ANNEX III

`ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Tikehau SubFin Fund (the "Sub-Fund") **Legal entity identifier:** 222100SNB56F1LE09J94

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Please refer to Tikehau SFDR periodic disclosure calculations for more details about data sources, methodologies, and limitations.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Sub-Fund promotes the following environmental/social characteristics:

1. The Sub-Fund promotes companies that are making carbon efficiency efforts, seeking to outperform the weighted average carbon intensity of its Index.

2. The Sub-Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that have been demonstrated to have negative impacts on the environment or society.

3. The Sub-Fund promotes business practices that uphold the United Nations Global Compact (UNGC) and OECD guidelines for Multinational Enterprises, avoiding companies that violate these principles.

4. The Sub-Fund refrains from investing in companies embedding a high ESG risk and places limitations on investments in companies with a medium ESG risk. Investments in companies classified as medium ESG risk are subject to a review by the Compliance-Risk-ESG working group, leveraging their specific expertise. This working group issues a favourable or unfavourable opinion, which will be considered for investment decision.

The Sub-Fund promotes environmental and social characteristics pursuant to Article 8 of the SFDR but does not have sustainable investment objective and does not currently commit to investing in any “sustainable investment” within the meaning of the SFDR or the Taxonomy Regulation.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***How did the sustainability indicators perform?***

During the reference period (2024), we collected the following information on the sustainability indicators of the Sub-Fund:

Sustainability indicator	**Metric**	**Unit**	**Value in 2024 (annual average)**[1]	**Comment**
Weighted average carbon intensity (WACI) of fund compared to its Benchmark[2]	Weighted average carbon intensity (annual average)	Tons CO2e / Million Euros Revenue	Q1 and Q2 2024 - Sub-Fund: 2.38 - Benchmark: 19.14 - Result: Sub-Fund is 88% lower than Benchmark Q3 and Q4 2024: - Sub-Fund: 2.13 - Benchmark: 1.52 - Result: Sub-Fund is 40%	Between Q1 and Q2 2024, the Sub-Fund met the objective of the non-financial approach related to Weighted Carbon Average Intensity : the WACI of the fund is at least 20% lower than that of its Benchmark. Between Q3 and Q4 2024, , the Sub-Fund didn’t meet the objective of the non-financial approach related to Weighted Carbon Average Intensity : the WACI of the fund was not 20% lower than that of its Benchmark. The issue went unnoticed due to an operational problem and an incorrect configuration in the control system.

[1] A new benchmark was implemented in July 11th 2024, which make aggregation with previous period irrelevant.

[2] The Fund’s and benchmark’s WACI are now measured on scopes 1 & 2, compared to previous periods which were on scopes 1, 2 & 3.

			above than Benchmark	
Number of holdings in the Fund found to be in breach of the Exclusion Policy adopted by the Tikehau Capital Group			0	The Sub-Fund did not invest in companies in breach of the Exclusion Policy.
Number of companies that are in violation of UNGC and OECD guidelines			0	The Sub-Fund did not invest in companies in violations of UNGC and OECD guidelines.
Proprietary ESG profile Score of companies in portfolio[3]	Split per level of ESG risk	Percentage (out of investments promoting E/S characteristics)	- Acceptable ESG risk: 97.44% - Medium ESG risk: 0.47% - High ESG risk: 0.00% - Not score: 2.09%	At least 90% of companies were scored and the Sub-Fund did not invest in companies with a high ESG risk.

The Sub-Fund’s non-financial objectives were only partially achieved in 2024. During the first half of the year, the Sub-Fund’s WACI remained well below the 20% target relative to the Benchmark. However, in the second half of the year, both the financial and extra-financial benchmarks were changed but were not correctly integrated into the system, resulting in inadequate monitoring of the constraint.There were no cases of companies in breach of the Exclusion Policy nor companies in violation of the UNGC and OECD guidelines in 2024.

Since January 2024, ESG scores have been based on a third-party’s methodology, which has introduced new scoring categories compared to the previous reporting periods. During the reporting period, the Fund mostly invested in companies with an “Acceptable ESG Risk”, and over 90% of companies were scored.

- ***…and compared to previous periods?***

Sustainability indicator	**Metric**	**Unit**	**Value in 2023**	**Value in 2022**
Weighted average carbon intensity (WACI) of fund compared to its investment universe	Weighted average carbon intensity (annual average)	Tons CO2e / Million Euros Revenue	- Sub-Fund: 919 - Investment universe: 655 - Result: Sub-Fund is 40% higher than investment universe	- Sub-Fund: 397 - Investment universe: 569 - Result: Sub-Fund is 30% lower than investment universe

[3] The methodology for ESG scores changed in 2024 and are now classified in different categories compared to previous periods.

Number of holdings in the Fund found to be in breach of the Exclusion Policy adopted by the Tikehau Capital Group			0	0
Number of companies that are in violation of UNGC and OECD guidelines			0	0
Proprietary ESG profile Score of companies in portfolio	Split per level of ESG risk	Percentage (out of investments promoting E/S characteristics)	- ESG opportunity: 15% - Moderate ESG risk:79% - Average ESG risk: 0% - Material ESG risk: 0% - Significant ESG risk:0% - Not scored: 5%	- ESG opportunity: 17% - Moderate ESG risk: 76% - Average ESG risk: 3% - Material ESG risk: 0% - Significant ESG risk: 0% - Not scored: 4%

The Sub-Fund's non-financial objectives were met in 2022 and 2023. No comparison can be made between previous periods and 2024 in terms of WACI. In fact, since May 2024, the Fund's WACI has been calculated on Scopes 1 & 2 due to the practical challenges of reporting, estimating, and calculating Scope 3 data. Comparisons on this indicator will start again from the next period.

There were no case of companies in breach of the Exclusion Policy nor companies in violation of the UNGC and OECD guidelines in 2022, 2023 and 2024.

The split per ESG score remained stable between 2022 and 2023. Due to the change in methodology of ESG profile scores between the previous periods and 2024, no direct comparison can be made. However, 2024 had a majority of ESG scores that were "acceptable", the lowest risk category.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Not applicable as this Sub-Fund promotes environmental and social characteristics but does not make any sustainable investment.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Not applicable as this Sub-Fund promotes environmental and social characteristics but does not make any sustainable investment.

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable as this Sub-Fund promotes environmental and social characteristics but does not make any sustainable investment.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable as this Sub-Fund promotes environmental and social characteristics but does not make any sustainable investment.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

Adverse sustainability indicator	Metric	Unit	Value 2024	Coverage 2024	Value 2023	Coverage 2023	Value 2022	Coverage 2022
1. GHG emissions	Scope 1 GHG emissions	Tons CO_2e / Million Euros Enterprise Value	65	85.26%	69	81.18%	59	80.64%
	Scope 2 GHG emissions	Tons CO_2e / Million Euros Enterprise Value	94	85.26%	146	81.18%	102	80.64%
	Scope 3 GHG emissions	Tons CO_2e / Million Euros Enterprise Value	127,476	85.26%	41,599	81.18%	21,680	80.64%
	Total GHG emissions scope 1 & 2	Tons CO_2e / Million Euros	159	85.26%	215	81.18%	162	80.64%

		Enterprise Value						
	Total GHG emissions scope 1,2 & 3	Tons CO2e / Million Euros Enterprise Value	127,635	85.26%	41,814	81.18%	21,842	80.64%
2. Carbon footprint	Carbon footprint scope 1 & 2	Tons CO2e / Million Euros Enterprise Value	0.41	85.26%	1	81.18%	1	80.64%
	Carbon footprint scope 1,2 & 3	Tons CO2e / Million Euros Enterprise Value	331	85.26%	120	81.18%	70	80.64%
3. GHG intensity of investee companies	GHG intensity of investee companies scope 1 & 2	Tons CO2e / Million Euros Revenue	2	98.15%	3	95.36%	5	93.83%
	GHG intensity of investee companies scope 1,2 & 3	Tons CO2e / Million Euros Revenue	1,690	98.15%	884	95.36%	358	93.83%
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Percentage	0.00%	90.38%	0.00%	87.45%	0.00%	85.53%
Optional 4. Investments in companies without carbon emission reduction initiatives	Share of companies without Carbon Emission Reduction initiatives	Percentage	60.02%	88.58%	57.13%	84.83%	53.76%	60.04%

7. Activities negatively affecting biodiversity- sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity- sensitive areas where activities of those investee companies negatively affect those areas	Percentage	0.00 %	91.34%	0.00 %	88.04%	0.00%	85.96%
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Percentage	0.00 %	91.34%	0.00 %	88.04%	0.00%	85.96%
14. Exposure to controversial weapons (anti- personnel mines, cluster munitions,	Share of investments in investee companies involved in the manufacture or selling of controvers	Percentage	0.00 %	91.34%	0.00 %	88.04%	0.00%	85.96%

chemical weapons and biological weapons)	ial weapons							

On environmental topics, PAIs show improvement between previous periods and 2024:

- Overall, PAIs related to GHG emissions, carbon footprint and GHG intensity decreased between 2023 and 2024 apart from indicators taking into account scope 3 emissions. For banks and financial institutions, Scope 3 Category 15 (financed emissions) accounts for the majority of emissions. However, these emissions are highly volatile, often not consistently reported, and challenging to estimate accurately. This makes comparison across period challenging. The share of companies without carbon emission reduction initiatives slightly increased.
- We maintained no exposure to companies active in the fossil fuel sector as well as those negatively affecting biodiversity-sensitive areas.

On social topics, PAIs are stable, and we have no exposure to companies in violations of the UNGC and OECD Guidelines for Multinational Enterprises, nor exposure to controversial weapons.

Overall, coverage levels of PAIs increased for all indicators.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** as of 31/12/2024

Largest Investments	BICS Sector	% Assets	Country
PERMANENT TSB 13 1/4 CoCo Perp C10/27	Banks	1.43%	Ireland
ATHORA 6.75 C05/31 Perp	Life Insurance	1.36%	Netherlands
LLOYDS 8 1/2 CoCo Perp Call 09/27	Banks	1.31%	United Kingdom
FIDELIDADE 7.75 C05/29 RT1 Perp	Property & Casualty Insurance	1.29%	Portugal
UNICAJA 4 7/8 CoCo Perp Call 11/26	Banks	1.28%	Spain
BCP 8.125 C01/29 AT1 Perp	Banks	1.27%	Portugal
NATIONWIDE 5.75 C12/27 CoCo-PERP	Banks	1.23%	United Kingdom
BFF BANK 4.75 03/29	Financial Services	1.17%	Italy
CAIXABANK 7.5 C01/30 AT1 Perp	Banks	1.17%	Spain
IBERCAJA 9.125 CoCo Perp Call 01/28	Banks	1.16%	Spain

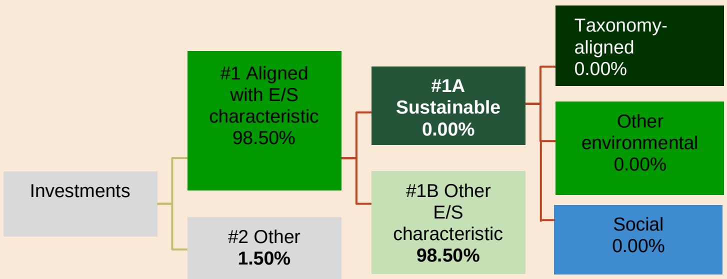
COVENTRY 8.75 PERP AT1 C06/29	Banks	1.15%	United Kingdom
ERSTE 7 C04/31 AT1 Perp	Banks	1.13%	Austria
CREDIT AGRICOLE 7.25 CoCo Perp C09/28	Diversified Banks	1.12%	France
BANK OF CYPRUS 11 7/8 CoCo Perp C12/28	Banks	1.10%	Cyprus
BANKINTER 6.25 PERP C01/26	Banks	1.08%	Spain

What was the proportion of sustainability-related investments?

The proportion of the Sub-Fund aligned with sustainable investment objectives was 0%.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

*The category **#1 Aligned with E/S characteristics** covers:*

*- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.*

*- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments*

We take into consideration Taxonomy alignment as a criteria for our sustainable investment contribution. However, as the methodology of counting for Sustainable Investment (pass/fail test) is different than prescribed methodology for Taxonomy alignment computation, and to avoid double counting, we do not report this contribution as Taxonomy-aligned in the graph above. For details on Taxonomy-alignment, please refer to the dedicated questions.

In which economic sectors were the investments made?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

BICS Industry	BICS Sector	% Assets
Financials	Banks	68.40%
Financials	Diversified Banks	14.84%
Financials	Financial Services	6.97%
Financials	Life Insurance	4.53%
Financials	Property & Casualty Insurance	3.06%
Financials	Consumer Finance	0.71%

The breakdown was performed with the BICS level 2 classification as it is the most granular data available for all investments.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund is not currently committed to making sustainable investments within the meaning of the EU Taxonomy.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?**

☐ Yes:

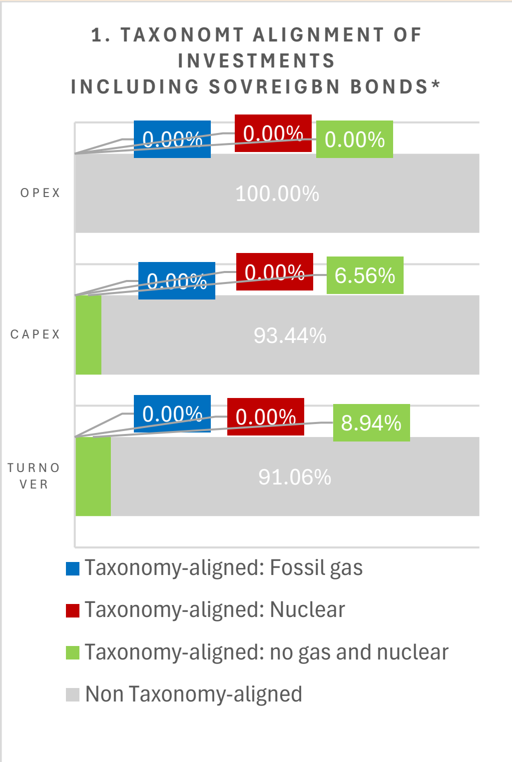
☐ In fossil gas ☐ In nuclear energy

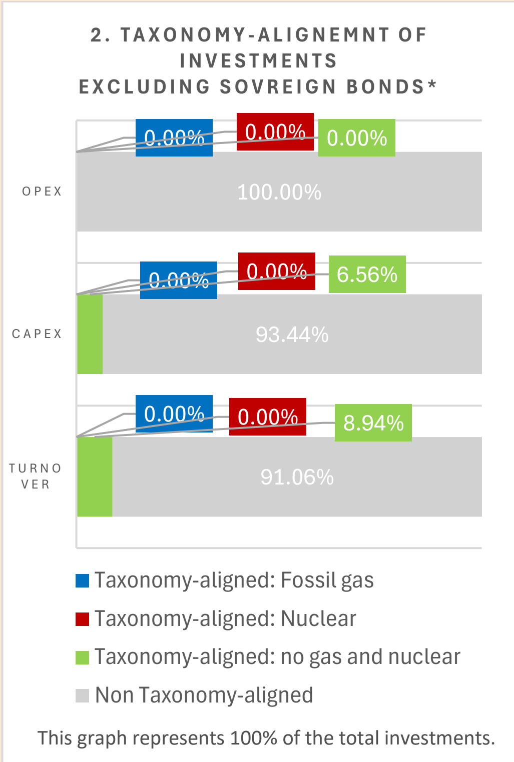
☒ No

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





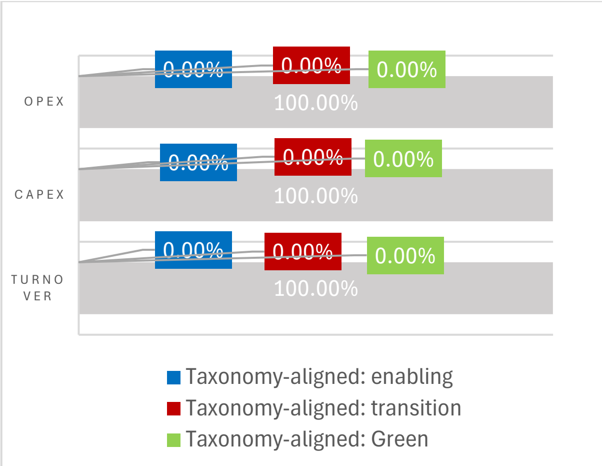
* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of investments made in transitional and enabling activities?

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

There have been no changes to the share of investments that were aligned with the EU Taxonomy between 2023 and 2024.



2023 Share of investments made in transitional, enabling, and green activities

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable as this Sub-Fund promotes environmental and social characteristics but does not make any sustainable investment.

What was the share of socially sustainable investments?

Not applicable as this Sub-Fund promotes environmental and social characteristics but does not make any socially sustainable investment.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Other investments include cash and cash equivalent as well as bonds and other debt securities issued by public or quasi-public issuers, deposits held on an ancillary basis, derivative instruments for hedging purposes, and securities whose performances are swapped via TRS over a period exceeding one month. As such, they are not subject to any minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The following actions were carried out by Tikehau Capital in 2024 to meet the environmental and social characteristics during the pre- and investment phases of the reporting period:

1. <u>Net Zero</u>

- As part of Tikehau's commitment to the Net Zero Asset Managers (NZAM) initiative, interim targets for each business line have been set and developed using methodologies derived from the Net Zero Investment Framework (NZIF). For the Capital Markets Strategies business line, the NZIF portfolio coverage approach was used to set targets of 50% of in-scope AuM to be net zero or aligned to net zero by 2030. The in-scope AuM includes all SFDR Article 8 and 9 funds within the scope of the target.
- The NZIF approach defines five categories, each a progressive step towards alignment with a net zero pathway, "Not Aligned", "Committed to Aligning", "Aligning", "Aligned" and "Net Zero". The portfolio coverage target aims to transition portfolios towards issuers that are categorised as net zero or aligned to net zero, as determined by a set of backward- and forward-looking indicators. Issuers that are aligning to net zero or committed to aligning are issuers that are in earlier stages in their net zero journey.

2. <u>ESG integration</u>

- Following the decision of Tikehau Capital to strengthen its ESG rating tool, ESG scores have been based on S&P Global methodologies since January 2024:

    i. S&P Global's CSA (Corporate Sustainability Assessment) measures the performance and management of a company's material ESG risks, opportunities, and impacts, based on a combination of information reported by the company, of media and stakeholder analysis, of modelling approaches and of in-depth company engagement.

    ii. The "Provisional CSA Fundamental Score", adapted for companies not covered by S&P, measures the performance of a company and its management of significant ESG risks, opportunities, and impacts, based on a combination of information provided by the company and, where applicable, by due diligence work by Tikehau Capital's research and/or investment teams or third-party consultants.

    - These quantitative ESG scores are then classified into the following 3 categories:
        - Acceptable ESG risk,
        - Medium ESG risk, and
        - High ESG risk.
    - Only investments in issuers that represent an acceptable ESG risk are allowed without prior internal approval. Issuers with a medium ESG risk are subject to review by the Compliance-Risk-ESG working group, which provides recommendations on the investment according to their respective area of expertise. Investments representing a high ESG risk are excluded. This approach is aligned with the process applicable prior to January 2024.

3. Monitoring of ESG constraints

- Starting from May 2024, the Weighted Average Carbon Intensity of the Sub-Fund is calculated only on scopes 1 & 2. Indeed, there are practical challenges with reporting, estimation, and calculation of scope 3 data, which has led to a fragmented data landscape that lacks coverage and quality across the investable universe. Whilst the data is improving, including due to notable efforts by a few industry actors, we found that it was often inconsistent and very volatile from one reporting year to another. Particularly, banks have exceptionally volatile scope 3 emissions, which can disproportionately skew results when in portfolio. We have therefore decided to work only with aggregated data at scope 1 & 2 level.

- Two internal monitoring tools were developed and rolled out to automatise the tracking of the key environmental and social characteristics promoted by the Sub-Fund, including carbon metrics.

The incorrect configuration of our system, following the benchmark change used for comparing the fund's WACI, went undetected until March 2025. The operational incident will be documented, and an action plan is currently being defined.

4. Exclusions

- The Group's exclusion policy has been updated to include the upstream and midstream palm oil value chain.

- In addition, a list of sensitive sectors for investment monitoring was added and a sustainability monitoring list for automated screening based on the Sustainability Risk Monitoring Policy was created.

- Additional third-party data providers were added to monitor our exclusions and additional controls to identify companies that would be subject to sector or controversial exclusions have been rolled out.

5. Controverses

- Tikehau Capital pays particular attention to anticipating and monitoring controversies. A Tikehau Investment Management - Controversy Management Committee was created in April 2024 to complement the existing process. This committee oversees the monitoring and review of controversies of existing investments and makes recommendations to the investment team. This committee consists of compliance, risk, ESG, research and investment teams.

6. Vote and engagement

- The voting and engagement process was reviewed and strengthened:

    I. the Voting & Engagement Policy was reviewed, and additional guidelines were developed regarding our voting instructions on environmental, social and governance topics.

II. CMS internal process for evaluating and validating votes that are not casted in accordance with proxy voting recommendations was reinforced over the period.

At Sub-Fund level, the following actions were taken to meet the environmental and social characteristics:

In the pre-investment process, issuer selection has been key to ensure the respect of the sustainability indicators set out by the Sub-Fund. All potential issuers went through the same process of analysis to ensure they did not breach sectoral or norm-based exclusion criteria, present the appropriate level of ESG risk and in a range of emissions intensity, consistent with the investment universe's WACI.

Throughout the reporting period, the Sub-Fund held one company with an elevated controversy score assigned by our third-party data provider. The case has been reviewed by the Controversy Management Committee. It was decided that the company should remain under heightened monitoring while maintaining the existing investment position.

How did this financial product perform compared to the reference benchmark?

Not applicable.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.