



Impact Report 2023

Tikehau Impact Credit

TK TIKEHAU
CAPITAL

DISCLAIMER

This activity report is not a marketing communication and is not intended to promote the sub-fund Tikehau Impact Credit. This document is provided for information and educational purposes only.

Tikehau Impact Crédit is a sub-fund of a Luxembourg Undertaking for Collective Investment in Transferable Securities (UCITS), incorporated as an open-ended investment company (SICAV) “Tikehau Fund” managed by Tikehau Investment Management (“TIM”). The sub-fund’s legal documentation (KID, prospectus) are available on the website of the main asset manager company, Tikehau Capital: <http://www.tikehaucapital.com>. Key risks of the Sub-Fund are risk of loss of capital, counterparty risk, liquidity risk, sustainability risk and credit risk. For a description of all risks, please refer to the Sub-Fund's prospectus.

Reference to a ranking/label does not predict the fund's future performance.

This document does not constitute an investment recommendation (in the meaning of Regulation (EU) No 596/2014) or an investment advice, nor an offer or any other kind of invitation to buy any share class of the fund or issuers/ companies (and their financial instruments) or strategy, investment characteristic mentioned in any jurisdiction, nor is it a commitment by TIM to participate in any of the transactions mentioned.

TIM's projections and analyses are forward-looking, and their realisation are not guaranteed. In addition, it cannot be recognised as sufficient to make any decision on this basis.

The sustainability KPIs concern the 2023 reporting period (from 1 January to 31 December 2023). The review also provides an overview of TIM's approach, as well as key achievements as at May 30 2024. All portfolio data in this report is as of 31 December 2023.

Company logos and trademarks are used for illustrative purposes and remain the exclusive property of their respective owners.



**Through our entrepreneurial DNA,
we anticipate tomorrow's needs
and design relevant financing
solutions to accelerate positive
transformations in society.**

2004

Tikehau Capital
founded

€4.3bn¹

AuM in the sustainability-
themed and impact platform

€4.6bn

AuM in Capital
Markets Strategies

5 pillars of differentiation

1

Entrepreneurial
Mindset

2

Alignment
of Interests

3

Multi-local
Platform

4

Unique
Ecosystem
of Partners

5

Sustainability
by Design

“ Impact investing aims to generate both financial returns and positive social or environmental outcomes, proving that profitability and purpose can successfully coexist.



HENRI MARCOUX
Group Deputy CEO,
Chairman of Tikehau IM

1. excluding real estate funds. Source: Tikehau Capital Universal Registration Document. Data as of 31/12/23.

This report presents the impact approach of **Tikehau Impact Credit**, and the ESG progress at its investments.

Agreed upon procedures, designed at our request, have been performed by an independent third-party on certain indicators presented in the report including number of engagement cases, average annual reduction of GHG emissions (scope 1-2), share of companies with SBTi/NZBA commitment.

Letter from the Fund Manager

p.05

About the Fund

p.06

Impact Highlights

p.07

SRI Indicators

p.08

PART 1 Our Approach to Impact

p.09

Searching for impact in the high-yield segment, and our investment strategy.

PART 2 The Instrument Bucket

p.18

Investing in Green Bonds and Sustainability-Linked Bonds.

PART 3 The Issuer Bucket

p.25

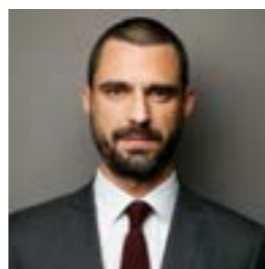
Investing in Pledgers and Transition Issuers.

APPENDICES

p.40

FROM THE FUND DIRECTOR

We aim to contribute to the transition towards a low-carbon, circular economy



Laurent Calvet
Head of Fixed
Income Strategies

Climate continues to be a key focus for our engagements. With 66% of our investments by AUM committed to reducing GHG emissions under internationally recognised initiatives, many of the companies we have invested in are poised to support the achievement of the United Nations' Sustainable Development Goal 13 – Climate Action.

After refining our processes and identifying effective engagement strategies in the first year, we had a breakthrough last year with 34 companies engaged, representing roughly 61% of our investments. Moreover, we observed a growing awareness and importance of constructive dialogue from the companies' perspective, with 65% of the companies we contacted responding to our inquiries or taking action on the discussed points.

Additionally, we have seen a significant increase in the number of companies pursuing science-based emissions reduction targets. At COP28 in December 2023, the SBTi reported over 4,000 businesses with validated science-based targets, doubling annually from 2,000 the previous year and 1,000 the year before.

As an active investor, we are pleased to see companies placing greater emphasis on providing forward-looking metrics and objectives, along with enhanced investor engagement and stewardship. We believe this approach enhances our ability to assess companies' net-zero alignment, ultimately contributing to real-world decarbonisation.

ABOUT THE FUND

Tikehau Impact Credit seeks to accelerate the transition to a low-carbon, circular economy

Tikehau Impact Credit is a bond impact sub-fund mainly invested in the high yield segment¹ which aims to invest in issuers that have an explicit intention to have a positive and measurable impact and contribute to the transition towards a low-carbon and circular economy. It incorporates a non-financial approach, promoting environmental and social characteristics according to Article 8 of the SFDR². The sub-fund seeks to achieve an annualised net performance that exceeds that of the reference indicator 3-month Euribor +200 basis points³, over an investment horizon of 5 years. Information on the environmental and social features promoted by the sub-fund can be found in the prospectus.

By focusing on sectors with significant climate impact and high yield issuers, Tikehau Impact Credit aims to support companies that are less mature in their climate strategies, accelerating their progress towards sustainability. Tikehau Impact Credit seeks to finance both the instruments (green bonds, sustainability-linked bonds) and the issuers committed to this transition.

Leadership Team



Laurent Calvet

Head of Fixed
Income Strategies



Amélie Pichon

Head of ESG for
CMS & CLO

+ 20 research team members



Fund Type	Mutual Fund
SFDR ² Classification	Article 8 (with sustainable investment)
Recommended investment period	5 years
Inception date	June 2021
SRI	3/7
Main risks (non exhaustive list)	Capital loss, credit, liquidity, counterparty, sustainability

€36 M

Assets under management
as of 29/12/23

59

Investments
as of 29/12/23



Label **ISR**

1. As of 31/12/2023, subject to change without prior notice, please refer to the fund's legal documentation for full investment strategy's detail, high Yield segment is more speculative in nature and has a higher risk of default, in return for a higher yield.

2. Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in financial services.

3. The Sub-Fund is actively managed and refers to a benchmark indicator exclusively as an ex-post-performance indicator and, where relevant, for the purpose of calculating the performance fee. The portfolio's management style will never consist in tracking the composition of a benchmark index. The benchmark index used may differ for non-€ units, please refer to the Sub-Fund's prospectus for further information. Moreover, The achievement of the investment objectives is not guaranteed

IMPACT HIGHLIGHTS

We engage with the companies we invest in, to help them enhance their positive impact

Engaging with our portfolio

31

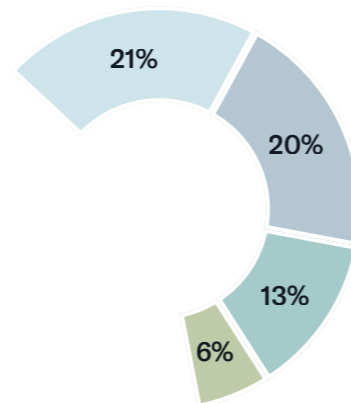
Companies engaged¹ with
↗ vs. 29 in 2022

= **55%**
of our portfolio at
the end of 2023

65% of the companies we contacted answered our questions or took actions on the points discussed

2023 ENGAGEMENT PROGRESS

- Contacted to discuss impact topics
- Responsive, dialogue started on material topics
- Partial action taken
- Sufficient action taken

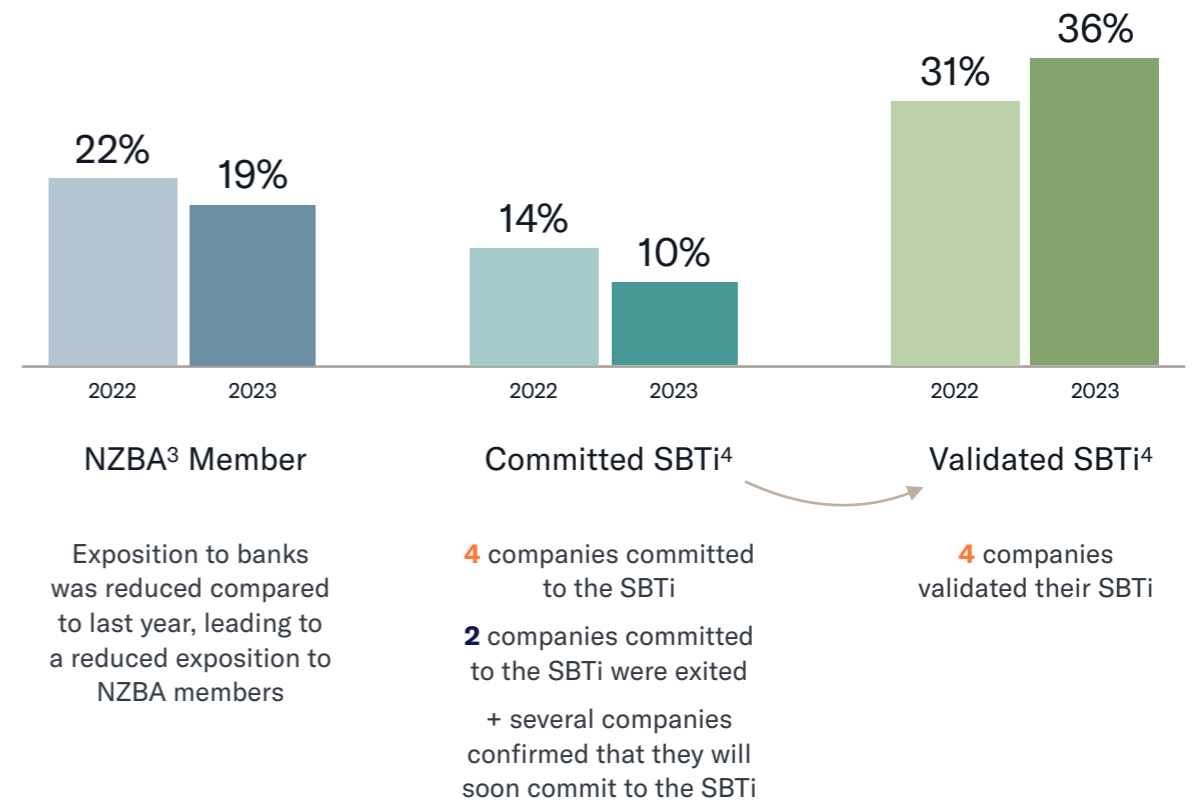


7%
average annual reduction in scope 1 & 2
GHG emissions achieved by companies in portfolio
vs. 8% average annual reduction in 2022²



to encourage GHG emissions reduction commitments

66% of issuers are committed to reducing GHG emissions using internationally recognised initiatives



Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23
All figures are calculated with the weight of each instrument in portfolio. Representative of portfolio excluding cash and cash equivalent.

1. i.e. contacted to discuss impact topics and areas of improvement
2. Due to a significant increase in one issuer's emissions between its two first reporting years
3. Net Zero Banking Alliance
4. Science Based Targets initiative

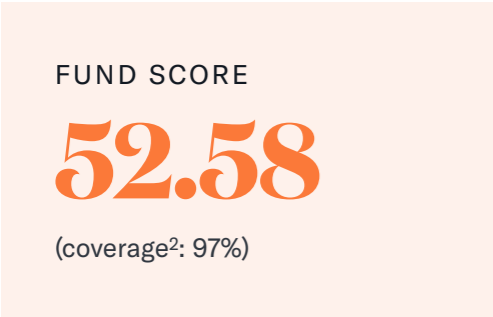
SRI INDICATORS

We perform at par or better than our universe

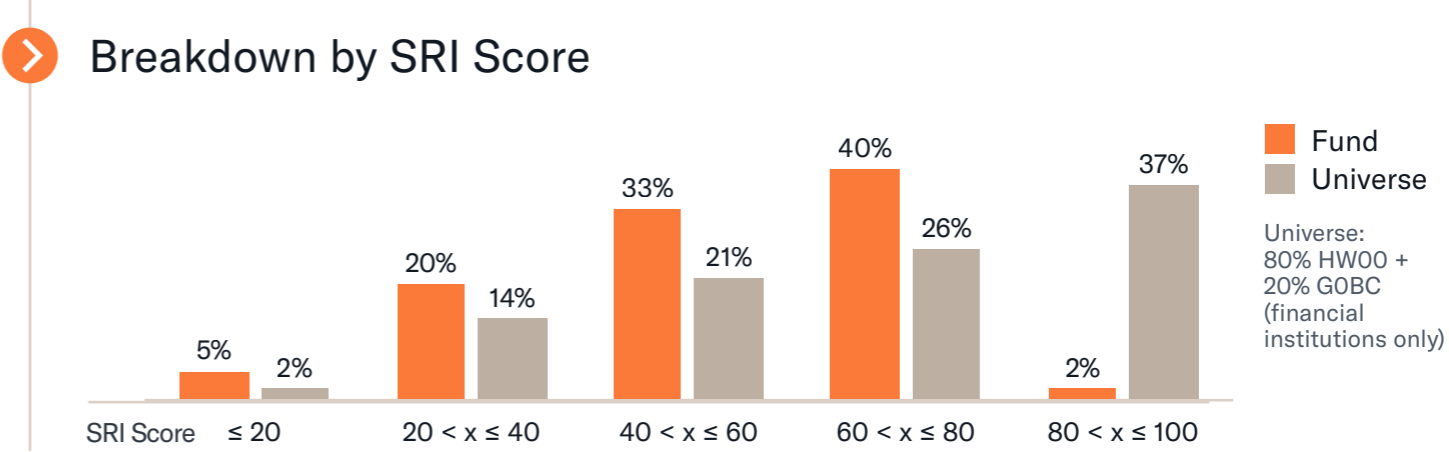
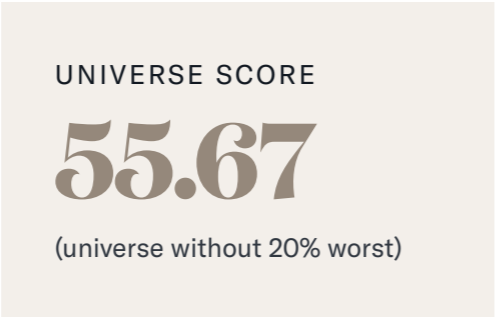
SRI scores range from 0 (best) to 100 (worst). Details on the proprietary SRI score methodology are available in the Transparency Code¹.

SRI Indicators

as of 31 Dec 2023



Source: Tikehau Investment Management



I Our Approach to Impact

Our Theory of Change

Our Investment Strategy

Our Impact Process

Industry Collaboration

Group Decarbonisation Commitment

OUR THEORY OF CHANGE

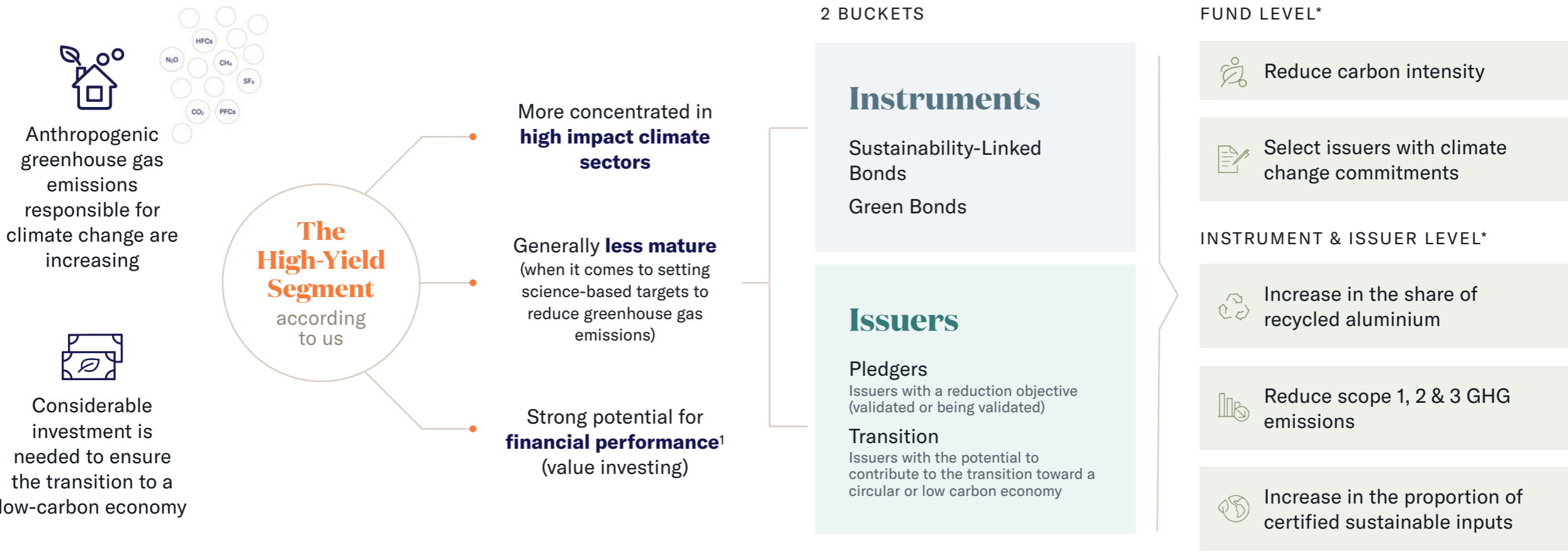
Searching for Impact in a High-Yield Segment



“ We finance companies whose circular economy and GHG emissions reduction initiatives have the potential to help transition our ecosystem to a more climate-friendly model.

Amélie Pichon
Head of ESG for Capital Markets Strategies

Our reasons to focus on high-yield issuers contributing to the low-carbon transition while creating sustainable impact:



*Examples of fund's objectives and Instrument and issuer's KPIs (non exhaustive) provided for illustrative purposes only. Achievement of investment objectives is not guaranteed. Investing in funds involves risks, including the risk of total loss of capital.

1. High Yield segment is more speculative in nature and has a higher risk of default, in return for a higher yield.

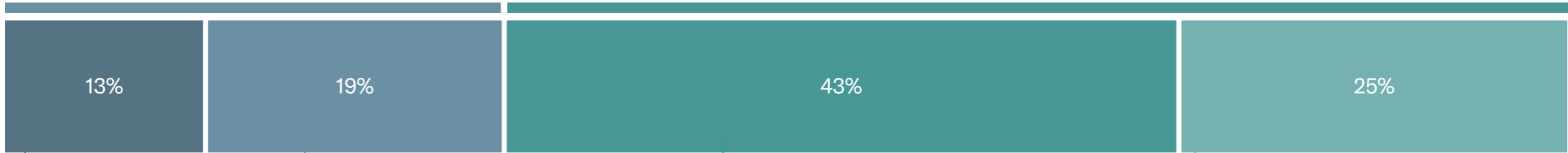
OUR INVESTMENT STRATEGY

We invest primarily in pledgers and transition issuers that operate in high-impact sectors

55%
of our investments
operate in high-impact sectors

Instruments

Issuers



Green Bonds

Green bonds with use of proceeds aligned with the objectives of the fund and which comply with ICMA’s Green Bonds Principles.



Sustainability-Linked Bonds

Sustainability-Linked Bonds with targets aligned with the objectives of the fund and which comply with ICMA’s Sustainability-Linked Bonds Principles.



Pledgers

Issuers with an emissions reduction target validated or in the process of validation by the Science-Based Targets initiative (SBTi) or the Glasgow Financial Alliance for Net Zero (GFANZ)



Transition Issuers

- ▶ Issuers offering low-carbon solutions
- ▶ Issuers in transition with the potential to:
 - Manage the negative externalities of their operations across the value chain
 - Take advantage of existing and emerging opportunities in their products and services

Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23
All figures are calculated with the weight of each instrument in portfolio. Representative of portfolio excluding cash and cash equivalent.

OUR IMPACT PROCESS

Our impact approach is embodied throughout the investment and holding period



- | | | |
|--|--|---|
| <div>1 Exclusions</div> <div>2 SRI Criteria</div> <div>3 Fundamental, Technical & ESG Analysis</div> <div>4 Impact Grids</div> | <div>▶ Measure Progress at Fund Level</div> <div>▶ Measure Progress at Investment Level</div> <div>▶ Define Priority Levels for Engagement</div> | <div>▶ A goal-oriented, time-bound process</div> <div>▶ An incremental approach adapted to the specificities of the fixed income market</div> |
|--|--|---|

OUR IMPACT PROCESS

Creating impact in fixed income beyond sustainable finance instruments

>60%

of investments allocated to Pledgers and Transition issuers

I

SELECTION

As per our analysis, most European fixed income impact funds currently focus on Green Bonds. However, we believe that “regular bonds” issued by thoroughly-selected issuers and Sustainability-Linked Bonds can also be relevant in an impact fund. That’s why our fund invests in two buckets:

- ▶ one for **sustainable finance instruments** with Green Bonds and Sustainability-Linked Bonds
- ▶ and one for **issuers** with Transition and Pledger Issuers (conventional bonds).

The first three steps of our investment process ensure that sustainability screening is conducted. Once the **exclusion**, **SRI score**, and **ESG fundamental analysis** requirements have been fulfilled, the last step, the **impact selection process**, is conducted by our research team.

Impact Grids

Our **impact grids** ensure there is a connection between a project, a target or a business and the fund's theory of change. Adapted to the specificities of the two buckets, they are our tool to evaluate the potential contribution of each investment towards a low-carbon and circular economy.

Our impact analysis is done in house, relying on our credit team's intimate understanding of issuers and sectors, and supported by our ESG team.

Issuers

- ✓ Verify that Pledgers have a validated emissions reduction target under international initiatives:



- ✓ Evaluate the contribution of Transition issuers to our impact targets, and their management of negative externalities

Instruments

- ✓ Assess Green / Sustainability-Linked Bonds to ensure that they meet their transparency & disclosure guidelines



- ✓ Ensure that their objectives are consistent with our impact targets.

Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23
All figures are calculated with the weight of each instrument in portfolio. Representative of portfolio excluding cash and cash equivalent.

OUR IMPACT PROCESS

Measuring progress at issuer level by identifying priorities for engagement

17 COMPANIES

31%

of our portfolio identified as **priority 1 for engagement**

based on impact KPIs, or performance against decarbonisation commitment

2

MONITORING

Monitoring is crucial to our impact process. We defined **indicators to measure our impact at fund level, and also rely on specific indicators for each investment**. If we effectively track and measure progress at investment level this will help deliver impact at fund level.

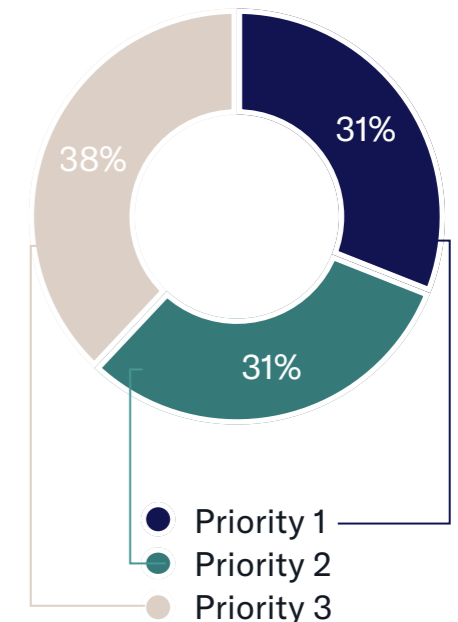
We **ensure that each investment is reporting on its impact performance with transparency** and detail. We also track new strategic changes, and **evaluate performance with respect to the fund's impact thesis**. This monitoring is the basis of **our engagement with companies**.

Most data currently reported by companies focuses on outputs (e.g., GHG emissions) or the practices and activities of the company. It is often challenging to obtain impact data to quantify positive change in the real world. The research team, with the support of the ESG team, relies on a variety of sources to carry out this exercise effectively, including green bond allocation and impact reports, sustainability-linked bond annual reports and companies' annual sustainability reports.

The ESG team assigns each investment with a priority engagement level ranging from 1 (high priority) to 3 (low priority). Our engagement prioritisation is a function of:

- ▶ **Investment bucket:** Investments like green bonds that are fully allocated will generally be subject to less engagement.
- ▶ **Performance on key indicators:** We are likely to engage with companies not on track, to ensure they stay committed and allocate sufficient resources to achieving their targets.
- ▶ **Sustainability maturity:** Companies that are less advanced in their journey will receive more attention, to motivate them to enhance their sustainability strategy and set ambitious goals.
- ▶ **Responsiveness:** We foster long term relationships with companies and continue engaging even if they are on track.
- ▶ **Influence:** This tends to correlate with the size of our investment and the company's stage in the financing cycle. For example, companies nearing a refinancing stage may be more receptive to sustainability discussions. Our influence may be more pronounced during these critical phases, as companies seek to align their financial objectives with sustainability priorities.

PRIORITY ENGAGEMENT FOLLOWING 2023 MONITORING



OUR IMPACT PROCESS

An incremental and long-term approach to engaging with the High-Yield segment



We believe the transition to a low-carbon and circular economy is gradual, and we support companies in improving their sustainability practices and metrics, especially those early in their transition. Our goal is to assist companies needing the most guidance, helping meet our clients' financial objectives and their long-term positive impact.

Engagement is the core component of our investor additionality strategy, focusing on aligning investments with the transition to a low-carbon, circular economy. We try to address the diverse challenges companies face based on their progress and may discuss potential negative impacts with them.

Our engagement ensures invested companies make credible efforts to meet their commitments. We set goal-oriented, time-bound engagements, and escalate if necessary, fostering long-term dialogue to evolve business practices. However, our influence may be limited in the listed market, notably due to small holdings.

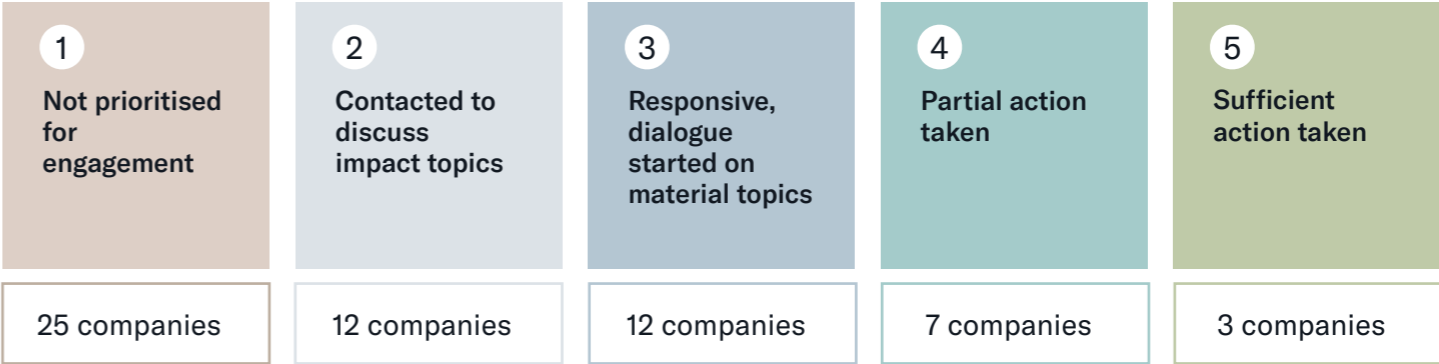
While our engagement may shape company actions and strategies, we recognise their progress is not solely due to our efforts. Our engagement may contribute to defining and refining objectives and actions, but broader contextual factors also influence their progress.

We established a five-scale system to track company progress effectively and that accounts for the complex dynamics influencing positive change within organisations.

companies identified as priority 1 during the last monitoring period took partial or sufficient actions during the 2023 monitoring period

Priority 3 companies have the lowest status, as they are not actively subject to engagement efforts. Priority 2 companies typically exhibit a higher likelihood of being on track with their targets; often falling on the lower end of the scale. More than 50% of companies in Priority 1 in 2023 answered our questions or took actions on the concerns we raised.

COMPANY PROGRESS SCALE



Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23

INDUSTRY COLLABORATION

We also collaborate with organisations to address industry-wide issues



BONDHOLDER STEWARDSHIP WORKING GROUP, MEMBER
BANK ENGAGEMENT WORKING GROUP, MEMBER

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.

In 2023 and early 2024, we decided to join:

Bondholder Stewardship Engagement Working Group

The 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

The 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.

In 2023 and 2024, we participated in the Non-Disclosure Campaign (NDC), 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.

GROUP DECARBONISATION COMMITMENT

In 2021 Tikehau Capital joined the NZAM, and in 2023 we validated our initial targets

In March 2021, Tikehau Capital joined the Net Zero Asset Managers initiative (NZAM) and committed to defining decarbonisation trajectories in line with the Paris Agreement's goal of limiting global warming to 1.5°C, with intermediate targets for its business lines. In March 2023, Tikehau Capital's Sustainability Strategy Orientation Committee validated an initial target to manage 39% of the Group's assets under management in line with the goal of achieving net zero emissions by 2050. This objective was also validated by NZAM.

The Group aims to increase the proportion of assets under management aligned with the net zero objective by introducing new funds with net zero strategies. The NZAM objective will be updated periodically.

The NZAM initiative recognises several approaches to defining intermediate decarbonisation targets, including the Net Zero Investment Framework (NZIF) of the Paris Aligned Investment Initiative (PAII). Tikehau Capital has developed intermediate objectives through to 2030 by business line.

“ We assess our net zero alignment maturity through stringent criteria, ensuring emissions reduction, capital allocation alignment, and transparent disclosure of carbon footprints. Our goal is to have 50% of applicable companies achieving or aligning with net zero by 2030, reinforcing our dedication to a sustainable future.



Camille Braux
ESG Associate for Capital Markets Strategies

INTERMEDIATE TARGET
FOR CAPITAL MARKET
STRATEGIES

50%

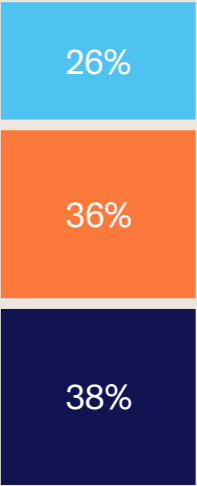
of companies in the scope of application are considered net zero or aligned with net zero by 2030
in line with the NZIF's portfolio coverage approach

Companies' net zero alignment maturity are assessed against a set of backward- and forward-looking indicators based on the NZIF recommendations. Annual thresholds for each category have been defined, and the status of funds in scope is monitored on a regular basis.

Net Zero Maturity	CRITERIA	DESCRIPTION
Net zero	Criteria 7 Achieving net zero	Emissions are at or near net-zero, and there is a long-term strategy to maintain net zero
Aligned	Criteria 6 Emissions performance	Demonstrated progress towards emission reduction targets
	Criteria 5 Capital allocation alignment	Capital expenditure plans are aligned with achieving net zero by 2050
Aligning	Criteria 4 Strategy	A quantified transition plan outlines measures to achieve emission reduction targets
	Criteria 3 Disclosure	Disclosure of Scope 1, 2, and material Scope 3 carbon footprints
	Criteria 2 Targets	Medium-term emission reduction targets have been established
Committed to aligning	Criteria 1 Ambition	Commitment to aligning with the Paris Agreement goal of achieving net zero emissions
Not aligned	No criteria met	Has not started a net zero transition

TIC'S 2023
NET ZERO
ALIGNMENT
MATURITY

Note:
interpretation of
"aligned" criteria
will be finalised
in 2024.



Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23
All figures are calculated with the weight of each instrument in portfolio. Representative of portfolio excluding cash and cash equivalent

2 The Instrument Bucket

Green Bonds, *case studies*

Sustainability-Linked Bonds, *case studies*

GREEN BONDS

We selected green bonds that show a robust alignment with the Green Bond Principles

Over the investment period, we selected green bonds that show a robust alignment with the Green Bond Principles established by the International Capital Market Association (ICMA), backed with an analysis of the sustainability maturity of issuers. During selection, an assessment was carried out, examining the green bond framework, a second party opinion, and previous green bond reports, when available. We also ensure the Green Bond framework is consistent with the overall sustainability strategy of the issuer. Here we have selected one case study for illustrative/educational purposes.

Note: no engagement is performed when the Green Bond is fully allocated

69% of the instruments in our green bonds portfolio have a share of their use of proceeds directed to renewable energy and green buildings

Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23
All figures are calculated with the weight of each instrument in portfolio. Representative of portfolio excluding cash and cash equivalent

Novelis

FOCUS

1/2

Novelis



Impact overview

Novelis Inc., an independent subsidiary of Hindalco Industries, is a global leader in the production of innovative aluminum products and solutions and the world's largest recycler of aluminum. Novelis fuels the circularity movement by promoting the adoption of lightweight, endlessly recyclable aluminum through collaborative partnerships with customers and suppliers across diverse sectors such as beverage packaging, automotive, aerospace, and specialty markets.

For instance, using aluminum to lighten vehicle bodies and closures offers substantial weight reduction. A lighter vehicle body translates to enhanced acceleration, driving performance, and extended range, all achieved with smaller brakes, suspension parts, motors, and batteries. These weight savings directly correlate with reductions in GHG emissions, illustrating the environmental benefits of Novelis' innovations.

In alignment with their commitment to sustainability, Novelis has set targets for carbon neutrality by 2050. As a crucial milestone, they aim to reduce absolute carbon emissions (scope 1, 2 & 3) by 30% by FY26, measured against a FY16 baseline.

A LEADER IN ALUMINIUM RECYCLING ACROSS ALL OPERATIONS AND PRODUCT OFFERINGS

61%

average recycled content
in their products in 2023

>80%

recycled content in their can sheet,
their flagship product line

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

Pollution Prevention & Control-recycling

A Project Financed by the Green Bond Proceeds

47.5% of the 500M EUR issuance has been directed primarily towards "Pollution Prevention & Control-recycling" Projects.

The significant endeavour within this initiative was the successful completion of a project at the Pindamonhangaba Recycling Center in Brazil in 2022, aimed at augmenting recycling capacity. This involved the installation of a new recycling line and the addition of a fifth remelt line. Consequently, the center's recycling capacity has been elevated to 490 kt per year. This expansion is projected to mitigate the company's carbon emissions by more than 600,000 tons annually. Additionally, the local community stands to benefit from the creation of 90 permanent positions at the plant.

GHG Emissions Reduction

On a broader scale, Novelis achieved a commendable 14% reduction in Scope 1, 2, and 3 absolute emissions during fiscal year (FY) 2023, in comparison to their FY2016 baseline. The company also successfully completed the first limited assurance of its global GHG inventory for FY23.

Novelis

FOCUS 2/2

Novelis

Key Objectives of Engagement

Primary Focus 2023

Our focus was advancing their decarbonisation strategy, building on demonstrated advanced practices. Despite progress, we urge the company to set more ambitious targets for 2026, aligning with a 1.5° scenario and committing to the SBTi.

Since scope 3 emissions form the majority of their footprint, we need clarity on their measurement methodology and comprehensiveness, to understand how they account for and address these emissions.

We were also keen to gain insights into the CapEx underpinning the levers of their decarbonisation strategy, as outlined in their sustainability report. Given that a substantial portion of their scope 3 reduction is anticipated through recycling initiatives, we are interested in the specific strategies, measures and investments, beyond participation in collaborative initiatives, that will contribute to achieving their sustainability goals.

Engagement Outcomes

Our assessment



CONTACTED TO DISCUSS IMPACT TOPICS

This was the first round of engagement with the company, and no response has been provided so far¹.

Looking ahead

Our focus for further engagement

We will continue discussions with the company, pushing for the adoption of more stringent commitments.

SUSTAINABILITY-LINKED BONDS

We select bonds from companies that commit to decarbonise or increase circularity efforts

We place quality requirements on alignment with ICMA’s Sustainability-Linked Bond Principles: Key Performance Indicators (KPIs), calibration of Sustainability Performance Targets (SPTs), bond characteristics, reporting and verification. As the proceeds of SLBs are intended to be used for general purposes, the use of proceeds cannot be determinant, so we put emphasis on the topics covered by the KPIs. We only select frameworks within which the company commits to increase their decarbonisation effort or increase their circularity practices (e.g., through increase of recycled input). We avoid SLBs with targets that rely on generic environmental, social and governance targets or with ESG metrics immaterial to their business. We monitor the data reported on the KPIs and SPTs detailed in the framework, and we assess if the company is on track with its commitments assuming a linear progress trajectory. Here we have selected one case study for illustrative/educational purposes.

We engaged with

100% of the companies which did not seem on track to meet their targets

Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23
 All figures are calculated with the weight of each instrument in portfolio. Representative of portfolio excluding cash and cash equivalent



FOCUS 1/2

Reno de Medici



Impact overview

Reno de Medici S.p.A., a producer of recycled fibre-based paperboard, operates primarily in Italy and across Western and Northern Europe. The company specialises in manufacturing solid board surfaces for the food industry and is one of Europe's top producers in this sector.

Reno de Medici's environmental strategy is rooted in the circular economy, transforming resource consumption into a regenerative cycle, aligned with Sustainable Development Goal 12. In 2022, 95% of the company's fibre was sourced from recycled paper, with the remainder from FSC or PEFC-certified sources. Their products are designed to be recyclable and fit into a circular cycle after use. This circular model minimises waste and conserves resources.

Operationally, Reno de Medici aims to reduce its environmental impact through the KPIs of its Sustainability-Linked Bond. Targets include a 30% reduction in Scope 1 and 2 GHG emissions per tonne of net saleable production from 2020 to 2030, increased recovery of operational waste, and reduced water discharges per tonne of production.

A FOCUS ON RENEWABLE RAW MATERIALS

85%

renewable materials of total materials used

95%

paper for recycling of the total fibre-based materials used

100%

virgin fibres used are FSC® / PEFC certified or FSC® controlled wood

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

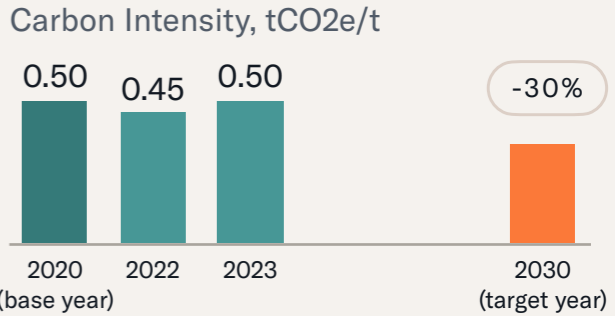
Tracking Key Impact Indicators

Based on the latest data published by the Company, focusing on the KPIs of their SLB

GHG Emissions Reduction

OFF TRACK

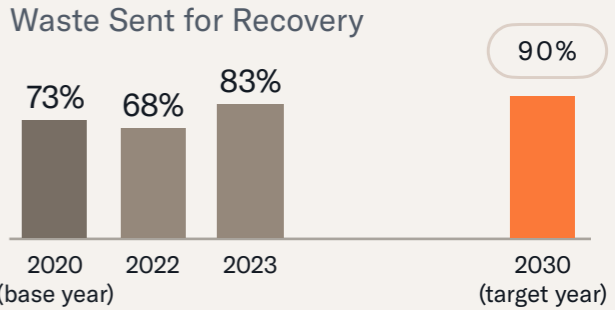
compared to target, assuming linear reduction



Increased Waste Recovery

ON TRACK

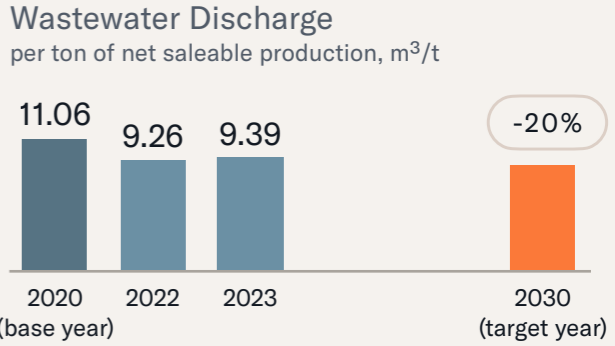
compared to target, assuming linear reduction



Water Discharge Reduction

ON TRACK

compared to target, assuming linear reduction



Source: Reno de Medici Sustainability report FY 2023 and Tikehau IM internal analysis



FOCUS 2/2

Reno de Medici

Key Objectives of Engagement

Primary Focus 2023

Our 2023 engagement was based on 2022 figures and focused on two areas.

We engaged with the company to ensure the target of its SLB, especially the proportion of waste sent for reclamation, which was slightly behind schedule as per FY 2022 reporting, would be met. The company reassured us and provided detailed explanations.

We encouraged Reno de Medici to make an SBTi commitment aligned with a 1.5° scenario, exceeding their current GHG emissions reduction target, which aligns with a well-below 2° scenario.

Engagement Outcomes

Our assessment



PARTIAL ACTION TAKEN

Regarding the SLB target, the company reassured us and provided detailed explanations.

Regarding the decarbonisation agenda, we were pleased to hear that Reno de Medici is working on a project to define GHG emissions reduction targets compatible with an SBTi commitment. As part of this project, the company is making efforts to more precisely measure its scope 3 emissions.

Looking ahead

Our focus for further engagement

With the publication of the 2023 achievements, the current performance for reducing carbon emissions is not in line with the expected improvement trajectory. This is an area of concern. We will discuss with RDM to ensure appropriate actions are taken to reach the 2025 SLB targets.

We will follow up on the project related to the SBTi target definition process, to ensure that it converts to an official commitment. If relevant, we will assist the company in the implementation project, for example, with the definition of a CapEx plan to achieve the targets. We aim to support the company in this complex exercise by sharing best practices identified within peers in terms of decarbonisation levers and strategy.

We will also ensure the company has an adequate plan in place to achieve its waste recovery target.

3 The Issuer Bucket

Pledgers, *case studies*

Transition Issuers, *case studies*

PLEDGERS

We focus on companies that have validated Net Zero emissions reduction targets

Within the pledger bucket, we adopt a forward-looking approach, placing emphasis on companies and financial institutions that have an emissions reduction target validated by the Science-Based Targets initiative, Net Zero Banking Alliance, Forum for Insurance Transition to net zero (FIT), Net Zero Consultants Initiative, or ACT initiative. Here we have selected three case studies for illustrative/educational purposes.

13% average annual reduction in our pledger's scope 1 & 2 emissions
 ↗ 2 p.p. since 2022

Source: Tikehau IM internal analysis based on portfolio's positions as of 31/12/23
 All figures are calculated with the weight of each instrument in portfolio. Representative of portfolio excluding cash and cash equivalent



FOCUS 1/2

Forvia



Formerly known as Faurecia S.E., the company changed its name to Forvia SE in June 2023.

Impact overview

Forvia SE manufactures and sells automotive technology solutions across Europe, the Americas, Asia, and internationally. It operates through segments such as Seating, Clean Mobility, Electronics, Lighting, and Lifecycle Solutions. The Clean Mobility segment designs and manufactures exhaust systems, solutions for fuel cell electric vehicles, and after-treatment solutions for commercial vehicles. The Lifecycle Solutions segment extends vehicle lifecycles and provides workshop and special original equipment.

Forvia is the world's first automotive company certified under the new net-zero standard with a CO2 neutrality goal set for 2045. Key initiatives include developing lightweight architecture, energy-efficient vehicle use, end-of-life recyclability solutions, hydrogen technologies, and battery systems for zero-emission mobility to achieve downstream scope 3 reduction.

MATERI'ACT, a new division, develops, sources, produces, and sells advanced sustainable materials with a low CO2 footprint. Three product lines have been developed, reducing CO2 footprints by 20%–85% compared to current materials.

1/3

of the energy currently produced by automotive drivetrains is lost as heat through the exhaust system

INNOVATION TO REDUCE PRODUCT GHG EMISSIONS

FORVIA's Exhaust Heat Recovery System (EHRS) is adapted for use in hybrid vehicles, allowing them to operate in electric mode more often, improving fuel economy and reducing CO2 emissions

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

Tracking Key Impact Indicators

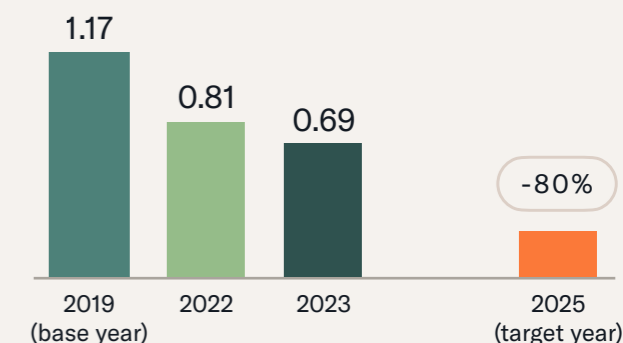
Based on the latest data published by the Company

Absolute Scope 1 & 2 GHG Emissions

OFF TRACK

despite an impressive 41% reduction in 2023 compared to the 2019 baseline: assuming a linear reduction, the company should have achieved a 53% reduction in 2023 to meet its 2025 target

Absolute Scope 1 & 2 Emissions

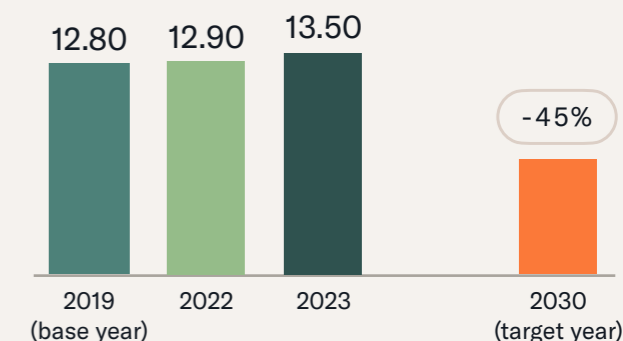


Absolute Scope 3 GHG Emissions

OFF TRACK

With a 5% increase in 2023 compared to a 2019 baseline

Absolute Scope 3 Emissions



Source: Forvia sustainability report FY 2023 and Tikehau IM internal analysis



FOCUS 2/2

Forvia

Key Objectives of Engagement

Primary Focus 2023

Our 2023 engagement, based on 2022 figures, focused on the company's decarbonisation strategy and the means dedicated to achieving their SBTi targets.

We questioned the company about its detailed actions and CAPEX plan for achieving short-term scope 1 & 2 reductions and medium-term scope 3 reductions. The reduction rate for scope 1 & 2 has not met expectations, and the scope 3 footprint has increased.

We also ensure that action plans to meet targets are overseen and followed at the highest governance level.

Engagement Outcomes

Our assessment



CONTACTED TO DISCUSS IMPACT TOPICS

Despite our attempts to engage, the company has not been responsive so far¹.

Looking ahead

Our focus for further engagement

We continue to view the company as highly progressive in its decarbonisation strategy, with exceptionally detailed disclosure requirements. Nevertheless, we will persist in underlining investor expectations for the company to utilise all available resources to meet its targets.

We are also keen on discussing their biodiversity commitment. They have identified 25 sites within 15km of at least three Key Biodiversity Areas (KBAs) and four sites near Alliance for Zero Extinction (AZE) locations, and have developed a biodiversity conservation and restoration plan with an external partner.

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

1. as of 30/04/2024
Source: Forvia sustainability report FY 2022 and Tikehau IM internal analysis

sappi

FOCUS

1/2

Sappi



Impact overview

Sappi Limited provides wood fibre-based renewable materials in Europe, North America, and South Africa, including dissolving pulp, wood pulp, biomaterials, and various end-use products like packaging papers, specialty papers, graphic papers, and casting and release papers. These products are made from sustainably sourced wood fibre.

Under their flagship brand, Verve, Sappi creates renewable alternatives for raw material feedstock, particularly in the textile industry. In collaboration with Accelerating Circularity and other stakeholders, Sappi helped establish the Alliance of Chemical Textile Recycling (ACTR) to standardise terminology and educate on textile chemical recycling. They are also developing a circular fashion model proof of concept using cotton waste from South Africa to manufacture recycled fibre and fabric for the local market.

Sappi's production facilities prioritise energy efficiency and bioenergy, achieving energy self-sufficiency in many operations. They manage 400,000 hectares of plantations, with significant portions dedicated to biodiversity conservation. Sappi's comprehensive sustainability strategy targets greenhouse gas emissions, renewable energy use, water conservation, and solid waste management, highlighting their commitment to environmental stewardship.

A FOCUS ON RAW MATERIALS

75% of certified fibre as raw input in 2023

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

Tracking Key Impact Indicators

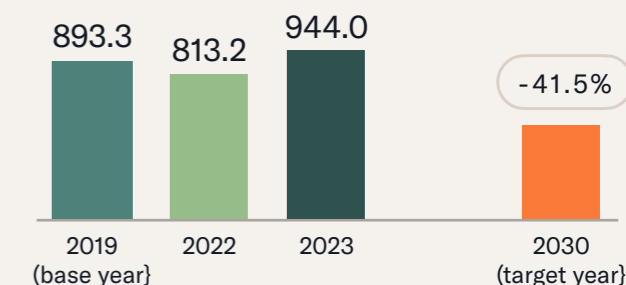
Based on the latest data published by the Company

Total Specific GHG Emissions

OFF TRACK

16.1% increase in 2023 compared to baseline

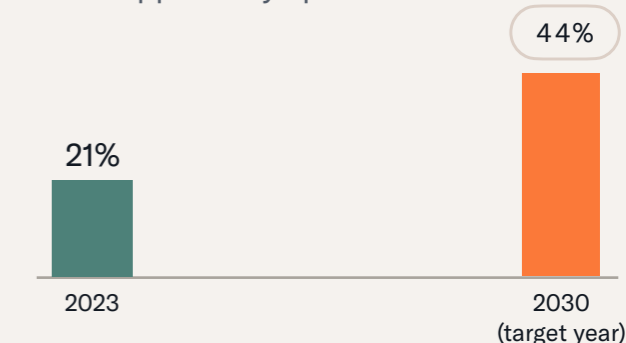
Scope 1 and 2 Intensity kgCO₂e/adt



Scope 3 Supplier Engagement

This is the first year that the company has measured its supplier engagement

Suppliers with SBTi Target % of suppliers by spend



Source: Sappi Sustainability report FY 2023 and Tikehau IM internal analysis



FOCUS 2/2

Sappi

Key Objectives of Engagement

Primary Focus 2023

In 2023, our engagement with Sappi focused on addressing past sulfur pollution controversies in South Africa from 2012 to 2014. Sappi responded with remedial actions, significant mill investments, and an investment program developed in dialogue with authorities, showing positive progress.

Additionally, we discussed Sappi's ambitious decarbonisation roadmap for South Africa, emphasising their CapEx plan and strategic investments in solar, wind, and biomass power assets to phase out coal.

Engagement Outcomes

Our assessment

1

2

3

4

5

RESPONSIVE, DIALOGUE STARTED ON MATERIAL TOPICS

Sappi addressed past pollution litigations with remedial actions, significant mill investments, and an investment program developed with authorities, showing positive progress.

Sappi does not publicly disclose detailed decarbonisation plans and costs for South Africa, citing the dynamic nature of their evaluation process and plan optimisation. However, they project group-level investments of US\$60-70 million annually, about 20% of normalised Capex, towards their 2030 SBTs. In South Africa, Sappi aims to enhance self-generation capabilities with owned solar panels and renewable PPAs, but faces challenges with the grid's reliability, which may limit access to PPAs.

Looking ahead

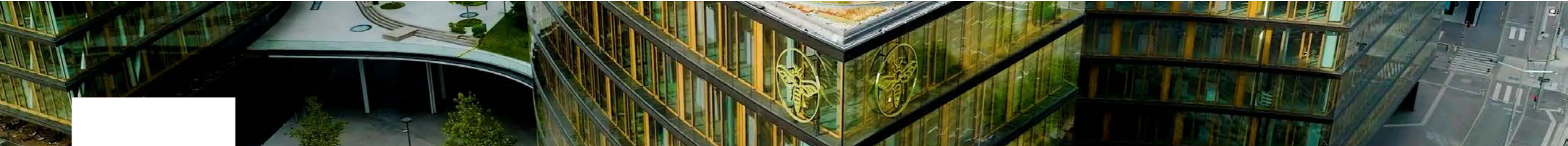
Our focus for further engagement

Regrettably, in FY2023, Sappi's emission intensity increased significantly. Sappi attributes this to reduced energy efficiency due to high levels of production curtailment required by challenging market conditions. Fluctuating start-stop operations and the need to maintain equipment heating during cold winter months, even when production was halted, hampered operational efficiencies. Although there was a 13% reduction in absolute Scope 1 and Scope 2 emissions compared to the previous year, this primarily reflects reduced annual production. Despite poor performance relative to targets, Sappi remains confident that its decarbonisation strategy and capital investment program are on track to meet 2025 and 2030 commitments.

Their 2023 report highlights the business's dependency on natural capital, with plans to focus on understanding, managing, and mitigating their impacts. We will continue discussions in these areas.

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

Source: Sappi Sustainability report FY 2023 and Tikehau IM internal analysis



FOCUS 1/2

Erste Bank

Impact overview

Erste Bank provides a range of banking services to retail, corporate, and public sector customers, and is a leading retail and corporate bank in Eastern Europe, including Austria. Supporting and financing the green transition is a core element of their strategy. Erste Group joined the Net-Zero Banking Alliance in November 2021 and committed to achieving net-zero emissions by 2050.

In 2022, Erste Group published its decarbonisation targets, identifying critical emission-intensive sectors in its portfolio. In 2023, the Group set additional CO2 reduction targets for high-emission industries such as automotive and cement producers and expanded green financing identification. The Group also offers customers comprehensive sustainable financing concepts, focusing on areas significant to the green transition, such as real estate, heat and energy production, and mobility.

As of 2023, eight high-priority sectors are covered by reduction targets, with the energy sector and real estate as priorities.

SECTOR	OBJECTIVE	SECTOR	OBJECTIVE
Mortgages	1.75°C	Iron and steel production	1.50°C
Commercial real estate	1.75°C	Cement production	1.50°C
Electricity production	1.50°C	Coal	Exit by 2030
Heat & Steam production	1.50°C	Agriculture	Planned
Oil and gas extraction	1.50°C	Aluminum	Not planned: not material
Automotive production	1.50°C		

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

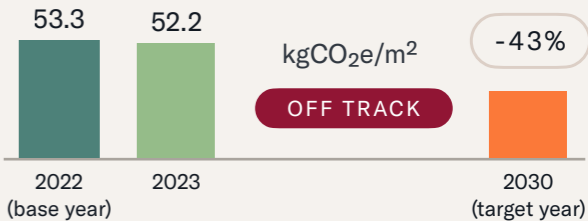
Tracking Targets

Based on the latest data published by the Company

As of 2023, decarbonisation targets have been set for a credit risk volume of EUR 104bn, which represents 56.2% of the volume covered by the financed emissions calculation. The portfolios with decarbonisation targets cover 40.1% (Scope 1+2) and 22.3% (Scope 1+2+3) of financed emissions in FY23. All sectors show a decrease in FY23 compared to the baseline 2022 values, which is mainly due to improved data quality.

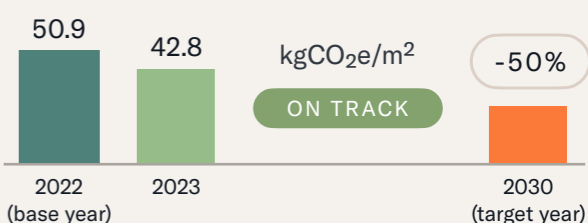
Mortgages

Targets aligned with the IEA Beyond Two Degree Scenario (B2DS), which assumes that the rise in global temperature can be limited to 1.75 degrees.



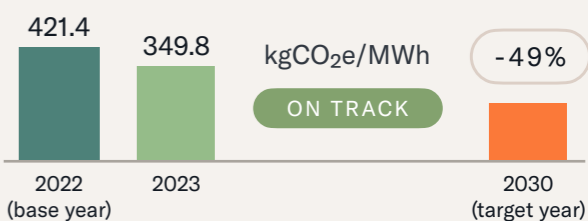
Commercial Real Estate

Targets aligned with the IEA Beyond Two Degree Scenario (B2DS), which assumes that the rise in global temperature can be limited to 1.75 degrees.



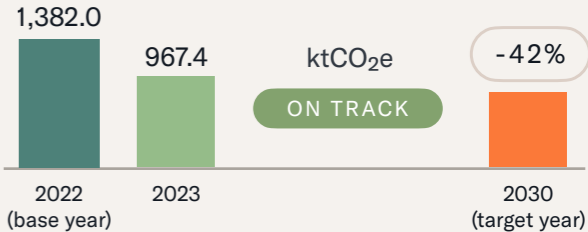
Electricity Production

Targets based on the IEA Net Zero Energy 2050 (NZE2050) scenario aimed at the 1.5 degrees objective



Heat & Steam Production

Targets based on the IEA Net Zero Energy 2050 (NZE2050) scenario aimed at the 1.5 degrees objective



Source: Erste Bank Annual Report
FY 2023 and Tikehau IM internal analysis



FOCUS 2/2

Erste Bank

Key Objectives of Engagement

Primary Focus 2023

In 2023, our engagement focused on ensuring Erste Bank meet the criteria for maintaining membership in the Net-Zero Banking Alliance (NZBA). Our discussions centred on several key compliance areas:

Financed Emissions: We noted that only 40.1% of financed emissions are covered by sector decarbonisation targets. We aimed to understand the sectors where the remaining emissions are located and the plans to cover these.

Real Estate and Mortgage Activities: We addressed the concern that these activities are not aligned with a 1.5°C scenario and explored strategies to rectify this misalignment.

Coal Phase-Out Commitment: We sought detailed insights into the timeline and approach for implementing the commitment to phase out coal within the group.

Engagement Outcomes

Our assessment and focus for further engagement



RESPONSIVE, DIALOGUE STARTED ON MATERIAL TOPICS

Regarding financed emissions, Erste Bank stated it follows NZBA guidelines, focusing on carbon-intensive industries covered by their eight sectoral decarbonisation targets. They are concerned about methodology availability to expand target coverage.

On real estate and mortgage, Erste Bank highlighted the need for stakeholder, political, support to achieve their 1.5-degree target. They plan to revise targets after NECPs¹ are in place by June 2024.

For coal phase-out, Erste Group confirms plans for in-depth discussions with clients through the end of 2025 to set transition plans, aiming to disengage from the thermal coal sector by 2030. They note that most relevant clients have phase-out strategies aligned with OECD guidelines.

To achieve decarbonisation targets, Erste Group is developing sector-specific roadmaps, establishing operational teams, improving data collection, identifying relevant clients for engagement, and assessing the climate impact of financings. Regarding asset management, Erste states they are not part of a net-zero alliance and have no plans to join one.

Our intent is to monitor Erste Bank's progress towards their decarbonisation targets. We will focus on their advancement in coal phase-out, full alignment with a 1.5° scenario, and expanding coverage of their financed emissions. We will also continue discussing reduction targets for their asset management activities.

TRANSITION ISSUERS

Investing in companies with the potential to transition to a low-carbon and circular economy

With the transition bucket, we invest in companies that, according to us, have the potential to transition to the low carbon and circular economy. The first criteria we expect to see during our analysis is an appropriate level of disclosure and goal-setting, which is key to increase our confidence in a company's future. Our research team leverages public data to identify issuers that are addressing the challenges emerging from climate change and resource scarcity through their products and services and through their operations management.

Acquiring comprehensive sustainability information can be difficult in the high yield segment and among small companies. However, these companies, despite their limited disclosure and relatively less mature practices, hold crucial positions in the value chain and are vital for achieving the decarbonisation of our industry, mobility, and buildings. That is why we strive to increase our exposure to these sectors, recognising their significance in our sustainability efforts. This is where active engagement becomes crucial as it allows us to invest in companies that have relatively less advanced sustainability practices. Here we have selected three case studies for illustrative/educational purposes.

64% of companies in the transition bucket are in high impact climate sectors representing 8 issuers out of the 11 issuers in the bucket



FOCUS

1/2

Solenis



Impact overview

Solenis is a leading supplier of specialty chemicals and services for water-intensive industries. Their product and service line includes chemical and equipment technologies designed to improve operational efficiencies, enhance product quality, protect plant assets, and minimise environmental impact.

A core commitment of Solenis is to provide solutions that help customers reduce their carbon footprint. In 2023, 18% of their innovation program focused on this goal. Solenis also holds itself accountable by committing to reducing its own carbon footprint and water consumption, reflecting their dedication to sustainability and environmental stewardship in the industries they serve.

ENABLING CUSTOMERS TO MANAGE RESOURCES AND MANUFACTURING PROCESSES MORE EFFICIENTLY

75%

of 2023 revenue growth comes from new products and processes

Tracking Key Impact Indicators

Based on the latest data published by the Company

GHG Emissions

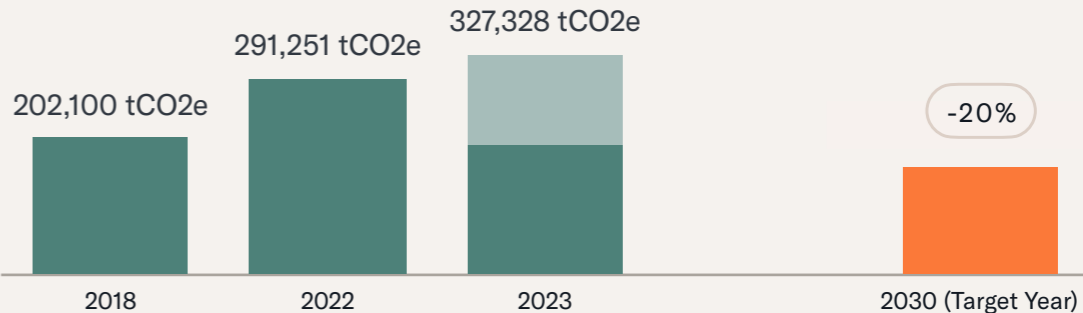
ON TRACK

given a 5% decrease versus baseline excluding new sites, but note the 12% increase with acquisitions

New Acquisitions
Constant Scope

Scope 1 & 2

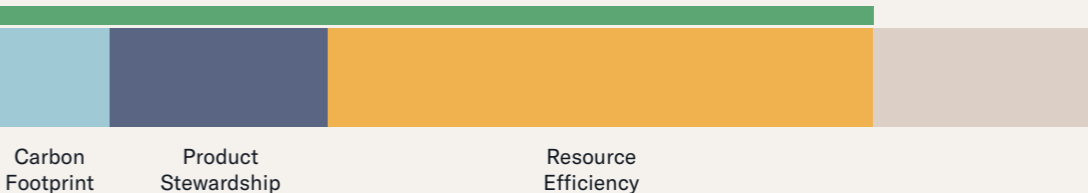
Market-based



Sustainability Innovation

The company has set a target for 90% of new innovation projects to have a sustainability or circularity focus by 2025. As of 2023, it appears to be on track to achieve this goal.

INNOVATION PROJECTS WITH A SUSTAINABILITY/CIRCULARITY FOCUS: 85%



This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.



FOCUS 2/2

Solenis

Key Objectives of Engagement

Primary Focus 2023

Our dialogue with Solenis focuses on two key areas: sustainability strategies and responsible water management.

Greenhouse Gas Emissions: We discussed their strategy to meet 2030 objectives despite the 2023 emissions increase. Solenis confirmed strong top-management commitment and we encouraged them to commit to the Science Based Targets initiative (SBTi) or set an absolute reduction target.

Circularity/Raw Input: Solenis has innovation targets but could further enhance circularity by joining initiatives to improve recycling rates. Given their reliance on water, we urged them to disclose their Water Management Plan, conduct a risk assessment, and set clear water reduction targets.

Engagement Outcomes

Our assessment



PARTIAL ACTION TAKEN

We were delighted to see significant strides by the company in advancing its decarbonisation strategy. Their development and validation of emissions reduction goals aligned with science-based targets and net-zero aspirations show strong commitment, which is highly encouraging.

Moreover, we've noted enhanced reporting transparency, exemplified by their submission of the first CDP questionnaire. This transparency demonstrates accountability and fosters greater trust and confidence in their sustainability efforts.

Looking ahead

Our focus for further engagement

We are committed to urging Solenis to elevate its efforts in raw material and circular material commitments. While their products serve as crucial transition enablers, it's imperative they intensify their focus on minimising their environmental footprint. By advocating for a more robust approach to sustainable sourcing and circularity, we aim to ensure Solenis leads in both enabling transitions and mitigating environmental impact.



FOCUS 1/2

Eurofins



Impact overview

Eurofins is a global leader in testing services for food, environment, pharmaceuticals, cosmetics, and more. They offer solutions to improve health outcomes, ensure food safety, and determine environmental impact. They recently launched Eurofins Sustainability Solutions to consolidate their market-leading sustainability offerings.

Eurofins is also a market leader in genomics, clinical studies support, and biopharma contract development. They have a growing presence in specialised molecular diagnostics and in-vitro diagnostics.

Each spring and autumn, millions of salmon migrate along the American West Coast, but many die before reaching their destination due to 6PPD-quinone pollution. Eurofins Environment North America developed the first commercial testing method for 6PPD-quinone in water and solid matrices.

PROTECTION AN RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

14%

of Eurofins services align with the EU Taxonomy, covering activities like soil, water, and asbestos testing.

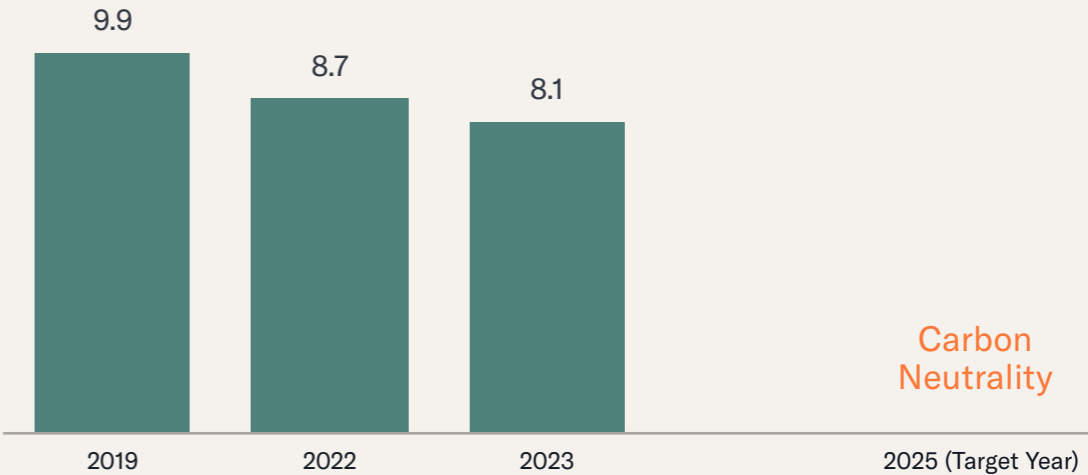
Tracking Key Impact Indicator

Based on the latest data published by the Company

GHG Emissions

The company aims to achieve carbon neutrality by 2025, although no specific reduction target has been defined. Over the past four years, Eurofins has reduced its CO2/FTE footprint (scope 1, 2, and 3) by 18.5% in 2023 compared to the baseline year of 2019.

Scope 1, 2 & 3 Intensity
tCO2e/FTE





FOCUS 2/2

Eurofins

Key Objectives of Engagement

Primary Focus 2023

In 2023, our dialogue with Eurofins focused on their decarbonisation strategy. The company's commitment was vague, mentioning climate neutrality by 2025 without clear reduction targets or actions for CO2 emissions reduction. We also discussed the share of taxonomy alignment and the range of services in their new Sustainability Services division.

Engagement Outcomes

Our assessment

- 1
- 2
- 3
- 4
- 5

PARTIAL ACTION TAKEN

During our meeting, Eurofins initially appeared reluctant to commit to more ambitious decarbonisation targets. However, the team showed interest in insights from bond investors and their expectations. We shared the IIGCC's view on the key components of a credible transition plan. We were pleased to see that Eurofins' 2023 report mentions the Group signed an SBTI commitment letter.

Looking ahead

Our focus for further engagement

We will continue discussing investor expectations with Eurofins and support them in their SBTI journey by providing benchmarks of peers' decarbonisation approaches. We will also engage on other sustainability topics such as materiality assessment and CSRD preparation.



FOCUS 1/2

Loxam



Impact overview

Loxam SAS operates as an equipment rental company in France, the Nordic countries, and internationally, offering rentals of earthmoving equipment, aerial work platforms, handling equipment, compaction equipment, energy equipment, modular equipment, and building equipment. Their business model supports the energy transition and carbon emissions reduction. They assist clients in transforming their usage through co-innovation and aim to reduce resource consumption and address the climate emergency. In 2021, they formalised and accelerated their commitment to the energy transition.

An example of their low carbon project is their involvement in constructing a section of the A16 motorway near Rotterdam, known as the "green belt." Located near residential areas and passing through a forest, the project required controlling air and noise pollution during construction. Loxgreen equipment was used extensively, with 80% of the equipment sourced from their low carbon range.

STRENGTHENING LOW CARBON RENTAL SOLUTIONS

22%
of electric, hybrid gas,
and hydrogen equipment
in 2023

This information is for educational purposes only and does not constitute advice nor recommendation with respect to any investment product, issuer and/or financial instrument, strategy, investment characteristic or other purpose in any jurisdiction, nor is it a commitment by Tikehau Investment Management's funds to participate in any of the transactions mentioned.

Tracking Key Impact Indicators

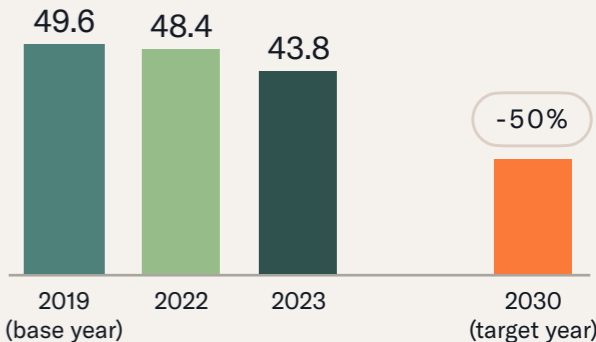
Based on the latest data published by the Company

Absolute Scope 1 & 2 GHG Emissions

OFF TRACK

despite observed reductions, the company has not achieved the 4.5% annual reduction needed to achieve its target (assuming linear reduction)

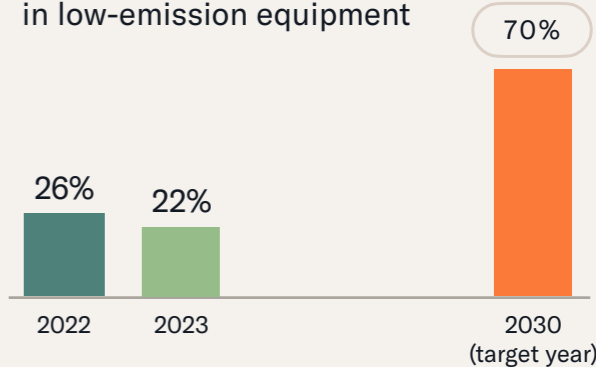
Absolute Scope 1 & 2 Emissions ktCO2e



CAPEX for low-emission equipment

OFF TRACK

Share of CAPEX in low-emission equipment



Source: Loxam 2023 CSR OVERVIEW and Tikehau IM internal analysis



FOCUS 2/2

Loxam

Key Objectives of Engagement

Primary Focus 2023

In 2023, our discussions with Loxam focused on confirming their progress towards submitting their Science Based Targets Initiative (SBTi) target within the designated two-year timeframe. We also explored Loxam's strategy to reduce equipment powered by petrol or diesel engines to ensure compliance with European regulations. Our aim was to understand how Loxam is structured to achieve these objectives and track progress effectively.

Additionally, we engaged with Loxam to explore the European Union taxonomy and conducted an initial assessment of the group's alignment with circular economy objectives.

Engagement Outcomes

Our assessment



PARTIAL ACTION TAKEN

We were delighted that Loxam's carbon reduction efforts were recognised by the SBTi in 2024, making them the first equipment rental company to achieve this certification. Loxam committed to reducing Scope 1 and 2 emissions by 50% and Scope 3 emissions by 30% by 2030.

Loxam reaffirmed its green CapEx targets and implemented a quarterly monitoring system, disclosing results in financial communications, testament to their transparency and accountability in sustainability initiatives.

Loxam is conducting an initial analysis and establishing reporting protocols to align with EU Taxonomy, demonstrating their commitment to responsible and transparent business practices.

Looking ahead

Our focus for further engagement

Our engagement will focus on supporting Loxam in its sustainability journey and ensuring alignment with regulatory standards and industry best practices. We will closely follow Loxam's decarbonisation plan to achieve its SBTi Scope 1 and 2 reduction targets. Additionally, we expect more details on their Scope 3 reduction plan and results, which are not clearly disclosed in their current reporting.

Appendices

Inventory

Principle Adverse Impacts

SRI Methodology

The Team Serving Tikehau Impact Credit

Inventory at 29.12.2023

1/4

ISIN	Bond name	Issuer name	Bucket	GICS® Industry Group	Climate commitment (as of April 2024)	Engagement priority 2023	Engagement progress status 2023
XS2343873597	AEDAS HOMES 4 08/26	AEDAS HOMES OPCO SLU	TRANSITION	Real Estate Management & Development	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
XS2319950130	AHLSTROM 3,625 02/28	AHLSTROM-MUNKSJO HLDG 3	TRANSITION ISSUERS	Materials	Committed SBTi	1	4. Partial action taken by the company
XS2010031057	AIB 6 1/4 CoCo Perp Call 06/25	AIB GROUP PLC	PLEDGERS	Banks	NZBA member	1	3. Responsive company, dialogue started on material topics
FR001400F2Q0	AIR FRANCE 7,25 05/26	AIR FRANCE-KLM	SUSTAINABILITY-LINKED BONDS	Transportation	Validated SBTi	1	2. Company contacted to discuss impact topics
XS2310511717	ARDAGH METAL PACKAGING 3 09/29	ARDAGH METAL PACKAGING	GREEN BONDS	Materials	Validated SBTi	3	1. Company not prioritised for engagement
XS2079032483	ARDAGH PIK 5 06/27	ARD FINANCE SA	PLEDGERS	Materials	Validated SBTi	3	3. Responsive company, dialogue started on material topics
XS2637969341	ASSEMBLIN FRN E500 07/29	APOLLO SWEDISH BIDCO AB	TRANSITION ISSUERS	Commercial & Professional Services	No commitment under recognised initiatives	1	4. Partial action taken by the company
USU73150AH41	AVIENT 5 3/4 05/25	AVIENT CORP	TRANSITION ISSUERS	Materials	No commitment under recognised initiatives	1	2. Company contacted to discuss impact topics
XS2080318053	BALL 1 1/2 03/27	Ball Corp	PLEDGERS	Materials	Validated SBTi	3	1. Company not prioritised for engagement
XS2226123573	BANK OF IRELAND 6 CoCo Perp Call 09/25	BANK OF IRELAND GROUP	PLEDGERS	Banks	Validated SBTi	3	1. Company not prioritised for engagement
XS2534908889	BPER 8 5/8 01/33 Call 10/27	BPER BANCA	PLEDGERS	Banks	NZBA member	3	1. Company not prioritised for engagement
XS2125168729	CATALENT 2 3/8 03/28	CATALENT PHARMA SOLUTION	PLEDGERS	Pharmaceuticals, Biotechnology & Life Sciences	Validated SBTi	1	3. Responsive company, dialogue started on material topics
XS2348237871	CELLNEX 1 1/2 06/28	CELLNEX FINANCE CO SA	PLEDGERS	Telecommunication Services	Validated SBTi	3	1. Company not prioritised for engagement
XS2320779213	CHINA WATER AFFAIRS 4.85 05/26	CHINA WATER AFFAIRS GRP	GREEN BONDS	Utilities	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
FR0014003YZ5	CLARIANE 4.125 PERP C03/24	KORIAN SA	GREEN BONDS	Health Care Equipment & Services	Committed SBTi	3	1. Company not prioritised for engagement
USV2352NAB11	CLEAN RENEWABLE POWER 4 1/4 03/27	CLEAN RENEWABLE POWER	GREEN BONDS	Utilities	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
XS1713568811	CONSTELLIUM 4 1/4 02/26	CONSTELLIUM SE	TRANSITION ISSUERS	Materials	No commitment under recognised initiatives	1	2. Company contacted to discuss impact topics

Inventory at 29.12.2023

2/4

ISIN	Bond name	Issuer name	Bucket	GICS Industry Group	Climate commitment (as of April 2024)	Engagement priority 2023	Engagement progress status 2023
XS2621830681	COPELAND 6,375 12/30	EMERALD DEBT MERGER	TRANSITION ISSUERS	Capital Goods	No commitment under recognised initiatives	1	2. Company contacted to discuss impact topics
XS1586367945	DANSKE BANK 6 1/8 CoCo Perp Call 03/24	DANSKE BANK A/S	PLEDGERS	Banks	NZBA member	3	1. Company not prioritised for engagement
XS2454874285	DE VOLKSBANK 7 CoCo Perp Call 12/27	DE VOLKSBANK NV	GREEN BONDS	Banks	No commitment under recognised initiatives	2	2. Company contacted to discuss impact topics
XS2351382473	DERICHEBOURG 2.25 07/28	DERICHEBOURG	GREEN BONDS	Commercial & Professional Services	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
XS1961057780	ERSTE BANK 5 1/8 CoCo Perp Call 10/25	ERSTE GROUP BANK AG	PLEDGERS	Banks	NZBA member	2	3. Responsive company, dialogue started on material topics
XS2436585355	FIS 5,625 08/27	FABBRICA ITA SINTETICI	SUSTAINABILITY-LINKED BONDS	Materials	No commitment under recognised initiatives	2	3. Responsive company, dialogue started on material topics
USV3855GAA86	GREENKO 5.55 01/25	GREENKO SOLAR MAURITIUS	GREEN BONDS	Utilities	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
XS2393064899	KEEPMOAT 6 10/27	MAISON FINCO PLC	TRANSITION ISSUERS	Real Estate Management & Development	Validated SBTi	2	3. Responsive company, dialogue started on material topics
XS2355604880	NOMAD FOODS 2 1/2 06/28	NOMAD FOODS BONDCO PLC	PLEDGERS	Food, Beverage & Tobacco	Validated SBTi	2	2. Company contacted to discuss impact topics
US65559D2A65	NORDEA 6 5/8 CoCo Perp Call 03/26	NORDEA BANK ABP	PLEDGERS	Banks	NZBA member	2	3. Responsive company, dialogue started on material topics
XS2326493728	NOVELIS 3 3/8 04/29	NOVELIS SHEET INGOT GMBH	GREEN BONDS	Materials	No commitment under recognised initiatives	2	2. Company contacted to discuss impact topics
XS1716945586	EUROFINS 3 1/4 PERP C11/25	EUROFINS SCIENTIFIC SE	TRANSITION ISSUERS	Pharmaceuticals, Biotechnology & Life Sciences	Committed SBTi	2	5. Sufficient action taken by the company
XS1785467751	FAURECIA 2 5/8 06/25	FORVIA SE	PLEDGERS	Automobiles & Components	Validated SBTi	1	2. Company contacted to discuss impact topics
XS2333301674	PFLEIDERER 4 3/4 04/26	PCF GMBH	SUSTAINABILITY-LINKED BONDS	Capital Goods	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
XS2361344315	PICARD 5,375 07/27	PICARD BONDCO	SUSTAINABILITY-LINKED BONDS	Food, Beverage & Tobacco	No commitment under recognised initiatives	2	2. Company contacted to discuss impact topics

Inventory at 29.12.2023

3/4

ISIN	Bond name	Issuer name	Bucket	GICS Industry Group	Climate commitment (as of April 2024)	Engagement priority 2023	Engagement progress status 2023
XS1814065345	GESTAMP 3 1/4 04/26	GESTAMP AUTOMOCION SA	PLEDGERS	Automobiles & Components	Validated SBTi	1	2. Company contacted to discuss impact topics
XS2258827034	RBS 5 1/8 CoCo Perp Call 05/27	NATWEST GROUP PLC	PLEDGERS	Banks	NZBA member	3	1. Company not prioritised for engagement
XS2326548562	HAPAG LLOYD 2 1/2 04/28	HAPAG-LLOYD AG	SUSTAINABILITY-LINKED BONDS	Transportation	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
USV4819FAA31	RENEW POWER 5 3/8 04/24	INDIA GREEN ENERGY HLDNG	GREEN BONDS	Utilities	Committed SBTi	3	1. Company not prioritised for engagement
XS2529511722	LLOYDS 8 1/2 CoCo Perp Call 09/27	LLOYDS BANKING GROUP PLC	PLEDGERS	Banks	NZBA member	1	4. Partial action taken by the company
XS2031871143	LOXAM 5.75 07/27	LOXAM SAS	TRANSITION ISSUERS	Capital Goods	Validated SBTi	2	4. Partial action taken by the company
XS2362994068	NEMAK 2 1/4 07/28	NEMAK SAB DE CV	SUSTAINABILITY-LINKED BONDS	Automobiles & Components	Validated SBTi	3	1. Company not prioritised for engagement
XS2417486771	RENO DE MEDICI FRN E525 12/26	RENO DE MEDICI SPA	SUSTAINABILITY-LINKED BONDS	Materials	No commitment under recognised initiatives	1	5. Sufficient action taken by the company
XS2439087367	RENTA FRN E437.5 02/27	REN10 HOLDING AB	TRANSITION ISSUERS	Transportation	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
XS2391352932	SOLENIS 5 3/8 10/29	OLYMPUS WTR US HLDG CORP	TRANSITION ISSUERS	Materials	Committed SBTi	2	4. Partial action taken by the company
XS2233263404	SVENSKA 4.375 CoCo-Perp C03/27	SVENSKA HANDELSBANKEN AB	PLEDGERS	Banks	NZBA member	1	2. Company contacted to discuss impact topics
XS2046625765	SWEDBANK 5 5/8 CoCo Perp Call 09/24	SWEDBANK AB	PLEDGERS	Banks	NZBA member	3	1. Company not prioritised for engagement
XS1859258383	TECHEM 6 07/26	TECHEM VERWALTUNGSGES	TRANSITION ISSUERS	Commercial & Professional Services	No commitment under recognised initiatives	2	3. Responsive company, dialogue started on material topics
XS2321651031	VIA CELERE 5 1/4 04/26	VIA CELERE DESARROLLOS	GREEN BONDS	Real Estate Management & Development	No commitment under recognised initiatives	3	1. Company not prioritised for engagement
XS2310951103	SAPPI 3,625 03/28	SAPPI PAPIER HOLDNG GMBH	PLEDGERS	Materials	Validated SBTi	1	3. Responsive company, dialogue started on material topics
XS1849518276	SMURFIT KAPPA 2 7/8 01/26	SMURFIT KAPPA ACQUISITIO	PLEDGERS	Materials	Validated SBTi	2	3. Responsive company, dialogue started on material topics
XS1690645129	STADA 5 09/25	NIDDA BONDCO GMBH	TRANSITION ISSUERS	Pharmaceuticals, Biotechnology & Life Sciences	No commitment under recognised initiatives	2	4. Partial action taken by the company

Inventory at 29.12.2023

4/4

ISIN	Bond name	Issuer name	Bucket	GICS Industry Group	Climate commitment (as of April 2024)	Engagement priority 2023	Engagement progress status 2023
XS2537462389	TENDAM FRN E750 03/28	TENDAM BRANDS SAU	PLEDGERS	Consumer Discretionary Distribution & Retail	Validated SBTi	3	1. Company not prioritised for engagement
XS2198191962	THYSSEN ELEVATOR 6,625 07/28	TK ELEVATOR HOLDCO GMBH	PLEDGERS	Capital Goods	Validated SBTi	2	1. Company not prioritised for engagement
XS2034068432	TRIVIUM 3.75 08/26	TRIVIUM PACKAGING FIN	TRANSITION ISSUERS	Materials	Validated SBTi	2	3. Responsive company, dialogue started on material topics
XS1813504666	UPFIELD 5,75 05/26	SIGMA HOLDCO BV	TRANSITION ISSUERS	Food, Beverage & Tobacco	Committed SBTi	2	4. Partial action taken by the company
FR0014006IX6	VEOLIA 2 Perp Call 11/27	VEOLIA ENVIRONNEMENT SA	PLEDGERS	Utilities	Validated SBTi	1	5. Sufficient action taken by the company
FR0014003G27	VERALLIA 1 5/8 05/28	VERALLIA SA	SUSTAINABILITY-LINKED BONDS	Materials	Validated SBTi	1	3. Responsive company, dialogue started on material topics
XS2189766970	VIRGIN MEDIA 3 3/4 07/30	VIRGIN MEDIA FINANCE PLC	PLEDGERS	Commercial & Professional Services	Validated SBTi	1	2. Company contacted to discuss impact topics
XS2486863595	VIRGIN MONEY 8 1/4 CoCo Perp Call 06/27	VIRGIN MONEY UK PLC	PLEDGERS	Banks	NZBA member	3	1. Company not prioritised for engagement
XS2486825669	VOLVO CAR 4.25 05/28	Volvo Car AB	GREEN BONDS	Automobiles & Components	Validated SBTi	3	1. Company not prioritised for engagement
XS2345035963	WABTEC 1 1/4 12/27	WABTEC TRANSPORTATION	GREEN BONDS	Transportation	No commitment under recognised initiatives	3	1. Company not prioritised for engagement

Principal Adverse Impacts

	Units	2023 Value	2023 Coverage	2022 Value	2022 Coverage
1. GHG emissions					
Scope 1 GHG Emissions	tCO2e / €M Enterprise Value	3,537	67%	2,417	62%
Scope 2 GHG Emissions		1,049	67%	854	62%
Scope 3 GHG Emissions		13,649	67%	8,770	62%
Total GHG Emissions (Scope 1 & 2)		4,586	67%	3,271	62%
Total GHG Emissions (Scope 1, 2 & 3)		18,235	67%	12,041	62%
2. Carbon footprint					
Carbon Footprint (Scope 1 & 2)	tCO2e / €M Enterprise Value	122	67%	112	62%
Carbon Footprint (Scope 1, 2 & 3)		483	67%	413	62%
3. GHG intensity of investee companies¹					
Intensity (Scope 1 & 2)	tCO2e / €M Enterprise Value	155	92%²	259	88%²
Intensity (Scope 1, 2 & 3)		907	92%²	821	92%²
4. Exposure to companies active in the fossil fuel sector	Percentage	0.00%	73%	0.70%	73%
4. Investments in companies without carbon emission reduction initiatives	Percentage	46.08%	86%	43.58%	63%
7. Activities negatively affecting biodiversity-sensitive areas	Percentage	0%	75%	0%	75%
8. Emissions to water	COD Emissions / €M EVIC	0%	0%	0%	0%
9. Hazardous waste ratio	t / €M EVIC	15.91%	3%	15.91%	3%
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Percentage	0%	75%	0%	75%
13. Management & Supervisory Board gender diversity	Percentage	17.08%	42%	12.01%	30%
14. Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)	Percentage	0%	75%	0%	75%

1. Please refer to the SFDR Periodic Report for more details about the computation methodology
2. Higher coverage due to use of sectoral average when data at companies level are not available

SRI Methodology

UNIVERSE

Tikehau Impact Credit's initial investment universe is a composite index reflecting the exposure of the Fund to corporates and financial issuers from the High Yield or Investment Grade segments. It aggregates corporate High Yield issuers (HW00 index) and Investment Grade financial institutions (GOBC index – restricted to the financial institutions of this index). The indices used by the Sub-Fund are broad market indices that do not necessarily consider in their composition or calculation methodology the non-financial characteristics promoted by the Sub-Fund.

SRI SCORE

Scores range from 0 (best) to 100 (worst). Given that the SRI score methodology is based on proprietary analysis, please note that it may involve bias. Details on the proprietary SRI score methodology are available in the Transparency Code¹.

METHODOLOGY UPDATE

The methodologies here detail how the indicators were calculated and reported starting from 2023. The carbon intensity, share of women at board and share of independent members at board formulas have been updated in January 2023 to take into account EU regulatory requirements (SFDR clarifications). For the 2022 report, figures were reported with a methodology available in the 2022 report.

Environment

Carbon intensity, tCO₂e Scope 1, 2 & 3 per €m revenues

The Weighted Average Carbon Intensity (WACI), also named "GHG intensity of investee companies" is computed pursuing the following formula:

$$WACI = \sum_{i=1}^n \left(\frac{\text{Current value of investment}_i}{\text{Current value of all investments (Mn EUR)}} \times \frac{\text{Investee Company}_i \text{ Scope 1, 2 and 3 GHG emissions}}{\text{Investee company}_i \text{ revenues (Mn EUR)}} \right)$$

- ▶ **Current value of investment_i**: value in EUR of the investment in the investee company *i*.
- ▶ **Current value of all investments**: total net asset value of the fund.
- ▶ **Investee company_i Scope 1, 2 and 3 GHG emissions**: Scope 1, 2, and 3 GHG emissions (in tons of CO₂ equivalent) of the investee company *i*.
- ▶ **Investee company_i revenues**: revenue in million Euros of investee company *i*.

Investee companies' GHG emissions and revenue are sourced from ISS ESG.

Human Rights

Number of human and labour rights controversies

The "number of controversies linked to human and labour rights" is computed as a weighted average. The calculations only include investments for which there is underlying data. The weighted average is based on their relative weights in the portfolio.

$$\sum_{i=1}^n \left(\frac{\text{Current value of investment}_i}{\text{Current value of all investments covered by data (Mn EUR)}} \times \text{Investee company}_i \text{ number of human or labour rights controversies} \right)$$

- ▶ **Current value of investment_i**: value in EUR of the investment in the investee company *i*.
- ▶ **Current value of all investments covered by data**: sum of the investment value of investee companies covered by ISS Norm-Based Research.
- ▶ **Investee company_i number of human or labour rights controversies**: the sum of controversy cases related to Human Rights and Labour Rights of the investee company *i*.

The controversy cases of investee companies are retrieved thanks to ISS ESG's Norm-Based Research with a filter on Human rights and labour rights.

Social & Governance

Share of women to men at board

Share of independent members at board

The "share of women at board" is computed as a weighted average. The calculations only include investments for which there is underlying data. The weighted average is based on their relative weights in the portfolio.

$$\sum_{i=1}^n \left(\frac{\text{Current value of investment}_i}{\text{Current value of all investments covered by data (Mn EUR)}} \times \text{Investee company}_i \text{ ratio of women at board} \right)$$

- ▶ **Current value of investment_i**: value in EUR of the investment in the investee company *i*.
- ▶ **Current value of all investments covered by data**: sum of the investment value of investee companies covered by underlying data.
- ▶ **Investee company_i Ratio of Female at board**: the share of female members at board of the investee company *i*.

The ratio of women at Board of each issuer is retrieved from ISS ESG and completed by analysts when relevant. The same methodology is used for the weighted average ratio of independent members at board. Data is retrieved from ISS ESG and completed by analysts when relevant.

¹. Available on the website: <https://www.tikehaucapital.com/en/our-expertise/liquid-strategies>

The Team Serving Tikehau Impact Credit



Raphaël Thuin
Head of Capital Markets Strategies
18 yrs of experience

Portfolio Managers



Laurent Calvet
Head of Fixed Income
Strategies
12 yrs of experience



Thibault Douard
Credit Portfolio
Manager & Credit analyst
Sub.financials
15 yrs of experience

Execution



Pierre Le Jaouen
Quantitative Trader
3 yrs of experience

ESG (Paris)



Amélie Pichon
ESG Lead for Capital Markets Strategies
11 yrs of experience



Camille Braux
ESG associate for Capital Markets Strategies
3 yrs of experience

Credit Research Team



Rodolfo Caceres de Kerchove, FRM
Head of Credit Research
22 yrs of experience



Christoph Steffan
Deputy Head of Credit Research
Syndicated Loans
Chemicals, Tech, IT, Aerospace
12 yrs of experience



Frances Ning, CFA
Deputy Head of US Credit Research
HY/Syndicated Loans
US Credit
Healthcare, TMT
15 yrs of experience



Thibault Douard
HY/PM
Financial sector & REITS
15 yrs of experience



Alexandre Cornez
Syndicated Loans
Education, Financial Services,
Leisure, Auto & Labs
9 yrs of experience



Joseph Naber
HY/Syndicated Loans
US Credit
Industrials, Homebuilding,
Construction, Services
13 yrs of experience



Emmanuel Briand
HY
TMT, Consumer Cyclicals,
Healthcare & Pharma
9 yrs of experience



Martino Santicoli
Syndicated Loans
Autos, Leisure, Telecom & Media
1 yr of experience



Ashwin Ringadoo
HY/Syndicated Loans
US Credit - generalist
1 yr of experience



Benjamin Pesquier, CFA
HY /PM
Financial Sector & REITS
6 yrs of experience



Alberto Truccolo
Syndicated Loans
Capital Equipment, Gaming &
Services
3 yrs of experience



James Steiger
HY/Syndicated Loans
US Credit
Chemicals, Packaging, Financials,
Metals & Mining
8 yrs of experience



Antoine Vaissade
HY
Autos, Chemicals, Media,
Industrials & Utilities
6 yrs of experience



Dorina Lungu
Syndicated Loans
Consumer & Packaging
4 yrs of experience



Trevor Lamb
HY/Syndicated Loans
US Credit Analyst
Tech, Cable & Telecom, Services
7 yrs of experience



Alexandre Simon
HY
Packaging, Healthcare & Utilities,
Consumer Non-Cyclical
3 yrs of experience



Shirley Fliflet
Syndicated Loans
Healthcare, Education
10 yrs of experience



Rohit Subash Nair
US Credit Risk Analyst
Energy/Utilities, Autos &
Transportation, Aerospace &
Defence, Consumer
5 yrs of experience



Yu Fan Chan
HY
Asia Credit
5 yrs of experience

WARNING

This material does not satisfy the statutory requirements regarding the impartiality of a financial analysis, and the financial instruments concerned are not subject to any prohibition of trading in advance of the publication of this presentation. This document has been prepared by Tikehau Investment Management, approved by the French Autorité des marchés financiers under the number GP-07000006, and its affiliates ("Tikehau Capital") for information purposes only. It does not create any obligation on the part of Tikehau Capital. This document has not been approved by any regulatory body.

The undertaking for collective investment referred to in this presentation - Tikehau Impact Credit - falls within the scope of the UCITS V Directive (2014/91/EU) (the "UCITS") and is intended for non-professional or professional investors as specified in its regulatory documentation. This UCITS is managed by Tikehau Investment Management.

The disclosure of any document or information relating to the UCITS managed by Tikehau Capital may be limited or restricted in certain states or jurisdictions. It is not intended that this document be disclosed to or used by any person or entity, wherever located, in any jurisdiction where such disclosure or use would be contrary to the regulations applicable in that jurisdiction.

The UCITS may not be offered or sold, directly or indirectly, for the benefit or on behalf of a "U.S. person", according to the definition of the US "Regulation S" and/or FATCA.

The recipient declares and acknowledges that he is aware of and undertakes to comply with all applicable laws or regulations relating to the UCITS mentioned in this document and to the dissemination of information relating thereto.

Recipients should consider the investment objectives, risks, charges and expenses of the UCITS carefully and should review their constitutional documents prior to making any investment decision.

The risks, costs and recommended investment period of the UCIs presented are described in the KID (Key Information Document) and the prospectus available on Tikehau Capital's website. The KID must be given to the subscriber prior to subscription.

The contents of this document are for informational purposes only and do not constitute investment advice nor a recommendation to invest. Statements regarding specific companies or sectors do not constitute a recommendation for investment. Past performance is not a reliable indicator of future performance. Investors may lose some or all of their capital, as the capital in the UCITS is not guaranteed. Tikehau Investment Management may not be held liable for any investment decision based on this document. Any decision to invest in the UCITS should be based solely on a careful and accurate review of its documentation and professional advice, and not on the basis of this document.



TIKEHAU INVESTMENT MANAGEMENT

32, rue de Monceau, 75008 Paris

Tel.: +33 (0)1 53 59 05 00 – Fax: +33 (0)1 53 59 05 20

RCS Paris 491 909 446

AMF certification number: GP 07000006