

II. Building sustainable businesses

Invest to support the prosperity and transformation of companies that respect society and the environment

COMMITMENTS	2023 TARGETS	KPIs	2020 VALUES	REPORTING METHODOLOGY		
GOVERNANCE	Screening all potential investments using an up to date exclusion list reflecting Wendel's values as an investor	100% of investment opportunities reviewed using Wendel's exclusion list and identification of the most material ESG risks and opportunities	% of investment opportunities screened through Wendel's exclusion list	100%	Published in March 2020, will be reviewed in 2021	
			% of investment opportunities reviewed through identification of material ESG risks and opportunities	100%		
		Annual review of Wendel's exclusion list and business model resilience test criteria at Investment Committee and Supervisory Board levels	Annual review of the exclusion list by Investment Committee and Supervisory Board (Yes/No)	No		
	Conducting ESG due diligence for all potential investments to confirm that the investment thesis is aligned with long-term trends, as well as full, in-depth ESG and compliance assessments on all new investments	100% of ESG investment opportunities assessed	% of investment opportunities having undergone in-depth ESG and compliance due diligence	100%		
	Defining precise ESG roadmaps for all portfolio companies	100% of portfolio companies having formalized an ESG transformation roadmap aligned with their global strategy	% of portfolio companies with an ESG roadmap	80%		CPI roadmap being formalized
			Of which companies held for more than 18 months	100%		
		100% of portfolio companies' progress vis-à-vis this roadmap is reviewed at Company Board level once a year	% of portfolio companies for which progress vis-à-vis this roadmap is reviewed at Company Board level for each company annually	80%		
			% of companies that have had a committee or a Board of Directors meeting that has reviewed an ESG-related topic	80%		
		Overall portfolio progress vis-à-vis their ESG transformation roadmaps is reviewed at Wendel Executive Board level annually	% of ESG transformation roadmaps reviewed each year by Wendel's Executive Board	80%		
		Overall portfolio progress vis-à-vis their ESG transformation roadmaps is reviewed at Wendel Supervisory Board level annually	% of ESG roadmaps reviewed each year by Wendel's Governance and Sustainable Development Committee and/or Supervisory Board	Yes		
Hold Wendel & portfolio companies management teams accountable for progress made against ESG transformation roadmaps	100% of portfolio companies' Executive Management teams' variable compensation is partially conditional on progress vis-à-vis their ESG transformation roadmaps	% of portfolio companies' CEOs whose variable compensation is conditional on progress made vis-à-vis their ESG transformation roadmaps	80%			
			% of variable compensation of Executive Board members which is conditional on overall portfolio progress vis-à-vis ESG transformation roadmaps	9.6%		
		100% of Wendel's Management Teams' variable compensation is partially conditional on overall portfolio companies' progress vis-à-vis their ESG transformation roadmaps	A variable portion of the Coordination Committee's remuneration is contingent upon the progress of all portfolio companies on their ESG transformation roadmaps [yes/no]	Yes		
Continuously improving the quality of extra-financial portfolio-level information disclosure	Progressively align Wendel's annual extra-financial reporting with international standards, such as the TaskForce of Climate Disclosure (TCFD) reporting framework	Annual PRI score	First participation in 2021			
		Alignment with TCFD [Yes/No] Communication on progress (COP) of the United Nations Global Compact	No First participation in 2021-2022	Analysis of the climate risk in our operating subsidiary - TCFD report available in 2021		

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ENVIRONMENT & SOCIAL	Assess and address the portfolio companies' exposure to transition and physical climate risks	100% of portfolio companies have assessed their carbon footprint	% of portfolio companies monitoring their carbon footprint	60%	All controlled companies except Cromology and CPI
			% of companies calculating their carbon emissions in scopes 1 and 2	80%	All controlled companies except CPI
			% of companies having estimated their scope 3 carbon emissions over the last four years	60%	All controlled companies except Cromology and CPI
			CO ₂ eq emissions of scopes 1+2 (k CO ₂ eq)	427,451	All controlled companies except CPI
			CO ₂ eq emissions intensity of scopes 1+2 (defined for each company: kT of production, m ² production, etc.)	Constantia: 56.08 tCO ₂ e/ Million m ² produced Cromology: 32.7 tCO ₂ eq/ kTonne produced Stahl: 108.94 kgCO ₂ e/t produced	Excluding CPI - not available Excluding BV - Reported emission intensity includes scope 3
	100% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities	100% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities [Yes/No]	100% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities [Yes/No]	Climate risk analysis in progress	
			% of portfolio companies with a Greenhouse Gas (GHG) emissions reduction plan	60%	All controlled companies except Cromology and CPI
			% of companies using renewable energy for more than 10% of their energy consumption	67%	Bureau Veritas: No (1.6%) Constantia: Yes (23%) Stahl: Yes (34%) Information not available for Cromology and CPI
			% of companies that have set and publicly communicated quantitative targets for reducing CO ₂ eq emissions	60%	All controlled companies except Cromology and CPI
			% of companies with a climate change resilience plan that have been identified	Climate risk analysis in progress	
Promote operational excellence & ESG-driven innovation across the portfolio companies	100% of portfolio companies have implemented actions to improve their eco-efficiency and environmental management	% of companies with an environmental management system (in particular via ISO 14001 certification) of all or part of their scope of activity	100%	Of the four companies for which this indicator is applicable (Bureau Veritas, Constantia, Cromology, Stahl) CPI: not applicable - Reduced environmental footprint	
	100% of portfolio companies have adopted a continuous improvement approach to health and safety at work	% of portfolio companies have adopted a continuous improvement approach to health and safety at work	80%	Across all 5 companies Yes for Bureau Veritas, Constantia, Cromology and Stahl (certification) No for CPI (no certification or dedicated system, excluding H&S reporting)	
		Lost-time accident frequency rate (per 1,000,000 hours worked)	1.08	Across all 5 companies Includes only employees for all companies except Constantia (temporary workers/ subcontractors also included) Hours worked are theoretical hours, with the exception of Constantia, which records hours actually worked	

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ENVIRONMENT & SOCIAL	Promote operational excellence & ESG-driven innovation across the portfolio companies	100% of portfolio companies have adopted a continuous improvement approach to health and safety at work	Workplace accident severity rate (per 1,000 hours worked)	0.04	Across all 5 companies Includes only employees for all companies except Constantia Flexibles. (temporary workers/ subcontractors are also included)
			% of companies with a health and safety management system (including OHSAS 18001/ISO 45001) for all or part of their scope of activity	80%	For all five companies Yes for Bureau Veritas, Constantia, Cromology and Stahl (certification) No for CPI (no certification)
			% of companies organizing health and safety training	100%	For all five controlled companies
	100% of companies have committed to a better gender balance on their workforce		100% of companies have committed to a better gender balance on their workforce	80%	CPI roadmap being formalized
			% of women in the total headcount	29%	Across all 5 companies
			% of women in management positions	24%	Across all 5 companies
			% of women in shareholder governance bodies (Board of Directors or Supervisory Board as appropriate)	23%	Across all 5 companies
			% of women in operational governance bodies (Management Committee or Executive Committee as appropriate)	22%	Across all 5 companies
		100% of portfolio companies have identified priorities for offering sustainable products and services and having defined related action plans		% of portfolio companies have identified priorities for offering sustainable products and services and have defined related action plans	100%
			% of net sales associated with sustainable products and services	28%	Across 3 companies ■ Bureau Veritas (Green Line, see section 4.2.1.2) ■ CPI (sustainable services = digital training) ■ Cromology (sustainable products = eco-labeled products) Not available for Constantia and Stahl
	Share of ESG-focused R&D projects (as a share of expenses)		37%	Across 3 companies Including Bureau Veritas, CPI and Stahl Not available for Constantia and Cromology	