

4.1.10 Wendel's 2023 ESG roadmap: fostering excellence and commitment

I. Fostering excellence and commitment

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

Commitments	2023 targets	KPIs	2020 values	2021 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.	% of employees having signed the Wendel Code of Ethics.	94%	99%	
		100% of employees follow Wendel's annual Business Ethics training course.	% of employees having followed Wendel's annual Business Ethics training course.	98%	99%	
	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	Yes		
	Ensuring that the robustness of our anti-corruption program is assessed annually.	Annual audit of Wendel's Anti-corruption Program [Yes/No].	No	Yes	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.	% of suppliers with a third-party ESG label.	27%	Program implemented in 2022. First assessment carried out in 2021 based on suppliers employed in 2020.	
			% of suppliers with a "responsible purchasing" approach.	51%		
ENVIRONMENT	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.).	130	128	
			Indirect GHG emissions (Scope 3) (tons of CO ₂ eq.).	2,978	6,219	
			CO ₂ eq emissions intensity scopes 1 + 2 + 3 per employee (tons of CO ₂ eq/employee).	38	75	
	Reducing our carbon footprint by sourcing 100% renewable energy for Wendel offices worldwide.	% of renewable energies in Wendel's energy consumption.	21%	26%	Renewable energy/Total energy consumed (electricity, gas, district heating) Across all three offices.	
			Reducing our carbon footprint by:	GHG emissions offset (tons of CO ₂ eq).	Program launched in 2021.	400
	■ offsetting all GHG emissions that cannot be avoided or reduced further; ■ offsetting travel-related carbon emissions.	% of emissions offset.	Program launched in 2021.	6%	This concerns Scope 1 and 2.	
		Promoting circular solutions and minimizing office waste going to landfill.	% of employees covered by recycling systems.	100%	100%	Across all three offices.
	Total volume of waste recycled per employee (tons).		0.08	0.06	Scope: Paris, Luxembourg. Not available for New York.	
Deploying a plan to reduce the use of paper across all offices.	% change in paper used.	-67%	+11%	2020 value recalculated for the three offices (only available for the Paris office in 2020).		

Commitments	2023 targets	KPIs	2020 values	2021 values	Comments and reporting methodology	
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	3	
			Number of ESG Steering Committee Meetings.	4	7	
		Maintaining or achieving gender balance, defined as maintaining a percentage of females within the workforce of between 30 and 60%: ■ among all Wendel employees;	% of women among all employees.	54%	57%	
			Gender equality index result.	55/100	53/100	
		■ among employees in management positions.	% of women in management positions.	37%	42%	
			Among Executive Board and/or Investment Committee and/or Management Committee;	% of women in investment teams.	37%	42%
				% of women on the Executive Board.	0%	0%
			% of women on the Investment Committee.	33%	29%	
			% of women on the Management Committee.	45.5%	40%	
			% of women on the Coordination Committee.	26%	21%	
		■ at Supervisory Board level.	% of women on Supervisory Board.	45%	50%	
		Initiatives aimed at sparking conversations and inspiring change.	Number of initiatives to strengthen diversity and non-discrimination.	7	5	
		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	20	
			Review of salary differences M/F over the year [yes/no].	Yes	Yes	
			Review of promotion systems & appointment over the year [yes/no].	Yes	Yes	
	Review of M/F hiring rates over the year [yes/no].	Yes	Yes			

Commitments		2023 targets	KPIs	2020 values	2021 values	Comments and reporting methodology
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	84	
			% of employees with a skills development plan.	100%	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%	99%	
			Number of hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives).	2,514	2,483	
			Hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives).	29.5	29.5	
		100% of employees receive mandatory training to acquire general or technical skills essential to their performance at Wendel.	Number of hours of mandatory training (e.g. annual business ethics training, etc.).	455	371	Compliance training hours and mandatory HR training hours.
			Hours of mandatory training (e.g. annual business ethics training, etc.).	5.4	4.4	
		Conducting quality-of-life-at-work surveys every two years, starting in April 2020.	Survey on quality of life at work [Yes/No].	Yes	Yes	
			Participation rate in the survey on the quality of life at work of employees (%).	60%	81%	
		Formalize and deploy employee wellbeing at work action plans addressing survey findings.	Number of employee well-being initiatives in place.	6	9	
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.	8 am (first launch in 2021).	
			Number of long-term [> 2 years] partnerships formalized with non-profits [with localization].	3	2	
		Establish long-term partnerships with at least two organizations.	Amounts (in euros) paid to different community/philanthropic projects.	€881.8 thousand	€834.3 thousand	

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	2021 values	Representativity (% of consolidated revenue)	Reporting methodology	
GOVERNANCE	Screening all potential investments using an up-to-date exclusion list reflecting Wendel's values as an investor.	% of investment opportunities reviewed through Wendel's exclusion list.	100%	100%	-		
		% of investment opportunities reviewed through identification of material ESG risks and opportunities.	100%	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 as implementation started in early 2020.	Yes	-	
	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%	100%	-	
		100% of controlled portfolio companies having formalized an ESG transformation roadmap aligned with their global strategy.	% of controlled portfolio companies with an ESG roadmap.	100%	100%	100%	
	Defining precise ESG roadmaps for all portfolio companies.	100% of portfolio companies' progress vis-à-vis this roadmap is reviewed at Company Board level once a year.	% of controlled portfolio companies for which progress vis-à-vis this roadmap is reviewed at Company Board level for each company annually.	80%	100%	100%	
			% of controlled portfolio companies that have had a committee or Board of Directors review an ESG topic.	80%	100%	100%	
		The progress of all controlled companies in the portfolio with respect to their ESG roadmap is reviewed each year by Wendel's Executive Board.	% of ESG transformation roadmaps reviewed each year by Wendel's Executive Board.	80%	100%	100%	
	The progress of all controlled companies in the portfolio with respect to their ESG roadmap is reviewed each year by Wendel's Supervisory Board.	ESG roadmaps reviewed each year by Wendel's Governance and Sustainable Development Committee and/or Supervisory Board.	Yes	Yes	-		

Commitments	2023 targets	KPIs	2020 values	2021 values	Representativity (% of consolidated revenue)	Reporting methodology	
GOVERNANCE	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 CEOs in the controlled portfolio whose variable compensation is contingent on progress on their ESG roadmaps.	80%	100%	100%	
		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 total compensation of the Executive Board contingent on progress on ESG issues.	Only variable portion indexed to ESG	19.2%	-	
		100% of the variable compensation of Wendel's management teams is partially contingent on the progress made by all controlled portfolio companies on their ESG 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	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.			1 st voluntary-participation in 2021 - Score available in 2022.	
			Alignment with TCFD [Yes/No] Communication on progress (COP) of the United Nations Global Compact KPIs.	No	Yes	-	See 4.1.9 Climate Plan.
ENVIRONMENT & SOCIAL	Assess and address the portfolio companies' exposure to transition and physical climate risks.	100% of the portfolio companies have completed their carbon footprint assessment and are committed to reducing their emissions.	% of portfolio companies monitoring their carbon footprint.	60%	100%	100%	Disposal of Cromology and realization of CPI's carbon footprint assessment. A carbon footprint is considered to be monitored if the Company calculates at least its Scope 1 and 2 on an annual basis.
			% of controlled portfolio companies calculating their Scopes 1 and 2 carbon emissions.	80%	100%	100%	Realization of CPI's carbon footprint assessment.
			% of controlled portfolio companies that have estimated their scope 3 carbon emissions.	60%	100%	100%	Disposal of Cromology and realization of CPI's carbon footprint assessment.
			CO ₂ eq. emissions of scopes 1+2 (k CO ₂ eq.).	104	128	100%	Total weighted by Wendel's share in each controlled asset.
			CO ₂ eq. emissions of scopes 2 (k CO ₂ eq.).	125	142	100%	
			Total scopes 3 CO ₂ eq. emissions (kT CO ₂ eq.) of the portfolio.	1,364	1,993	100%	Completion of the CPI carbon assessment for 2021

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ENVIRONMENT & SOCIAL	Assess and address the portfolio companies' exposure to transition and physical climate risks.	100% of the portfolio companies have completed their carbon footprint assessment and are committed to reducing their emissions.	Total scopes 1, 2 and 3 CO ₂ eq. emissions (kT CO ₂ eq.) of the portfolio of controlled assets.	1,578,880	1,614,917	100%	Total weighted by Wendel's share in each controlled asset. Companies concerned: Bureau Veritas, Stahl, Constantia Flexibles and CPI (available only for 2021).
			% of controlled portfolio companies with a reduction target in place.	60%	100%	100%	Disposal of Cromology and definition of a reduction target for CPI.
			% of controlled portfolio companies committed to submitting their reduction target to the Science-Based Target Initiative (SBTi).	60%	75%	100%	All controlled companies with the exception of CPI.
		100% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities	% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities [Yes/No].	-	100%	100%	
			% of controlled portfolio companies using renewable energy for more than 10% of their energy consumption.	40%	50%	100%	Disposal of Cromology. The companies concerned are Stahl and Constantia Flexibles.
			% of renewable energy among portfolio companies.	36%	36%	100%	
			% of controlled portfolio companies with identified climate change risk resilience plans.		Risk analysis finalized in 2021. The action plans will be implemented in 2022.	-	
	Promote operational excellence & ESG-driven innovation across the portfolio companies.	100% of controlled portfolio companies have implemented actions to improve their eco-efficiency and environmental management.	% of controlled portfolio companies that have an environmental management system (in particular via ISO 14001 certification) for all or part of their activities.	80%	75%	100%	All companies except CPI. Disposal of Cromology.
		100% of controlled companies in the portfolio that have adopted a continuous improvement approach to health and safety in the workplace.	Lost-time accident frequency rate (per 1,000,000 hours worked)	1.08	1.14	100%	Calculated on the basis of theoretical hours worked by employees, except for Constantia Flexibles, which takes into account employees and temporary workers.

Commitments	2023 targets	KPIs	2020 values	2021 values	Representativity (% of consolidated revenue)	Reporting methodology	
ENVIRONMENT & SOCIAL	Promote operational excellence & ESG-driven innovation across the portfolio companies.	100% of controlled portfolio companies have adopted a continuous improvement approach to health and safety in the workplace.	Workplace accident severity rate (per 1,000 hours worked).	0.04	0.03	100%	
			% of controlled companies in the portfolio that have implemented a continuous improvement approach in terms of health and safety in the workplace	80%	100%	100%	Sale of Cromology and formalization of an ESG strategy by CPI that includes health and safety
			% of controlled companies in the portfolio that have implemented a continuous improvement approach in terms of health and safety in the workplace	80%	100%	100%	Sale of Cromology and formalization of an ESG strategy by CPI that includes health and safety
			% of controlled portfolio companies with a health and safety management system (in particular OHSAS 18001/ISO 45001) for all or part of their scope of activity.	80%	75%	100%	Disposal of Cromology. All companies except CPI.
			% of controlled portfolio companies that organize health and safety training.	100%	100%	100%	
		100% of controlled portfolio companies are committed to improving gender balance in their workforce.	% of controlled portfolio companies are committed to improving gender balance in their workforce.	80%	100%	100%	
			% of women in the total headcount.	29%	29%	100%	
			% of women in management positions.	24%	23%	100%	
			% of women in shareholder governance bodies (Board of Directors or Supervisory Board as appropriate).	23%	26%	100%	
			% of women in operational governance bodies (Management Committee or Executive Committee as appropriate).	22%	21%	100%	
	100% of controlled portfolio companies have identified priorities for offering sustainable products and services and have defined related action plans.	% of controlled portfolio companies. have identified priorities for offering sustainable products and services and have defined related action plans.	100%	100%	100%		
		% of net sales associated with sustainable products and services.	28%	54%	100% (68% for 2020)	% of net sales used to calculate the ratio in 2021: Bureau Veritas: 52% - estimate based on the % of sales associated with the Green Line service offering Constantia Flexibles: 55% - estimate based on 2020 sales Stahl: 57% CPI: 100%	