

Sustainable Bond Framework



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Sustainability and responsible investments at Tikehau Capital

Tikehau Capital is a global alternative asset management group (the “Group”) with €40.5 billion of assets under management (as of 30 June 2023). Tikehau Capital has developed a wide range of expertise across four asset classes (Private Debt, Real Assets, Private Equity and Capital Markets Strategies) as well as multi-asset and special opportunities strategies. Tikehau Capital is a founder led team with a differentiated business model, a strong balance sheet, proprietary global deal flow and a track-record of backing high quality companies and executives. Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society. Leveraging its strong equity base (€3.1 billion of shareholders’ equity as of 31 December 2022), the firm invests its own capital alongside its investor-clients within each of its strategies. Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 742 employees (as of 31 December 2022) across its 15 offices in Europe, Middle East, Asia and North America. Tikehau Capital is listed in compartment A of the regulated Euronext Paris market (ISIN code: FR0013230612; Ticker: TKO.FP). More information at www.tikehaucapital.com.

Tikehau Capital Sustainable Approach

Tikehau Capital is defined by its entrepreneurial mindset. Our mission is to direct global savings towards innovative and adapted financing solutions that create sustainable value for all stakeholders and accelerate positive change for society.

Tikehau Capital is committed to managing the long-term savings entrusted to it by financial institutions, public bodies and individuals all over the world in a sustainable, efficient and responsible manner. These savings are invested by Tikehau Capital through tailor-made and innovative business financing solutions.

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 needs of companies, the lifeblood of the economy. Companies and real assets are selected on the basis of financial and operational data but also on the basis of environmental, social and corporate governance criteria. The consideration of the impacts of portfolio companies and assets on society is an integral part of Tikehau Capital’s approach across all of the Group’s business lines.

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, as such, the responsible investing policy or environmental, social and governance (“ESG”) investment policy underpins the Group’s sustainability approach. Tikehau Capital calls its progress approach “Sustainability by Design” because it is fully integrated throughout the investment cycle.

Tikehau Capital is committed to working to achieve standards in terms of Corporate Social Responsibility (CSR) and to adopting an ethical behaviour. The Company joined the United Nations Principles for Responsible Investment (PRI) in July 2014 and the United Nations Global Compact in February 2023.

Responsible Investing 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.

Tikehau Capital has established ESG governance covering all levels of the Group, from the Supervisory Board to operational task forces. In each of the asset classes, we adopt a disciplined Sustainability by Design approach. The Governance and Sustainable Development Committee of the Supervisory Board reviews the Group’s sustainability strategy and ensures its progress.

The Group's Sustainability Strategy Orientation Committee sets the rules and structure for sustainability initiatives, including the Group's net zero strategy. It defines excluded sectors, including the establishment of a Group-wide watchlist, and the identification of strategic collaborations and partnerships on sustainability issues.

The responsibility for ESG integration and engagement falls to the investment teams. As such, all investment analysts, managers, and directors are responsible for integrating ESG criteria into the fundamental analysis of investment opportunities. A director who is an expert in sustainable development has been appointed in each business line and is supported by ESG analysts and apprentices, who work alongside the investment teams to ensure the proximity, agility, development, and integration of sustainability criteria throughout the life of the investments. Under the leadership of each activity's sustainable development management team, task forces define the annual sustainability roadmap, make decisions specific to portfolio companies and report on their progress.

For Impact funds, an Impact Committee ensures that investment opportunities correspond to the mission of each fund (positive impacts) and that they comply with the principle of do no significant harm to other sustainable objectives.

In addition, the Sustainable Bond Allocation Committee oversees the allocation of our sustainable bond proceeds.

As of the date of this Document, the ESG team comprised twelve people. The ESG team oversees the integration of the ESG policy in all activities, and builds the capacities in ESG, impact, climate and biodiversity of the investment and management teams. The ESG team also participates in engagement measures with portfolio companies or progress plans for real assets.

Responsible Investing across Activities

The Group's responsible investment policy covers the full spectrum of responsible investment, from exclusions to the development of impact products dedicated to ESG issues. 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.

OUR SUSTAINABILITY BY DESIGN APPROACH



Pillar 1 – Exclusions

In addition to restricted geographies and activities prohibited under applicable national/European Union laws and international treaties, Tikehau Capital has defined an exclusion policy that covers sectors for which negative impacts on the environment or society have been demonstrated. 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, Universal Declaration of Human Rights, recommendations from international agencies, etc.), the Group consults its network of experts wherever relevant. Investments in activities that are listed in the exclusion list are prohibited at Group level and include:

- controversial weapons;
- prostitution and pornography;
- fossil fuels (conventional and unconventional hydrocarbons)¹; and
- tobacco and tobacco-related products.

Please see additional details in the [Group Exclusion Policy available here](#).

Furthermore, the Group has defined a Compliance & ESG watchlist that seeks to identify the activities may have negative external impacts on the environment or the society.

Topics linked to climate change are also taken into account in the risk analysis. Finally, the Compliance & ESG exclusion list and watchlist are reviewed and updated periodically to refine the positions, anticipate unhedged non-financial risks, as new situations arise.

Pillar 2 - ESG integration

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.

Tikehau Capital formalises its ESG approach through a non-financial analysis grid adapted to each activity. Within the Capital Markets Strategies, Private Equity and Private Debt business lines, the research and investment teams consider a series of ESG themes that affect the products and services and the operations of the companies concerned. For the Real Estate business line, the ESG rating grid includes the energy and carbon performance of buildings, the social impact of tenants' activities and the commitment of stakeholders.

Pillar 3 – Engagement

In addition to monitoring ESG risks and opportunities, Tikehau Capital engages with certain portfolio companies. Starting at the investment decision and throughout the holding period, Tikehau Capital promotes the adoption of practices that align financial performance with social and environmental impact. The Tikehau Capital investment teams and the ESG team maintain dialogue with the portfolio companies with a view to creating sustainable value.

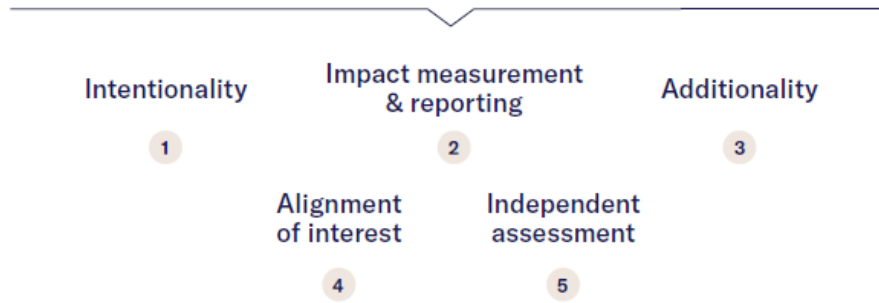
In Private Equity and Private Debt – the Group aims at working together with the management team, the equity sponsor and/or potential co-investors on ESG-related topics. During the real estate asset holding phase, the management teams aim to identify and implement relevant areas for improvement in order to enhance the non-financial performance of the real estate assets under management.

¹Tikehau Capital excludes new direct investments in companies with material exposure to fossil fuels as defined by the NGO Urgewald's Global Coal Exit List (GCEL) and Global Oil and Gas Exit List (GOGEL).

SUSTAINABILITY-THEMED INVESTMENTS

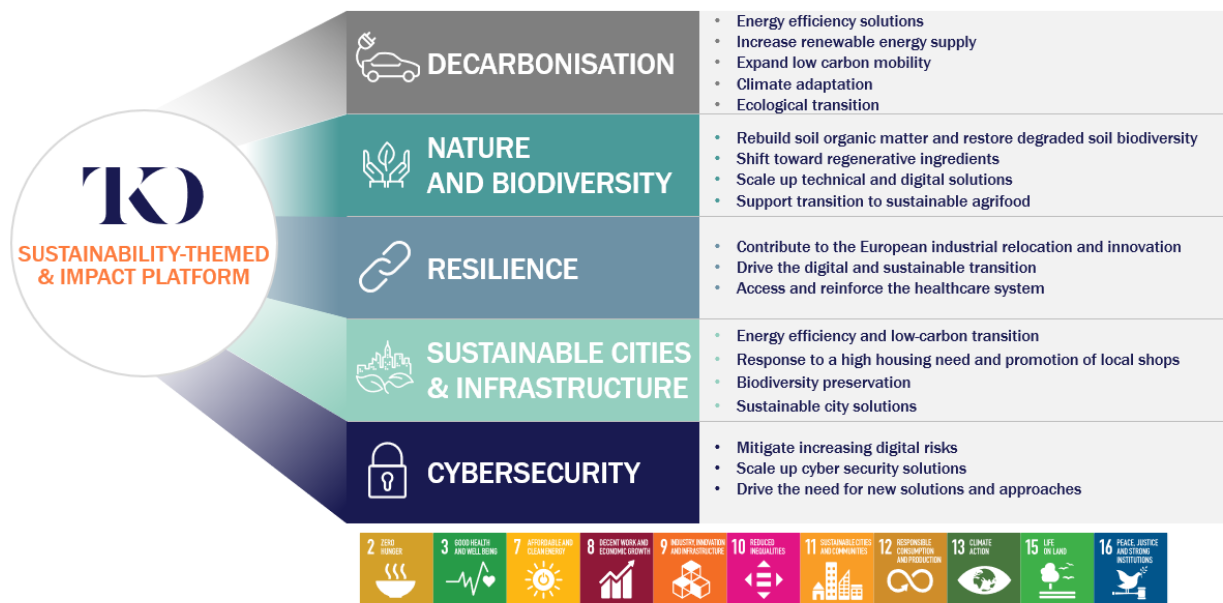
RESPOND TO **SOCIETAL CHALLENGES** WHILE GENERATING
COMPETITIVE FINANCIAL RETURNS FOR INVESTORS

IMPACT INVESTMENTS



Pillar 4 - Sustainability themed and impact investment

Sustainability-themed and impact investment was initiated in 2018 as part of the creation of the T2 Energy Transition fund. With a strong belief in its vocation to accompany the development of the economy, the Group has set itself the objective of developing a platform dedicated to sustainability-themed and impact investment around the below themes: (i) decarbonisation and ecological transition, (ii) nature and biodiversity, (iii) resilience, (iv) sustainable cities and infrastructure and (v) cybersecurity.



Tikehau Capital's Sustainable Bond Framework

In line with Tikehau Capital's commitment to sustainable finance, Tikehau Capital developed its inaugural Sustainable Bond Framework in March 2021. The Sustainable Bond Framework ("**Framework**") presented below was updated in July 2023 and incorporates guidance outlined in the ICMA's Green Bond Principles ("**GBP**") 2021, the Social Bond Principles ("**SBP**") 2023, the Climate Transition Finance Handbook ("**CTFH**") 2023 and the Sustainability Bond Guidelines ("**SBG**") 2021. Tikehau Capital plans to raise sustainable bonds for investments that deliver environmental and social benefits under this revised Framework.

Sustainable Bonds may be executed in any currency or tenor and with other terms and conditions, including covenants to reflect the financing strategy of Tikehau Capital.

The Framework is presented through the following four core components: (1) Use of Proceeds; (2) Process for Project Evaluation and Selection; (3) Management of Proceeds; and (4) Reporting.

2.1 Use of Proceeds

An amount equivalent to the net proceeds of each Sustainable Bond will be used to finance and/or re-finance in whole or in part, new and/or existing "**Eligible Sustainable Investments**", defined as:

Investments (in equity or debt² or in any other form whatsoever) into:

- "**Eligible ESG Funds**", as further described in Section 2.1.1 are investment funds managed by the Group, or an external asset manager, which contribute to positively to at least one of the Group "**Priority SDGs**" and provide measurable environmental and/or social impacts. and/or;
- "**Sustainable Assets**", *i.e.*, projects, assets or companies dedicated to:
 - Eligible Green Activities, as further described in Section 2.1.2.a and/or
 - Eligible Social Activities, as further described in Section 2.1.2.b

An amount equivalent to the proceeds of a Sustainable Bond issued under the Framework will be allocated to Eligible Sustainable Investments:

- that have already been disbursed, with a lookback period of no more than three years from the date of Sustainable Bond issue; or
- that have not yet been disbursed at the date of the Sustainable Bond issue, it being provided that Tikehau Capital will do its best efforts to allocate all of the net proceeds from any Sustainable Bond that may be issued in the future within three years of the issuance³.

Should any Eligible Sustainable Investments already allocated cease to meet the eligibility criteria, Tikehau Capital will remove such investment from the allocated amount and replace it with new Eligible Sustainable Investment(s).

Tikehau Capital may choose to extend the categories of Eligible Sustainable Investments in the future. Any such changes will be documented in an updated Framework and published accordingly on Tikehau Capital's website at <https://www.tikehaucapital.com>. Such extension would however not apply to outstanding Sustainable Bonds issued under a previous Framework.

² Mostly private debt

³ In the case of Eligible ESG Funds, the drawdown of Tikehau's capital committed to the relevant Funds is being made overtime and could occur beyond the three-year objective above

It should be noted that the definition of Eligible Sustainable Investments does not have a direct link to the definition of a sustainable investment according to Regulation (EU) 2019/2088 of the European parliament and of the council on sustainability-related disclosures in the financial service sector (“SFDR”). Eligible ESG Funds may fall under either SFDR Article 8 or Article 9 classifications, indicating that they may have a sustainable investment share lower than 100% according to SFDR criteria.

Eligible ESG funds" category inherently diverges from the ICMA standard in its use of proceeds. Within this category, bond proceeds are directed towards thematic investment funds overseen by either the issuing entity or an external asset manager. These thematic funds are tied to Tikehau Capital priority sustainability themes and goals, such as decarbonization, regenerative agriculture, cybersecurity, etc. However, it's important to note that this approach doesn't adhere strictly to the ICMA framework, as Tikehau Capital cannot specify exhaustive projects or expenditure categories until the ESG fund are fully invested.

2.1.1 Eligible ESG Funds

a. Selection process for Eligible ESG Funds

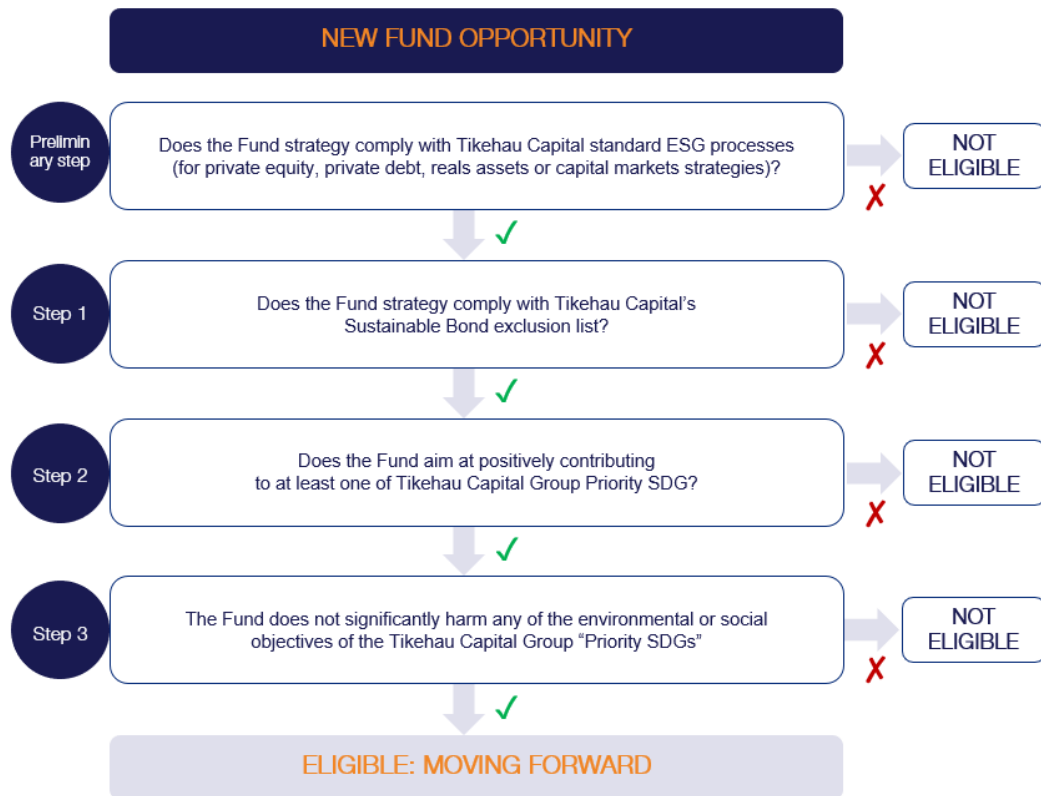
“**Eligible ESG Funds**” are investment funds managed by the Group, or an external asset manager that meet each of the following steps:

Preliminary step – Funds that comply with Tikehau Capital standard ESG processes described in the ‘Responsible Investing across activities’ section above, including exclusions criteria detailed in Pillar 1.

Step 1 – Funds that comply with the Sustainable Bond Exclusion List described in point 3.1.3 below.

Step 2 – Funds which contribute positively to at least one of the “**Priority SDGs**” defined by Tikehau Capital, i.e., SDG 3 (Good health and well-being), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reduced inequality), SDG 11 (Sustainable cities and infrastructure), SDG 12 (Responsible consumption and production), SDG 13 (Climate action) and SDG 15 (Life on land).

Step 3 – In relation to the principle of ‘do not significantly harm’, Eligible ESG Funds will consider principal adverse impacts on the climate and the environment as well as on governance, social and employee matters, , as described in section 2.1.4 “Principal adverse impacts” below.



In the case of funds managed by other asset managers, Eligible ESG Funds will need to demonstrate they follow substantially the same or more demanding ESG investment criteria and exclusion policies. Should Tikehau Capital choose to allocate Sustainable Bonds proceeds to such Eligible ESG Funds managed by third party asset managers, the relevant ESG processes will be detailed in the Sustainable Bond report.

Given its nature, the exhaustive listing of eligible investments for ESG funds is not feasible and the replacement selection criterion chosen is a positive contribution to priority Sustainable Development Goals (SDGs). As a result, the funding scope for ESG funds can extend beyond the Eligible Green and Social activities outlined in sections 2.1.2.a and 2.1.2.b.

b. Examples of themes targeted by Eligible ESG funds

Below is a non-exhaustive list of potential Eligible ESG Funds, which is presented for illustration purposes:

Respond to the climate and ecological transition emergency (SDG 7, 13 and 12):

Selected Eligible ESG Funds will finance companies and assets, which are directly involved in the global low carbon and ecological transition, including efficiency, electrification, low carbon energy & input, adaptation and other activities. This may include companies which are already pure players of the green economy (i.e., developing Eligible Green Activities), as well as companies enabling the environmental transition by transforming their business model (i.e., leveraging Eligible Green Activities to transform their activities and/or committed to a low carbon transition aligned with the Paris Agreement). Companies involved in environmental transition may demonstrate the following characteristics:

- The environmental transition is already core to their business model or represent a strong potential for the company's development strategy and relevant to the environmentally-material parts of the company's activity, and
- Climate transition strategy is measurable and includes specific targets and pathways, which can be externally verified, and
- Companies provide transparency with regard to the planned capital and operational expenditure decisions which will deliver the proposed transition strategy.

Finance an inclusive growth and employment generation in the real economy (SDG 8 and 10):

- Selected Eligible ESG funds will primarily finance SMEs and medium sized companies which the objective to contribute to resilience and employment generation.
- Selected Eligible ESG funds may also promote an inclusive growth (e.g., enhance diversity, decent employment and equal opportunities, encourage employee training schemes) through specific financing mechanism i.e. through ESG ratchets (with a minimum of 75% of instruments with such mechanism targeting either social or environmental objectives or a combination of both).
- Selected Eligible ESG funds may target companies run by women, army veterans and ethnic minorities.

2.1.2 Eligible Sustainable Assets

Eligible “Sustainable Assets⁴” are direct investments in projects, assets or companies dedicated to Eligible Green Activities and/or Eligible Social Activities, as described below.

Certain eligibility criteria for part of the Eligible Green Activities are based on the environmentally sustainable economic activities identified in the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy"). However, in the post investment phase, Tikehau Capital may not be able to demonstrate that either all technical screening criteria and/or that all do not significantly harm criteria are met and as a result, Tikehau Capital does not currently commit to investing in any "sustainable investment" within the meaning of the EU taxonomy.

a. Green Activities

Green Activities	Eligibility criteria
Renewable Energy	Investments in equipment, development, manufacturing, construction, operation, distribution and maintenance relating to renewable energy sources - including solar (solar thermal and solar photovoltaic), wind, geothermal, and bioenergy. Bioenergy projects can be considered eligible if they meet the EU Taxonomy technical screening criteria for the activity “4.8 Electricity generation from bioenergy” ⁵ .

⁴ As noted above, the definition of Eligible Sustainable Assets in this Framework does not have a direct link to the definition of a sustainable investment according to Regulation (EU) 2019/2088 of the European parliament and of the council on sustainability-related disclosures in the financial service sector (“SFDR”).

⁵ Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids, excluding electricity generation from blending of renewable fuels with biogas or bioliquids. EU taxonomy technical screening criteria include: (1) Agricultural biomass used in the activity complies with the criteria laid down in Directive (EU) 2018/2001. Forest biomass used in the activity also complies with the criteria laid down in that Directive; (2) The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001; (3) Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable; (4) Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels; (5) For electricity generation installations with a total rated thermal input from 50 to 100 MW, the activity applies high-efficiency cogeneration technology, or, for electricity-only installations, the activity meets an energy efficiency level associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques conclusions, including the best available techniques (BAT) conclusions for large combustion plants⁽¹⁷²⁾; and (6) For electricity generation installations with a total rated thermal input above 100 MW, the activity complies with one or more of the following criteria: (a) attains electrical efficiency of at least 36 %; (b) applies highly efficient CHP (combined heat and power) technology as referred to in Directive 2012/27/EU of the European Parliament and of the Council⁽¹⁷³⁾; and (c) uses carbon capture and storage technology. Where the CO₂ that would otherwise be emitted from the electricity generation process is captured for the purpose of underground storage, the CO₂ is transported and stored underground in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of this Annex.

	For electricity generation, direct emissions should remain below $\leq 100\text{g CO}_2\text{e/kWh}$ in line with the EU Taxonomy technical screening criteria.
Clean Transportation	Investment in (i) clean transportation, and (ii) services and infrastructure enabling clean transportation. (i) Clean transportation includes: investments in equipment, services, construction, and operations relating to clean transportation including: public transport ⁶ and zero direct (tailpipe) CO ₂ emissions vehicles. (ii) Services and infrastructure ⁷ enabling clean transportation includes investments in charging infrastructure for electric vehicles, infrastructure for personal mobility, cycle logistics, ⁸ and other dedicated, low-carbon infrastructures in line with the EU Taxonomy activity ⁹ .
Energy Efficiency	- Investment in energy storage (e.g. battery storage ¹⁰), smart grids ¹² , district heating or cooling ¹¹ , data centers ¹² , energy savings products and appliances ¹³ such as sensors, smart meters and building automation and control systems that achieve material energy savings ¹⁴ ; - Investments in energy efficiency of existing buildings: heating systems renovation, geothermal energy systems, insulation retrofitting, LED lighting.
Buildings	- Investments in new or recently built buildings that have obtained or expected to obtain one or more environmental certification or label (e.g. Energy Performance Certificates (EPCs) grade A ¹⁵ , BREEAM 'very good', LEED 'Gold' or HQE 'very good' or above); - Investment in major renovation of existing buildings in order to obtain at least one environmental certification or label and/or upgrade them in to the top 15% of the most energy-efficient buildings in the correspondent local market and/or demonstrate at least 30% of energy consumption savings.
Circular economy and/or certified eco-efficient products	Design and introduction of reusable, recyclable and refurbished materials, components, packaging and products; circular tools and services and/or certified eco-efficient products (e.g. cradle to cradle certified and bluesign® fabric) including: - Products based on electronic waste, products based (almost) exclusively on by-products, fibers made from 100% recycled materials, products based (almost) exclusively on recycled input materials, products based (almost) exclusively on recycled materials, products based (almost) exclusively on waste residues (e.g., bio-methanol), products based exclusively on waste residues, products derived from waste residues, products made from 100% recycled materials, products based almost exclusively on recycled fiber, products based (almost) exclusively on waste (includes

⁶ Zero direct emissions land transport activities (e.g. light rail transit, metro, tram, trolleybus, bus and rail) or other fleets if direct emissions are below 50 gCO₂ e/pkm until 2025 and only vehicles with net-Og CO₂ e/pkm emission intensity from 2026 onward, in line with EU Taxonomy.

⁷ Infrastructure for fossil fuels vehicles are excluded

⁸ In line with the EU Taxonomy activity "6.13. Infrastructure for personal mobility, cycle logistics", this is defined as the construction, modernisation, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist. The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refuelling installations for personal mobility devices.

⁹ In line with EU technical screening criteria for the activity "6.15. Infrastructure enabling low-carbon road transport and public transport", the transport infrastructure complies with one or more of the following criteria: (a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO₂ emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems; (b) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods; (c) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems. The infrastructure is not dedicated to the transport or storage of fossil fuels.

¹⁰ With a preference for renewable energy however ensuring to store and connect renewable energy only to a smart grid may not be possible for all projects

¹¹ In line with EU technical screening criteria for the activities "4.15. District heating/cooling distribution" and/or "4.25. Production of heat/cool using waste heat". For 4.15, the activity complies with one of the following criteria: (a) for construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU; (b) for refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling laid down in Article 2, point 41, of Directive 2012/27/EU starts within a three year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network; (c) the activity is the following: (i) modification to lower temperature regimes; (ii) advanced pilot systems (control and energy management systems, Internet of Things). For 4.25, the activity produces heat/cool from waste heat. Tikehau Capital notes that the source of waste heat could be waste-to-energy plants and industrial processes.

¹² Data centers targeting renewable clean energy and with a below average Power Usage Effectiveness (PUE) i.e. below 1.8x at the date of this Framework. During the Bond life cycle 100% powered by renewable energy sources for the duration of the bond life cycle.

¹³ In line with EU Taxonomy technical screening criteria for the activity "7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings". The activity consists in one of the following individual measures: (a) installation, maintenance and repair of zoned thermostats, smart thermostat systems and sensing equipment, including. motion and day light control; (b) installation, maintenance and repair of building automation and control systems, building energy management systems, lighting control systems and energy management systems; (c) installation, maintenance and repair of smart meters for gas, heat, cool and electricity; (d) installation, maintenance and repair of façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation.

¹⁴ Material energy savings are defined as achieving at least 30% energy consumption savings on average

¹⁵ Or in to the top 15% of the most energy-efficient buildings in the correspondent local market

	<p>fibers & fiber-based products and textiles; and products made from waste/bi-products (except biofuels)</p> <ul style="list-style-type: none"> - Products/services with a clear reuseability focus (reusable insulation materials, reusable products, refillable products, reusable cups/mugs, plates, bowls, utensils, rental operations (equipment rental sub-sector); and - Second hand products (clothing, apparel, books).
Environmentally sustainable management of land use and living natural resources	<ul style="list-style-type: none"> - Production of organic certified products (EU organic, USDA organic, and labels accredited by IFOAM (International Federation of Organic Agriculture Movements), Biological crop protection, Biological yield enhancers - Environmentally sustainable animal husbandry (improved health and nutrition mix)
Other Climate Change Mitigation and Adaptation activities	<p>Including:</p> <ul style="list-style-type: none"> - Carbon removal activities including those that generate carbon credits (with certification such as VCS, Gold Standard for Global Goals, American Carbon Registry and Climate Action Reserve Standard Plan Vivo) - Water and Wastewater Management : Manufacture, installation and associated services for leakage control technologies; Water supply, sewerage, waste management and remediation activities; Urban Waste Water Treatment and Sustainable urban drainage systems in line with the EU taxonomy activities “5. Water supply, sewerage, waste management and remediation”¹⁶

a. Eligible Social Activities

Social Benefits	Target population	Eligibility Criteria
<p>Access to essential services - Healthcare</p> <ul style="list-style-type: none"> - Supporting medical technology and life science 	<p>- All populations (including access for vulnerable or disadvantaged populations or including other social benefits)</p>	<ul style="list-style-type: none"> - Target innovative pharmaceuticals and healthcare companies contributing to progress in <ul style="list-style-type: none"> – prevention, diagnosis, therapies and monitoring – and enabling the life science industry to develop sustainable, cost-effective therapies more rapidly - Target medtech and biotech leveraging a new discovery in relation to healthcare
<p>Access to essential services - Education</p>	<p>- All populations (including access for vulnerable or disadvantaged populations or including other social benefits)</p>	<p>Increase access to affordable and quality technical, vocational and tertiary education, including university and associated core education infrastructure (e.g. schooling products & services, education platform or schools).</p>

2.1.3 Eligible Sustainable Investments Exclusions

In addition to the Group’s exclusion criteria detailed in section 2 (Pillar 1), Tikehau Capital has decided to apply a further level of exclusions to its Eligible Sustainable Investments¹⁷.

Tikehau Capital will not knowingly allocate Sustainable Bonds’ proceeds to assets or projects involved in the following activities:

- Sectors with potentially significant negative impact to the environment and biodiversity:
 - Mining, quarrying
 - Hydro-power with installed capacity >20MW
 - Biomass which is suitable for food source
 - Trade in wildlife and wildlife products

¹⁶ e.g. where relevant, the net average energy consumption for abstraction and treatment equals to or is lower than 0.5 kWh per cubic meter produced water supply. Net energy consumption may take into account measures decreasing energy consumption, such as source control (pollutant load inputs), and, as appropriate, energy generation (such as hydraulic, solar and wind energy); the leakage level is either calculated using the Infrastructure Leakage Index (ILI) rating method and the threshold value equals to or is lower than 1.5, or is calculated using another appropriate method. That calculation is to be applied across the extent of water supply (distribution) network where the works are carried out, i.e. at water supply zone level, district metered area(s) or pressure managed area(s).

¹⁷ Applicable at Sustainable Assets and ESG Funds level

- Sectors with potentially significant negative impact to human health or social cohesion, including:
 - Gambling industry
 - Alcoholic beverages
 - Tobacco and tobacco products and marijuana for recreational purposes
 - Human cloning for reproduction purposes

Tikehau Capital will not knowingly allocate Sustainable Bonds' proceeds to assets or projects with severe controversies¹⁸ which are not mitigated with a robust action plan:

- Serious public allegations of a United Nations Global Compact breach
 - Entities involved in corruption and money laundering
 - Entities involved in violation of human rights
 - Entities involved in violation of international labour standards incl. forced labour and child labour
 - Entities involved in severe environmental damage
- Severe governance breach
 - Abuse of management rights or serious conflict of interest
 - Very weak checks and balances compared to market standards
 - Tax evasion

2.1.4 Principal Adverse Impacts

Regardless of where the projects, assets or companies are situated, the Group will refer to the European Union mandatory environmental and social standards (e.g. assessment and management of environmental and social impacts and risks).

Moreover, where relevant, certain ESG criteria shall be carefully considered and monitored referring to international standards such as ISO and other leading certifications such as:

- Health & safety referring to existing policies for all activities and using ISO 45001/OHSAS 18001 for Green Activities and healthcare;
- Data protection for healthcare, education and other B2C or B2B services referring to ISO 27000 for cybersecurity;
- Environmental impact assessment in the planning phase and environmental management system during the operations for large infrastructure projects related to Green Activities, healthcare and education; and
- Quality management ISO 9001 for healthcare, education and other B2C or B2B services.

Regarding Social activities, specific attention will also be given to inclusion policies and practices.

In relation to the principle of 'do not significantly harm', Eligible Sustainable Investments will consider principal adverse impacts on the climate and the environment as well as on governance, social and employee matters.

A specific process has been implemented with regards to ESG incidents and potential principal adverse impacts pertaining to Eligible Sustainable Investments under the Framework:

- For Eligible Green and Social activities, the Group's ESG policies will be supplemented by additional, specific and mandatory standards (listed above) so as to avoid the inclusion of such projects into any Sustainable Investment.

¹⁸ At the date of this framework, controversies are assessed based on multiple sources including Worldcheck and other data providers (ISS-ESG controversy module, S&P CSA)

- The Sustainable Bond Committee shall meet at least annually. A specific report detailing the decision process for eligible investments approved for allocation as well as report of “no incident” shall be included in the documents provided to Sustainable Bond Committee.
- In case of an identified potential ESG incident or principal adverse impacts for Sustainable Investments already selected, the Sustainable Bond Committee shall be informed by the relevant asset management team as soon as practicable, so that the exclusion of specific investments can be notified and reported in the Sustainable Bond allocation in due course.

For eligible ESG funds, depending on the fund target SDGs, an assessment will be required on top of the Group’s ESG policies to consider material potential adverse impacts on other sustainable objectives (via the SFDR principal adverse impact assessment for example).

Periodic ESG & impact reporting will include adverse impacts identified as most material (e.g., GHG emissions or companies and assets’ exposure to biodiversity-sensitive areas, board diversity or gender pay gap where possible).

2.2 Project Evaluation and Selection

Tikehau Capital Impact Committee ensures that direct investment and investment in funds meet impact objectives and also reviews how environmental and social risks associated are assessed and mitigated at each investment level.

Tikehau Capital has established a “Sustainable Bond Committee” in charge of:

- Verifying the compliance of potential Eligible Sustainable Investments with the Group’s responsible investing policy and CSR policy;
- Selecting the Eligible Sustainable Investments in line with the eligibility criteria stated in “Use of Proceeds” section of the Framework;
- Monitoring the Eligible Sustainable Investments and replacing investments that no longer satisfy the eligibility criteria with new Eligible Sustainable Investments, if need be;
- Validating the annual reporting publication; and
- Managing future updates of the Framework.

The Sustainable Bond Committee is comprised of at least one representative from the Finance team as well as the members of the Group ESG committee, as described in section 2. The Sustainable Bond Committee shall meet at least once a year and, occasionally, as and when necessary. The Sustainable Bond Committee’s decisions shall be taken in consensus and be subject to a presentation to the Supervisory Board of Tikehau Capital at least once a year.

2.3 Management of Proceeds

Tikehau Capital has set up an internal tracking system to facilitate the allocation process during the lifetime of the Sustainable Bonds issued.

For each Sustainable Bond, the internal register will be maintained to keep track of the following:

a. Sustainable Bonds issued

Tikehau Capital will include details such as transaction date, principal amount of proceeds, maturity date, Sustainable Bond coupon, Sustainable Bond International Securities Identification Number (ISIN), among others.

b. Allocation of proceeds

Tikehau Capital will keep track of the portfolio of Eligible Sustainable Investments which have been allocated to outstanding Sustainable Bonds:

- List of Eligible Sustainable Investments by type (Sustainable Assets and ESG Funds)
- Amount of each Eligible Sustainable Investment allocated to each Sustainable Bond proceeds
- The remaining balance of unallocated net proceeds
- Estimated environmental and social impact reporting metrics (as further detailed below)
- Any other relevant information

Pending the full allocation, unallocated proceeds may temporarily be invested in accordance the Group's liquidity guidelines in cash, deposits and money market instruments.

2.4 Reporting

Within one year from the issuance and annually thereafter until the full allocation of the proceeds of each Sustainable Bond issued, Tikehau Capital commits to provide investors with both a reporting on the allocation of each Sustainable Bond 's proceeds (allocation reporting) and the impact of Eligible Sustainability Investments (impact reporting as further detailed below).

These reports shall be made publicly available to all stakeholders on Tikehau Capital's website.

The Sustainable Bond Reporting will include the following key content:

Summary

The summary will include a list of all Sustainable Bonds outstanding in the reporting period and at the reporting date together with a summary of terms for each transaction.

Allocation Reporting

Allocation reporting for each respective outstanding Sustainable Bonds shall include the following:

- Amount of the Sustainable Bond proceeds allocated by type of Eligible Sustainable Investment
- Share of financing and refinancing (in %)
- The remaining balance of unallocated net proceeds
- If feasible, example(s) of allocated Eligible Sustainable Investments

ESG & Impact Reporting

When feasible, and subject to the nature of Eligible Sustainable Investments, confidentiality and regulatory constraints as well as availability of information, Tikehau Capital will report on the environmental benefits and the positive social impacts resulting from the Eligible Sustainable Investments from each respective outstanding Sustainable Bond. Impact indicators may change from year to year.

For investments relating to Eligible Green Activities, the following potential impact indicators will be considered:

Eligible Green Categories	Potential ESG & Impact Indicators
Clean energy	<ul style="list-style-type: none"> Power generated from renewable energy (KWh) Avoided emissions (tonnes of CO₂ eq)¹⁹
Clean Transportation	<ul style="list-style-type: none"> Number of passengers carried/amount of goods carried
Energy Efficiency	<ul style="list-style-type: none"> Energy saved per year (KWh)
Buildings - Upgrades and retrofits	<ul style="list-style-type: none"> Energy saved per year (KWh/m²)
Circular economy and/or certified eco-efficient products	<ul style="list-style-type: none"> Share of recycled inputs Amount of materials saved
Environmentally sustainable management of land use and living natural resources	<ul style="list-style-type: none"> GHG emissions sequestered (tCO₂eq) including soil organic carbon Water savings (m³)
Other Climate Change Mitigation and Adaptation activities incl. water and wastewater management	<ul style="list-style-type: none"> Volume of water avoided, managed or treated (m³) Volume of city water network built (m³)

For investments relating to Eligible Social Activities, the following potential impact indicators will be considered:

Eligible Social Categories	Potential ESG & Impact Indicators
Access to essential services - Healthcare	<ul style="list-style-type: none"> R&D spending (€) Number of patents Number of people reached with improved healthcare
Access to essential services - Education	<ul style="list-style-type: none"> Number of students benefitted Number of beneficiaries of career training

For investments relating to Eligible ESG Funds, the indicators listed above for investments in Eligible Green Activities or Eligible Social Activities, as well as the following potential ESG indicators will be considered:

Categories	Potential ESG & Impact Indicators at Fund level
Non-financial objectives	<ul style="list-style-type: none"> Fund contribution to the UN SDGs and EU Environmental Objectives (where relevant)
GHG emissions	<ul style="list-style-type: none"> GHG intensity of investee companies (tCO₂/€m of revenues)

¹⁹ "Avoided" emissions are reductions that occur outside of the value chain, as a result of the use of a company's products or services, relative to a counterfactual situation (reference scenario) where those products/services do not exist. There is currently no commonly accepted standard to evaluate avoided emissions.

	<ul style="list-style-type: none"> • Share of companies with a carbon reduction trajectory • Avoided emissions (tonnes of CO₂ eq) ²⁰
Sustainable cities (buildings and infrastructure)	<ul style="list-style-type: none"> • Energy consumption (KWh/m²) • GHG intensity of real estate assets (kgCO₂/ m²) • Shares of revenues derived from buildings with a green label
Healthcare	<ul style="list-style-type: none"> • Share of total sales allocated to R&D (%) • Number of patents • Number of people reached with improved healthcare
Employment generation and preservation	<ul style="list-style-type: none"> • Number of permanent employees and job created and/or maintained
Promotion of diversity	<ul style="list-style-type: none"> • Average gender diversity on boards • Average gender diversity within employees by sector • Average gender pay gap
Human capital management	<ul style="list-style-type: none"> • Average number of hours of training per employee by sector • Percentage of companies with an employee profit-sharing plan

External Review

3.1 Second Party Opinion

Tikehau Capital has engaged ISS Corporate Solutions to independently assess the Framework set out herein, in alignment with the applicable guidance and principles in the form of a Second Party Opinion.

This Second Party Opinion will be made available on Tikehau’s website: <https://www.tikehaucapital.com/>

3.2 External audit of Sustainable Bond reporting

Tikehau Capital shall commission an external audit of its allocation reporting to be provided by an independent auditor. The audit report will be published as part of the Sustainable Bond reporting.

²⁰ There is currently no commonly accepted standard to evaluate avoided emissions.