

Product name: Carlyle European Tactical Private Credit ELTIF (the "Sub-Fund")

LEI: 213800H55658IWU2FD46

A. Summary

The Sub-Fund is a sub-fund of Carlyle Private Markets S.A. SKAV-UCI Part II (the "**Fund**") managed by CIM Europe S.a r.l, a Luxembourg private limited liability company as its external alternative investment fund manager (the "**AIFM**"). This disclosure is provided by the AIFM pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022. This disclosure is intended only as a summary (which is required to be produced by Article 10, SFDR) and investors should refer to the Fund's prospectus and the supplement relating to the Sub-Fund (the "**Prospectus**" and the "**Sub-Fund Supplement**" respectively) for the Sub-Fund's full terms. In case of any discrepancy between this Summary and the Prospectus or the Sub-Fund Supplement, the Prospectus or the Sub-Fund Supplement (as the case may be) prevails. Any investment decision in the Sub-Fund should be based on the full terms of the Sub-Fund and not on this summary. Unless otherwise defined herein, capitalised terms shall have the meaning assigned to them in the Prospectus.

The Sub-Fund promotes progress on decarbonisation for borrowers (the "**Environmental Characteristic**") by offering to certain borrowers a decarbonisation ratchet (the "**Ratchet**"). The Ratchet is offered by the Sub-Fund to certain borrowers on an opt-in basis in investments in private, fixed-income securities, credit instruments (excluding derivative instruments and repurchase agreements) and private loans, which have either been originated by Carlyle or where Carlyle has had a significant lead in the negotiation or structure of the investment, as determined in good faith by the AIFM (the "**Private Credit Instruments**" for the purposes of this disclosure).

The Sub-Fund may make one or more "sustainable investments" within the meaning of Article 2(17) of SFDR, but it does not commit to make any such investment. The Sub-Fund does not have sustainable investment as its objective.

The Sub-Fund has a binding commitment of offering the Ratchet to at least 50% of borrowers in Private Credit Instruments. Subject to fluctuations in the portfolio composition, the Sub-Fund expects under normal circumstances, for at least 25% of the Sub-Fund's assets to qualify as "**#1 Aligned with E/S characteristics**", measured as a rolling average across a three-year period after a ramp up period of thirty-six (36) months following the first Subscription Day on which investors that are not affiliated with Carlyle are issued with Shares in the Sub-Fund until the beginning of its End of Life or, if earlier, its liquidation or winding-up.

The Sub-Fund monitors the attainment of its promoted characteristics through its Sustainability Indicators, which are summarised at section (F) below. In some instances, the Sub-Fund may need to use estimates or proxy data. See sections (H) and (I) for further detail on data limitations.

The AIFM assesses good governance practices as part of pre-investment diligence. The exact process to assess good governance practices that the deal teams follow varies between different asset classes. Other alternative and/or additional and/or fewer processes, data sources and enquiries may be used where deemed appropriate. See section (D) below for full detail on good governance practices.

B. No sustainable investment objective

This financial product promotes environmental characteristics but does not have as its objective sustainable investment.

C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The Sub-Fund promotes progress on decarbonization for borrowers (the Environmental Characteristic) by offering to certain borrowers a decarbonization ratchet (the Ratchet).

The Ratchet is offered by the Sub-Fund to certain borrowers on an opt-in basis in investments in private, fixed-income securities, credit instruments (excluding derivative instruments and repurchase agreements) and private loans, which have either been originated by Carlyle or where Carlyle has had a significant lead in the negotiation or structure of the investment, as determined in good faith by the AIFM (the Private Credit Instruments for the purposes of this disclosure).

The design of the Ratchet is to incentivise borrowers to reduce Scope 1 and Scope 2 GHG emissions, or to achieve an alternative decarbonisation target as determined by the Portfolio Manager, by decreasing the interest rate payable in respect of the underlying loans. All borrowers that opt-in will have the same decarbonization-based KPI, with the exception of borrowers whose core business is better suited to an alternative decarbonization-based KPI, as determined by the Portfolio Manager, and will have the option to engage in setting the associated annual targets. If the borrower achieves those targets annually, they may then achieve a pricing discount.

The Sub-Fund expects that within six (6) months of closing, borrowers that opt-in to the Ratchet ("**Opt-in Borrowers**") will calculate a baseline GHG emissions footprint, or other appropriate baseline, where applicable (e.g. the number of electric charging points installed) and set annual targets. This can be done internally by the borrower or with support from an external consultant. Borrowers that opt-in include a decarbonisation rider in loan documents which offers a financial discount based on whether they meet the year-on-year target set in the loan documentation for the life of the loan.

The Opt-in Borrower will report performance against the predetermined targets on an annual basis in conjunction with fiscal year-end reporting (within 120 days following the end of the borrower's fiscal year). Pricing adjustment shall be determined and applied once each year to the applicable margin if the Opt-in Borrower meets or exceeds the annual target for the decarbonization KPI.

D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

The Sub-Fund's investment strategy is set out at section 3 (Investment Strategy) of Schedule 2 (Sub-Fund Supplement).

In summary, the Sub-Fund's investment objective is to produce current income by opportunistically investing in assets across a range of credit strategies, primarily in Europe.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Environmental Characteristic is achieved through a binding element of offering the Ratchet to at least 50% of borrowers in Private Credit Instruments, measured after a ramp-up period of thirty-six (36) months following the first Subscription Day on which investors that are not affiliated with Carlyle are issued with Shares in the Sub-Fund until the beginning of its End of Life or, if earlier, its liquidation or winding-up. It is expected that the percentage of borrowers to whom the Ratchet is offered will be higher over time.

As contemplated, the Opt-in Borrowers will be required, under the Ratchet, to report performance against the predetermined targets on an annual basis in conjunction with their fiscal year-end reporting (within 120 days following the end of the borrower's fiscal year).

Carlyle will apply pricing adjustment to the Opt-in Borrowers, which shall be determined and applied once each year to the applicable margin if the Opt-in Borrower meets or exceeds the annual target for the KPI.

What is the policy to assess good governance practices of the portfolio companies?

The Carlyle ESG team works closely with the deal teams as they diligence potential investments on several governance factors including sound management structures, employee relations, remuneration of staff and tax compliance. Additionally, the Portfolio Manager will aim to perform an ESG Materiality Analysis for all new investments as part of pre-investment diligence to assess material ESG factors, which may feed into the assessment of good governance practices of investee companies. The tool integrates several country-level ESG risk data sets for geographies where an asset has major operations or supply chains, which gives additional colour on issues such as corruption and anti-money laundering.

The exact process to assess good governance practices that the deal teams follow varies between different asset classes. Other alternative and/or additional and/or fewer processes, data sources and enquiries may be used where deemed appropriate.

The selection of and subsequent assessment of the relevance of any metrics will vary according to the size, sector and geographic location of the company or asset. It will also vary based on the evidence and information available to deal teams both in respect of the above listed good governance topics as well as any wider governance and/or ESG factors uncovered separately as part of investment due diligence. As such, no one topic will be determinative on its own and some judgement will be required to consider these both in the round and in the wider context of the transaction when reaching a good governance assessment.

For the avoidance of doubt, the good governance assessment will not apply to certain investment classes, such as investments in derivative financial instruments that the Portfolio Manager causes the Sub-Fund to enter into for risk management (e.g. interest rate or foreign currency) purposes. For certain investment classes, the process may require additional assessments of entities connected to the investee company, for example, the sponsor of a collateralised loan obligation.

E. Proportion of investments

What is the planned asset allocation for this financial product?

An investment will be treated as "**#1 Aligned with E/S characteristics**" where the Ratchet has been offered to the borrower. The Ratchet can only be offered to borrowers in Private Credit Instruments which are expected to constitute 70% to 80% of the Sub-Fund's assets under normal circumstances.

The offer of the Ratchet does not guarantee that all borrowers will become Opt-in Borrowers or meet the targets they set. Given the binding commitment of offering the Ratchet to at least 50% of borrowers in Private Credit Instruments and allowing for fluctuations in the portfolio composition, the expected minimum proportion of the Sub-Fund's assets that could qualify as "**#1 Aligned with E/S characteristics**" is 25% measured as a rolling average across a three-year period after a ramp-up period of thirty-six (36) months following the first Subscription Day on which investors that are not affiliated with Carlyle are issued with Shares in the Sub-Fund until the beginning of its End of Life or, if earlier, its liquidation or winding-up.

The Sub-Fund, in its periodic report, will report annually the extent to which the Sub-Fund's assets qualify as "**#1 Aligned with E/S characteristics**", which is expected to be higher than the expected minimum over time but may, in a given reporting year, be below the commitment for a three-year period.

What investments are included under "**#2 Other**", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may also make investments in other asset classes other than Private Credit Instruments, where the Ratchet cannot be offered to the borrowers, including liquid investments such as syndicated loans and bonds, as detailed in the Sub-Fund Supplement. Such investments will not align with the Environmental Characteristic and must be classified as "**#2 Other**" investments. The expected proportion of other investments in "**#2 Other**" is 75%.

The Portfolio Manager retains sole and absolute discretion with regards to the acquisition and disposal of investments for the Sub-Fund and will not undertake such activity solely with the purpose of maintaining the proportion of Private Credit Instruments.

F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Sub-Fund uses the following sustainability indicators to measure attainment of the Environmental Characteristic ("**Sustainability Indicators**"):

1. Percentage of the Sub-Fund's assets that are invested in borrowers who have been offered the Ratchet;

2. Percentage of borrowers that have opted-in to the Ratchet by including a decarbonisation rider in loan documentation (i.e. Opt-in Borrowers); and
3. Percentage of Opt-in Borrowers that have completed a baseline assessment and set a decarbonisation target.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The Portfolio Manager will monitor the performance of each borrower against the Sub-Fund's Sustainability Indicators set out in this section (F) above, leveraging its existing processes for monitoring portfolios.

Carlyle's credit team is responsible for identifying, diligencing and negotiating investment opportunities for the Sub-Fund including loan documentation with potential borrowers. Therefore, the credit team keeps track of the number of borrowers who have been offered the Ratchet and those that have included a decarbonisation rider in loan documentation (i.e. Opt-in Borrowers).

With respect to Opt-in Borrowers, the credit team monitors the completion of a baseline assessment and decarbonisation target with the assistance of Carlyle's ESG team and external consultants (as appropriate).

The AIFM reports on the performance of the Sustainability Indicators at the end of each reporting period.

G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

In relation to the Sub-Fund's Sustainability Indicators, Carlyle's credit team gathers the necessary data on, e.g. the percentage of borrowers that have been offered the Ratchet, by leveraging existing internal processes.

For the purposes of each reporting period, the AIFM processes that data by, amongst other things, running calculations to establish in percentage terms the performance of its Sustainability Indicators, to report on this data and the other disclosure points in its periodic report as required under SFDR.

H. Data Sources and processes

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The AIFM uses the data collected from its due diligence process, including the ESG Materiality Analysis (see section (J) below), to engage with potential borrowers at the outset, including on tailoring any metrics to ESG issues.

Potential borrowers may be offered Carlyle's proprietary Energy and Carbon Management playbook and may engage third-party consultants, with a view to also assist them with completing a baseline GHG emissions assessment and setting and measuring targets on an annual basis (as appropriate).

Opt-in Borrowers then report data on the GHG emissions assessment and targets set. The source of this data may come directly from the Opt-in Borrower or may be based on estimations or proxy data, depending on the Opt-in Borrower. As a result, it is not possible to give a proportion of data that is estimated, since this may vary on a case-by-case basis.

The AIFM may verify data quality with support from Carlyle's credit and ESG teams and external consultants (as appropriate). Where there are any gaps, the AIFM shall, in its complete discretion, take such steps as it considers practical and appropriate, including following up with the relevant Opt-in Borrower or using estimated data, as well as proxy data, although the AIFM seeks to minimise its reliance on this as far as practicable.

The AIFM processes the data collected internally by, amongst other things, running calculations to establish in percentage terms the performance of its Sustainability Indicators and reports on this data in its periodic report as required under SFDR.

I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

Lack of data is not expected to affect the attainment of the Environmental Characteristic promoted by the Sub-Fund.

The AIFM is limited to such information and data that, in particular, the Opt-in Borrowers provide on the GHG emissions assessment and decarbonization target set. Data gaps may be acute where the nature and/or location of investments mean that the Opt-in Borrowers are not otherwise currently required to collect, publish or provide ESG data under applicable corporate, securities or market disclosure laws and rules. Even

where published/provided, such data may not be of a sufficiently high-quality or may be incomplete or otherwise inaccurate.

The Sub-Fund may use a combination of data provided by third-parties or internally generated estimates as well as proxy data, where applicable or appropriate at the AIFM's sole discretion.

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

The Sub-Fund's due diligence process is set out in full in Section 11 (AML Regulations) of the Prospectus and Section 5 (ESG) of the Sub-Fund Supplement.

Pre-investment, the AIFM conducts due diligence on relevant aspects of a potential borrower with the assistance of a third-party administrator (as appropriate).

With respect to ESG specifically, Carlyle's credit research analysts perform an ESG Materiality Analysis using a proprietary tool based on Sustainability Accounting Standards Board (SASB) standards, the "**ESG Materiality Analysis Tool**". This helps the AIFM identify borrower exposure to potentially material ESG issues by reference to an ESG Risk Rating system, including how well those risks are managed. ESG risks include those relevant to the industry, sector and geography of the borrower. A summary of the ESG analysis output is included in a memorandum presented to the Sub-Fund's Investment Committee for approval, together with all aspects of the proposed loan and borrower.

Where potentially significant ESG issues are identified, further due diligence is undertaken with assistance from Carlyle's ESG team and external consultants (as needed). To proceed to Investment Committee for approval, the proposed loan and borrower must also be approved by a separate committee, the ESG Review Committee. This committee offers additional scrutiny of ESG-related risks and makes a formal recommendation to the Sub-Fund's Investment Committee on whether to proceed with a proposed loan and borrower.

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

The AIFM engages with certain borrowers by offering the Ratchet on behalf of the Sub-Fund, as detailed in (C) and (F) above.

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in portfolio companies)

Not applicable.

L. Designated reference benchmark

Has a benchmark been designated as a reference benchmark?

No reference benchmark has been designated for the purpose of attaining the Environmental Characteristic promoted by the Sub-Fund.