2021 ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY
# SUMMARY

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MANIFESTO — For Wendel, Environmental, Social and Governance (ESG) responsibility is much more than a mere passing trend. Three centuries of history led by several generations of entrepreneurs, industrialists and investors have forged the Group’s line of conduct. Wendel’s ESG approach is based on responsibility and is rooted in a firm belief in the core values of Engagement, Excellence, and Entrepreneurial Mindset. These values drive Wendel’s actions both as a company and an investor to achieve its mission: partnerships with talented management teams to build sustainable, leading companies, whose performance in the long term will create lasting value for all stakeholders.

In order to carry out its mission, Wendel has defined an ESG strategy. As a professional shareholder investing for the long term, the Group wants to have a positive impact on society and contribute to a sustainable future. Wendel is determined to become a role model for its peers, by having a responsible attitude in the way it conducts its projects and by supporting its companies in their transformation to become sustainable leaders.
“We have adopted an exemplary approach towards our stakeholders: we regularly communicate our ESG performance to the financial community, support the main responsible commitments made by our sector, and engage our employees and our value chain in our sustainable practices. On a day-to-day basis, this translates into sustained support for portfolio companies to ensure that their extra-financial information complies with the highest standards of transparency and that their ESG approach is fully integrated into their business strategy.”

Zoubeïda Boulharouf CSR Performance Officer

"Wendel is committed to promoting sustainable value creation, which means not only seeking financial returns but also implementing solid changes that create long-term value. Wendel’s ESG responsibility permeates all levels of the organization, and is reflected in my daily missions as an investor.”

Elisa Philip Senior Associate
“As a member of Wendel’s Supervisory Board and its Governance and Sustainability Committee, and as a representative of its principal family shareholder, I am particularly sensitive to the ESG dimension and am pleased to see the extent to which it has been part of the Group’s policy in recent years. At Wendel, this is reflected at every stage of the investment process, with a responsible investment procedure and the setting and monitoring of demanding ESG objectives for operating subsidiaries.”

Priscilla de Moustier Member of Wendel’s Supervisory Board, member of the Governance and Sustainability Committee, Chairwoman of Wendel-Participations

“Wendel’s emphasis on ESG issues forces us to ask the right questions with the management of our portfolio companies, particularly with regard to the risks and opportunities for value creation in relation to environmental transition issues. On a daily basis, this translates into more rigorous and systematic work, and the construction of action plans with quantified objectives on which we can challenge and support our teams.”

Jérôme Richard Operating Partner

“For a listed company, ESG is a key element in the decision-making parameters of investors. As both an investor and a listed company, we need to make our ESG strategy efficient, clear and easily identifiable to our credit and equity investors.”

Olivier Allot Director of Financial Communication and Data Intelligence
EDITORIAL FROM THE EXECUTIVE BOARD — **ESG, an essential lever for creating long-term value**

**ANDRÉ FRANÇOIS-PONCET** Wendel’s Group CEO, and **DAVID DARMON** Wendel’s Group Deputy CEO

Wendel’s historical long-term approach means that we have always taken into account the “sustainability” of the companies in which we invest, in all its dimensions. Robustness of the economic model, naturally, but also governance and human wealth and, of course, environmental impact, are all subjects that cannot be ignored when investing for the long term. What was, for decades, a natural reflex is now a mature, systematic and structured approach, with the objective of building successful companies in the long term.

**Drive a commitment to excellence for our portfolio companies**

We are convinced that the creation of medium- and long-term value for our portfolio companies necessarily involves a sustainable growth strategy, which we promote as soon as we acquire an equity stake. Our operating subsidiaries thus formalize an ESG roadmap that is then reviewed annually. The objective is twofold: to increase the resilience of their business model through a better understanding of risks and to make ESG a growth driver for our companies by making them more attractive to all their stakeholders.
This is obviously true for Bureau Veritas, whose business is at the heart of these underlying trends, and which has accelerated with the deployment of its Green Line initiative, its green line of products and solutions. It enables client organizations to implement, measure and achieve their sustainability goals. This is also a reality for all our operating subsidiaries, which have significantly improved their ESG scores. To give just a few very concrete examples, Stahl has reduced its carbon emissions by 25% between 2015 and 2019, while Constantia Flexibles has also reduced its emissions by 17% since 2015, Cromology now produces 80% of its paints using water, etc. Far from mere posturing, all these achievements have a genuine value that is perceived by the customers of our portfolio companies.

Wendel sets itself apart through its integrated ESG approach
We are fundamentally committed to consistency between what we expect from our operating subsidiaries and the rules we set for ourselves. Accordingly, our ESG approach is designed to be directly integrated into all levels of our own activities. We were also one of the first listed investment companies to include ESG criteria in the variable component of compensation for the extra-financial objectives of its top management, up to 20%. More recently, we have also added ESG objectives to the calculation of the cost of funding for a syndicated loan.

Year after year, these efforts have paid off with Wendel’s inclusion in the prestigious Dow Jones Sustainability Indices (DJSI) World and Europe, which included only two French companies in 2020. This recognition compels us and reinforces our mobilization at all levels to act in favor of a sustainable economy, as investors have a key role to play in the development of responsible companies.
Wendel works alongside entrepreneurial management teams to build industry leaders with a long term perspective.

**ENGAGEMENT**

Engagement means staying accountable to Wendel’s people, companies, and other stakeholders. Wendel’s most distinctive feature as an investor is its unparalleled engagement. Wendel’s steadfast commitment makes it a unique investor: Wendel builds for the future. Every decision is made with long-term interests in mind. Strategies Wendel employs include providing managerial input, supporting acquisitions and capital investments, focusing on innovation and developing people.
EXCELLENCE

Wendel’s founding family has played an active role in the firm for more than three hundred years. The firm’s staying power can be attributed to its culture of excellence, achieved by building trust, rewarding those who remain reliable and setting high standards and upholding commitments. Wendel strives for excellence in terms of its financial and operational discipline, as well as in analysis related to investment activities. As a listed company, Wendel seeks to be a role model for the unlisted companies in its portfolio.

ENTREPRENEURIAL MINDSET

Entrepreneurship differentiates Wendel as an investor. The Group’s Entrepreneurial Mindset combines courage, reasoned boldness and responsibility. It springs from a desire to create something useful for its people, for its companies and for its communities.
Increased pay with seniority was instituted to alleviate the unfairness of task pay alone, which disadvantaged workers weakened by age. Free assistance was provided for the sick and injured at work.

**1830-1836**

**1850-1856**

Pensions and retirements were set up for those who worked continuously for the company: after thirty years of uninterrupted service, retirees received half a salary and a reversionary pension in the event of death. An employee statute was published with a scale of functions and wages establishing eight grades according to qualifications and seniority.

**1857**

Stiring-Wendel, the working-class housing estate built by Charles de Wendel (1809-1870) to accommodate employees, acquired the status of an autonomous municipality. Napoleon III came to inaugurate it in person. Stiring-Wendel had 700 houses with gardens as well as a church, a presbytery and two schools paid for by the company. Charles de Wendel created food stores, then cooperatives to provide food at moderate prices to his workers.

From the forges of Hayange to private equity, the Wendel company, but also the members of the family, have constantly acted to promote the humanistic values of mutual aid and social improvement.

Often, their initiatives resulted – years or even decades ahead of time – in achievements that society as a whole was aiming for, but struggling to reach without bitter conflict.

The main threads of this stubborn quest for progress: child and family protection; access for all to health, education and culture; and an unwavering attachment to the native region, in this case Lorraine.

**HIGHLIGHTS — To be both profitable and responsible for the needs of each era**
1859

An occupational physician was recruited to treat employees and their families. He was assisted by two nurses.

1866

A sickness benefit and family accident assistance plan was established.

1906

Berthe de Wendel created a Henri-de-Wendel fund with one million francs allocated to social aid. Immediate assistance is provided for the families of workers who are victims of an industrial accident, so that they can cope with the time required to establish the statutory compensation.

1919

_L’œuvre des petits lits blancs_, intended to help children suffering from bone tuberculosis, was created by Léon Bailby, founder of the newspaper _Le Jour_. To finance this cause, an annual charity gala, the _Bal des petits lits blancs_, was held at the Opéra in the presence of the Parisian elite. Andrée de Wendel became an indispensable host of this flagship charity event of the interwar period.

1925

The Union lorraine was recognized as a public utility, thus receiving an official consecration. Originally, the mission of the Union lorraine consisted in regrouping and assisting Lorrain residents in Paris who had been separated from their families by the annexation of 1870. Directed by Berthe and then Andrée de Wendel, the Union focused on improving children’s health: in 1917, it opened its first summer camp in Mers-les-Bains (Somme); in 1925, it developed a preventive seawater treatment and opened a second summer camp in Saint-Valery-en-Caux (Seine-Maritime). During the Second World War, the Union lorraine moved to Cognac (Charente) to organize social services for evacuees. After the war, the Union lorraine once again devoted itself to youth work and mutual aid: between 1953 and 1955, it built a “health camp” in Quiberville (Seine-Maritime).

1945

Ségolène de Wendel and Bertrand de Maud’huy created the Maison des enfants de Pange in Lorraine to care for children exposed to tuberculosis caused by the years of deprivation during the Occupation. The Ministry of Health opened an air hospital there in 1948.
HIGHLIGHTS — 2020-2021, recognized concrete actions

NOVEMBER 2020
Wendel joins the Dow Jones Sustainability Indices Europe and World.

DECEMBER 2020
Wendel receives a B rating in response to the Carbon Disclosure Project’s (CDP) Climate Change questionnaire.
Wendel becomes the first French issuer to present its ESG strategy to the French Society of Financial Analysts.

JANUARY 2021
Wendel launches an analysis of the risks and opportunities related to climate change in its portfolio.
Wendel obtains a score of 69/100 on the Gaia Rating non-financial questionnaire.

FEBRUARY 2021
Wendel organizes a roadshow dedicated to governance topics for its institutional investors and the main proxy advisors.
Wendel is now a member of the United Nations Global Compact.

MARCH 2021
The Wendel Group announces the inclusion of ESG objectives in the financial conditions of its €750 million undrawn syndicated loan maturing in October 2024.
SEPTEMBER 2021

For the second year in a row, Wendel conducted an internal survey to find out how employees feel about their well-being at work, using the Wittyfit tool.

Wendel took part in the European Sustainable Development Week via a dedicated social media campaign. Internally, it is an opportunity for the company to make its employees aware of everyday gestures.

Every year, the L’Agefi press group organizes its Corporate Governance Awards, during which it rewards the best governance practices of French listed companies. In 2021, the Wendel Group won the award in the “Diversity in management bodies” category.

Wendel’s Sustainalytics rating was upgraded from Low Risk to Negligible Risk. Wendel is now number two worldwide in the Diversified Financials sector, comprising 767 companies evaluated (vs. 14th last year).

OCTOBER 2021

Wendel received the Grand Prix de la Transparence award, for all categories. This recognition, which ranks Wendel first among all SBF 120 companies, attests to the quality of its practices in terms of financial communication and to the significant efforts made in recent years to deploy and present the Group’s ESG strategy.

NOVEMBER 2021

Wendel improved its score in the Dow Jones Sustainability Indices (DJSI) World and Europe, obtaining a score of 76/100 in the Diversified Financials category. This score is up by five points compared to 2020 (71/100) and places Wendel well above the average for its sector (27/100).
Wendel’s extra-financial ratings

Wendel is maintained in the Dow Jones Sustainability Index (DJSI), with a score of 76/100, up five points compared to 2020 (71/100) above the average for its sector (27/100). Only French Diversified Financials company ranked in the DJSI’s Europe and World indices.

AA rating, ranked among industry leaders.

Classified as Negligible Risk, rated 2nd among 767 financial companies assessed. No.1 among its peers with the same level of market capitalization.

Rated B for its first rating in 2020, attests to the sustained consideration of the impacts of climate change in the Group’s activities.

Rated 69/100, above the industry average (51/100).

Rated 43/100. Ranked #21 out of 101 in its market segment.

Grand Prix de la Transparence 2021, all categories.

Wendel’s commitments since 2020

Signatory of the France Invest Parity charter.

Member of the United Nations Global Compact.

Signatory of the six United Nations Principles for Responsible Investment (PRI).
Wendel’s commitment to civil society is part of the Group’s DNA. Indeed, history has shown that Wendel is involved in societal issues. Today, Wendel perpetuates these solidarity actions through sponsorship projects via its endowment fund in order to professionalize the Group’s approach, which was previously steered by a Philanthropy Committee.

Support the cultural world
Since its creation in 2010, Wendel has been a constant supporter of the Centre Pompidou-Metz, and as such is a founding sponsor of the Centre. Through this partnership, Wendel wanted to provide long-term support for a flagship project for Lorraine, the birthplace of the Group and its founding families. In 2012, the French Minister of Culture and Communication, Frédéric Mitterrand, recognized Wendel’s cultural investment by awarding the Group the distinction of Major Patron of Culture.

Supporting civil society
Since 2018, under the impetus of its Group CEO, André François-Poncet, Wendel has extended its scope of action to include solidarity. As part of this approach, the Group’s employees have been asked to present the non-profit organizations in which they are personally involved. The Philanthropy Committee then selected the organizations most in line with Wendel’s values. As a result, non-profits working in France and the United States, where the Group invests, received Wendel’s support.

Supporting the development of family businesses
Wendel has supported education since 1996 through its partnership with Insead, an internationally renowned business school. The Group first encouraged the creation of a university chair dedicated to family businesses, and then, in response to the success of this chair, the Wendel International Center, dedicated to the study and research of family businesses was created.

Non-profit organizations supported by Wendel in 2021
- Clubhouse France (France)
- Helen Keller Europe (France)
- Fondation de la Maison de la Gendarmerie (France)
- Protection Civile Paris Seine (France)
- Les Restaurants du Cœur (France)
- Mosaïques9 (France)
- 914 Cares (United States)
- Cycle For Survival (United States)
- iMentor (United States)
- The Bowery Mission (United States)
BUSINESS MODEL

MISSION
Wendel works alongside entrepreneurial management teams to build industry leaders with a long term perspective

VALUES
Engagement
Excellence
Entrepreneurial mindset

RESOURCES

PERMANANT CAPITAL

Family shareholding
39.3% of share capital held by Wendel-Participations SE and related parties (reference shareholder)

Employee shareholding
89.4% of employees are shareholders and own 0.9% of share capital

Individual investors
18.8% of share capital held by nearly 23,000 individuals

Institutional investors
37.7% of share capital held, in 37 countries

Bond investors
accounting for c. €1.6 billion

HUMAN CAPITAL
85 employees located in Paris, Luxembourg and New York

54% of staff are women

36.8% of investment team members are women

GOVERNANCE

SUPERVISORY BOARD (1)
13 members, including 6 members of the Wendel family and 2 employee representatives
45% independent members (2)
45% women (3)
Audit, Risks and Compliance Committee
Governance and Sustainability Committee

EXECUTIVE BOARD
2 members appointed by the Supervisory Board for a 4-year term

COMMITTEES
Management Committee
Investment Committee
Coordination Committee
ESG (Environment, Social, Governance) Committee

ESG STRATEGY

BE A ROLE MODEL
EMPOWER EXCELLENCE & ENGAGEMENT
Uphold the highest governance, ethics, environmental and operational management standards
Compliance program covering in particular the anti-bribery (Sapin II) law
98% of employees trained in business ethics
Carbon footprint assessment and actions to reduce its carbon footprint
Foster employability, inclusion, well-being, and engagement of the employees through concrete actions
Signatory of the France Invest Parity charter
Employee surveys and initiatives to promote quality of life at work
Skills sponsorship program

BUILD SUSTAINABLE COMPANIES
Invest to support and transform companies with respect for the environment and society
100% of investment opportunities are audited in coherence with the exclusions list and ESG due diligence
80% of controlled companies have formalized an ESG roadmap (100% among companies acquired more than 18 months ago)

Sponsorships
Partnership with Insead since 1996, with the creation of the Wendel International Center for Family Enterprise
Founding sponsor of the Center Pompidou-Metz since 2010
Wendel Endowment Fund

(1) The composition of the Supervisory Board is as of 01/01/2021. (2) Percentage excluding members representing employees. Beyond the requirements of the Afep-Medef Code. (3) Percentage excluding members representing employees; including these members the percentage rises to 53.8%. Beyond the legal requirements and the Afep-Medef Code. (4) In accordance with Article L. 233-10 of the French Commercial Code, the data include Wendel-Participations SE, its Chairwoman, Priscilla de Moustier, and Société Privée d’Investissement Mobiliers (SPM).
OUR INVESTMENTS

Wendel invests its capital, generally as a majority or lead shareholder, in companies which are leaders in their sectors or have the potential to rise to the top. As it assists these companies, Wendel promotes responsible, sustainable growth for the long term.

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<tr>
<th>BUREAU VERITAS</th>
<th>Certification and verification services</th>
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<td>Since 1995</td>
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<th>CONSTANTIA FLEXIBLES</th>
<th>Flexible packaging</th>
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<th>CRISIS PREVENTION INSTITUTE</th>
<th>Training services</th>
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<th>CROMOLOGY</th>
<th>Decorative paints</th>
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<tr>
<th>IHS TOWERS</th>
<th>Telecommunications infrastructure</th>
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<td>Since 2013</td>
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<th>STAHLE</th>
<th>High-performance coatings and leather finishing products</th>
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<td>Since 2006</td>
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<th>WENDEL LAB</th>
<th>Investment in innovation</th>
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<th>OTHER ASSETS</th>
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VALUE CREATED WITH AND FOR STAKEHOLDERS

MEASUREMENT OF VALUE CREATION

- Nearly €9 billion of gross assets
- Over €4 billion in market capitalization
- Net asset value (NAV) of €159.10 per share on 12/31/2020, down only 4.3% in 2020 and only 2.6% when adjusted for the dividend paid in 2020
- Overall yield (dividends re-invested) of 10.2% per annum since 06/13/2002
- Payment of a stable dividend of €2.80 per share approved by the Shareholders’ Meeting on 07/02/2020

SUPPORT FOR COMPANIES

- Active and ongoing assistance, discussions on risk taking, sharing of experiences and pooling of financial and technical expertise
- Representation on the companies’ boards of directors and key committees

SHAREHOLDER DIALOGUE

- Institutional investors: 250 virtual meetings
- Wendel Shareholder Advisory Committee: 3 virtual meetings
- Letter to shareholders: 3 letters
- Governance roadshows
- Independent lead director

EMPLOYEE DEVELOPMENT AND VALUE SHARING

- 29.5 hours of non-mandatory training per employee
- Profit-sharing agreement, Group employee savings plan, collective pension fund
- Survey to measure and monitor the quality of life at work
- 90% of employees were awarded stock options and/or performance shares
- Reimbursement of daycare expenses
- Supplemental insurance, contingency benefits

On 12/18/2020, Wendel finalized the sale of the South African company Tsebo to a consortium of investors and to the company’s management.

(5) The overall yield is as of 03/31/2021.
Wendel’s ESG approach

Wendel has long been convinced that environmental, social and governance (ESG) standards are drivers of sustainable growth. Driven by a three-hundred-year-old year old culture of excellence, commitment and entrepreneurship, we are committed to developing an exemplary attitude in this regard, and continually support talented management teams around the world to build tomorrow’s sustainable businesses, leaders in their respective segments. As a responsible company, Wendel has made important commitments to ensure that its internal operations are consistent with its values and the ESG objectives set within its portfolio of companies. The Group promotes honest and transparent governance and business ethics, is committed to a stimulating and inclusive work environment, and remains attentive to its environmental and climate footprint. As a long-term investor, we support the growth and transformation of high-potential companies, in order to provide both a return on investment for our shareholders and to create a sustainable societal impact. We encourage our portfolio companies to make sustainability a driver of innovation and a key part of their internal culture and practices.
PILLAR 1
WENDEL
AS A RESPONSIBLE COMPANY
EMPOWER
EXCELLENCE
AND ENGAGEMENT

PILLAR 2
ESG
AS AN INVESTMENT PRIORITY
BUILDING
SUSTAINABLE
companies

OUR PRIORITY COMMITMENTS
—
Gender parity and diversity
—
Climate change
—
Health and safety at work
—
Sustainable and/or eco-designed products and services

MEASURABLE ESG PERFORMANCE
—
Roadmap to 2023
PILLAR 1  Wendel as a responsible company

OUR AMBITIONS

Empower excellence and engagement

As part of its exemplary approach, Wendel has made major commitments to ensure that its internal operations are consistent with its values and the ESG objectives defined for the companies in its portfolio.

Governance and ethics

As a professional shareholder and listed company, Wendel promotes exemplary governance and risk management. At Wendel’s level, this is mainly reflected in a solid governance structure made up of two distinct bodies, based on clear rules and open dialogue.

In addition, all Group employees are made aware of business ethics through mandatory dedicated training. Wendel’s Code of Ethics, revised in 2020, provides a framework for an ethical and sustainable business conduct that goes beyond legal requirements.

Environmental care

The Wendel Group is aware of the climate emergency and the importance of everyone being involved in mitigating its effects. Each year, the company measures its carbon footprint and implements actions to reduce its CO₂ emissions (supply of renewable energy, responsible selection of suppliers, etc.).

The Group is also committed, at its own level, to reducing the amount of resources consumed and waste generated through its activity.
Employability, inclusion and employee engagement

Wendel invests in the development of individual skills, notably through a personalized skills development plan. The Group cultivates a stimulating and inclusive environment and develops initiatives to promote quality of life at work and gender parity. Finally, Wendel encourages its teams’ commitment to solidarity through initiatives that benefit charitable organizations.

Wendel is committed to promoting the United Nations Sustainable Development Goals (SDGs). Wendel has compiled a list of goals on which the Group has the greatest impact from the list of Sustainable Development Goals established by the United Nations.

4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

5.5. Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro—, small— and medium—sized enterprises, including through access to financial services.

12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

13. Take urgent action to combat climate change and its impacts.
Gender parity and diversity

ACHIEVE GENDER PARITY
Wendel has exceeded the regulatory threshold set by the Copé-Zimmermann law for professional equality, even before it came into force. In addition, in September 2021, the Wendel Group was awarded first prize in the “Diversity in management bodies” category at the Agefi Corporate Governance Awards.

FOSTER DIVERSITY AND INCLUSION
Wendel is committed to four points: hiring, training, combining work and family responsibilities, and effective compensation. Each of these points includes measures and follow-up indicators to enable the implementation of concrete actions in favor of professional equality. This new action plan, approved by the CSE, entered into force on January 1, 2021.

Zero discrimination
Wendel welcomes and recognizes all talents, and undertakes not to discriminate against candidates or employees with disabilities. More broadly, the Company favors prevention for all employees. Thus, it makes ergonomic equipment available to those who express the need (even without a medical prescription).
Reducing its carbon footprint

Since April 2020, the Group’s Paris premises have been supplied with energy from 100% renewable sources. In addition, the collection and recycling systems ensure the recycling of metal, glass, paper, cardboard and electrical and electronic waste (WEEE).

MINIMIZING OFFICE WASTE

With the Paperless project, employees have digital tools that limit the use of printing and the use of paper in general (advanced document retouching software, electronic signatures, etc.).

RESPONSIBLE PURCHASING

Wendel adopts the highest ethical standards and respect for environmental and human rights in doing business, and wishes to partner with suppliers and service providers who share similar standards. It relies on a short supply chain and mainly on local service providers (present in the countries where it operates). In addition, the Group’s Code of Ethics, which sets out Wendel’s commitments in this area, is brought to the attention of any new supplier subject to the third-party assessment process, upstream of this.

-71% of paper consumed at Group headquarters in 2020

Climate change
Health and safety at work

BUILDING A RESPECTFUL ENVIRONMENT

Strictly no form of harassment or discrimination is accepted by the Group, which enables Wendel to comply with the various regulations imposed in each of the three countries where it operates.

In addition, Wendel introduced a charter in 2018 guaranteeing a right to disconnect for everyone outside working hours in order to prevent the risk of digital over-solicitation. Advocacy on these various topics continued in 2020.

More flexibility for the teams

The teleworking policy, first implemented at Wendel in November 2018, has been completely revised to allow for more flexibility for employees who express a desire to do so. A new charter was signed in May 2020 and immediately implemented.
COVID-19

In order to ensure the health and safety of employees, Wendel put in place, from the very first days of the health crisis, all the necessary measures to enable everyone to work remotely in the best possible conditions (equipment, IT hotline, etc.). A Covid-19 unit has been set up to answer all employees’ questions. The Group also organized time for individual or collective discussions, on a voluntary basis and with healthcare professionals, in order to provide everyone with answers on the health protocol to be followed and the evolution of the pandemic. A psychological support unit has been set up in the local language of each country: a service provided by professionals available seven days a week. More recently, a vaccination service has been offered to Wendel employees and their families, in complete confidentiality, with a medical professional coming to the Paris office to vaccinate those who request it.

83% of employees responded to the survey on psychosocial risks in 2020

Improving quality of life at work

Although this initiative falls under French regulations, Wendel has decided to extend it to its offices in Luxembourg and New York as of 2020. The very positive results made it possible to highlight the strengths of the company as perceived by its employees and to identify areas for improvement. Following this survey, an internal participatory tool is used to explore the various facets in terms of quality of life at work and gather suggestions. The survey will be repeated regularly in order to have a quantitative and qualitative tool to prioritize the improvement measures to be implemented.
Wendel as a responsible company

OUR ACTIONS

The key word that takes precedence over parity is equality

ALEXINA PORTAL Director of Human Resources

Wendel’s industrial past, its illustrious heritage, is at the root of all the attention it pays to health and safety in the workplace, which are major challenges for employee development.

More recently, gender issues have been added to previous ones. As a result, these three areas are among the four priorities that the Group has defined in its 2020-2023 ESG strategy. Alexina Portal, Director of Human Resources since 2020, is in charge, along with the entire HR team, of implementing the actions that will support Wendel in achieving its ambitions.

As Wendel’s HR Director, you are in charge of matters relating to employee health and safety. What does this mean in practice? Whether we are talking about working conditions, psychosocial risks or work/life balance, all of these elements guarantee the long-term commitment of our teams. They are therefore the levers of our HR policy in terms of health and safety.

We recently revised our teleworking charter to offer employees who so wish more flexibility in the way they work. In parallel with this development, we stress the importance of employees’ right to disconnect. As far as vacations are concerned, we have put in place a set of rules designed to ensure that all employees are able to take full advantage of the annual rest periods they are entitled to, and which are necessary for their physical and mental well-being.

We also believe that the work-life balance depends on proper organization of family “logistics” for employees with children. Since 2010, Wendel has offered to finance daycare places for the first three years of a child’s life to employees who request them, and is also developing projects to support parenthood.

Thus, from an organizational point of view, Wendel offers its employees more flexibility in terms of working conditions, while maintaining its range of parental benefits, achieving a real synthesis between the possibility of taking responsibility for the accomplishment of one’s missions, and the possibility of fulfilling oneself in a framework that is not intrusive.
How does Wendel approach parity?

The issue of parity, often wrongly summarized as simple gender balance, is in reality broader, and requires that we have a much more comprehensive view of the people who are part of our organization (be it their gender, age, career, etc.). In short, the key word that takes precedence over parity is equality.

In order to meet this ambition, numerous actions are implemented each year and monitored by key performance indicators:

- **Recruitment**
  Wendel decides on and disseminates clear recruitment rules and conditions upstream of any recruitment process to recruitment firms and asks them to sign a commitment to respect the rules of equality or non-discrimination. For example, the range of compensation for the position offered is determined prior to the search for candidates and the publication of the offer. Thus, only the skills and experience of the selected candidate are taken into account in determining the compensation.

- **Training**
  Training contributes to the goal of equal treatment in career development. It is therefore an essential lever, in the context of a return to work following parental leave, to ensure this equality. When training courses are held, we take care to limit the amount of time spent traveling to each course and give employees the choice of enrolling in face-to-face or distance learning courses. The company also undertakes to include clauses in tenders for training organizations that take into account family constraints and professional equality.

- **Compensation**
  The objective is to neutralize or reduce the impact of parenthood on actual compensation. Parity is a priority for our Group; it is an issue that requires collective effort and ongoing commitment. This is why our company has signed the France Invest Gender Equality Charter, published in March 2020.

What was the impact of Covid-19 on occupational health?

This crisis proves to us every day how fundamental psychological or mental health is in the workplace. This is one of the major lessons of this period that all public and private organizations have experienced. Of course, this issue was not put aside by companies, but the pandemic acted as a catalyst: more than ever, it goes without saying that the company is also responsible for the well-being of its employees. At Wendel, this has resulted in increased vigilance in this area and support measures.

It is thanks to the very strong commitment of management that we were able to get through this crisis relatively unscathed. Listening, guidance, support and work rhythms adapted to the circumstances were essential; these attitudes have left a sufficiently strong imprint that they have become a determining element of our corporate culture.

Finally, reverting to the ancient motto *mens sana in corpore sano* (“a healthy mind in a healthy body”) is the best approach, not only in the interest of Wendel’s employees, but also to ensure the company’s performance.
ESG performance is embedded in Wendel’s mindset as a long-term investor. Its permanent capital and the stability of its shareholder base gives it the time and ability to carefully develop and transform the companies in which it invests, providing both a return on investment to its shareholders and lasting benefits to society.

The framework for assessing investment opportunities used by Wendel includes a systematic analysis of ESG risks and opportunities. In strict compliance with its role as a shareholder, Wendel encourages policies and decisions that contribute to the creation of shared and sustainable value, as well as transparency and regular communication on ESG performance.

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

Building sustainable companies
A responsible investment policy

In order to assist Wendel’s teams in integrating key sustainability issues into investment decisions, portfolio management and exit processes, several steps and tools have been defined. The approach is both ambitious and pragmatic.

**01. Investment phase**
All investment opportunities are systematically reviewed against an exclusion list and a business model resilience test. The ESG maturity of companies is then assessed through an in-depth ESG due diligence.

**02. Ownership phase**
An ESG transformation roadmap is defined for each portfolio company, based on the results of the ESG due diligence performed beforehand. This roadmap systematically includes elements related to operational eco-efficiency, with a focus on climate change issues, as well as ESG innovation of products and services. Investment teams at Wendel and portfolio companies’ management teams are also held accountable for progress against this roadmap with an alignment of variable compensation with performance.

**03. Exit phase**
The transformation achieved within the Company will be highlighted and showcased through an exit memo and presented to the Supervisory Board. When circumstances allow it, Wendel ensures wherever possible, that it associates the teams of the divested company with the value created.

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**Exclusion policy**

Wendel has formalized an Exclusion Policy which applies to all new investments following the signature of this policy by Wendel’s Executive Board on March 11, 2020.

This exclusion list is reviewed every year. Wendel refrains not only from investing in entities involved in the production, marketing, use or trade of illegal products or activities, but also from investing in entities directly and significantly involved in the production, distribution, marketing or trade of tobacco; pornography; gambling establishments or gambling; coal mining and coal-fired power generation; narcotics; controversial weapons, as defined by the Nuclear Non-Proliferation Treaty (1968), the Biological Weapons Convention (1975), the Chemical Weapons Convention (1997), the Ottawa Treaty (1997) on anti-personnel landmines and the Convention on Cluster Munitions (2008).
Gender parity and diversity

80% of portfolio companies are committed to improving gender diversity in their workforce.

BUREAU VERITAS
Target of 35% women in the group’s senior management by 2025.

CROMOLOGY
Gender equality index (according to French regulations) reaching 76.8 in 2020 for the entire company.

CRISIS PREVENTION INSTITUTE
Almost 60% of employees are women.

CONSTANTIA FLEXIBLES
Formalization of an action plan to increase the proportion of women managers.

STAHL
Target of 25% women on the Executive Committee by 2023.
Climate change

CRISIS PREVENTION INSTITUTE
Limited carbon footprint
– measurement and tracking of trainer travel emissions

BUREAU VERITAS
Signature of the “Science-Based Target” initiative to set goals for reducing Group emissions in line with a low-carbon economy

CRITOSOLOGY
11% reduction in Scope 1 and 2 CO₂ emissions

CONSTANTIA FLEXIBLES
Signatory to the Science-Based Target initiative, and rated A- by the Carbon Disclosure Project

STAHL
Establishment of a 20% reduction target for CO₂ emissions by 2030

Wendel is committed to conducting an analysis of the risks and opportunities related to climate change within its portfolio companies. This analysis is based on the methodology defined by the Task Force on Climate-related Financial Disclosures (TCFD). It includes the identification of physical risks (extreme weather conditions, scarcity of resources, etc.) and transition risks (changes in regulations, introduction of a carbon price, etc.).
OUR ACTIONS

Health and safety at work

**100%**

of portfolio companies have implemented a continuous improvement process for health and safety in the workplace and/or objectives for reducing accidents in the workplace. In 2020, the portfolio-wide average injury frequency rate was 1.08 and the severity rate was 0.04.

**BUREAU VERITAS**

87% of headcount covered by ISO 45001 certification

**CONSTANTIA FLEXIBLES**

78% decrease in accidents since 2015

**CROMOLOGY**

100% of industrial sites ISO 45001/OHSAS 18001 certified

**CRISIS PREVENTION INSTITUTE**

Up to 90% fewer verbal and physical assaults noted by the company’s customers

**STAHL**

40% decrease in the frequency rate of work-related accidents over the last three years
Sustainable and/or eco-designed products and services

**BUREAU VERITAS**
Formalization of the Green Line, a set of services and solutions to support customers in achieving their sustainable development goals.

**CONSTANTIA FLEXIBLES**
51% of products sold in 2019 are fully recyclable.

**CROMOLOGY**
Ranges of bio-sourced paints (resin from the recovery of agricultural waste) and anti-pollution interior paints.

**CRISIS PREVENTION INSTITUTE**
In the context of the Covid-19 pandemic, launch of training to manage mask refusal in public places.

**STAHL**
More than 1,200 products classified at the highest level of compliance set by the Zero Discharge of Hazardous Chemicals platform.

100% of portfolio companies have identified priorities for offering sustainable products and services and have defined related action plans.
In 2020, Wendel committed to implementing an ESG roadmap for each of its operating subsidiaries

CHRISTINE ANGLADE PIRZADEH Director of Sustainable Development and Communications, Executive Board Advisor, and
JOSSELINE DE ROQUEMAUREL Executive Vice-President, Managing Director

As an investor for the long term, Wendel’s key goal is to support and transform companies with the potential to develop in a changing world and to deliver both return on investment to its shareholders and lasting benefits to society. In other words, Wendel believes that taking ESG criteria into account for its investment activity helps to create near-term, medium-term and long-term value, without sacrificing the future for the present. Wendel believes that this balance requires a pragmatic approach and a desire for lasting innovation.

What has the ESG strategy changed for you as an investor? Does it have a tangible impact on the way you study investment opportunities?

Christine Anglade Pirzadeh — Investment is Wendel’s core business and it was important when we defined the ESG strategy for 2023 to integrate these issues throughout the life cycle of our investments. We have been working for
many years with our operating subsidiaries’ ESG teams to support them in these areas, but the time had come to step up the pace so that ESG would no longer be the sole concern of specialists but rather a matter for everyone. The first step was to formalize the process, to give it a framework to allow the teams to take ownership of the issues from start to finish. We have already put in place an exclusion list of business segments in which we do not wish to invest. This is an initial filter. Then, for companies that are not excluded, we conduct in-depth ESG due diligence. If the score is too negative, we do not invest because we do not want to support activities that, in our opinion, are doomed in the long term because they run counter to current trends.

**Once acquisitions are made, how does the ESG strategy materialize in the portfolio companies?**

**Josselin de Roquemaurel** — All new controlled companies entering Wendel’s portfolio receive initial ESG awareness training, as well as a review of their ESG maturity by an external service provider. Based on the findings of this study, an ESG roadmap is drawn up within 18 months of its acquisition. This roadmap systematically includes the four priority ESG themes defined by Wendel, namely gender parity, and then, in the long term, diversity in the broad sense, climate change, and the health and safety of the Group’s employees, which we have also extended to consumers. Finally, the fourth priority is eco-design – or ESG performance – i.e. anticipating, upstream of the creation of products and services, their added value in terms of ESG. This is innovation. In order to ensure that these issues are quickly taken up by both the companies’ management teams and those in charge of monitoring the company at Wendel, we have decided to make them accountable for the progress made in the context of this roadmap by aligning their variable compensation with ESG performance criteria.

**The ESG strategy started to be deployed a little over a year ago. What are the major actions to bear in mind regarding the companies in the portfolio?**

**Christine Anglade Pirzadeh** — In 2020, Wendel committed to implementing an ESG roadmap in each of its operating subsidiaries. This first step was fundamental. Most of our companies were already very mature in this area, like Stahl or Bureau Veritas, which even made it a differentiating sales pitch, but all this needed to be formalized. This has now been achieved for all the operating subsidiaries controlled and held for more than eighteen months. As far as this year’s main projects are concerned, if we must retain only one, it is the analysis of the risks and opportunities linked to climate change carried out within the portfolio companies. This will allow each of them to adapt their roadmap according to the results in order to optimize their action in this field.
IT'S PROFESSION — Certification and verification services.

IT'S MISSION — Bureau Veritas is a Business to Business to Society services company, whose mission is to build a world of trust by ensuring responsible progress. Bureau Veritas helps its customers improve their performance by providing services and innovative solutions to ensure that their assets, products, infrastructures and processes meet standards and regulations related to quality, health, safety, environmental protection and social responsibility.

IT'S AMBITION — Bureau Veritas is customer-focused and socially inspired. Its ambition is to contribute to positively transform the world we live in.

IT'S CSR STRATEGY — Bureau Veritas' sustainable development strategy is based on two main pillars:
- supporting its customers through its Green Line of services and solutions dedicated to CSR issues;
- a commitment to being an exemplary company in terms of social and human capital, good governance and positive impact on the environment.

The company’s CSR commitment, “Shaping a better world,” is perfectly aligned with its mission of “Building a world of trust.”
It is based on three strategic areas:
- “Building a better working environment”;
- “Contributing to better protection of the environment”;
- “Promoting Best Business Practices.”

“As a Business to Business to Society company, we are committed to meeting today’s global challenges in all sectors of the economy. Within the company, we act to be a model for the industry in terms of positive impact on people and the planet.”

DIDIER MICHAUD-DANIEL,
CEO of Bureau Veritas
STAKE: 35.6% (1)

2020 SALES: €4,601 million

AMOUNT INVESTED: €397.3 million since 1995 (2)

GENDER PARITY AND DIVERSITY
Objective: to achieve a 35% rate of women in senior management by 2025.

CLIMATE CHANGE
In 2020, 23% reduction in CO₂ emissions per full-time equivalent compared to 2015.

HEALTH AND SAFETY OF CUSTOMERS AND EMPLOYEES
87% of headcount covered by ISO 45001 certification in 2020.

SUSTAINABLE AND/OR ECO-DESIGNED PRODUCTS AND SERVICES
Formalization of the Green Line, a set of services and solutions to support customers in achieving their sustainable development goals.

LATEST EXTRA-FINANCIAL RATINGS
DOW JONES SUSTAINABILITY INDEX
Rated 85 /100.
Listed in Europe and World indexes.
Gold medal in the Sustainability directory.

MSCI – Rated AA.

ECOVADIS – Platinum Medal.

CDP DRIVING SUSTAINABLE ECONOMIES
B rated, above the sector average (B-).

VIEGO EIRIS – Rated Robust
Ranked #4/103 in its market segment.

SUSTAINALYTICS – Rated Low Risk
Ranked #2 in Research and Consulting category.

ETHIFINANCE – Rated 83/100, above the sector (51).

ISS ESG – Rated Prime.

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(1) Capital held by Wendel as of 06/30/2021 net of treasury shares for 51.3% of theoretical voting rights.
(2) Amount invested by Wendel as of 06/30/2021.
Rethinking packaging every day to make a positive, sustainable and meaningful contribution to its customers and the environment

ITS PROFESSION — Flexible packaging.

ITS MISSION — A specialist in flexible packaging for the food and pharmaceutical industries, Constantia Flexibles has set itself the task of rethinking packaging solutions in order to contribute positively to the expectations of its customers and society.

ITS AMBITION — Consolidate the sustainable packaging technologies segment. Increase its capacity for innovation.

ITS ESG STRATEGY — Constantia Flexibles is committed to preventing potential negative consequences of its activity and minimizing existing negative consequences for the environment by:
- striving to continuously improve the environmental performance of its activity in terms of raw materials, emissions, energy and waste;
- working with its stakeholders to reduce environmental impacts throughout the value chain;
- designing its products on the basis of sustainable criteria with minimal environmental impact, low material use and high recyclability by being a signatory of the New Plastics Economy initiative.

“We are aware of our impact on the environment and society and we are committed to producing high quality products, while recognizing the importance of working in a safe, ethical and sustainable manner.”

PIM VERVAAT,
CEO of Constantia Flexibles
STAKE: 60.8% (1)

2020 SALES: €1,505.3 million

AMOUNT INVESTED: €565 million since 2015 (2)

GENDER PARITY AND DIVERSITY
Formalization of a Group action plan to increase the proportion of women managers.

CLIMATE CHANGE
- 24%: GHG emission reduction commitment by 2030 and 49% by 2050 (base year: 2015), approved by the Science-Based Target initiative.

HEALTH AND SAFETY OF CUSTOMERS AND EMPLOYEES
100% of production sites with at least one safety and/or quality certification.

SUSTAINABLE AND/OR ECO-DESIGNED PRODUCTS AND SERVICES
51% of products from the portfolio are recyclable.

LATEST EXTRA-FINANCIAL RATINGS
ECOVADIS - Gold medal
CDP DRIVING SUSTAINABLE ECONOMIES Rated A

(1) Capital held by Wendel as of 06/30/2021.
(2) Amount invested by Wendel as of 06/30/2021.
Engaged companies

CRISIS PREVENTION INSTITUTE

Giving professionals the keys to improve their care and service delivery

**ITS PROFESSION** — Crisis prevention and aggressive behavior management training services.

**ITS MISSION** — Since CPI’s founding, the Institute has played an increasing role in advocacy for the underserved populations and drastically reducing violence in public spaces, workplaces, etc. Its mission is to reduce conflict situations in order to ensure the well-being and safety of all. In this way, CPI’s action helps to reassure the public and retain employees in companies and local authorities.

**ITS AMBITION** — Increase the resilience of CPI and its customers by addressing current societal challenges.

**ITS ESG STRATEGY** — CPI’s sustainable development strategy is based on three main pillars:

- **Social Commitments**
  - Create a safe, diverse and fulfilling work environment by promoting:
    - a diverse workforce,
    - occupational health and safety;
  - Providing innovative training solutions for safer societies by:
    - ensuring the highest quality of service,
    - creating positive impacts in the face of current societal challenges;

- **Environmental commitments**
  - Contributing to the climate change mitigation efforts;
  - Reducing energy consumption and raw material consumption;

- **Governance commitments**
  - Fighting against bribery and corruption;
  - Protecting digital data.

“I believe that focusing on what’s best for humanity is the ultimate reward. Our ESG goals are embedded in CPI’s mission and training philosophy. Empathy is embedded in the work we do to serve our partners and communities.”

TONY JACE,
CEO of Crisis Prevention Institute
STAKE: 96.4% (1)

2020 SALES: $63.8 MILLION

AMOUNT INVESTED: $569 million since 2019(2)

GENDER PARITY AND DIVERSITY
55% of CPI employees are women.

CLIMATE CHANGE
The home office system introduced in 2020 has reduced the number of commutes by 20%.

HEALTH AND SAFETY OF CUSTOMERS AND EMPLOYEES
The company’s customers have seen a decrease of up to 90% in verbal and physical assaults.

SUSTAINABLE AND/OR ECO-DESIGNED PRODUCTS AND SERVICES
In the context of the Covid-19 pandemic, launch of training to manage mask refusal in public places.

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(1) Capital held by Wendel as of 06/30/2021.
(2) Amount invested by Wendel as of 06/30/2021.
Engaged companies

CROMOLOGY

Protect and sustainably improve living spaces

“Cromology places Corporate Social Responsibility (CSR) at the heart of its strategy, alongside profitable growth and operational excellence. After a year of constraint in many respects, we are pleased to accelerate the deployment of all our CSR actions on the ground.”

LOïC DERRIEN, CEO of Cromology

ITS PROFESSION — Manufacture and distribution of paints.

ITS MISSION — Cromology is a European decorative paints company. The company’s mission is to protect and sustainably improve living spaces, to improve everyone’s daily life.

ITS AMBITION — Cromology aspires to expand its presence in the decorative paint sector, particularly in Europe, while minimizing its environmental footprint.

ITS CSR STRATEGY — The objectives of Cromology’s 2023 sustainable development strategy are based on five key CSR issues:
- Human Resources: enabling each individual to overachieve and grow, professionally & personally;
- Business Ethics: fostering the highest degree of integrity & compliance within the organization;
- Health & Safety: creating the conditions for protecting the health and safety of employees, customers and subcontractors in the workplace;
- Environment: minimizing the environmental impact of Cromology’s operations;
- Paints & Colors: innovating to offer more user and environmentally friendly paints & colors.
STAKE: 94.8% (1)

2020 SALES: €627.6 million

AMOUNT INVESTED: €550 million since 2006 (2)

GENDER PARITY AND DIVERSITY
Objective: achieve a score of 85/100 (Gender Equality Index – France).

CLIMATE CHANGE
By 2020, 11% reduction in the CO2 emissions ratio for Scopes 1 and 2.

HEALTH AND SAFETY OF CUSTOMERS AND EMPLOYEES
70% of logistics and production sites ISO 14001 certified and 92% of industrial sites certified OHSAS.

SUSTAINABLE AND/OR ECO-DESIGNED PRODUCTS AND SERVICES
Approximately 58% of sales of products under three years old generated with eco-certified products.

(1) Capital held by Wendel as of 06/30/2021
(2) Combined amount of equity invested by Wendel in Materis Paints and Cromology. €125 million of additional capital injected in Cromology in 05/13/2019.
Engaged companies

STAHL

Working for a sustainable industry

ITS PROFESSION — High-performance coatings and leather finishing products.

ITS MISSION — Produce chemical treatments for leather, as well as high-performance coatings for various substrates such as textiles, paper, plastic, rubber and wood.

ITS AMBITION — Consolidate its position as market leader with a strong portfolio of environmentally friendly solutions. Consolidate its already strong positions in emerging countries.

ITS CSR STRATEGY — The Group will continue to capitalize on its unique advantage: innovation (innovative, environmentally friendly products and customized technology). To achieve this, Stahl has 11 R&D laboratories where it is constantly improving its processes and working on new materials to meet its environmental commitments.

“As a chemical company, we are committed to limiting the use of potentially hazardous materials throughout our supply chain and to sourcing chemical raw materials from renewable products, using the best available measurement tools and certification standards.”

MAARTEN HEIJBROEK,
CEO of Stahl
STAKE:
67.8% (1)

2020 SALES:
€669.4 million

AMOUNT INVESTED:
€221 million since 2006 (2)

(1) Capital held by Wendel as of 06/30/2021.
(2) Amount invested by Wendel as of 06/30/2021.

GENDER PARITY AND DIVERSITY
25% of all employees are women.

CLIMATE CHANGE
More than one-third of the total energy consumption comes from renewable sources.

HEALTH AND SAFETY
OF CUSTOMERS AND EMPLOYEES
40% decrease in the frequency rate of work-related accidents over the last three years.

SUSTAINABLE AND/OR ECO-DESIGNED
PRODUCTS AND SERVICES
80% of the leather division’s products are in compliance with the Zero Discharge of Hazardous Chemicals initiative.

LATEST EXTRA-FINANCIAL RATINGS
ECOVADIS - Gold medal
Uphold the highest governance, ethics, environmental and operational management standards.

**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.

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of employees signed the Code of Ethics during the current year</td>
<td>100% of employees signed the Code of Ethics during the current year [Yes/No]</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>% of employees having signed the Wendel Code of Ethics</td>
<td>94%</td>
</tr>
<tr>
<td>100% of employees follow Wendel’s annual Business Ethics training course</td>
<td>% of employees having followed Wendel’s annual Business Ethics training course</td>
<td>98%</td>
</tr>
<tr>
<td>Review and strengthen the Code of Ethics annually at Executive Board level to ensure compliance with the highest standards</td>
<td>Annual review of the Code of Ethics at the Executive Board level [Yes/No]</td>
<td>Yes</td>
</tr>
<tr>
<td>Ensuring that the robustness of our anti-corruption program is assessed annually</td>
<td>Annual audit of Wendel’s Anti-corruption Program [Yes/No]</td>
<td>No</td>
</tr>
</tbody>
</table>

**SOCIAL & ENVIRONMENT** — Carefully selecting and collaborating with our suppliers to ensure they meet our ESG standard.

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deploy a Responsible Procurement approach</td>
<td>KPIs to be defined during the responsible purchasing process</td>
</tr>
</tbody>
</table>
**ENVIRONMENTAL** — Minimizing our direct environmental impact and our carbon footprint by making eco-efficiency a priority in the decision-making process

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying out annual carbon reporting</td>
<td>Direct GHG emissions (scopes 1 &amp; 2) (tonnes of CO₂ eq.)</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Indirect GHG emissions (scope 3) (tonnes of CO₂ eq.)</td>
<td>2,659</td>
</tr>
<tr>
<td></td>
<td>CO₂ eq emissions intensity scopes 1+2+3 per employee (tonnes of CO₂ eq/employee)</td>
<td>32</td>
</tr>
<tr>
<td>Reducing our carbon footprint by sourcing 100% renewable energy for Wendel offices worldwide</td>
<td>% of renewable energies in Wendel’s energy consumption</td>
<td>21%</td>
</tr>
<tr>
<td>Reducing our carbon footprint by:</td>
<td>GHG emissions offset (tonnes of CO₂ eq.)</td>
<td>Program launched in 2021</td>
</tr>
<tr>
<td>- offsetting all GHG emissions that cannot be avoided or reduced further; - offsetting travel-related carbon emissions</td>
<td>% of emissions offset (ratio between Direct scopes 1 &amp; 2 and emissions offset)</td>
<td>Program launched in 2021</td>
</tr>
<tr>
<td>Promoting circular solutions and minimizing office waste going to landfill</td>
<td>% of employees covered by recycling systems</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total volume of waste recycled per employee (tonnes)</td>
<td>0.08</td>
</tr>
<tr>
<td>Deploying a plan to reduce the use of paper across all offices</td>
<td>% of reduction of paper used</td>
<td>-71%</td>
</tr>
</tbody>
</table>
Foster employability, inclusion, well-being, and engagement through concrete actions.

**GOVERNANCE — Nurturing diversity and inclusion to expand the teams’ perspectives and skills range**

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adding ESG as a key mission of the Wendel Supervisory Board and Wendel Governance and Sustainable Development Committee</td>
<td>Number of meetings of Wendel Governance and Sustainable Development Committee dealing with ESG related matters</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Number of ESG Steering Committee meetings</td>
<td>4</td>
</tr>
<tr>
<td>Maintaining or achieving gender balance, defined as maintaining a percentage of females within the workforce of between 30 and 60%</td>
<td>% of women among employees</td>
<td>54%</td>
</tr>
<tr>
<td></td>
<td>Gender equality index result</td>
<td>55/100</td>
</tr>
<tr>
<td></td>
<td>% of women in management positions</td>
<td>37%</td>
</tr>
<tr>
<td></td>
<td>% of women in investment teams</td>
<td>37%</td>
</tr>
<tr>
<td></td>
<td>% of women on the Executive Board</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>% of women on the Investment Committee</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>% of women on the Management Committee</td>
<td>45.5%</td>
</tr>
<tr>
<td></td>
<td>% of women on the Coordination Committee</td>
<td>26%</td>
</tr>
<tr>
<td>- among employees in management positions. Among Executive Board and/or Investment Committee and/or Management Committee;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>% of women on Supervisory Board</td>
<td>45%</td>
</tr>
<tr>
<td>Sign France Invest Diversity charter</td>
<td>France Invest Charter for gender equality signed [Yes/No]</td>
<td>Yes</td>
</tr>
<tr>
<td>Initiatives aimed at sparking conversations and inspiring change</td>
<td>Number of initiatives to strengthen diversity and non-discrimination</td>
<td>7</td>
</tr>
<tr>
<td>Conducting an annual review of progress on diversity</td>
<td>Number of Equal Opportunity Reviews conducted annually by Wendel’s governance bodies (Committees, Executive Board, Supervisory Board)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Review of salary differences M/F over the year [Yes/No]</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Review of promotion systems &amp; appointment over the year [Yes/No]</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Review of M/F hiring rates over the year [Yes/No]</td>
<td>Yes</td>
</tr>
<tr>
<td>Create a Gender and Diversity Taskforce aiming at reducing gender gap and promoting diversity</td>
<td>Number of meetings of Gender and Diversity Taskforce of Wendel annually</td>
<td>In progress</td>
</tr>
</tbody>
</table>
SOCIAL — Equipping our teams with lasting professional skills by providing all Wendel employees with a personalized career development plan and professional mentorship

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of employees have formalized a skills development plan</td>
<td>Number of employees with a skills development plan</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>% of employees with a skills development plan</td>
<td>100%</td>
</tr>
<tr>
<td>100% of employees receiving non-mandatory training each year, in line with their career development plan objectives</td>
<td>% of employees trained (non-mandatory training)</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td>Number of hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives)</td>
<td>2,514.5</td>
</tr>
<tr>
<td></td>
<td>Hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives)</td>
<td>29.5</td>
</tr>
<tr>
<td>100% of employees receive mandatory training to acquire general or technical skills essential to their performance at Wendel</td>
<td>% of hours of mandatory training (e.g. annual business ethics training, etc.)</td>
<td>455</td>
</tr>
<tr>
<td></td>
<td>Hours of mandatory training (e.g. annual business ethics training, etc.)</td>
<td>5.4</td>
</tr>
</tbody>
</table>

SOCIAL — Promoting well-being to enable our employees to reach their full potential

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
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<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducting quality-of-life-at-work surveys every two years, starting in April 2020</td>
<td>Survey on quality of life at work [Yes/No]</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Participation rate in the survey on the quality of life at work of employees (%)</td>
<td>60%</td>
</tr>
<tr>
<td>Formalize and deploy employee well-being at work action plans addressing survey findings</td>
<td>Number of employee well-being initiatives in place</td>
<td>6</td>
</tr>
</tbody>
</table>

SOCIAL & ENVIRONMENT — Enabling our teams to contribute to causes aligned with Wendel’s values

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering the opportunity to contribute one day per employee per year to non-profit organizations operating in communities where Wendel is present</td>
<td>Hours of volunteer work performed by Wendel employees during working hours (per year)</td>
<td>Deployed in early 2021</td>
</tr>
<tr>
<td>Establish long-term partnerships with at least two organizations</td>
<td>Number of long-term (&gt; 2 years) partnerships formalized with non-profits [with localization]</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Amounts (€) paid to different community/philanthropic projects</td>
<td>€881.8k</td>
</tr>
</tbody>
</table>
Invest to support the prosperity and transformation of companies that respect society and the environment.

---

**GOVERNANCE – Defining precise ESG roadmaps for all portfolio companies**

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of portfolio companies having formalized an ESG transformation roadmap aligned with their global strategy</td>
<td>% of portfolio companies with an ESG roadmap</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Of which companies held for more than 18 months</td>
<td>100%</td>
</tr>
<tr>
<td>100% of portfolio companies' progress vis-à-vis this roadmap is reviewed at Company Board level once a year</td>
<td>% of portfolio companies for which progress vis-à-vis this roadmap is reviewed at Company Board level for each company annually</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>% of companies that have had a committee or a Board of Directors meeting that has reviewed an ESG-related topic</td>
<td>80%</td>
</tr>
<tr>
<td>Overall portfolio progress vis-à-vis their ESG transformation roadmaps is reviewed at Wendel Executive Board level annually</td>
<td>% of ESG transformation roadmaps reviewed each year by Wendel's Executive Board</td>
<td>80%</td>
</tr>
<tr>
<td>Overall portfolio progress vis-à-vis their ESG transformation roadmaps is reviewed at Wendel Supervisory Board level annually</td>
<td>ESG roadmaps reviewed each year by Wendel's Governance and Sustainable Development Committee and/or Supervisory Board [Yes/No]</td>
<td>Yes</td>
</tr>
</tbody>
</table>

---

**GOVERNANCE – Hold Wendel & portfolio companies management teams accountable for progress made against ESG transformation roadmaps**

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of portfolio companies’ Executive Management teams’ variable compensation is partially conditional on progress vis-à-vis their ESG transformation roadmaps</td>
<td>% of portfolio companies’ CEOs whose variable compensation is conditional on progress made vis-à-vis their ESG transformation roadmaps</td>
<td>80%</td>
</tr>
<tr>
<td>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)</td>
<td>% of variable compensation of Executive Board members which is conditional on overall portfolio progress vis-à-vis ESG transformation roadmaps</td>
<td>9.6%</td>
</tr>
<tr>
<td>100% of Wendel’s Management Teams’ variable compensation is partially conditional on overall portfolio companies’ progress vis-à-vis their ESG transformation roadmaps</td>
<td>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]</td>
<td>Yes</td>
</tr>
</tbody>
</table>
GOVERNANCE — 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

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of ESG investment opportunities assessed</td>
<td>% of investment opportunities having undergone in-depth ESG and compliance due diligence</td>
<td>100%</td>
</tr>
</tbody>
</table>

GOVERNANCE — Screening all potential investments using an up-to-date exclusion list reflecting Wendel’s values as an investor

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of investment opportunities reviewed using Wendel’s exclusion list and identification of the most material ESG risks and opportunities</td>
<td>% of investment opportunities screened through Wendel’s exclusion list</td>
<td>100%</td>
</tr>
<tr>
<td>% of investment opportunities reviewed through identification of material ESG risks and opportunities</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Annual review of Wendel’s exclusion list and business model resilience test criteria at Investment Committee and Supervisory Board levels</td>
<td>Annual review of the exclusion list by Investment Committee and Supervisory Board [Yes/No]</td>
<td>No</td>
</tr>
</tbody>
</table>

GOVERNANCE — Continuously improving the quality of extra-financial portfolio-level information disclosure

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Progressively align Wendel’s annual extra-financial reporting with international standards, such as the TaskForce of Climate Disclosure (TCFD) reporting framework</td>
<td>Annual PRI score</td>
<td>First participation in 2021</td>
</tr>
<tr>
<td>Alignment with TCFD [Yes/No]</td>
<td>Communication on progress (COP) of the United Nations Global Compact</td>
<td>No</td>
</tr>
</tbody>
</table>
**PILLAR 2  ESG as an investment priority**

**ROADMAP**

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

**ENVIRONMENT & SOCIAL — Assess and address the portfolio companies’ exposure to transition and physical climate risks**

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of portfolio companies monitoring their carbon footprint</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>% of companies calculating their carbon emissions in scopes 1 and 2</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>% of companies having estimated their scope 3 carbon emissions over the last four years</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>CO₂ eq emissions of scopes 1+2 (k CO₂ eq)</td>
<td>427 451</td>
<td></td>
</tr>
</tbody>
</table>

100% of portfolio companies have assessed their carbon footprint

<table>
<thead>
<tr>
<th>Climate risk analysis in progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constantia Flexibles: 56.08 tCO₂ eq/ Million m² produced</td>
</tr>
<tr>
<td>Cromology: 32.7 tCO₂ eq/ kTonne produced</td>
</tr>
<tr>
<td>Stahl: 108.94 kgCO₂ eq/t produced</td>
</tr>
</tbody>
</table>

CO₂ eq emissions intensity of scopes 1+2 (defined for each company: kT of production, m² production, etc.)

100% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities [Yes/No]

<table>
<thead>
<tr>
<th>Climate risk analysis in progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of portfolio companies with a Greenhouse Gas (GHG) emissions reduction plan</td>
</tr>
<tr>
<td>% of companies using renewable energy for more than 10% of their energy consumption</td>
</tr>
<tr>
<td>% of companies that have set and publicly communicated quantitative targets for reducing CO₂ eq emissions</td>
</tr>
<tr>
<td>% of companies with a climate change resilience plan that have been identified</td>
</tr>
</tbody>
</table>
## ENVIRONMENT & SOCIAL — Promote operational excellence & ESG-driven innovation across the portfolio companies

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>KPIs</th>
<th>2020 VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of portfolio companies have implemented actions to improve their eco-efficiency and environmental management</td>
<td>% of companies with an environmental management system (in particular via ISO 14001 certification) of all or part of their scope of activity</td>
<td>100%</td>
</tr>
<tr>
<td>100% of portfolio companies have adopted a continuous improvement approach to health and safety at work</td>
<td>% of portfolio companies have adopted a continuous improvement approach to health and safety at work</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Lost-time accident frequency rate (per 1,000,000 hours worked)</td>
<td>1.08</td>
</tr>
<tr>
<td></td>
<td>Workplace accident severity rate (per 1,000 hours worked)</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>% of companies with a health and safety management system (including OHSAS 18001/ISO 45001) for all or part of their scope of activity</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>% of companies organizing health and safety training</td>
<td>100%</td>
</tr>
<tr>
<td>100% of companies have committed to a better gender balance of their workforce</td>
<td>100% of companies have committed to a better gender balance on their workforce</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>% of women in the total headcount</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>% of women in management positions</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>% of women in shareholder governance bodies (Board of Directors or Supervisory Board as appropriate)</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>% of women in operational governance bodies (Management Committee or Executive Committee as appropriate)</td>
<td>22%</td>
</tr>
<tr>
<td>100% of portfolio companies have identified priorities for offering sustainable products and services and having defined related action plans</td>
<td>% of portfolio companies have identified priorities for offering sustainable products and services and have defined related action plans</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>% of net sales associated with sustainable products and services</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>Share of ESG-focused R&amp;D projects (as a share of expenses)</td>
<td>37%</td>
</tr>
</tbody>
</table>