

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

### — G O V E R N A N C E

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

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
<b>100% of investment opportunities reviewed using Wendel's exclusion list and identification of the most material ESG risks and opportunities</b>	% of investment opportunities screened through Wendel's exclusion list	100%	100%
	% of investment opportunities reviewed through identification of material ESG risks and opportunities	100%	100%
<b>Annual review of Wendel's exclusion list and business model resilience test criteria at Investment Committee and Supervisory Board levels</b>	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

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
<b>100% of ESG investment opportunities assessed</b>	% of investment opportunities having undergone in-depth ESG and compliance due diligence	100%	100%

Defining precise ESG roadmaps for all portfolio companies

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
<b>100% of controlled portfolio companies having formalized an ESG transformation roadmap aligned with their global strategy</b>	% of controlled portfolio companies with an ESG roadmap	100%	100%
<b>100% of portfolio companies' progress vis-à-vis this roadmap is reviewed at Company Board level once a year</b>	% of controlled portfolio companies for which progress vis-à-vis this roadmap is reviewed at Company Board level for each company annually	80%	100%
	% of controlled portfolio companies that have had a committee or Board of Directors review an ESG topic	80%	100%

## Defining precise ESG roadmaps for all portfolio companies

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
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%
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

## Hold Wendel & portfolio companies management teams accountable for progress made against ESG transformation roadmaps

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
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%
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

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
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 <sup>st</sup> 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 Section 4.1.9 – Climate Plan of the 2021 Universal Registration Document.

## PILIER 2: ESG in our investment business

### Roadmap

#### – ENVIRONMENT & SOCIAL

Assess and address the portfolio companies' exposure to transition and physical climate risks

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
<b>100% of the portfolio companies have completed their carbon footprint assessment and are committed to reducing their emissions.</b>	% of portfolio companies monitoring their carbon footprint.	60%	100%
	% of controlled portfolio companies calculating their scopes 1 and 2 carbon emissions.	80%	100%
	% of controlled portfolio companies that have estimated their scope 3 carbon emissions.	60%	100%
	CO <sub>2</sub> eq. emissions of scopes 1+2 (k CO <sub>2</sub> eq.).	104	128
	CO <sub>2</sub> eq. emissions of scopes 2 (k CO <sub>2</sub> eq.).	125	142
	Total scopes 3 CO <sub>2</sub> eq. emissions (kT CO <sub>2</sub> eq.) of the portfolio.	1,364	1,993
<b>100% of the portfolio companies have completed their carbon footprint assessment and are committed to reducing their emissions.</b>	Total scopes 1, 2 and 3 CO <sub>2</sub> eq. emissions (kT CO <sub>2</sub> eq.) of the portfolio of controlled assets.	1,578,880	1,614,917
	% of controlled portfolio companies with a reduction target in place.	60%	100%
	% of controlled portfolio companies committed to submitting their reduction target to the Science-Based Target Initiative (SBTi).	60%	75%
<b>100% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities</b>	% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities [Yes/No].	-	100 %
	% of controlled portfolio companies using renewable energy for more than 10% of their energy consumption.	40%	50%
	% of renewable energy among portfolio companies.	36%	36%
	% 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

2023 TARGETS	KPIs	2020 VALUES	2021 VALUES
<b>100% of controlled portfolio companies have implemented actions to improve their eco-efficiency and environmental management</b>	% 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%
	Lost-time accident frequency rate (per 1,000,000 hours worked)	1.08	1.14
	Workplace accident severity rate (per 1,000 hours worked)	0.04	0.03
<b>100% of controlled companies in the portfolio that have adopted a continuous improvement approach to health and safety in the workplace</b>	% of controlled companies in the portfolio that have implemented a continuous improvement approach in terms of health and safety in the workplace	80%	100%
	% 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%
	% of controlled portfolio companies that organize health and safety training	100%	100%
<b>100% of controlled portfolio companies are committed to improving gender balance in their workforce</b>	% of controlled portfolio companies are committed to improving gender balance in their workforce	80%	100%
	% of women in the total headcount	29%	29%
	% of women in management positions	24%	23%
	% of women in shareholder governance bodies (Board of Directors or Supervisory Board as appropriate)	23%	26%
	% of women in operational governance bodies (Management Committee or Executive Committee as appropriate)	22%	21%
<b>100% of controlled portfolio companies have identified priorities for offering sustainable products and services and have defined related action plans</b>	% of controlled portfolio companies have identified priorities for offering sustainable products and services and have defined related action plans	100%	100%
	% of net sales associated with products and services with social or environmental added value	28%	54%