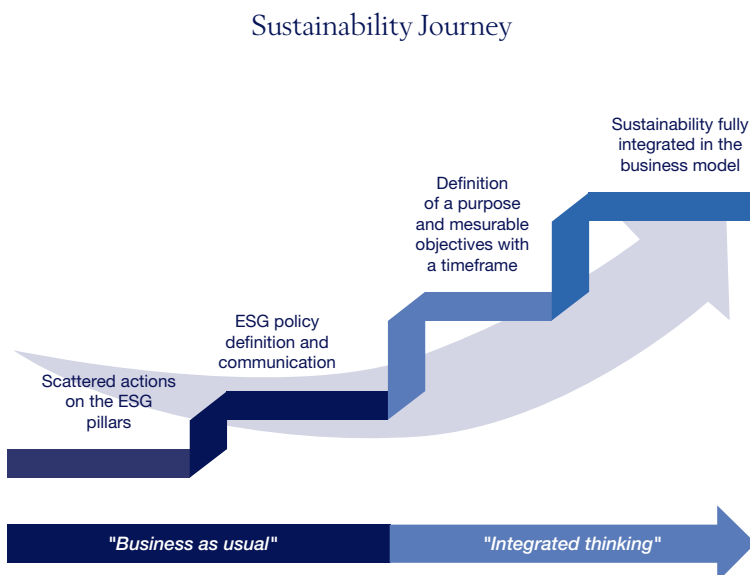
**ESG roadmap**

When the teams benefit from a close relationship with the management, ESG roadmaps are developed in collaboration with the portfolio companies. The definition of these plans is based on a materiality analysis of ESG topics according to the activity, size and geographical exposure of the companies. Qualitative objectives and management indicators are monitored annually.

**Private Equity** – The investment teams are committed to defining sustainable development roadmaps with all new companies.



**Four key steps to achieve sustainable transformation and private equity objectives**



**Private Equity must-haves<sup>(1)</sup>**

 At least one board member able to challenge the executive team	100%
 A Sustainability roadmap (in the 12 months following the acquisition)	100%
 Discussing sustainability topics at board level at least annually	100%
 Carbon footprint assessment (in the 12 months following the acquisition)	100%

(1) Targets for companies in flagship funds

**Private Debt** – Despite the constraints associated with this activity, Tikehau Capital aims to act as a partner on ESG issues by introducing an interest rate adjustment mechanism based on the achievement of targeted ESG criteria, whenever relevant and possible.

## FOCUS ON ESG RATCHETS

Since 2018, Tikehau Capital has regularly included ESG clauses committing borrowers to considering ESG performance and reporting on their progress. As of 2020, to take ESG integration further in the investment process, the Private Debt team introduced ESG ratchets in the transactions it structures, positioning the Group as a pioneer in this area.




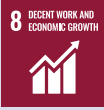








### What is an ESG ratchet?

An ESG ratchet is a trigger that lowers the interest rate margin of a loan by a predefined amount as a counterparty to achieving an ESG objective. The Group's Private Debt team typically negotiates between three to five relevant ESG criteria with the company and/or the equity sponsor of the company and related ambitious targets. If annual targets are met, borrowers are rewarded with a marginal reduction of the interest rate ranging from -5 to -25 basis points.

Eventually, the proposed mechanism could also provide for a marginal upward adjustment in the event that targets are not met.

This mechanism for adjusting the interest rate on ESG targets complements existing ratchets that focus on financial criteria such as the leverage ratio. **The Private Debt activity team considers that the ESG ratchets will become a market standard, to the point where it will no longer be necessary to highlight and treat them separately.** The Private Debt team does not generally encounter any reluctance, stakeholders are, on the contrary, open to it.

In 2021, around 20 ESG ratchets were negotiated by Tikehau Capital's Private Debt team. The following ESG criteria were finalised for nine of them:

Company presentation	Investment date	Business sub-sector	ESG ratchet themes	SDGs supported
<b>Magellan</b> is one of the holding companies of the Bassac real estate group, which focuses on the development of new medium-sized residential properties in France, Germany and Spain. Bassac is listed on Euronext.	April 2021	Real Estate	<ul style="list-style-type: none"> <li>- Gender equality</li> <li>- Soil decontamination projects</li> <li>- Green buildings</li> </ul>	  
<b>Powersport Distribution Group</b> is a Dutch wholesaler and distributor of motorcycle parts and accessories. PDG operates warehouses in the Netherlands, Belgium and the United Kingdom and serves B2B and B2C customers.	April 2021	Automotive	<ul style="list-style-type: none"> <li>- Annual interviews for employees</li> <li>- Supplier audit</li> <li>- Reduction of the carbon footprint</li> </ul>	  
<b>Provepharm Life Services</b> is a pharmaceutical laboratory specialising in the revitalisation of existing synthetic molecules for new applications and indications.	July 2021	Health Care	<ul style="list-style-type: none"> <li>- Ethics and CSR training, and skills development</li> <li>- Reduction of carbon emissions</li> <li>- B Corp certification</li> </ul>	  
<b>Evolucare</b> is a publisher and integrator of software for private, public and non-profit healthcare institutions, aimed at improving the monitoring of each stage of the patient journey.	October 2021	High-Tech industry	<ul style="list-style-type: none"> <li>- Digitisation of medical deserts</li> <li>- Support for vulnerable people</li> <li>- Reduction of carbon emissions (via infrastructure pooling)</li> </ul>	  

**Real Estate activities** – During the real estate asset holding phase, the management teams aim to identify and implement relevant areas for improvement in order to enhance the non-financial performance of the real estate assets under management (“Best in progress” approach).

In 2020, IREIT Global introduced an ESG clause to its standard leases inspired by France’s green leases in order to increase transparency on buildings’ consumption (in energy, water, waste), and to identify areas for improvement.

These clauses are also used by Sofidy which has disseminated three additional documents since 2021 promoting stakeholder involvement:

- a guide on best environmental practices for tenants, to promote eco-responsible everyday actions and to achieve energy savings through the mobilisation of building occupants;
- a “responsible supplier” charter, appended to the main contracts (technical management and maintenance contracts, etc.) in order to encourage suppliers to improve how they take ESG issues into account; and

- a “responsible distributor” charter, appended to the main marketing and distribution contracts in order to encourage distributors and commercial partners to improve how they take ESG issues into account.

In addition, Sofidy has set up a partnership with two players:

- Deepki, which provides expertise in the analysis and optimisation of building energy data to improve their energy performance;
- Green Soluce, an independent consulting firm specialising in real estate and sustainable cities.

At 31 December 2021, the total energy consumption (common areas + private areas) of 101 buildings, representing over 350,000m<sup>2</sup> were reported to the management teams. The process will be pursued in 2022.

As part of the tertiary decree and a desire to manage the Group’s energy and carbon consumption, this approach will be continued in 2022.

#### 4.2.5 Pillar 4/Sustainability-themed and impact investment

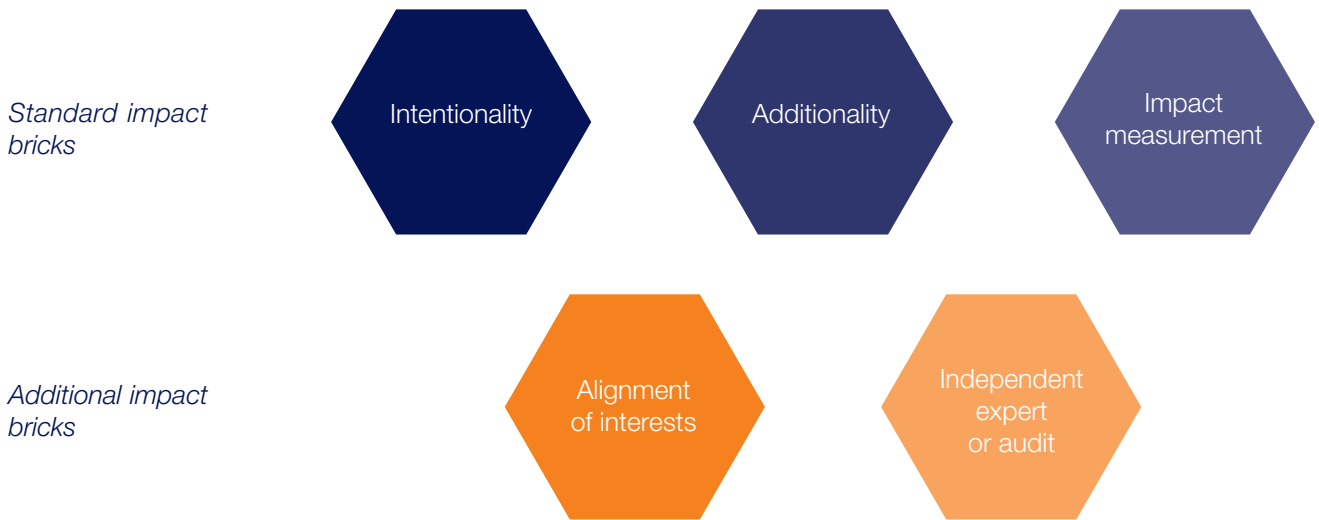
In order to be legitimate and effective, an impact strategy must be based on a comprehensive operational ESG approach that is fully integrated within the investment process.

Themed and impact investing was initiated in 2018 as part of the creation of the T2 Energy Transition fund (for more information see the focus in this Section and Section 1.3.2.4 (Private Equity activity) of this Universal Registration Document) and the Group

is now well positioned to develop its impact strategy across its various business lines.

Armed with a strong conviction in its role of supporting the development of the economy, the Group has set itself the goal of developing a platform dedicated to impact based on four themes: (i) climate and biodiversity, (ii) innovation, (iii) economic development and social inclusion and (iv) health.

**What does impact investing mean to Tikehau Capital?**



Tikehau Capital relies on international reference frameworks (Global Impact Investing Network or GIIN, IRIS+, SDGs, Impact Management Project, UN PRI, etc.) to define its impact approach:

- the first brick of an impact approach is **intentionality**. This means that the Group’s aim is to reconcile strong financial performance with a response to global and societal challenges such as the climate emergency and biodiversity. Our investment and ESG teams work hand-in-hand with experts in this sector (including Steward Redqueen) to define a “theory of change” or logical impact framework;
- the second brick of an impact approach is **additionality**. It is not enough to finance a company or an asset while waiting to be in a position to evaluate its non-financial results; one has to look to support it to progress on the impact. In addition to financial support, companies and assets financed through impact funds benefit from tailored support;
- the third brick of the impact approach is **impact measurement**. In addition to monitoring financial performance, impact measurement contributes to transparency for investors regarding the companies under consideration. Impact measurement therefore has several advantages: (i) at the investment level, it provides a management tool to encourage companies to take action; (ii) at the fund level, it provides a clear and actionable view of the investment hypothesis; and (iii) at the communication level, it contributes to improving transparency vis-à-vis interested stakeholders (i.e. subscribers, companies, the general public) on non-financial topics.

In addition to these three traditional impact blocks, Tikehau Capital is adding two additional brick :

- the fourth brick of the impact approach is **alignment of interests**, which is at the heart of the Tikehau Capital model. The Group is committed to investing in all of its impact funds. At the beginning of 2022, to reinforce the approach, the Managers introduced a standard, according to which at least 50% of the carried interest allocated to the asset manager of new impact funds must be indexed to ESG and impact performance criteria;
- lastly, Tikehau Capital carries out independent assessments or **external audits** of the roll-out of non-financial commitments for all impact funds.







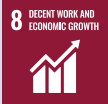









Aware that launches of impact initiatives are multiplying and in order to avoid green laundering practices (greenwashing), the Group strengthened the governance of impact funds in 2022, by creating an Impact Committee for each of the funds, which may issue an unfavourable opinion upstream of the investment.

Given the increasing number of impact initiatives and in order to avoid “greenwashing” practices, participating in working groups appears as essential so as to harmonise the definitions of this emerging investment practice. To that extent, members of the Group’s investment and ESG teams actively participate in several working groups (France Invest, Finance for Tomorrow) and have contributed to the guide “Impact investing - A demanding definition for listed and non-listed products” published by France Invest and the Forum for Responsible Investment (FIR) in March 2021 and available here: <https://www.franceinvest.eu/wp-content/uploads/2021/03/Impact-Handbook-FIR-France-Invest-march-15-2021.pdf>

Tikehau Capital also mobilises the resources of its balance sheet for the achievement of the SDGs through investments in impact funds such as Alter Equity 3P (People, Planet, Profit), Blue Like an Orange Sustainable Capital or Ring Mission.



## FOCUS ON FUNDS WITH A SUSTAINABLE THEME AND/OR WITH AN IMPACT APPROACH

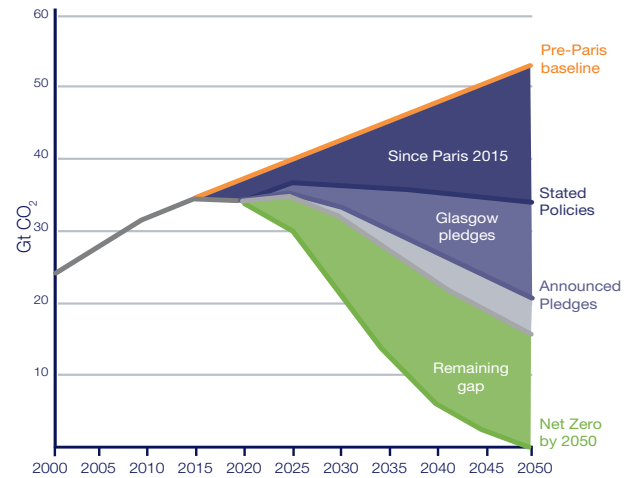
Fund Facts	ESG theme	Launch date	SDGs supported
<p><b>S.YTIC</b> is a thematic equity fund dedicated to sustainable cities managed by Sofidy. This fund helps manage long-term urban expansion by investing in companies that are active in the vertical development of major cities and urban renovation, infrastructure management and waste disposal, the digital transformation and any other trend that may emerge in the sustainable city development ecosystem.</p>	Climate change (sustainable city)	Mar-2018	 
<p>The <b>T2 Energy Transition Fund</b> is a fund which contributes to addressing the climate emergency by focusing on companies active in clean energy production, low-carbon mobility and improved energy efficiency, storage and digitalisation (see details in Section 4.2.6. (Climate &amp; biodiversity approach and consideration of the European taxonomy) of this Universal Registration Document).</p>	Climate change (energy transition)	Dec-2018	 
<p><b>Brienne III</b> is a private equity fund managed by Tikehau Ace Capital, which finances disruptive players in critical sectors (such as cybersecurity) to finance their growth ambitions. The fund seeks to contribute to the resilience and digitisation of the increasingly digitised and interconnected economic system, through cybersecurity.</p>	Cybersecurity	June 2019	 
<p><b>Tikehau Impact Lending</b> is a private debt fund which aims to accelerate the transition and contribution of SMEs and midcaps to a sustainable economy. The fund's management relies on Tikehau Capital's financial solutions, internal expertise and network of ESG and Climate experts to enable portfolio companies to increase their sustainable product and service offerings and/or improve the management of their operations (human capital, supply chain, etc.).</p>	Climate change Business innovations Social Inclusion	Feb-2021	   
<p><b>Tikehau Impact Crédit</b> is a high-yield bond fund which aims to accelerate the transition to a "net zero carbon" economy. TIC focuses on three buckets of investments and/or issuers: Green or Sustainability-linked bonds or climate pure-players already involved in the energy and ecological transition (bucket A); issuers who have signed an international pledge towards climate change (bucket B); and issuers who take a sector-agnostic approach with the potential to significantly contribute to reducing CO2 emissions (bucket C).</p>	Climate change and low-carbon transition	Jul-2021	   
<p><b>The Belgian Recovery Fund (BRF)</b> was launched in September 2021, at the instigation of the Belgian Minister of Finance and the Belgian Secretary of State for Recovery. The purpose of the BRF is to strengthen the solvency of Belgian companies or companies with a strong presence in Belgium. Tikehau IM was chosen to manage and develop the fund and a first investment was made in 2021.</p>	Economic recovery	Sep-2021	 

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4.2.6 Climate and biodiversity approach, and consideration of the European Taxonomy

According to the first part of the sixth assessment report of the Intergovernmental Panel on Climate Change (IPCC) published in August 2021, the threshold of 1.1°C average global warming compared to the pre-industrial era has already been reached, and the average global warming over the next 20 years is expected to reach or exceed the threshold 1.5°C.

At COP26, held in Glasgow in November 2021, the question was asked as to what the new commitments made by various countries (including India) to reduce carbon emissions meant for global warming. The updated analysis of the International Energy Agency (“IEA”) shows that if these new targets are achieved on time, they would be enough to limit the increase in global temperatures to 1.8°C by the end of the century. For the first time, governments have proposed sufficiently ambitious targets to keep global warming below 2°C.



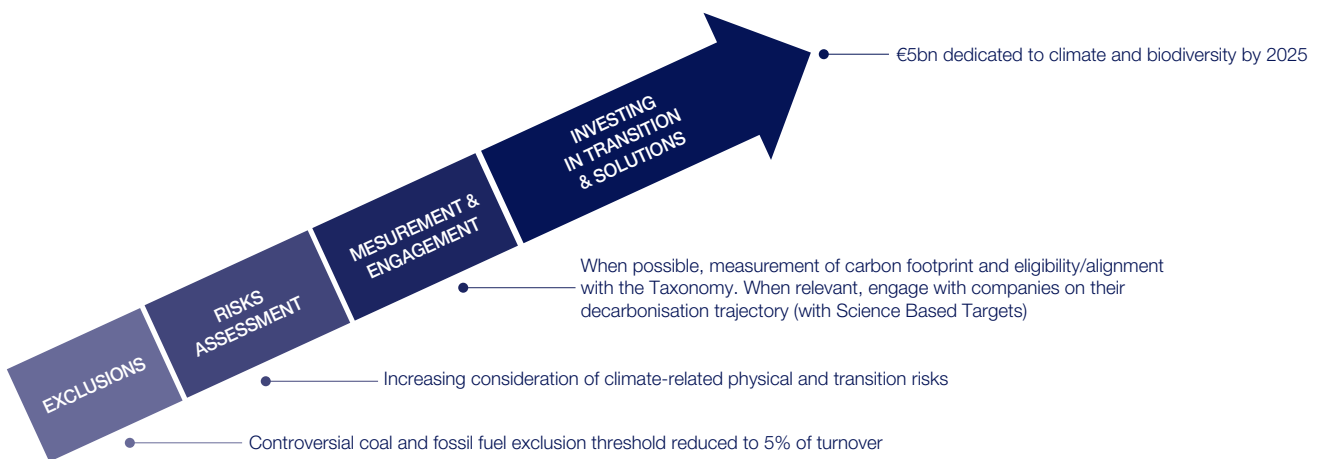
Source: IAE, 2022

In March 2021, the Group joined the global initiative Net Zero Asset Managers accredited by the “Race to Zero” campaign of the United Nations Framework Convention on Climate Change (UNFCCC). In addition to raising awareness of the climate emergency, the Group is carefully considering the work on planetary boundaries (see Section 4.1.1 (Introduction) of this Universal Registration Document). It seems essential to understand the main levers to ensure an appropriate response aligned with the needs of the planet, people and the economy.

Tikehau Capital’s climate strategy consists of working on four dimensions: exclusions, risk management, measurement and

engagement, and the launch of funds dedicated to solutions and transition.

**The Group launched a Climate Action Centre, with the aim of managing €5 billion in assets under management dedicated to climate and biodiversity by 2025. In addition, the Group signed the Sciences Based Targets initiative (SBT) in November 2021 and is currently defining targets to be achieved for three of its four business lines: Private Equity, Real Estate Assets and Capital Markets Strategies. Private Debt is not currently covered by the SBT methodology.**



## Investments in transition and solutions

Tikehau Capital has identified the response to the climate emergency as a pressing call for action in terms of risk management, but also as the greatest investment opportunity of recent decades. Since 2014, Tikehau Capital has contributed equity to the developers of renewable energy Quadran, EREN, GreenYellow and Amarenco. On the publication date of this Universal Registration Document, these companies have

developed more than 5GW in renewable projects and have a pipeline of 15GW for the coming years. Backed by its track record and based on its expertise through the Climate Action Centre, the Group has set itself the goal of developing a €5 billion platform by 2025 that will be dedicated to financing the energy and ecological transition as well as the protection of biodiversity through its various business lines.

### Key indicators at 31 December 2021:

<b>Assets under management in impact funds with a climate and biodiversity focus<sup>(1)</sup></b>	<b>€1.6bn</b>
<b>Assets under management in real estate assets with excellent performance (BREAM gold, LEED gold or HQE excellent)</b>	<b>€0.4bn</b>

(1) See focus on thematic impact funds above (see Section 4.2.5 (Pillar 4/Sustainability-themed and impact investment) of this Universal Registration Document).

## Measurement of eligibility and alignment with the European Taxonomy at Company level

As a listed company, the Company falls within the scope of the Taxonomy Regulation, which governs the publication of information on the sustainability of the economic activities of the companies subject to it.

The Taxonomy Regulation distinguishes between financial companies and non-financial companies (these two categories of companies are subject to different requirements). The Company is not:

- an asset manager (or an asset manager within the meaning of the AIFM Directive, or a management company or a self-managed investment company within the meaning of the UCITS Directive),
- or a credit institution, or an authorised investment firm within the meaning of the UCITS Directive,
- or an insurance company,
- or a reinsurance company,

the Company does not meet the definition of a financial enterprise and must therefore be classified as a non-financial enterprise. Thus, the activities to be taken into account for the Taxonomy reporting are those carried out by the Company which are carried out by the companies within its scope of consolidation in the accounting sense.

In 2021, only the first two objectives of the Environmental Taxonomy came into force - adaptation and mitigation of climate change - covering around 90 economic activities described in Annex I of European Regulation 2021/2139 (the so-called "climate delegated act").

At 31 December 2021, only two entities included in the Group's accounting consolidation scope, Sofidy and Alma Property, carried out the activities concerned:

- Acquisition and ownership of buildings, and
- Renovation of existing buildings.

### Key indicators at 31 December 2021:

<b>Share of Tikehau Capital SCA revenue eligible for the Taxonomy</b>	<b>€0.2 million</b>
<b>Share of capital expenditure and the share of operating expenses of Tikehau Capital SCA eligible for the Taxonomy</b>	<b>€0.6 million</b>

*Methodological note: As at 31 December 2021, only two entities included in the Group's accounting consolidation scope, Sofidy and Alma Property, carried out activities covered by Appendix I of European Regulation 2021/2139. Consequently, Tikehau Capital (i) took into account the operating income related to Alma Property's real estate ownership and operation activities (excluding re-invoiced expenses and taxes), and (ii) allocated all expenses related to Sofidy's work on its head office in 2021 to the item covering capital expenditure and operating expenses eligible for the Taxonomy.*

## Measurement of eligibility and alignment with the European Taxonomy at the level of the management companies and the Company's funds

According to the information available at the date of this Universal Registration Document, around twenty SFDR Article 9 funds and SFDR Article 8 hybrid funds managed by Tikehau IM and Tikehau Ace Capital will be required to study eligibility for the Taxonomy from June 2022 and alignment from the 1 January 2023.

For Capital Markets Strategies funds, the Group has selected the EU Taxonomy Alignment module of the non-financial agency ISS for its analysis of equity and bond funds. For certain closed funds, Tikehau Capital works with environmental experts such as ERM.

As of 31 December 2021, assets under management in impact funds with a major climate and biodiversity focus described above do not represent a proxy for assets eligible for the European Taxonomy.

# 4. SUSTAINABLE DEVELOPMENT

*Responsible investment approach*

## Measuring the carbon footprint

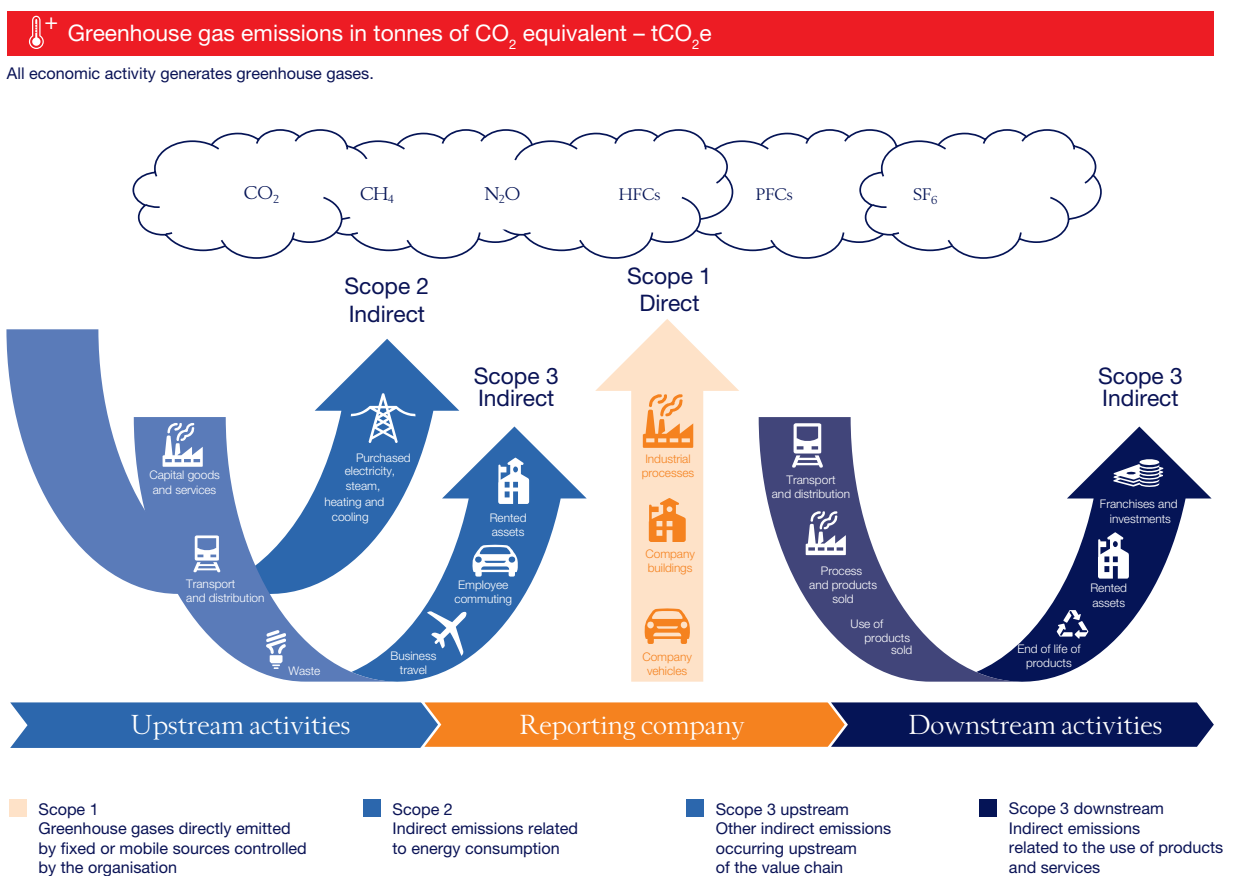
The carbon footprint has become an essential indicator. Calculating the carbon footprint aims to estimate the quantity of greenhouse gases (“GHG”) or carbon emissions, measured in tonnes of CO<sub>2</sub> equivalent - tCO<sub>2</sub>e, allocated to a company or a fund through a range of emissions sources grouped within a scope.

Tikehau Capital recognises that the bulk of its carbon impact comes through its investment (scope 3 downstream). As at the date of this Universal Registration Document, Tikehau Capital

commissioned several service providers adapted to its business lines (ERM, GreenSoluce, ISS and Sirsa/Reporting21) to carry out carbon assessments of the Group’s investments including direct investments in companies as well as investments in Real Assets (real estate and infrastructure).

In addition, to better assess the contribution of a company or a fund to the climate requires an estimate of the emissions avoided in parallel with the emissions induced.

### Emissions generated and avoided throughout a company’s value chain



### Avoided greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalent – tCO<sub>2</sub>e

Some products and services make it possible to avoid emissions compared to a situation where they would not have been used.


Source: GHG Protocol and World Resources Institute (WRI)

## FOCUS ON T2 ENERGY TRANSITION FUND

T2 Energy Transition Fund (“T2”) is a private equity fund designed to support medium-sized businesses that are focused on the energy transition in the financing of their development, the transformation of their business models and their growth, especially international expansion. In March 2021, T2 finalised its fundraising at over one billion euros.







Based on a targeted and customised approach which aims to promote energy transition, the fund’s investments will focus on companies working on three determining fronts for achieving the long-term temperature goal of the Paris Agreement: (1) energy efficiency, storage and digitisation; (2) the production of clean energy; and (3) low-carbon mobility.

As of 31 December 2021, T2 had made nine investments. The 2021 carbon analyses are underway. In 2020, according to the ERM environmental expert’s analysis, the six companies in the T2 fund emitted around 970,000 tCO<sub>2</sub> on scopes 1, 2 and 3, and avoided more than 115,000 tCO<sub>2</sub> on projects installed during the year. ERM estimated that more than 1.5 million tonnes will be avoided directly and that the projects will contribute to reducing 26 million tonnes indirectly.

Investment date and company overview	Relevance for T2 Energy Transition	Geographic exposure	SDGs supported
Dec-2018: <b>GreenYellow</b> is a French developer of smart energy solutions, specialising in turnkey renewable energy production projects, as well as value-added energy services and energy efficiency.	Renewable energy and energy efficiency  Carbon emissions avoided through photovoltaic energy production enabling the decarbonisation of the energy mix in several countries  Energy efficiency business	Headquarters in France. Presence in Europe, Latin America, Africa, the Indian Ocean and Asia	 
Jul-2019: <b>Rougnon Group</b> is a multi-technical services company in the Paris region, specialising in the repair, renovation and maintenance of public and private residential and tertiary real estate assets.	Building renovation  Carbon emissions avoided by improving the energy efficiency of buildings (e.g. replacement of boilers, switch from fuel oil to natural gas, etc.)	Headquarters and operations in France	  
Jan-2020: <b>Crowley Carbon</b> is a global provider of energy efficiency services dedicated to reducing the energy bill (typically by 30%) of industrial players.	Energy efficiency  Carbon emissions avoided through electricity or thermal energy savings for industrial players	Headquarters in Ireland and global presence	 
May-2020: <b>Enso</b> is a platform for the development, engineering, construction, operation and maintenance of biomass energy plants (electricity, heat or cogeneration) and the supply of biomass.	Renewable energy  Carbon emissions avoided through the production of electricity from the Garray biomass plant enabling the decarbonisation of the Spanish energy mix	Headquarters and operations in Spain	 
Jul-2020: <b>EuroGroup</b> is a leading global supplier of key components for electric motors and generators.	Sustainable transport  Carbon emissions avoided via the number of electric vehicles equipped with EuroGroup stators and rotors	Headquarters in Italy	 
Nov-2020: <b>Amarenco</b> designs, develops, acquires, finances, delivers, owns and manages solar photovoltaic infrastructures throughout Europe and in the Middle East, North Africa and Asia-Pacific regions.	Renewable energy  Carbon emissions avoided through the production of solar energy to decarbonise the energy mix in several countries	Headquarters in Ireland, operations in France, rest of Europe, Middle East and Asia-Pacific	 

## 4. SUSTAINABLE DEVELOPMENT

Responsible investment approach

Investment date and company overview	Relevance for T2 Energy Transition	Geographic exposure	SDGs supported
Jul-2021: <b>CETIH</b> is a specialist in energy efficiency for housing and energy renovation. Its products and solutions focus on window and door manufacturing, energy (solar module manufacturing) and B2C renovation work.	Energy efficiency	Headquarters and production in France	 
Jul-2021: <b>Valgo</b> rehabilitates industrial sites and eliminates hazardous materials such as asbestos. The company manages more than 1,000 projects per year. Valgo operates as a “one-stop-shop” for rehabilitation: from consulting services to the delivery of decontaminated land ready for sale.	Ecological transition, decontamination and de-artificialisation of soils	Headquarters in France	 
Dec-2021: <b>Groupe Sterne</b> is a player in multi-service transport and logistics. Around its historical regular transport and night delivery offer, it has developed three complementary service offers (time critical, urban delivery, aftermarket), as well as a best-in-class digital platform.	Sustainable transport	Headquarters in France and global operations	 

At the beginning of 2021, after four years of measuring the carbon footprint of its main portfolios, the Capital Markets Strategies team has set itself the objective of outperforming the benchmarks in terms of CO<sub>2</sub> emissions. As such, the main portfolios managed by the team will aim to outperform scope 1 & 2 by 20% in the first instance. When scope 3 CO<sub>2</sub> emissions data becomes available in the pre-investment phase, it will also be proactively monitored and integrated into the non-financial outperformance target.

Tikehau Capital signed the Sciences Based Targets in November 2021 and, through this initiative, the Group is committed to defining de-carbonisation trajectories with intermediate targets by 2030 or before for all its business lines. As regards real estate assets, the goal is to cover more than 65% of the surface area owned with energy consumption improvement targets. As regards equity or debt investments, the goal is to help companies establish their own de-carbonisation commitments and manage their trajectory.

### Management of physical and transition risks

In line with the recommendations of the TCFD, Tikehau Capital takes account of risks related to climate change:

- (i) Transition risks, especially regulatory, technological, market and reputational risks, are taken into account in the basic analysis carried out by the investment teams. The T2 fund teams, in particular, carry out in-depth assessments of the main issues relating to climate change (e.g. changes in energy prices or technological changes associated with lower carbon emissions);
- (ii) Physical risks, defined as the exposure of Real Assets to physical consequences directly caused by climate change (chronic events - such as global warming and rising sea levels - and extreme events - such as fires and cyclones). During the pre-investment stage, the ESG scoring grid comprises numerous questions relating to physical risks. A mapping of the physical risks by country is shared with the investment teams. As part of the monitoring of investments, analyses are conducted for certain assets (for Real Estate strategies) or certain funds with the help of specialised service providers.

## FOCUS ON PHYSICAL RISK ANALYSIS

Physical risks related to climate change concern the real estate assets held by the Group.

Sofidy, a Group subsidiary holding over 2,000 assets, mainly retail and office, analyses the exposure of its assets to the physical risks related to climate change throughout the life of the investments.

Sofidy uses the Taloen Bat-ADAPT tool, developed by *Observatoire de l'Immobilier Durable* (OID), to assess the exposure of its assets to heat waves, droughts, floods and rising sea levels, at the time an investment is made and during the period of ownership of an asset.

The physical risk analysis presented below is based on the most pessimistic climate change scenario, Representative Concentration Pathways (RCP) 8.5, which assumes continued human activity with carbon emissions at current rates. This scenario is expected to result in a warming of more than four degrees by 2100. The results enable teams to develop their competencies in identifying and taking into account the physical risks associated with climate change.

### Proportion of assets exposed to climate hazards

Climate change	Indicator	Low risk <= 2	Medium risk 3	High risk >= 4
River flooding	Risk index	36%	31%	32%
Heat wave	# days	17%	65%	18%
Droughts	Probability	48%	20%	33%
Marine submersion	Risk index	99%	1%	0%

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### Example of an analysis of the vulnerability of a portfolio of real estate assets to heat waves (RCP 8.5 scenario by 2030)



**Source:** Taloen Bat-ADAPT. Analysis of 1,853 French real estate assets at 31 December 2021.

**Note:** Real estate assets on the Côte d'Azur benefit from an oceanic climate, which explains their moderate risk of heat waves.

## 4.2.7 Contribution to economic development

Through its Private Equity and Private Debt activities, Tikehau Capital supports the real economy and contributes indirectly to maintaining and creating jobs.

In September 2021, under the auspices of the Belgian Minister of Finance and of the Belgian Secretary of State for Recovery, the Belgian Recovery Fund (BRF) was launched. The BRF has €200 million and aims to strengthen the solvency of Belgian companies or companies with a strong presence in the country. Tikehau IM was chosen to manage and develop the fund and a first investment was made in 2021:

- Rombit is an Industrial Internet of Things (“IoT”) solution supplier that logistics centres and other players interconnected hardware and compatible software to avoid collisions, as well as providing lone worker assistance, equipment analysis, driver behaviour analysis, authentication control, distance control and contact tracing. Rombit requested BRF support to support its growth adapted to the boom in logistics and home delivery resulting from the pandemic.

In November 2021, under the auspices of the French Ministry of the Economy, Finance and Recovery, the Obligations Relance investment fund was launched. The fund has €1.7 billion and aims to strengthen the financial position of French SMEs and intermediate-sized companies following the crisis caused by the Covid-19 pandemic. Tikehau IM was selected as one of the fund’s six asset managers, responsible for a total investment budget of €300 million. In 2021, two projects were financed. Tikehau IM had already been a partner of these two companies for over four years:

- Trèves is a French family group specialised in the acoustics and thermal insulation of cars. The semiconductor supply crisis that began in early 2021 caused difficulties throughout the automotive industry, prompting the Group to seek appropriate financing;
- Maltem Consulting Group is an international digital services company specialising in the optimisation of the commercial performance and digital transformation of companies.

### Key indicators at 31 December 2021:

**Companies financed through Private Equity, direct lending and corporate lending**

**nearly 170**

Tikehau Capital adheres to the principles laid down in the fundamental conventions of the International Labour Organization (“ILO”) concerning (i) respect for the freedom of association and right to collective bargaining, (ii) the elimination of discrimination in respect of employment and occupation, (iii) the elimination of forced and compulsory labour, and (iv) the effective abolition of child labour. The Group endeavours to ensure that human resources play an integral part of its own strategy and of that of the companies in which it invests. Depending on the nature of the businesses and their industries, qualitative or quantitative criteria used in regard to social aspects may vary:

human resources policy, social risk, employee safety and work-related accident rates. As a responsible shareholder or lender, Tikehau Capital promotes, wherever relevant, diversity and gender balance within the governance bodies of its portfolio companies.

The Group’s approach rests on the belief that high-quality management of human resources is required for a company to be productive, reduce social risks of any kind and therefore prove to be a promising investment.

## 4.2.8 Investor-clients satisfaction

The Group’s Investor-clients are made up of institutional and private investors who may also be shareholders in Tikehau Capital. In both cases, customer satisfaction is a key factor both in terms of performance for the Group and for its Asset Management business.

The Group pays particular attention to transparency and communicates regularly with investors. For all of its funds, both open-ended and closed, the Group ensures that it provides regular updates on financial performance. The Group has also set itself the objective of sharing communications on non-financial performance at least once a year for the main open-ended and closed funds.

The Group’s subsidiaries monitor investor incidents.

Finally, the Group has articulated a responsible marketing approach that is incorporated into its compliance manuals. The Group works hard to communicate accurate, clear information that does not mislead investor-clients. The Compliance Department checks all presentations that are prepared with the purpose of promoting the Group, the Company or its funds. The financial and non-financial reports undergo an internal revision process and, in some cases, are subject to independent third-party verification.

The Group’s subsidiaries are regularly recognised for their performance.

### The Group’s subsidiaries are regularly rewarded.

In early 2022, Sofidy received the award for best manager in the SCPI yield category for the 19<sup>th</sup> consecutive year at the 2022 Supplier Awards organised by *Gestion de Fortune* magazine. In addition to strong financial performance, this

award recognised Sofidy’s excellent customer service and the outstanding performance of its sales teams.

In early 2021, Tikehau IM also received the “Best Flexible Allocation Company” award from Quantalys Inside 2021.



## 4.3 CSR APPROACH

In addition to a proactive responsible investment policy, the Group has adopted a CSR strategy, (*i.e.* a sustainability approach for its operations) whose main areas of focus were revised in 2019 following the work conducted on the Group's materiality matrix:

- **area 1 - Governance and the alignment of interests** are at the heart of the Group's CSR approach. Priority is given to business ethics and compliance;
- **area 2** - Tikehau Capital monitors the **environmental footprint** of its operations and makes efforts to reduce its direct impacts;
- **area 3 - Diversity and talent retention** are at the heart of the Group's strategy and considered as growth drivers;
- **area 4** - Tikehau Capital is attentive to **relations with its stakeholders**, in particular through its responsible purchasing policy and its community involvement.

### Key indicators at 31 December 2021:

<b>Percentage of the Company controlled by its founders and management (directly or indirectly)</b>	<b>57%</b>
<b>Percentage of employee shareholders in the Company</b>	<b>62%</b>
<b>Share of the Group's investment portfolio invested in its investment strategies</b>	<b>75%</b>

### Transparency and interest representation

The Company intends to meet a high level of transparency concerning its own activities to the fullest extent compatible with its role as an asset manager and investor, so that its stakeholders can assess the developments of the Group's situation and its outlook (for an overview of employee relations, see Section 4.3.3 (Human Capital: diversity, attracting and retaining talent) of this Universal Registration Document).

The main objective of the exchange with public officials and employees during the development of Tikehau Capital, is to increase the visibility of the Group's strategies. Lobbying refers to any action undertaken by a representative of the Group's interests with a view to influencing a public decision.

Tikehau Capital refrains from making political contributions, even if they are lawful in a large number of countries within a strictly-regulated framework.

In addition, the Group supports and is an active member of professional associations that represent its interests and those of its sector (for example, AFEP, AFG, AIMA, ELFA, Finance for Tomorrow, France Invest, Invest Europe, ASPIM, LMA and UN PRI).

### Business Practices

Compliance with ethical principles is a fundamental pillar of the Group's Asset Management and Investment activities and a key element for its reputation. In all of its actions, Tikehau Capital is committed to complying with rules of conduct with respect to all its stakeholders and in the way it conducts its business. These rules of conduct are laid down in the Group's Code of ethics. One of the essential principles is combating behaviours or practices that run counter to business ethics, such as corruption

### 4.3.1 Governance and business ethics

#### Alignment of interests

The alignment of interests is a distinctive feature of Tikehau Capital's business model:

- employees and certain investor-clients are also Group shareholders;
- Tikehau Capital's balance sheet actively supports the development of its management platform by investing in its own strategies; and
- the companies in the portfolio are both beneficiaries of the Group's Capital and drivers of its growth.

Lastly, through its new impact funds, the Group aligns the interests of its asset management companies with the ESG objectives of portfolio companies.

or influence peddling (see Section 2.3 (Risk management culture and compliance obligations) of this Universal Registration Document).

Tikehau Capital is fully committed to conducting its business development in compliance with the highest international anti-corruption standards such as the French law on transparency, the fight against corruption and the modernisation of economic life (known as the "Sapin II" Act), the "Foreign Corrupt Practices Act" (FCPA) in the US, and the "UK Bribery Act". A Code of conduct Relating to the Prevention of Corruption and Influence Peddling was introduced in 2020. This code sets out the definition of illicit behaviour (corruption, influence peddling, abuse of corporate assets, etc.), the associated risks for the development of the Group's activities, the guidelines to be adopted and a procedure to ensure the implementation of the system (*i.e.* roles and responsibilities, whistleblowing procedure and associated sanctions).

The Group encourages the use of fair practices by both its teams and service providers. A similar level of requirement is expected within the companies in which the Group invests. Furthermore, Tikehau Capital is committed to adhering to demanding corporate social and environmental responsibility standards.

The Group prohibits deals or conduct which could be considered anticompetitive. Conversely, Tikehau Capital requires its suppliers, service providers, consultancy firms and other third parties to comply with applicable regulations. The Company also requires its trading partners to introduce responsible environmental and social practices (see Section 4.3.4 (Relations with external stakeholders) of this Universal Registration Document).



The teams of each of the Group's entities are particularly trained on the risks of non-compliance of any kind and training and measures have been implemented to prevent some of the economic violations and breaches that might occur in the course of conducting its activities (insider misconduct, fraud, corruption, tax evasion, money laundering, financing of terrorism, the protection of personal data, etc.).

In order to consolidate in a single document the main commitments, policies and procedures and expectations of the Group in terms of behaviour for both employees and key stakeholders of the Group, a Code of conduct was written and published on the website of Tikehau Capital in March 2021.

This Code is not exhaustive and should be considered as a complementary tool to other existing policies. It covers the following seven topics:

1. relations with customers, suppliers and external stakeholders (for example as part of marketing and responsible communication);
2. rules of conduct on protection and reputation (for example, in terms of cybersecurity and data protection);
3. anti-corruption conduct rules (including lobbying);
4. rules of conduct for governance;
5. social conduct rules (e.g. in terms of freedom of association, diversity policy and the fight against harassment);
6. environmental approach (commitments and eco-friendly actions);
7. application of the code of conduct (whistleblowing system and penalties policy).

#### Preventative action

In the context of the listing of Tikehau Capital's shares on the Euronext Paris regulated market, a Stock Market Professional

Code has been set up. This complements all of the specific strategy arrangements and training linked to Asset Management regulations, the provision of investment services and regulations on the prevention of money laundering and finance for terrorism:

- training sessions (e.g. prevention of money laundering or finance for terrorism) take place regularly in line with the regulatory obligations of the Group's asset management companies for all teams. Moreover, a whistleblowing system has been implemented and the data gathered in 2021 did not reveal any material problems;
- the Group's requirements in terms of professional ethics also involve balanced governance, prevention of conflicts of interest and stringent internal control (see Section 2.3 (Risk management culture and compliance obligations) of this Universal Registration Document).

#### Cybersecurity and personal data protection

Cybersecurity is perceived as a major issue and the Group is constantly strengthening its architecture and IT systems. External intrusion tests are regularly implemented to check the robustness of the Group's information systems (see Section 2.2.3 (Risks of fraud or IT security) of this Universal Registration Document).

In addition, the Group also strives to guarantee the security of personal data and complies with the European General Data Protection regulation (GDPR). The Group undertakes to process personal data in accordance with the existing regulatory framework and to respect the rights and fundamental freedoms of natural persons and, in particular, their right to privacy, with regard to the automated processing of their personal data.

The Group periodically commissions external consultants to review the measures in place.

### 4.3.2 Measuring Tikehau Capital's environmental footprint

The environmental impact of Tikehau Capital is mainly due to its investments. Nevertheless, the Group is keen to apply best practice to its operations to reduce its footprint.

For offices with more than five employees, environmental indicators are monitored on an annual basis.

	As at 31 December 2021 <sup>(1)</sup>	As at 31 December 2020 <sup>(1)</sup>
Total energy consumption (in MWh)	3,200	1,695
Total energy consumption/office space (MWh/m <sup>2</sup> )	0.228	0.138
Total energy consumption/number of employees (in MWh/employee)	4.18	2.89

(1) Excluding Star America Infrastructure Partners.

(2) Excluding the Brussels, Sofidy, and Star America Infrastructure Partners offices.

#### Sustainable use of resources and circular economy

Initiatives aimed at reducing the impacts of the Group's activities are in place.

All Group employees are encouraged to limit their consumption:

- of paper, avoiding printing, default printing on both sides and restricting printing to identified authorised employees. Employees are also encouraged to look at their own printing impact using the PaperCut solution;
- of plastic bottles, by equipping offices with bottles and water fountains when the number of employees so allows.

Group employees are also encouraged to sort and recycle waste:

- the Paris and Evry offices sort, collect and recycle paper/cardboard, plastics, metals, glass, coffee capsules, etc. with the disability-friendly company Cèdre. In 2021, this recycling saved 79 trees or 2,556 kg of CO<sub>2</sub>;
- the Brussels, London, Madrid, Milan and Singapore offices also introduced recycling programmes.

Special attention is placed on the most polluting waste (electronic and IT waste, ink cartridges, batteries and light bulbs). The average lifetime of a computer is four years.

Moreover, the Group also aims to reduce its environmental impact by involving its stakeholders.

Sofidy thus offers the partners of its funds the option of digitising the notices of General Meetings and regulatory and periodic documents. Sofidy has undertaken to donate €1 to any partner who has opted for digitisation.

## Carbon footprint

The bulk of the Group's carbon impact comes through the Group's investments. As at the date of this Universal Registration Document, Tikehau Capital commissioned several service providers adapted to each of its business lines (ERM, GreenSoluce, ISS and Sirsa/reporting21) to carry out carbon assessments of the Group's investments including investments in companies as well as investments in Real Assets (real estate and infrastructure).

As part of a transparency approach, the Group is also committed to measuring the carbon footprint of its operations annually, to communicating the results, and to offsetting its operational emissions on an annual basis.

### Details of the 2021 carbon assessment

Schneider Electric, a global specialist in energy management, was commissioned to carry out a carbon footprint assessment of the Group in line with the Greenhouse Gas Protocol ("[GHG Protocol](#)") for the financial year 2021. The scope chosen for the analysis is the same as the one for the Group's operations: it includes Scope 1, covering direct emissions from fixed or mobile sources controlled by the organisation; Scope 2 covering indirect emissions linked to energy consumption; and Scope 3, upstream, covering indirect emissions linked to the upstream value chain.

In 2021, Sofidy entered into a partnership with EcoTree and financed the purchase of 1,000 trees in the Luthenay forest, in Burgundy, in an area classified as Natura 2000. With a team of forestry workers and ecologists, EcoTree establishes a silvicultural itinerary and a sustainable management plan for each forest purchased.

For the 2021 financial year, comprehensive work was carried out on the sites for scopes 1, 2 and 3 upstream, which explains a significant variation in emissions compared to the previous work (carried out in 2019). Thus, all of the Group's offices were included based on physical data or expenses incurred during the year. When physical factors were not available, they were estimated based on geographic and climatic data.

In addition, the 2021 carbon footprint includes sources of emissions previously considered non-material:

- Fugitive emissions (scope 1);
- Natural gas heating (scope 1);
- Emissions related to the transmission and distribution of electricity (scope 3 upstream);
- Employee home-office commuting (scope 3 upstream);
- Emissions related to the use of IT software (scope 3 upstream).

Scope 3 upstream includes first-ranking suppliers, excluding insurance and miscellaneous advisory services (administrative, banking, financial, legal, accounting, tax, marketing and communication). These intellectual services represent significant amounts due to their quality. However, Tikehau Capital believes that these services are intangible in nature and that their carbon footprint would be improperly understood by applying available monetary factors.

The carbon footprint below is presented according to the "location-based" rule where the electricity emission factors correspond to the average of the network in the area where the company is located.

### 2021 carbon assessment ("location-based")

#### Scopes 1-2

	Electricity and gas	Heating and cooling network	Fugitive emissions	SUB-TOTAL	TOTAL
<b>Emissions (in tCO<sub>2</sub>e)</b>	<b>355</b>	<b>207</b>	<b>737</b>	<b>1,299</b>	<b>9,763</b>
% of TOTAL	4%	2%	8%	13%	100%

#### Scope 3 upstream adjusted

	Transmission and distribution of electricity	Travel		IT equipment, rental and maintenance	IT software and services	Accommodation/catering	Others	SUB-TOTAL	TOTAL
		Business travel	Employee journeys						
<b>Emissions (in tCO<sub>2</sub>e)</b>	<b>303</b>	<b>2,403</b>	<b>553</b>	<b>2,357</b>	<b>1,320</b>	<b>749</b>	<b>779</b>	<b>8,464</b>	<b>9,763</b>
% of TOTAL	3%	25%	6%	24%	14%	8%	8%	87%	100%

Key indicators :	2021	2021 pro forma	2019
tCO <sub>2</sub> e emissions (scopes 1-2)	1,299	450	252
tCO <sub>2</sub> e emissions (scope 3) adjusted upstream	8,464	5,509	1,594

### Compensation approach

The Group buys certified carbon credits annually and then requests their cancellation from the registers. In 2020, Tikehau Capital purchased carbon credits representing more than 2,000 tCO<sub>2</sub> from the Katingan Forest Restoration and Conservation Project (known as the “Katingan Mentaya” project) in Central Kalimantan, a province in the Indonesian part of the island of Borneo.

The Group does not consider these credits as an authorisation to emit an equivalent quantity of greenhouse gases or a sufficient vector to make the company carbon neutral, but as a responsible company approach according to the polluter pays principle.

In addition, Tikehau Capital is determined to define a decarbonisation trajectory and actions within its scope of responsibility within a framework compatible with the Science Based Targets (“SBT”). As of the date of this Universal Registration Document, work is underway with Schneider Electric to define the Group’s trajectories in terms of its operations and the three business lines covered by the SBT methodology: Private Equity, Real Estate Assets and Capital Markets Strategies. Private Debt is not currently covered by the SBT methodology.

## 4.3.3 Human capital: diversity, attracting and retaining talent

### The employees

The Group’s employees are divided between:

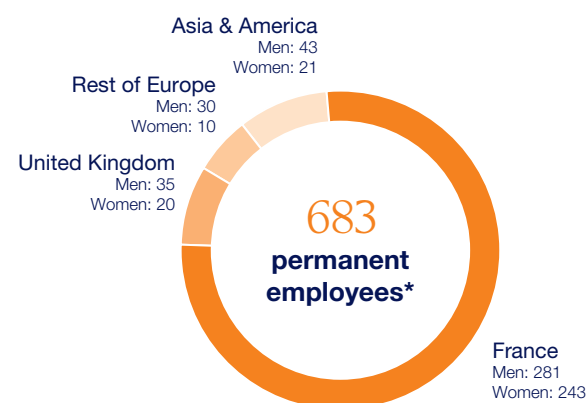
- the Company which combines the Group’s central functions since the Reorganisation;
- Tikehau Ace Capital;
- Tikehau Capital Europe;
- Tikehau Capital North America;
- Tikehau IM and its subsidiaries and branches;
- Credit.fr and Homunity;
- Sofidy and its subsidiaries;
- Star America Infrastructure Partners;
- IREIT Global Group; and
- FPE Investment Advisors.

To support the growing assets under management, headcount has been expanded significantly in recent years. Although most of the growth has been organic, the Group makes occasional acquisitions (such as the majority interest in FPE Investment Advisors in April 2021).

In 2020, the Group was already present in Amsterdam, Brussels, London, Luxembourg, Madrid, Milan, New York, Singapore, Seoul and Tokyo. The Group announced the opening of an office in Frankfurt in 2021 and in Israel in early 2022.

As at 31 December 2021, the Group’s permanent workforce was 683 permanent employees (including the two representatives of the Managers), against 594 as at 31 December 2020 and the Group’s total workforce (permanent and non-permanent) was 743 employees.

### Geographic breakdown of the Group’s workforce as at 31 December 2021



Permanent staff includes employees holding permanent contracts (*contrats à durée indéterminée*) for full-time or part-time work. At the date of this Universal Registration Document, no corporate officer of the Company or the representatives of the Managers was bound by a contract of employment. However, the representatives of the Managers are included in the permanent workforce.

Non-permanent staff includes employees holding full-time or part-time temporary contracts, including special temporary contracts such as work-study contracts (professionalisation), replacement contracts, seasonal work contracts, internships and apprenticeship contracts. Non-permanent staff does not include substitute workers, workers seconded by an outside company and who work at the Company’s premises, or temporary workers. The Group’s employees work in complex technical environments. As a result, Tikehau Capital employees are highly qualified and most of them have executive status. As at 31 December 2021, the average percentage of senior managers and management-level employees was close to 89%.

\* Including representatives of the Managers.

The table below presents the Group's permanent employees and any changes between 31 December 2020 and 31 December 2021.

	As at 31 December 2021	As at 31 December 2020
Number of permanent employees <sup>(1)</sup>	683	594
Percentage of permanent employees in total headcount	92%	91%
Percentage of women in permanent staff	43%	41%
Percentage of executives in permanent staff	89%	87%

(1) Including the two representatives of the Managers

The table below presents hires and departures within the Group (France and internationally) in 2020 and 2021. In 2021, 77 net new jobs were created (compared to 44 new jobs created in 2020), reflecting the Group's organic and continuous growth. In addition to this net increase, there are 12 permanent jobs related to the inclusion of FPE Investment Advisors employees and to internal mobility transfers.

	From 1 January to 31 December 2021	From 1 January to 31 December 2020 <sup>(1)</sup>
<b>TOTAL HIRES (PERMANENT CONTRACTS)</b>	<b>178</b>	<b>102</b>
Retirements and early retirements	2	0
Departures on the initiative of the employee	48	36
Departures on the initiative of the employer	18	7
Other departures <sup>(2)</sup>	33	15
<b>TOTAL DEPARTURES</b>	<b>101</b>	<b>58</b>

(1) Excluding Star America Infrastructure Partners

(2) Other departures include ending of contracts by mutual agreement

Key indicators:	2021	2020
<b>Net new jobs created</b>	<b>77</b>	<b>44</b>

Tikehau Capital welcomes requests for part-time work or specific adaptation following maternity leave or an exceptional family situation.

### Health and Safety

Health, hygiene and well-being at work are among the Group's priorities and are considered key challenges. In several countries, there are legal obligations in terms of health and safety at work to reinforce prevention and encourage dialogue with employees. In France, four meetings with elected members of the Social and Economic Committee are organised each year in addition to regular informal discussions, which make it possible to produce an action plan adapted to the situation. Most of the measures taken for France are rolled out to the rest of the Group where relevant.

In this context, several initiatives have been put in place. Each Group manager (in France and abroad) is trained in relationship intelligence and psycho-social risks by an occupational psychologist. The purpose of these training sessions is to prevent and detect situations that could generate risks for Tikehau Capital employees. These training courses are currently offered to all Group employees.

Particular attention is paid to the ergonomics of workspaces. Employees who wish to do so can benefit from adapted equipment (ergonomic ball, specific mouse, footrest). The Department works on this subject in partnership with the occupational health service in France and the elected members of the Social and Economic Committee. Each employee has an ergonomic chair and two screens. During lockdowns, the IT team made additional screens available to employees to enable them to benefit from a better home office setup.

In addition, the Management encourages employees to practise sport. In line with the actions undertaken in 2020, the Group provided several remote sporting sessions and, as soon as it was possible, organised sporting events for employees who wished to participate therein (for example, the ascent of Mont Ventoux by bike). In Paris, employees have access to a gym in the building. Lastly, company bikes were also offered to employees in France and the United Kingdom as a tax benefit. In addition, a platform dedicated to well-being at work has been set up for Parisian employees and its international extension is currently being studied. The platform provides webinars, and healthcare professionals are also available to support employees who wish to reach out to them. Lastly, employees are periodically trained in fire safety and volunteers are trained in first aid.



	From 1 January to 31 December 2021	From 1 January to 31 December 2020 <sup>(1)</sup>
Workplace accident frequency rate <sup>(2)</sup>	2.6	0
Absenteeism rate <sup>(3)</sup>	1.7%	1.5%

(1) Excluding Star America Infrastructure Partners.

(2) Number of accidents with lost time greater than one day per million hours of work.

(3) Including hours of absence for ordinary, work-related illness.

### Covid-19 pandemic

At the start of the epidemic in 2020, Tikehau Capital set up an *ad hoc* "Covid-19 coordinator" Committee composed of a representative of all key relevant Departments: Senior Management, internal audit, Human Resources, IT, General Services, Compliance and Legal Affairs, as well as representatives of staff representation bodies. Measures to preserve the health and safety of all those who work within or with the Group were deployed as an absolute priority.

Prevention is key, and efforts are being made at Tikehau Capital to fight this epidemic in an organised and effective manner.

### Diversity and inclusion

The Group believes in a critical and original way of thinking. Thus promoting a culture of diversity is at the heart of its success and recruitment strategy. The teams comprise 37 nationalities around the world.

The Human Capital Department is mobilised to diversify its sources of recruitment, encourage diversity within the Group, and fight all forms of discrimination. The recruitment firms used by Tikehau Capital are continuously made aware of the issue.

The Human Capital Department has formalised a diversity and inclusion policy at Group level that involves all management.

The Group trains Human Capital Department employees and raises awareness among all managers and employees involved in recruitment processes to prevent any unlawful discrimination in hiring on the grounds of colour, religion or belief, gender, national or ethnic origin, disability, age, nationality, family status, pregnancy or orientation. Specific training on impartial recruitment was offered to all employees involved in the Group's recruitment processes.

Tikehau Capital is committed to ensuring an environment that respects the dignity and professional contributions of each individual and is free from any form of discrimination. Discriminatory harassment, including sexual harassment, constitutes misconduct and is strictly prohibited.

### Diversity of professional backgrounds and profiles

The Group places great importance on the human qualities and professional behaviour of the profiles recruited as well as on the diverse range of professional backgrounds.

The Group strives to attract a variety of profiles, with prestigious backgrounds as well as atypical ones. When it comes to recruiting young people, the human capital team is in continuous contact with schools and various associations to set up dedicated and personalised events. Many initiatives are organised to meet new talent and promote Tikehau Capital throughout Europe and the United States.

In addition, partnerships have been set up with associations to promote exchanges and recruitments of interns with different backgrounds.

In France, the Human Capital Department has established a partnership with the *Institut de l'Engagement* to meet and support young people who have proven themselves through civic or associative commitment (see Section 4.3.4 (Relations with external stakeholders - Partnership and philanthropy initiatives) of this Universal Registration Document). In 2021, a candidate was recruited on a permanent contract.

In order to promote the integration of interns, the Human Capital Department has set up a community dedicated to interns and work-study students in France and abroad called "TKO Future Capital". Every month, members are invited to meetings led by the Human Capital team in order to discover the Group's business lines and enable them to create a network essential to their future careers.

Finally, the use of work-study programmes is strongly encouraged by teams, and several work-study students have become permanent employees. In 2021, the teams had 24 work-study students.

### Ethnic diversity

Legal constraints in France do not allow for factors likely to represent ethnic diversity to be taken into account. Thus, Tikehau Capital is working on this issue as a priority in countries where monitoring is possible.

In the United Kingdom, a partnership with the "100 black interns" association was set up to encourage diversity and the recruitment of interns. In 2021, two interns were hired and joined the Private Debt and Real Assets teams.

As an employer subscribing to the principle of equal access to employment, Tikehau Capital also encourages diversity in the recruitment in the United States.

## Gender balance

The industry in which the Group operates is marked by an over-representation of men. In this context, the Human Capital Department has implemented a proactive policy to further strengthen diversity and gender equality. Recruitment and promotion targets for women have been set, and the Group's teams have been made aware of this.

	At 31 December 2021	At 31 December 2020 <sup>(1)</sup>
Proportion of women in permanent staff	43%	41%
Proportion of women on investment teams <sup>(2)</sup>	27%	27%
Professional equality index, Tikehau Capital Economic and Social Unit <sup>(3)</sup>	82/100	NA <sup>(3)</sup>
Professional equality index, Sofidy	86/100	84/100

(1) Excluding Star America Infrastructure Partners.

(2) Women are better represented in other Group functions (human capital, legal, compliance, ESG, etc.)

(3) Tikehau Capital Economic and Social Unit (UES) was formed in 2021 and includes Tikehau Capital SCA, Tikehau IM and Tikehau Ace Capital. In 2020, Tikehau IM and Tikehau Capital Advisors (before the transfer of the Group's corporate functions to Tikehau Capital SCA as part of the Reorganisation) obtained professional equality index scores of 76 and 78/100, respectively.

Whenever possible, the Group's recruitment policy aims to promote female applications for job openings, and particularly for investment business lines, in order to promote a gender balance. Recruitment initiatives are carried out both for internship populations (who may eventually become permanent employees) and for permanent employees. Career development actions are also carried out and special attention is paid to women returning from maternity leave in terms of promotion and salary development.

In the context of the mandatory introduction of a workplace gender equality index in France, the Human Resources team has been monitoring five indicators:

- 1/ gender pay gap;
- 2/ differences in the distribution of individual increases;
- 3/ difference in the distribution of promotions;
- 4/ number of employees with a raise upon returning from maternity leave; and
- 5/ parity among the ten highest paid employees.

These indicators are monitored in the French entities and internationally, and are intended to be improved.

The Managers have set targets in terms of gender balance for the Group's governing bodies as well as the time horizon for achieving them, and has determined the terms and conditions for their implementation. The Managers do not rely solely on the Executive Committee whose mission is to regularly assist it with all management decisions, but on several *ad hoc* Committees that bring together representatives of the senior management of the Group and are involved in their own fields. The objectives in terms of diversity of the Group's governing bodies have therefore been defined for a population corresponding to the Group's senior management, *i.e.* employees with the rank of Managing Directors and Executive Directors. These two grades are the highest within the Group and include employees who are at the head of business lines or support functions, who have real autonomy and/or who are part of the succession plan for managers of business lines or support functions.

At 1 January 2022, 24.5% of Managing Directors and Executive Directors were women.

The Managers have set a target of increasing the proportion of women in the population of Managing Directors and Executive Directors of the Group from 26% at the end of 2023 to 28% at the end of 2025 and 30% at the end of 2027. These percentages include promotions that have already been announced but will not be effective until 1 January of the following year.

To achieve these objectives, the following actions were implemented in 2021:

- Raising managers' awareness of sexist biases, particularly in the context of recruitment, evaluations and promotions, including the organisation of a webinar on this subject;
- Establishment of gender diversity targets to be achieved within the teams, information for managers each quarter on the change in the percentage of women in their teams and consideration of gender diversity within the teams in the setting of the Group's non-financial objectives defined as part of the annual employee performance review;
- Raising awareness of the entire Group on gender and diversity issues through the organisation of two webinars, one led by a recognised neurobiologist, Dominique Vidal, on how biology and the socio-cultural environment determine cultural attitudes and identity, the other led by Jason Lamin, founder and CEO of Lenox Park Solutions, on diversity and inclusion;
- Participation in the Grandes Ecoles au Féminin survey on the impact of gender in risk management, organisation of a pilot group of managers on a "Recruit without discrimination" training course;
- Strengthening of links with associations that promote gender diversity in the financial sector and academia;
- Establishment and promotion of working conditions favouring flexibility (part-time, parental support, etc.), notably with the introduction of "Ma Bonne Fée", a tool offering parenting solutions and emergency childcare solutions;
- Measurement and analysis of pay gaps between men and women carried out during each salary level review, implementation of compensation grids for employees of investment activities aimed in particular at erasing salary differences between men and women.

(see Section 3.4.1 (Supervisory Board) of this Universal Registration Document.)

The following table presents statistics on gender balance in the permanent workforce from 1 January to 31 December 2021.

As at 31 December 2021 <sup>(1)</sup>	Before 2021 promotion			After 2021 promotion		
	Breakdown of permanent workforce	Number of women	Share of women	Breakdown of permanent workforce	Number of female promotions in 2021	Share of women
Managing Director (highest rank)	50	9	18%	65	5	22%
Executive Director	79	21	27%	98	5	27%
Director	112	32	29%	135	8	30%
Vice-Chairman	154	84	55%	183	10	51%
Associate	166	87	52%	191	11	51%
Analyst (lowest rank)	119	60	55%	119	NA	55%

(1) Group scope excluding the representatives of the Managers and one person from technical services without rank

In October 2021, the pay scale by rank was reviewed and harmonised between men and women with continuous experience. The Human Capital Department is also working on harmonising data between Group entities in order to better

identify gender pay gaps. Despite an egalitarian policy, the indicators by rank are not necessarily relevant due to the small size of certain groups. The Group is committed to increasing the scope of reporting.

31 December 2021	Permanent workforce	Basic gender pay gap <sup>(1)</sup>
Investment teams - Europe excluding Sofidy	68	1.2%

(1) Calculation on the basis of the theoretical salary at 31 December 2021 and the variable remuneration in January 2022 in respect of 2021 for employees continuously present throughout 2021.

Furthermore, the Group wishes to raise the awareness of all employees about gender bias issues. At the end of 2020, the Human Capital Department set up partnerships with networks of women present in business schools and universities. It also explored gender bias awareness among various stakeholders, and a webinar was offered to all Group employees in the first quarter of 2021.

### Employment of people with disabilities

In France, the Group's contribution to the employment and integration of disabled people is reflected in its choice of suppliers who employ people with disabilities. The Paris office has thus selected the disability-friendly company Cèdre for recycling and the *Etablissement et Service d'Aide par le Travail* (ESAT) *Le panier du citoyen* for the delivery of its fruit baskets.

In November 2021, Tikehau Capital took part in the European week for the employment of people with disabilities. Several initiatives were provided such as an webinar on disability to raise employee awareness, and a speech by an athlete with a disability to discuss and share their experience and perseverance. A fun workshop on five-a-side football for the visually impaired was also provided in the Parisian offices to enable employees to understand and experience the difficulties of a disabled athlete. Following these actions, one employee declared himself to be disabled.

At the end of 2021, Tikehau Capital appointed TH PARTNERH to promote the recruitment and inclusion of people with disabilities. A communication brochure was created and disseminated among all employees in early 2022.

### Talent recruitment, management and skills development

The recruitment and talent development policy is at the heart of the concerns of the management team and the Human Capital Department.

The Group seeks to attract diverse profiles and provides the means to do so (see Section 4.3.3 (Human Capital: diversity, attraction and retention of talent - Diversity of professional backgrounds and profiles) of this Universal Registration Document).

The talent management and retention policy involves a range of complementary initiatives: ongoing dialogue concerning career development, training, mobility opportunities, as well as attractive compensation packages and benefits enabling employees to plan for the future.

The Group has an internal grid for classifying positions by level of responsibility and defining objective and explicit criteria. The Group thus has a clear and objective procedure for the management of talent and promotions. As part of this procedure, the management team ensures that each appointment is documented, relevant and conducive to ensuring consistency and fairness within the Group.

The promotions procedure is broken down into the following steps:

- forms are sent to managers at the beginning of October (the forms are adapted according to the level of the position applied for);
- the managers return the completed forms to the human capital team;
- the human capital team verifies that the applications are consistent and then submits them to the Promotions Committee;



- the Promotions Committee assesses each application and makes a decision;
- the manager announces the news to the promoted employee;
- the final results are published on the Tikehau Capital intranet at the end of the process.

All promotions are effective from 1 January of the following year.

Particular attention is paid to the promotion of women within the Group (see Section 4.3.3 (Human Capital: diversity, attracting and retaining talent - Gender balance) of this Universal Registration Document).

### Permanent dialogue and feedback

All employees have periodic individual evaluation interviews. Employees may also benefit from a mentoring programme wherein they receive advice from more experienced employees and can discuss a range of topics such as their career development or the business culture.

To respond to the expectations of numerous employees to receive a qualitative feedback from their managers, the Group has introduced a pioneering digital tool that promotes and facilitates ongoing feedback and:

- a culture of ongoing dialogue, throughout the year, between managers and their teams;
- qualitative exchanges (regular performance interviews, project monitoring interviews) as part of a joint development approach to ensure personalised and flexible monitoring; and

- teamwork on multi-disciplinary projects, improving overall cohesion.

The Human Capital Department manages the permanent feedback tool using some indicators such as the frequency of exchanges among managers and employees and by remaining in close contact with managers.

### Training

The training provided within the Group aims to ensure that employees adapt to their jobs and to enable them to develop their skills. As part of its training plan, the human capital team monitors and ensures that all employees have access to diversified training. In 2021, a training management tool was selected and will be rolled out in 2022. The tool will enable interactive communication among employees, managers and the human capital team. In addition, an online training catalogue is available for employees in 2022.

The professional interview, which is obligatory every two years in France, is held every year for all Group employees and provides an opportunity to discuss the career aspirations and prospects of each employee. This also enables the Human Capital Department to identify the training needs of each employee and to communicate with them.

In the 2021 financial year, 6,863 hours (or 980 days) of external training were provided to all Group entities.

	From 1 January to 31 December 2021	From 1 January to 31 December 2020 <sup>(1)</sup>
<b>Training (permanent and non-permanent staff)</b>		
Total number of training hours	6,863	4,426
Proportion of employees having followed at least one external training course during the year	56%	51%
Annual training expenditure, excluding salaries paid (in thousands of €)	387	252

(1) Excluding Star America Infrastructure Partners.

Internally, presentations and training are also delivered by Group employees and cover awareness on compliance, cybersecurity, explanation of the various business lines and Group products, talent management (management, annual interviews, best recruitment and mentoring practice, welcome meetings for new recruits and business culture, etc.). Finally, ESG and CSR training is organised for all employees, irrespective of rank or activity.

Externally, the 2021 training plan has made it possible to finance training initiatives:

- technical and certification-based, enabling the upgrading and/or development of the skills required by the positions, including the obligatory certifications to occupy certain regulated positions;
- the development of interpersonal “soft skills”, including training on public speaking;
- managerial, to improve knowledge of Positive Leadership to boost the performance and workplace well-being of teams; and
- individual coaching offered to certain employees (new starters, management development).

The Tikehau Graduate Program is a programme that offers permanent contracts to promising young graduates with an international profile. Each graduate recruited benefits from cycles in different teams - investment, investment or corporate support - in France and internationally over a period of 18 months. At the end of this immersion, the graduate will join one of the Group's teams. At the same time, they also have privileged access to various training courses during their career. The campaign launched in 2021 was a great success and led to the recruitment of 12 young analysts.

Lastly, the Group has introduced a series of presentations called “Tikehau 360°” calling on high-level external stakeholders from all walks of life to broaden the perspectives of their employees and enrich their general culture. These conferences are an opportunity to discuss various topics such as finance, news, sport, culture, security, but also societal topics such as the environment or well-being at work. Other conferences are also presented by Group employees who discuss their activities, strategies and challenges and promote a better overall understanding of the Group's various activities in France and abroad and thus enable intra-business line cross-fertilisation.

## Mobility

Tikehau Capital is an organisation which promotes internal mobility:

- horizontal mobility (also called transversal mobility or functional mobility) is characterised by a change in job or business line but maintaining the same rank (five intragroup movements during 2021);
- vertical mobility refers to the situation of an employee who changes position in order to benefit from increased responsibilities; and
- geographic/international mobility refers to employees who change geographical location.

At a time when organisations and professions are constantly evolving, internal mobility is a key issue whether it is initiated by the employee or proposed by the employer. It fosters employee loyalty and talent retention and is a way to keep up the Group's competitiveness and level of performance. Mobility is not only a motivational factor for employees, increasing their investment in the workplace, but also an excellent way to develop new skills and learn. It is also an indicator of health and well-being within the Group.

The degree of involvement and the level of skill of the employee who applies for a job internally are already known or recognised and most importantly, the internal candidate has already absorbed the culture of the Company during their previous position, allowing a faster adaptation on the new position they take on. It allows for example the Group to convey its corporate culture to new structures opened abroad and offers diversified career paths valued by employees.

The Covid-19 pandemic severely limited international mobility opportunities, which is why the Group is implementing a proactive policy of international mobility throughout the Group in 2022.

## Remuneration and Benefits

The remuneration policy has several goals:

- ensure coherent remuneration within business lines and countries;
- be competitive as regards local market practices, to attract talent and retain loyalty while maintaining the Group's economic competitiveness;
- encourage and recognise collective and individual contributions; and
- promote fair remuneration and build trust.

Tikehau Capital must reconcile the demands of a highly competitive market with the expectations of investors, clients, shareholders and Group employees by ensuring the consistency of the remuneration policy with the Group's strategy and compliance with applicable regulations.

Human capital plays a key role in the Group's activities and the remuneration policy has a strong impact on competitiveness, allowing to both recruit and retain high-quality professionals.

The remuneration policy defines effective and responsible remuneration practices in order to avoid conflicts of interest, protect the interests of the Group's investor-clients and ensure that there is no incentive to take excessive risk. It also looks to contribute to the creation of long-term value for the Group.

Tikehau Capital pays particular attention to the alignment of long-term interests at all levels. All employees are eligible for individual incentives and bonuses. All positions starting with the associate level are also eligible for free shares. In addition, since 2021, ESG factors have been included in the variable compensation of all employees. In 2021, the bonuses took into account the Group's diversity performance. In 2022, 20% of variable remuneration will be indexed to a collective targets for assets under management dedicated to climate and biodiversity. The variable remuneration of identified persons is thus directly impacted by the attention they have paid to managing risks within their businesses and strict respect for internal procedures and compliance regulations.

Since March 2021, in accordance with the SFDR, the remuneration policies of Tikehau IM, Sofidy and Tikehau Ace Capital take into account the participation of employees in the relevant management company's ESG criteria policy which integrates sustainability issues see Section 1.4.3.3 (Other regulations - Regulation applicable to remuneration policies) of this Universal Registration Document).

Tikehau Capital has decided to set up a 2022 long-term incentive plan for some Group senior executives that will be paid out in cash based on the fulfilment of quantitative and qualitative criteria reflecting the Group's main financial and non-financial objectives (including ESG). This mechanism will be renewed for another period in 2022.

The motivation and commitment of employees are ensured by a policy of collaboration, shareholding and strong incentives that allow each one to benefit from Tikehau Capital's creation of shareholder value. The Group's employees based in France benefit from a profit-sharing and incentive agreement.

Remuneration and benefits in thousands of euros (permanent and non-permanent workforce)	From 1 January to 31 December 2021	From 1 January to 31 December 2020
Total payroll <sup>(1)</sup>	133,700	92,213
Percentage of employees benefiting from a profit-sharing arrangement <sup>(2)</sup>	86%	87%
Percentage of employee shareholders in the Company <sup>(3)</sup>	62%	60%

(1) Consolidated group. Employees of Tikehau Capital Advisors, in charge of the Group's corporate functions, were excluded in 2020. They were transferred to the Company as part of the Reorganisation and therefore appear in the information relating to the 2021 financial year.

(2) France scope

(3) Group scope. Employees who hold shares directly or indirectly, including and without limitation by way of a special purpose company or ad hoc vehicle or FCPE, or who have been allocated shares of the Company, even if they have not yet vested, in each case in accordance with any free share or performance plan implemented by the Company.

Since the listing of its securities on the regulated market of Euronext Paris, the Company has set up free share plans and performance share plans which are described in Section 8.3.2.2 (free share and performance share plans) of this Universal Registration Document.

It should be noted that around 120 senior corporate members have joined together to invest in a structure which owns an equity interest in Tikehau Capital Advisors and which receives 20% of the carried interest available from the funds managed by the Group. The remaining 80% is split equally between Tikehau Capital, Tikehau IM (or the Group's relevant asset management company) and Tikehau Capital Advisors. These carried interests exclusively concern some closed funds (performance fees for open funds are received in full by Tikehau IM or the Group's relevant asset management company) and enable receipt of a portion of the investor yields over and above an internal profitability level set out in the fund documentation. This structure incentivises these employees to achieve performance for the Group and its funds and creates solidarity across all business lines, avoiding any silo effect and allowing employees to participate in the control of the Group via its stake in Tikehau Capital Advisors.

#### 4.3.4 Relations with external stakeholders

##### Responsible purchasing policy

Given its activity in the service industry, the Group has very little exposure to issues related to the infringement of social rights or environmental risks at the level of its first rank suppliers. Nevertheless, for Investment and Asset Management activities, a responsible purchasing policy is a key ESG issue. Such a policy makes it possible to mitigate a large number of non-compliance risks, reputational risks and supply chain disruption risks in business sectors such as the manufacturing industry, agro-food, the textile industry or the healthcare and pharmaceutical industry.

##### Employee relations

Within the Group, discussion is facilitated via hands-on management which is accessible and attentive.

The Group respects the freedom of association and, in compliance with legal requirements, promotes the establishment of bodies tasked with encouraging employer-employee relations.

In 2019, professional elections led to the establishment of Social and Economic Committees (*Comité social et économique* - CSE) at Tikehau IM, Tikehau Capital Advisors and Sofidy.

In 2021, following the recognition of an Economic and Social Unit (*Unité Economique et Sociale* - UES), and as part of the Reorganisation, new UES SEC was set up. It thus represents Tikehau Capital SCA, Tikehau IM and Tikehau Ace Capital uniting the employee representative bodies of the three companies.

Approximately 40% of Group employees are covered by collective agreements, especially in France, Italy and Spain.

Lastly, dialogue with employees is encouraged and the Human Capital Department involves them in projects affecting the review of the remote working policy. In this context, workshops were organised across the Group to give employees a voice and offer them the most appropriate policy. The Human Capital Department also organises satisfaction surveys to improve the daily lives of Group employees.

Applying a similar level of requirements to its investments and those of its funds under management, the Group wishes to continue its efforts to meet high standards and requirements by strengthening its responsible purchasing policy, in order to integrate even more into its criteria selection, vigilance and assessment of the systems put in place by suppliers and their subcontractors in terms of (i) anti-corruption measures, (ii) respect for human rights, labour law and the development of human potential, (iii) business ethics, (iv) confidentiality and intellectual property, (v) the environment, and (vi) the supply chain.

In this approach, the Group has defined and made available to its teams standard clauses expected for the drafting and negotiation of contracts with its suppliers. This policy is also formalised in a document that is regularly updated and available on the Company's website.

## Partnership and philanthropy initiatives

Through its policy of partnership and philanthropy, the Group proactively supports initiatives and projects that reflect its values or pressing issues. Health, youth and climate and biodiversity are

the priority themes of engagement, with a desire to forge partnerships, some of which are multi-year, between Tikehau Capital and associations working on these themes.

### Key indicators as of 31 December 2021:

<b>Associations supported in 2021<sup>(1)</sup></b>	<b>21</b>
<b>Total amount of donations<sup>(2)</sup></b>	<b>&gt; €550K</b>

(1) Excluding seven associations supported through Tikehau IM funds.

(2) Including around €150K related to Tikehau IM fund management fee repayments.

### In the field of health

After contributing to Covid-19 research in March 2020 by making a significant donation to the Assistance Publique-Hôpitaux de Paris (AP-HP), Tikehau Capital became a “*Grand Mécène*” (Major Patron) of **Fondation AP-HP** in 2021 to support innovation in health, the teams of the 39 AP-HP hospitals and accessibility to health care for all.

In 2021, the Group also supported the **Institute Curie’s Research Center** in the United States to advance cancer research, as well as the associations **Helebor**, which contribute to the development of palliative care and the improvement of the quality of life of seriously ill people in France, and **Paratonnerre**, which brings together families of children affected by the Febrile Epilepsy Syndrome (FIRES).

Tikehau Capital also decided to support an academic hospital system, the **Chaire de Philosophie à l’hôpital**, over the 2022-2024 period. It is a teaching and research programme designed to combine theory and practice by working with caregivers, patients, students, stakeholders in the healthcare system, as well as the general public.

### In the field of youth

Since 2019, Tikehau Capital supports the **Institut de l’Engagement**, which enables thousands of young people who are involved in volunteering to promote their civic engagement and structure a project for the future through individual support. As part of this partnership, Tikehau Capital’s teams participate in the selection of future laureates, in the initial phase of examining applications and in the oral interview phase. Moreover, the Group values participation in the *Institut de l’Engagement* when recruiting interns.

Tikehau Capital also supports two associations in Spain: **Fundación Exit**, which fights against young people dropping out of school, and **Junior Achievement**, which provides local learning centres that support young people and help them succeed and find their way.

In September 2021, Tikehau Capital supported the development of **Espérance banlieues** by contributing to the construction of the new Cours Charlemagne premises in Argenteuil (France). The *Espérance banlieues* network is developing an innovative school model specialising in the educational challenges of the French suburbs by preventing school drop-outs and promoting the social and cultural integration of young people. It is based on individualised monitoring of students (made possible by working with small groups), learning focused on fundamentals (reading, writing, counting) and a strong involvement of parents in education.

In 2021, Tikehau Capital also decided to support the **Rugby French Flair** association, notably as part of its commitment to contribute to the development of the Zazakely Orphanage, which works to improve the living conditions of underprivileged children. Rugby French Flair allocates the donations it receives to local organisations that care for young people. The goal is to offer these children, often orphans, values and activities to help them face the violence of their living environment (trafficking, prostitution, recruitment into armed groups), in a context of extreme poverty (Madagascar, Senegal, Colombia, Cuba, Panama, etc.).

In 2021, Tikehau Capital also supported the **Life Project for Youth** association, which develops solutions for the professional and social inclusion of young people aged 17 to 24 living in extreme poverty and who are victims of exclusion in 13 countries in Asia, the Middle East, Europe and America.

### In the field of climate and biodiversity

Since 2018, the Group has supported the association **Entrepreneurs du Monde** which supports the economic integration of disadvantaged people by offering micro-finance services, to contribute to the creation of very small businesses

At the beginning of 2021, Tikehau Capital made a commitment for a period of five years to the *Océan Polaire* association, founded by the doctor and explorer Jean-Louis Etienne as part of its **Polar Pod** project. *Océan Polaire* organises educational and scientific expeditions and missions in the polar regions. Polar Pod is an extraordinary maritime exploration, as well as a technological challenge for the study of the Southern Ocean that surrounds the Antarctic. The Southern Ocean is a major player in the climate system because its cold waters are one of the main carbon sinks. The Southern Ocean also has a rich biodiversity. Non-motorised, the Polar Pod will be silent and allow an unprecedented underwater life census. The purpose of this expedition, which is to be launched in 2023, is to enable the acquisition of long-term data and observations that will be sent to partner researchers, oceanographers, climatologists and biologists. 43 scientific institutions from 12 countries are already involved in the project.

and facilitate access to clean energy. In 2021, Tikehau Capital supported a programme launched in the Philippines to promote access to clean, economical and modern energy for the most disadvantaged populations.



The Polar Pod, a huge vertical boat, is due to sail in December 2023.

In autumn 2021, Tikehau Capital supported the **Défi Titicaca** challenge undertaken by three high-level athletes: Theo Curin, young Paralympic swimmer, Malia Metella, Olympic swimming runner-up, and Matthieu Witwoet, eco-adventurer. Theo Curin, at the origin of this project, had all four limbs amputated after very suddenly contracting meningitis at the age of six, and he overcame his disability by swimming. At the end of 2021, the three athletes swam across Lake Titicaca, located between Peru and Bolivia at an altitude of more than 3,800 meters and stretching over 122 kilometres in total autonomy, using a raft specially designed for the occasion. Beyond the sporting challenge, this expedition was also an opportunity to highlight the situation of Lake Titicaca, threatened by urbanisation and global warming, and to provide assistance to disadvantaged local communities.

Finally, Tikehau Capital decided to sponsor the initiative of Romain Pilliard and Alex Pella, skippers of the trimaran **“Use It Again”**, which will attempt to sail around the world in reverse, against the prevailing winds and currents, in December 2021.

The trimaran was refurbished over 15 years after it first sailed, with careful attention being paid to the choice of materials used and the transformation or recycling of obsolete equipment. In early February 2022, the trimaran ran aground in gusting winds in southern Chile, but Romain Pillard hopes to continue promoting the circular economy. Depending on the condition of the boat, he hopes to continue his round-the-world in reverse journey. The objective of this expedition is also to carry out the first global mapping of oceanic sounds in order to support the work of a scientist specialising in the sound emissions of cetaceans and the noise pollution of the oceans.

### Supporting the independence of the most vulnerable with CARAC

Since June 2011, Tikehau IM and *Mutuelle d'Épargne, de Retraite et de Prévoyance CARAC* (“CARAC”) have joined forces to create an associative savings product via the *Tikehau Entraid'Épargne Carac fund* (TEEC).

## 4.4 CROSS-REFERENCE TABLE - ARTICLES L.225-102-1 AND L.22-10-36 OF THE FRENCH COMMERCIAL CODE

The following table presents a cross-referencing of the information published in this Universal Registration Document with the provisions of Articles L.225-102-1 and L.22-10-36 of the French Commercial Code.

Headings in the regulation	Relevant Section
Description of the main non-financial risks	Section 4.1.5
Description of the impact of non-financial risks on categories mentioned in paragraph III of Article L.225-102-1 and in paragraph II of Article L.22-10-36 of the French Commercial Code	See details below

Theme	Description of the strategy put in place	Relevant Section
<b>The way in which the Company takes into account the social and environmental consequences of its activity</b>	The Group's responsible investment strategy details the consideration of social/societal and environmental factors.	Section 4.2
<b>The effects of its activity on respect for human rights</b>	In its Investment activity, the Group carries out reasonable due diligence regarding the compliance with the provisions of the International Labour Organization's fundamental conventions. Where relevant, the Group supports the portfolio companies in formally establishing a Code of ethics. Furthermore, the Group is vigilant in the selection of its suppliers and is working on a Sapin II Code.	Section 4.2
<b>The effects of its activity on the fight against corruption</b>	Since July 2011, Tikehau Capital has incorporated the principles included in the "UK Bribery Act" in its various compliance manuals. The UK Bribery Act seeks at fighting against corruption and has an extra-territorial scope. A Code of conduct Relating to the Prevention of Corruption and Influence Peddling was introduced in 2020. This code sets out the definition of illicit behaviour (corruption, influence peddling, abuse of corporate assets, etc.), the associated risks for the development of the Group's activities, the guidelines to be adopted and a procedure to ensure the implementation of the system (including roles and responsibilities, whistleblowing procedure, associated sanctions). The teams of each of the Group's entities are especially aware of the risks of non-compliance of all kinds and of corruption.	Section 4.3.1
<b>The effects of its activity with respect to tax evasion</b>	In terms of the fight against tax evasion, Tikehau Capital has set control measures to ensure that its operations comply with tax laws and regulations. Tikehau Capital is bound to comply with the new requirements regarding tax declaration obligations, and will work to implement the new obligations that are part of anti-tax evasion rules implemented globally. The teams of each of the Group's entities are especially aware of the risks of non-compliance, including risks relating to tax evasion. For its investment activities, the Group has defined a three-tier ESG watchlist. Any company exposed to tax havens is scrutinised by the compliance team.	Section 4.2
<b>Information related to the consequences on climate change of the Company's activity and the use of the goods and services it produces</b>	Tikehau Capital revised its Sustainable investment charter (ESG, biodiversity and climate policy) in May 2021 and is actively working on strengthening its approach to climate-related risks (physical and transition risks).	Section 4.2.6

Theme	Description of the strategy put in place	Relevant Section
<b>Its societal commitments in favour of sustainable development</b>	Tikehau Capital is committed to financing the real economy and financing the growth of companies that have immediate mechanisms for contributing to the energy and environmental transition.	Sections 4.1.1 and 4.2.5
<b>The circular economy</b>	All Group employees are encouraged to limit their consumption and to sort recyclable waste materials and packaging. The circular economy impacts the activities and assets of the Group's four business lines in a wide variety of ways.	Section 4.3.2
<b>Combating food waste</b>	Given its activity and the nature of its investments, the Group is not heavily exposed to food precarity-related issues.	Non-applicable
<b>Combating food insecurity</b>	Given its activity and the nature of its investments, the Group is not heavily exposed to food waste-related issues.	Non-applicable
<b>Respect for animal well-being</b>	The Group's ESG watchlist refers to offences against animal welfare and asks investment teams to seek advice from their entity's ESG Committee in the event of any doubt (for example activity linked to exotic leather). However, because of its activity and the nature of its investments, the Group is not heavily involved in animal welfare issues.	Non-applicable
<b>Responsible, fair-trade and sustainable food</b>	Given its activity and the nature of its investments (low exposure to the agri-food sector), the Group is not heavily involved in issues related to equitable and sustainable food. Nevertheless, the Group chooses its suppliers mindfully. For example, <i>Le Cercle</i> was chosen as the caterer to supply the meal trays for the Paris office. <i>Le Cercle</i> offers local, seasonal products, and it has developed a partnership with the Bec Hellouin permaculture farm.	Non-applicable
<b>Collective agreements within the Company and their impacts on the Company's economic performance</b>	The Group pays special attention to employee dialogue and, in accordance with the regulations, has established Social and Economic Committees within the relevant French entities. In particular, the Group has established a profit-sharing agreement for employees based in France. More information on the list of collective agreements is available on request.	4.3.3
<b>Employee working conditions</b>	Employee well-being is at the heart of the Group's CSR strategy. Health and safety indicators are monitored.	4.3.3
<b>Action against discrimination and to promote diversity</b>	The Group believes in a critical and original way of thinking. Thus promoting a culture of diversity is at the heart of its success and recruitment strategy. The Group trains Human Capital Department employees and raises awareness among all managers and employees involved in recruitment processes to prevent unlawful discrimination in hiring on grounds of colour, religion or belief, gender, national or ethnic origin, disability, age, nationality, family status, pregnancy or orientation. The Group also encourages the promotion of diversity within the companies it finances, where proximity to the Company allows, and the Group promotes the appointment of women to governance bodies.	4.3.3
<b>Measures taken in favour of people with disabilities</b>	In France, the Group's contribution to the employment and integration of disabled people is reflected in its choice of suppliers who employ people with disabilities. The Paris office has thus selected the disability-friendly company Cèdre for recycling the Etablissement et Service d'Aide par le Travail (ESAT), <i>Le panier du citoyen</i> for the delivery of its fruit baskets.	4.3.3

## 4.5 CROSS-REFERENCE TABLE - REGULATION (EU) 2019/2088

The following table cross-references the information published in this Universal Registration Document with the provisions of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability disclosure in the financial services sector.

Theme	Description of the strategy put in place	Relevant Section
<b>Transparency of sustainability risk policies at entity level (Article 3)</b>	<p>The integration of ESG risks is at the heart of the responsible investment strategy of Tikehau Capital and its subsidiaries. “Sustainability risk” is the risk that an environmental, social or governance event or condition will have a material adverse effect, real or potential, on the value of investments made by the Group and its investment subsidiaries. The Company and its subsidiaries integrate sustainability risks into their investment decision making process and perform reasonable due diligence on key adverse impacts.</p> <p>Beyond regulatory requirements, the Group aims to integrate ESG criteria into the core of its investment process as it believes that these criteria have a material impact on the risk-adjusted financial performance of the asset under consideration. These risks are identified, monitored and controlled by the management companies of the Group using a qualitative process (<i>i.e.</i> exclusion policy, negative and positive screening, review of controversies, etc.) in the best interest of investors.</p>	Section 4.2.1
<b>Transparency of adverse sustainability impacts at entity level (Article 4)</b>	<p>Tikehau Capital’s integration approach goes beyond the consideration of ESG risks and also covers sustainability externalities. The Group has adopted a holistic approach to identify the potential positive and negative impacts of the companies, assets and projects it finances along their entire value chain (<i>i.e.</i> supply chain, operations and products and services).</p>	Section 4.2.3
<b>Transparency of remuneration policies in relation to the integration of sustainability risks (Article 5)</b>	<p>Since March 2021, the remuneration policies of Tikehau IM, Sofidy and Tikehau Ace Capital take into account sustainability risks and participation of employees in the ESG criteria policy of the management company concerned.</p>	Section 1.4.3.3
<b>Integration of sustainability issues in pre-contractual documents and periodic reports of financial products (Articles 6, 8 and 9)</b>	<p>In 2020, Tikehau Capital initiated a project to strengthen the ESG disclosures in the pre-contractual documents of its financial products to include an explicit description of sustainability risks and integration strategies throughout the investment cycle. A dedicated report or ESG Section is included in the annual/periodic reports of the main funds managed by Tikehau Capital’s investment subsidiaries.</p>	-
<b>Transparency on ESG integration on the website</b>	<p>The Group’s responsible investing policy is available on its website: <a href="https://www.tikehaucapital.com/en/our-group/sustainability/Publications">https://www.tikehaucapital.com/en/our-group/sustainability/Publications</a></p>	-

Cross-reference tables to the Sustainability Accounting Standards Board (SASB) and Global reporting Initiative (GRI) standards are included in the Group’s 2020 Sustainability report available on its website: <https://www.tikehaucapital.com/en/our-group/sustainability/Publications>



## 4.6 EXTERNAL AUDITOR'S REPORT

### FINEXFI

Head office: 96 Boulevard Marius Vivier Merle, 69003 LYON  
Limited liability company (S.A.R.L.) with capital of €40,000.  
537 551 434 Lyon Trade and Companies Register

To the shareholders of Tikehau Capital,

Following the request made to us by the company Tikehau Capital SCA (hereafter, the "Entity") and in our capacity as an independent external auditor, operating under COFRAC Inspection registration No. 3-1081 (whose scope can be viewed at [www.cofrac.fr](http://www.cofrac.fr)), we present our report on the Statement of non-financial performance for the year ended 31 December 2021 (hereafter, the "Statement"), presented in the Group's management report pursuant to the laws and regulations in Articles L.225-102-1, L.22-10-36, R.225-105-1 and R.22-10-29 of the French Commercial Code.

#### The Entity's responsibility

It is the Managers' responsibility to produce a Statement that complies with the legal and regulatory provisions, including a business model<sup>(1)</sup>, a description of the main non-financial risks, a presentation of the policies implemented to manage these risks and the results of these policies, including key performance indicators. The Statement was drawn up by the Entity in accordance with the framework used (the "Framework"), the key points of which are set out in the Statement.

#### Independence and quality assurance

Our independence is defined as required by Article L.822-11-3 of the French Commercial Code and the professional Code of ethics. We have implemented a quality control system that includes documented policies and procedures to ensure compliance with ethical rules, professional doctrine and applicable law and regulations.

#### Responsibility of the independent external auditor

Based on our work it is our responsibility to express a reasoned opinion with moderate assurance on:

- the Statement's compliance with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraphs I.3 and II of the Article R.225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators and actions taken to address the main risks, (the "Information").

It is not our responsibility to express an opinion on:

- the Entity's compliance with other applicable laws and regulations, including those on the plan for vigilance and combating corruption and tax evasion;
- the compliance of products and services with applicable regulations.

#### Nature and scope of work

We conducted the work in accordance with the standards applicable in France determining the conditions under which the independent external auditor conducts its assignment and the ISAE 3000 international standard.

Our work was carried out between 18 February 2022 and 17 March 2022 and lasted approximately 10 person-days.

We conducted 10 interviews with the people responsible for the Statement.

Based on our work we are able to express an opinion on the Statement's compliance with the regulations and the fairness of the Information:

- we have reviewed the activities of all companies in the scope of consolidation, the presentation of the main corporate and environmental risks related to these activities, and, their effects on human rights and combating corruption and tax evasion as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Group Framework as regards its relevance, completeness, reliability, neutrality and comprehensibility, considering where applicable best practice in the sector;
- we verified that the Statement covers each information category required as per paragraph III of Article L.225-102-1 on social and environmental matters as well as per paragraph II of Article L.22-10-36 on respect for human rights and combating corruption and tax evasion;
- we verified that the Statement includes the business model and main risks inherent in the activities of all entities in the consolidation scope including, where relevant and proportionate, the risks generated by their business relations, products and services and also the policies, actions and results, including the key performance indicators;
- we verified, where relevant in terms of the key risks or policies listed, that the Statement contains the information required by paragraph II of Article R.225-105;
- we reviewed the process of identification and validation of principal risks;
- we inquired into the existence of internal control and risk management procedures put into place by the Entity;
- we reviewed the consistency of the results and key performance indicators with the principal risks and policies presented;

(1) Tikehau Capital's business model is presented in the introduction to this Universal Registration Document.

- we verified that the Statement covers the consolidated scope, *i.e.* all companies included in the scope of consolidation in accordance with Article L.233-16;
- we assessed the collection process implemented by the Entity to ensure the thoroughness and accuracy of the Information;
- we conducted, for the key performance indicators and other quantitative results that we considered most important:
  - analytical procedures consisting of verifying the due consolidation of the data collected and the consistency of their changes;
  - detailed tests, on a sample basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documentation. This work was conducted on a selection of contributing entities<sup>(1)</sup> and covers between 28% and 100% of the consolidated data of the key performance indicators selected for these tests<sup>(2)</sup>;
  - more specifically, concerning the key performance indicators related to the Group's bank credit line ((i) amount of assets under management dedicated to climate and biodiversity, (ii) feminisation of management, and (iii) alignment of interests), the work covers all consolidated entities as well as 100% of the consolidated data for the key performance indicators selected by these tests;
- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and outcomes) which we considered most important;
- we reviewed the overall consistency of the Statement in light of our knowledge of all companies in the scope of consolidation.

We consider that the work we have done, in our professional judgement, allows us to form a conclusion with moderate assurance. A higher level of assurance would have required a more extensive audit process.

Because of the use of sampling techniques as well as other limits inherent to the functioning of any internal information and control system, the risk of not detecting a material misstatement in the Statement cannot be eliminated completely.

### Comments on the Information

As part of its Investment activity, the Tikehau Capital Group has included in its consolidated extra-financial performance statement its responsible investment approach and its ESG policies.

### Conclusion

Based on our work, with the exception of the points raised above, we have not identified any material misstatements likely to call into question the fact that the Statement of Non-financial Performance and Information, taken as a whole, are presented fairly and in accordance with the Group Framework.

Lyon, 17 March 2022

FINEXFI

Isabelle Lhoste, Partner

(1) Entities selected: Tikehau Capital SCA, Tikehau Investment Management Paris, Sofidy.

(2) Indicators verified in the Statement: Sections 4.1.4 (History and recognition of Tikehau Capital's commitment); 4.1.5 (Identification and response to material non-financial challenges); 4.2 (Responsible investment approach), 4.3.1 (Governance and business ethics); 4.3.2 (Measuring Tikehau Capital's environmental footprint); 4.3.3 (Human capital: diversity, attracting and retaining talent), with the exception of remuneration and benefits in kind.