

EX-POST EXTERNAL REVIEW

Sustainable Bond - Allocation Reporting

Tikehau Capital
31 March 2022

VERIFICATION PARAMETERS

Type(s) of reporting	<ul style="list-style-type: none"> ▪ Sustainable Bond Allocation
Relevant standard(s)	<ul style="list-style-type: none"> ▪ Handbook Harmonised Framework for Impact Reporting (as of June 2021) and Working Towards a Harmonised Framework for Impact Reporting for Social Bonds (as of June 2020), administered by ICMA ▪ Green and Social Bond Principles, Sustainability Bond Guidelines, administered by ICMA
Scope of verification	<ul style="list-style-type: none"> ▪ Tikehau Capital Sustainable Bond Dated 31st March 2021 Allocation Reporting ▪ Tikehau Capital's Sustainable Bond Framework (March 2021)
Lifecycle	<ul style="list-style-type: none"> ▪ Post-issuance verification
Validity	<ul style="list-style-type: none"> ▪ As long as no material changes are undertaken by the issuer to its Allocation Reporting as of 31 March 2022.

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SCOPE OF WORK

Tikehau Capital (“the issuer” or “Tikehau”) commissioned ISS ESG to provide an External Review on its Allocation Reporting by assessing:

1. The alignment of Tikehau Capital’s Allocation Reporting with the commitments set forth in Tikehau Capital Sustainable Bond Framework (March 2021 version) 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 Allocation Reporting - benchmarked against the ICMA’s Handbook Harmonised Framework for Impact Reporting (as of June 2021) and Working Towards a Harmonised Framework for Impact Reporting for Social Bonds (as of June 2020).
3. The disclosure of proceeds allocation and soundness of reporting indicators^{1,2} - whether the impact indicators align with best market practices and are relevant to the Sustainable Bonds issued.

TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group with EUR 34.3 billion of assets under management (at 31 December 2021). Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity, and capital markets strategies) as well as multi-asset and special opportunities strategies. Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors. Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 683 employees (at 31 December 2021) across its 13 offices in Europe, Asia, and North America.

As part of its ESG approach for its own operations as well as its investments, the company and its affiliates have established clear responsibilities by setting up dedicated governance bodies (Governance and Sustainability Committee of the Supervisory Board, Sustainability strategy orientation committee) and taskforces in charge of climate and ESG policies as well as special ESG-related investment decisions. Tikehau Capital Group has included in its consolidated extra-financial performance statement as of 31.12.2021 its responsible investment approach and ESG policies and has received limited assurance in accordance with the standards applicable in Europe and to the standard ISAE 3000.

¹ ISS ESG’s review does not follow auditing or assurance standards or guidance. ISS ESG does not provide assurance on the information presented in Tikehau Capital’s Allocation Reporting. ISS ESG solely conducted a review of the Use of Proceeds’ allocation and impact reporting against ICMA’s Handbook Harmonised Framework for Impact Reporting (as of June 2021) and Working Towards a Harmonised Framework for Impact Reporting for Social Bonds (as of June 2020) core principles and recommendations where applicable, and criteria outlined in the issuer’s Framework.

² 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 the end of July 2022. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation.

ISS ESG ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p>Part 1</p> <p>Alignment with the Issuer's commitments set forth in the Framework</p>	<p>ISS ESG finds that Tikehau Capital's Allocation Reporting aligns with the issuer's commitments set forth in the Sustainable Bond Framework. The underlying issuances align with key requirements defined by the Green and Social Bond Principles and the Sustainability Bond Guidelines, except for the core component Use of Proceeds category Eligible ESG Funds. Under the latter category, the proceeds of bonds will be allocated to thematic investment funds managed by the issuer or an external asset manager. ESG Funds must comply with Tikehau Capital's Sustainability policy and the Sustainable Bond exclusion list.³</p>	<p>Aligned with the commitments set forth in the Framework</p> <p>(with 79.5% of allocated proceeds attributed to Eligible ESG Funds)</p>
<p>Part 2</p> <p>Alignment with ICMA's HFIR and WTHFIR for Social Bonds</p>	<p>ISS ESG finds that the Allocation Reporting is in line with ICMA's Handbook Harmonised Framework for Impact Reporting (HFIR) and Working Towards a Harmonised Framework for Impact Reporting for Social Bonds (WTHFIR for Social Bonds). The issuer follows core principles and where applicable key recommendations.</p> <p>Tikehau has reported within one year of the issuance. 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 social project category and eligible ESG Funds and per geographical reach. Whereas the targeted population is identified for the social project categories.</p>	<p>Aligned⁴</p>
<p>Part 3</p> <p>Disclosure of Proceeds Allocation</p>	<p>ISS ESG finds that the allocation of the bond's proceeds has been disclosed using a detailed breakdown across different eligible project categories as proposed in the underlying Framework⁵.</p> <p>As of 31 March 2022, EUR 186 million of Tikehau Capital inaugural EUR 500 million Sustainable Bond dated 31 March 2021 are allocated and EUR 108.4 million are allocated but not yet drawn. EUR 147.9 million are allocated to Eligible ESG Funds, per nature pursuing general ESG objectives and not fully align with the ICMA's GBP, SBP and SBG and EUR 38.2 million of direct eligible investments in social activities which comprise 2 healthcare companies.</p>	<p>Positive⁶</p>

³ 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.

ISS ESG EXTERNAL REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE BOND FRAMEWORK⁷

The following table presents ISS ESG’s assessment of the 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.

CORE REQUIREMENTS AND BEST MARKET PRACTICES	TIKEHAU CAPITAL SUSTAINABLE BOND FRAMEWORK	TIKEHAU CAPITAL’S ALLOCATION REPORTING	ALIGNMENT
1. Use of Proceeds			
1.1. Alignment with project/asset categories	<p>The Sustainable Bonds will (re-) finance eligible asset categories which include:</p> <ul style="list-style-type: none"> Eligible Green Activities (Clean energy, clean transportation, energy efficiency, green buildings, water and wastewater management, waste & pollution control, environmentally sustainable management of land use and living natural resources, other climate change mitigation and adaptation activities) Eligible Social Activities (Financial inclusion, healthcare, education, 	<p>In accordance with the eligibility criteria established in the Framework, the proceeds have been used to finance or re-finance projects in the following categories:</p> <ul style="list-style-type: none"> Direct eligible investments in social activities comprising 2 healthcare companies ESG Funds portfolio managed by Tikehau Capital, which comprise 6 ESG Funds across 3 asset classes (private debt, private equity, and capital market strategies): <ul style="list-style-type: none"> Belgian Recovery Fund Brienne III S. YTIC T2 Energy Transition Tikehau Impact Credit 	<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>


⁴ 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 the end of July 2022. The Scope of the underlying external review is therefore limited to the Allocation Reporting.

⁵ ISS ESG bases its assessment on the information provided in the allocation reporting. 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.

⁶ 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 the end of July 2022. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation.


⁷ The underlying Sustainable Bond Framework was assessed by ISS ESG as aligned with the Green, Social Bond Principles, and the Sustainability Bond Guidelines applicable at publication date as of 17 March 2021, except for the core component Use of Proceeds category eligible ESG Funds. Under the latter category, the proceeds of bonds will be allocated to thematic investment funds pursuing general ESG objectives, managed by the issuer or an external asset manager. Moreover, ISS ESG reports on the contribution to or obstruction of the Eligible ESG Funds to the UN SDGs based on a declaration provided by the issuer in form of seven “Priority SDGs”.

	<p>promotion of diversity, employment generation, and preservation)</p> <ul style="list-style-type: none"> ▪ Eligible ESG Funds (climate change and biodiversity, economic growth, and social inclusion, innovation, and healthcare) 	<ul style="list-style-type: none"> • Tikehau Impact Lending 	
1.2. Defined and transparent criteria for eligible projects	<p>Eligible Green Activities include Renewable Energy, Energy Efficiency, Green Buildings, Waste and Water Management, and Waste & Pollution control.</p> <p>Eligible Social Assets include Healthcare Services and Education.</p> <p>Eligible ESG Funds comprise 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>EUR 147.9 million of ESG Fund portfolio managed by Tikehau Capital, which comprises 6 ESG Funds across 3 asset classes.</p> <p>EUR 38.2 million of direct eligible investments in social activities which comprise 2 healthcare companies.</p>	✓
1.3. Description of the expected environmental and/or social benefits of the project categories	<p>Environmental and social objectives and benefits are defined for each project category in Tikehau Capital's Framework.</p>	<p>The issuer breaks down proceeds allocated per investment category Direct Investment and ESG Funds managed by Tikehau. Environmental and social benefits are described transparently project by project.</p>	✓
1.4. Refinancing/ Financing	<p>An amount equivalent to the net proceeds of each Sustainable Bond will be used to finance and/or refinance in whole or in part, new and/or existing "Eligible Sustainable Investments. The issuer does not specify a lookback period for its Sustainable Assets Category. For Proceeds allocated to Eligible ESG Funds</p>	<p>Tikehau Capital has allocated a share of the proceeds, which have been assigned to existing and new projects, for a total amount of EUR 186.1 million with a share of refinancing amounting to EUR 108.8 million.</p>	✓

	<p>that have already been disbursed, a lookback period of no more than three years from the date of the Sustainable Bond issue is considered.</p>		
<p>1.5. Exclusion of harmful project categories</p>	<p>In addition to the Group's exclusion criteria Tikehau Capital has decided to apply a further level of exclusions to its Eligible Sustainable Investments. Tikehau Capital will not knowingly allocate Sustainable Bonds' proceeds to assets or projects involved in the following activities:</p> <ul style="list-style-type: none"> ▪ Sectors with potentially significant negative impact to the environment and biodiversity: Mining, quarrying, and fossil fuel-related assets, Nuclear and nuclear-related activities, hydropower with installed capacity >20MW, Biomass which is suitable for food source, trade-in wildlife and wildlife products. ▪ Sectors with potentially significant negative impact to human health or social cohesion, including gambling industry, alcoholic beverages, tobacco and tobacco products and marijuana for recreational purposes, human cloning for reproduction purposes. <p>Tikehau Capital will not knowingly allocate Sustainable Bonds' proceeds to assets or</p>	<p>The proceeds have not been allocated in any of the excluded sectors listed.</p> <p>According to the issuer, Eligible ESG Funds will need to demonstrate they follow substantially the same or more demanding ESG investment criteria and exclusion policies, considering exclusively Funds and Projects that comply with the Sustainable Bond Exclusion List.</p>	

	<p>projects with severe controversies:</p> <ul style="list-style-type: none"> ▪ Serious public allegations of a United Nations Global Compact breach: Entities involved in corruption and money laundering, entities involved in violation of human rights, entities involved in violation of international labour standards including forced labour and child labour, entities involved in severe environmental damage ▪ Severe governance breach: Abuse of management rights or serious conflict of interest, very weak checks and balances compared to market standards, tax evasion. 		
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2. Process for project evaluation and selection

<p>2.1 Documented process to determine whether projects fit within defined categories</p>	<p>Tikehau Capital has established a “Sustainable Bond Allocation Committee” in charge of:</p> <ul style="list-style-type: none"> ▪ Verifying the compliance of potential Eligible Sustainable Investments with the Group’s sustainability policy; ▪ Selecting the Eligible Sustainable Investments in line with the eligibility criteria stated in “Use of Proceeds” section of the Framework; ▪ Monitoring the Eligible Sustainable Investments and replacing investments that no longer satisfy the 	<p>Relevant internal Stakeholders are involved in the investment and governance processes. At Investment level, the Sustainable Bond Allocation Committee oversees the allocation of sustainable bonds proceeds.</p> <p>Projects financed or refinanced through the Sustainable Bond issued under Tikehau Capital’s Sustainable Bond Framework were evaluated and selected in compliance with the Eligibility Criteria.</p>	
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	<p>eligibility criteria with new Eligible Sustainable Investments, if need be;</p> <ul style="list-style-type: none"> ▪ Validating the annual reporting publication; and ▪ Managing future updates of the Framework. <p>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 Sustainable Bond Committee shall meet at least once a year and, occasionally, as and when necessary. The Sustainable Bond Committee’s decisions shall be taken in consensus and be subject to a presentation to the Supervisory Board of Tikehau Capital at least once a year.</p>		
2.2 Documented process to identify and manage potential ESG risks	<p>Tikehau Capital has deployed efforts each year to improve the Group’s approach to responsibility, both in terms of investments and in its relations with stakeholders. Those efforts are mainly supported by the Group ESG Committee and operational ESG committees for each of Tikehau’s investment platforms. These committees are responsible for overseeing and deciding on complex investments which were identified by the investment teams as potentially representing high ESG risks.</p>	<p>At a Group level, the Governance and Sustainability Committee advises the Board of Directors whereas the Sustainability Strategy Orientation Committee advises the manager including but not limited to potential ESG risks and opportunities of Tikehau Capital’s Investments. ESG Funds comply with Tikehau Capital standard ESG processes and do not significantly harm any of the environmental or social objectives of the Priority SDGs⁸ defined by Tikehau Capital.</p>	✓
2.3 Information on responsibilities and accountability	<p>Responsibilities and Accountabilities on Governance and Investment level and stakeholders involved are clearly described by the issuer.</p>	<p>At Investment level, the Sustainable Bond Allocation Committee oversees the allocation of the proceeds and meets annually before the anniversary of each impact bond’s issuance. Impact Committees and all investment team members embed ESG in their fundamental analysis.</p>	✓

⁸ SDGs 3 ‘Good health and well-being’, 7 ‘Affordable and clean energy’, 8 ‘Decent work and economic growth’, 9 ‘Industry, innovation and infrastructure’, 10 ‘Reduced inequality’, 12 ‘Responsible consumption and production’ and SDG 13 ‘Climate action’

3. Management of Proceeds			
3.1 Sustainable Bond proceeds tracked in an appropriate manner	Tikehau Capital has set up an internal tracking system to facilitate the allocation process during the lifetime of the Sustainable Bonds issued.	For its Sustainable Bond issued Tikehau Capital will include details such as transaction date, the principal amount of proceeds, maturity date, Sustainable Bond coupon, Sustainable Bond International Securities Identification Number (ISIN), among others.	✓
3.2 Disclosure of intended types of temporary investment instruments for unallocated proceeds	Pending the full allocation, unallocated proceeds may temporarily be invested in accordance the Group's liquidity guidelines in cash, deposits, and money market instruments.	EUR 205.5 Million in unallocated proceeds have been temporarily invested in cash and cash equivalents.	✓
3.3 Procedure in case of divestment or postponement	Tikehau Capital will keep track of the portfolio of Eligible Sustainable Investments which have been allocated to outstanding Sustainable Bonds.	The issuer confirms appropriate divestment or postponement procedures are in place.	✓
3.4 Disclosure of portfolio balance of unallocated proceeds	Tikehau Capital will keep track of the portfolio of Eligible Sustainable Investments which have been allocated to outstanding Sustainable Bonds including the remaining balance of unallocated net proceeds.	EUR 295 million in unallocated proceeds have been temporarily invested in cash and cash equivalent.	✓
4. Reporting			
4.1 Use of Proceeds reporting	Within one year from the issuance and annually thereafter until the full allocation of the proceeds of each Sustainable Bond issued, Tikehau Capital commits to provide investors with both a reporting on the allocation of each Sustainable Bond's proceeds (allocation reporting) and the impact of Eligible Sustainability	Tikehau has reported within one year of the issuance. Allocated proceeds are reported on a project-by-project basis.	✓

	<p>Investments (impact reporting as further detailed below).</p> <p>The Sustainable Bond Annual Report will include the following key content: Summary The summary will include a list of all Sustainable Bonds outstanding in the reporting period and at the reporting date together with a summary of terms for each transaction.</p> <p>Allocation reporting for each respective outstanding Sustainable Bonds shall include the following:</p> <ul style="list-style-type: none"> ▪ Amount of the Sustainable Bond proceeds allocated by type of Eligible Sustainable Investment ▪ Share of financing and refinancing (in %) ▪ The remaining balance of unallocated net proceeds ▪ If feasible, example(s) of allocated Eligible Sustainable Investments 		
4.2 Impact reporting	<p>When feasible, and subject to the nature of Eligible Sustainable Investments, confidentiality and, regulatory constraints as well as the availability of information, Tikehau Capital will report on the environmental benefits and the positive social impacts resulting from the Eligible Sustainable Investments from each respective outstanding Sustainable Bond. Impact indicators may change from year to year. For investments relating to Eligible Green Activities, specific potential impact indicators will be considered.</p>	<p>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 the end of July 2022. The Scope of the underlying external review is therefore limited to the Allocation Reporting.</p>	N/A
4.3 Means of disclosure: where	<p>These reports shall be made publicly available to all</p>	<p>The report is intended to be publicly available.</p>	✓

the information is published	stakeholders on Tikehau Capital's website.		
4.4 External review	Tikehau Capital has engaged ISS ESG to independently assess the Framework set out herein, in alignment with the applicable guidelines and principles in the form of a Second Party Opinion. This Second Party Opinion will be made available on Tikehau's website at https://www.tikehaucapital.com/	ISS ESG has provided a Second Party Opinion (SPO) on Tikehau Capital's Sustainable Bond Framework being published on the issuer's website.	✓

Opinion: ISS ESG finds that the Sustainable Bond Allocation Reporting meets the general conditions set forth in Tikehau's Sustainable Bond Framework. Core components as defined by ICMA have been considered in the Framework and have then been transposed accordingly in the Sustainable Bond Allocation Reporting. Under the Use of Proceeds category Eligible ESG Funds, pursuing general purpose the proceeds of bonds are allocated to thematic investment funds pursuing general ESG objectives, managed by the issuer representing 79.5% of allocated proceeds. Moreover, ISS ESG reports on the contribution to or obstruction of the Eligible ESG Funds to the UN SDGs based on a self-declaration provided by the issuer in form of seven Priority SDGs.

PART II: ASSESSMENT AGAINST ICMA'S HANDBOOK HARMONISED FRAMEWORK FOR IMPACT REPORTING AND WORKING TOWARDS A HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS

Reporting is a core component of the GBP, SBP, and SBG. Sustainable bond issuers are required to report on both the use of bond proceeds, as well as the expected environmental and/or impacts at least on an annual basis. ICMA's Handbook Harmonised Framework for Impact Reporting and the Working Towards a Harmonised Framework for Impact Reporting for Social Bonds have been chosen as the benchmark for this analysis as it represents the most widely adopted standard.

The table below presents the findings of an ISS ESG assessment of Tikehau Capital's Allocation Reporting against ICMA's Handbook Harmonised Framework for Impact Reporting and the Working Towards a Harmonised Framework for Impact Reporting for Social Bonds.

CORE PRINCIPLES		
ICMA HFIR AND WTHFIR	TIKEHAU CAPITAL'S ALLOCATION REPORTING	ASSESSMENT
Reporting on an annual basis	Tikehau Capital has reported within one year from issuance. The report will be available on Tikehau Capital's website.	✓
Transparency on the currency during proceeds allocation	The issuer allocates green bond proceeds in EUR. All Sustainable Bond-related cash-flows are reported in one currency.	✓
Allocation of the proceeds to social and environmental project categories	Direct eligible investments in social activities comprising two healthcare companies. ⁹	✓ (the issuer allocated proceeds to 6 ESG Funds across 3 asset classes representing 79.5% of proceeds allocated and drawn. The portfolio is managed by the issuer. ISS ESG considered these funds as general-purpose transactions) ¹⁰
Target Population	Eligible social activities targeting all populations.	✓
Illustrating the expected environmental impacts		

⁹ 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'

¹⁰ According to the issuer the 6 ESG Funds and underlying projects contribute to SDGs 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'

Output, outcome and/or impact of projects for Social Project Categories	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 the end of July 2022. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation.	N/A
Illustrate the expected social impact made possible as a result of projects to which social bond proceeds have been allocated.		
Use output, outcome, and/or impact metrics relevant for their projects and utilize existing indicator lists and catalogue		

RECOMMENDATIONS		
ICMA HFIR AND WTHFIR	TIKEHAU CAPITAL'S ALLOCATION REPORTING	ASSESSMENT
Define and disclose the period and process for including projects in their report	As of 31 March 2022, EUR 186 million of Tikehau Capital inaugural EUR 500 million Sustainable Bond dated 31 March 2021 are allocated and drawn and EUR 295 million remains to be allocated. The remaining EUR 108 million are allocated but not yet drawn. The Sustainable Bond Allocation Committee oversees the allocation of the proceeds of the sustainable bonds.	✓
Indicate the total signed amount and the amount of environmental bonds proceeds allocated to eligible disbursements	As of 31 March 2022, EUR 186 million are allocated and drawn. EUR 108 million are allocated and not yet drawn.	✓
Put in place a formal internal process for the allocation of proceeds linked to their lending and investment operations for Green Projects and to report on the allocation of proceeds	Eligible investments in social activities 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.	✓
Provide a list of projects to which environmental bonds proceeds have been allocated, or report solely on a portfolio level	The Allocation Report includes the total amount of proceeds allocated per eligible project category, type within categories, and per geographical reach.	✓

Be transparent about projects with partial eligibility	All projects meet the issuer’s Sustainable Bond eligibility as described in the underlying Framework	✓
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	<p>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 the end of July 2022. The Scope of the underlying external review is therefore limited to the Allocation Reporting and will be extended following its complementation.</p>	N/A
Ex-post verification of specific projects		
Report on at least a limited number of sector-specific core indicators for projects included in their green bond programs		
For the calculation of indicators, where there is no single commonly used standard, issuers may follow their own methodologies, disclosing the methodologies		
Provide background on the methodology and assumptions used for the calculation of social impact indicators		
In case the expected impacts of different project components may not be reported separately, issuers may attribute the results to each component based on their relative share in the related financing, disclosing the attribution approach		
Collaborate with experts if reporting the estimated lifetime impacts and/or project economic life in years		
In case the expected impacts of different project components may not be reported separately, issuers may attribute the results to each component based on their relative share in the		

related financing, disclosing the attribution approach		
Elect, to convert units reported for individual projects. Disclosure of the conversion approach		

Opinion: ISS ESG finds that Tikehau Capital follows ICMA’s Handbook Harmonised Framework for Impact Reporting and the Working Towards a Harmonised Framework for Impact Reporting for Social Bonds core principles and almost all key recommendations for the scope of verification. The issuer provides transparency on the level of expected reporting as well as on the frequency, scope, and duration, aligned with best practices. The scope of the underlying external review is limited to the Allocation Reporting and will be extended following its complementation.

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

Methodology note: *ISS ESG's review does not follow auditing or assurance standards or guidance. ISS ESG does not provide assurance on the information presented in Tikehau Sustainable Bond Allocation Reporting. ISS ESG notes that it has not verified or audited the allocation reporting and thus cannot provide any assurance on its soundness. ISS ESG solely conducted a review of the Use of Proceeds' allocation and impact reporting against ICMA's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines' core principles, recommendations, and best market practices.*

Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to putting the impacts into perspective with the number of investments allocated to the respective Use of Proceeds projects. ISS ESG solely conducted a review of the Use of Proceeds' allocation reporting against ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines' requirements applicable at the Frameworks publication date on the level, scope and information to be provided in the allocation reporting. The Use of Proceeds allocation reporting occurred within one year from the issuance. Tikehau allocated and drew 37% of the proceeds, thereof 79.5% are allocated to the general-purpose Eligible ESG Funds. 22% of proceeds are allocated and not yet drawn. The unallocated proceeds are temporarily invested in cash and cash equivalent. Under the Use of Proceeds category Eligible ESG Funds, the proceeds of bonds are allocated to thematic investment funds pursuing general ESG objectives, managed by the issuer. Moreover, ISS ESG reports on the contribution to or obstruction of the Eligible ESG Funds to the UN SDGs based on a self-declaration provided by the issuer in form of seven "Priority SDGs".

Proceeds allocated to Eligible Projects

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

ISS ESG finds that the allocation report section of the Sustainable Bond Allocation Reporting of Tikehau aligns with best market practices by providing information on:

- The specific projects and share of financing and refinancing
- The total amount of proceeds (37,2% of the proceeds raised) in EUR million (divided per each investment category - ESG Funds of direct eligible investments in social activities)
- ESG Funds - Breakdown by Asset class
- ESG Funds - Breakdown by SFDR classification

The issuer finances healthcare companies relying on the criteria as defined in the Framework namely supporting medical technology and life science, targeting all populations targeting innovative pharmaceuticals and healthcare companies contributing to progress in the prevention, diagnosis, therapies, and monitoring - and enabling the life science industry to develop sustainable, cost-effective therapies more rapidly and targeting med techs and bio techs leveraging new discovery in relation to healthcare.

EUR 11.9 million: Travecta Therapeutics is developing a broad portfolio of product candidates engineered to cross the blood-brain barrier. The Blood-Brain-Barrier (BBB) is the main obstacle in drug development for central nervous system diseases.

EUR 26.3 million: Dedalus operates mainly in the Italian and French IT Healthcare industry, responding to different needs of healthcare operators, from administrative and organizational activities to clinical support and interoperability requirements.

EUR 147.9 million: Direct Eligible ESG Funds comprising thematic Investment Funds managed by the issuer with the following ESG themes and objectives.

Direct ESG Fund	ESG Theme	ESG Objectives
Belgian Recovery Fund	Economic Recovery	Jobs created and ESG ratchets where relevant
Brienne III (cybersecurity)	Economic growth, innovation	Track share of fund aligned to social taxonomy
S. YTIC	Sustainable Cities	Track share of fund aligned to green taxonomy
T2 Energy Transition	Climate change (energy transition)	Renewable energy capacity installed (MW installed) Inducted and avoided carbon emissions (tCO2e)
Tikehau Impact Credit	Decarbonization	30% below benchmark in terms of carbon intensity 100% if deals with an impact case
Tikehau Impact Lending	Climate change, innovation & social inclusion	100% of deals with an impact case and ESG ratchets

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 impact reporting is expected before the end of July 2022. 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 impact reporting is expected before the end of July 2022. 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: As long as no material changes are undertaken by the issuer to its Allocation Reporting as of 31 March 2022
2. ISS ESG uses a proprietary methodology to assess the post-issuance reports. In doing so, we adhere to standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we conduct External Reviews solely based on data provided by the issuer.
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ANNEX: Methodology

ISS ESG 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, ISS ESG assesses the alignment of the report with recognized market guidelines, the metrics chosen by the Issuer and the soundness of process and methodology of reporting. The analysis of the metrics adopted is based on specific sets of indicators developed by ISS ESG 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, ISS ESG identifies the extent to which the issuers reporting and project categories contribute to related SDGs.

About ISS ESG External Review

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

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyse 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

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

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