

## REPORT REVIEW

# Tikehau Capital - Sustainable Bond & USPP Allocation Reporting

Sustainable Bond & USPP Allocation Reporting  
Tikehau Capital

19 July 2024

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Sustainable Bond & USPP Allocation Reporting

### Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), updated June 2023, as administered by the ICMA
- Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB), updated June 2023, as administered by the ICMA
- Tikehau Capital's Sustainable Bond & USPP Allocation Reporting as of March 31, 2024 (communicated on July 3, 2024)
- Tikehau Capital's Sustainable Bond Framework (as of August 31, 2023)
- Tikehau Capital's Sustainable Bond Framework (as of March 17, 2021)
- Bond(s) identification ISIN / Bond Maturity (bond issuance amount)

### Scope of verification

|                                       | ISIN         | Maturity                 | Size    | Framework  |
|---------------------------------------|--------------|--------------------------|---------|--|
| Sustainable Bond (March 31, 2021)     | FR0014002PC4 | 31/03/2029               | 500 m€  | Sustainable Bond Framework (as of March 17, 2021)  |
| USPP (March 31, 2022)                 |              | 31/03/2032<br>31/03/2034 | 180 m\$ | Sustainable Bond Framework (as of March 17, 2021)  |
| Sustainable Bond (September 14, 2023) | FR001400KKX9 | 14/03/2030               | 300 m€  | Sustainable Bond Framework (as of August 31, 2024) |

### Lifecycle

- Post-issuance verification

### Validity

- As long as no changes are undertaken by the Issuer to its Sustainable Bond & USPP Allocation Reporting as of July 3, 2024

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## SCOPE OF WORK

Tikehau Capital (“the Issuer” or the “Group”) commissioned ISS-Corporate to provide a Report Review<sup>1</sup> on its Sustainable Bond & USPP Allocation Reporting by assessing:

1. The alignment of Tikehau Capital’s Sustainable Bond & USPP Allocation Reporting with the commitments set forth in both Tikehau Capital’s Sustainable Bond Framework (as of March 17, 2021) and Sustainable Bond Framework (as of August 31, 2023).<sup>2</sup>
2. Tikehau Capital’s Sustainable Bond & USPP Allocation Reporting - benchmarked against the ICMA’s Handbook Harmonised Framework for Impact Reporting (HFIR) and Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB), updated June 2023, administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators<sup>3</sup> – whether the impact metrics align with best market practices and are relevant to the Sustainable Bonds issued.

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in Tikehau Capital Sustainable Bond Allocation & Impact Reporting. A review of the use of proceeds’ allocation and impact reporting is solely conducted against ICMA’s Standards core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer or Tikehau Capital is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.

<sup>2</sup>The Sustainable Bond Framework (August 31, 2023) was assessed as aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines as of September 1, 2023. The Sustainable Bond Framework Framework (March 17, 2021) was assessed as aligned with the Green Bond Principles and Social Bond Principles as of March 17, 2021.

<sup>3</sup> According to the issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company data. As a result, Tikehau Capital’s Sustainable Bond Impact Reporting is expected before October 31, 2023. The Scope of the underlying external review is therefore limited to the Allocation Reporting.

## ASSESSMENT SUMMARY

| REVIEW SECTION   | SUMMARY   | EVALUATION  |
|--|---|---|
| <p><b>Part 1.</b></p> <p><b>Alignment with the Issuer's commitments set forth in the Framework</b></p> | <p>The Tikehau Capital's Sustainable Bond &amp; USPP Allocation Reporting meets the Issuer's commitments set forth in the Sustainable Bond Framework. The proceeds have been used to (re)finance social assets (healthcare) and ESG-eligible funds, in accordance with the eligibility criteria defined in the Framework.<sup>4</sup></p>   | <p><b>Aligned with the commitments set forth in the Framework</b><br/>(with 81.6%<sup>5</sup> of allocated proceeds attributed to Eligible ESG Funds<sup>6</sup>)</p> |
| <p><b>Part 2</b></p> <p><b>Alignment with the ICMA's HFIR and HFIRSB</b></p>                           | <p>The Sustainable Bond &amp; USPP Allocation Reporting is in line with ICMA's HFIR and HFIRSB. The Issuer follows core principles and where applicable key recommendations.</p> <p>Tikehau Capital has reported annually. Allocated proceeds are reported on a project-by-project basis. The Allocation Reporting includes the total amount of proceeds allocated per type within categories, namely eligible ESG Funds, eligible social project category, and per geographical reach. Whereas, the targeted population is identified for the social project categories.</p> | <p><b>Aligned<sup>7</sup></b></p>   |

<sup>4</sup> The Sustainable Bond Framework (August 31, 2023) was assessed as aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines as of September 1, 2023 except for the core component Use of Proceeds category Eligible ESG Funds.. The Sustainable Bond Framework Framework (March 17, 2021) was assessed as aligned with the Green Bond Principles and Social Bond Principles as of March 17, 2021 except for the core component Use of Proceeds category Eligible ESG Funds.

<sup>5</sup> 70% of the proceeds are allocated to funds are managed by TKO while 12% are managed by external ESG funds.

<sup>6</sup> Within the portfolio, there are 17 funds managed by the Issuer, and 6 external funds not managed by the Issuer.

<sup>7</sup> According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company data. As a result, Tikehau Capital's Sustainable Bond Allocation Reporting is expected before October 31, 2024. The Scope of the underlying external review is therefore limited to the Allocation Reporting.

**Part 3****Disclosure of proceeds allocation**

The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.<sup>8</sup>

As of March 31 2024, 532.3 €m of Tikehau Capital's 962.1 €m Sustainable Bonds and USPP proceeds dated from March 31, 2024 are allocated and 555.7 €m are earmarked to be allocated when eligible fund commitment will be called. 372.0 €m is allocated to eligible ESG Funds managed by Tikehau Capital's affiliates<sup>9</sup>, 62.6 €m is allocated to eligible ESG external funds per nature pursuing general ESG objectives and not fully align with the ICMA's GBP, SBP, and SBG, and 97.7 €m of direct eligible investments in social activities which comprises of two healthcare companies.

**Positive**

<sup>8</sup> The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

<sup>9</sup> Tikehau Investment Management and Sofidy

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE BOND FRAMEWORK<sup>10</sup>

The following table evaluates the Sustainable Bond & USPP Allocation Reporting against the commitments set forth in Tikehau Capital’s Framework, which are based on the core requirements of the Green and Social Bond Principles and Sustainability Bond Guidelines as well as best market practices.

| ICMA GBP, SBP & SBG              | OPINION  | ALIGNMENT WITH COMMITMENT  |
|----------------------------------|--|--|
| <p><b>1. Use of Proceeds</b></p> | <p>Tikehau Capital confirms to follow the Use of Proceeds’ description provided by Tikehau Capital’s Sustainable Bond Framework. The report is in line with the initial commitments set in Tikehau Capital’s Sustainable Bond Framework:</p> <p>Sustainable Assets (projects, assets, or companies dedicated to eligible green activities and eligible social activities) and Eligible ESG Funds are thematic investment funds managed by the Group, or an external asset manager, which are dedicated to Sustainable Assets and provide measurable environmental and/or social impacts).</p> <p>The Issuer’s green and social categories align with the project categories and are in accordance with the eligibility criteria set in Tikehau Capital’s Sustainable Bond Framework. Environmental and social benefits at either category or project level are described.</p> <p>Moreover, the Issuer defines an expected look-back period of no more than three years and explicitly excludes harmful project categories.</p> | <p style="text-align: center;">✓</p> <p>(eligible ESG Funds’ Use of Proceeds, per nature, pursuing general ESG objectives and not specific projects are not fully aligned with the above principles)</p> |

<sup>10</sup> Tikehau Capital’s Sustainable Bond Framework (August 31, 2023) was assessed as aligned with the GBP and SBP, and the SBG as of September 1, 2023. In addition, Tikehau Capital’s Sustainable Bond Framework (March 17, 2021) was assessed as aligned with the Green Bond Principles and Social Bond Principles as of March 17, 2021.

|   |   |          |
|---|---|----------|
| <p><b>2. Process for Project Evaluation and Selection</b></p> | <p>Tikehau Capital confirms to follow the Process for Project Evaluation and Selection description provided by Tikehau Capital’s Sustainable Bond Framework. The report is in line with the initial commitments set in Tikehau Capital’s Sustainable Bond Framework:</p> <p>Tikehau Capital has established a ‘Sustainable Bond Committee’ in charge of selecting Eligible Sustainable Investments and verifying their compliance; monitoring the Eligible Sustainable Investments and replacing investments that no longer satisfy the eligibility criteria; and validating the annual reporting publication and managing future updates of the Framework.</p> <p>The Sustainable Bond Committee is comprised of at least one representative from the Finance team as well as the members of the Sustainability Strategy Orientation Committee. The projects selected are defined and structured in a congruous manner. The Issuer ensures compliance with the Eligibility Criteria. ESG risks associated with the project categories are identified and managed through an appropriate process.</p> | <p>✓</p> |
| <p><b>3. Management of Proceeds</b></p>                       | <p>Tikehau Capital confirms to follow the Process for Management of Proceeds description provided by Tikehau Capital’s Sustainable Bond Framework. The report is in line with the initial commitments set in Tikehau Capital’s Sustainable Bond Framework:</p> <p>The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the Issuer confirms that their liquidity resources, compliant with their Group Liquidity Policy, are above the unallocated proceeds.</p> <p>For the Sustainable Bonds issued, Tikehau Capital will include details such as the transaction date, the principal amount of proceeds, maturity date, Sustainable Bond coupon, and Sustainable Bond International Securities Identification Number (ISIN), among others.</p> <p>In addition, Tikehau Capital will keep track of the portfolio of Eligible Sustainable Investments that have been allocated to outstanding Sustainable Bonds.</p>   | <p>✓</p> |
| <p><b>4. Reporting</b></p>                                    | <p>Tikehau Capital’s Sustainable Bond &amp; USPP Allocation Reporting is coherent with the Reporting description</p>  | <p>✓</p> |

|                               |   |  |
|-------------------------------|---|--|
|                               | <p>provided by Tikehau Capital’s Sustainable Bond Framework. The report is in line with the initial commitments set out in Tikehau Capital’s Sustainable Bond Framework: 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).</p> <p>The sections “Allocation reporting” and “Impact Reporting” of the Sustainable Bond &amp; USPP Allocation Reporting comply with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available on Tikehau Capital’s website.<sup>11</sup> Furthermore, the Issuer commits to seeking external verification of the allocation report by an external verifier, in line with best market practices.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p> |  |
| <p><b>5. Verification</b></p> | <p>SPO-ISS Corporate has provided a Second Party Opinion (SPO) on Tikehau Capital’s Sustainable Bond Framework.</p>   |  |

<sup>11</sup> Please note that as ESG reporting campaign is underway, the impact reporting is to be expected before October 31, 2024.




## PART II: ASSESSMENT AGAINST THE ICMA’S HANDBOOK HARMONISED FRAMEWORK FOR IMPACT REPORTING AND HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS

Reporting is a core component of the GBP and SBP and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Green bond Issuers and Social bond Issuers are required to report on both the use of green bond proceeds, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. Both the Harmonized Framework for Impact Reporting (HFIR) and the Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB) have been chosen as the benchmark for this analysis as they represent the most widely adopted standards.


### FOR GREEN BONDS

The table below evaluates Tikehau Capital Sustainable Bond & USPP Allocation Reporting against ICMA Harmonized Framework for Impact Reporting (HFIR).

| CORE PRINCIPLES                                    |   |            |
|--|---|------------|
| ICMA HFIR  | SUSTAINABLE BOND & USPP ALLOCATION REPORTING  | ASSESSMENT |
| Reporting on an annual basis                       | Tikehau Capital has reported within three years from the inaugural sustainable bond issuance in 2021. 532.3 m€ (55%) of the proceeds have been allocated, and 434.2 m€ (45%) of the proceeds are unallocated. The report will be available on Tikehau Capital’s website.  | ✓          |
| Illustrating the environmental impacts or outcomes | According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company and real estate assets data. As a result, Tikehau Capital’s Sustainable Bond & USPP 2023 Impact Report is expected before October 31, 2024.<br><br>The scope of the underlying external review is therefore limited to the Allocation Reporting. | N/A        |
| ESG Risk Management                                | For direct investments and indirect investments through funds of Tikehau Capital affiliates, ESG risks are taken into account as part of the investment criteria for evaluating investments at the analysis phase and monitored through an  | ✓          |

|  |   |  |
|--|---|--|
|  | <p>annual ESG questionnaire (or an update or the ESG score).</p> <p>For external funds, Tikehau Capital conducts qualitative due diligence on the asset manager ESG approach (e.g., Alter Equity and Ring).</p> |  |
| <p>Allocation of proceeds<br/>- Transparency on the currency</p> | <p>The Issuer allocates proceeds in €. All Sustainable Bond and USPP proceeds-related cash flows are reported in one currency.</p>  | <p style="text-align: center;"></p> <p>(the Issuer allocated proceeds to 17 internal and 6 external ESG Funds representing 81.6% of proceeds allocated. The portfolio is managed by affiliates of the Issuer. ISS-Corporate considered these funds as general-purpose transactions)</p> |

**RECOMMENDATIONS**

| ICMA HFIR  | SUSTAINABLE BOND & USPP ALLOCATION REPORTING  | ASSESSMENT   |
|--|---|--|
| <p>Define and disclose period and process for Project Evaluation and Selection</p> | <p>The Issuer followed a transparent process for selection and evaluation of Eligible ESG Funds. Projects financed and/or refinanced through the Sustainable Bond and USPP issued under the Sustainable Bond Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.</p> <p>According to the Issuer, The portfolio has divested one green activity-related ESG fund: Sofidy-S.YTIC,</p> | <p></p> |

|  |  |   |
|--|--|---|
|  | <p>and has added three green activity-related new funds: Efimmo 1, OPCI Sofidy Pierre Europe, and Tikehau Decarbonization Fund II.</p> <p>Within the six externally managed funds in the portfolio, there is one green activity-related ESG fund, Epopée Infra Climat I.</p>   |   |
| Disclose total amount of proceeds allocated to eligible disbursements                              | <p>A total of 962.1 €m has been raised through Tikehau Capital Inaugural 500 €m Sustainable Bond dated March 31, 2021, 180 \$m USPP dated March 31, 2022, and 300 €m Sustainable Bond dated September 14, 2023. As of March 31, 2024, 532.3 €m are allocated to eligible projects, representing 55% of total proceeds. Within the allocated proceeds, 372.0 €m (38%) represents an ESG funds portfolio managed by Tikehau Capital’s affiliates, which comprises 17 funds across four asset classes; 97.7 €m (10%) of direct eligible investments to social activities comprising two healthcare companies; and 62.6 €m (6%) of six external funds as defined in the Sustainable Bond &amp; USPP Allocation Report.</p> | ✓ |
| Formal internal process for the allocation of proceeds and to report on the allocation of proceeds | <p>Eligible investments in social green projects and ESG Funds portfolio managed by Tikehau Capital’s affiliates and selected external fund managers, financed or refinanced through the Sustainable Bond issued under the Sustainable Bond Framework were evaluated and selected in compliance with the Eligibility Criteria as laid out in the Framework.</p>  | ✓ |
| Report at project or portfolio level   | <p>The Sustainable Bond &amp; USPP Allocation Reporting includes the total amount of proceeds allocated per eligible project category, type within categories, and per geographical breakdown (country). The Issuer has also reported the % of SFDR Article 9 funds and % of Article 8 funds within the ESG funds portfolio managed by Tikehau Capital’s affiliates.</p>   | ✓ |
| Report the estimated lifetime results and/or project economic life (in years)                      | <p>It could be beneficial to report the estimated lifetime results and/or project economic life (in years) to provide users with a basis for understanding the impact of the project over its lifetime.</p>  | - |

|   |   |     |
|---|---|-----|
| Describe the approach to impact reporting   | According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company and real estate assets data. As a result, Tikehau Capital’s Sustainable Bond & USPP Impact Report is expected before October 31, 2024. The Scope of the underlying external review is therefore limited to the Allocation Reporting. | N/A |
| Ex-post verification of specific projects   |   |     |
| Report on at least a limited number of sector-specific core indicators              |   |     |
| If there is no single commonly-used standard, Issuers may follow and disclose their |   |     |

**OPINION**

*Tikehau Capital follows the Harmonized Framework for Impact Reporting’s (HFIR) core principles by disclosing the reporting frequency, ESG risk management process, and currency of the allocated proceeds. In addition, the Issuer follows HFIR’s key recommendations by providing the total amount of proceeds allocated to eligible disbursement, and the period and process for project evaluation and selection, aligned with best practices. The scope of the underlying external review is limited to the Allocation Reporting.*

FOR SOCIAL BONDS

The table below evaluates Tikehau Capital Sustainable Bond & USPP Allocation Reporting against ICMA ICMA Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB).

| CORE PRINCIPLES  |   |            |
|--|---|------------|
| ICMA HFIRSB  | SUSTAINABLE BOND & USPP ALLOCATION REPORTING  | ASSESSMENT |
| Reporting on an annual basis   | Tikehau Capital has reported annually. The report will be available on Tikehau Capital's website.   | ✓          |
| Formal internal process to track proceeds  | The Tikehau Capital confirms project selection and management of proceeds to be in line with the criteria set forth in the underlying Framework.  | ✓          |
| Allocation of the proceeds to social project categories  | Direct eligible investments in social activities comprising two healthcare companies. <sup>1213</sup>   | ✓          |
| Target Population(s) identified  | Eligible social activities targeting all populations (including access for vulnerable or disadvantaged populations or including other social benefits).   | ✓          |
| Output, outcome and/or impact of projects at project or portfolio level  | According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company and real estate assets data. As a result, Tikehau Capital's Sustainable Bond & USPP Impact Report is expected before October 31, 2024. The Scope of the underlying external review is therefore limited to the Allocation Reporting. | N/A        |
| Illustrating of the social impacts<br><br>Pro-rated share of the overall impact results of the projects or portfolio of projects |   |            |

<sup>12</sup> The Issuers' Use of Proceeds category Access to essential services-Healthcare: Supporting medical technology and life science has been assessed by ISS-Corporate with a positive contribution to SDG 3 'Good Health and Well-Being' in the framework published on September 1, 2023. In addition, the Use of Proceeds category Healthcare has been assessed by ISS-Corporate with a positive contribution to SDG 3 'Good Health and Well-Being' and SDG 6 'Clean Water and Sanitation' in the Sustainable Bond framework published on March 17, 2021.

<sup>13</sup> Dedalus and Radiology Partners, with Travecta being divested.

RECOMMENDATIONS

ICMA HFIRSB

SUSTAINABLE BOND & USPP  
ALLOCATION REPORTING

ASSESSMENT

Disclose the methodology and the assumptions used for the calculation of impact indicators

When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach

Disclose the methodology used to determine the share of eligible project financing being applied to impact calculation

Assumptions and ex-post verification

Collaborating with experts if reporting on the estimated lifetime impacts and/or project economic life in years

Report Period

According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company and real estate assets data. As a result, Tikehau Capital's Sustainable Bond & USPP Impact Report is expected before October 31, 2024. The Scope of the underlying external review is therefore limited to the Allocation Reporting.

It could be beneficial to report the estimated lifetime results and/or project economic life (in years) to provide users with a basis for understanding the impact of the project over its lifetime.

As part of its due diligence in monitoring projects included in its social bond program, the Issuer reports transparently on removed and added projects to the portfolio reporting on actuals as of March 31 2024 for the period March 31 2023 to March 31, 2024.

Within the Direct Investment portfolio, the Issuer has divested Travecta before March 31 2024, and

N/A

-



|                                   |   |     |
|-----------------------------------|---|-----|
|                                   | added Radiology Partners within this reporting period.  |     |
| Disbursement reporting            | The proceeds from the sustainable bond issuance were used to finance or refinance existing Direct Investment activities, ESG funds, and ESG external funds. New financing are those where disbursements have been made between March 31 2023 to March 31, 2024. Existing are those which have reached financial close one year or more before the issuance. | ✓   |
| Projects with partial eligibility | The Issuer confirms that there are no projects with partial eligibility.  | N/A |

OPINION

*Tikehau Capital follows HFIRSB's core principles By providing the reporting frequency, the internal process to track proceeds allocated to the social activities, and the target population. In addition, the Issuer follows the HFIRSB's key recommendations by disclosing the report period, and proceeds disbursed to new financing and refinancing of investment/funds within the portfolio, aligned with best market practices.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

### Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective Use of Proceeds' projects.

The Use of Proceeds allocation reporting occurred within one year from the issuance.

As of March 31, 2024, 962.1 €m total proceeds to be allocated include Tikehau Capital Inaugural 500 €m Sustainable Bond dated March 31, 2021, 180 \$m USPP dated March 31, 2022, and 300€m Sustainable Bond dated September 14, 2023. This is the third year of allocation reporting and the Issuer has allocated c.532.3 €m as of March 31, 2024, corresponding to 55% of the total proceeds, among which 81.6% are allocated to both internal and external general-purpose eligible ESG Funds.<sup>14</sup> As of March 31, 2023, 48% of the proceeds were allocated among which 83% were allocated to general-purpose eligible ESG funds. The Use of Proceeds allocation reporting occurred on an annual basis.

The Issuer also disclosed the amount of unallocated proceeds and the temporary investments transparently. A remaining c.555.7 €m is earmarked to be allocated when fund commitment will be called (corresponding to 51% of the total commitment in the eligible funds). The Issuer confirms that their liquidity resources, compliant with their Group Liquidity Policy, are above the unallocated proceeds.

### Proceeds allocated to eligible projects/assets

The proceeds' allocation is broken down by type of project. The Issuer has provided details about the type of projects included in the portfolio. Details include the description of companies and ESG funds Tikehau Capital has invested in.

The allocation report section of the Sustainable Bond & USPP Allocation Reporting of Tikehau Capital aligns with best-market practices by providing information on:

- The share of financing (251.5 €m) and refinancing (280.8 €m) on the individual fund level
- The total amount of proceeds (532.3 €m) is allocated to the 17 eligible ESG funds managed by Tikehau Capital's affiliates, six ESG external funds, and two direct investments into Social activities
- ESG Funds – identified by geographical coverage on the individual fund level
- ESG Funds – Breakdown by asset class
- ESG Funds – identified by SFDR classification and overall proceeds allocation breakdown by SFDR classification

<sup>14</sup> 70% of the proceeds are allocated to funds are managed by TKO while 12% are managed by external ESG funds



Direct Investment’s description and ESG fund’s Sustainability Themes<sup>15</sup>

| <b>Direct Investment<sup>16</sup> (€ 97.7 million )</b>  |
|--|
| Dedalus  |
| Dedalus operates mainly in the Italian and French IT Healthcare industry, responding to the different needs of healthcare operators, from administrative and organizational activities to clinical support and interoperability requirements |
| Radiology Partners   |
| Radiology Partners, Inc. operates as a healthcare testing center in the United States. The Company offers diagnostic and interventional radiology services by local radiologists.  |

| <b>ESG Funds managed by Tiekhau Capital affiliates (€ 372.0 million )</b> | <b>Sustainability Themes</b> |
|---|------------------------------|
| Belgian Resilience Fund <sup>17</sup>                                     | Resilience                   |
| Efimmo 1  | Sustainable Cities           |
| Brienne 3   | Resilience                   |
| Brienne 4   | Resilience                   |
| OPCI Sofidy Pierre Europe   | Sustainable Cities           |
| Regenerative Agriculture  | Nature                       |
| Sodify – S.YTIC <sup>18</sup>   | Sustainable Cities           |
| So Living   | Sustainable Cities           |
| SOFIPROTEOL DETTE PRIVEE II   | Resilience                   |
| T2 Energy Transition Fund   | Decarbonization              |
| Tikehau Decarbonisation Fund II   | Decarbonization              |
| Tikehau Amaren (Compartment 1& 2)   | Decarbonization              |
| Tikehau Green Assets  | Decarbonization              |
| Tikehau Growth Equity III   | Resilience                   |
| Tikehau Impact Lending  | Resilience                   |
| Tikehau Impact Credit   | Decarbonization              |
| Tikehau Real Estate Opportunities II                                      | Sustainable Cities           |

| <b>ESG External Funds (€ 62.6 million)</b> | <b>Sustainability Themes</b> |
|--|------------------------------|
| Alter Equity 3P II                         | Resilience                   |
| Ring Mission Venture Capital I             | Resilience                   |
| Ring Altitude Growth II                    | Resilience                   |
| Integra Partners Fund II                   | Resilience                   |
| Epopée Infra Climat I                      | Decarbonization              |
| WCP Healthcare Partners I LP               | Resilience                   |

<sup>15</sup> Please note that the Sustainability themes of the respective funds are self-declared by the Issuer.

<sup>16</sup> Travecta is being liquidated and has been removed from the reporting. It remains included in the proceeds already allocated for 15.6€m.

<sup>17</sup> Please note the Belgian Resilience Fund refers to both the Belgian Resilience Fund and Belgian Recovery Fund in the report.

<sup>18</sup> Sofidy-S.YTIC has been divested

### Impact Reporting Indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome, and/or impact of projects/assets using impact indicators.

| ELEMENT   | ASSESSMENT   |
|---|--|
| <b>Relevance</b>  | According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company and real estate assets data. As a result, Tikehau Capital’s Sustainable Bond & USPP Impact Report is expected before October 31, 2024. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation. |
| <b>Data sourcing and methodologies of quantitative assessment</b> |  |
| <b>Baseline selection</b>   |  |
| <b>Scale and granularity</b>                                      |  |

### High-level mapping of the impact indicators with the UN Sustainable Development Goals

According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect underlying portfolio company and real estate assets data. As a result, Tikehau Capital’s Sustainable Bond & USPP Impact Report is expected before October 31, 2024. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation.

## DISCLAIMER

1. Validity of the External Review ("External Review"): Valid for the Sustainable Bond & USPP Allocation Reporting report received on July 03, 2024 with underlying data as of March 31, 2024.
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## ANNEX 1: Methodology

### Review of the post-issuance Reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate proprietary [methodology](#).

### High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent to which the Issuers reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Sustainable Bond & USPP Allocation Reporting
- Sustainable Bond Framework
- Proceeds Allocation
- Reporting Impact Indicators
- Methodologies, and assumptions for data gathering and calculation
- ESG Risk Management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Issuer Name took place from April to July 2024.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability, and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess the alignment of the Issuer's report with external principles (e.g., ICMA Green / Social Bond Principles, ICMA Green Bond Principles, Social Bond Principles, and Sustainable Bond Guidelines), analyze the alignment of the Issuer's Report against the commitments in the respective Framework, and analyze the disclosure of proceeds allocation, the data source, and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well as informed as possible about the proceeds allocation and the impact of the sustainability finance instrument(s).

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information on Report Review services, contact: [SPOsales@isscorporatesolutions.com](mailto:SPOsales@isscorporatesolutions.com)

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