



TIKEHAU IM 2024 ENGAGEMENT & VOTING ACTIVITY REPORT

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For further information, please contact Tikehau Investment Management.

Content



1. Introduction to Engagement & Voting policy
2. FY 2024 Engagement & Voting Activity for Capital Markets Strategies
 - Engagement activity
 - Votes by proponent
 - Votes by geography
 - Votes by theme
 - Votes against management
 - Environmental & Social Related Votes
3. FY 2024 Engagement & Voting Activity for Private Equity
 - Engagement activity
 - Votes by geography
 - Votes against management
4. FY 2024 Engagement Activity for Private Debt
 - Engagement activity
 - LBA case study



01

INTRODUCTION

Overview of our Active Ownership Approach

ACTIVE INTERACTION WITH COMPANIES TO ENCOURAGE & IMPROVE ESG PRACTICES AND PERFORMANCE

As affiliate of Tikehau Capital, Tikehau Investment Management (“Tikehau IM”) implements the Group’s engagement process with portfolio companies. Starting at the investment decision and throughout the holding period, Tikehau Capital promotes the adoption of practices that align financial performance with social and environmental impact. Tikehau IM investment teams and its ESG team maintain dialogue with the portfolio companies with a view to creating sustainable value. This report also offers an overview of Tikehau IM engagement and voting practices across the Capital Markets Strategies, Private Equity and Private Debt business lines.

Listed assets	Voting practices	<p>Active ownership is practiced in our listed strategies through both proxy voting and engagement with invested companies. We actively exercise our voting responsibilities, taking into account the priorities of the Group’s sustainability approach and the guidelines of the Tikehau Capital voting policy.</p> <p>Beyond voting, our engagement approach emphasizes direct dialogue on sustainability and governance issues that have a material impact on long-term financial performance.</p>
	Beyond voting practices	
Credit & Private Equity	Standard ESG & climate clauses	<p>To raise the management’s awareness in the early stages of the investment relationship, an ESG clause is included wherever possible in shareholders’ agreements or credit documentation. This clause lists Tikehau Capital’s commitments to sustainable investment and binds executives to adopt a progressive approach based on their resources. The Private Equity ESG clause include the climate commitments expected from portfolio companies.</p>
	ESG roadmap <i>in private equity</i>	<p>The Private Equity deal team works alongside the ESG team to implement sustainability roadmaps, based on the insights provided during the pre-investment phase (e.g. ESG due diligence). Every red flag ESG risk shall be linked to a reasonable mitigation pathway and a proposed implementation timeline.</p>
	ESG ratchets <i>in private credit</i>	<p>The Private Credit team positions itself as a partner of the companies in which it invests. Where possible, the investment teams influence the integration of sustainability issues into business models by linking the terms for providing a loan to the ESG performance of the portfolio company. This is the principle of Sustainability Linked Loans (also known as ESG ratchets), which include a mechanism for upward or downward adjustment of loan interest rates depending on the achievement of specific ESG criteria.</p>

Foreword on our Voting Policy

▮ Voting Policy

The Group believes that active shareholding stimulates communication and contributes to the creation of value. In this context, the Group strives to vote at shareholder meetings of all companies held in the funds it manages. (excluding funds of funds).

With regard to investments in listed companies (equity and flexible funds of the Capital Markets Strategies activity), Tikehau IM analysts and fund managers evaluate resolutions of the general meetings. They may use proxy advisors to help assess problematic resolutions. However, the team reserves the right not to follow proxy advisors' recommendations. Resolutions added to the agenda by external shareholders (including resolutions on ESG-related topics) are analysed on a case-by-case basis and approved if they contribute to the improvement of business practices or have the potential to create value for shareholders. ISS was used as voting platform in 2024 for all liquid strategies.

The Engagement and Voting Policy of Tikehau IM is available on its [website](#).

▮ Scope of this report

In accordance with article L.533-22 of the French Monetary and Financial Code, Tikehau IM makes available the following report on the implementation of voting rights to investors of:

- Listed equity and flexible funds including Tikehau Equity Selection (French UCITS), Tikehau International Cross Assets (Luxembourg UCITS, compartment of Tikehau Fund SICAV) and Tikehau European Sovereignty Fund (Luxembourg UCITS, compartment of Tikehau Fund SICAV)¹ as well as,
- Private equity funds: all the securities granting voting rights held by the funds managed by Tikehau IM Private Equity business line, currently driven by five strategies: Decarbonation, Regenerative Agriculture, Growth Equity, Cybersecurity, and Aerospace & Defence.



02

FY 2024 ENGAGEMENT & VOTING ACTIVITY FOR CAPITAL MARKETS STRATEGIES

FY 2024 Engagement Activity

AROUND 31 COMPANIES ENGAGED WITH, OF WHICH 27 THROUGH OUR IMPACT STRATEGY

Our engagement activities encompass active engagement within our Impact and SRI-labelled funds and more reactive engagement for our other funds.

Within our Impact funds, "active" engagement is utilised to motivate improvements in corporate performance and is a crucial component of our impact "additionality" feature. The topics and substance of the proposals or requests to investee companies are directly linked to the impact objectives embedded in the strategy. Our intent for our engagement efforts with a given issuer is to span a multi-year period, aiding the fund in achieving its stated objectives.

For SRI-labelled funds, areas of engagement can cover environmental, social (incl. human rights) and Governance pillars. These factors are considered within our SRI scores or are used to compute the four performance indicators of the funds.

In both cases, specific attention is given to how Principal Adverse Impacts are identified and managed. For non-Impact and non-SRI-labelled funds, most of the engagement will be reactionary, focusing on risk management in response to controversies and ESG issues.

We also engage opportunistically when invited to attend conferences, roadshows or field trips. These opportunities allow us to learn more about companies' actions, policies, and performance while simultaneously updating them on our areas of focus and scrutiny.

2024

31

Engagement cases across:

- Sustainability disclosure
- Initiatives to mitigate negative externalities
- Decarbonisation commitment under international initiatives
- Action plan to achieve GHG emissions reduction
- Circular economy

Engagement Activity – Industry Collaboration

WHILE MOST OF OUR ENGAGEMENT IS BASED SOLELY ON OUR OWN EFFORTS, WE ALSO BELIEVE THAT COLLABORATING WITH OTHER LIKEMINDED INVESTORS AND STAKEHOLDERS CAN HELP US ACHIEVE OUR GOALS



Tikehau Capital is a member of the **Institutional Investors Group on Climate Change (IIGCC)**, a leading global investor membership body and the largest in Europe focusing specifically on climate change. Through our IIGCC membership, we support and help shape the public policies, corporate action and investment practice required to address financially material climate risks.

We are a member of 2 working groups:

Bondholder Stewardship Engagement Working Group

This working group represents asset owners and asset managers, aiming to support bondholders' influence by providing a forum for participants to discuss best practices and effective engagement strategies. We believe this platform is valuable for refining engagement strategies and strengthening our collective impact in shaping corporate behaviour. This could also enhance bondholders' influence on companies, particularly larger ones that may be less responsive to individual bondholder requests.

Bank Engagement Working Group

This working group is established to focus on engaging 20 banks regarding the Paris Agreement goals. Recognising the pivotal role banks play in achieving net zero emissions by 2050 and limiting global warming to 1.5°C, this group aims to address the lack of clarity surrounding the assessment frameworks for net zero initiatives within this sector. By engaging with these banks, we seek to foster transparency, accountability, and action towards a sustainable future.



**INVESTOR MEMBER & SIGNATORY LEAD
ENGAGER IN THE NON-DISCLOSURE CAMPAIGN**

Tikehau is a member of the CDP, a not-for-profit charity that operates a global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

We have been participating in the Non-Disclosure Campaign (NDC) since 2023. This is a collaboration with capital markets signatories to engage with companies that have failed to respond to CDP's climate change, forests, and water security questionnaires. The NDC runs alongside the main CDP disclosure request to boost transparency and increase corporate disclosure rates. This initiative is crucial, as a recurring concern among investors who consider ESG factors in their investment processes is the lack of high-quality, actionable ESG data from companies. Company risk analysis would be strengthened if issuers identified and developed appropriate disclosures related to material sustainability issues.

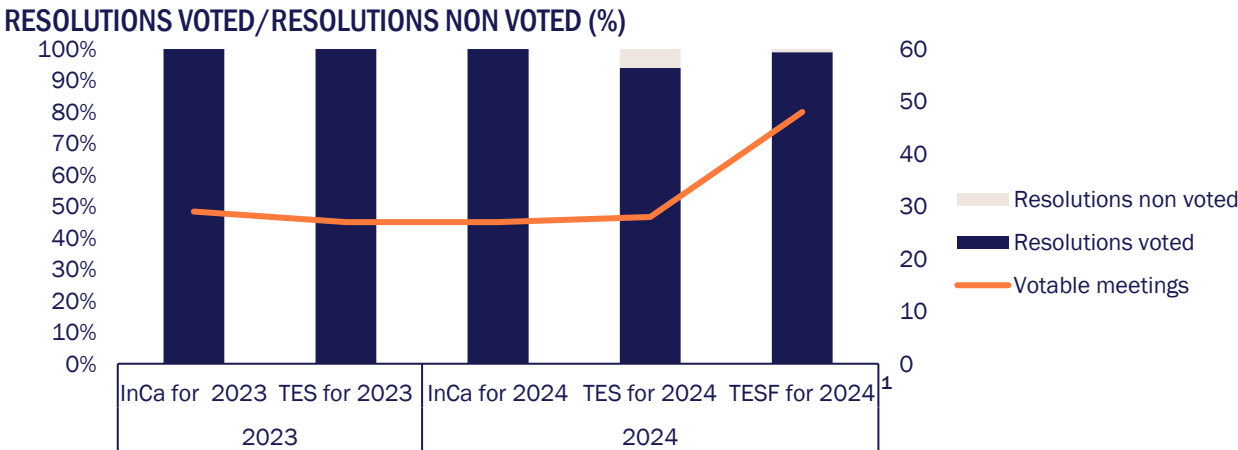
In 2024, we took part in the CDP Non-Disclosure campaign as a "Lead Investor" for 2 companies, in order to encourage them to increase their transparency on their environmental impacts.

FY 2024 voting activity (1/4)

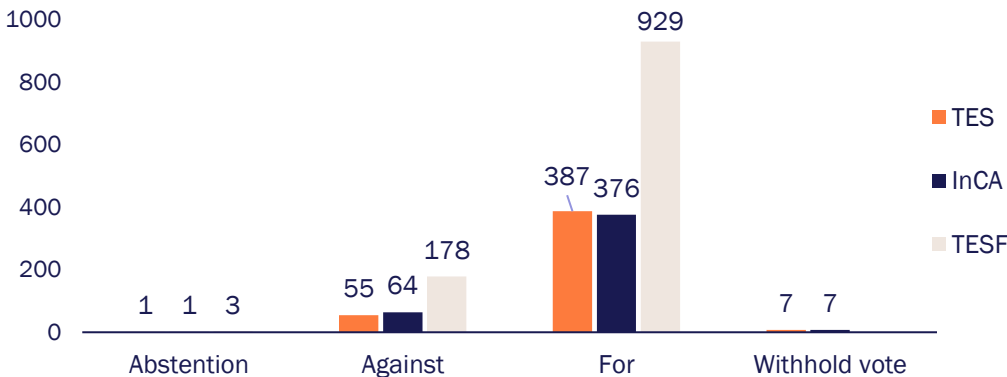
In this report we provide a summary of our voting activities for the fiscal year 2024 (1 January 2024 - 31 December 2024). We report our vote cast and validated in terms of number of resolutions except otherwise specified. To be noted, that a new fund, TESH was launched in 2024. In 2024, we voted at the shareholder meetings of 68 companies. In total, we voted on 1271 proposals, of which 97% were submitted by management and 3% by shareholders:

- **Tikehau international Cross Assets:** there were 27 votable meetings, and we voted on 100% of these meetings;
- **Tikehau Equity Selection:** there were 29 votable meetings. We voted to all meetings except 1 (Amazon) due to an overvote issue that was detected too late by the proxy voting;
- **Tikehau European Sovereignty Fund:** there were 49 votable meetings. We voted to all meetings except 1 (Assa Abloy) due to the absence of a POA (Power of Attorney) for this company.

The graph below summarises our voting activities over the past 2 years.

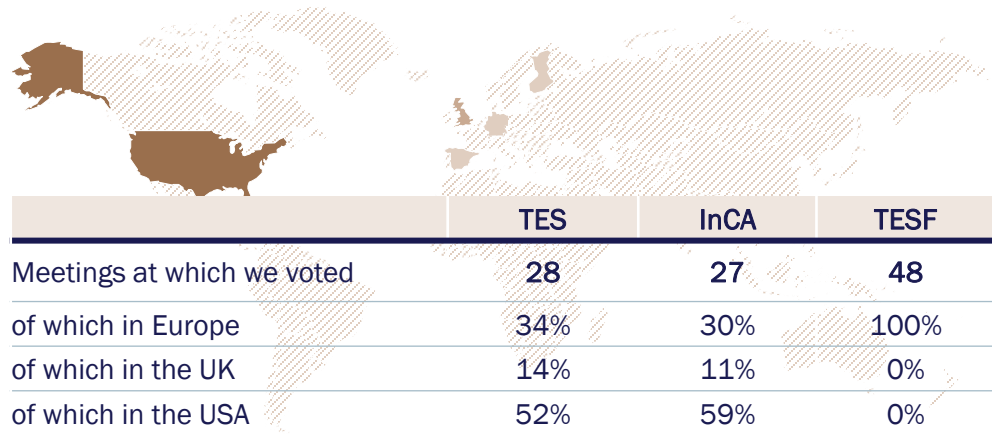


SHARE OF VOTES CAST



We voted "For" 1092 proposals, corresponding to 86% of all proposals. This share remains stable compared to previous year.

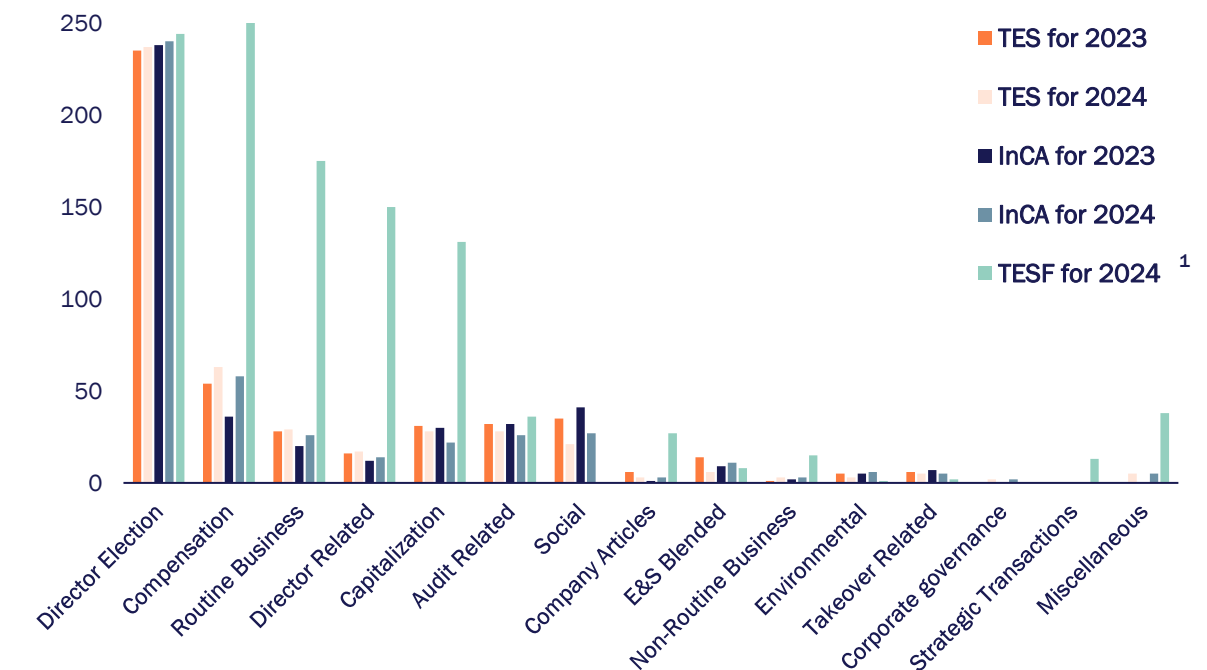
SHARE OF MEETING WE VOTED BY REGION



(1) TESH was launched in 2024; therefore, it is not possible to have data on 2023 for a comparison.

FY 2024 voting activity (2/4)

NUMBER VOTES CAST BY RESOLUTIONS' THEMES PER FUND (N/N-1)



In terms of themes, **Director Election** (37%) continues to be the most prominent, followed by **Compensation** (20%) and **Routine Business** (12%). We note that in InCa and TES, this year these 3 themes were most present among resolutions with a rise of 1%, 34% and 15% respectively.

We adhere to Tikehau Capital's voting policy when making voting decisions. In 2024, the majority of our votes were based on the following rationale:



Director election: resolutions related to the director election represent the majority of votable items. We mostly vote in favour of resolutions as our voting approach aims to uphold the balance of power within the organisation. We also consider each candidate's track record and field of expertise.



Compensation: resolutions related to the remuneration constituted the 2nd largest portion. We mostly voted for these resolution, prioritising transparency and a compelling rationale behind the remuneration plans. Additionally, we assess sound management practices and strategic orientation as critical factors.

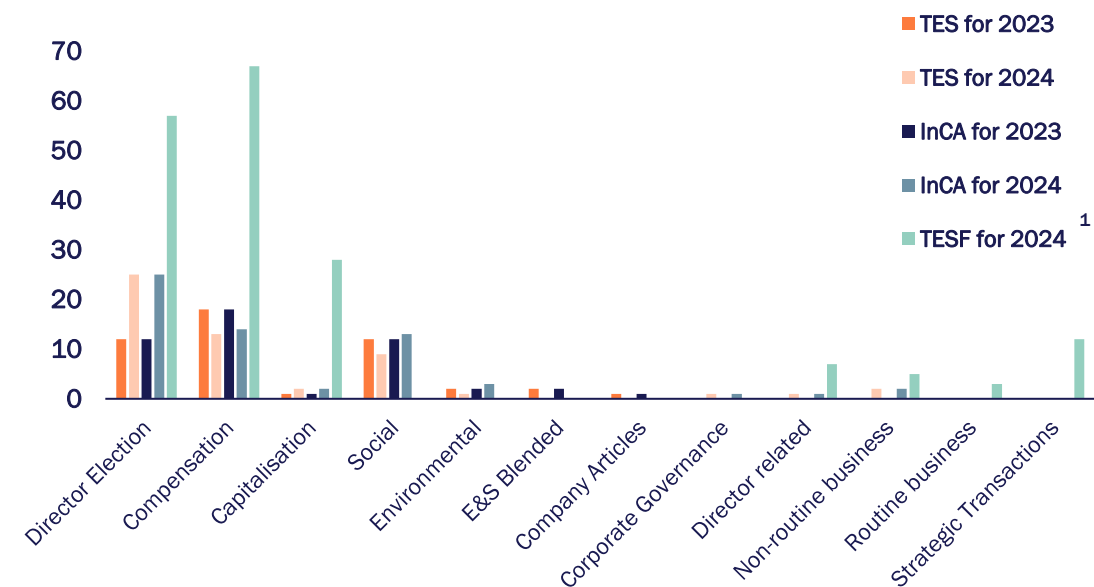


Routine business: routine business resolutions formed a notable part of our voting activity. We largely supported items such as the acceptance of financial and consolidated reports, as well as the approval of income allocation and dividends. These votes reflect our recognition of procedural necessities that support operational continuity and regulatory compliance, provided there are no significant concerns or irregularities identified.

(1) TESF was launched in 2024, therefore it is not possible to have data on 2023 for a comparison.

FY 2024 voting activity (3/4)

DETAILS OF VOTES AGAINST MANAGEMENT



- 86% of the votes we casted were in line with management for all funds. We voted against management on 168 resolutions highlighted above, mostly on director election (38%), compensation (31%), and capitalisation (12%).
- We voted against 107 proposals regarding director election due to committee's inadequate response to low vote support for last year's say-on-pay proposal. This steep increase compared to last year is due to the launch of TESF which contributed to 53.3% of votes against director elections.

The following two votes were casted against management but align with our commitment to promoting good governance and shareholder value.

- Rational AG's proposal: Election of Board Members

We voted against management by voting AGAINST non-independent directors due to insufficient board independence and lack of gender diversity. The longest-tenured affiliated director was held accountable for these concerns. We voted FOR independent directors to support stronger governance and diversity.

- Campari's Proposal: Say on Pay

We voted against management by voting AGAINST this proposal, as the plan could lead to excessive pay, particularly for the CEO, with potential compensation reaching up to EUR 60 million. Additionally, the company has not adequately disclosed the performance assessment for 85% of the performance metrics weight, raising concerns about transparency and accountability in executive compensation.

(1) TESF was launched in 2024, therefore it is not possible to have data on 2023 for a comparison.

FY 2024 voting activity ^(4/4)

SUSTAINABILITY INTEGRATION- ZOOM IN ENVIRONMENTAL & SOCIAL RELATED VOTES

ENVIRONMENTAL & SOCIAL RELATED VOTES

- During this voting session, the votes on the overall environmental and social proposals amounted to **3% of all votes**.
- 100% of votes for social and environmental proposals were in line with ISS recommendations. Further details on resolutions per category can be seen in the tables below.

Social	
Admiral Group Plc	1
Alphabet Inc.	3
InterContinental Hotels Group Plc	1
Intertek Group Plc	1
Microsoft Corporation	2
NVR, Inc.	2
Starbucks Corporation	1
The Coca-Cola Company	1
The Procter & Gamble Company	1
Total	13

Environmental	
Aena S.M.E. SA	1
Alphabet Inc.	4
Microsoft Corporation	4
Starbucks Corporation	1
The Hershey Company	2
Total	12

E&S Blended	
Aena S.M.E. SA	1
Alcon Inc.	1
Alphabet Inc.	2
Amadeus IT Group SA	1
Compagnie Financiere Richemont SA	1
Iberdrola SA	1
Lonza Group AG	1
Nestle SA	2
Starbucks Corporation	1
The Coca-Cola Company	2
Total	13

- Alphabet's proposal: Publish Human Rights Risk Assessment on the AI-Driven Targeted Ad Policies

We voted FOR this proposal, as an independent human rights risk assessment on the impacts of Alphabet's targeted advertising policies would provide greater transparency. This would help shareholders better evaluate the company's management of risks related to human rights and ensure more responsible business practices in the use of AI technologies.

- The Procter & Gamble Company: Report on Median Gender/Racial Pay Gap

We voted FOR this proposal, as publishing median pay gap statistics across gender and race would enhance transparency and enable shareholders to better assess the company's diversity and inclusion initiatives. This would provide valuable insights into the company's progress toward achieving greater equity and fairness in compensation practices.



03

FY 2024 ENGAGEMENT & VOTING ACTIVITY FOR PRIVATE EQUITY

FY 2024 Engagement activity ^(1/3)

Tikehau IM teams work closely with portfolio companies to develop tailor-made sustainable development roadmaps. Targets are defined according to the activity, size and geographical location of each company. Tikehau Capital teams assess the Company's position in relation to a sustainable transformation trajectory and in relation to the achievement of the five objectives defined for private equity.

TIKEHAU PRIVATE EQUITY SUSTAINABILITY MUST-HAVES

In number of portfolio companies, as of 31.12.2024 in priority Article 8 and 9 Funds.

	2024 Performance	Target
 At least one external board member	77%	100%
 Sustainability roadmap	52%	100%
 Discussing sustainability topics at board level at least annually	79%	100%
 Carbon footprint assessment (excluding estimates) ¹	87%	100%
 Carbon reduction plan, aligned with Science-based targets where possible	31% ²	100%

2024 key highlights



FY 2024 engagement activity (2/3)

WE DEPLOY TRANSVERSAL ENGAGEMENT TO ENHANCE KNOWLEDGE SHARING ON ESG

We created the Tikehau Impact Club to **organise engagement efforts and foster a community among our portfolio companies focused on sustainability**. This platform facilitates collaboration among portfolio companies, enabling them to exchange best practices, insights, and experiences in navigating sustainability challenges and opportunities.

2024 AGENDA

SBTi &
Decarbonisation

CSRD & CS3D¹

Climate trainings

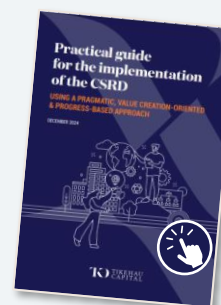


2024 Results

Transversal engagement contributes to raising the collective intelligence on sustainability topics.

In the past 12 months, we had an active programme that allowed our portfolio companies to access a vast network of sustainability managers across the Tikehau Capital private equity portfolio:

Tools produced for the Club:



CSRD guide
publication

We hosted several events and produced tools to support our portfolio companies in the sustainability journey:

5 events








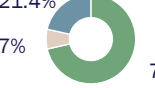

























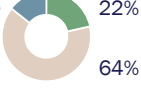








held (webinars & in-person)

- Climate transition financing webinar with EPSA-Ekodev
- 2 CSRD-focused sessions (introduction + Tikehau Capital CSRD guide)
- 2 in person events: Paris & Madrid

30+
portfolio companies present

FY 2024 engagement activity (3/3)

LEGEND:  Yes  No  In progress

TIKEHAU PRIVATE EQUITY SUSTAINABILITY MUST-HAVES ¹	DECARBONISATION	REGENERATIVE AGRICULTURE	AEROSPACE & DEFENCE	CYBER-SECURITY	GROWTH EQUITY	PERFORMANCE 2024
# Companies in scope ²	14 ⁴	1	13	15	9	52
 At least one external board member ³	 79%	 100%	 92%	 80%	 56%	77%
 A Sustainability roadmap <i>(defined by the company or at the initiative of the investment team in the 12 months following the acquisition)</i>	 71.4%	 100%	 54%	 47%	 56%	52%
 Discussing sustainability topics at board level at least annually	 100%	 100%	 92%	 67%	 67%	79%
 Carbon footprint assessment (excluding estimates)	 100%	 100%	 85%	 80%	 70%	87%
 Decarbonisation action plan	 57%	 100%	 38.5%	 93%	 33%	31%
 Decarbonisation targets	 43%	 100%	 64%	 93%	 11%	21%
 SBTi-aligned net zero targets	 43%	 100%	 100%	 100%	 22%	8%

FY 2024 voting activity ^(1/2)

In this report we provide a summary of our voting activities on behalf of our Private Equity funds for the fiscal year 2024, running from 1 January 2024 to 31 December 2024.

This report describes the general manner in which voting rights have been exercised, the rationale of most significant votes and the orientation of votes cast at general meetings.

GENERAL PRINCIPLES

Tikehau IM considers the exercise of voting rights to be an integral part of the management of its investment funds and intends to fully fulfill its role as a shareholder, in its clients' best interests.

Accordingly, voting rights are exercised by Tikehau IM's Private Equity investment teams at the general meetings of all its portfolio companies, without the use of proxy advisors and without granting proxy votes to external parties, including to the Chairman of any general meetings. Tikehau IM favours an actual participation in general meetings (physical or remote) over casting postal votes, wherever possible and appropriate. Tikehau IM also pays particular attention to receiving sufficient information on all proposed resolutions within a reasonable timeframe ahead of shareholder meetings to be in a position to vote in an informed manner.

2024 VOTING RIGHTS REPORT

We consider **most significant** the votes relating to:

- (i) resolutions or general meetings with a significant flow of information and media coverage,
- (ii) the matter of the vote is particularly salient given the company's strategy and prospects or Tikehau IM's holding interest, and
- (iii) the refusal to follow a management recommendation.

As at 31 December 2024, 69 companies were in scope and Tikehau IM participated to 181 meetings, corresponding to a 100% participation rate. The most significant votes for Private Equity primarily concerned:

- **Capital transactions** (M&A, capital increases, management packages...);
- **Other financial matters** (approval of annual accounts, dividend distribution, shareholder contributions...);
- **Governance matters** (appointment, renewal or removal of the Chairman, the CEO or members of the Board, compensation...).

FY 2024 voting activity ^(2/2)

2024 VOTING RIGHTS REPORT ^(FOLLOWED)

For all submitted resolutions (most significant, as well as other votes), we voted **in line with management recommendations**.

This results from Tikehau IM's position and engagement in the governance of its portfolio companies. In practice, votes are generally submitted to shareholders after approval by the Board of Directors (or other similar body), where Tikehau IM is represented and may benefit from veto rights to certain reserved matters, or they are otherwise discussed in advance with our investment teams.

Further information on the votes cast by our Private Equity team is available to any investor of invested funds upon request.

VOTED MEETINGS BY GEOGRAPHY AND STRATEGY



	Decarbonisation	Regenerative Agriculture	Aerospace & Defence	Cyber- security	Growth Equity	Total
# Companies in scope ⁽¹⁾	15	1	24	16	13	69
Meetings at which we voted	56/56	4/4	59/59	36/36	26/26	181/181
of which in Europe (excl. the UK)	91 %	100 %	97 %	100 %	89 %	95 %
of which in the UK	9 %	-	-	-	11 %	4 %
of which in North America	-	-	3 %	-	-	<1 %



04

FY 2024 ENGAGEMENT ACTIVITY FOR PRIVATE CREDIT

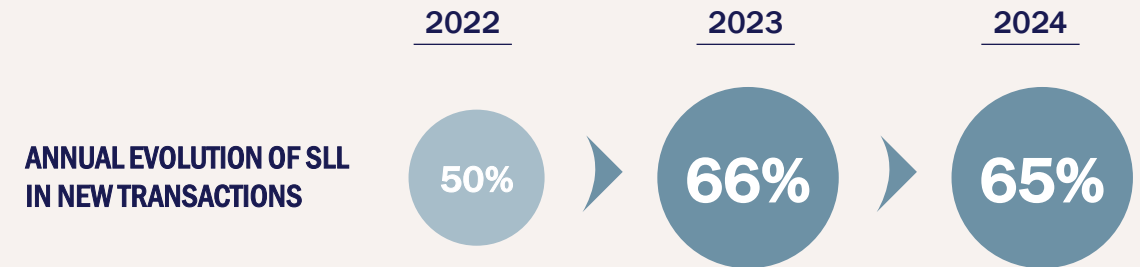
FY 2024 engagement activity ^(1/2)

Engagement is the third pillar of our ESG integration strategy for the Private Credit platform. It reflects our commitment to sustainability and positions the platform as a leader in ESG-focused lending. We drive engagement by embedding sustainability criteria into the loan credit documentation. Specifically, we use **Sustainability-Linked Loans (SLLs)** — also known as **ESG ratchets** — which adjust interest rates up or down based on a company's performance against specific ESG KPIs over the maturity of the financing. This approach creates a direct financial incentive for companies to improve their sustainability profile.

Our use of SLLs serves primarily four main purposes:

- **Risk Management:** We believe the transition to a low-carbon economy will impact portfolio performance. By encouraging companies to adopt specific ESG KPIs, we help improve their overall risk profile.
- **Opportunity Capture:** This transition is also generating new opportunities in certain sectors. We incorporate this forward-looking view into our investment decisions. At the portfolio company level, SLLs reinforce sustainability commitments by accepting the risk of higher interest costs if targets are not met.
- **Stronger Partnerships:** Our Private Debt team acts as a long-term partner to portfolio companies, supporting their sustainability journey and fostering closer relationships by providing expertise.
- **Data Collection:** As SLLs are legally binding commitments embedded in credit documentation, they enhance the quality of our ESG data collection—at least on the KPIs implemented through the SLL structure.

PRIVATE CREDIT PLATFORM - ENGAGEMENT HIGHLIGHTS



- **46 %** of transactions in our direct and corporate lending¹ funds include an ESG Ratchet, covering 142 ESG KPIs negotiated since 2020.
- **70%** of transactions with an ESG Ratchet feature a Greenhouse Gas (GHG) emissions reduction KPI.
- **20%**² of transactions in our direct and corporate lending funds are either committed to or validated³ by the Science Based Targets initiative (SBTi).
- **22 bps** is the average margin adjustment in our direct and corporate lending funds.

FY 2024 engagement activity ^(2/2)

We collaborate with industry working groups to further ESG best practices in Private Credit



Impact Grid

Since 2024, Vincent Lemaitre has participated in a working group led by the AFG (Association Française de la Gestion financière) under the supervision of the IFD (Institut de la Finance Durable), dedicated to developing a framework for assessing the impact potential of private credit funds.

The objective is to promote a vision of impact finance that broadens its reach without compromising its integrity, while fostering convergence in market views and practices. This framework serves both as an informational tool for investors and as a means of identifying genuine impact funds.



SDI Private Markets Tool & Template

Since 2024, Vincent Lemaitre has been contributing to the development of the SDI Private Markets Tool & Template designed to help users consistently and reliably classify private market investments in alignment with the Sustainable Development Goals (SDGs).

The mission is to accelerate investment flows that support the achievement of the SDGs. A key objective is to enable the systematic measurement of contributions across all asset classes, enhancing the ability of investors to assess, monitor and allocate capital to SDG-aligned opportunities.

FY 2024 industry engagement

We collaborate with industry working groups to further ESG best practices in Private Credit



Net Zero Investment Framework

Tikehau Capital is a member of the Institutional Investors Group on Climate Change (IIGCC), a leading global investor member body, the largest in Europe, focused on climate change. Through our IIGCC membership, we support and help shape public policies, corporate action and investment practices required to address financially material climate risks. **In March 2024, Tikehau Capital contributed to the development of the Net Zero Investment Framework for private debt, which establishes an industry-wide approach to real-world decarbonisation.** It offers a holistic view of a portfolio company's progress towards net zero, providing investors with essential tools to accelerate their portfolio alignment with the Paris Agreement.



FRANCE INVEST Impact Framework

Vincent Lemaitre is part of France Invest's impact working group, which aims to define impact investing principles for Private Debt.

In 2022, he led a working group at France Invest that published a "Best Practice Guide for Sustainability Linked Private Debt" for the benefit of potential issuers, investors, lawyers and banks¹. The ambition was to create an industry standard, endorsed by investors, to promote best practices for any market participant who seeks to structure a Sustainability Linked Loan in private debt. The objective was to improve and strengthen the integrity of these transition instruments globally and avoid green-, social- or impact-washing.



Private Debt Advisory

Since June 2022, Vincent Lemaitre has been appointed as a member of the United Nations Principles for Responsible Investment ("UN PRI") Private Debt Advisory Committee ("PDAC"). This advisory committee is focused on creating greater synergies and collaboration across the private credit industry and accelerating the integration of ESG best practices and standards. A guide on ESG integration dedicated to the private debt industry was published in June 2023 by the UN PRI².



Illustrative example of engagement

Company Overview

A.P.C. (Atelier de Production et de Création or “A.P.C”), founded in 1987 by Jean Touitou, is a premium brand offering ready-to-wear apparel and accessories. A.P.C.’s product portfolio includes seasonal collections, permanent items, and collaborations. The fashion industry’s heavy reliance on raw materials such as cotton, leather, wool, rubber, and precious minerals poses environmental challenges. With a 40% increase in per capita clothing purchases in Europe since 1996, resource consumption has surged. Operating in 12 countries, A.P.C. generates most of its sales in Europe and the remaining part in North America and Asia. The company’s reliance on maritime and aviation transport to ship goods from Asia to Europe contributes significantly to its emissions. As the European Green Deal aims to reduce the textile industry’s environmental footprint, A.P.C. must continue to assess and mitigate its contribution to global challenges.

ESG Ratchet Overview

+/- 55 BPS

A.P.C. set a GHG emission reduction trajectory in line with the Paris Agreement and SBTi methodology.



6.58%	8.67%
annual GHG emissions reduction on Scope 1 & 2 in absolute value	annual GHG emissions reduction on Scope 3 in intensity

Decarbonisation Achievements

Scopes 1 & 2 Decarbonisation Levers

Energy: The group achieved around 45% GHG emissions reduction on scopes 1 & 2¹ by switching to renewable energy for 100% of French stores. A.P.C. starts to deploy this initiative in the rest of Europe and US.

Scope 3 Reduction Decarbonization Levers

Suppliers' Engagement: A.P.C. is actively working with its suppliers to increase transparency regarding their energy mix as well as environmental and social practices. The Group’s engagement efforts extend beyond direct contracts with first-tier suppliers, addressing the importance of tracing emissions and decarbonising across the entire supply chain, from raw material sourcing to product transformation. A.P.C. is leveraging platforms like Fairlymade to collect data on suppliers' practices.

Raw Material Sourcing & Circularity: A.P.C. has established a clear definition of "environmentally responsible" materials and is committed to increasing the use of sustainable raw materials in its collections. In partnership with Pando, the Group tracks and improves its sourcing, with the proportion of environmentally responsible materials rising from 38% to 62% since 2022, targeting 70% by 2027. A.P.C. has fully transitioned to using GOTS-certified organic cotton and is integrating more recycled materials, though challenges related to quality persist. The Group ensures full traceability through its collaboration with Fairlymade and promotes circularity by launching second-hand and textile recovery initiatives, reducing waste and environmental impact.

Team Education: A.P.C. prioritises sustainability education across all teams. This education covers the entire product creation process, from design to production. The Group has appointed a new artistic director who is already onboard and deeply committed to these sustainability goals. By promoting sustainability at every level, A.P.C. ensures alignment across departments, reinforcing its commitment to long-term environmental goals.