

2021 SUSTAINABILITY REPORT



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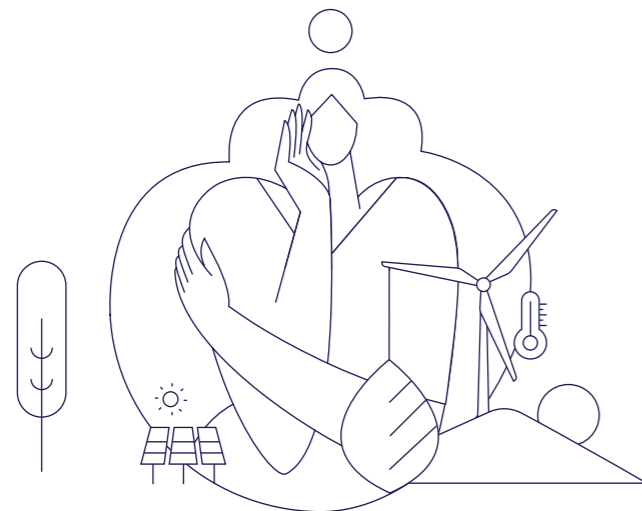


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About Tikehau Capital

Tikehau Capital is a global alternative asset manager, majority owned by its management and employees. Our clients are individuals, institutions and pension funds, in Europe and around the globe.

Our unique operating model combines continuous innovation, a strong alignment between our interests and those of our investors and clients, and a strict investment discipline.

At Tikehau Capital, we have been pursuing high-conviction investing since our inception in 2004. Our investment policy includes a systematic integration of environmental, social and governance (ESG) criteria across all asset classes.

Our sustainability journey started in 2014 with the conviction that we had both the responsibility and an opportunity to allocate global savings through innovative and tailored financing solutions that would support the real economy and accelerate necessary positive changes for the economy and wider society.

With our entrepreneurial mindset and our global platform, we have been a leader in deploying innovative, relevant and scalable solutions for our clients. We have been one of Europe's alternative asset management pioneers in launching impact funds dedicated to decarbonising the economy, frequently recognised by respected third parties in this sector for our sustainable achievement and milestones.

To address some of the more critical challenges facing the world today, we have defined four priority areas to start scaling up thematic and impactful strategies: Climate & Biodiversity, Innovation, Economic Development & Social Inclusion, and Health. Tackling these mega-trends is today more important than ever before.

2014

**SIGNATURE OF THE UN'S PRI
ONE OF THE FIRST STEPS
IN OUR SUSTAINABILITY APPROACH**

The data mentioned reflect the situation and opinion of Tikehau Capital at time of publication of the present document and could be subject to change without notice.

The 4 priorities are

Climate & Biodiversity

Innovation

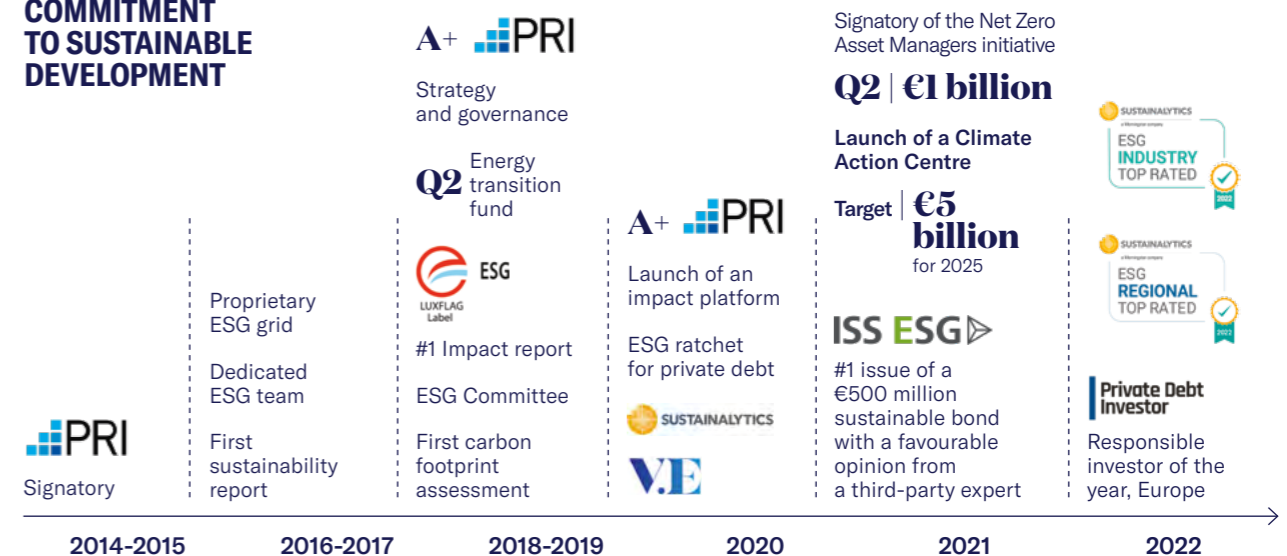
Economic development and social inclusion

Health



As at December 2021, around 70% of our assets under management (excluding real assets) are classified under Articles 8 and 9 of SFDR¹, as do more than 80% of our Private Equity investments². Within our Impact platform, a fast-growing part of our investment and financing focus has been climate and biodiversity-dedicated strategies to address the emergency of climate change and meet the objectives set by the Paris Agreement².

TIKEHAU CAPITAL, A LONG-TERM COMMITMENT TO SUSTAINABLE DEVELOPMENT



The journey has now started and we are fully ready to accelerate with a platform structured and equipped to address current trends.

¹ The EU Sustainable Finance Disclosure Regulation (SFDR) is a set of rules which aim to make the sustainability profile of funds more comparable. The most visible and impactful element is the classification of funds and mandates in three categories, as laid out by Articles 6 (no sustainability integration), 8 (products promoting certain ESG criteria) and 9 (products targeting sustainable investments).
² There is no guarantee that investment objectives will be achieved.

OUR KEY RESOURCES

A MULTILOCAL PLATFORM



New York



London
Amsterdam
Brussels
Frankfurt
Luxembourg



Paris
Milan
Madrid
Tel-Aviv



Seoul
Tokyo
Singapore

AuM stemming from a global base of **investor-clients and savers**

Multilocal *sourcing* of **investment opportunities**

€34.3 billion
GROUP ASSETS UNDER MANAGEMENT ⁽¹⁾

DIVERSE AND VARIED TEAMS

683 partners and employees

37 nationalities

14 years of experience on average

43% more women in the workforce

A ROBUST BALANCE SHEET

Shareholder's equity, Group share

€3 billion

Consolidated cash position

€1.1 bn

Financial rating ⁽²⁾

BBB-/STABLE

ENTREPRENEURIAL DNA

Leading institutional shareholders with a long-term commitment.

A LONG-TERM FINANCIAL PARTNER

4 ASSET CLASSES

We finance the economy through our four business lines

PRIVATE DEBT

€11.7 bn

REAL ASSETS

€12 bn

PRIVATE EQUITY

€4.1 bn

CAPITAL MARKETS STRATEGIES

€5.1 bn

ASSETS UNDER MANAGEMENT ⁽⁵⁾

A VIRTUOUS MODEL

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

A LONG-TERM FINANCIAL PARTNER

96%

of assets under management in closed-ended funds committed for 3 years or more

ALIGNMENT OF INTERESTS BETWEEN SHAREHOLDERS, CLIENTS-INVESTORS AND MANAGEMENT

57% of capital controlled by management and employees

TO CREATE SUSTAINABLE VALUE

3 DRIVERS TO CREATE FINANCIAL VALUE

- MANAGEMENT FEES
- PERFORMANCE FEES/ CARRIED INTEREST
- DIVIDENDS/ COUPONS/ CAPITAL GAINS

SOCIETAL AND ENVIRONMENTAL CONTRIBUTION

Sustainability by design in our four business lines and launch of a dedicated platform.

Goal to have more than €5 billion in assets under management by 2025 **exclusively dedicated to the climate emergency.**

Creation of a Climate Action Centre, aimed at mobilising expertise and innovation and to coordinate the global climate strategy of Tikehau Capital.

TARGETS UP TO 2026

To reach **> €65 billion** in assets under management

To generate **> €250 million** in fee-related earnings ⁽³⁾

To generate financial profitability of around **15%** on average over 2022-2026 ⁽⁴⁾

A significant portion of our balance sheet (75%) is invested in the Group's strategies alongside our investor-clients.

Figures as of 31 December 2021.

(1) Of which €1.3bn in assets under management for the Investment activity.

(2) BBB-rating with a stable outlook from Fitch Ratings and confirmed in January 2022 and by S&P Global Ratings in March 2022.

(3) Fee-related earnings or FRE: correspond to net revenues from the Asset Management activity excluding performance fees and carried interest, less operating expenses of the Asset Management activity.

(4) Financial profitability is calculated by dividing net profit, Group share, by shareholders' equity.

(5) Assets under management of the Asset Management activity.

Shared viewpoints

Antoine Flamarion and Mathieu Chabran
CO-FOUNDERS, TIKEHAU CAPITAL



“
The
search for
short-term
growth does
not work.”

AFTER THE HISTORIC RECESSION IN 2020 CAUSED BY THE COVID-19 PANDEMIC, 2021 WITNESSED A SPECTACULAR REBOUND IN THE GLOBAL ECONOMY. DID THE STRENGTH OF THE RECOVERY SURPRISE YOU?

Antoine Flamarion Yes, admittedly, and at first, we could only be pleased about it. However, a more thorough analysis of the drivers behind the rebound revealed a less positive situation. The ultra-accommodating monetary policies adopted over the past decade are above all what have helped lower the cost of financing for governments, in turn enabling the roll-out of aggressive budgetary policies to deal with the health crisis. While this unprecedented policy mix alone explained the speed of the economic recovery in 2021, it has also had undesirable effects causing a surge in public and private debt, an increase in the number of “zombie” companies* and tension in supply chains, while also fuelling inflationary pressure and strengthening bubbles in the financial markets. While the approach taken by the public authorities and the monetary institutions was commendable, and even necessary, this quest for a rapid return to growth may well prove costly.

Mathieu Chabran I would even say that it is clear that the boom generated by an economic model based solely on the search for short-term growth does not work. Indeed, it is now (largely) common knowledge that the model generates a misallocation of capital, has a growing and negative impact on biodiversity and climate change, and increases social inequalities.

BUT CAN WE CHANGE THIS MODEL?

M. C. The time when we could still question the utility of changing it, or not, is over. Now, the answer is clear for everyone: we have no choice but to change it! The latest reports from the IPCC clearly show this. If we do not reverse our greenhouse gas emissions as of now, the prospect of a “sustainable future” for the planet will be seriously threatened. In this context, we must radically change our consumption and production patterns, collectively. We must also step up the decarbonisation of our economies. This need implies gigantic investments and therefore provides a central role to financial players.

*A “zombie” company is characterised by its lack of profitability. More specifically, it is a company that does not generate sufficient profits to cover the interest charges on its debt

“

**To be sustainable, companies must be profitable.
To be profitable, they must be sustainable.”**

HOW IS TIKEHAU CAPITAL POSITIONED TO MEET THIS CHALLENGE?

A. F._ Firstly, the Group has been committed to sustainable development for a long time. For many years, we have developed an investment framework placing environmental, social and governance criteria at the heart of our processes, at the same level as purely financial criteria. This approach is embodied in one of our mottos: “To be sustainable, companies must be profitable. To be profitable, they must be sustainable”. We were also amongst the first alternative asset managers to launch thematic and impact funds, which means that we now have around 70% of our assets under management (excluding real assets) classified under Articles 8 and 9 of the European Sustainable Finance Disclosure Regulation (SFDR). Tikehau Capital's financial strength has also grown steadily over the years, with equity of €3 billion at 31 December 2021. As such, we have the means to achieve our goals.

M. C._ Since its IPO in 2017, Tikehau Capital has expanded massively, tripling its assets under management and continuously exceeding its targets. This exceptional performance is a credit to our talented and committed teams. In 2021 alone, we markedly strengthened our profitability, liquidity and equity. Against this backdrop, we are now embarking on a new chapter involving accelerated growth and profitability, with ambitious new targets for 2026. We aim to double our assets under management, grow our platform and continue to expand our geographic footprint, while maintaining strong performance and creating value for our investors and shareholders. In this respect, ESG will be our compass.

COULD THE RECENT DETERIORATION IN THE MACROECONOMIC ENVIRONMENT NEVERTHELESS MAKE THINGS MORE COMPLICATED FOR YOU?

A. F._ Tikehau Capital is positioned in a high-growth market that enjoys structurally buoyant trends. The alternative asset management market grew at an average pace of 11% a year over 2015-2020 and is expected to continue expanding rapidly until 2025. Investors looking for diversification and an attractive risk/return trade-off should continue to allocate resources to private markets. In addition, current tensions are likely to make some of the megatrends in which the Group has built increasing exposure in recent years even more important, especially the energy transition, cybersecurity and the wide range of impact investment strategies. Together, these contribute to sustainable growth and resilience.



OUR ROADMAP UP TO 2026

Societal and environmental contribution

A Sustainability by design approach in our four business lines and launch of a **platform dedicated to impact** to step up the post-Covid recovery.

The goal is to approach the climate emergency holistically, with the launch of the Climate Action Centre, a platform that aims to offer competitive returns while investing in the decarbonisation of key sectors such as energy efficiency, low carbon mobility, clean energy and regenerative agriculture. By 2025, Tikehau Capital intends to manage at least €5 billion dedicated to the climate and biodiversity.

Targets out to 2026

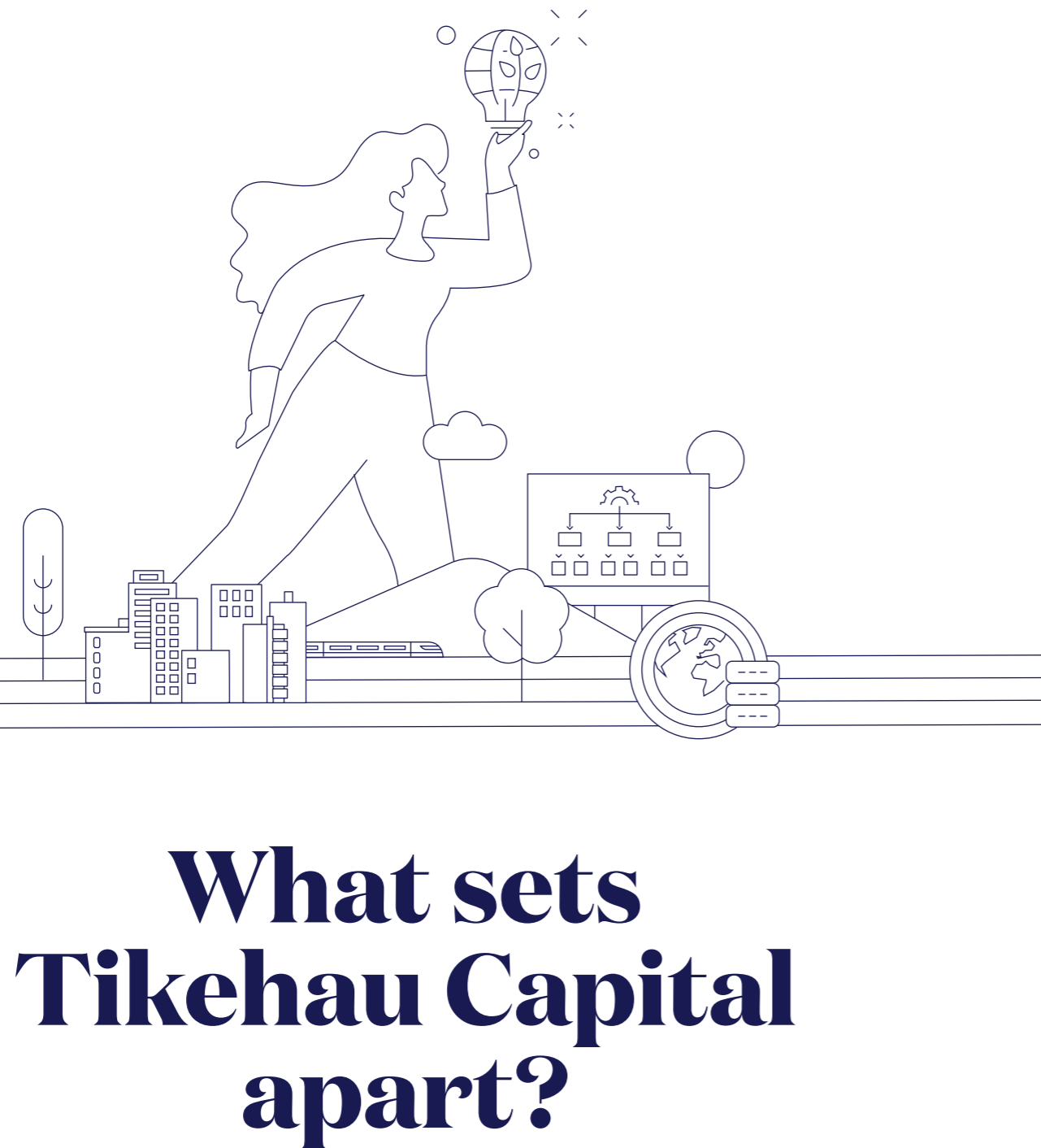
To reach > €65 billion in assets under management

To generate > €250 million in fee-related earnings ⁽¹⁾

To generate financial profitability of around 15% on average over 2022-2026 ⁽²⁾

(1) fee-related earnings or FRE: correspond to management fees and other fees less operating costs in the asset management business.

(2) Financial profitability is calculated by dividing net profit, Group share, by shareholders' equity.



What sets Tikehau Capital apart?

We are entrepreneurs

Tikehau Capital has entrepreneurial DNA. We are a young, agile organisation. Our entrepreneurial mindset invites us to create. Tikehau Capital anticipates tomorrow's trends to build innovative and tailored financing solutions to create value and accelerate positive change, a critical path to support the necessary transitions.

We have an established network of partners

Tikehau Capital has an established network with a global footprint and local presence in 13 countries in Europe, North America and Asia, which gives us a competitive advantage. We provide partnership beyond standalone capital investment. Fighting against climate change requires collective action and breaking silos. Our solutions are built by bringing together objectives, competencies and resources. For example, in the case of our T2 Energy Transition Fund¹ and our Decarbonisation strategy in North America, Tikehau Capital forged a partnership with TotalEnergies to create a blueprint for transition. Tikehau has just sealed a new partnership with Unilever and Axa Climate with the intention of launching a regenerative agriculture strategy.

Our interests are aligned with those of our clients, our shareholders and our management

Tikehau Capital's interests are strongly aligned with those of our clients. We are one of the only asset management firms to have committed more than €2 billion of our own balance sheet to the same strategies that we offer to our clients. The financing of the Group itself is strongly linked to sustainability criteria.

Our entire organisation and ways of doing business are also aligned.

There is a full alignment of interest across stakeholders:

- › Tikehau Capital managers and employees own 57%¹ of the company.
- › More than 75%² of our balance sheet is invested alongside our clients in the strategies we offer. This also enables us to seed innovative strategies around impact.
- › 20% of our team's yearly incentives are indexed to a collective target of climate and biodiversity assets under management as well as a collective objective on talent retention.
- › For all impact funds launched since January 2022, half of the carried interest allocated to the management company is linked with our impact goals.

There is also strong alignment of the Group's financing. More than 60%² of the Group's financing is linked to sustainability criteria, providing an additional incentive to accelerate the impact strategy.

¹This fund is reserved for professional investors and is no longer open for subscriptions.

²As at Dec 2021.



“
How we behave, what we believe and how we do business is incredibly important to all our stakeholders. Our ability to drive necessary change at the right pace and keep everyone’s interests aligned is critical to make the transition happen at scale.”

Cécile Cabanis
 Deputy CEO, Tikehau Capital

“SUSTAINABILITY BY DESIGN” SUSTAINABILITY CRITERIA APPLIED TO OUR INVESTMENTS

Tikehau Capital's investments are screened using sustainability criteria, including strict exclusion policies and watchlists.

We call this “Sustainability by Design”.

Put into practice in our investment process, it means that we:

Exclude from our investments certain behaviours, jurisdictions and sectors (such as thermal coal and tobacco).

Integrate systematically ESG assessments and progress requirements for the duration of the investment, including

- › analysing financial and ESG robustness, including sustainability risks and opportunities; for certain funds, this involves a review by our Impact Committee
- › identifying material financial and ESG factors at the level of a company's product and services, operations and broader value chain
- › assessing the potential impact of material financial and ESG factors on company performance as well as impacts on the economy, country, sector and society
- › making investment decisions that include considerations of all material ESG factors
- › updating relevant ESG data at least annually and reporting on progress.

Engage with management and governance bodies to support and improve sustainability measures and vote in the general assemblies.

Training and involvement of investment teams is at the heart of our Sustainability by design and Impact approach.

SUSTAINABILITY IS FULLY INTEGRATED INTO OUR ORGANISATION

Sustainability experts are assigned to our business teams to ensure proximity, agility, upskilling and integration of sustainability criteria at every step. With the support of a dedicated ESG team, investment teams put sustainability assessments at the heart of their fundamental analysis alongside economic and financial considerations.

To support our dedicated climate and biodiversity platform, we have set up a Climate Action Centre. This centre aims to fulfill our goal of having €5 billion of our assets under management dedicated to climate and biodiversity by 2025, through innovation. It also ensures that our decisions are informed by the net zero roadmap defined by the International Energy Agency and the guidance of the Intergovernmental Panel on Climate Change (IPCC). It is an ecosystem of 30 professionals including investment professionals, ESG experts and senior advisors from Tikehau Capital.

A STRONG GOVERNANCE

Our organisation is supported by a strong and well-disciplined governance which operates at all levels of the company, from the supervisory board on strategy to dedicated operational task forces for each business.

The **Governance and Sustainable Development Committee of the Board of Directors** reviews the Group's sustainability strategy and monitors our progress.

The **Sustainability Strategy Orientation Committee**, whose members include Mathieu Chabran, one of our two co-founders, advises managers on steering and structuring the Group's sustainability initiatives

including decarbonising portfolios, strengthening the Group's resilience against climate-related issues and other ESG risks, defining sectors flagged for exclusion including a Group-level watchlist, and identifying strategic collaborations and partnerships to advance our sustainability goals.

Our business lines have **sustainability taskforces**, under the leadership of the sustainability leader for each business, define and monitor yearly sustainability roadmaps.

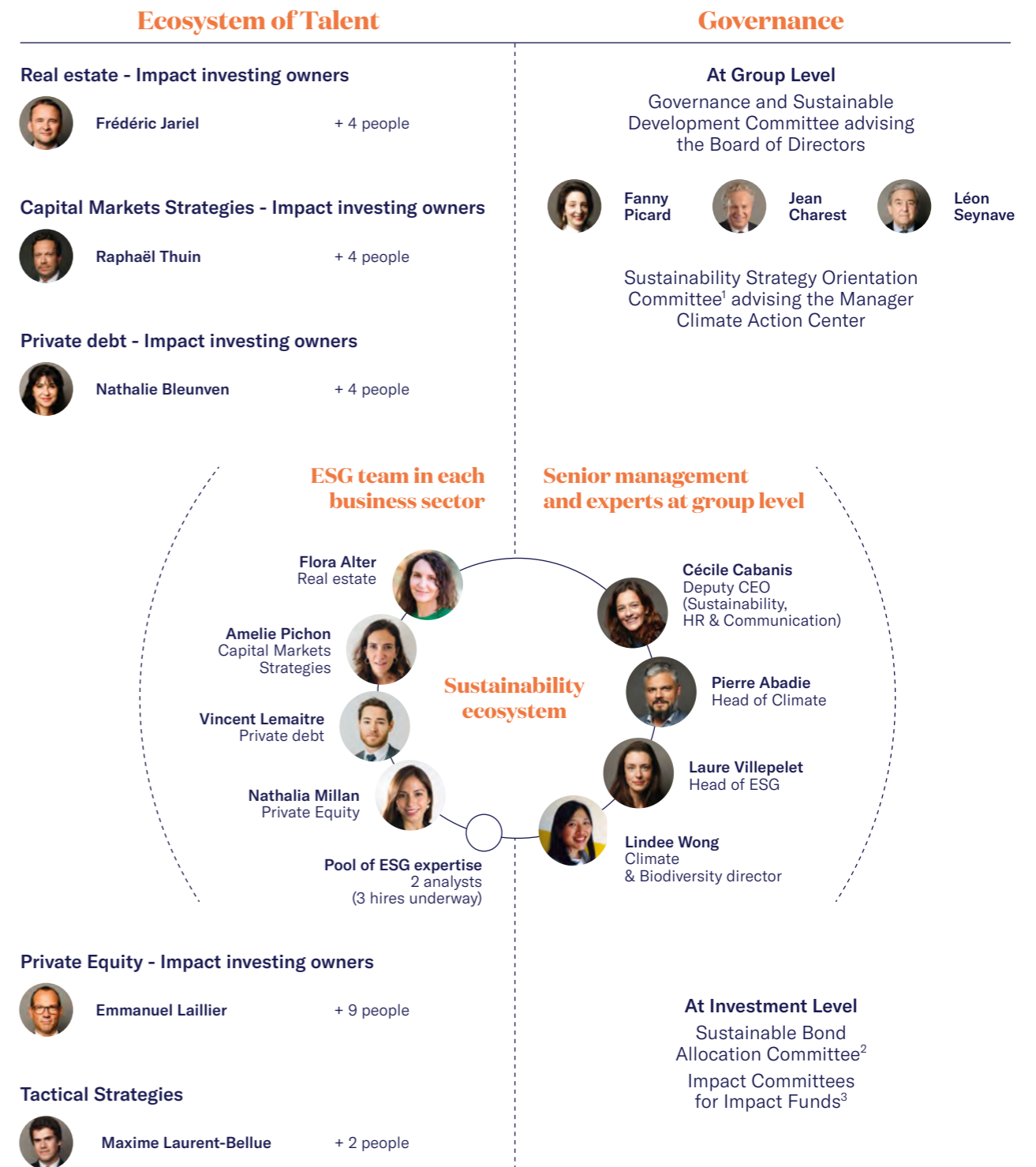
The **Sustainable Bond Allocation Committee** which oversees the allocation of sustainable bonds proceeds.

In addition, there is specific governance on the allocation process for impact funds, with a specific impact committee for each fund that ensures that all investments are aligned with the fund's impact objective. This Impact Committee is responsible for reviewing impact cases, including evaluating whether opportunities fit properly with the funds' mission (positive impacts) and ensuring we respect a "do no significant harm" principle (potential negative impacts).

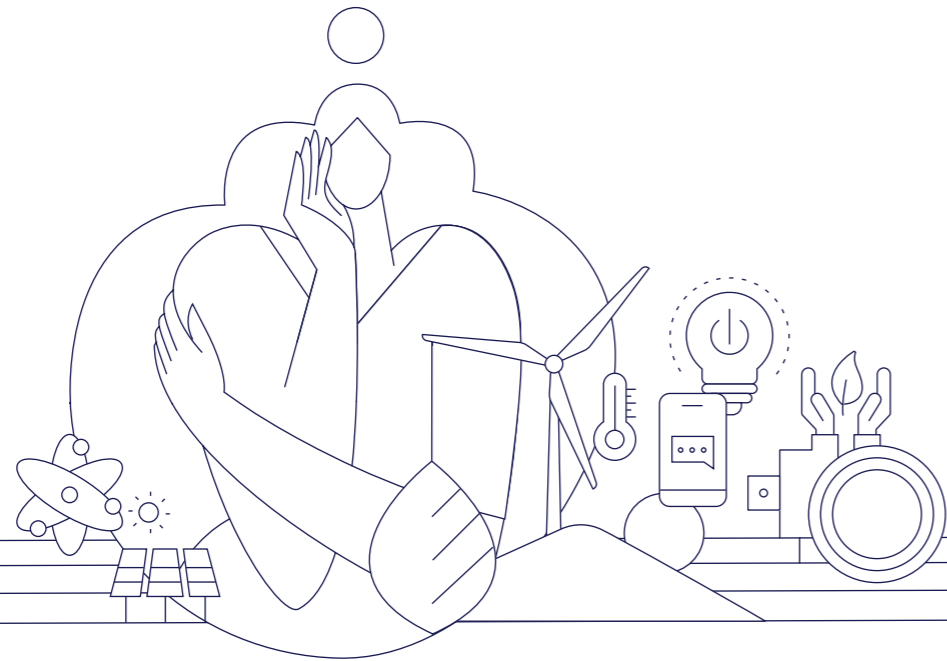


TIKEHAU CAPITAL SUSTAINABILITY ECOSYSTEM

30+ professionals help deploy the Group's ESG, climate and biodiversity strategy



As of June 2022, (1) Sustainability Strategy Orientation Committee: Mathieu Chabran (Co-Founder), Cécile Cabanis (Deputy CEO), and up to 10 other internal and external members
² Sustainable Bond Allocation Committee: Cécile Cabanis (Deputy CEO), Henri Marcoux (Deputy CEO), Antoine Onfray (CFO), Laure Villepelet (Head of ESG)
³ Impact Committees for Impact Funds: Cécile Cabanis (Deputy CEO), Thomas Friedberger (Deputy CEO), Laure Villepelet (Head of ESG), and additional relevant experts where applicable



The Tikehau Capital Impact platform

ESG is driven by a simple fact: to sustain profitable growth, we need to comply with a certain number of standards and assess ESG factors the same as we do for financial factors. That’s what we do when we analyse and monitor our portfolio companies. Regulations and stakeholders will be more and more demanding and it will become a licence to operate.

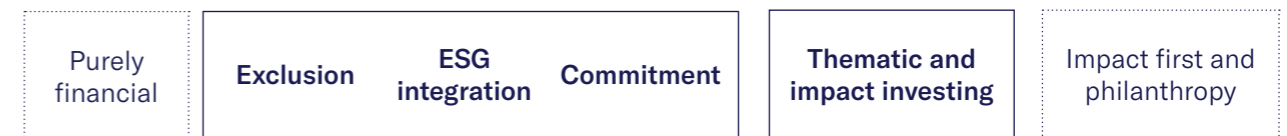
Impact is different. We have built a system that is not sustainable and we are running against time to shift that. Impact is when, through your business or solutions, you actively participate in making the transition happen. This is critical and necessary but there are barriers because the value chain is fragmented and shared between different actors, as many consider the cost of transition is important rather than the investment in transition, given that they may be more short-term minded.

We have defined four highly relevant priority areas to start scaling up thematic and impactful strategies: **Climate & Biodiversity, Innovation, Economic Development & Social Inclusion, and Health.**

We are leveraging the breadth of our investment capabilities to create tailored solutions at all levels of the capital structure.

Within our Impact Platform, a fast-growing part of our investment and financing focus has been climate-dedicated strategies to address the emergency of climate change and objectives set by the Paris Agreement.

A STRICT SUSTAINABILITY BY DESIGN APPROACH AND IMPACT FRAMEWORK



OUR IMPACT PLATFORM IS SUPPORTED BY A SPECIFIC IMPACT FRAMEWORK INTEGRATING FIVE PILLARS



5

PILLARS OF THE IMPACT PLATFORM

1. Intentionality

We define the 'theory of change' or mission of each impact fund and we are specific and very clear on what impact we want to achieve.

2. Additionality

In addition to capital, we are pooling our expertise, ecosystem and teams to support companies in their efforts to define and monitor their sustainability agenda. Tikehau Capital Private Equity team work closely to our portfolio companies to define bespoke sustainability roadmaps. The use of ESG ratchets in unitranche and corporate lending is a good example of how interest rate margins can be adjusted up or down upon achievement of ESG targets.

3. Measurement and reporting

We are fully accountable to measure and report the impact of our portfolios using a set of metrics defined at the inception of every fund. Bespoke impact targets may also be defined for each company, project or asset. Examples of measures include:

Asset Class	Strategy name	Impact metrics
Private Equity	T2 Energy Transition ¹	Induced and avoided carbon emissions, penetration of renewables
Private debt	Impact Lending Strategy	100% of deals with an impact case and ESG ratchets
Capital Markets Strategies	Tikehau Impact Credit	30% below the carbon intensity of the Fund ESG benchmark

¹ This fund is reserved for professional investors and is no longer open for subscriptions.

4. Alignment of interests

At Tikehau Capital, we invest our capital and seed every innovative impact strategy. Moreover, all impact funds launched after 1 January 2022 will have a share of the performance fee linked to its impact targets.

5. Independent assessment

For certain funds, we will hold ourselves accountable to third-party auditors to report on the effectiveness of our impact approach. For example, KMPG will audit one of the Impact Lending funds.

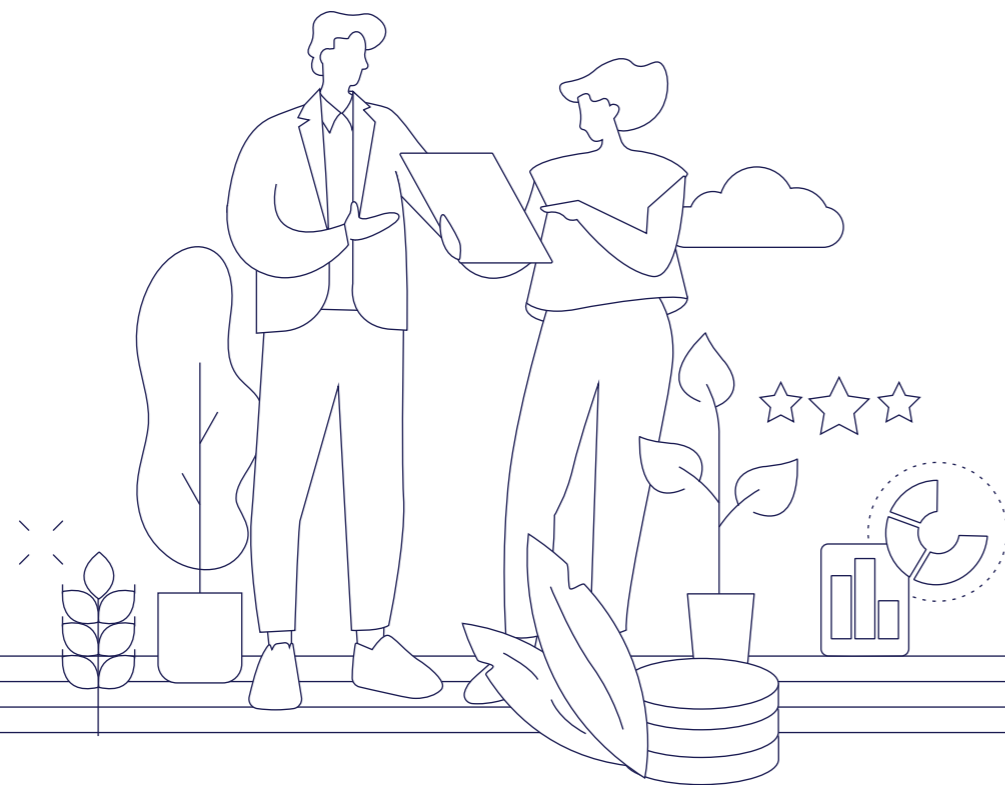
THE STRATEGIES IN OUR IMPACT PLATFORM

Tikehau Capital's impact platform spans a wide range of asset classes within private and public markets. In 2021, we prepared for acceleration. In 2022, Tikehau Capital is launching four more impact funds.

	Strategy name	Priority SDGs	ESG theme and SDGs supported	Launch date
2018-2021	T2 Energy Transition ¹	7 13	Decarbonisation (energy transition)	December 2018
	Cyberfund – Brienne III	8 9 16	Resilience, innovation	Mar-2018
	Impact Lending Strategy	7 13 9 10	Decarbonisation, innovation and social inclusion	Jun-2021
	Tikehau Impact Credit	7 13 11 12	Decarbonisation	July 2021
2022 acceleration	Decarbonisation Strategy (North America)	7 13	Decarbonisation	2022
	Green Assets Strategy	7 9 13	Decarbonisation	2022
	Real Estate Impact Strategy	13 15 10 11	Decarbonisation, biodiversity and social inclusion	2022
	Regenerative Agriculture Strategy	15 13 2	Sustainable ecosystem, decarbonisation and sustainable diet	2022

¹ This fund is reserved for professional investors and is no longer open for subscriptions.





TIKEHAU CAPITAL'S COMMITMENT to climate & biodiversity



Tikehau Capital's response to the climate emergency and the biodiversity crisis is underpinned by scientific reports and recognised frameworks.

Our Group's investment decisions are informed by the net zero roadmap defined by the International Energy Agency and the guidance of the Intergovernmental Panel on Climate Change (IPCC) and the European taxonomy for sustainable activities. We also participate in leading international initiatives such as the One Planet Private Equity Funds and the Net Zero Asset Manager.

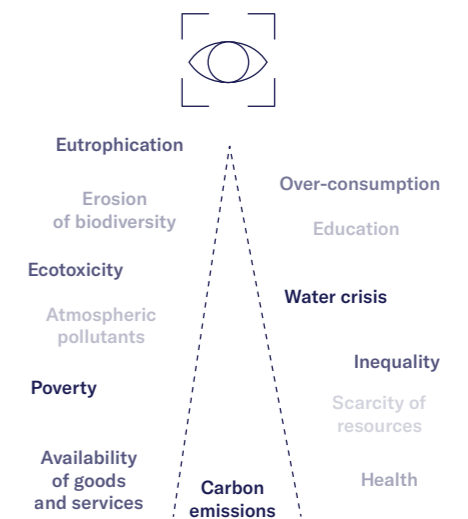
We understand that addressing the climate emergency goes beyond the "carbon tunnel vision" of regulating carbon emissions. To reach our common goal of halving CO₂ emissions by 2030, we must focus on the full carbon cycle that extends far beyond the atmosphere. Soil and oceans are also major carbon reservoirs.

Since 2018, Tikehau Capital has been building an impact investment platform based on leading scientific research, including the UN Sustainable Development Goals and the Johan Rockström's "Nine Planetary Boundaries". The analogy is based on nine fundamental planetary boundaries that are crucially interdependent: If we transgress just one of these boundaries, we sharply increase the risk of irreversible damage. We have already transgressed five. Our Impact platform was created specifically to focus on three of the five: climate change, biodiversity loss and the nitrogen cycle in agriculture.

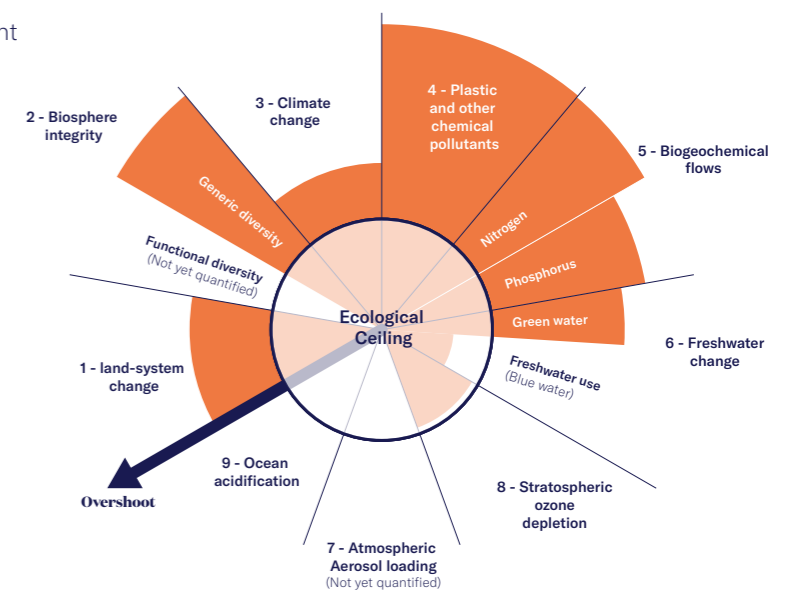
We also strive to reconcile planetary boundaries with essential human needs and societal challenges by taking into account the UN Sustainable Development Goals (SDGs).

IMPACT INVESTMENT: PROVIDING A SOCIAL FOUNDATION BY RESPECTING ENVIRONMENTAL BOUNDARIES

Silo vision of carbon
Sustainable transition
Don't forget the rest!



We have just crossed a sixth planetary boundary





“**As asset managers, we have a responsibility to participate in building a sustainable future by investing, at scale, in real-economy solutions that will reduce the carbon footprint and enhance regenerative agriculture practices.**”

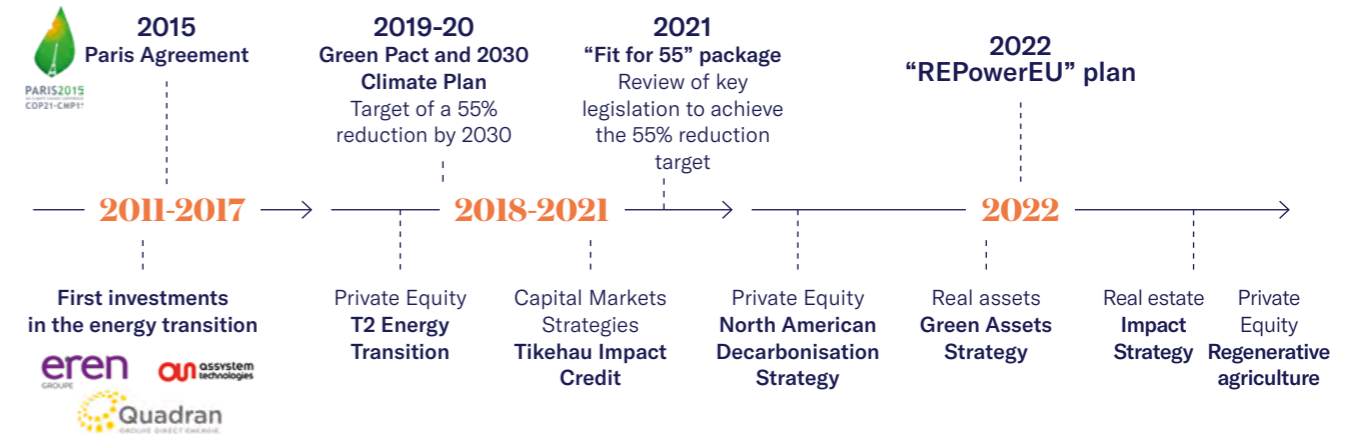
Pierre Abadie
Group Climate Director and Co-head
of the Private Equity Decarbonisation Practice

To demonstrate our commitment to tackling the climate emergency in a holistic manner, Tikehau Capital launched the Climate Action Centre, a platform aimed at delivering competitive financial market returns while investing in decarbonisation across key sectors such as energy efficiency, low carbon mobility, clean energy and regenerative agriculture. By 2025, we aim to manage €5 billion in assets under management dedicated to climate and biodiversity.

With this platform, Tikehau Capital transforms global savings into and financing solutions that accelerate the shift towards a more balanced, sustainable economic system that aims to respect planetary boundaries.

We believe this change is not only necessary, but that it represents the biggest investment opportunity of all time.

A PLATFORM FOCUSED ON CLIMATE AND BIODIVERSITY



T2 Energy Transition Fund¹

This fund focuses on providing smart equity capital for growing businesses. It has already helped its portfolio companies develop energy efficiency solutions, increase renewable energy supply, expand low-carbon mobility and deploy other decarbonisation solutions.

- › Groupe Rougnon, Cetih, Crowley Carbon and GreenYellow provide energy efficiency services to the real estate, industrial and retail sectors.
- › Amarenco and GreenYellow focus on the provision of solar photovoltaic solutions.

- › Egis and Valgo focus respectively on clean infrastructure and soil remediation.
 - › Sterne and EuroGroup focus on sustainable logistics and clean mobility.
- The fund's performance metrics are based on a carbon footprint analysis of its portfolio, including induced emissions based on the full perimeter (Scopes 1, 2 and 3) and CO₂ emissions that have been avoided (also called Scope 4).

Impact output are measured through:

- › avoided emissions
- › penetration of renewable
- › low carbon mobility enablers

¹ This fund is reserved for professional investors and is no longer open for subscriptions.

Key results to date

<p>ENERGY EFFICIENCY >130 GWh energy saved in 2021</p>	<p>CLEAN ENERGY 1.5 GW Installed (excl. >11 GW pipeline)</p>	<p>LOW CARBON MOBILITY 1.6m Electric powertrains produced in 2021</p>
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Outcome >250 ktCO₂e in emissions avoided by portfolio companies in 2021⁽¹⁾

⁽¹⁾ ERM analysis

Scope 1: Greenhouse gases directly emitted by their fixed or mobile installations controlled by organisations
Scope 2: indirect emissions related to energy consumption
Scope 3: other indirect emissions occurring upstream or downstream of the value chain (e.g. purchases of raw materials, use of products, etc.)



Tikehau Impact Credit (TIC)

This high-yield impact credit fund was launched in 2021. With a pioneering impact strategy in the high-yield credit universe, the fund focuses on decarbonisation and the circular economy across priority sectors such as industry, transport, real estate, energy and utilities. This fund runs parallel to Tikehau Capital's private assets impact strategies, marking another major step forward for the Group's global impact platform.

"Impact cases" are defined for three categories of investment:

- › **Bucket A:** Green or sustainability-linked bonds or climate pure-players already involved in the energy and ecological transition
- › **Bucket B:** Issuers who have signed an international pledge towards climate change such as the Science Based Targets initiative
- › **Bucket C:** A sector-agnostic approach to companies with the potential to contribute positively to climate change mitigation or adaptation or to reduce other highly material environmental externalities.

Active engagement with certain issuers is also key to help these companies accelerate their transition toward a more sustainable future.

ACCCELERATION IN 2022: LAUNCH OF 4 ADDITIONAL CLIMATE & BIODIVERSITY STRATEGIES

Decarbonisation Strategy in North America

The strategy provides equity capital for fast-growing businesses in North America who are committed to supporting the energy transition. These businesses will already be engaged in developing energy efficiency solutions, increasing renewable energy supply, expanding low carbon mobility and reducing greenhouse gasses.

Green Assets Strategy

The strategy aims to support the transition to a low-carbon economy by investing in distributed "green assets" or equipment to decrease the carbon footprint of end-users. This equipment includes solar panels, heat pumps, LED lighting, EV chargers or electric vehicles – existing, proven technologies with scalable potential.

The strategy focuses on improving the energy efficiency of farms, buildings and industries, promoting energy efficiency solutions, clean energy generation, low carbon mobility and supporting circular economy projects.

Real Estate Impact Strategy

The strategy focusses on change-of-use opportunities, including restructuring, reconversion, development and selling with a building permit. The aim is to contribute to building more sustainable buildings and districts to live, work and relax in. More specifically, the strategy intends to promote energy efficient buildings, biodiversity and inclusive neighbourhoods by executing a multi-year action plan to improve selected impact criteria for each asset.

The strategy will seek opportunities presented by growing urbanisation, changing consumer appetite, new ways of using office space, momentum in residential markets and sustainability.

Regenerative Agriculture Strategy

Tikehau Capital, AXA and Unilever have announced a partnership with the objective to launch a strategy dedicated to make the transition to regenerative agriculture happen, at scale. This private equity strategy aims to be the first large-scale regenerative agriculture and healthy food system strategy to accelerate the shift towards a resilient agri-food sector. The strategy will focus on soil restoration (CO₂, biodiversity, water) with benefits linked to health and the local ecosystem.

4

RELEVANT PATHWAYS IDENTIFIED TO MATERIALISE OUR COMMITMENT



OUR GLOBAL CLIMATE & BIODIVERSITY STRATEGY

Tikehau Capital is determined to contribute to global carbon neutrality.

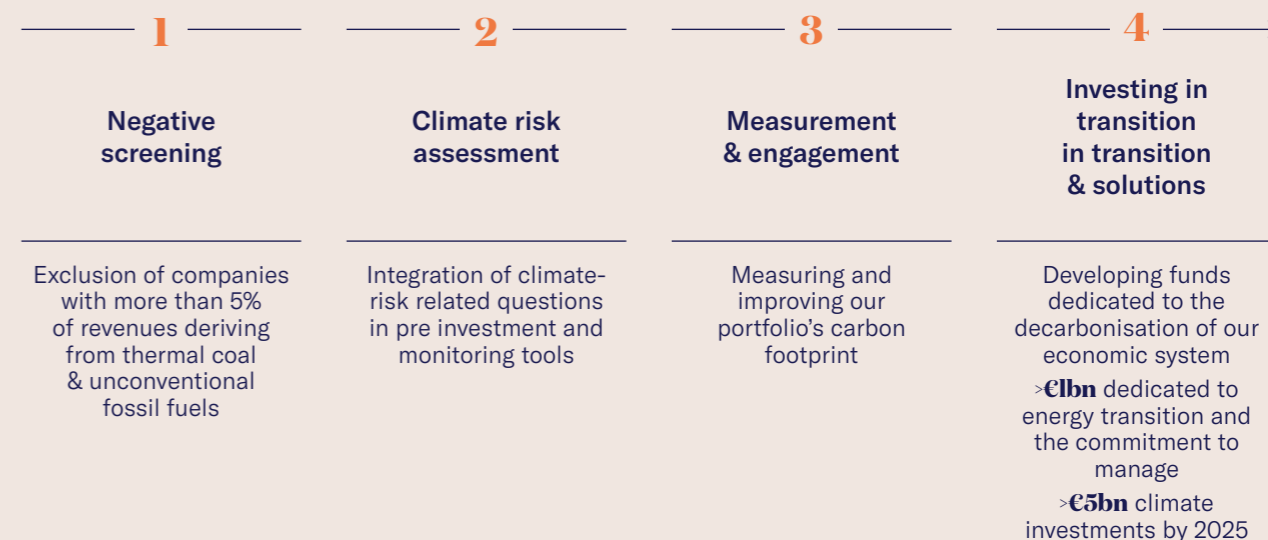
The Group committed to the Net Zero Asset Managers (NZAM) initiative in March 2021.

We are currently evaluating available methodologies to define objectives for three of our four business lines: Private Equity, Real Estate Assets and Capital Markets Strategies.

The Group is also committed to measuring and publishing the carbon footprint of its own operations annually, defining a greenhouse gas emission reduction trajectory and offsetting its operational emissions on an annual basis. For additional details on the Group's carbon footprint please refer to Tikehau Capital 2021 Universal Registration Document.

In addition to launching funds dedicated to climate and biodiversity, we aim to reinforce our monitoring of climate-related risks and opportunities.

TIKEHAU CAPITAL HAS IDENTIFIED 4 RELEVANT PATHWAYS TO MATERIALISE ITS COMMITMENT



¹ For further details, see the sustainable investing charter available at <https://www.tikehaucapital.com/-/media/Files/T/Tikehau-Capital/publications/ri-charter-en-2017-12-06.pdf>

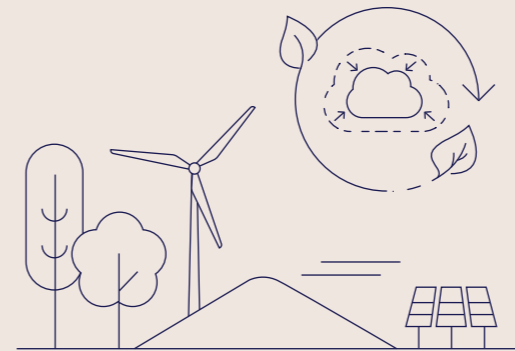


CARBON FOOTPRINT MEASUREMENT

In the context of the climate emergency, the carbon footprint has become an essential indicator. This is why we have set ourselves the objective to monitor the carbon intensity of companies in our funds, just like we monitor their operating margins. We recognise that we must also consider other environmental pressures, such as the impact their activities might have on biodiversity, water use and other resources.

Carbon footprint: To calculate carbon footprint is to estimate the quantity of greenhouse gases, measured in tonnes of CO₂ equivalent (tCO₂e), emitted by a company, asset or fund through a range of emissions sources, grouped by scope.

Assessing the impact of a project, a company or a fund on climate also requires an estimate of the emissions avoided by servicing clients in parallel with the emissions induced. Finally, certain companies also sequester greenhouse gases or generate greenhouse gas removals in their own operations and/or in their value chain.



Weighted Average Carbon Intensity is the common indicator highlighted by the Task Force on Climate-Related Financial Disclosures (TCFD) and by the Sustainable Finance Disclosure Regulation (SFDR) to assess a portfolio's carbon footprint. It is a simple weighted average of the carbon intensity measured in tonnes of CO₂ equivalent (tCO₂e) per million euros of revenue across Scopes 1, 2 and 3.

Tikehau Capital has commissioned several service providers adapted to our business lines (ERM, Carbometrics, Green Soluce, SIRSA/CO₂ Logic) to carry out carbon assessments of the Group's investments, including both direct investments.

THE NET ZERO INITIATIVE DASHBOARD

Source: Carbone 4's Net Zero Initiative project and Tikehau Capital.

		Pillar A Reducing my GHG emissions	Pillar B Reducing other's emissions	Pillar C Developing carbon sinks
In my value chain	In my operations	Direct emissions ("scope 1")	–	Direct removals
	Upstream and downstream	Indirect emissions ("scopes 2+3")	Emissions avoided by my products and services	Indirect removals
Outside of my value chain		Direct emissions ("scope 1")	Emissions avoided through the financing of reduction projects	Removals through the financing of absorption projects

Tikehau Capital in action

Pillar A	Pillar B	Pillar C
Investing in transition issuers addressing decarbonisation e.g. through Tikehau Impact Credit	Investing in companies and assets offering solutions to reduce carbon emissions e.g. through our decarbonisation and Green Assets strategies	Investing in companies enabling sequestration e.g. through our Regenerative Agriculture strategy

Scope 1: Greenhouse gases directly emitted by their fixed or mobile installations controlled by organisations
 Scope 2: indirect emissions related to energy consumption
 Scope 3: other indirect emissions occurring upstream or downstream of the value chain (e.g. purchases of raw materials, use of products, etc.)

MEASUREMENT OF CARBON INTENSITY

Weighted average carbon intensity (WACI)	Private Equity	Private debt	Capital Markets Strategies
Perimeter	Main funds of Tikehau IM and Tikehau ACE Capital	Direct lending, corporate lending and CLO of Tikehau IM and Tikehau Capital Europe	Main equities and bonds funds of Tikehau IM
% of assets under management covered	78%	98%	97%
Tonnes of CO ₂ equivalent per € million of revenues	WACI (scopes 1, 2) ¹ : 45 tCO ₂ e per €m WACI (scopes 1, 2 and 3) ² : 479 tCO ₂ e per €m	WACI (scopes 1, 2) ² : 69 tCO ₂ e per €m WACI (scopes 1, 2 and 3) ² : 322 tCO ₂ e per €m	WACI (scopes 1, 2) ³ : 93 tCO ₂ e per €m

* Excl. Ace Capital Partners
¹Source: ERM AND Carbometrics
²Source: SIRSA/CO₂Logic
³Source: Bloomberg and Tikehau Capital. Work is underway on modelling scope 3 emissions using ISS and S&P Trucost data with a view to strengthening the approach.



For real estate, we look at carbon intensity in tCO₂e per square meter.

Carbon intensity per sqm

Perimeter

% of assets under management covered

Carbon intensity metric¹

¹Source: Green Soluce. Data based on actual consumption for 14% of the surface area of the properties and modelled for the remainder.

In line with the TCFD recommendations, Tikehau Capital also takes into account other risks related to climate change, including:

(i) Transition risks, including regulatory, technological, market and reputational risks, which are considered in the basic analysis carried out by our investment teams. The teams who oversee on our private equity energy transition fund carry out in-depth assessments of the main issues relating to climate change, such as changes in energy prices and 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, hurricanes and cyclones). During the pre-investment stage, the ESG scoring grid comprises questions relating to physical risks. A mapping of the physical risks by country is shared with the corporate investment teams. For real assets located in France, a mapping of the physical risks by address is available and will soon be extended to Europe <https://www.taloen.fr/bat-adapt>.

Real estate

Tikehau IM, Sofidy and IREIT Global (>5,6 millions sqm)



Intensity (Scope 1,2)¹
11 kgCO₂e per sqm
Intensity (Scope 1,2 et 3)¹
30 kgCO₂e per sqm

BEYOND BUSINESS: PARTNERSHIPS & PHILANTHROPIC INITIATIVES



IN THE AREA OF CLIMATE AND BIODIVERSITY

ASSISTANCE

In Autumn 2021, the Titicaca challenge took place, involving three high-level athletes: Théo Curin, a young Paralympic swimmer, Malia Metella, Olympic silver medallist in swimming and Matthieu Witwoet, an eco-adventurer. Théo Curin, who came up with the idea, had all four of his limbs amputated following a devastating bout of meningitis at the age of six. He overcame his disability by swimming. At the end of 2021, the three athletes swam across Lake Titicaca, a 122-kilometre-long lake located between Peru and Bolivia and over 3,800 metres above sea level, completely independently, using a specially designed raft. Beyond the sporting challenge, this expedition highlights the predicament of Lake Titicaca, which is threatened by urban development and global warming, and provides assistance to disadvantaged local communities.

Tikehau Capital has decided to sponsor the initiative of Romain Pilliard, skipper of the trimaran "Use It Again", which began a westabout attempt to sail around the world in December 2021, against the winds and the dominant currents. The trimaran has been renovated more than 15 years after its maiden voyage, with a focus on the choice of materials and with a view to transforming or recycling obsolete materials. This expedition is seeking to produce the first global map of ocean sounds to support the work of a scientist who specialises in the sounds made by cetaceans and ocean noise pollution.

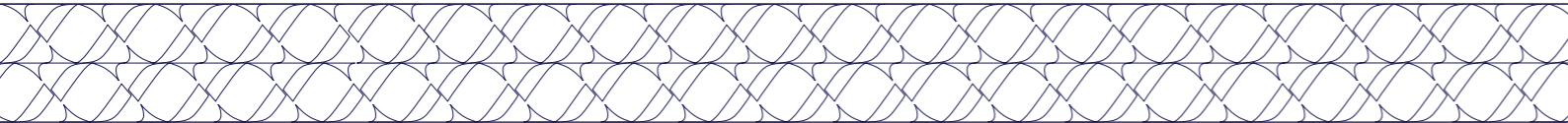
In the field of youth p.41
 In the field of health p.44

CHALLENGE

In early 2021, Tikehau Capital made a five-year commitment to the Océan Polaire association founded by the doctor and explorer, Jean-Louis Etienne, linked to his Polar Pod expedition. Océan Polaire organises expeditions and educational and scientific trips in the polar regions. Polar Pod is both an extraordinary maritime exploration expedition and a technological challenge that involves studying the Southern Ocean, which surrounds Antarctica. The Southern Ocean is a major contributor to the climate system, as its cold waters are one of the world's principal carbon sinks. The Southern Ocean also enjoys rich biodiversity. As it is non-motorised, Polar Pod will be silent and carry out an unprecedented survey of underwater life. This expedition, which is to begin in 2023, will seek to gather data and collect long-term observations that will be sent to partner researchers, oceanographers, climatologists and biologists. Around 43 scientific institutions and 12 different countries are already involved in the project.

INSERTION

Since 2018, the Entrepreneurs du Monde association has been supporting the economic integration of people living in very precarious conditions by offering them microfinance services. In 2021, Tikehau Capital supported their programme in the Philippines on providing the poorest populations with access to clean, affordable and modern energy.



TIKEHAU CAPITAL'S COMMITMENT to innovation, digitalisation & cybersecurity



**If cyber risk
was an economy,
it would be
the third largest
in the world.**

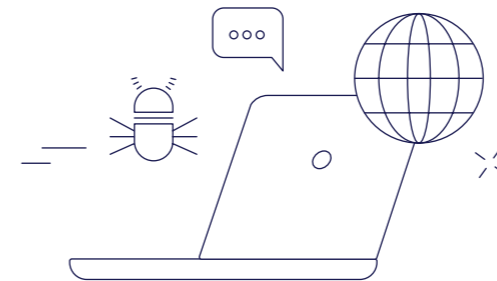
Digitalisation is critical for all value chains. On the one hand, it is a feature of economic development, a necessary element of modernisation and a competitive advantage in most business sectors. On the other hand, it can be a source of vulnerability if systems and data are not properly and fully protected.

In fact, in April 2021, the Chair of the US Federal Reserve cited cyberattacks as the greatest risk to the stability of the global economic system. From a European perspective, the expected inclusion of cybersecurity in the EU social taxonomy is proof that a strong cybersecurity sector is central to building more resilient ecosystems.

This is why cybersecurity is of the utmost importance to all of us at Tikehau Capital. We have a responsibility to protect the data of our portfolio companies, partners, suppliers, investors and shareholders. But we also see the potential to lead in one of the most significant investment opportunities of the next few decades. We manage the largest private equity fund dedicated to cybersecurity in Europe.

Cyber threats are escalating and becoming more complex. The speed of attacks is increasing and beginning to exceed our human ability to process information and react. When dealing with these unknown threats, information systems teams are powerless if they merely rely on detection or human-managed neutralisation. Traditional tools are no longer sufficient.

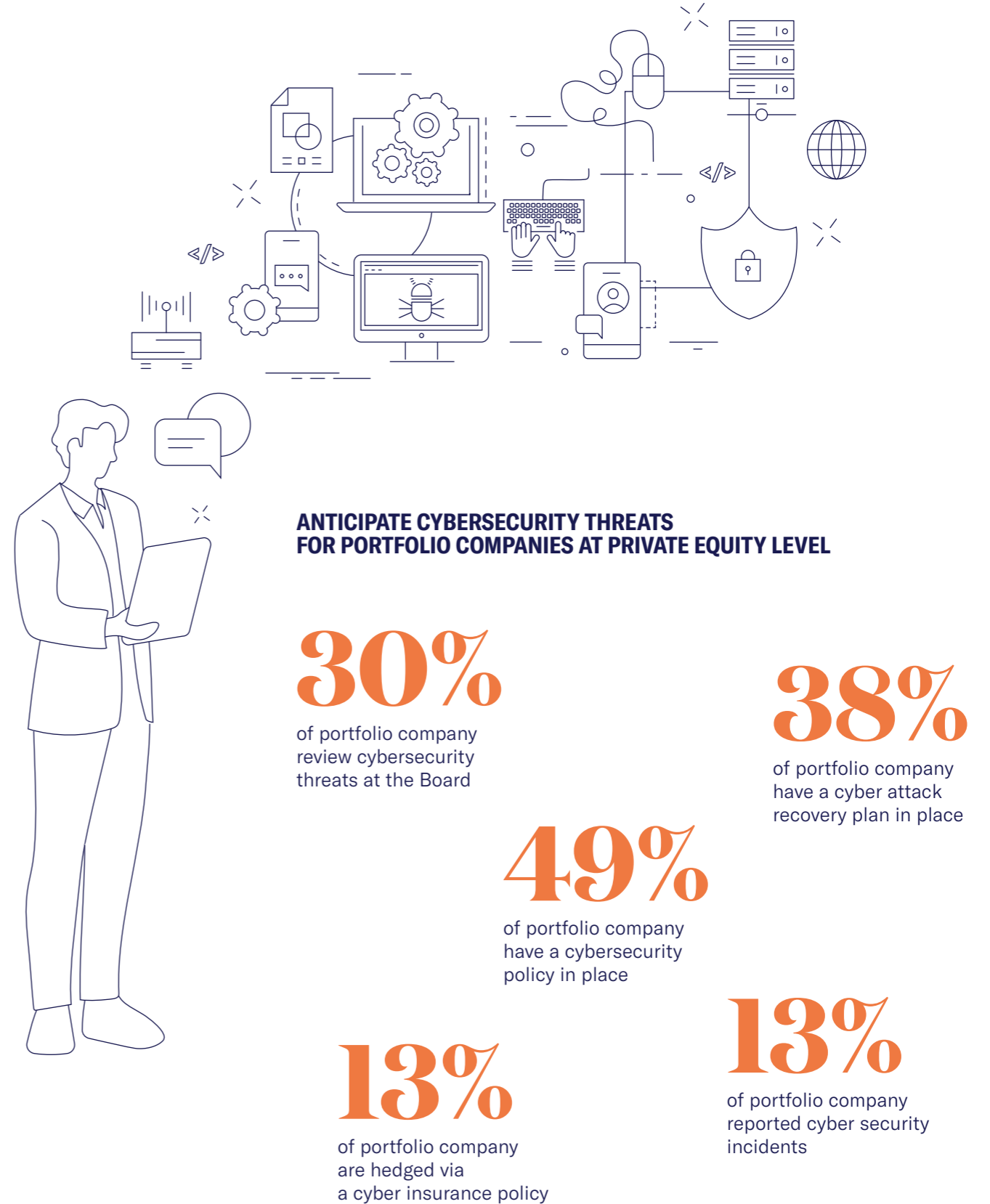
Consider for example the XDR platform from TEHRIS, a company that produces solutions to combat cyber-espionage and cyber-sabotage. Using artificial intelligence, TEHRIS automatically detects and neutralises unknown threats in real time without relying on any human intervention. TEHRIS raised €20 million in Series A funding in December 2020, led by Tikehau Capital.



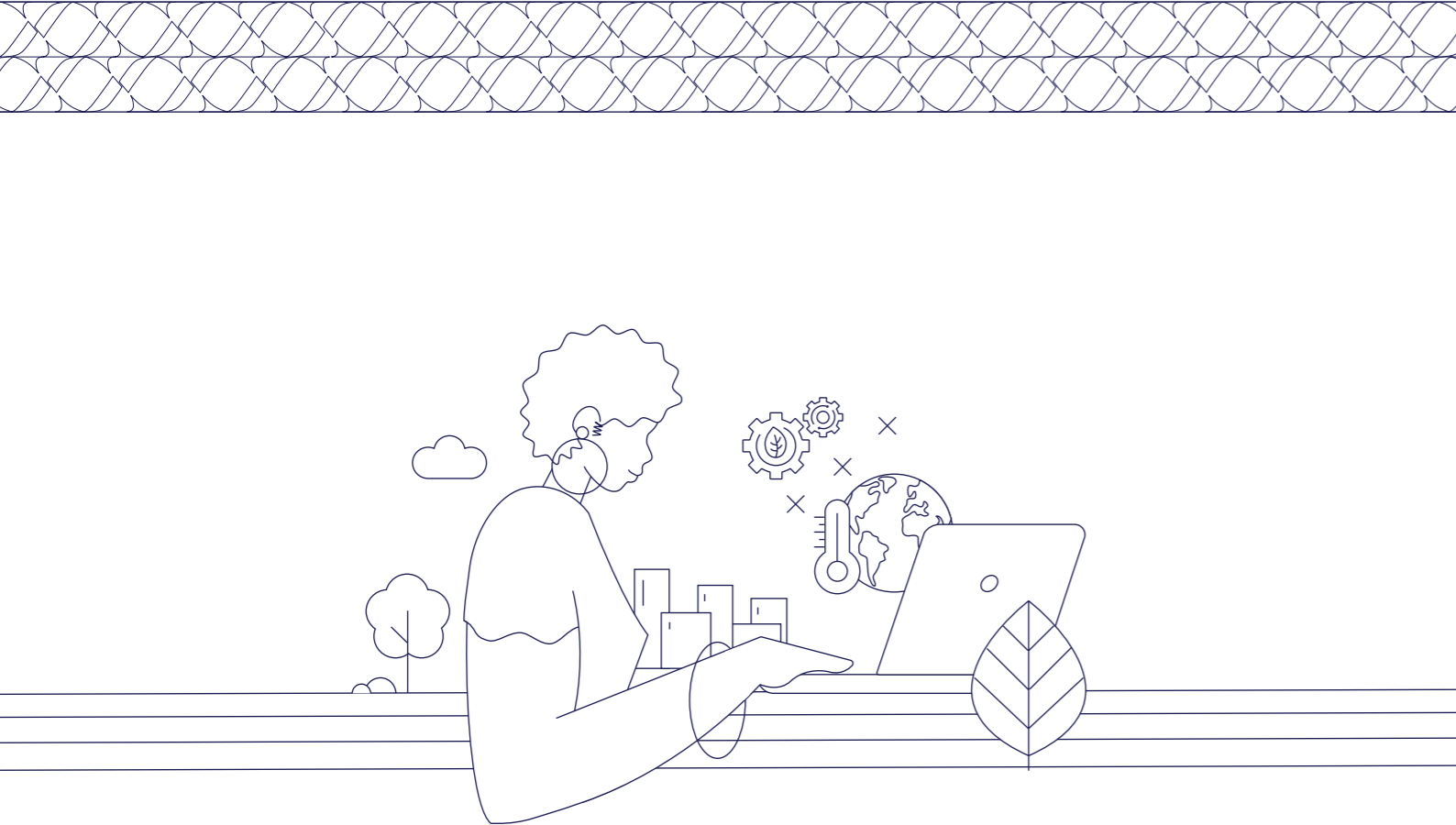


“
Alongside concerns about public health and climate change, we believe that cybersecurity is one of the issues that affects the most companies on the planet. Helping companies that work in this area get the financing they need is just one way that we walk the talk.”

Thomas Friedberger
 Deputy CEO of Tikehau Capital, Co-CIO and CEO of Tikehau IM



Source: Tikehau Capital analysis. Sample of 47 responding portfolio companies across Tikehau IM and Tikehau ACE Capital platforms.



TIKEHAU CAPITAL'S COMMITMENT to economic development & an inclusive society



ECONOMIC DEVELOPMENT

Through our private equity and private debt activities, Tikehau Capital finances SMEs in Europe and contributes indirectly to maintaining and creating jobs.

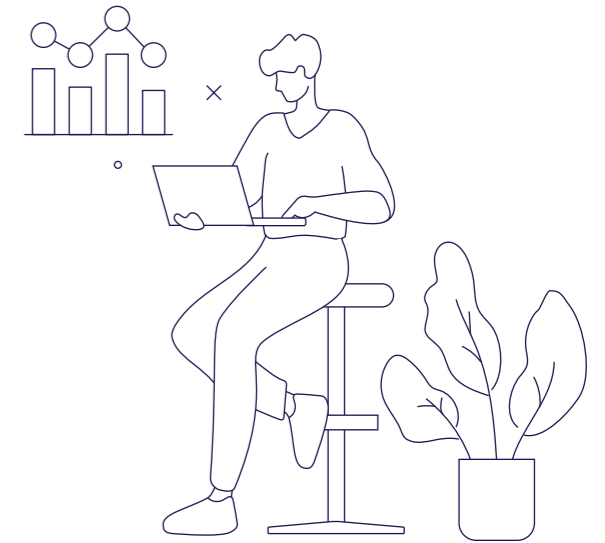
For example, we have two funds devoted to these goals:

Belgian Recovery Fund

In September 2021, under the auspices of the Belgian Minister of Finance and of the Belgian Secretary of State for Recovery, the Belgian Recovery private debt fund was launched to strengthen the solvency of Belgian companies and other companies with a strong presence in the country.

Stimulus Bonds Investment Fund ("Obligations Relance")

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 following the crisis caused by the Covid-19 pandemic. Tikehau Capital was selected as one of the fund's six asset managers who are responsible for a total investment budget of €300 million.



In 2021, we also launched a new private debt strategy which focuses on inclusive and sustainable growth as well as on innovation and climate change.

Impact Lending Strategy

This strategy 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 resources and operations (human capital, supply chain, etc.). Every loan financed through our Impact Lending strategy will have an ESG ratchet, i.e. a marginal adjustment of the interest rate based on the achievement of pre-defined ESG targets in the credit documentation.



Culture and inclusion driving growth

Diversity of gender, culture, profile, talent, experience and clients is at the heart of Tikehau Capital's concerns. Its growth will only be sustained by promoting diversity and inclusion. Performance, innovation, responsibility and openness to the world will be key in the years to come.

RESILIENCE & ECONOMIC DEVELOPMENT ACROSS THE GROUP

15
YEARS
OF EXPERIENCE
ON AVERAGE

47
NET JOBS CREATED IN 2021
AND 44 IN 2020 AT TIKEHAU CAPITAL
AND OUR SUBSIDIARIES

(As at Dec 2021).

WE ARE ON THE BALL

WE MAKE IT HAPPEN

We raise the standards

WE WALK THE TALK

We think BIG

WE KEEP THINGS SIMPLE

WE ARE CONTRARIAN

WE CREATE, RATHER THAN COMPETE

We connect the dots

We get out of our comfort zone

DIVERSITY ACROSS TIKEHAU CAPITAL GROUP

Thinking critically and creatively is part of our DNA, and we fundamentally believe that promoting a culture of inclusive diversity is at the heart of our Group's success. Our teams are made up of people from 37 nationalities. We believe in people and the teaching power of thought-provoking connections. We consider our ability to hire and retain diverse talents as a key growth driver and a pillar of our strategy.

Tikehau Capital's culture promotes diversity, own convictions as well as support across teams.

On 1 January 2022, 24.5% of Tikehau Capital's Managing Directors and Executive Directors were women. The managers have set a target of increasing the proportion of women among the Managing Directors and Executive Directors of the Group to 26% by the end of 2023, 28% by the end of 2025, and 30% by the end of 2027.

We aim to pursue our momentum from other actions undertaken in 2021, which include:

- › Raising managers' awareness of sexist biases, particularly in the context of recruitment, evaluations and promotions, including the organisation of a webinar on the subject
- › Establishing team-level gender diversity targets, quarterly reporting for managers on the change in the percentage of women in their teams, and evaluating our teams' gender diversity as one of the Group's non-financial objectives in our annual employee performance reviews
- › Raising our Group's awareness of gender and diversity issues through the organisation of two webinars: one led by respected neurobiologist Dominique Vidal on how biology and the socio-cultural environment determine cultural attitudes and identity, and the other led by Jason Lamin, founder and CEO of Lenox Park Solutions, on diversity and inclusion
- › Participating in the "Grandes Ecoles au Féminin" survey on the impact of gender in risk management and organising a pilot group of managers for a "Recruit Without Discrimination" training course



DIVERSITY AT TIKEHAU CAPITAL ACROSS 3 NUMBERS

43%

OF PERMANENT WORKFORCE ARE WOMEN

24%

OF MANAGEMENT ARE WOMEN (MANAGEMENT AND EXECUTIVE DIRECTORS)

37

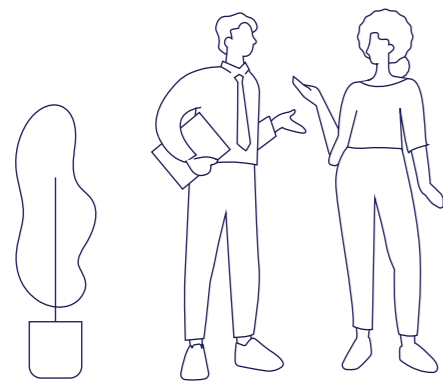
DIFFERENT NATIONALITIES ACROSS ALL OUR TEAMS

(As at Dec 2021).

- › Strengthening our links with associations that promote gender diversity in the financial sector and academia
- › Establishing and promoting flexible working conditions (part-time, parental support, etc.), notably with the introduction of "Ma Bonne Fée", a tool offering parenting and emergency childcare solutions
- › Measuring and analysing pay gaps between men and women at each salary level review, implementing compensation grids for employees, and making investments aimed at bridging salary differences between men and women.

The Group strives to attract a variety of profiles, with prestigious backgrounds as well as atypical ones. Our Human Capital team is in continuous contact with schools and associations to organise events dedicated to recruiting young people. We undertake many initiatives to meet new talent and promote Tikehau Capital throughout Europe and the United States.

Legal constraints in France do not allow us to take into consideration factors likely to affect the ethnic diversity of our teams there. As a result, we are working on this as a priority in countries where monitoring is possible. For example, in the United Kingdom, we established a partnership with the "10,000 Black Interns" association to encourage diversity in our recruitment of interns. In 2021, we hired two black interns who joined our Private Debt and Real Assets teams in the UK. As we believe in the principle of equal access to employment, Tikehau Capital also encourages diverse recruitment in the United States.



BEYOND ASSET MANAGEMENT: PHILANTHROPIC PARTNERSHIPS AND INITIATIVES



IN THE FIELD OF YOUTH

PREPARING FOR THE FUTURE

Since 2019, the Institut de l'Engagement has provided personalised support to thousands of young people who have carried out volunteering work, aimed at developing their future civic engagement. Under this partnership, Tikehau Capital's teams help to select future beneficiaries in the initial phase of reviewing applications and in the oral interview phase. The Group also promotes participation in the Institut de l'Engagement at the time it hires interns.

TRAINING

Two associations in Spain, the Fundación Exit and Junior Achievement, seek to tackle school dropout rates and provide local apprenticeship centres where young people receive help in finding their way into work.

Tikehau Capital has, since 2021, supported the development of Espérance Banlieues and has contributed to the construction of new premises in Cours Charlemagne in Argenteuil (France). The Espérance Banlieues network applies an innovative school model, focusing on the prevention of school dropouts and the social and cultural integration of young people. It is based on the individual monitoring of pupils, which is possible due to the small number of children involved, apprenticeships focused on fundamentals (reading, writing and counting) and the close involvement of parents in the educational approach.

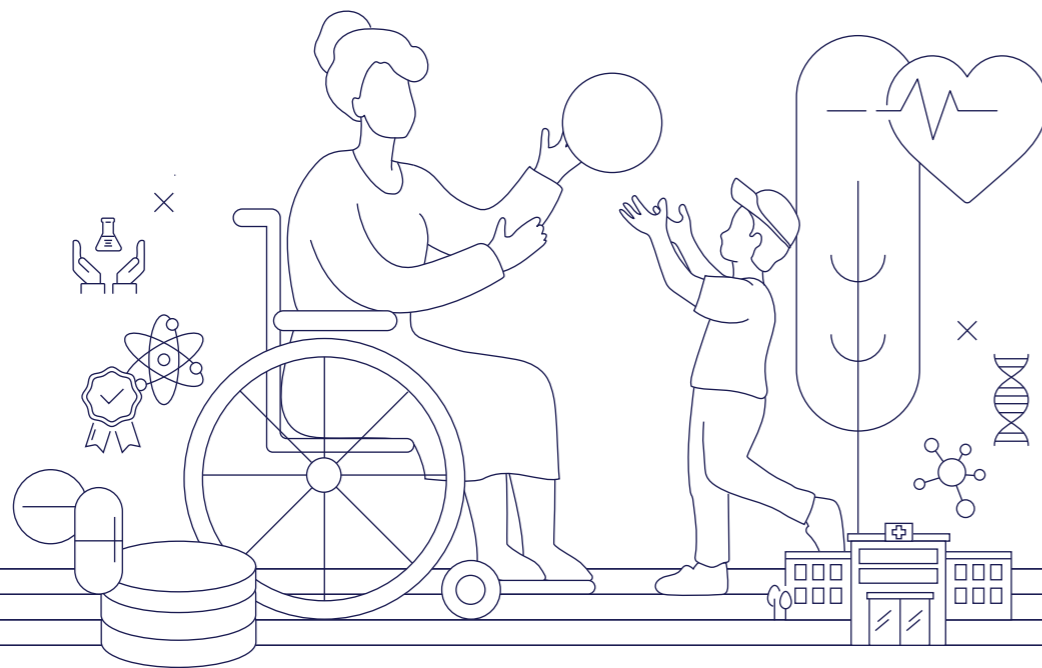
MUTUAL ASSISTANCE

Tikehau Capital supports the Rugby French Flair association, which provides development support to the Zazakely orphanage that seeks to improve living conditions for disadvantaged children. Rugby French Flair allocates the donations it receives to local organisations that look after young people. The aim is to provide support to these children, who are often orphans, and work to help them escape the violent aspects of their living conditions (trafficking, prostitution, recruitment by armed groups) against a backdrop of extreme poverty (Madagascar, Senegal, Colombia, Cuba and Panama).

INCLUSION

Life Project for Youth develops solutions aimed at the professional and social integration of young people between the ages of 17 and 24 who are in extreme poverty and victims of exclusion in 13 countries in Asia, the Middle East, Europe and the Americas.

In the field of the climate and biodiversity p.31
In the field of health p.44



TIKEHAU CAPITAL'S COMMITMENT to health

3 GOOD HEALTH
AND WELL-BEING



“**Innovative, high-potential pharmaceutical companies contribute to improved health. In private debt, we stand alongside such companies’ management and private Equity shareholders to further accelerate their positive impact, for example through the offer of ESG ratchets.**”

Cécile Mayer Levi
Head of Private Debt

Our objective is to contribute to positive health outcomes. We support more than 50 companies in the pharmaceutical sector with a global exposure of circa €1 billion through several private debt and Private Equity funds.

In the fall of 2021, for example, we provided a strategic funding to Provepharm Life Solutions to pursue research and development. Provepharm is a pharmaceutical company that finds new applications for well-known molecules. We were instrumental in suggesting an ESG ratchet in the term sheet. Our investment and ESG teams worked hand in hand with Provepharm to define ambitious ESG targets:

- › Obtaining B Corp certification by 2023
- › Performing a carbon footprint assessment and subsequently defining a reduction trajectory in line with the Paris Agreement
- › Reinforcing the ethics charter
- › Reinforcing employee trainings (including targets on employee participation in ethics, corruption and sustainability training)



BEYOND ASSET MANAGEMENT: PHILANTHROPIC PARTNERSHIPS AND INITIATIVES



IN THE FIELD OF HEALTH

RESEARCH

After supporting research on Covid-19 in March 2020 by making a significant donation to Assistance Publique-Hôpitaux de Paris (AP-HP), Tikehau Capital became a Major Sponsor of the AP-HP Foundation in 2021, with a view to supporting innovation in health, the accessibility of healthcare for all and the teams of the AP-HP's 39 hospitals.

Tikehau Capital has committed to supporting the Philosophy Chair at the hospital until 2024. This is a teaching and research programme that combines theory and practice for carers, patients, students, those working in the health system and the general public.

In 2021, Tikehau Capital supported three causes in particular:

- the Institut Curie Research Center in the United States to promote research on cancer;
- the Helebor association, which offers palliative care and improves the lives of people in France who are seriously ill;
- the Paratonnerre association, which brings together the families of children affected by febrile infection-related epilepsy syndrome (FIRES).

MUTUAL

In June 2011, Tikehau Capital and the CARAC Savings, Pensions and Personal Protection Mutual Fund joined forces to promote the independence of the most fragile members of society by offering a community-focused savings product via the Tikehau Entraid'Épargne Carac (TEEc) fund.



In the field of the climate and biodiversity p.31
In the field of youth p.41



Sustainability investment across our business lines

Private Equity

Tikehau Capital's private equity investment and ESG teams work closely with our portfolio companies to develop bespoke sustainability roadmaps depending on the companies' activity, maturity, geography, material topics for them. We monitor such roadmap annually. We evaluate the company performance compared to its bespoke objectives and standard objectives linked to the 5 Tikehau private equity must-haves.

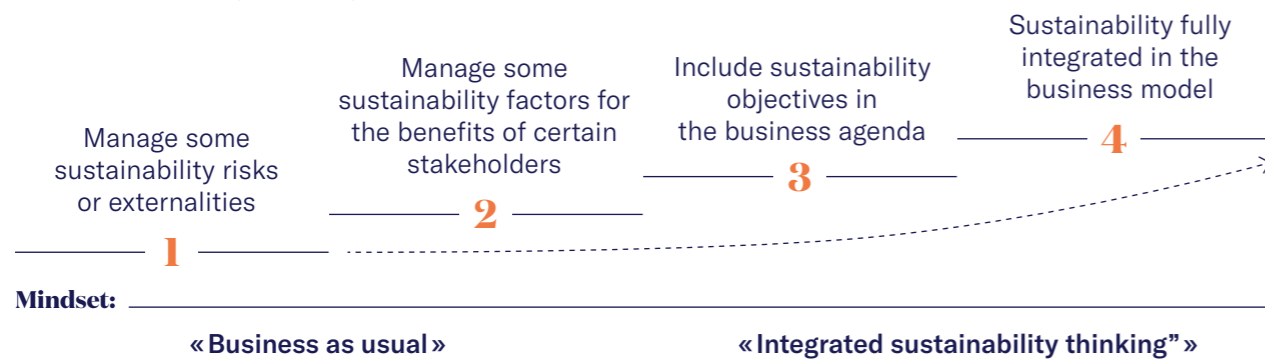
83%

OF PRIVATE EQUITY AUM CLASSIFIED AS SFDR ARTICLE 8 AND 9 FUNDS AS AT DEC-21 (REPRESENTING €2.8 BILLION AUM)

PRIVATE EQUITY ESG VALUE CREATION APPROACH

Our role is to encourage companies to advance in their sustainability journey

The Sustainability Journey



TIKEHAU PRIVATE EQUITY SUSTAINABILITY MUST-HAVES

	Target*
At least one external 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%
Carbon reduction plan (where possible, aligned with Science-based targets in the 24 months following the acquisition starting with 2022 investments)	100%

*Best effort in 12-24 months following acquisition



“

With the objective to integrate sustainability criteria in our value proposition, we act as sparring partner with our portfolio companies, working in collaboration to define objectives and establish corresponding indicators. It important to encourage people get out of their comfort zones for these topics, because that's the only way real change can happen.”

Emmanuel Laillier
Head of Private Equity

For example, when it comes to setting a decarbonisation strategy, our investment team ensures that the objectives and KPIs that we set are aligned with the fund's theory of change by asking one simple question: "Why is the investment relevant to the strategy?"

We created an Impact Committee in 2022 to strengthen this approach. While impact selectivity is certainly important, impact measurement is even more so, and in our opinion, the best way to demonstrate positive change. To that end, we work hand-in-hand with environmental experts such as ERM to assess impact holistically. It means that we assess both induced and avoided CO₂ emissions. Please see T2 Energy Transition results p.25.

Capital Markets Strategies

In 2021, we introduced ESG objectives in the prospectus of certain funds. Specifically, Tikehau IM's flagships equity and bonds open-ended funds' objective is to beat their benchmark¹ by at least 20% in terms of greenhouse gas emission intensity, measured in tonnes of CO₂ equivalent per one million euros of revenues held, or 'weighted average carbon intensity' (WACI):

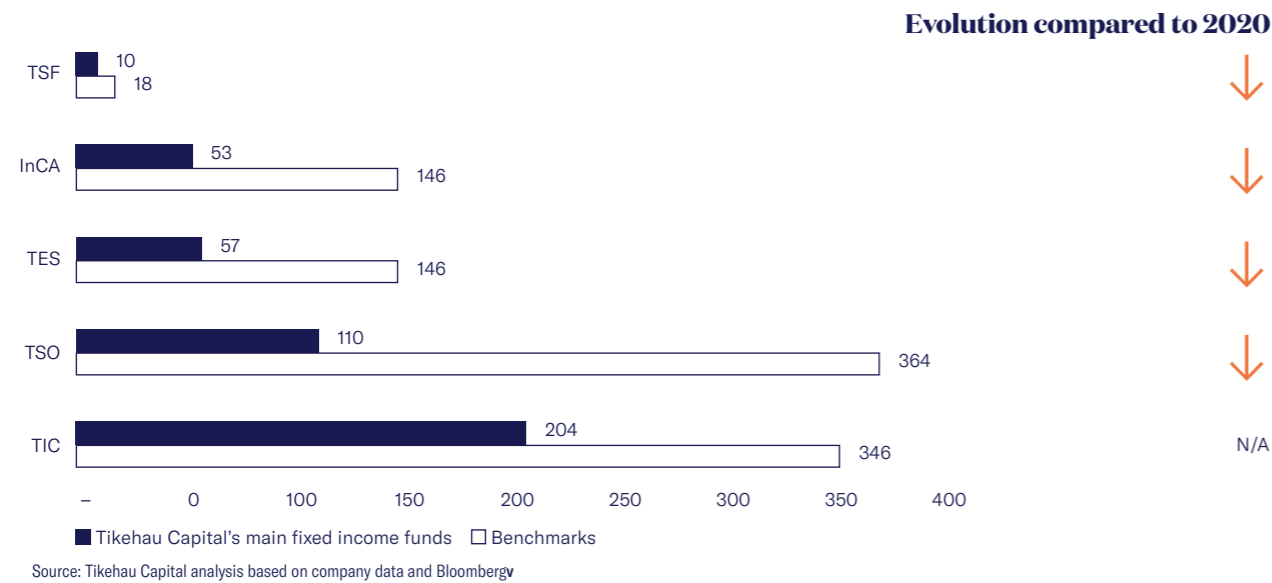
¹The benchmarks shown are not systematically the reference indices used to measure the funds' financial performance.

98%

OF CAPITAL MARKET STRATEGIES AUM CLASSIFIED AS SFDR ARTICLE 8 AND 9 FUNDS AS AT DEC-21 (REPRESENTING €5.0 BILLION AUM)

Scope 3 data is not robust enough at this stage however, where possible, we also monitor carbon emissions linked to purchases of goods and services and the use of products and services (upstream and downstream emissions). We are currently working on ISS and S&P Trucost data sets to overcome this challenge.

WEIGHTED AVERAGE CARBON INTENSITY (WACI) PER € MILLION REVENUES HELD (SCOPE 1 AND 2*)



Selected Tikehau IM funds and corresponding reference benchmarks:

TSF (Tikehau SubFin) composite benchmark: 90% EBO0 ICE BofAML Euro Financial Index, 10% H1EC ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index

InCA (Tikehau International Cross Assets) & TES (Tikehau Equity Selection) benchmark: MSCI World

TSD (Tikehau Short Duration) composite benchmark: 65% ER01 ICE BofAML 1-3 Year Euro Corporate Index, 35% ICE HW00 BofAML Global High Yield Index.

TIC (Tikehau Impact Credit) benchmark: HWSG (ICE Global High Yield ESG Tilt Index)

Collateralised Loan Obligations (CLO)

Since 2021, our collateralised loan obligations (CLO) team has been increasing transparency on ESG scores and carbon footprint. The team also tracks loans with an ESG ratchet (or "sustainability linked loans") to benchmark instruments and provide feedback where relevant.

On average over the past 12 months, more than three-quarters of sustainability-linked instruments included a performance indicator targeting the reduction of greenhouse gas emissions. Although a number of CLO issuers committed to decarbonisation targets, they often exclude an important share of carbon emissions linked to suppliers and to the use of products and services (Scope 3) from their calculations.



“Sustainability-linked financing encourages borrowers to achieve ESG targets through pricing incentives. It is a fast growing instrument that we increasingly see in the high yield bond and leveraged loans markets. Its credibility relies on borrowers being committed to ambitious targets rather than easy targets that require little effort.”

Rodolfo Caceres

Head of Credit Research for fixed income and CLO business lines

Direct Lending and Corporate Lending

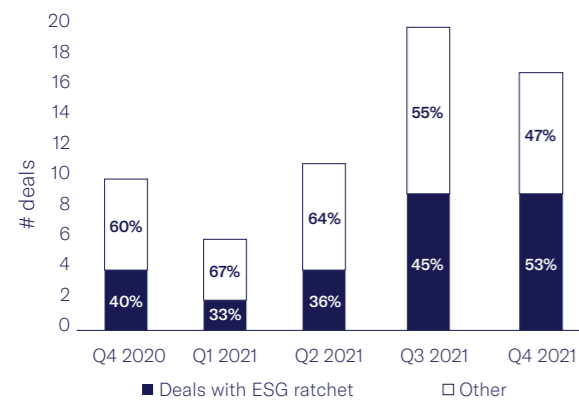
Since 2018, Tikehau Capital has regularly included ESG clauses that commit borrowers to considering ESG performance and reporting on their progress. As of 2020, to further integrate ESG in the investment process, the Private Debt team introduced ESG ratchets in the transactions it structures, making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

An ESG ratchet is a trigger that lowers the interest rate margin of a loan by a predefined amount when an ESG objective is achieved. The Group's Private Debt team typically negotiates three to five relevant annual

ESG targets with the company or its equity sponsor. If they are met, borrowers are rewarded with a marginal reduction of the interest rate ranging from -5 to -25 basis points. The proposed mechanism could also allow 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. Our Private Debt activity team predicts that the ESG ratchets will become a market standard, and it will no longer be necessary to treat them separately from financial criteria. The Private Debt team finds that generally stakeholders are open to the idea and need a catalyst to tackle quantitative sustainability targets.

SHARE OF DEALS WITH AN ESG RATCHET

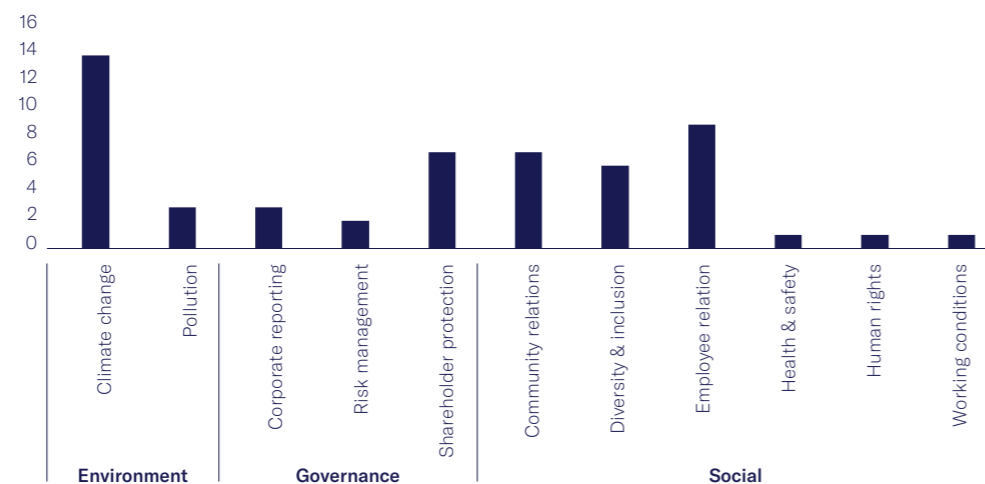


POSITIVE RESULT

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ESG RATCHETS NEGOTIATED BY TIKEHAU CAPITAL'S PRIVATE DEBT TEAM IN 2021

DISTRIBUTION OF TARGETS/KPIS ACROSS ENVIRONMENT, SOCIAL AND GOVERNANCE THEMES*



* December 2021. The figures may change once all the negotiations on the targets are finalised.

In our real estate activities

For our real estate activities, the ESG ratings depend on the stage of completion of the project and focus on the intrinsic characteristics of the asset and the practices of stakeholders—notably the developer, property manager and tenant—in relation to environmental criteria like energy performance or biodiversity footprint as well as societal matters.

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 continuous improvement, “best in progress” approach and the deployment of demanding action plans for each of the three pillars: environment, social and governance.



At the end of 2021, Sofidy recruited a real estate ESG manager. In 2022, Sofidy will keep progressing and begin to expand its ESG strategy, with the goal of eventually applying this approach across all flagship funds.

SPOTLIGHT ON SOFIDY FUNDS, WHICH HAVE OBTAINED THE FRENCH MINISTRY OF THE ECONOMY, FINANCE AND RECOVERY'S SRI LABEL FOR REAL ESTATE

About the fund	ESG targets
Sofidy Europe Invest , launched in July 2021, is a European-themed SCPI that targets the most buoyant real estate markets within the European economic area, the United Kingdom and Switzerland.	Aware of the environmental impact of the target assets of its investments (offices, hotels, logistics, etc.), the Sofidy Europe Invest fund works to reduce greenhouse gas emissions and improve the energy performance of these assets by building the means of production of renewable energies. The fund will also develop, to the best of the specificities of the assets, systems for the protection, maintenance and development of biodiversity by protecting it from the impact of human activities.
Sofimmo , launched in March 2009, is a Professional Real Estate Collective Investment Organisation (OPPCI reserved for professional customers) holding 125 assets invested, directly or indirectly, in local retail properties in France.	Sofimmo works to develop responsible and sustainable city centre commerce in a way that benefits the local economy. This contributes to the revitalisation of regions that display a development dynamic, particularly in medium-sized cities

Tactical Strategies

Our tactical strategies also increasingly take into account not only ESG risks but also the sustainability profile of issuers.

A CLOSER LOOK AT THE FUTURE WESTPOORT DATA CENTER IN AMSTERDAM

Investment firm Great Grey Investment (GGI) was supported by a mortgage-backed financing from Tikehau Special Opportunities (TSO) to acquire the site of the future 100MW Westpoort Data Centre as well as to begin development works. Ground was broken on the facility in June 2021. When completed, the 100MW, 100,000 sqm development will consist of three 12-story towers, the first of which is due to open in 2023.

GGI and the Amsterdam market is providing Europe with the template on how to develop Data Centres in a sustainable way:

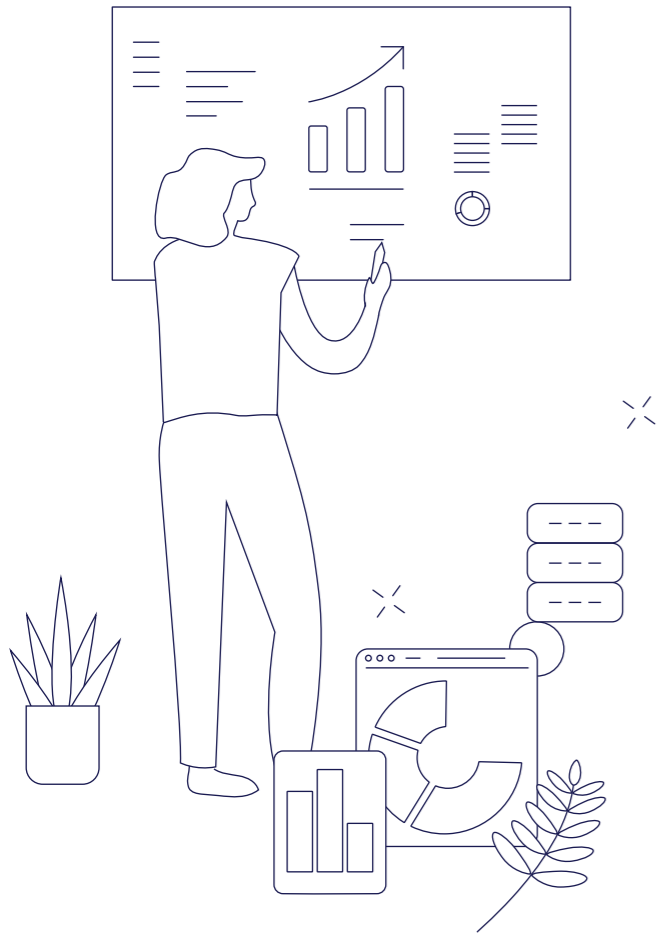
- › Centrally-located in a major hub
- › Multi-story design (which is unusual for a Data Center)
- › On the hot water network but away from any flight paths
- › Designed to handle both air and liquid cooling

¹ The fund is reserved for professional investors only. Subscriptions are now closed.

DIFFERENCE BETWEEN WESTPOORT AND OTHER DATA CENTERS

Characteristic	Comparable data centers	Westpoort	Description
Power Usage Effectiveness (PUE)	1.10 - 2.0	< 1.05	As PUE decreases, more kw is available to the client
Cooling Method	Air Cooled main & backup	Liquid & Air Cooled	1,500x more heat absorption than air
Energy Recycling	Can produce warm water of up to 20 degrees or to create electricity on site	Can provide 55-60 degree water	Agreement already in place with local hot water supplier, Vattenfall
Design Structure	1 to 2 stories taking extensive land space	80m/12 stories	Reduced environmental impact

PuE: Power usage effectiveness. PUE is the ratio of the total amount of power used by a computer data centre facility to the power delivered to computing equipment. The closer this ratio is to 1.0, the better.



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