

4.1.8 Wendel ESG 2023 roadmap: Leading by example

I. Lead by example - Promote excellence and commitment

Uphold the highest governance, ethics, environmental and operational management standards

COMMITMENTS	2023 TARGETS	KPIs	2020 VALUES	COMMENTS AND REPORTING METHODOLOGY	
GOVERNANCE & ETHICS	Ensure that Wendel employees have the best tools and culture to work in an ethical manner by providing annual training and by supporting the deployment of robust compliance programs	100% of employees signed the Code of Ethics during the current year	100% of employees signed the Code of Ethics during the current year [Yes/No]	No	
			% of employees having signed the Wendel Code of Ethics	94%	
		100% of employees follow Wendel's annual Business Ethics training course	% of employees having followed Wendel's annual Business Ethics training course	98%	
		Review and strengthen the Code of Ethics annually at Executive Board level to ensure that compliance with the highest standards	Annual review of the Code of Ethics at the Executive Board level [Yes/No]	Yes	
	Ensuring that the robustness of our anti-corruption program is assessed annually	Annual audit of Wendel's Anti-corruption Program [Yes/No]	No	Implementation of the Wendel Protect tool in 2020 - audit conducted in 2021	
SOCIAL & ENVIRONMENT	Carefully selecting and collaborating with our suppliers to ensure they meet our ESG standards	Deploy a Responsible Procurement approach	KPIs to be defined during the responsible purchasing process		
ENVIRONMENTAL	Minimizing our direct environmental impact and our carbon footprint by making eco-efficiency a priority in the decision-making process	Carrying out annual carbon reporting	Direct GHG emissions (scopes 1 & 2) (tons of CO ₂ eq.)	101	
			Indirect GHG emissions (scope 3) (tonnes of CO ₂ eq)	2,659	
			CO ₂ eq emissions intensity scopes 1+2+3 per employee (tonnes of CO ₂ eq/employee)	32	
		Reducing our carbon footprint by sourcing 100% renewable energy for Wendel offices worldwide	% of renewable energies in Wendel's energy consumption	21%	Renewable energy/Total energy consumed (electricity, gas, district heating) Across all 3 offices
		Reducing our carbon footprint by:	GHG emissions offset (tonnes of CO ₂ eq)	Program launched in 2021	
		<ul style="list-style-type: none"> ■ offsetting all GHG emissions that cannot be avoided or reduced further; ■ offsetting travel-related carbon emissions 	% of emissions offset (ratio between Direct (scopes 1 & 2) and emissions offset)	Program launched in 2021	
		Promoting circular solutions and minimizing office waste going to landfill	% of employees covered by recycling systems	100%	Across all 3 offices
	Total volume of waste recycled per employee (tonnes)	0.08	Scope: Paris, Luxembourg Not available for New York		
	Deploying a plan to reduce the use of paper across all offices	% of reduction of paper used	- 71%	Scope: Paris only The scope will be extended to other offices in 2021	
Foster employability, inclusion, wellbeing, and engagement through concrete actions					
GOVERNANCE	Nurturing diversity and inclusion to expand the teams' perspectives and skills range	Adding ESG as a key mission of the Wendel Supervisory Board and Wendel Governance and Sustainable Development Committee	Number of meetings of Wendel Governance and Sustainable Development Committee dealing with ESG related matters	3	
			Number of ESG Steering Committee meetings	4	
		Maintaining or achieving gender balance, defined as maintaining a percentage of females within the workforce of between 30 and 60%:	% of women among employees	54%	
	<ul style="list-style-type: none"> ■ among all Wendel employees; 	Gender equality index result	55/100		

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	■ among employees in management positions.	% of women in management positions	37%		
	among Executive Board and/or Investment Committee and/or Management Committee;	% of women in investment teams	37%		
		% of women on the Executive Board	0%		
		% of women on the Investment Committee	33%		
		% of women on the Management Committee	45.5%		
		% of women on the Coordination Committee	26%		
	■ at Supervisory Board level.	% of women on Supervisory Board	45%		
	Sign France Invest Diversity charter	France Invest Charter for gender equality signed [Y/N]	Yes		
	Initiatives aimed at sparking conversations and inspiring change	Number of initiatives to strengthen diversity and non-discrimination	7		
	Conducting an annual review of progress on diversity	Number of Equal Opportunity Reviews conducted annually by Wendel's governance bodies (Committees, Executive Board, Supervisory Board)	10		
		Review of salary differences M/F over the year [yes/no]	yes		
		Review of promotion systems & appointment over the year [yes/no]	yes		
		Review of M/F hiring rates over the year [yes/no]	yes		
	Create a Gender and Diversity Taskforce aiming at reducing gender gap and promoting diversity	Number of meetings of Gender and Diversity Taskforce of Wendel annually	In progress		
SOCIAL	Equipping our teams with lasting professional skills by providing all Wendel employees with a personalized career development plan and professional mentorship	100% of employees have formalized a skills development plan	Number of employees with a skills development plan	85	
			% of employees with a skills development plan	100%	
	100% of employees receiving non-mandatory training each year, in line with their career development plan objectives	% of employees trained (non-mandatory training)	98%		
		Number of hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives)	2,514.5		
		Hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives)	29.5		
		100% of employees receive mandatory training to acquire general or technical skills essential to their performance at Wendel	% of hours of mandatory training (e.g. annual business ethics training, etc.)	455	Compliance training hours and mandatory HR training hours
		Hours of mandatory training (e.g. annual business ethics training, etc.)	5.4		
	Promoting well-being to enable our employees to reach their full potential	Conducting quality-of-life-at-work surveys every two years, starting in April 2020	Survey on quality of life at work [Yes/No]	Yes	
			Participation rate in the survey on the quality of life at work of employees (%)	60%	
		Formalize and deploy employee well-being at work action plans addressing survey findings	Number of employee well-being initiatives in place	6	
SOCIAL & ENVIRONMENT	Enabling our teams to contribute to causes aligned with Wendel's values	Offering the opportunity to contribute one day per employee per year to non-profit organizations operating in communities where Wendel is present	Hours of volunteer work performed by Wendel employees during working hours (per year)	Deployed in early 2021	
		Establish long-term partnerships with at least two organizations	Number of long-term [> 2 years] partnerships formalized with non-profits [with localization]	3	
			Amounts (€) paid to different community/philanthropic projects	€881.8k	

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%			
		Wendel's Executive Board's variable compensation is partially conditional on overall portfolio companies' progress vis-à-vis their ESG transformation roadmaps (including climate change and gender equality)	% 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		

COMMITMENTS	2023 TARGETS	KPIs	2020 VALUES	REPORTING METHODOLOGY	
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]	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%	Across all 5 companies
			% 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		