

# REPORT REVIEW

## Tikehau Capital - Sustainable Bond & USPP Allocation Reporting

Tikehau Capital Sustainable Bond & USPP Allocation Reporting 2023

6 April 2023

### VERIFICATION PARAMETERS

<b>Type(s) of reporting</b>	<ul style="list-style-type: none"><li>▪ Sustainable Bond &amp; USPP Allocation Reporting</li></ul>
<b>Relevant standard(s)</b>	<ul style="list-style-type: none"><li>▪ Harmonised Framework for Impact Reporting (HFIR), as administered by the ICMA (as of June 2022)</li><li>▪ Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB), as administered by the ICMA (as of June 2022)</li><li>▪ Green and Social Bond Principles, Sustainability Bond Guidelines, as administered by the ICMA (as of June 2018)</li></ul>
<b>Scope of verification</b>	<ul style="list-style-type: none"><li>▪ Tikehau Capital Sustainable Bond &amp; USPP Allocation Reporting (as of March 31, 2023)</li><li>▪ Tikehau Capital's Sustainable Bond Framework (as of March 17, 2021)</li></ul>
<b>Lifecycle</b>	<ul style="list-style-type: none"><li>▪ Post-issuance verification</li></ul>
<b>Validity</b>	<ul style="list-style-type: none"><li>▪ As long as no material changes are undertaken by the Issuer to its Allocation Reporting as of March 31, 2023</li></ul>

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## SCOPE OF WORK

Tikehau Capital (“the Issuer” or “Tikehau”) commissioned ISS Corporate Solutions (ICS) to provide an External 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 Tikehau Capital Sustainable Bond Framework (as of March 17, 2021)<sup>2</sup> assessed against the International Capital Market Association's (ICMA) Green and Social Bond Principles and Sustainability Bond Guidelines (GBP, SBP, and SBG) applicable at the Framework’s publication date.
2. Tikehau Capital’s Sustainable Bond & USPP Allocation Reporting benchmarked against the ICMA’s Handbook Harmonised Framework for Impact Reporting and Harmonised Framework for Impact Reporting for Social Bonds, updated June 2022, administered by the International Capital Market Association.
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’s Allocation 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 Framework 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 Allocation Reporting is expected before September 30, 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>Tikehau Capital's Sustainable Bond &amp; USPP Allocation Report 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> (with 83% of allocated and drawn proceeds attributed to Eligible ESG Funds)</p>
<p><b>Part 2</b></p> <p><b>Alignment with ICMA's HFIR and WTHFIR for Social Bonds</b></p>	<p>The Sustainable Bond &amp; USPP Allocation Report is in line with ICMA's Handbook Harmonised Framework for Impact Reporting (HFIR) and Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB). The Issuer follows core principles and where applicable key recommendations.</p> <p>Tikehau 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>5</sup></b></p>
<p><b>Part 3</b></p> <p><b>Disclosure of proceeds allocation</b></p>	<p>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>6</sup>.</p> <p>As of 31 March 2023, 330.1 €m of Tikehau Capital's 668 €m Sustainable Bond and USPP proceeds are allocated and 352.9 €m are allocated but not yet drawn. 274.3 €m are allocated to eligible ESG Funds managed by Tikehau Capital, 7.1 €m are 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 48.7 €m of direct eligible investments in social activities which comprises of 2 healthcare companies<sup>7</sup>.</p>	<p><b>Positive</b></p>

<sup>4</sup> The underlying Sustainable Bond Framework was assessed by ISS ESG as aligned with the Green, Social Bond Principles, and the Sustainability Bond Guidelines as of 17 March 2021 except for the core component Use of Proceeds category Eligible ESG Funds.

<sup>5</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 September 30, 2023. The Scope of the underlying external review is therefore limited to the Allocation Reporting.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE BOND FRAMEWORK<sup>8</sup>

The following table presents ISS ESG's assessment of the Sustainable Bond & USPP Allocation Reporting against the commitments set forth in Tikehau Capital's Sustainable Bond Framework, based on the core requirements of the Green and Social Bond Principles and Sustainable Bond Guidelines as well as best market practices.


ICMA GBP, SBP & SBG	OPINION	ALIGNMENT WITH COMMITMENT
1. Use of Proceeds	<p>Tikehau 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 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>✓</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>
2. Process for Project	<p>Tikehau 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</p>	<p>✓</p>

<sup>6</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>7</sup> Dedalus and Travecta. Travecta is being liquidated and has been removed from the reporting.

<sup>8</sup> Tikehau Capital's Sustainable Bond Framework was assessed as aligned with the GBP and SBP, and the SBG (as of June, 2018) as of as of March 31, 2021.

<p><b>Evaluation and Selection</b></p>	<p>Bond Framework: 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. The Sustainable Bond Committee is comprised of at least one representative from the Finance team as well as the members of the Group ESG committee. 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><b>3. Management of Proceeds</b></p>	<p>Tikehau 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: Tikehau Capital has set up an internal tracking system to facilitate the allocation process during the lifetime of the Sustainable Bonds issued. For each Sustainable Bond, the internal register will be maintained to keep track of:</p> <ul style="list-style-type: none"> <li>▪ Sustainable Bonds issued: Tikehau Capital will include details such as transaction date, the principal amount of proceeds, maturity date, Sustainable Bond coupon, and Sustainable Bond International Securities Identification Number (ISIN), among others.</li> <li>▪ Allocation of proceeds: Tikehau Capital will keep track of the portfolio of Eligible Sustainable Investments which have been allocated to outstanding Sustainable Bonds.</li> </ul> <p>The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the Issuer discloses the nature of</p>	<p style="text-align: center;">✓</p>

	temporary investment instruments for unallocated proceeds.	
<p><b>4. Reporting</b></p>	<p>Tikehau’s Impact Report is coherent with the Reporting 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: within one year from the issuance and annually thereafter until the full allocation of the proceeds of each Sustainable Bond issued (the Sustainable Bond will end in March 2024, the USPP will end in March 2025, and if any additional issuance occurred the annual Bond Reporting will end on March 2025), 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 Annual Report comply with the pre-issuance commitment expressed in the ramework. The report is intended to be publicly available on Tikehau Capital’s website. 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 ICS has provided a Second Party Opinion (SPO) on Tikehau Capital’s Sustainable Bond Framework.</p>	

## 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 annual reporting. Green bond Issuers and Social bond Issuers are required to report on both the use of green bond proceeds and social bond proceeds, as well as the environmental and social impacts at least on an annual basis until full allocation or maturity of the bond. Both Harmonized Framework for Impact Reporting (HFIR) and the Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB) has been chosen as the benchmark for this analysis as they represent the most widely adopted standards.

### FOR GREEN BONDS

The table below evaluates Tikehau's Allocation Reporting against ICMA Harmonized Framework for Impact Reporting (HFIR).

CORE PRINCIPLES		
ICMA HFIR	TIKEHAU CAPITAL'S ALLOCATION REPORTING	ASSESSMENT
Reporting on an annual basis	Tikehau Capital reports annually. 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 data. As a result, Tikehau Capital's Sustainable Bond & USPP Impact Report is expected before September 30, 2023. 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 Tikehau Capital funds, ESG risks are documented in the pre-investment phase (through an ESG scoring or due diligence) and monitored through an annual ESG questionnaire (or an update or the ESG score).  For external funds, Tikehau Capital conducts qualitative due diligence on the asset manager ESG approach (e.g., Alter Equity and Ring).	✓
Allocation of proceeds - Transparency on the currency	The Issuer allocates proceeds in €. All Sustainable Bond and USPP proceeds-related cash flows are reported in one currency.	✓ (the Issuer allocated proceeds to 12 ESG Funds across 4 asset classes representing 83% of proceeds allocated and drawn. The portfolio is managed by the Issuer. ISS ESG considered



		these funds as general-purpose transactions) <sup>9</sup>
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<b>RECOMMENDATIONS</b>		
<b>ICMA HFIR</b>	<b>TIKEHAU CAPITAL'S ALLOCATION REPORTING</b>	<b>ASSESSMENT</b>
Define and disclose period and process for Project Evaluation and Selection	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.	✓
Disclose the total amount of proceeds allocated to eligible disbursements	A total of 668 €m has been raised through Tikehau Capital Inaugural 500 €m Sustainable Bond dated 31 <sup>st</sup> March 2021 and 180 \$m USPP dated 31 <sup>st</sup> March 2022. As of 31 March 2023, 330.1 €m are allocated and drawn. 352.9 €m are allocated and not yet drawn. 49% of the proceeds raised have been allocated to eligible projects, of which 274.3 €m (41%) of ESG funds portfolio managed by Tikehau Capital, which comprises 12 ESG funds across 4 asset classes; 48.7 €m (7%) of direct eligible investments in social activities comprising 2 healthcare companies; and 7.1 €m (1%) of two external funds as defined in the Sustainable Bond & USPP Allocation Report.	✓
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	Eligible investments in social green projects and ESG Funds portfolio managed by Tikehau Capital 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.	✓
Report at project or portfolio level	The Allocation Report includes the total amount of proceeds allocated per eligible project category, type within categories, and per geographical reach.	✓
Report the estimated lifetime results and/or project economic life (in years)	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.	○
Describe the approach to impact reporting	According to the Issuer, at the date of this report, an ESG reporting campaign is underway to collect	N/A

<sup>9</sup> According to the Issuer the 6 ESG Funds and underlying projects contribute to SGDs 7 'Affordable and Clean Energy', 8 'Decent Work and Economic Growth', 9 'Industry, Innovation and Infrastructure', 10 'Reduced Inequalities', 11 'Sustainable Cities and Communities', 12 'Responsible Consumption and Production' and SDG 13 'Climate Mitigation'.

Ex-post verification of specific underlying portfolio company data. As a result, projects Tikehau Capital's Sustainable Bond & USPP Impact Report is expected before September 30, 2023. The Scope of the underlying external review is therefore limited to the Allocation Reporting.

If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies

Disclosure of the conversion approach (if applicable)

Projects with partial eligibility

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

## OPINION

*Tikehau Capital follows the Harmonized Framework for Impact Reporting's (HFIR) core principles and key recommendations. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope, and duration, aligned with best practices. The Issuer has reported on an annual basis. The scope of the underlying external review is limited to the Allocation Reporting.*

## FOR SOCIAL BONDS

The table below evaluates Tikehau's Allocation Reporting against ICMA Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB).

CORE PRINCIPLES		
ICMA HFIRSB	TIKEHAU CAPITAL'S ALLOCATION REPORTING	ASSESSMENT
Reporting on an annual basis	Tikehau Capital reports annually. The report will be available on Tikehau Capital's website.	✓
Formal internal process to track proceeds	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>10</sup>	✓
Target Population(s) identified	Eligible social activities targeting all populations.	✓
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 data. As	N/A

<sup>10</sup> The Issuers Use of Proceeds category Healthcare has been assessed by ISS ESG with a positive contribution to SDG 3 'Good Health and Well-Being' and SDG 6 'Clean Water and Sanitation'

Illustrating of the social impacts a result, Tikehau Capital’s Sustainable Bond & USPP Impact Report is expected before September 30, 2023. The Scope of the underlying external review is therefore limited to the Allocation Reporting.

**RECOMMENDATIONS**

ICMA HFIRSB	TIKEHAU CAPITAL’S ALLOCATION REPORTING	ASSESSMENT
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Disclose the methodology and the assumptions used for the calculation of impact indicators	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 & USPP Impact Report is expected before September 30, 2023. The Scope of the underlying external review is therefore limited to the Allocation Reporting.	N/A
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	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.	○
Assumptions and ex-post verification		
Collaborating with experts if reporting on the estimated lifetime impacts and/or project economic life in years	As part of its due diligence in monitoring projects, the Issuer reports transparently on removed and added projects to the portfolio reporting on actuals as of March 31, 2023 for the period March 31, 2022 to March 31, 2023.	✓
Report Period		
Disbursement reporting	The Issuer confirms that there are no projects with partial eligibility.	✓
Projects with partial eligibility		
		N/A

**OPINION**

*Tikehau Capital follows Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB)’s core principles and key recommendations. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope, and duration, aligned with best market practices. Explain how the core principles are taken into account. Tikehau has reported the bond allocation on an annual basis.*

## 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 31 March 2023, 668 €m total proceeds to be allocated include Tikehau Capital Inaugural 500 €m Sustainable Bond dated 31<sup>st</sup> March 2021 and 180 \$m USPP dated 31<sup>st</sup> March 2022. This is the second year of allocation reporting, Tikehau allocated and drew 48% of the proceeds, thereof 83% are allocated and drawn to the general-purpose eligible ESG Funds. Of the total commitment amounting to 683 €m, 14 €m corresponds to additional capacities to be allocated. In 2022, 37% of the proceeds were drawn and 79.5% were allocated to general-purpose Eligible ESG Funds. The Use of Proceeds allocation reporting occurred within the regular annual cycle from the issuance.

The Issuer also disclosed transparently the amount of unallocated proceeds and the temporary investments. 52% of the proceeds allocated are not yet drawn. Proceeds that have not been allocated, have been temporarily invested in accordance with the Group's liquidity guidelines in cash, deposits, and money market instruments. Under the Use of Proceeds category eligible ESG funds, the proceeds of bonds are allocated to 12 thematic ESG funds across 4 assets class to pursue general objectives, managed by Tikehau. Moreover, Tikehau reported the contribution to or obstruction of the eligible ESG funds pool to the UN SDGs based on a self-declaration.

### 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 has invested in.

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

- The share of financing (€m) and refinancing (€m) on the individual fund level
- The total amount of proceeds (330.1 €m, 48% of the proceeds) is allocated to the 12 eligible ESG funds managed by Tikehau, 2 ESG external funds, and 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

### Direct Investment's description and ESG fund's Sustainability Themes<sup>11</sup>

<b>Direct Investment<sup>12</sup> (48.7 €m)</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

<b>Direct ESG Funds (274.3 €m)</b>	<b>Sustainability Themes</b>
Belgian Recovery Fund	Resilience
Brienne 3	Cybersecurity
Regenerative Agriculture	Nature & Biodiversity
Sodify – S.YTIC	Decarbonization
Solving	Resilience
T2 Energy Transition	Decarbonization
Tikehau Amaren	Decarbonization
Tikehau Green Assets	Decarbonization
Tikehau Growth Impact III	Resilience
Tikehau Impact Lending	Resilience
Tikehau Impact Credit	Decarbonization
Tikehau Real Estate Opportunities II	Decarbonization

<b>ESG External Funds (7.1 €m)</b>	<b>Sustainability Themes</b>
Alter Equity 3P II	Resilience
Ring Mission Venture Capital I	Resilience

### Impact Reporting Indicators

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 & USPP Impact Report is expected before September 30, 2023. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation.

### 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 data. As a result, Tikehau Capital's Sustainable Bond & USPP Impact Report is expected before September 30, 2023. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation.

<sup>11</sup> Please note that the Sustainability themes of the respective funds are self-declared by the Issuer.

<sup>12</sup> Travecta is being liquidated and has been removed from the reporting.

## DISCLAIMER

1. Validity of the External Review (“External Review”): As long as no material changes are undertaken by the Issuer to its Allocation Reporting as of 31 March 2023.
2. ISS Corporate Solutions, Inc. (“ICS”), a wholly-owned subsidiary of Institutional Shareholder Services Inc. (“ISS”), sells/distributes External Reviews which are prepared and issued by ISS ESG, the responsible investment arm of ISS, on the basis of ISS ESG’s proprietary methodology. In doing so, ISS adheres to standardized procedures to ensure consistent quality of responsibility research worldwide. Information on ISS’s methodology is available upon request.
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## ANNEX 1: Methodology

### Review of the post-issuance Reports

The external review of post-issuance reports provides the Issuer with an independent opinion on the soundness of its post-issuance report and of its alignment with recognized market guidelines and it provides investors with independent information regarding the reliability of the report produced. On the basis of the information provided by the Issuer, the alignment of the report is assessed with recognized market guidelines, the metrics chosen by the Issuer, and the soundness of the process and methodology of reporting. The metrics are analyzed based on specific sets of indicators using proprietary methods referring to common market guidelines.

### 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 the Issuers reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### SCOPE

Tikehau Capital commissioned ICS to compile an External Review on its Bond Report. The External Review process includes verifying whether the Bond Report aligns with the Issuer's Green, Social and Sustainability Bond Framework and the respective market standards, i.e., the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines and assess the robustness and completeness of the reporting methodologies.

### CRITERIA

Relevant Standards for this Report Review:

- ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines
- ICMA Harmonized Framework for Impact Reporting
- ICMA Harmonized Framework for Impact Reporting for Social Bonds
- ICMA A High -Level Mapping to the Sustainable Development Goals

### ISSUER'S RESPONSIBILITY

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

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

### ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis, and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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 External 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 March to April 2023.

### ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS 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 External Review

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyzes companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyze the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent External Review so that investors are as well informed as possible about the quality of the bond/loan from a sustainability perspective.

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

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

For more information on this specific Allocation Reporting External Review, please contact: [SPOOperations@iss-esg.com](mailto:SPOOperations@iss-esg.com)

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