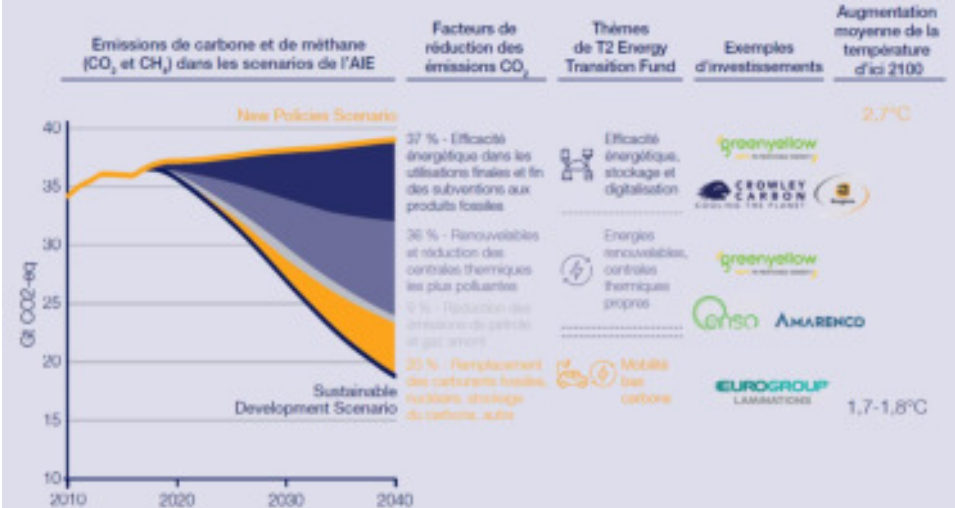


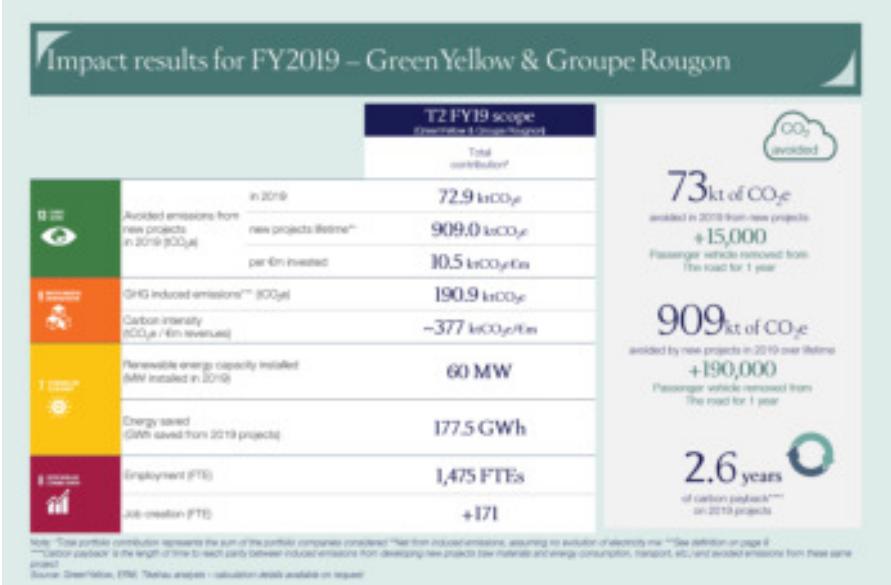
T2 Energy Transition Fund



The T2 Energy Transition development capital fund offers financial products aimed at financing SMEs offering solutions to improve energy efficiency, promote the development of renewable energy and low-carbon mobility

Starting date of the project	2018
Project Localisation Places of implementation of the project at this stage and targeted geography if replicable.	Europe
Project objectives Type of climate innovation of the project with a description of the problem/issue addressed	<p>The investment strategy of the T2 Energy Transition fund reflects Tikehau Capital's intention to contribute to the fight against climate change:</p> <ul style="list-style-type: none"> - through its products and services thanks to the implementation of a platform dedicated to thematic and climate impact investment and, - through an approach of energy sobriety in its offices and the offsetting of "operational" carbon emissions (on scopes 1, 2 and 3 upstream). <p>T2 Energy Transition's investments focus on companies (SMEs) operating in three sectors that are key to achieving the 1.5°C target of the Paris agreements in line with the work of the International Energy Agency (IEA): (1) energy efficiency, storage and digitalization, (2) clean energy production and (3) low-carbon mobility.</p> <p>Through the investment of the T2 Energy Transition Fund, portfolio companies in these three sectors will be able to scale up and strengthen their climate impact strategy.</p>
Detailed project description	<p>With more than 1 billion assets under management, the T2 Energy Transition Fund supports European mid-sized energy transition players (SMEs) in their development, transformation and expansion, particularly internationally.</p> <p>The fund's investments focus on companies operating in three key sectors for the energy transition:</p> <ul style="list-style-type: none"> - The improvement of energy efficiency, storage and digitalization: research and implementation of solutions for the deployment and optimization of energy storage, optimization of energy consumption in buildings and businesses. - Clean energy production: implementation of solutions for diversifying the energy mix, energy production projects using non-carbon resources. - Low-carbon mobility: development of infrastructure to accommodate electric vehicles, development of equipment and services related to low-carbon mobility and developments related to the use of natural gas in transport to replace diesel and marine fuel oil 

	<p>Beyond a financial contribution, the T2 Energy Transition team provides complementary resources (climate expertise, support on the carbon footprint, HR and CSR strategy, digitalization and cybersecurity, etc.) that can be called upon by the entrepreneurs as and when they need them.</p> <p>T2 Energy Transition makes no concessions on financial performance and the investment team is convinced that its positioning will allow it to leverage its impact.</p>																												
Main project's drivers for reducing the greenhouse gas emissions	<table border="1"> <thead> <tr> <th data-bbox="475 331 983 365">Reduction levers</th> <th data-bbox="983 331 1541 365">Details on the aspects of the project</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 365 983 421"> <input type="checkbox"/> Energy and resource efficiency (including behaviour) </td> <td data-bbox="983 365 1541 421"></td> </tr> <tr> <td data-bbox="475 421 983 454"> <input type="checkbox"/> Energy Decarbonisation </td> <td data-bbox="983 421 1541 454"></td> </tr> <tr> <td data-bbox="475 454 983 488"> <input type="checkbox"/> Energy efficiency improvements </td> <td data-bbox="983 454 1541 488"></td> </tr> <tr> <td data-bbox="475 488 983 521"> <input type="checkbox"/> Improving efficiency in non-energy resources </td> <td data-bbox="983 488 1541 521"></td> </tr> <tr> <td data-bbox="475 521 983 577"> <input type="checkbox"/> Emissions absorption: creation of carbon sinks, negative emissions (BECCS, CCU/S, ...) </td> <td data-bbox="983 521 1541 577"></td> </tr> <tr> <td data-bbox="475 577 983 1227"> <input checked="" type="checkbox"/> Financing low-carbon producers or disinvestment from carbon assets </td> <td colspan="2" data-bbox="983 577 1541 1227"> <p>Financing companies engaged in:</p> <ul style="list-style-type: none"> - The production of clean energy (three of the six investments in the portfolio at the end of 2020 were exposed to clean energy through their products and services) - Improving energy efficiency via solutions for optimizing energy storage, energy consumption of buildings (three of the six investments in the portfolio at the end of 2020 were exposed to energy efficiency through their products and services) - Low-carbon mobility via the production of parts essential to the manufacture of electric vehicles and the development of infrastructure aimed at recharging electric vehicles and the growth of equipment and services related to low-carbon mobility. <p>Tikehau Capital Group also has a strict exclusionary policy and refrains from investing in companies where more than 5% of estimated revenues by 2024 are exposed to the extraction, processing/refining, storage, distribution and production of energy related to thermal coal, Arctic drilling, deep sea oil and gas, oil sands and shale gas. Developers of new coal-fired power projects are also excluded</p> </td> </tr> <tr> <td data-bbox="475 1227 983 1279"> <input type="checkbox"/> Reduction of other greenhouse gases emission </td> <td colspan="2" data-bbox="983 1227 1541 1279"></td> </tr> </tbody> </table>		Reduction levers	Details on the aspects of the project	<input type="checkbox"/> Energy and resource efficiency (including behaviour)		<input type="checkbox"/> Energy Decarbonisation		<input type="checkbox"/> Energy efficiency improvements		<input type="checkbox"/> Improving efficiency in non-energy resources		<input type="checkbox"/> Emissions absorption: creation of carbon sinks, negative emissions (BECCS, CCU/S, ...)		<input checked="" type="checkbox"/> Financing low-carbon producers or disinvestment from carbon assets	<p>Financing companies engaged in:</p> <ul style="list-style-type: none"> - The production of clean energy (three of the six investments in the portfolio at the end of 2020 were exposed to clean energy through their products and services) - Improving energy efficiency via solutions for optimizing energy storage, energy consumption of buildings (three of the six investments in the portfolio at the end of 2020 were exposed to energy efficiency through their products and services) - Low-carbon mobility via the production of parts essential to the manufacture of electric vehicles and the development of infrastructure aimed at recharging electric vehicles and the growth of equipment and services related to low-carbon mobility. <p>Tikehau Capital Group also has a strict exclusionary policy and refrains from investing in companies where more than 5% of estimated revenues by 2024 are exposed to the extraction, processing/refining, storage, distribution and production of energy related to thermal coal, Arctic drilling, deep sea oil and gas, oil sands and shale gas. Developers of new coal-fired power projects are also excluded</p>		<input type="checkbox"/> Reduction of other greenhouse gases emission											
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	<p>services in charge of the project, or by the financing of emission reduction projects.</p>	<p>reducing their customers' emissions.</p>	<p>909 ktCO₂e from new projects installed in 2019 over the life of the projects</p>																				
<p>Clarification on the calculation or other remarks: The calculation of induced and avoided emissions is an essential step in the fund's impact approach.</p>  <p>The infographic displays the following data for T2 FY19 scope:</p> <table border="1"> <thead> <tr> <th>Metric</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Total contribution</td> <td>72.9 ktCO₂e</td> </tr> <tr> <td>Avoided emissions from new projects in 2019 (ktCO₂e)</td> <td>909.0 ktCO₂e</td> </tr> <tr> <td>per €M invested</td> <td>10.5 ktCO₂e/€M</td> </tr> <tr> <td>GHG induced emissions** (ktCO₂e)</td> <td>190.9 ktCO₂e</td> </tr> <tr> <td>Carbon intensity (ktCO₂e / €M invested)</td> <td>-377 ktCO₂e/€M</td> </tr> <tr> <td>Renewable energy capacity installed (MW)</td> <td>60 MW</td> </tr> <tr> <td>Energy saved (GWh saved from 2019 projects)</td> <td>177.5 GWh</td> </tr> <tr> <td>Employment (FTE)</td> <td>1,475 FTEs</td> </tr> <tr> <td>Job creation (FTE)</td> <td>+171</td> </tr> </tbody> </table> <p>Additional highlights from the infographic:</p> <ul style="list-style-type: none"> 73 kt of CO₂e avoided in 2019 from new projects, equivalent to +15,000 passenger vehicles removed from the road for 1 year. 909 kt of CO₂e avoided by new projects in 2019 over lifetime, equivalent to +190,000 passenger vehicles removed from the road for 1 year. 2.6 years of carbon payback on 2019 projects. 				Metric	Value	Total contribution	72.9 ktCO ₂ e	Avoided emissions from new projects in 2019 (ktCO ₂ e)	909.0 ktCO ₂ e	per €M invested	10.5 ktCO ₂ e/€M	GHG induced emissions** (ktCO ₂ e)	190.9 ktCO ₂ e	Carbon intensity (ktCO ₂ e / €M invested)	-377 ktCO ₂ e/€M	Renewable energy capacity installed (MW)	60 MW	Energy saved (GWh saved from 2019 projects)	177.5 GWh	Employment (FTE)	1,475 FTEs	Job creation (FTE)	+171
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<p>Modality of verification of the quantification.</p>	<p>Calculation standard used (ADEME base, GHG protocol, etc.): GHG Protocol</p> <p>Verification of the calculation (internal or external): External</p>																						
<p>Other environmental and social benefits of the project</p>	<p>In addition to contributing to the fight against climate change (SDG 13) through the decarbonization of the energy system (SDG 7), the fund contributes to maintaining employment in portfolio companies (SDG 8) and to the implementation of innovation for sustainable development (SDG 9).</p>																						
<p>Project maturity level</p>	<p> <input type="checkbox"/> Prototype laboratory test (TRL 7) <input type="checkbox"/> Real life testing (TRL 7-8) <input type="checkbox"/> Pre-commercial prototype (TRL 9) <input checked="" type="checkbox"/> Small-scale implementation <input type="checkbox"/> Medium to large scale implementation </p> <p>Remarks: The fund represents 3.5% of Tikehau Capital's total assets under management</p>																						
<p>Capacity and conditions of the project reproducibility, with associated climate impact mitigation potential</p>	<p>The project serves as the basis for the development of the impact platform at the Group level. Several products have been or are being launched at the Group level to replicate the T2 Energy Transition strategy across different asset classes. These include:</p> <ul style="list-style-type: none"> - Tikehau Impact Lending within the Private Debt business - The North American Decarbonation Fund within the Private Equity activity - A Fixed Income impact strategy - A fund dedicated to asset finance 																						
<p>Amount of investment made (in €)</p>	<p>Assets under management: 1 billion euros Amount deployed as of December 31, 2020: 234 million euros</p>																						
<p>Economic profitability of the project (ROI)</p>	<p> <input type="checkbox"/> ST (0-3 years) <input checked="" type="checkbox"/> MT (4-10 years) <input type="checkbox"/> LT (> 10 years) </p> <p>Remarks: The fund has an investment horizon of 10 years and an IRR target of 25%.</p>																						
<p>Engaged partnerships</p>	<p>TotalEnergies participates as a partner and source of expertise on topics related to the energy transition, since the launch of the fund, more than 50 meetings have been organized with experts from the Group, particularly at the time of Due Diligences, in support of portfolio companies and on the construction of the project pipeline.</p> <p>In addition, the companies in the fund benefit from Total's ecosystem through privileged access to a base of more than 9,000 B2B customers and its global geographic footprint.</p>																						

Open comments from the project owner	<p>If useful, we would be delighted to share some of the concrete projects developed by T2 Energy Transition's portfolio companies, such as Spanish biomass specialist ENSO, which has developed a tower to capture carbon emissions and turn it into an input for a nearby flower greenhouse.</p> <p>https://enso.energy/en/enso-and-carbueros-metalicos-announce-their-deal-for-the-renewable-co2-capture-plant/</p>
More about the project	
Contact the company carrying the project	nmillan@tikehaucapital.com
Project URL links	https://www.tikehaucapital.com/en/our-group/sustainability/publications
Illustrations of the project	<p>Mathieu Chabran Paris Agreement (video) : https://www.tikehaucapital.com/en/our-group/sustainability/main-themes</p> <p>Pierre Abadie on climate investing (video) : https://alternativeviews.tikehaucapital.com/en/blog/cointerviews-are-economy-and-ecology-compatible</p>