



W E N D E L

2022

Universal Registration Document

including the annual financial report

Investing
for the long term

NON-FINANCIAL INFORMATION

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Foreword

In 2022, Wendel decided to significantly change its non-financial performance statement (NFPS).

The aim is to highlight Wendel's role and actions as a long-term investor in relation to its ESG issues. This Chapter has therefore been refocused around the Group's strategy and the main ESG issues of the consolidated portfolio companies. In addition, with a view to enhancing its non-financial information, Wendel voluntarily submitted four consolidated KPIs to a reasonable assurance assessment: percentage of women in management positions, Scope 1 and 2 CO₂ emissions, frequency rate of workplace accidents and percentage of women on boards of directors where Wendel has the power to make proposals.

This Chapter presents:

1. non-financial issues and ESG strategy as an investor (Wendel Group);
2. ESG performance of the portfolio companies*;
3. non-financial issues as a responsible company (Wendel SE).

* The ESG performance of the portfolio companies is presented for the controlled companies, including:

- Bureau Veritas;
- Constantia Flexibles;
- Stahl;
- Crisis Prevention Institute (CPI);
- ACAMS (consolidated in 2022).

The financial statements of these companies are all fully consolidated by the Group. The non-financial performance statement (NFPS) covers Wendel's controlled companies and is reviewed by an independent third-party (ITP), in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

4.1 Wendel Group

4.1.1 Business model

Wendel's business model is described below, including its mission, its values, its resources, and value created with and for stakeholders.

Mission

Engaging with entrepreneurial teams to build sustainable leading companies

Values

Engagement
Excellence
Entrepreneurial spirit

Governance

Supervisory Board ⁽¹⁾

12 members, including 6 members of the Wendel family and 2 employee representatives

40% independent members ⁽²⁾

40% 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 and Development Committee

Wendel Growth Committee

Coordination Committee

ESG Steering Committee

ESG strategy

Building sustainable companies

Wendel as an investor

100% of controlled companies have formalized an ESG roadmap

100% of the CEOs of controlled companies ⁽⁴⁾ have a portion of their compensation linked to the achievement of ESG objectives

55% of the portfolio's emissions come from companies with pathways approved by the Science Based Targets initiative

-17.2% in carbon intensity in relation to consolidated sales (Scopes 1, 2 and 3) compared to 2021

Empowering excellence and engagement

Wendel as a company

16.9% of the total compensation of Wendel's Executive Board linked to ESG performance

90% of employees trained in ESG in 2022

96% of employees trained in business ethics

40% women in management positions

Sponsorships

The Wendel Cares endowment fund has continued its commitments in the fields of culture and education, with the Centre Pompidou-Metz and Insead, and expanded its scope with three new pillars: equal opportunity and professional integration, medical research and health, and environmental protection

Resources

Permanent capital

39.6%

Family shareholding of the share capital held by Wendel-Participations SE and related parties ⁽⁵⁾ (reference family shareholder)

1.1%

Employee shareholding of the capital held by more than one hundred current and former employees of the Group

2.2%
Treasury shares

21.6%

Individual investors of share capital held by more than 30,315 individuals

35.5%

Institutional investors in over 30 countries

Bond investors

accounting for **c. €1.4 billion** of bonds

Human capital

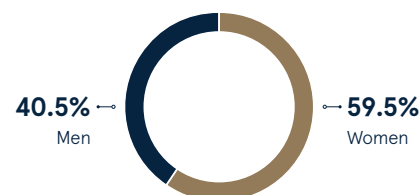
89

employees located in Paris, Luxembourg and New York

82%

of employee shareholders

Total workforce gender split



(1) The composition of the Supervisory Board is as of December 31, 2022.

(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 50%. Beyond legal requirements and those of the Afep-Medef Code.

(4) Present throughout the year.

(5) In accordance with Article L. 233-10 of the French Commercial Code (*Code de commerce*), the data include Wendel-Participations SE, its Chairwoman, Priscilla de Moustier, and Société Privée d'Investissement Mobiliers (SPIM).

Our investments

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

Controlled companies



ACAMS

Anti-money laundering and financial crime training and certification services
Since 2022



Bureau Veritas

Conformity assessment and certification services
Since 1995



Constantia Flexibles

Flexible packaging
Since 2015



Crisis Prevention Institute

Training services
Since 2019



Stahl

Specialty coatings and surface treatments for flexible materials
Since 2006

Non-controlled companies



IHS Towers

Telecom infrastructure
Since 2013



Tarkett

Flooring and sports surface solutions
Since 2021



Wendel Growth

Growth investments
Since 2013

Other

Cash, treasury shares, etc.

Value created with and for stakeholders



Measurement of value creation

Nearly **€9 billion** of gross assets

Nearly **€4 billion** in market capitalization

Net Asset Value (NAV) of €167.9/share as of December 31, 2022, down 9.2% ⁽⁶⁾ in 2022.

Overall yield (dividends re-invested) of 8.7% per annum since June 13, 2002 ⁽⁷⁾

Payment of a stable dividend at **€3.20/share**, up 6.7%, proposed to the Shareholders' Meeting on June 15, 2023

More than **€6 million** distributed to around 20 associations since 2010



Support for companies and value sharing

Active and ongoing assistance, sharing of risks and experience, and pooling of financial and technical expertise

Representation on the companies' Boards of Directors and key Committees

Value sharing at the time of exit with the teams of portfolio companies, whenever possible



Shareholder dialogue

Institutional investors: **280 meetings**

Wendel's Shareholder Advisory Committee: **3 meetings**

Letter to shareholders: **2 editions**

Governance roadshows

Independent lead director



Employee development and value sharing

95.5% of employees ⁽⁸⁾ trained over the year

Profit-sharing agreement, Group employee savings plan, collective pension fund

88% of employees were awarded stock options and/or performance shares

Reimbursement of nursery expenses

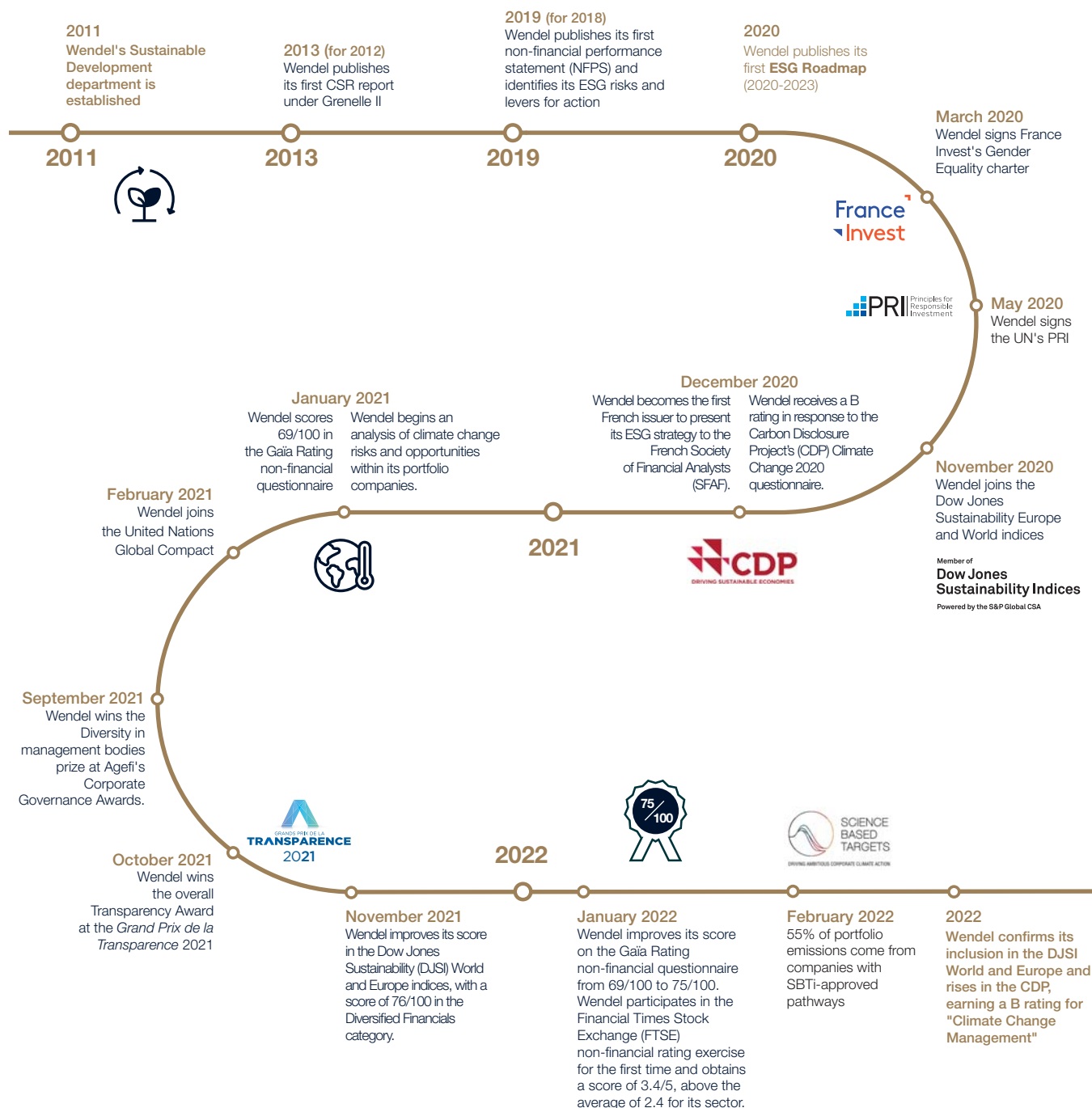
Supplemental insurance, contingency benefits

(6) Adjusted for the €3 dividend per share paid in June 2022, NAV is down 9.2% over the year. In reported figures, NAV is down 10.8%.

(7) The overall yield is as of December 31, 2022.

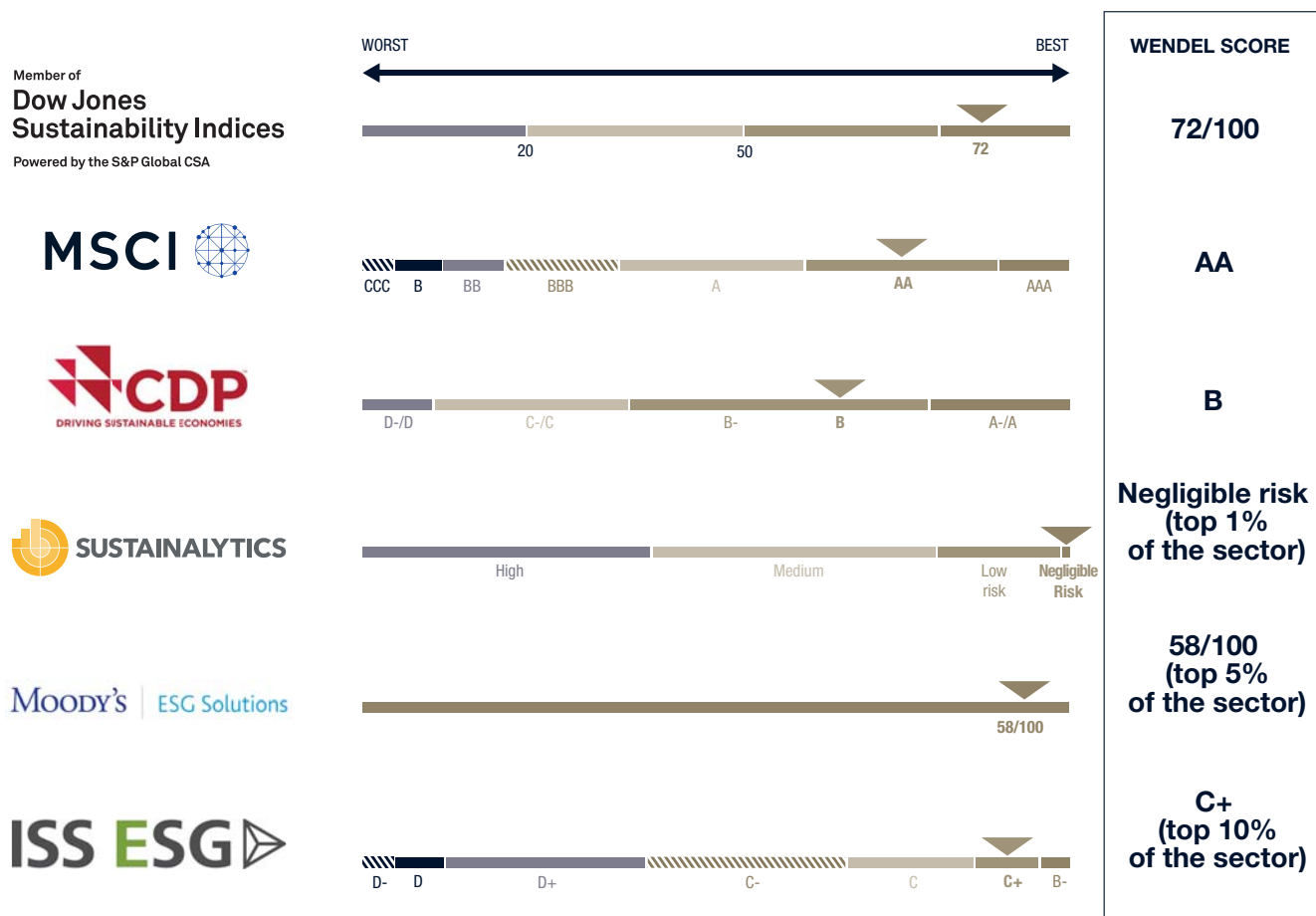
(8) Present as of December 31, 2022.

4.1.2 Highlights of Wendel's ESG commitment



4.1.3 Summary of Wendel's non-financial ratings

Wendel's non-financial ratings compared to those of other companies in the sector



Wendel also obtained a rating of 81/100 in the Gaïa Research by Ethifinance assessment (industry average: 55/100). Wendel was also rated 81/100 by Refinitiv, ranking fifth among the 63 companies assessed in its business sector.

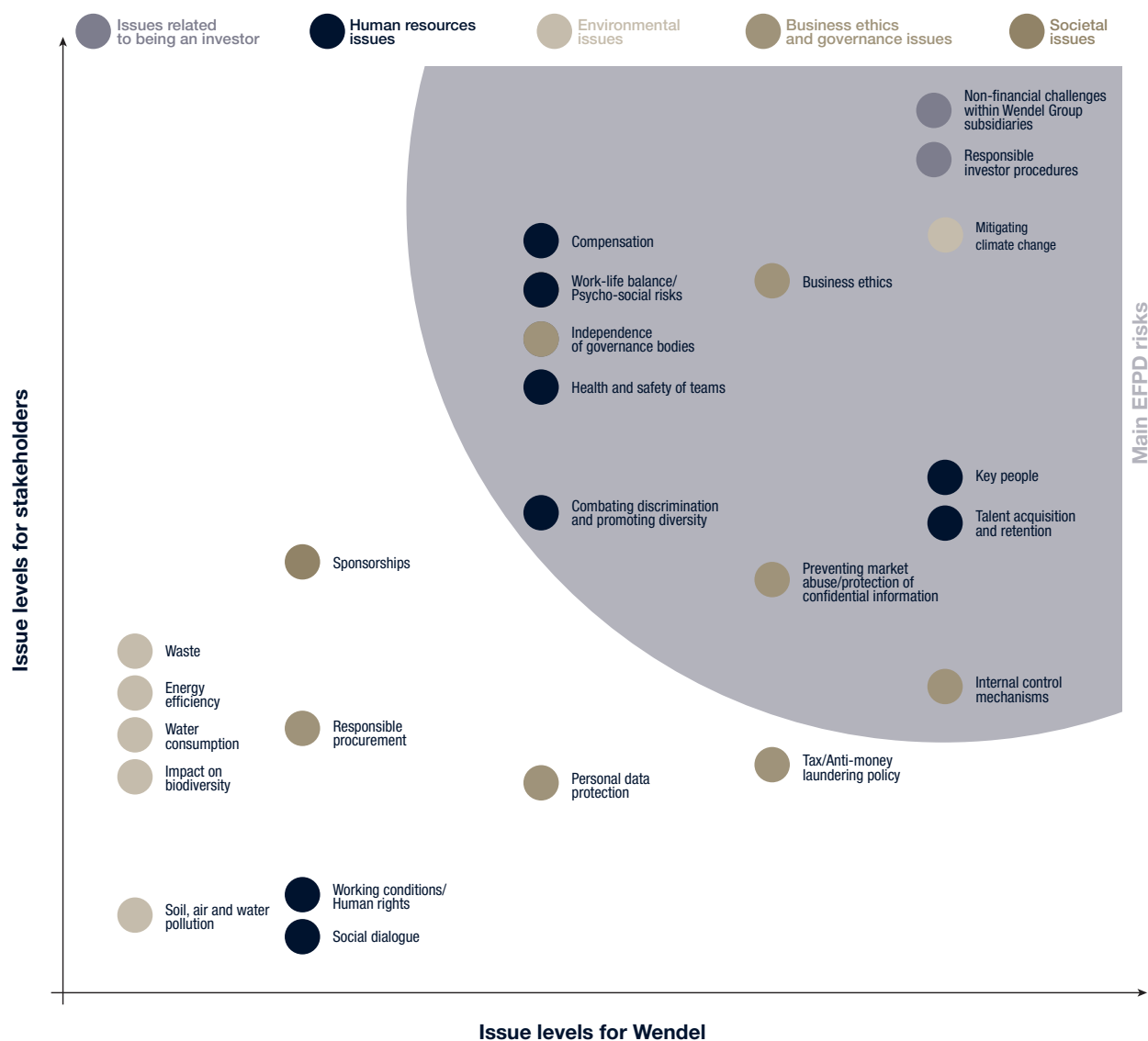
4.1.4 Wendel's main non-financial issues

Wendel's main non-financial issues concern its investment activity and its portfolio companies. Drawn up in accordance with SASB standards, the risk materiality matrix is reviewed each year in light of Wendel's operational activities, changes in regulations and societal shifts.

Since 2021, a growing emphasis has been placed on the fight against climate change, which is closely monitored by the Executive Board and the Supervisory Board.

Section 4.1.5.5 - Climate Plan is dedicated to this subject.

The main risks identified are presented in the upper circle of the following matrix:



The main non-financial risks derived from Wendel's materiality matrix are as follows:

- Wendel Group ESG issues and investment procedures
- Portfolio companies' ESG issues
- Issues related to climate change
- Issues related to Wendel's human resources: attractiveness and talent retention, compensation, promotion of diversity and non-discrimination
- Issues related to business ethics
- Issues related to the prevention of market abuse and protection of confidential information

The cross-reference table below links the main non-financial risks to the policies implemented, as described in each of the sections of the NFPS below:

Main risks related to Wendel's business

Wendel Group's ESG issues and responsible investment procedures	Section 4.1.5 Wendel Group's ESG strategy
Portfolio companies' ESG issues	Section 4.2 ESG performance of controlled portfolio companies
Risks related to climate change	Sections 4.1.5 and 4.2 (integrated in Wendel's ESG risks and the portfolio companies' ESG performance)
Risks related to Wendel's human resources	Section 4.3.1 HR Performance - fostering commitment, well-being, support, employability and inclusion
Risk of non-independence of governance bodies and control mechanisms	Section 4.3.3 Governance and business ethics
Risks related to business ethics	Section 4.3.3 Governance and business ethics

Non-financial issues within Wendel Group subsidiaries

- **As of December 31, 2022, Wendel is the majority shareholder of Bureau Veritas, Constantia Flexibles, Stahl, CPI and ACAMS⁽¹⁾. These companies are therefore covered by Wendel's NFPS.** Wendel provided a methodology for identifying and prioritizing the main non-financial risks to the companies within this scope (excluding Bureau Veritas⁽²⁾): Constantia Flexibles, Stahl, CPI and ACAMS. The results of this work have been approved by the appropriate governing body (Board of Directors or Audit Committee depending on the company) and the risk analysis methodology used was reviewed by an independent third party. The main risks are presented for each of the controlled companies (section 4.2 - ESG performance of controlled investments).
- **Bureau Veritas, Wendel's largest controlled company⁽³⁾, publishes its own NFPS, available in its 2022 Universal Registration Document, certain sections of which are published in this document.**
- **Since Wendel is not a sector-specific investment company, the Group's holdings are expected to develop ESG policies that address their specific issues. Wendel therefore does not consider it appropriate to consolidate all the risks and all the indicators used since, in certain cases, this information would have no operational significance.**
- **However, as part of its ESG strategy, Wendel encourages the companies to take into account four priorities: the fight against climate change, the safety of employees and consumers, gender parity and the ESG performance of the product or service offering. Consolidated indicators are published for these priorities, reflecting Wendel's role as a responsible investor.**

(1) The financial statements of these companies are all fully consolidated by the Group. The non-financial performance statement (NFPS) covers Wendel's scope of consolidation and is reviewed by an independent third-party (ITP), in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

(2) As a listed company, Bureau Veritas must issue a NFPS.

(3) Listed on Euronext Paris and part of the Next 20 index (Compartment A, ISIN Code, FR0006174348, ticker symbol: BVI).

Wendel's ESG approach is rooted in a firm belief in the core values of Engagement, Excellence, and Entrepreneurial Mindset.

These values guide Wendel's behavior both as a company and as an investor in order to accomplish its mission, which is to partner with entrepreneurial teams to build sustainable leaders whose long-term performance will create value for all stakeholders.

To this end, and as part of the ESG strategy published at the beginning of 2020, the main thrust of which is set for 2023, Wendel has defined two main levers:

- (1) **its behavior as an investor.** As a professional shareholder investing for the long term, Wendel wants to have a positive impact on society and contribute to a sustainable future by supporting its companies in their transformation to become sustainable leaders.
- (2) **its behavior as a company, and its commitment to its employees and communities.**



Wendel has set commitments with clear and measurable objectives. It has implemented the resources necessary to achieve them.

This roadmap is in its third year of deployment in 2022. A new roadmap will be defined in the second half of 2023.

4.1.5 Wendel Group's ESG strategy

4.1.5.1 Organization of ESG governance

Wendel believes that corporate ESG (environment, social, and governance) issues are a driver of growth and progress for the Group. Through its long-term action, Wendel encourages its companies to implement ESG practices. At the same time, it defines its own ESG policy that is adapted to its role of investor and applied by a core team of professionals.

ESG issues are addressed at all levels of governance.

For Wendel

Executive Governance – Executive Board

- The Executive Board establishes the Group's strategic direction and ESG roadmap.
- The Sustainable Development department established by Wendel in 2011 reports directly to the Board and coordinates initiatives in this area. It is supported by an **ESG Steering Committee**. The committee is chaired by David Darmon, member of the Executive Board, and is made up of two of the Company's Operating Partners and representatives from Wendel's different business and support divisions: Internal Audit department, General Secretariat, Sustainable Development and Communications department, Financial Communications department, Human Resources and Operational Resources department. It meets every six weeks to monitor the Group's and its portfolio companies' ESG ratings and progress made on rolling out the 2023 ESG roadmap.
- The rollout of the portfolio companies' ESG roadmaps is monitored by the ESG team and Operating Partners, who provide operational support for major ESG projects (monitoring financial and human resources, anticipating regulations, defining and monitoring variable compensation targets for management teams linked to ESG performance conditions, etc.).

Key figures

- A portion of the variable compensation of **100% of the CEOs of controlled companies** is based on the achievement of ESG objectives.
- **23%** of Wendel's employees receive variable compensation contingent on the achievement of ESG objectives.
- **16.9%** of the compensation of Wendel's Group CEO is linked to ESG performance.

Non-executive governance – Supervisory Board

The Supervisory Board discusses ESG matters on a regular basis, both at plenary sessions and within the Audit, Risks and Compliance Committee and the Governance and Sustainability Committee. In 2022, the following points were addressed:

- **Audit, Risks and Compliance Committee:** monitoring of the processes implemented by Wendel and its portfolio companies in response to the EU Taxonomy and the independent third-party's role with regard to the NFPS.
- **Governance and Sustainability Committee:** implementation of the ESG strategy within Wendel SE and its portfolio companies, definition and assessment of the ESG objectives used to determine the Executive Board's variable compensation and the stock option and performance share plans with ESG performance conditions.

Inclusion of non-financial performance criteria in compensation arrangements

The members of the Executive Board and all members of the Coordination Committee (i.e., **20% of Wendel's workforce**) **receive a portion of their variable compensation contingent on the achievement of ESG objectives**. In addition to the Coordination Committee, staff from all of Wendel's functional departments contribute to the deployment of the 2023 ESG roadmap and develop initiatives that contribute to the sustainability of the Company's activity. This is evidenced by the Company's Code of Ethics, which sets out the Group's commitments in terms of respect for human rights, environmental protection, quality working environment and responsible investment. This Code of Ethics applies to all employees and managers of the Company, its holding companies and its sites.

For Wendel's portfolio companies

Among the consolidated companies, Bureau Veritas, Constantia Flexibles and Stahl each have their own CSR departments and specialized committees. Given their size, CPI and ACAMS do not have their own CSR departments but have appointed CSR managers within their structures.







Under Wendel's impetus, many ESG-related issues are discussed within the companies' governance bodies (Boards of Directors and Audit Committees). In 2022, this included:

- approval of climate resilience plans: Bureau Veritas, Stahl, Constantia Flexibles;
- validation of assumptions and KPIs related to the EU Taxonomy: Stahl;
- approval of the first ESG roadmap: ACAMS;
- monitoring of ESG roadmaps and objectives: Bureau Veritas, Stahl, CPI and Constantia Flexibles.

In addition, under Wendel's impetus, a portion of the variable compensation of the CEOs of each of the consolidated companies is linked to the achievement of ESG criteria.

4.1.5.2 Sustaining dialogue with stakeholders

Wendel considers its stakeholders to be all persons or organizations directly or indirectly involved in the Group's business. Wendel endeavors to maintain a regular dialogue with each of them. This approach contributes to the Group's strategy in both its economic and societal aspects. The main methods of interaction with stakeholders are as follows:

 <p>WENDEL PORTFOLIO COMPANIES</p> <ul style="list-style-type: none"> • Attendance and voting at meetings of the Board of Directors • Strategic and operational support (investment teams, operating partners, compliance and ESG teams, finance teams, etc.) 	 <p>FINANCIAL AND MEDIA COMMUNITY</p> <ul style="list-style-type: none"> • Analyst conferences and regular press updates on the day on which annual results are published • Annual Investor Day • Conference calls/webcasts for half-yearly and quarterly results and other ad hoc strategic events • Credit, equity, Governance and ESG roadshows • Shareholders' Meeting • Publication of communication materials relating to our business (press releases, brochures, letters to shareholders, website, social media, etc.) • Shareholder Advisory Committee • Perception studies 	 <p>NON-EXECUTIVE EMPLOYEES</p> <ul style="list-style-type: none"> • Surveys on quality of life at work • Social dialogue with employee representative bodies (if applicable under local regulations) • Staff meetings • Annual 360° assessments • Corporate seminars
 <p>SUPPLIERS AND SERVICE-PROVIDERS</p> <ul style="list-style-type: none"> • Third-party assessment process • Call for tenders or competitive bidding for larger service-providers 	 <p>LOCAL NON-PROFITS AND COMMUNITY ORGANIZATIONS</p> <ul style="list-style-type: none"> • Philanthropic initiatives via financial donations or skills sponsorship • Organization of team seminars 	 <p>TRADE ASSOCIATIONS</p> <ul style="list-style-type: none"> • Participation in working groups on the challenges faced by our sector

In 2022, Wendel continued its program of meetings with institutional and individual investors on the subject of ESG, by participating in dedicated conferences or by soliciting its committed investors on these issues. In total, around ten meetings were organized.

During the year, all major events organized for shareholders and investors (Shareholders' Meeting, Investor Day) included a presentation of the Group's ESG approach and the companies in its portfolio. The Group's communication media (brochures, social media, etc.) regularly include information on the ESG performance of Wendel and its companies.

The non-financial scores and ratings received by Wendel in 2022 are presented in section 4.1.3.

Lobbying activities

Wendel SE does not use any lobbying agencies.

Trade associations

As a listed company, Wendel contributes to marketplace discussion by participating in the work of all the major professional and financial market organizations of which it is a member: Afep, Ansa, Medef, France Invest, Paris Europlace, etc. In 2022, professional contributions amounted to approximately €139,000.

Think tanks

Wendel is a partner of Institut Montaigne.





4.1.5.3 2023 ESG Roadmap

Building sustainable businesses

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

INVESTMENT		2023 objective	2020	2021	2022	Achievement
	Pre-investment phase	100% of investment opportunities screened through Wendel's exclusion list	100%	100%	100%	
		100% of investment opportunities reviewed through identification of the most material ESG risks and opportunities	100%	100%	100%	
		Annual review of Wendel's exclusion list and business model resilience test criteria at Investment Committee and Supervisory Board levels	No	Yes	Yes	
		100% of ESG investment opportunities assessed (in-depth due diligence)	100%	100%	100%	
	Ownership phase (Governance)	100% of controlled portfolio companies to have formalized an ESG transformation roadmap aligned with their global strategy	100%	100%	100%	
		100% of controlled portfolio companies for which progress in relation to this roadmap is reviewed at Company Board level for each company annually	80%	100%	100%	
		100% of controlled portfolio companies that have had a committee or Board of Directors review an ESG topic	80%	100%	100%	
		100% of ESG roadmaps reviewed each year by Wendel's Executive Board	80%	100%	100%	
	Ownership phase (Environment)	ESG roadmaps reviewed each year by Wendel's Governance and Sustainability Committee and/or Supervisory Board	Yes	Yes	Yes	
		100% of controlled portfolio companies have identified priorities for offering sustainable products and services	100%	100%	100%	
		% of net sales associated with products with environmental added value (see section 4.1.5.4)	28%	53%	55%	N/A
		100% of controlled portfolio companies monitoring their carbon footprint (Scopes 1, 2 and 3)	60%	100%	100%	
		100% of controlled portfolio companies committed to reducing their emissions	60%	100%	80%	
		Of which the pathway has been committed to or approved by the SBTi	60%	75%	60%	Integration of ACAMS in 2022
		100% of controlled portfolio companies to have assessed their exposure to physical and transition climate change risks and opportunities	100%	100%	80%	Integration of ACAMS in 2022
		Of which controlled companies that have implemented climate change risk resilience plans	0%	0%	80%	Integration of ACAMS in 2022
		100% 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%	60%	Not material for ACAMS and CPI
	Ownership phase (social)	100% of controlled portfolio companies to have adopted a continuous improvement approach to health and safety in the workplace	80%	100%	80%	Deployment in progress for ACAMS
		Of which certified management systems (OHSAS 18001 or ISO 45001)	80%	75%	60%	Not material for ACAMS and CPI
		100% of controlled portfolio companies that organize health and safety training	100%	100%	80%	Integration of ACAMS in 2022
		30% women among all people appointed directly or indirectly by Wendel to the relevant boards (boards of directors or equivalent) in the portfolio	21%	26%	29.8%	
		100% of controlled portfolio companies to be committed to improving gender balance in their workforce	80%	100%	100%	
		% of women in the total workforce of controlled companies	29.2%	29.1%	29.3%	N/A
		% of women in management positions	24%	23%	25%	N/A
		% of women in shareholder governance bodies	23%	26%	29%	
		% of women in operational governance bodies	22%	21%	27%	

Building sustainable businesses

		2023 objective	2020	2021	2022	Achievement
GOVERNANCE	Compensation	% of CEOs in the controlled portfolio whose variable compensation is contingent on progress on their ESG roadmaps	80%	100%	80%	 Integration of ACAMS*
		Define a % of total compensation of the Executive Board contingent on progress on ESG issues	Only variable portion indexed to ESG	19.2%	16.9%	
		A variable portion of the Coordination Committee's compensation to be contingent on the progress made by all portfolio companies on their ESG transformation roadmaps	Yes	Yes	Yes	
	Non-financial information	Progressively align Wendel's annual non-financial reporting with international standards, such as the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework	No	Yes (see section 4.1.5.5)	Yes (see section 4.1.5.5)	

* As Wendel only consolidated ACAMS in 2022, certain ESG policies and actions were still being implemented as of the date of publication. The first ESG targets determining a portion of the CEO's variable compensation have been set for 2023.

4.1.5.4 Responsible investment strategy

Integration of non-financial performance throughout the investment cycle**Risks and opportunities**

By investing for the long term, Wendel is committed to working with entrepreneurial teams to build sustainable leaders. Wendel believes it is essential for the companies in which it invests to take into account non-financial issues, both in terms of the risks they may involve and the sustainable value creation opportunities.

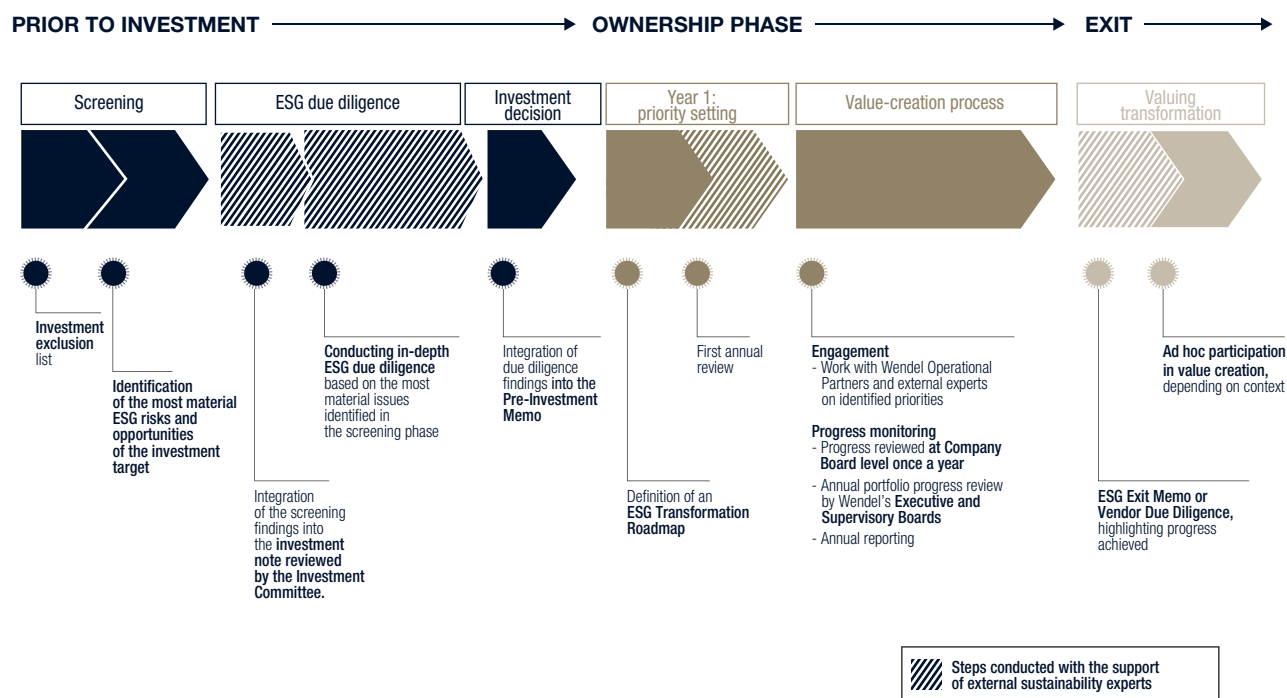
Wendel makes sure that management in its portfolio companies takes the appropriate measures to prevent and/or mitigate non-financial risks and seize every opportunity to create value over

the long term. For Wendel, this is a matter of strengthening its positive impact – in strict compliance with its role as a shareholder and with rules of governance – on the companies in its portfolio by encouraging them to take non-financial issues into account in a tangible way.

Policies and outcomes

Wendel has defined a responsible investment procedure that is enriched as investment opportunities arise, and integrates the study of risks and opportunities throughout the cycle of its investments.

Responsible investment procedure



Prior to the investment

Exclusion policy

The exclusion policy is reviewed each year by Wendel's Executive Board.

In addition to refraining from investing in entities involved in the production, marketing, use of, or trade in, illegal products or activities, Wendel will also not invest in entities directly responsible for the production, distribution, marketing or trade in:

1. tobacco;
2. pornography;
3. controversial weapons, as defined by the following treaties:
 - the Treaty on the Non-Proliferation of Nuclear Weapons (1968),
 - the Biological Weapons Convention (1975),
 - the Chemical Weapons Convention (1997),
 - the Ottawa Treaty (1997) on anti-personnel mines,
 - the Convention on Cluster Munitions (2008);

4. firearms;
5. gambling facilities or products;
6. coal mining and coal-based power generation;
7. narcotics;
8. fur;
9. asbestos.

In addition to the sector exclusions set out above for all of the Company's direct investments, Wendel will also pay the utmost attention to indirect economic exposure to these business segments, in particular when examining investment opportunities that have passed the first filter of the exclusion list.

ESG due diligence

Once it has been established that an investment opportunity complies with Wendel's exclusion policy, the investment team works with the Sustainable Development department on ESG due diligence. Depending on the materiality and complexity of the issues identified, Wendel's teams may refer to external experts. This could include hiring consulting firms or calling experts, for example.

In this phase, climate-related issues are analyzed. Wendel assesses both the investment opportunity's carbon intensity and its capacity to decarbonize. Wendel also ensures that its investment teams are all trained on these issues.

	2022	2021	2020
Number of investment team members trained in ESG work to be undertaken in portfolio companies	100%	100%	N/A
Percentage of investment opportunities studied that have undergone due diligence covering ESG risks and opportunities	100%	100%	100%

Ownership phase**Systematically integrate ESG into senior executive compensation at Wendel and its controlled companies**

Wendel's management and the management teams of the controlled companies are held accountable through the alignment of their variable compensation with non-financial performance.

	2022	2021	2020
% of the management teams of controlled portfolio companies whose variable compensation is aligned with the ESG performance of their company	80% ⁽¹⁾	100%	80%
% of the Group CEO's total compensation contingent on the Group's ESG performance	16.9%	19.2%	Only variable portion indexed to ESG
% of Wendel teams whose variable compensation is contingent on ESG performance criteria	20%	23%	22%

(1) As ACAMS only joined the Wendel Group in 2022, the first ESG targets determining a portion of the CEO's variable compensation have been set for 2023.

Constantly improving the quality of non-financial information in the absence of a stabilized normative ESG framework

Wendel's responsible investor approach also covers its ability to measure as rigorously as possible the non-financial performance of its business and that of its companies in the absence of a stabilized ESG standard. Within this framework, Wendel's ambition is to put in place procedures aimed at aligning the production of its non-financial information with that of its financial information. In particular, in 2022, four consolidated KPIs on the controlled companies scope were covered by a reasonable assurance audit initiated by Wendel (see section 4.7). This constant improvement approach will be pursued in the coming months. The attention paid to the quality of non-financial information makes it possible to:

- address the most material ESG topics for the Group;
- regarding climate, have the company's carbon footprint assessed annually by a third party;
- improve the readability for all stakeholders of Wendel's non-financial performance with regard to the wide range of international ESG reporting standards;
- allow investors to form an opinion on the Wendel Group's ESG strategy.

Standard or reporting exercise**Status**

Global reporting Initiative 4	Standard complied with in the Group's non-financial performance statement
United Nations Principles for Responsible Investment (PRI)	Voluntary reporting since 2021
Task Force on Climate-related Financial Disclosures (TCFD)	See Climate Plan chapter - Built on TCFD recommendations

Support the deployment of strategic roadmaps that are appropriate to the companies' activities

Wendel relies on a hybrid system composed of Operating Partners and the Sustainable Development department, which makes it possible to integrate ESG into the companies' strategy and governance.

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries. It does however ensure, mainly through close communication with their

management and the Boards of Directors, that these companies gradually integrate ESG issues into their risk management and strategies.

In addition to setting objectives, Wendel assists its portfolio companies in monitoring and complying with European regulations (Taxonomy, CSRD, etc.), and in implementing their climate strategies (help with the analysis of physical and transition risks, review of decarbonization plans, etc.).

Each portfolio company has its own strategic roadmap in which its ESG commitments are formalized (see section 4.2 – ESG performance of controlled portfolio companies). The roadmaps address the material issues specific to each company, as well as the four priority topics defined by Wendel:

Priority topics defined by Wendel in the ownership phase



Employee health
and safety



Climate change
mitigation












Gender balance
and diversity



Products and services
with added
environmental value

Overview of the 2022 ESG performance of the consolidated portfolio companies based on Wendel's four priorities

In order to facilitate the readability of ESG performance at the portfolio level, Wendel makes sure to present a consolidated measurement indicator for these priority issues whenever possible. In 2022, all priority KPIs displayed positive trends:

						 (integration 2022)	WENDEL PORTFOLIO - CONTROLLED ASSETS	CHANGE 2021/2022
 EMPLOYEE HEALTH AND SAFETY	Frequency rate of work-related accidents ⁽¹⁾	0.16	2.08	1.64	1.56	Not available (100% remote-work organization)	0.95	-17%
	Health and safety management system (OHSAS 18001 or ISO 45001)	YES	YES	YES	NO Non-material	NO Non-material		
 CLIMATE CHANGE MITIGATION	Emissions (Scopes 1 to 3)	729,264 tCO ₂	1,592,750 tCO ₂	701,910 tCO ₂	3,055 tCO ₂	371 tCO ₂	347 tCO ₂ /€m of net sales	-17% in tCO ₂ /€m of net sales
	Weight of emissions in the controlled portfolio	24%	53%	23%	0.1%	0.01%		
	Reduction targets	YES	YES	YES	YES	NO		
	SBTi status	Committed in 2022	2°C Approved	Committed in 2022	NO	NO		
	Targets	-42% Scopes 1 and 2 2030 -25% Scope 3 2030 ⁽²⁾	-24% 2030 -49% 2050 Scopes 1, 2 and 3	-42% Scopes 1 and 2 2030 -25% Scope 3 2030 ⁽²⁾	-10% 2024 Scopes 1, 2 and 3	NO		
 GENDER BALANCE AND DIVERSITY	% of Board members who are women	42%	13%	18%	29%	43%	29%	+3%
	% of women in management positions	26%	20%	25%	53%	49%		
	Targets to enhance gender balance	35% women in management positions	Action plan to increase the proportion of women managers	25% of women in management positions by end-2023	45% to 50% women on the Board of Directors by 2024	Maintain the current parity (49% of women managers)		
 PRODUCTS AND SERVICES WITH ADDED ENVIRON- MENTAL VALUE	% of net sales from products or services with environmental value added	55%	59% ⁽³⁾	57%	Not applicable Services with societal added value see 4) below		55%	+2%
	Action plan	BV's Green Line (sustainable services and solutions)	Recyclable flexible packaging solution	Water-based products eligible for the Taxonomy under the category "Other low carbon manufacturing technologies"				

(1) Calculated according to Bureau Veritas' methodology (number of accidents with lost time x 200,000)/theoretical number of hours worked. Frequency rates are presented in theoretical hours.

(2) Bureau Veritas and Stahl's targets were submitted to the SBTi in 2022 and are pending approval.

(3) Estimated figures as of end-2022.

1. Climate change mitigation

See Climate Plan presented in section 4.1.5.5.

2. Employee health and safety

- **The average frequency rate of workplace accidents in the portfolio of consolidated companies was 0.95, down 17% compared to 2021 (1.14).** The average severity rate was also down for the third consecutive year (0.02 in 2022 compared to 0.03 in 2021 and 0.04 in 2020).
- 80% of controlled companies have implemented a continuous improvement process for health and safety in the workplace. ACAMS, which joined Wendel in 2022 as the result of a carve-out, is the only portfolio company that does not yet have an occupational health policy. One of Wendel's objectives is to roll out this policy in 2023.

3. Promotion of diversity and gender parity

- **Readings on the gender balance indicators defined by Wendel for its portfolio companies were all up:**
 - The percentage of women among the directorships held by Wendel increased by 3% to 29% in 2022.
 - The average percentage of women in the operational governance bodies (e.g., executive committees) of portfolio companies edged up to 27% in 2022 from 26% in 2021.
 - The average percentage of women in management positions within the Group's entities increased from 23% in 2021 to 25% in 2022.
- 100% of companies have incorporated gender-related commitments into their roadmap.

4. Innovation and products or services with environmental added value

The share of products and services with environmental added value offered by portfolio companies amounted to **55% of Wendel's consolidated net sales, an increase of 2%** in 2022. This indicator reflects the proportion of sales of products and services that contribute to environmental objectives (circularity, environment-related services and inspections, climate change mitigation, etc.). Its calculation method differs from that used for Taxonomy reporting, which is outlined in section 4.4.

This ratio for products and services with environmental added value therefore covers:

- Bureau Veritas' "Green Line" certification services offering, which represents 55% of its net sales, was up 3% compared to 2021. The associated share of net sales has been calculated on the basis of this sales ratio (see section 4.2.1 - Bureau Veritas' ESG performance);
- Constantia Flexibles' recyclable flexible packaging offering, which represented an estimated 59% of its net sales in 2022 see section 4.2.2 - Constantia Flexibles' ESG performance⁽¹⁾;
- Stahl's water-based products, eligible for the EU Green Taxonomy under the category "Other low-carbon manufacturing technologies", accounted for 57% of the company's sales in 2022. The composition of these products (high water content and low solvent content) results in a significant reduction in CO₂ emissions generated over the product life cycle. An emissions reduction target has been set; it is monitored on the basis of life cycle analyses carried out in accordance with ISO 14040/44 (see 4.2.3 on Stahl's ESG performance);

CPI and ACAMS do not present sales with environmental added value due to their activity. However, both companies have a significant societal impact:

- the entire CPI training offer, which aims to reduce violent behavior and improve personal safety in the workplace (see section 4.2.4 on CPI's ESG performance);
- the entire ACAMS training offer, which aims to combat financial crime (see section 4.2.5 on ACAMS' ESG performance).

(1) Only estimates of the proportion of Constantia Flexibles' recyclable solutions for 2022 were available as of the date of publication of the URD. This ratio is based on sales volumes, expressed in square meters and include the group's Indian operations. In 2021 it corresponded to 55% of sales.

In line with Wendel's four ESG pillars and the aim of measuring the effective contribution of its companies to a universal sustainable growth objective, Wendel uses the United Nations Sustainable Development Goals (SDGs) framework to qualify the sustainability challenges that its activity enables it to meet. This reference framework is also used by controlled companies within the portfolio.



Wendel has selected SDGs that are aligned with its business and believes that its ESG performance strategy will make a contribution to achieving the following SDGs:

- 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.

4.1.5.5 Climate Plan

Wendel is conscious of the urgency of the fight against climate change and the need to take its impact into account in its strategic planning and operational management.

In full compliance with its role as a shareholder, in 2022 Wendel continued to assist its controlled companies with the management of their climate strategy, in particular by monitoring the action plans implemented following the 2022 climate risk analysis. Wendel ensures that its consolidated companies all analyze their carbon footprint every year and identify short-, medium- and long-term reduction paths and targets. As such, the carbon intensity relative to sales for the scope of the companies it controls was down 17.2% in 2022 compared to 2021.

In 2023, Wendel aims to define a pathway for reducing its GHG emissions, in accordance with best standards such as the SBTi. The initiative will be accompanied by a methodological review to take into account the specificities of Wendel's investment activity. For an investment company such as Wendel, there are currently two consolidation standards impacting the recording of controlled companies' emissions. These two consolidation approaches and their results are presented below.

Key figures

- 100% of controlled companies **measure their carbon footprint** every year, at Wendel's request within 18 months of their acquisition.
- **100%** of the controlled companies that have identified risks related to climate change adaptation (Constantia Flexibles, Stahl, Bureau Veritas) have developed a **climate resilience plan** approved by their boards of directors.
- **347 tCO₂ eq/€m of sales** on the consolidated scope (Scopes 1, 2 and 3).
- **17.2%** reduction in carbon intensity (Scopes 1, 2 and 3) relative to consolidated sales compared to 2021.
- **55% of the portfolio's emissions** are attributable to companies with **SBTi-approved pathways**.
- **94% of the portfolio's emissions** are attributable to portfolio companies (controlled and non-controlled) that have at least committed to submitting their **targets to the SBTi**.

Emissions generated by Wendel and its portfolio companies in 2022: consolidation using the GHG Protocol's equity share approach

Under the GHG Protocol's equity share approach to consolidation, the Company accounts for emissions from each of its portfolio companies according to its share of equity and independently of the notion of control. This includes emissions from the consolidated scope (Constantia Flexibles, Bureau Veritas, Stahl, CPI, ACAMS, Wendel SE) and emissions from non-controlled companies (Tarkett and IHS Towers). Emissions related to Wendel Growth investments are not included as they are not deemed material.

In tCO ₂ eq	Total emissions - equity share approach 2022 ⁽¹⁾	Total emissions - equity share approach 2021 ⁽²⁾	2022/2021 change
Scope 1	313,913	314,521	-0.2%
Scope 2 ⁽³⁾	107,662	116,296	-7.4%
Scope 3 ⁽⁴⁾	1,919,738	1,967,503	-2.4%
TOTAL	2,341,313	2,398,321	-2.4%

(1) IHS Towers' Scope 1, 2 and 3 emissions and Constantia Flexibles' Scope 3 emissions 2022 will be available after the publication of the URD. We have used the 2021 data. IHS Towers' Scope 3 emissions are not available.

(2) Stahl's and Bureau Veritas' 2021 Scope 3 emissions were reassessed in 2022 (see sections 4.2.1 and 4.2.3). Tarkett's Scope 3 emissions were reassessed in 2022. The reassessed 2022 Scope 3 emissions are used in the 2021 consolidated emissions. Constantia Flexibles' 2020 Scope 3 emissions have been used for comparability purposes.

(3) Scope 2 emissions are calculated and consolidated on a market-based basis as soon as the emission factor data is available.

(4) The emission items included in the controlled portfolio companies' Scope 3 emissions are listed in 4.2 ESG performance of controlled portfolio companies. Downstream and/or upstream emissions are included depending on their materiality by business sector.

Emissions generated by Wendel and its portfolio companies in 2022: consolidation using the GHG Protocol's financial control approach

Under the financial control approach to consolidation, the Company accounts for 100% of the emissions of controlled assets (Bureau Veritas, Constantia Flexibles, Stahl, CPI, ACAMS and Wendel SE) and includes the emissions (Scopes 1, 2 and 3) of non-controlled assets in Scope 3, in proportion to its share in the holding. Emissions related to Wendel Growth investments are not included as they are not deemed material.

In tCO ₂ eq	Total emissions - financial control approach 2022 ⁽¹⁾	Total emissions - financial control approach 2021 ⁽²⁾	2022/2021 change
Scope 1	203,699	205,070	-0.7%
Scope 2 ⁽³⁾	167,224	177,184	-5.6%
Scope 3 ⁽⁴⁾	3,290,557	3,376,266	-2.5%
TOTAL	3,661,480	3,758,520	-2.6%

(1) IHS Towers' Scope 1, 2 and 3 emissions and Constantia Flexibles' Scope 3 emissions 2022 will be available after the publication of the URD. We have used the 2021 data. IHS Towers' Scope 3 emissions are not available.

(2) Stahl's and Bureau Veritas' 2021 Scope 3 emissions were reassessed in 2022 (see sections 4.2.1 and 4.2.3). Tarkett's Scope 3 emissions were reassessed in 2022. The reassessed 2022 Scope 3 emissions are used in the 2021 consolidated emissions.

Constantia Flexibles' 2020 Scope 3 emissions have been used for comparability purposes.

(3) Scope 2 emissions are calculated and consolidated on a market-based basis as soon as the emission factor data is available.

(4) The emission items included in the controlled portfolio companies' Scope 3 emissions are listed in 4.2 ESG performance of controlled portfolio companies. Downstream and/or upstream emissions are included depending on their materiality by business sector.

Overall portfolio emissions were down 2% in absolute terms compared to 2021. Their decline is attributable mainly to a reduction in the volume of Stahl's Scope 3 emissions, while the Scope 3 emissions of the other portfolio companies and Wendel SE were stable or up slightly. The biggest decline was in Scope 2, where all of the Group's portfolio companies recorded significant reductions. The change in the share of renewable energy in the scope of controlled companies presented above partly explains these declines, as the share of renewable energy in total energy consumption increased from 20% in 2021 to 24% in 2022.

Share of renewable energy consumed	2022	2021	2022/2021 change
Total energy consumed (MWh)	981,043	974,271	1%
Renewable energy consumed (MWh)	237,786	191,829	24%
Share of renewable energy (%)	24%	20%	5%

Emissions reduction targets covering more than 99% of the portfolio companies' emissions (according to the financial control approach to consolidation)

Within the **scope of controlled companies**, 80% of the holdings have set greenhouse gas emission reduction targets. The companies having defined such objectives represent 99% of the emissions within the consolidated scope:

- Bureau Veritas: -42% on Scopes 1 and 2 and -25% on Scope 3 by 2030 – baseline year 2021;
- Constantia Flexibles: -24% on Scopes 1, 2 and 3 by 2030 and -49% on Scopes 1, 2 and 3 by 2050 – baseline year 2015;
- Stahl: -42% on Scopes 1 and 2 by 2030 and -25% on Scope 3 by 2030 – baseline year 2021;
- CPI: -10% on Scopes 1, 2 and 3 by the end of 2024 – baseline year 2022;

- ACAMS: a specialist in training to combat financial crime, ACAMS joined the Group in 2022 and has already completed its first carbon assessment with Wendel's support. Its objectives will be defined at a later date.

The detailed action plans associated with these objectives for each of the holdings are available in section 4.2 – ESG performance of controlled portfolio companies.

In the **non-controlled companies scope**, Tarkett has committed to reducing its Scope 1 and 2 emissions by 50% and its Scope 3 emissions by 27.5% by 2030 (baseline year 2019). The Company aims to reduce its overall emissions by 30% by 2030. IHS Towers is committed to reducing the kWh intensity of its emissions by 50% on Scopes 1 and 2 by 2030 (baseline year 2021).

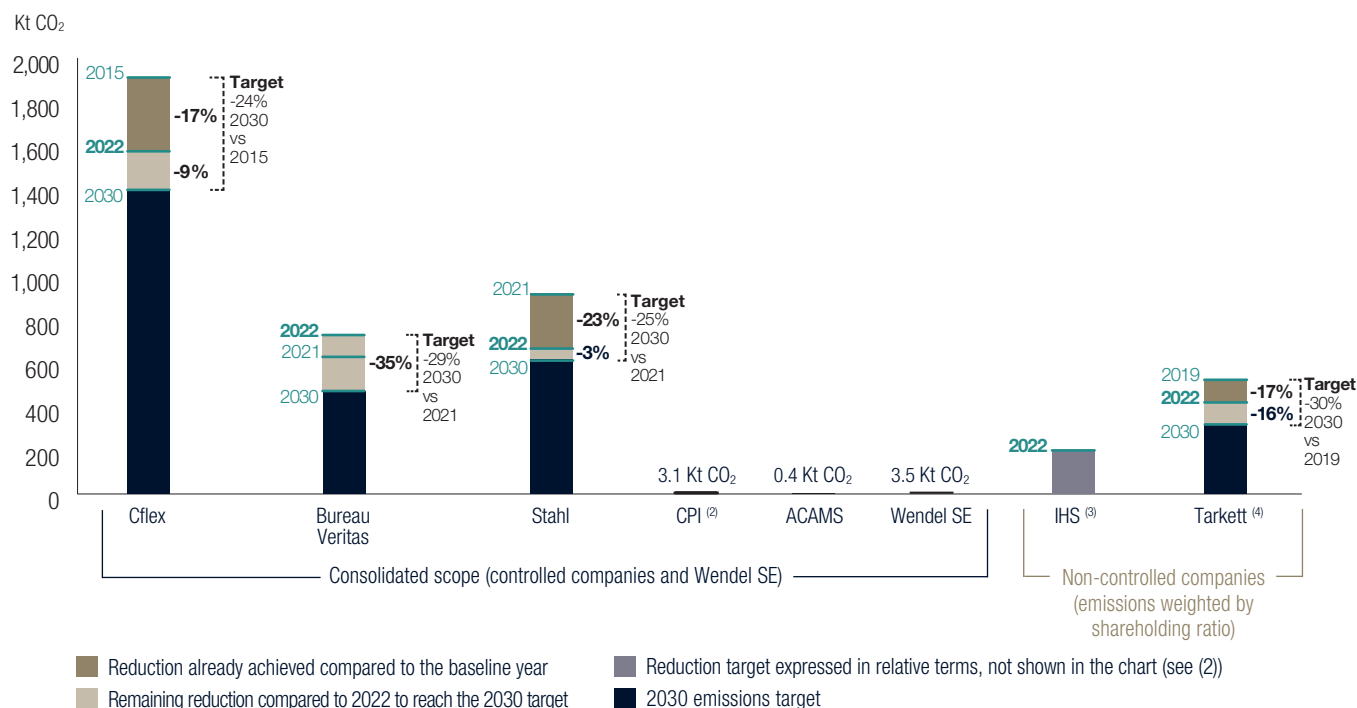
Four companies have submitted or received approval of their reduction pathways by the Science-Based Targets initiative (SBTi):

SBTi approved companies SBTi - committed companies

Constantia Flexibles (below 2°C)	Bureau Veritas (approval expected in 2023)
Tarkett (1.5°C)	Stahl (approval expected in 2023)



Portfolio emissions and 2030 reduction targets in absolute terms compared to baseline years⁽¹⁾



(1) Scope 1, 2 and 3 emissions of the portfolio calculated according to the financial control approach of the GHG Protocol.

(2) CPI has defined an absolute yearly reduction target of 10% by the end of 2024.

(3) IHS Towers' emissions are weighted based on the holding ratio. IHS emissions include Scopes 1 and 2 for 2021, as 2022 data was not yet available at the time of publication.

The IHS Towers reduction pathway is not shown in the chart because it is expressed in relative terms (-50% on Scope 1 and 2 kWh intensity compared to 2021).

(4) Tarkett's emissions are weighted based on the holding ratio at December 31, 2022.

The portfolio's total absolute emissions reduction targets for 2030 represent 1,491.3 ktCO₂ eq, or the equivalent of 41% of the portfolio's current total emissions.

As illustrated in the above chart, the companies that have set absolute reduction targets have made significant progress:

- Constantia Flexibles has reduced its emissions by 17% compared to its 2015 baseline year (see section 4.2.2).
- Stahl has reduced its emissions by 23% compared to 2021. This reduction is attributable to efforts on Scopes 1, 2 and 3 and a decline in purchasing volumes compared to 2021. It is likely that absolute Scope 3 emissions will increase in 2023, notably due to the impact of Stahl's acquisition of ISG, a unit of the ICP group. (see section 4.2.3).
- Tarkett has already reduced its emissions by 17% on Scopes 1, 2 and 3 (see Tarkett's Universal Registration Document).

TCFD reporting

In order to conduct this assessment, Wendel relied on the TCFD (Task Force on Climate-related Financial Disclosure) framework, which has developed recommendations for communicating climate-relevant information. The objectives of this framework are to:

- promote more informed investment, credit and insurance decisions;
- enable stakeholders to better understand the exposure of assets to climate-related risks;
- enable companies to integrate climate-related risks and opportunities into their risk management and strategic planning processes.

The TCFD framework assesses climate risk through four themes: governance, strategy, risk management and measurement and targets.

The conclusions of the analysis conducted enabled Wendel to establish:

- (i) its alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);
- (ii) a table of transition risks and physical risks to which Wendel and its controlled portfolio companies are exposed;
- (iii) a short- and medium-term action plan to improve the climate resilience of controlled portfolio companies. Action plans were approved in 2022 by the governance bodies of companies for which significant risks have been identified.

The successful implementation of this climate plan is a condition for the 2021-24 stock option plan for the Executive Board and for all employee beneficiaries of Wendel SE.

Wendel's alignment with the TCFD recommendations

TCFD pillar	TCFD recommendations	Wendel positioning
Climate governance	Description of the roles of Management and the Board of Directors in assessing and managing climate-related risks and opportunities.	<p>The responsibility for managing the effects of climate change is borne at all levels of the Company.</p> <p>The variable compensation of the Executive Board is determined by a criterion related to the management of climate change, as is the stock option plan for employee beneficiaries of the Company (see paragraph "Options granted in 2022" in section 2.2.2.2).</p> <p>The Supervisory Board receives dedicated presentations on ESG progress observed within the controlled portfolio, including efforts to reduce emissions.</p> <p>In 2022, all CEOs of controlled portfolio companies saw a portion of their variable compensation tied to the achievement of climate-related objectives (except for ACAMS, which joined Wendel's consolidated scope in 2022). The achievement of this objective is recorded by the Board of Directors of the controlled company. In 2022, for example, the climate resilience plans of the portfolio's controlled companies were approved by the boards of directors of each of the portfolio companies.</p> <p>Wendel's ESG team regularly monitors the process of measuring and reducing the emissions of Wendel SE and its controlled companies.</p>
Corporate strategy	Identification of climate-related risks and opportunities identified over the short, medium and long term, and their impacts on the Company's businesses, strategy and financial planning. Alignment of the Company's strategy with a low-carbon pathway.	<p>Wendel's approach as a long-term investor, strongly oriented towards value creation through ESG leverage, demonstrates that sustainability issues are at the heart of its strategy. Climate change management is positioned as one of the four ESG priorities established by the Company. Wendel's ESG team and the operating partners ensure that climate issues are integrated into the strategy of the portfolio companies. The climate strategy of controlled companies is reflected in the ESG objectives of the CEOs of controlled companies.</p> <p>As such, the portfolio companies (except ACAMS, which joined Wendel's consolidated scope in 2022) have all defined low-carbon products and services:</p> <ul style="list-style-type: none"> ■ Bureau Veritas' Green Line segment on energy efficiency and low-carbon transition; ■ Constantia Flexibles' recyclable packaging offering; ■ Stahl's development of water-based products (with a better carbon footprint than solvent-based products); ■ digitalization of CPI's training courses.
Risk management	Description of the processes for identifying and managing climate-related risks, and integrating them into the Company's overall risk management process.	<p>The risk factors to which Wendel is exposed, as presented in chapter 3, mention ESG and climate risks, demonstrating that these are integrated and prioritized in the Company's overall risk management.</p> <p>Physical and transition risk analyses have been presented to the governance bodies of each of the portfolio companies.</p> <p>Wendel, as an investor, also develops methodologies to fine-tune the consideration of the financial impacts on companies' valuations.</p>
Metrics and targets	Having indicators to assess the Company's performance with respect to its climate-related commitments, in particular information on the Company's carbon footprint across all scopes, and setting reduction targets.	<p>100% of the controlled portfolio companies offer a complete and public measurement of their carbon footprint, according to the GHG Protocol standards, and all of these companies, with the exception of ACAMS (which joined the Group in 2022), have a reduction target covering all their Scope 1, 2 and 3 emissions.</p> <p>Today, three of the five controlled portfolio companies (Constantia Flexibles, Bureau Veritas, and Stahl), representing 99.7% of emissions within the scope of controlled companies, have defined reduction targets and have publicly committed to having them approved by the Science-Based Targets initiative. At the consolidated level, based on public commitments that had already been made by the controlled companies as of the date of publication of the URD, the reduction targets expressed in absolute terms represent 1,295.8 ktCO₂ eq, i.e., the equivalent of 35% of the portfolio's current total emissions.</p> <p>In 2023, Wendel aims to define a pathway for reducing its GHG emissions, approved by the SBTi. This initiative will be accompanied by a methodological review to take into account the specificities of Wendel's investment activity.</p>

Exposure to physical hazards and transition risks (controlled scope)

The climate risk analysis is based on the classification table of climate risks and opportunities as defined by the TCFD for transition risks. For physical hazards, the modeling is based on RCP 8.5 weather scenario data for 2030 and 2050.

Transition risks and opportunities				
Transition risk/opportunity	Risk/opportunity category as presented in the TCFD classification	Description	Exposure level	Measures in place or recommended
Transition risk	Carbon price increase	<p>Estimates from the International Energy Agency anticipate a 250% increase in the price per metric ton of carbon by 2050, assuming a low-carbon transition⁽¹⁾.</p> <p>With the exception of Constantia Flexibles, no other company in the portfolio has facilities subject to the emissions trading scheme. This increase will mainly have indirect effects in the value chain of the portfolio companies (transportation, energy, commodities, etc.).</p>	****	<p>Measuring and anticipating the potential cost generated by a carbon emissions tax. For the portfolio companies and for future investment opportunities studied, a carbon cost is estimated.</p> <p>Vigilance with regard to the applicability of emissions trading systems (size of facilities, choice of geographical location, etc.).</p>
Transition risk	Stricter regulations on emissions generated	<p>Recent examples related to the EU taxonomy and the future European Fit for 55 package demonstrate the strongly evolving nature of the regulations related to low-carbon alignment and emissions reduction.</p> <p>These new regulations generate direct costs (internal and external resources mobilized to verify compliance) as well as indirect costs over the long term (operational transformations necessary for compliance).</p>	**	<p>As a listed company, Wendel monitors changes in European and international regulations on climate impact reduction. It also encourages the controlled companies to respect the best standards in terms of reducing their emissions (e.g., reduction pathway currently awaiting approval from the SBTi for Bureau Veritas and Stahl, and already established for Constantia Flexibles).</p> <p>The companies in the portfolio also carry out more specific monitoring of certain subjects to which they may be exposed (e.g., the carbon credit market, environmental labeling, circular economy, etc.).</p>
Transition risk and opportunity	Change in commodities costs	<p>The energy transition requires a rapid increase in renewable energy production capacity.</p> <p>The supply of certain metals, such as aluminum, which is essential to the manufacture of wind turbines, will be affected. This metal represents a significant proportion of the raw materials used by Constantia Flexibles.</p> <p>Nevertheless, this transition to renewable energy will automatically reduce the current costs of renewable energy. Wendel and its portfolio companies are all committed to significantly increasing the share of renewable energies in their total consumption. Renewables currently account for 24% of the Group's total consumption.</p>	***	<p>Securing multiple and diversified supply chains.</p> <p>Reflection within the internal production lines in order to optimize the quantities of product used.</p> <p>Participation in the improvement of recycling capacities in order to promote the reuse of certain commodities.</p>

(1) World Energy Outlook study by the International Energy Agency, 2020.

Transition risks and opportunities

Transition risk/ opportunity	Risk/opportunity category as presented in the TCFD classification	Description	Exposure level	Measures in place or recommended
Transition opportunity	Substitution of existing products and services in favor of low-carbon solutions.	The transition to a low-carbon economy requires the transformation or discontinuation of certain products and services, the manufacture and consumption of which will become difficult to reconcile with the emission levels to be respected.	***	<p>Wendel encourages its portfolio companies to monitor emerging trends and the risks of substitution in their respective products. The share of sales linked to products or services with environmental added value illustrates Wendel's determination to seize transition opportunities and bring portfolio companies on board.</p> <p>As such, the portfolio companies (except ACAMS, which joined Wendel's consolidated scope in 2022) have all defined low-carbon products and services:</p> <ul style="list-style-type: none"> - Bureau Veritas' Green Line segment on energy efficiency and low-carbon transition; - Constantia Flexibles' recyclable packaging offering; - Stahl's development of water-based products (with a better carbon footprint than solvent-based products); - digitalization of CPI's training courses. <p>Wendel and its controlled portfolio companies are working to increase the share of these products and services.</p>
Transition opportunity	Changes in consumer expectations	<p>The transition to a low-carbon society is transforming the needs and consumption habits of society as a whole. While some products may be abandoned, new needs may emerge. The main examples within the Wendel portfolio are:</p> <ul style="list-style-type: none"> ■ the gradual shift to recyclable flexible packaging solutions deployed by Constantia Flexibles, in order to limit life cycle emissions from single-use plastics; ■ the management and support of trauma related to natural disasters or severe weather events; ■ the development of needs related to corporate social responsibility, eco-efficiency, emissions reduction and climate change adaptation, as expressed by Bureau Veritas Group customers. 	**	<p>Constantia Flexibles is committed to providing recyclable solutions wherever possible and continues to improve its technical and operational capabilities to accelerate the adoption of such solutions by its customers.</p> <p>CPI is involved in the management of people who have survived severe climate events, as clients receiving its training include emergency care workers and hospitals.</p> <p>Bureau Veritas' Green Line offering addresses all emerging needs related to the low-carbon transition (renewable energies, new forms of mobility, low-carbon buildings, etc.).</p> <p>Lastly, Stahl is actively involved in the Zero Discharge of Hazardous Chemicals (ZDHC) program, which is designed to promote the sustainable management of chemicals in the fashion industry. It is also a founding member of the Renewable Carbon Initiative.</p>

Physical hazards and opportunities - moderate or severe risks

At the Wendel Group level, nine of the Stahl and Constantia Flexibles sites have been identified as sites that are vulnerable to potentially moderate or severe physical hazards by 2050.

Stahl's and Constantia Flexibles' climate resilience plans set out short-, medium- and long-term measures to address potential vulnerabilities. Their plans were approved by the companies' boards of directors in 2022.

Bureau Veritas' climate plan does not present the number of sites subject to moderate or severe physical risks but nevertheless establishes that these physical risks could have a total financial impact of up to €500 million by 2050⁽¹⁾.

No sites at risk of moderate or severe hazards have been identified for Wendel SE and CPI.

The identification of sites at risk of hazards is based exclusively on the RCP 8.5 scenario projections for 2050. This process does not therefore include the existence of protection measures put in place by the Company or by third parties (such as the local authority where the Company is located). This assessment of actual and effective risks at the most vulnerable sites was prepared in 2022 as part of the climate resilience plans of the relevant portfolio companies.

(1) For more information, see "Climate change adaptation" in the Bureau Veritas 2022 Universal Registration Document.

Wendel's 2023 Climate Plan targets

Wendel has identified the following short and medium term actions to be implemented in 2023:

- definition of GHG emissions reduction pathway at the level of the Wendel Group in accordance with best standard such as the SBTi. This initiative will be accompanied by a methodological review in order to take into account the specifics of Wendel's investment activity.
- Wendel will focus on supporting its portfolio companies with their climate action plans:
 - climate change adaptation plan: following the validation of climate resilience plans by their respective Boards of Directors, Wendel will support Stahl, Bureau Veritas and Constantia Flexibles with the implementation of their action plans;
 - rollout of greenhouse gas emission reduction targets for portfolio companies: Wendel will support the operational rollout of the defined reduction pathways.

4.2 ESG performance of controlled portfolio companies

This section presents the application of Wendel's ESG strategy, as described above, to controlled companies in the portfolio:

- 4.2.1 **Bureau Veritas** (p. 202)
- 4.2.2 **Constantia Flexibles** (p. 214)
- 4.2.3 **Stahl** (p. 226)
- 4.2.4 **Crisis Prevention Institute** (p. 238)
- 4.2.5 **ACAMS** (p. 243)

Each of the sub-sections below is structured as follows:

- | | |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| i) Brief overview of the business and key figures | iv) Climate change adaptation and mitigation plan |
| ii) ESG Roadmap - including the four pillars of Wendel's ESG strategy and the material issues specific to each investment | v) Key ESG achievements in 2022 |
| iii) Main material ESG issue related to the business model | vi) Reporting methodology |

4.2.1 Bureau Veritas







4.2.1.1 Business overview and key figures

GENERAL INFORMATION	
Activity	Global leader in Testing, Inspection and Certification (TIC) services
Revenue	€5,651 million
Revenue by region	Europe: 33.8% Middle-East, Africa: 8.9% Asia-Pacific: 29.8% Americas: 27.5%
HEADCOUNT	
Number of employees	82,589
Headcount by region	Europe: 21% Middle East, Africa: 10% Asia: 39% America (USA/Mexico): 30%
SUPPLY CHAIN	
Number of operational sites and offices	1,832 sites
Services	Regulatory or voluntary compliance assessment Technical and regulatory assistance Services and solutions to support the implementation of sustainable strategies
End markets	Buildings & Infrastructure Agri-Food & Commodities Industry Consumer Products Services Marine & Offshore Certification
OTHER INFORMATION	
ESG Ratings	S&P Global: 85 (2/33) MSCI: AA (8/21) Sustainalytics: 10.1 (1/69) Moody's: 70 (1/99)
In Wendel's portfolio since	1995

4.2.1.2 ESG Roadmap

This section summarizes the main terms of the Bureau Veritas Non-Financial Statement (NFS). The full version of the NFS is published in the Bureau Veritas Universal Registration Document.

Bureau Veritas publishes the achievement rate of the five CSR targets for 2025 on a quarterly basis. The annualized performance of these five indicators is presented in the table below:

	2022	2021	2020	2019	2025 target	2022 vs. 2025 pathway
Total Accident Rate (TAR)	0.26	0.27	0.26	0.38	0.26	
Proportion of women in leadership positions (senior/executive management roles from the Executive Committee to Band II)	29.1%	26.5%	27.5%	24.4%	35%	
Number of training hours per employee (per year)	32.5	29.9	23.9	19.0	35.0	
CO ₂ emissions per employee (tons per year)	2.32	2.49	2.44	2.85	2.00	
Proportion of employees trained to the Code of Ethics	97.1%	95.8%	98.5%	97.1%	99%	
Share of Green Line sales	55%	52%	-	-	-	

4.2.1.3 Main material issue related to the business model: the Green Line sustainable service offering for Bureau Veritas clients

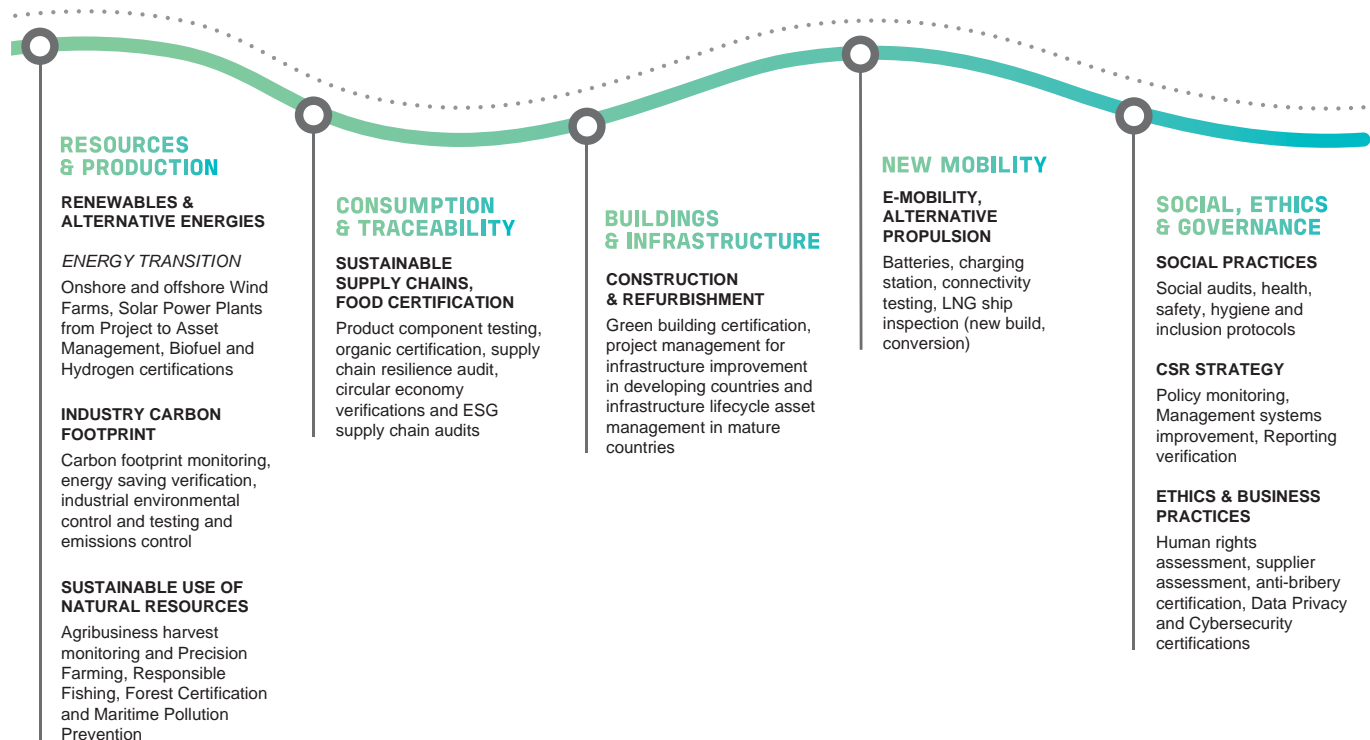
The BV Green Line comprises CSR services and solutions, including both services specifically addressing sustainability (e.g., energy performance diagnostics and certification of energy management systems), and traditional services geared towards

sustainability-oriented assets (e.g., construction inspections of wind turbines or electric vehicle charging systems).

The BV Green Line covers the three CSR pillars: Environment, Social and Governance. As such, its scope extends beyond that of the European Green Taxonomy, which again this year covers only those activities that contribute to climate change mitigation and adaptation.



The BV Green Line has five main focuses:



Action plan to develop the Green Line

Bureau Veritas has launched a major program to develop its CSR offering through the following initiatives:

- develop service offerings that meet market needs for environmental, energy and social transitions;
- provide training about the group's CSR services to client-facing employees;

- present the CSR offering to the group's main clients;

- set up a reporting system for determining and monitoring the proportion of revenue generated by these services.

In 2022, Green Line sales accounted for 54.7% of Bureau Veritas' total sales. This represents an increase in sales of more than 40% on 2021, mainly driven by the "Consumption & Traceability" service line.

4.2.1.4 Climate change adaptation and mitigation

This section outlines the main points of Bureau Veritas' climate strategy, the entire climate plan is available in the Bureau Veritas Universal Registration Document.

Climate change mitigation policies and outcomes

The table below shows Bureau Veritas' emissions. The scope of coverage includes 255 operating facilities and 96% of headcount in 2021 and 2022:

Scope	2022	2021	Year-on-year change (%)
Scope 1 (tCO ₂ eq.)	71,561	71,732	+0.2%
Scope 2 (tCO ₂ eq.)	79,856	87,133	-8.4%
Scope 3 (tCO ₂ eq.)	577,847	509,217	+13.5%
TOTAL (TCO₂ EQ./€M OF REVENUE)⁽¹⁾	33.37	38.07	-12.3%

(1) Scope 1, 2 and 3 business travel only

The main emissions items taken into account are described in the table below:

Scope 1 (direct)	Scope 2 (indirect)	Scope 3 (indirect)
Direct emissions: sum of direct emissions resulting from burning fossil fuels such as oil and gas or from resources owned or controlled by the Group (including fleet vehicles)	Indirect emissions: sum of indirect emissions arising from the purchase or production of electricity	Purchased goods and services (66%) Capital goods (11%) Business travel (11%) Employee commuting (7%) Fuel and energy-related activities (4%) Waste generated in operations (1%)

Methodology



Bureau Veritas follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The climate plan covers all of Bureau Veritas' operations, and those of its subsidiaries and facilities in different countries.

Governance

Bureau Veritas has set up a Climate and Sustainability Task Force to put together and monitor implementation of a climate plan. This task force includes the heads of the Environment, Strategy, Risk Management and Sustainable Development departments. It meets whenever necessary, and at least once per year, to examine progress on action plans.

It reports to the Chief Executive Officer of Bureau Veritas and submits annual progress reports under the management review. It keeps the Executive Committee informed on its work and liaises with it on the definition and implementation of action plans. It presents its work to the Board of Directors at least once a year.

Strategy

Work on developing the climate plan involves all group divisions and businesses. This ensures that they understand the impact of climate change on their respective operations.

Transition and physical risks are assessed with the market leaders, and, if necessary, with the regional managers.

Product and service opportunities are assessed with market leaders, with support from the Strategy department.

Resource and energy opportunities are assessed with the participation of the Environment department.

Environmental materiality

Seven pathways for CO₂ emissions reduction

- 1) Employee mobilization
- 2) Reduction of energy consumption in laboratories
- 3) Purchase of renewable energy
- 4) Reduction of business travel
- 5) Electrification of the vehicle fleet
- 6) Selection of green buildings and IT equipment
- 7) Supplier mobilization

For each of the pathways, we have defined an action plan and an indicator with a 2030 target.



The performance and maturity of Bureau Veritas' CSR management system is reported on Clarity, our solution to drive the group's ESG performance, from country to global level.

1) Employee mobilization

During the Earth Day celebrations on April 22, the company organized a communication campaign targeting all employees in our 160 countries and territories with the goal of raising awareness about climate change and the impact of human activity on our planet. The ultimate goal of this initiative was to influence the behavior of our employees. We can make a difference in every gesture we take and in every product we buy. At the end of the event, the participants embarked on a challenge to calculate their individual footprint and make real life efforts to emit less CO₂.

2) Reduction of energy consumption in laboratories

One of the key indicators that impacts CO₂ emissions is energy consumption. **In 2022, energy use represented 49% of the group's total emissions.** This represents a 2% drop versus last year. Energy consumption is driven mostly by laboratories that have deployed a list of critical actions to reduce consumption and access renewable energy through green tariffs, the installation of solar panels or the establishment of PPAs.

In 2022, the top energy users embarked on special reduction programs that included actions such as energy audits and energy self-assessments, the replacement of lighting systems, the optimization of heating, ventilation and air conditioning (HVAC) systems, relocation to more efficient facilities, purchase of energy from green sources, etc.

3) Purchase of renewable energy

Subscribing to renewable energy sources through the renegotiation of contract supplies or the establishment of Power Purchase Agreements (PPAs) is paramount in our strategy and crucial to achieving the decarbonization of Bureau Veritas.

In addition, several laboratories and office buildings have re-negotiated their electricity contracts to purchase renewable energy or to co-generate electricity by installing solar panels on the roofs of our facilities. We are at the beginning of this journey but expect in the short term to expand these practices across our locations.

4) Reduction of business travel

The other key indicator is the CO₂ emissions generated by work-related travel. **In 2022, it accounted for 47% of the group's total emissions**, which represents an increase of 5% versus the previous year.

As governments lifted travel bans, the company continued to maintain air travel for essential purposes only, for environmental reasons. In October 2021, we updated our eco-policy in order to formalize the requirements outlined above. The crisis has proved that there are many activities that can be performed remotely, and our workforce was able to adjust to a new normal. This year, we successfully organized several events, that typically would be in-person, using digital technologies. With that, we were able to save CO₂ emissions and set an example for the various levels of the organization on how to be frugal and energy efficient.

5) Electrification of the vehicle fleet

In the past few years, we have been making enhancements to our motor vehicle policy, requiring operations worldwide to embark on the deployment of more efficient vehicles and energy saving measures. Below are some of the more relevant requirements:

- starting in January 2022 all newly acquired or leased vehicles for executive levels (bands I-III) will have to emit less than 60 g of CO₂ per kilometer;
- all other new passenger vehicles must comply with an emissions limit of <130 g of CO₂ per kilometer;

- existing passenger vehicles that are non-compliant with this expectation may be retained until December 2022 for owned vehicles or until the end of the contract for leased vehicles;
- all group entities must include low-emissions (hybrids and hybrid plug-ins) or zero-emissions vehicles on the list of authorized vehicles proposed to employees;
- in addition, for safety and environmental reasons, all group vehicles will be fitted with a telematics monitoring system by January 2022. The system will enforce compliance with traffic regulations and will promote environmentally responsible habits. Pilots deployed in Europe point to fuel savings of approximately 15%.

6) Selection of green buildings and IT equipment

This represents another potential area in which Bureau Veritas can reduce its environmental impact. The Group's priorities are to move to offices with high energy performance ratings and to use more eco-friendly equipment and to encourage widespread use of the cloud to store data.

Bureau Veritas encourages its entities to use green energy in order to reduce CO₂ emissions, and to opt for low-energy buildings. Choosing energy-efficient buildings is recommended whenever leases are up for renewal. At the end of 2022, 43 Bureau Veritas buildings obtained LEED, HQE, Greenstart or Effinergie + certifications/labels, across the globe.

In France, for example, using virtual servers has reduced the number of physical servers by 1,300, helping to save several hundreds of tons of CO₂. Similar projects have also been undertaken in other geographies.

For the past few years, the group IT department has focused on three major areas to reduce its environmental impact:

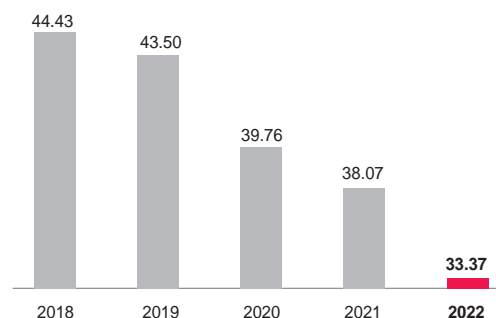
- reducing energy used by data centers;
- reducing energy used by computer equipment;
- creation of innovative solutions to reduce work-related travel.

7) Supplier mobilization

Bureau Veritas engages with all suppliers to encourage them to reduce their CO₂ emissions.

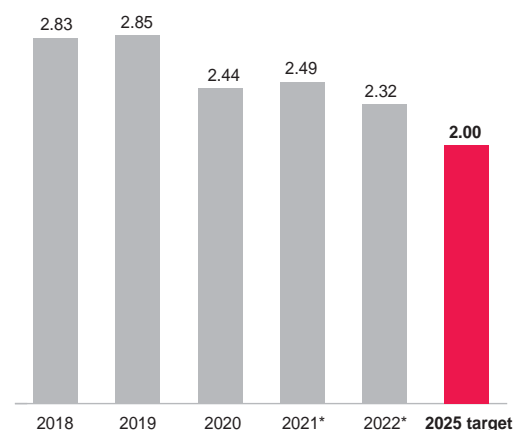
The targets and outcomes relating to implemented decarbonization actions are presented in the graphs below:

Tons of CO₂ equivalent per million euros of revenue – Scopes 1, 2, 3 (business travel only)



In the past few years, CO₂ emissions per revenue have improved significantly. In 2022, the carbon intensity per million euros of revenue decreased by 12% compared to 2021.

Tons of CO₂ equivalent per employee (Scope 3 business travel only, with offsets)



* Market-based

Bureau Veritas has set a target of 2.0 tons of CO₂ per employee in 2025, which is 32% less than in 2018. Thanks to the significant increase in renewable energy consumption, Bureau Veritas closed 2022 with **2.32 tons per employee**, placing the group on the right track to achieve its 2025 target. In 2022, Bureau Veritas also defined new reduction targets for 2030:

- Scopes 1 and 2, -42% by 2030 (versus 2021)
- Scope 3, -25% by 2030 (versus 2021)

These targets and the related methodology were submitted to the SBTi for approval.

Adaptation - Climate risks and opportunities assessment

Identifying the impacts of climate change on Bureau Veritas' assets and operations is essential to prepare for our adaptation to these changes. Bureau Veritas uses the TCFD methodology (Task Force on Climate-related Financial Disclosures).

Risk and opportunities linked to climate change are assessed by Bureau Veritas' Climate and Sustainability Task Force with the support of the Global Service Lines. The assessment covers the short, medium and long term.

The table below shows the risks and opportunities map:

	RISKS						OPPORTUNITIES				
	Transition Risks				Physical Risks						
	Policy & Legal	Technology	Market	Reputation	Acute	Chronic	Resource efficiency	Energy source	Products and services	Markets	Resilience
Corporate	●	●	●	●	●	●	●	●	●	●	●
Marine & Offshore									●		
Agri-Food & Commodities		●	●	●	●	●		●			
Industry			●	●						●	
Buildings & Infrastructure			●						●		
Certification			●						●		
Consumer Products								●	●		

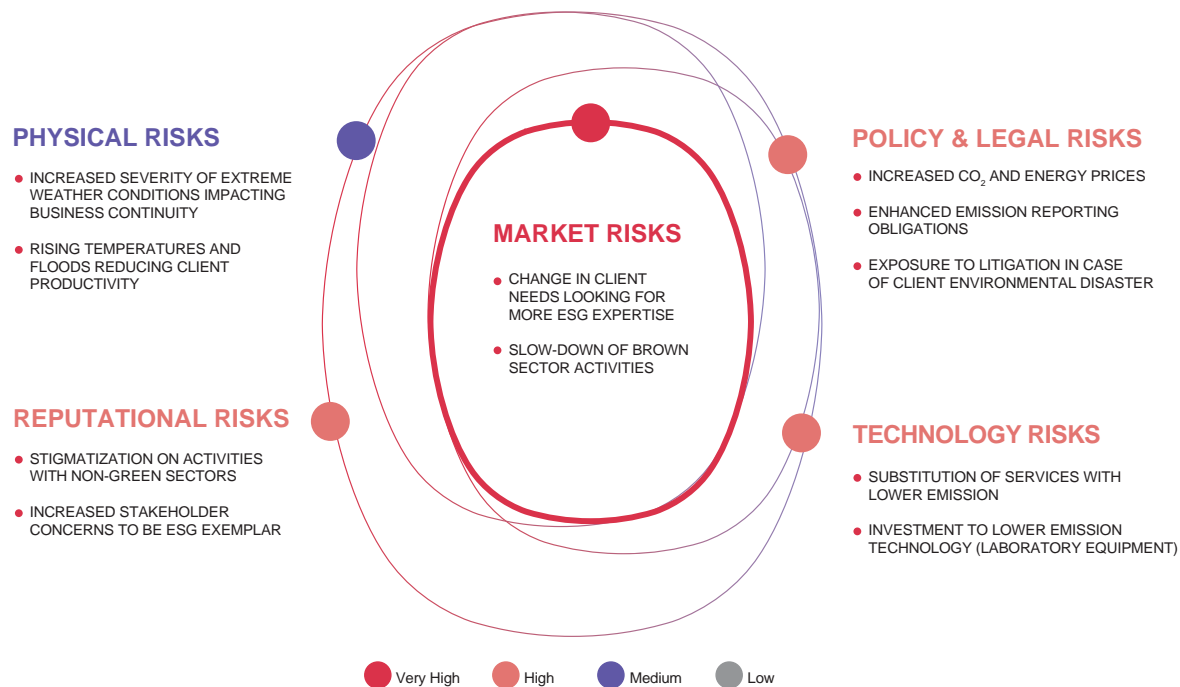
● Very High
> €1,000 million

● High
€500-1,000 million

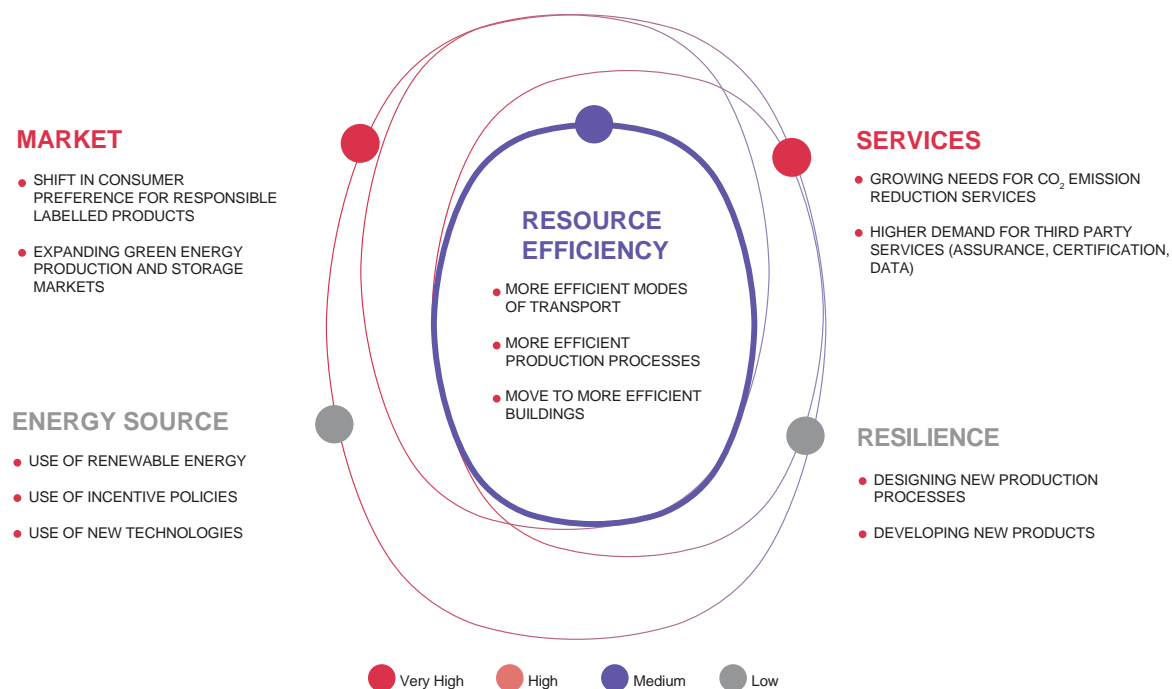
● Medium
€101-500 million

● Low
< €100 million

Transition and physical risks



Opportunities



Financial materiality

The financial impact on Bureau Veritas has been estimated for 2025, 2030 and 2050.



Estimates of the financial impact of climate-change risks and opportunities on Bureau Veritas were made by applying the International Energy Agency’s (IEA) Sustainable Development Scenario (SDS) and Stated Policy Scenario (STEPS).

The SDS scenario aims to ensure universal access to affordable, reliable and modern energy, to reduce air pollution and mitigate climate change. It meets the objectives of the Paris agreement on climate change, and significantly reduces air pollution.

The STEPS scenario is based on present-day policies and recent energy and climate commitments. It provides a basis for comparisons to gauge the impacts of recent political developments on energy and the climate.

Financial impact projections are included in the group’s strategy under the responsibility of the Strategy department, after approval by Executive Management and submission to the Board of Directors.

The table below presents the main projections which show that the risks related to climate change are low and the opportunities are substantial. These findings were taken into account when drawing up the Bureau Veritas strategic plan.

In € millions	Scenario		
	2030	IEA STEPS 2050	IEA SDS 2050
Financial impact			
Risks			
Transition risks: political and legal			
Transition risks: technological			
Transition risks: market			
Transition risks: reputational			
Physical risks: serious and chronic			
Opportunities			
Opportunities: more efficient use of resources			
Opportunities: energy sources			
Opportunities: markets and services			
Certification			
Consumer Products Services			
Marine & Offshore			
Buildings & Infrastructure			
Energy			
Very high > €1,000 million High €500-1,000 million Medium €101-500 million Low < €100 million			

Risk management

Climate-related risks are analyzed and tracked by the Climate and Sustainability Task Force. They are reviewed by the External CSR Focus Committee, which includes a climatology expert from Paris-Saclay University.

Action plans are drawn up and implemented for each climate-related risk identified.

Climate-related risks are included in the group risk map. They are monitored by the Risk department, with support from the Climate and Sustainability Task Force. They are included in the Bureau Veritas environmental management system (ISO 14001) and reviewed annually at management reviews for reduction, transfer or control.

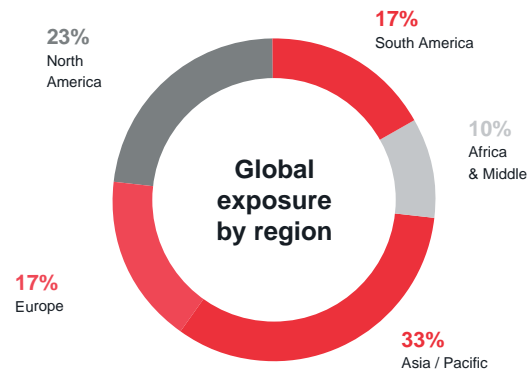
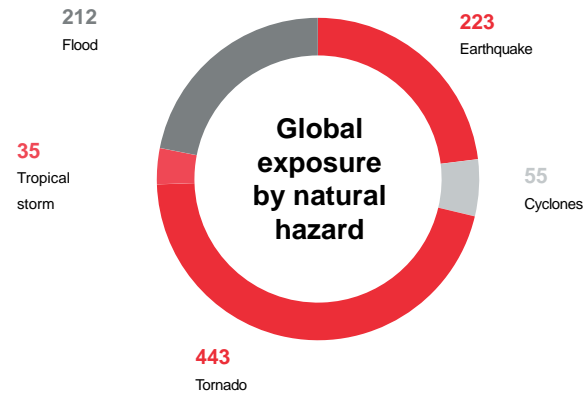
Acute events such as earthquakes, cyclones, tornados, tropical storms, flash floods or mega fires may impact Bureau Veritas assets and business continuity.

Bureau Veritas used an assessment conducted by Munich-Re based on historical data on past accident rates and their evolution. The assessment analyzed the level of risk of each Bureau Veritas premises according to their geographical location for each type of climate physical risk. Among the 1,597 Bureau Veritas locations identified:

- 784 locations present a high to extreme risk towards at least one natural hazard;
- 106 locations are exposed to two or more natural hazard events.

These premises are mainly located in China, South Korea, Argentina, the UK and the USA and represent more than €51 million in value insured.

Prevention plans and business continuity plans (BCC) are developed at operational level and progressively integrated in the prevention processes. IT and datacenters have specific business continuity plans.



Metrics and targets

The key indicators in the climate plan are:

- carbon price per ton;
- sales on markets exposed to climate risk (carbon and oil);
- sales of services contributing to climate change mitigation or adaptation;
- group carbon emissions in Scopes 1, 2 and 3.

Carbon emissions figures are published each year in absolute value and by intensity.

The climate plan sets the following targets for carbon emissions:

- Short-term (2025):
 - reduce annual emissions per employee to 2 tons,
 - reduce net CO₂ Scope 1 and 2 emissions by 30% compared to 2019 (market-based method),
 - increase sales of services involved in combating climate change;
- Long-term (2030-2050):
 - zero net emissions.

4.2.1.5 Key achievements in 2022

In 2022, six major initiatives were launched to step up the group's sustainable development program:

- Closer checks on **strategic indicators**;
- Update to the **Duty of Care Plan**;
- **Laboratory energy performance audits**;
- Publication of a **climate transition plan**;
- Publication of a new policy on the **preservation of biodiversity**;
- Update to **Taxonomy** reporting to cover aligned activities.

Results for the 19 strategic indicators

The main achievements of Bureau Veritas for 2022 are illustrated below on the basis of the 19 strategic key performance indicators:

Indicators	2022	2021	Change 2021 vs. 2022
SOCIAL CAPITAL			
Total Accident Rate (TAR)	0.26	0.27	
Lost Time Rate (LTR)	0.16	0.19	
ISO 45001 certification rate ⁽¹⁾	93%	92%	
Number of human rights infringements	0	0	
HUMAN CAPITAL			
Women in executive management roles (EC-II)	29.1%	26.5%	
Women in senior management roles (EC-III)	25.7%	21.5%	
Overall proportion of women	30%	30%	
Gender pay equity ratio (excluding leadership positions)	0.97	0.95	
Number of training hours per employee	32.5	29.9	
Proportion of employees receiving a performance assessment	57%	55%	
Proportion of employees receiving a career development assessment	21%	19%	
Employee engagement rate	69	70	
NATURAL CAPITAL			
CO ₂ emissions per employee (tons per year) ⁽²⁾	2.32	2.49	
ISO 14001 certification rate ⁽¹⁾	90%	89%	
GOVERNANCE			
Proportion of employees trained to the Code of Ethics	97.1%	95.8%	
Number of Code of Ethics infringements	51	59	
ISO 9001 certification rate ⁽¹⁾	92%	92%	
Net Promoter Score (NPS)	50.8%	49.9%	
Percentage of acceptance of the BPCC	55%	60%	

(1) Proportion of the global headcount belonging to certified entities.

(2) Net CO₂ emissions corresponding to Scopes 1, 2 and 3 for business travel.

4.2.1.6 Reporting methodology

The indicators presented in this section were calculated based on data collected from the Bureau Veritas Operating groups. These data were then consolidated by the departments concerned (Human Resources, Legal Affairs and Audit, QHSE, Technical, Quality, Risks and Finance) using proven methods. Changes in methods or scope are reported systematically.

The data is presented on a consolidated scope basis in 2022 (from January 1 to December 31), except the indicators below:

- the number of employees used in the calculation of Health and Safety indicators is based on employees in November 2022;
- the environmental data is calculated on a 12-month rolling basis (from October 1, 2021 to September 30, 2022).

The information presented in this section is based on the Bureau Veritas group's Non-Financial Statement (NFS), included in its 2022 Universal Registration Document. The Bureau Veritas group's NFS has been reviewed by an independent third party in accordance with Article R. 225-105 of the French Commercial Code.

The complete NFS and the Independent Third Party's report are available in the Bureau Veritas Universal Registration Document.

4.2.2 Constantia Flexibles

4.2.2.1 Business overview

Constantia Flexibles is one of the world's leading manufacturers of flexible packaging:

GENERAL INFORMATION	
Activity	Manufacturing of flexible packaging
Sales	€1,954.5 million
Sales by region	Europe: 66% America (USA/Mexico): 18% Asia-Pacific: 9% Middle East, Africa & Australia: 7%
Sales by market	Consumer: 76% Pharma: 24%
HEADCOUNT	
Number of employees	8,659 including Constantia Flexibles' Indian operations 7,030 excluding Constantia Flexibles' Indian operations ⁽¹⁾
Headcount by region	Europe: 60% Asia: 23% America (USA/Mexico): 11% Middle East, Africa & Australia: 6%
SUPPLY CHAIN	
Number of sites	38 production sites and 5 research centers in 16 countries
Main purchases	Aluminum Plastic Paper Chemicals (inks & solvents)
Outsourced activity, if applicable	Distribution
OTHER INFORMATION	
ESG Ratings	CDP: A- EcoVadis: Gold
In Wendel's portfolio since	2014

(1) See section 4.2.2.4 concerning the inclusion of the Indian operations in the non-financial reporting scope.

ESG key figures:

- 85% of the Cflex product offering is either already designed for recycling or has a recyclable alternative
- SBTi approved GHG reduction targets: -24% by 2030 and -49% by 2050 (Scopes 1, 2 and 3)
- 100% of production sites hold a Quality Management certificate (e. g., ISO 9001)

4.2.2.2 Constantia Flexibles ESG roadmap

Theme		Targets	KPIs	Unit	2022	2021	Change	Trend
Environment	Climate Change: GHG emissions	Reduce absolute Scope 1, 2 and 3 greenhouse gas emissions to 24% by 2030 and 49% by 2050 from a 2015 base-year - SBTi approved.	GHG-emissions Scopes 1, 2 (market based), and 3	ktCO ₂ eq	1,592.75 ⁽¹⁾	1,577.25 ⁽¹⁾	1.0%	→
	Circular Economy: Recyclability of products	Take all measures to ensure that 100% of our packaging is designed for recycling.	Recyclability of product portfolio	%	59 ⁽²⁾	55	7%	↗
	Sustainability and collaboration along the value chain	Increase the number of suppliers audited, covering ESG topics.	Number of supplier audits	Nb	51	30	70.0%	↗
		Train procurement personnel on sustainable procurement issues.	% of strategic buyers across all locations who have received training on sustainable procurement	%	90	88	2.3%	↗
Social	Health & Safety at work	Achieve the goal of "ZERO LOSS - NO HARM".	Lost Time Injury Frequency Rate (LTIFR)	Rate	2.2 ⁽³⁾	2.8	-34.6%	↘
			Unsafe Conditions/ Behavior Reporting Ratio	Rate	1.7/1	1/1	70%	↗
	Health & Safety of consumers: safe products	Ensure that all production sites have at least one relevant product safety or quality certification.	% of production sites with at least one certification in relation to product safety and quality	%	100	100	-	→
	Diversity & equal opportunity	Support female employees in advancing their careers at any managerial level. The goal is to develop female employees' leadership skills as well as to increase the focus on hiring female employees in management positions.	% of female managers in top management (Constantia Grade 1-6)	%	10.5	9.5	11%	↗
	Talent attraction, development and retention	Increase the number of employees trained for at least one day per year.	% of employees trained for minimum 1 day	%	70.2	68.1	3%	↗
Governance	Business ethics	Audit our plants on business ethics issues on a regular basis.	Internal corruption risk assessment conducted	yes/no	yes	yes	-	→
		Train employees on the Code of Conduct (including Anti-Bribery and Competition Law), with a minimum objective of at least 80% of employees trained each year.	% of employees trained at least once per year	%	83.6	73.4	14%	↗
		Continuously perform compliance checks on business partners.	Business partner compliance check conducted	yes/no	yes	yes	-	→

(1) Scope 3 emissions are calculated with a one-year lag.

(2) Estimated value for 2022.

(3) Frequency rate taking into account actual hours worked.

4.2.2.3 Main material issue related to the business model: Circular Economy

Constantia Flexibles' mission is to rethink packaging every day to make a positive, sustainable, and meaningful contribution to our customers, the environment, and society.

Packaging plays an essential role as it protects valuable content throughout the supply chain and enables proper and safe delivery to the end consumer. Flexible packaging minimizes the use of packaging materials, making it generally more resource efficient than alternative packaging types.

As concern grows about the effects of packaging on the environment, the entire value chain is now working to overcome these challenges to deliver a circular economy for flexible packaging and reduce our reliance upon virgin materials. In this context, it is important that products are in line with existing collection, sorting, and recycling infrastructure and processes in order to increase the circularity of packaging. That is why Constantia Flexibles continuously works on the recyclability of its flexible packaging solutions.

The importance of circular packaging is also increased by the European Union's calls for further reduction in the use of resources, significantly higher recycling rates, and the use of recycled materials as a secondary raw material within the framework of the European Circular Economy Package.

As a global flexible packaging producer for the consumer and pharmaceutical industries and committed to sustainability from the beginning, Constantia Flexibles recognizes the importance of supporting the development of a circular economy for flexible packaging. All future product innovations will focus on recycling, both in practice and on a commercial scale.

Circular Economy commitment

Constantia Flexibles commits that 100% of its packaging solutions will be designed for recycling by 2025.

Constantia Flexibles continuously evaluates the recyclability status of its product portfolio and tracks progress towards this goal. Currently (data estimate for 2022), about 59% of the product portfolio is designed for recycling (projected % recyclable output

[m2] of sold output [m2] in 2022). Additionally, in order to pave the way towards full recyclability, Constantia Flexibles already ensures that 85% of its current product offering is either designed for recycling or has a recyclable alternative.

Constantia Flexibles recyclability shares	2022	2021	Change [%]
Recyclability of product portfolio (%)	59% ⁽¹⁾	55%	7.3%

(1) Only estimates of the proportion of Constantia Flexibles' recyclable solutions for 2022 were available as of the date of publication of the 2022 URD. The ratio is based on sales volumes, expressed in square meters. The ratio increases to 62% of sales when expressed in euros (of which 65% of consumer division sales), excluding the Indian operations excluded from the financial reporting scope as of December 31, 2022 (see section 4.2.2.6 - Reporting methodology).

In addition, to achieve its full recyclability objective, Constantia Flexibles ensures, **as of now, that 85% of its products are designed for recycling or have a recyclable alternative.**

To meet this full recyclability objective, Constantia Flexibles has designed the following action plan:

- To monitor and improve product sustainability through LCA studies;
- To create a more sustainable product range: the Ecolutions portfolio;
- To manage and participate in initiatives across the value chain.

Monitoring and improving product sustainability through Life Cycle Assessments

Constantia Flexibles is conscious of its role and responsibility as part of the value chain and constantly strives to improve the sustainability of its processes and products. To this end, support for internal (e.g., sales and product management teams) and external stakeholders is another of Constantia Flexibles' key endeavors.

To provide internal stakeholders with the necessary background information to discuss product options and to work towards the achievement of the company's recyclability target, Constantia Flexibles developed a comprehensive recyclability guidance document in 2019 that is continuously adapted to the most recent regulations and guidelines. This document gives information on flexible packaging recycling, the regulatory context, the packaging recycling market, available sorting technologies, and common design criteria for recyclable packaging.

Life cycle assessments (LCA) have been conducted at Constantia Flexibles since mid-2015 via a semi-automated approach to more efficiently meet the range of inquiries from customers and those which come up during life cycle design. This peer-reviewed innovative LCA meta-model enables Constantia Flexibles to provide customers and other stakeholders with information on the environmental footprint of products by allowing them to evaluate any combination of production processes, raw material input, waste handling possibilities, and country-specific settings.

Constantia Flexibles' LCA tool allows the company to flexibly evaluate different production scenarios, identify hot spots, and demonstrate the environmental performance of its products to customers. LCA capabilities support the company's holistic approach towards sustainability, by enabling it to not only look at the carbon footprint but also other environmental impact categories. In addition, there is the possibility of gaining a competitive advantage and discovering potential cost savings through product optimization.

In-house LCA studies have also helped determine Constantia Flexibles' product development strategy. In the last decade, Constantia Flexibles has invested significantly in R&D assets at its five R&D centers in Austria, Germany, Spain, and India. Research and development expenses in recent years amounted to approximately €12 million annually and the Centers of Competence and Centers of Product Excellence employ close to 100 people. Constantia Flexibles holds several patents and patent applications in 52 active patent families in aluminium, film, and paper applications. The Group employs experts for all raw materials and all process technologies. They identify and evaluate the latest trends on eye level with suppliers and external experts from development partners such as leading universities. As part of the "Green Strategy", development activities in recent years have focused on building fully recyclable products based on either aluminum, mono PE, or PP, as well as paper. Constantia Flexibles also takes an active interest in legislation regarding the European Commission's initiative on the development of Product Environmental Footprint Category Rules (PEFCR). Constantia Flexibles is helping to map the entire value chain for the purposes of these studies, allowing the categories of environmental impact put forward by the European Commission to be reviewed and evaluated.

Creating an eco-product range: the Ecolutions portfolio

Sustainability issues are an integral part and driver of Constantia Flexibles' innovation strategy. Given the company's global presence, Constantia Flexibles started to develop mono-material packaging in 2014, when this discussion was still at an early stage in Europe.

To meet the challenge of a circular economy without compromising on functional requirements, Constantia Flexibles launched the more sustainable packaging product range "Ecolutions" in 2018. Ecolutions meet both customer sustainability requests and legal requirements with a clear focus on recyclability while maintaining all the properties required to protect the packaged products. Within the Ecolutions family, Constantia Flexibles promotes mono-material solutions that can achieve high barriers and replace standard non-recyclable multi-layer structures. Furthermore, the company's 360-degree approach covers all common substrates, such as paper, film, and foil packaging. Ecolutions are available in a certified chain of custody materials (ASI, FSC).

In order to meet the group's Circular Economy target, Constantia Flexibles made extensive investments in state-of-the-art technology for designing recyclable structures and strives to transform all non-recyclable products. With various products offered (e.g., EcoLam, EcoCover, EcoVer, Perpetua Alta), Constantia Flexibles has entered into a new era of packaging and has created recyclable product families along existing recycling pathways for various substrates and formats. The company has achieved technology approvals from RecyClass for its recyclable flexible packaging solutions Perpetua Alta, EcoLam SR Tube, and EcoLam High Plus, making it a pioneer in the development of recyclable structures. The applications of the Ecolutions family can be found on supermarket shelves, packaging and protecting dairy products, coffee, nuts, confectionery, pet food, and home and personal care. The product family underscores Constantia Flexibles' ability to provide alternatives designed for recycling by 2025.

Participating and steering initiatives throughout the value chain

Constantia Flexibles believes that working side-by-side, businesses and governments can tackle sustainability issues at their source and, therefore, collaborate with stakeholders along the whole value chain as an active member of several international initiatives and associations.

In addition to being a permanent member and chair of Flexible Packaging Europe's Sustainability Committee, Constantia Flexibles participates in the European Aluminium Foil Association's Foil Sustainability Action group, constantly working towards making its voice heard in terms of current affairs, initiating projects, and encouraging intercompany cooperation to achieve common goals.

As a founding member of the CEFLEX project (A Circular Economy for Flexible Packaging), Constantia Flexibles intensively works on further enhancing the performance of flexible packaging in the circular economy by advancing better system design solutions via collaboration. CEFLEX is the collaborative project of a European consortium of companies and associations representing the entire packaging value chain covering material suppliers, manufacturers/converters, brand owners, and recyclers. Project goals set for 2025 include the development of robust design guidelines for both flexible packaging and the infrastructure to collect, sort, and recycle them. CEFLEX stakeholders are working together in seven workstreams to identify and develop the best solutions. Constantia Flexibles is an active member of six of these working groups and continuously strives to increase the recyclability of flexible packaging.

Likewise, Constantia Flexibles' membership in the Sustainable Packaging Coalition (SPC) strengthens its ties to key accounts and increases the shared understanding of sustainability issues affecting the packaging industry. The SPC is a task force dedicated to the vision of more environmentally friendly packaging. As a committed member of the multi-material flexible packaging recovery initiative, Constantia Flexibles understands the increasing importance of finding solutions for collecting, sorting, and recovering multi-material packaging. Constantia Flexibles understands that sharing efforts on a global level to develop recycling solutions advances collective understanding and shared best practices to create a sustainable solution for managing multi-material flexible packaging at the end of its life.

More sustainable packaging starts with responsibly sourced material. That's why Constantia Flexibles is a founding member of the Aluminium Stewardship Initiative (ASI), a global, multi-stakeholder, non-profit standard-setting and certification organization fostering responsible production, sourcing, and stewardship of aluminum. ASI's standards apply throughout the supply chain, from mining through to downstream sectors that use aluminum in their products. In 2018, the company's largest plant, Constantia Teich in Austria, became the first aluminum foil roller and packaging converter and the first European company to be certified according to the ASI Performance Standard for environmental, social and governance performance. In addition, Constantia Teich successfully achieved ASI Chain of Custody certification in early 2020. ASI helps to improve transparency and traceability for companies to monitor and report on progress towards sustainability goals and responsible sourcing.

To complete the 360-degree material approach, Constantia Flexibles is also part of 4evergreen, a cross-industry alliance of over 100 members representing the entire lifecycle of fiber-based packaging - from forests to designers, producers, brand owners, and recyclers. Their goal is to reach a 90% recycling rate for fiber-based packaging by 2030. Constantia Flexibles collaborates in the technical workstreams of the alliance to develop tools and guidelines for the different aspects of sustainability and circularity of fiber-based packaging. The results are shared with relevant audiences, and the alliance tracks policy developments.

Key figures:

85% of the Cflex product offering is either already designed for recycling or has a recyclable alternative (objective of 100% by 2025)

23% of products covered by an LCA

4.2.2.4 Climate change adaptation and mitigation

Carbon footprint (Scopes 1, 2 and 3)

Direct and indirect greenhouse gas (GHG) emissions are generated by Constantia Flexibles' plants through production processes as well as by purchased goods and services. Since 2005, Constantia Flexibles measures and reports GHG emissions on an annual basis according to the internationally recognized Greenhouse Gas Protocol along with its Scope 1, Scope 2, and Scope 3 calculation methodology. All emissions are verified by external auditors (including Scope 3, which is subject to a specific audit).

The table below shows Constantia Flexibles' overall Scope 1, 2 and 3 GHG emissions for 2022 and 2021. Due to the acquisition of a large new plant, total Scope 1 and Scope 2 emissions were up 0.1% year-on-year. Without counting this acquisition, the other sites achieved a reduction of 4.5%. Scope 1 and 2 emissions per square meter decreased by 9.7%.

Constantia Flexibles group carbon footprint	2022	2021	Change [%]
Scope 1 (ktCO ₂ eq)	120.27	119.32	0.80%
Scope 2 (ktCO ₂ eq) market-based	81.60	82.76 ⁽¹⁾	-1.40%
GHG intensity (Scope 1+2) (in ktCO ₂ eq/Mio.m ² produced)	0.037	0.041	-9.76%
Scope 3 (ktCO ₂ eq)	1,390.88 ⁽²⁾	1,375.07 ⁽²⁾	+1.1%
TOTAL SCOPES 1, 2 AND 3 (KTCO₂ EQ)	1,592.75	1,577.25	+1.0%

(1) Scope 2 data for 2021 have been restated with market-based values. These data were published with location-based values in Wendel's 2021 URD.

(2) Scope 3 is based on data from peers (raw materials, fuels and energy-related activities). Scope 3 data for 2022 are therefore not available at the date of publication of the Universal Registration Document. For the purposes of comparability, Scope 3 data for 2021 correspond to Scope 3 data for 2020 and Scope 3 data for 2022 to Scope 3 data for 2021. As Constantia Flexibles is a respondent to the CDP (Carbon Disclosure Project), Scope 3 emissions data are externally audited and published on the CDP platform on an annual basis. As this process takes place in the second quarter of each year, the Scope 3 value for 2022 is not yet published in this document. Details on the methodology used are explained in section 4.2.2.6 - Reporting methodology.

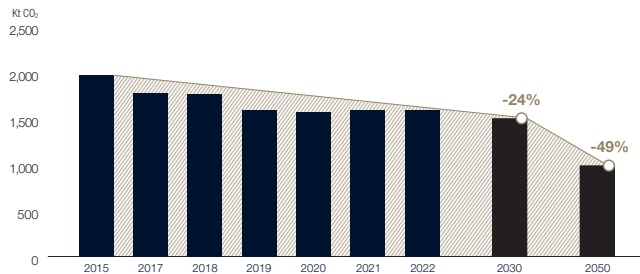
Carbon footprint intensity

Scope	2022 ktCO ₂ eq/Mio m ²	2021 ktCO ₂ eq/Mio m ²	Change (%)
Scope 1	0.022	0.024	-9%
Scope 2	0.015	0.017	-11%

Scope 1 (direct)	Scope 2 (indirect)	Scope 3 (indirect)
Stationary combustion (3.92%)	Purchased electricity (4.84%)	Purchased goods/services (85.5%)
Mobile combustion (0.06%)	Purchased steam (0.23%)	Capital goods (0%)
Process sources (3.57%)	Purchased heating (0.05%)	Upstream transportation and distribution (0%)
Fugitive sources - non material	Purchased cooling (0%)	Fuel and energy related activities (1.8%)
Agricultural sources - non material		Others (0%)

Mitigation: GHG emissions reduction pathway

CO₂ emissions (Scopes 1, 2 and 3)
and steps to reduce them

**Identified leverage to achieve the pathway above and implement the action plan****Scope 1:**

Most of the company's Scope 1 emissions are due to the consumption of solvents and natural gas. Constantia Flexibles is reducing emissions from solvent consumption by using more solvent-free inks and water-based lacquers. In order to reduce its natural gas consumption, Constantia Flexibles considers the possibility of running machines on electricity instead of gas for all new investments and regularly re-evaluates existing machinery. A reduction in energy use is also achieved through energy efficiency projects that are performed on an ongoing basis. The impact of new investments on the group's GHG reduction target is included in the evaluation process alongside all financial KPIs.

Scope 2:

More than half of the company's emissions are a result of electricity consumption. To address these emissions, Constantia Flexibles continuously increases its purchase of electricity from renewable resources. In 2016, Constantia Flexibles took the step to switch to green electricity in several plants, already covering 59% of the total electricity consumption in 2022, which supports the company in meeting its absolute greenhouse gas emission reduction target. Especially for European sites, the company has made significant progress toward reaching 100% renewable electricity and a target at group level is under evaluation. The company is also continuously extending its own production of green electricity and invested in (additional) photovoltaic installations in multiple plants in 2022.

Scope 3:

In addition to the assessment of direct and indirect emissions occurring due to the activities of the Constantia Flexibles group, the indirect emissions caused by processes up- and downstream of the supply chain are evaluated. Following an analysis of group-wide Scope 3 emission sources, it was determined that purchased goods used to manufacture Constantia Flexibles' products are the most crucial element of the company's Scope 3 emissions. Aluminum and plastic raw material purchases represent almost 80% of the company's Scope 3 emissions. The slight increase in Scope 3 (+1%) is essentially linked to a rebound in activity post-Covid.

Material Scope 3 emissions have been tracked for each of Constantia Flexibles' plants since 2015. This enables the group to identify and analyze hotspots to decrease Scope 3 emissions deriving from purchased raw materials - which are essentially aluminum, plastics, paper, and chemicals like inks and solvents - e.g., by actively engaging with key suppliers on carbon emissions. Significant emissions reductions have been achieved through the launch of a supplier project within the aluminum value chain.

Knowledge of site-specific challenges on product and raw material level helps Constantia Flexibles to tackle similar issues throughout the group. Potential environmental impacts on the level of product sustainability are made quantifiable through comprehensive investigations (for example by conducting life cycle assessments).

Approval of the GHG emissions reduction pathway by the SBTi

In 2017, Constantia Flexibles developed a group-wide greenhouse gas (GHG) emissions reduction target, which was approved by the Science Based Targets initiative (SBTi) in 2018. The targets include 100% of the group's Scope 1, 2 and 3 GHG emissions with no significant exclusions.

Absolute targets approved by the SBTi

Constantia Flexibles commits to a 24% reduction in absolute Scope 1, 2 and 3 GHG emissions by 2030 versus 2015.

Constantia Flexibles commits to a 49% reduction in absolute Scope 1, 2 and 3 GHG emissions by 2050 versus 2015.

Targets adopted by companies to reduce GHG emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures. Setting this ambitious target in line with climate science demonstrates to customers and other stakeholders Constantia Flexibles' dedication to playing its part in international efforts to limit global warming and to continuously improve sustainability performance across the value chain.

Key figures:

SBTi-approved targets: -24% by 2030 and -49% by 2050 (Scopes 1, 2 and 3)

Emissions reduction achieved to date (versus 2015): -17%

CDP Score: A-

Adaptation – Climate risks and opportunities assessment

Constantia Flexibles' Risk & Opportunity Management process is aligned with international standards such as COSO ERM and ISO 31000 and provides a systematic approach to managing risks & opportunities at all levels of CFlex (group, divisional and local). At Constantia Flexibles, risk is defined as an effect of uncertainty on the company's strategic objectives. The effect may be positive (opportunity), negative (threat), or a deviation from expected. The process of risk mapping is aimed at capturing risks that may have a negative impact on the achievement of Constantia Flexible's strategic objectives. Risks are re-assessed twice per year.

The process of managing climate-related opportunities is the same as for risks. Under the TCFD framework, climate-related risks and opportunities are classified as **transition risks and opportunities** (market and technology shifts, policy and legal, reputation), and **physical risks and opportunities**.

The transition risk assessment considers market and technology shifts as well as the development of new policies and regulations, which are to be expected in a political environment trying to achieve a low carbon economy.

The physical risk assessment considers typical vulnerabilities to the various physical climate threats (e.g., cyclone, storm surge, sea level rise, flood, drought, temperature, permafrost melt) in the short term and long term and how these threats could impact the company's assets.

Constantia Flexibles' transition risks

Risk/ Opportunity	Description	Actions implemented
Political/ legal risks	European sustainability-based regulations could result in lower demand for non-recyclable packaging. Stricter legal environmental requirements increase the risk of non-compliance.	<ul style="list-style-type: none"> ■ Constantia Flexibles' portfolio includes recyclable structures as well as a dedicated more sustainable product range, the Ecolutions family. By designing flexible packaging to be recyclable, Constantia Flexibles supports the circular economy by decreasing the use of virgin materials and contributes to a reduction in carbon emissions. ■ Furthermore, several sites have ISO-certified environmental and energy management systems in place. <p>Constantia Flexibles also fosters the development of the packaging industry towards greater sustainability through its active engagement and collaboration with the entire value chain.</p>
Reputational risks	Misunderstandings on the key functions of (flexible) packaging, perception of packaging as waste only and subsequent regulations could preclude flexible packaging from being considered a relevant and acceptable packaging solution by a biased consumer base, leading to a decrease in business opportunities.	<ul style="list-style-type: none"> ■ Constantia Flexibles meets this challenge through close coordination with international research institutes, constant evaluation of the latest scientific findings and continuous analysis of consumer initiatives and requirements at national and international levels. ■ The company also invests heavily in continuous R&D efforts to develop sustainable product alternatives (designed for recycling and ready for customer approval) for its entire product portfolio: the Ecolutions product family. ■ Constantia Flexibles' sustainability communication aims to inform and educate the target audience about the function of packaging in general. ■ Furthermore, Constantia Flexibles is part of multiple working groups, industry associations, and consumer platforms. Through these combined efforts, the company ensures an aligned representation of the benefits of (flexible) packaging and provides a stage where all stakeholders' views can be heard.
Technology risks	Changing requirements, standards, or emission limits of some countries or customers might require plants to switch to different technologies in order to stay below these prescribed limits or to match customer and market demands.	<ul style="list-style-type: none"> ■ Constantia Flexibles works closely with suppliers and customers and continuously evaluates market trends and new technologies. ■ The group invests in new technologies and partnerships and focuses on automation/digitalization. New machines are assessed against energy consumption/efficiency criteria, set-up times and waste.

Constantia Flexibles' physical risks

Natural disasters caused by climate change, like floods, storms, cyclones or extreme heat, can pose a risk of service interruptions and, therefore, production delays and a risk to ensuring business continuity. With plants in 16 countries, Constantia Flexibles is exposed to this risk in multiple geographic areas.

Overall, the group addresses physical risks through the following measures:

- Constantia Flexibles has a global all-risk insurance policy, which covers damage through e.g., fire and flooding as well as business interruptions in the event of natural disasters;
- Structural, technical, and organizational preventive measures (e.g., flood and fire protection, prevention of industrial accidents) are continuously taken for fundamental risks and developed step by step in accordance with the respective needs of individual plants;
- Constantia Flexibles continuously expands its emergency and crisis management systems.

The roll-out of precautionary protective measures in other Constantia Flexibles plants is continuously under investigation. Furthermore, the risk of business continuity is also addressed through Constantia Flexibles' global production network of hubs and satellites. In case of a stoppage in operations at one production site, the group can ensure timely supply from its other production sites.

In 2021, Constantia Flexibles conducted a comprehensive Climate Change Risk and Opportunity Assessment identifying hotspots within its global production network. The climate hazards have been ranked based on their likelihood and impact. In 2022, the group prepared a detailed Climate Risk Resilience Plan (CRRP). While climate risks were already part of the company's detailed Risk Management Concept, this CRRP focuses exclusively on climate risks and highlights the ways Constantia Flexibles addresses these risks and counteracts any potential vulnerabilities.

4.2.2.5 2022 ESG highlights

The highlights in terms of sustainable development in 2022 are as follows:

■ Environment:

- In line with the TCFD, Constantia Flexibles performed a Climate Change Risk and Opportunity Assessment, verifying the company's transitional and physical risks due to climate change. In 2022, the company prepared a detailed Climate Change Resilience Plan including a detailed concept for necessary mitigation initiatives and next steps,
- Constantia Flexibles achieved the Carbon Disclosure Project's (CDP) Climate Change Leadership level for the fifth consecutive year. This rating was awarded for the above average scores the company obtained in relation to climate change reporting and climate protection efforts,
- For the fifth time in a row, Constantia Flexibles was awarded the EcoVadis gold medal in recognition of its CSR achievements. This result places Constantia Flexibles among the top 2% of companies assessed by EcoVadis in this industry on their respect for the environment, human rights and labor law, ethics, and responsible purchasing,
- In 2022, Constantia Flexibles' largest production site (C. Teich) started an intensive biodiversity monitoring and intervention program including animal monitoring (birds, bats, butterflies, bees), insect hotels, mowing plans and deadwood components;

■ Innovation and recyclability:

- Constantia Flexibles is part of the Digital Watermarks Initiative HolyGrail 2.0. leadership team, a pilot project which aims to prove the viability of digital watermarking technologies for accurate sorting and consequently higher-quality recycling in the EU. This year saw the successful completion of Phase 2 semi-industrial testing and further advancements in Phase 3, dedicated to full-scale validation in dedicated testing locations,
- Constantia Flexibles continues to successfully advance its Ecolutions product range: the EcoPressoLid received the TÜV certification "OK Compostable Industrial". Other product innovations included the EcoVerLidding for PP cups, the CompressSeal technology helping to reduce packaging weight, and the launch of the high chemical resistance Pharma product innovation PERPETUA ALTA, which is the first flexible PP mono-material ever certified with the Letter of Approval by RecyClass. The Ecolutions family also won multiple awards, such as the DOW Innovation Awards, the IFCA India, and the South African Gold Pack Awards.

■ Health & Safety:

- 2022 saw over 70% of sites complete the Global HSE audit program (Blue Willis). Best practice sharing across all divisions has started on each topic within the audit program, to ensure we continue our HSE learning,
- The first ever CFlex Week of Safety took place in October 2022, establishing HSE as a continued #1 priority in our business. With a clear focus on health initiatives, Constantia Flexibles continues to share the message that safety is about our people.

■ Social:

In 2022, Constantia continued to participate in a number of social initiatives alongside local NGOs including:

- Staff working at Aluprint in Mexico and ColorCap in Poland are actively engaged with NGOs and charitable trusts which promote and provide a contribution to society, including sustainable projects that benefit the community, education, encouraging women entrepreneurs, focused support for disabled people through several psychological, physical, and social programs, financial support for children from children's homes in Ukraine,
- START Austria - Constantia Flexibles supports the "START" initiative in Austria. This excellent program is designed to support talented students from migrant backgrounds with their high school exams. By providing long-term support for young immigrants, Verein START-Stipendien Österreich is helping to provide fair access to education, social interaction, and solidarity in Austrian society,
- The team at the Constantia Teich plant in Austria is supporting local schools to allow low-income families and their children to participate in school activities such as skiing. They also support therapeutic institutions working with animals to help people with mental health conditions, and support people in need in Ukraine,
- In Africa, the team at Constantia Flexibles' Afripack sites donated towards feeding school children who have no meals at home or are undernourished. They also provide financial support to an external organization which helps unemployed disabled adults into employment through upskilling. The Afripack Sacks and Mobeni plant teams are long-standing financial supporters of Muthande, a society focused on the social, economic and emotional needs of the elderly.

4.2.2.6 Reporting methodology

Reporting period

The reporting period for the 2022 annual reporting is the calendar year from January 1, 2022 to December 31, 2022.

Reporting scope

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Indian operations of the Constantia Flexibles group were reclassified within discontinued operations and operations held for sale as of December 31, 2022 in the consolidated financial statements. However, the consolidated non-financial indicators of Constantia Flexibles include all of Constantia Flexibles' current operations, including the Indian operations.

The reporting scope covers all legal entities including 38 production sites in 16 countries and several office-based locations (e.g., headquarters, sales offices, holding locations) worldwide which were part of the Constantia Flexibles group in 2022, amounting to 100% of the scope covered. In 2022, one new plant was acquired, FFP Packaging Solutions Ltd. in the UK.

Accordingly, all legal entities, and office-locations of the Constantia Flexibles group (in 19 countries) were taken into consideration for the Human Resources-related data and information, including FFP Packaging Solutions Ltd. acquired in 2022 in the UK.

For H&S-related reporting, major office locations like the headquarters of Constantia Flexibles as well as all three offices of Constantia Business Services (located in Austria, Germany, and Poland) are fully taken into consideration, besides all production sites. The newly acquired plant FFP Packaging is also included in HSSE data.

For environmental KPIs, only plants that are part of the environmental reporting for the full year are taken into consideration. This includes 37 production facilities in 16 countries (office locations are not covered). The newly acquired Constantia FFP is excluded from environmental KPIs in 2022.

Reporting standards and choice of indicators

To monitor the progress of its environmental, social, and societal performance, Constantia Flexibles is tracking key performance indicators in connection with its ESG commitments at group level.

Employment

The employee hire rate is calculated by counting the number of hires (headcount) during the reporting period, divided by the number of employees (headcount) at the end of the reporting period, multiplied by 100.

The employee turnover rate is calculated by counting employees (headcount) who left the group during the year in relation to the number of employees (headcount) employed at the end of the year, multiplied by 100. Apprentices are now included in both hires and turnover calculations.

Health and safety

LTIFR is measured by calculating the number of Lost Time Injuries (LTI) resulting in at least one full day lost per 1 million hours worked (combined for group employees and leased personnel/temporary workers).

Severity rate is calculated by dividing the total number of days lost by total effective hours worked for the same period and multiplied by 1,000.

Energy

The following energy sources are included in the total energy consumption: natural gas, LPG, diesel, heating oil, petrol, other fuels, electricity, steam, and hot water. Fossil fuel consumption is expressed in MWh Lower Heating Value (LHV).

Scope 1, 2 and 3 GHG emissions

The CO₂ emissions' calculation is based on Scope 1, Scope 2 and Scope 3 as defined by the Greenhouse Gas Protocol Initiative (Corporate Value Chain Accounting and Reporting Standard). The standard provides requirements and guidance for companies and other organizations to prepare and publicly report a GHG-emissions inventory.

Scope 1 emissions include direct emissions by the company's facilities and vehicles.

Scope 2 emissions include all indirect emissions due to purchased electricity, steam, heating and cooling for the company's own use.

Constantia Flexibles' Scope 3 emissions include indirect emissions due to upstream purchased goods and services as well as fuel- and energy-related activities. Purchased goods include all raw materials, the main materials being aluminum and plastic. Constantia Flexibles' Scope 3 data is calculated with a one-year lag in Wendel's Universal Registration Document as it is based on data from peers (raw materials, fuels and energy-related activities).

GHG emissions for Scopes 1 and 2 are audited in the context of Wendel's non-financial performance statement (NFPS). Scope 3 emissions are also subject to a voluntary external audit as part of the annual processes set up by Constantia Flexibles.

Recyclability of product portfolio

Recyclability of product portfolio is calculated using the following formula: Recyclability of product portfolio (%) = Recyclable output [m²]/sold output [m²].

4.2.3 Stahl

4.2.3.1 Business overview

Stahl is a world leader in specialty coatings and processing chemicals for a wide variety of substrates. With its registered office in Europe (the Netherlands), Stahl specializes in providing products and services to manufacturers of materials used in the automotive, garment, footwear, packaging and home furnishing consumer segments.

GENERAL INFORMATION		
Activity	Stahl is a world leader in specialty coatings and processing chemicals that provide functionality, durability and comfort to many different materials used in everyday life.	
Sales	€915 million	
SALES BY REGION		
	Asia-Pacific	41%
	EMEA (Europe, Middle East & Africa)	35%
	North and Central America	16%
	South America	8%
HEADCOUNT		
Number of employees (FTE)	1,790.1	
HEADCOUNT BY REGION		
	EMEA (Europe, Middle East & Africa)	50%
	Asia-Pacific	21%
	India and Pakistan	15%
	North and South America	14%
PRODUCTS & SUPPLY CHAIN		
Number of manufacturing sites	11 (60% of volume produced in the EU, 94% of volume from ISO 14001 certified sites)	
Products: resources/use of resources/ final products and market	Specialty coatings and polymers Leather processing chemicals	
Outsourced activity	The manufacture of part of Stahl's leather chemicals portfolio is outsourced to a third party, under supply agreements.	
Value Chain Position	Stahl's unique position at the end of the chemical supply chain (i.e.: its direct customers are not chemical companies) means that it is dependent on the chemical and biotech industries for the supply of its raw materials. This also means that its factories are not heavily energy intensive, i.e., Stahl doesn't have cracking, distillation or pyrolysis processes.	
OTHER INFORMATION		
In Wendel's portfolio since	2006	
ESG ratings	EcoVadis 2022 Platinum rating	

4.2.3.2 ESG Roadmap

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2022	2021	Change	Remarks on 2022 achievement in relation to the target
Climate Change	Reduce Scope 1 and 2 CO ₂ emissions	Absolute CO ₂ reduction in Scope 1 and 2 emissions of 42% (2021 vs 2031)	Scope 1 and 2 CO ₂ emissions	tCO ₂ eq	16,469	19,999	-18%	See 4.2.3.4
	Reduce Scope 3 CO ₂ emissions	Absolute CO ₂ reduction in Scope 3 category 1 purchased goods and services of 25% (2021 vs 2031)	Scope 3 CO ₂ emissions	tCO ₂ eq	685,441	888,639	-23%	See 4.2.3.3 and 4.2.3.4
	Renewable energy located at or near Stahl factories	Three sites using on-site renewable sources (solar panels) (minimum 20% of total energy on site) by 2023 & six sites by 2030	Number of sites using on-site renewable sources (solar panels) (minimum 20% of total energy on site)	Number of sites	3	1	200%	42% of Stahl's global energy consumption is renewable (solar panel, renewable electricity, agri briquettes). In Mexico (2022), India (2022) and Brazil (2018), energy from solar panels is used for electricity.
	Climate resilience and adaption	Implement a Climate resilience and adaption plan	Implementation of the resilience plan and approval by the Board	Yes/no	Yes (validated at Board level)	Not yet set		The climate resilience plan was approved by Stahl's Board in December 2021 and December 2022
Sustainable products	Safe chemistry (ZDHC) and improved water footprint	80% of Stahl portfolio for the footwear, garment & accessories segment to be ZDHC certified by 2023	Number of Stahl products (% of total portfolio) at Level 3 ZDHC Gateway Conformance	Number of products	72.96%	62.56%	10.40%	Ongoing external testing of portfolio products & raw materials, and auditing of our manufacturing sites, to maintain and grow the % of products registered at ZDHC level 3 Gateway conformity.
	Environmental footprint - Measuring: Environmental Impact data via Life Cycle Assessment (LCA) methodology	ISO 14044 LCA data for minimum 50 strategic products	Number of strategic products with available LCA/LCI data	Number of products	160	50	220%	In 2022, the company surpassed its target by collecting and publishing LCA data for 160 products (24% of sales revenue). The 2023 LCA product data target has been raised to 300 products, based on strong market demand.
	Environmental certification: ISO 14001 certification (environment)	ISO 14001 for all Stahl sites by 2030	Number of sites with ISO 14001 certification	Number of sites certified	8 out of 11 sites	8 out of 11 sites	-	94% of Stahl's production volume is produced at ISO 14001 certified manufacturing sites.
ESG issues in the supply chain	ESG performance in the supply chain: Supplier performance & external EcoVadis rating for Stahl	By 2023: external rating for top 10 suppliers in EcoVadis: minimum rating of 60/100	Average score in EcoVadis rating of Top 10 suppliers (based on spend/€)	Average score	65.7	62.3	+3.4	Continuous progress on encouraging suppliers to improve their Ecovadis ratings.
		Maintain Platinum EcoVadis rating	EcoVadis rating Stahl	Medal rating (score out of 100)	Platinum rating (77/100)	Gold rating (70/100)	+7	Platinum EcoVadis rating was achieved in 2022. The focus now is on maintaining this level. The EcoVadis performance bar is continuously rising.

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2022	2021	Change	Remarks on 2022 achievement in relation to the target
Health and safety	Health and safety: Safe working environment (OHS) for Stahl employees and contractors at Stahl sites	Zero accidents, all Stahl locations & staff (including contractors)	TRIFR (total recordable injury frequency rate)	Calculation	2,325	5,543	-58%	Since the end of 2021, safety culture has been brought into focus at a global level. An OCDI survey allowed the company to identify weak spots, and global and local actions have been specifically defined as a result. The company considers the improvement in safety KPIs to be the result of increased awareness and better reporting practices, for example, observations and close calls, resulting in reduced likelihood of events with safety consequences.
			LTIFR (lost time injury frequency rate - employee)	Calculation	1,638	4,934	-67%	
		ISO 45001 certification for all Stahl sites by 2030	Number of sites with ISO 45001 certification	Number of sites certified	5 out of 11 sites	5 out of 11 sites	0	
Issue related to Human Resources: attracting and retaining talent, diversity	Diversity, Equity and Inclusion (DEI) at Stahl	100% of Stahl employees trained in diversity, equity & inclusion by 2023	Percentage of employees trained in DEI annually	-	Voluntary training available for employees	Voluntary training available for employees		Stahl has set up local DEI committees for each of its entities worldwide and a global DEI Committee to oversee progress and promote awareness.
	Human capital: Talent attraction and retention, alignment between employee competencies and company needs	Introduction of the Employee engagement index	Employee engagement index Turnover rate - resignations only	% turnover	5.22%	4.08%	1.14	Turnover is in-line with market averages.
	Diversity in Leadership: Gender balance in leadership positions in Stahl	By 2023: One female (minimum) member in Stahl's Leadership Team By 2030: gender balance (30-60%) in Stahl's Leadership Team	Percentage of women in Stahl's Leadership Team	% membership	0%	0%	-	As of March 2023, Stahl has one female member on the leadership team
		By 2023: 25% (minimum) female representation in Stahl's Extended Leadership Team & Heads of function By 2030: gender balance (30-60% ratio)	Percentage male - female (30-60%) in Stahl supervisory and managerial positions	% membership	25.01%	25.0%	0.1	Total headcount in 2022 is 25% female
Corruption and bribery	Adherence to the Stahl Code of Conduct, laws and policies in place, identification and reporting of incidents	Each year: 100% of Stahl employees trained in anti-corruption and bribery	Percentage of employees trained	%	97.50%	97.57%	-0.07%	The proportion of trained employees is stable and close to 100%.
		100% of whistleblower cases treated	Number of whistleblower cases treated	% (number of cases)	100% (8)	100% (7)	-	All cases were treated in 2022.

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2022	2021	Change	Remarks on 2022 achievement in relation to the target
Governance	Independent membership on the Stahl Board of Directors	Continuous reporting of Stahl Board members (gender and independence)	Number of independent members on the Board of Directors, excluding observers	Number of members	3	3	-	-
	ESG is a Strategic priority: Link ESG objectives to Executive & Management incentive bonus plans	Incentive bonus plans to include ESG targets	Bonus plan of Executive Control group includes ESG objectives		Completed	Completed	-	The incentive bonus plan was expanded in 2022 beyond the Leadership Teams to a larger group of senior managers.

More than ever, companies are positioning themselves for long-term success by considering the health of their business beyond financial profitability. Stahl's ESG Roadmap to 2030 reflects its commitment to sustainable development and its duty to society.

The chemical industry as a whole can also play a fundamental role in delivering solutions that enable sustainable development by meeting new challenges through innovation and safeguarding the well-being of future generations. Chemicals, for example, are the building blocks of low-carbon, zero-pollution, energy- and resource-efficient technologies, materials, and products.

The full overview of Stahl's ESG Roadmap to 2030 is available on the company's website: <https://www.stahl.com/storage/app/uploads/public/images/stahls-esg-roadmap-to-2030.pdf>

4.2.3.3 Main material issue related to the business model: product ESG performance

This section is dedicated to the ESG performance of the company's products:

■ Water-based products - low impact chemistry

Stahl began developing its water-based coatings and finishes in the 1970s. Now, thanks to its long-standing desire to provide the market with more environmentally responsible and low impact chemicals, most of Stahl's product portfolio is water-based (more than 50% of sales).

A typical water-based polyurethane coating has a lower carbon footprint, as measured by Life Cycle Assessment, than an equivalent fossil-based solvent alternative. However, replacing solvents with water in chemicals and coatings is not a simple task, it requires years of advanced research and development and a

long-term commitment. Replacing solvent is not the only way to reduce the environmental impact; there are other options, like high solids technology and biobased solvents, both of which can also reduce an environmental footprint while maintaining the high performance of products. Stahl continues to research and collaborate along the value chain to develop low impact technology for its products.

In 2022, part of Stahl's water-based products manufactured within the EU were declared as eligible for the EU Green Taxonomy (see section 4.4 EU Green Taxonomy). A portion of these eligible sales will be declared as aligned, i.e., contributing to climate change mitigation and not significantly harming (DNSH criteria) the Taxonomy's 5 pillars (adaptation to climate change, water, circular economy, pollution and biodiversity).

Key figures:

57% of Stahl's sales (turnover) is eligible and 4% is aligned according to the EU Green Taxonomy in 2022, in category 3.6 "Manufacture of other low carbon technologies".

■ Chemical compliance, REACH

Compliance with regulations on the use of restricted substances, such as the EU Regulation REACH, is a given, but Stahl also proactively strives to eliminate unwanted substances from its products and from the entire value chain. Every quarter, the Product Stewardship team meets formally with R&D and commercial business unit leaders to discuss toxicological reports on specific substances and make decisions about these substances. The company's commitment to responsible chemistry is consistent with the REACH Regulation and with market-led initiatives, like ZDHC (Zero Discharge of Hazardous Chemicals).

- Zero Discharge of Hazardous Chemicals (ZDHC): eliminating unwanted substances

Zero Discharge of Hazardous Chemicals (ZDHC) is a multi-stakeholder organization, comprising brands, textile manufacturers, leather tanneries, solution providers and chemical companies, whose goal is to eliminate the use of unwanted substances in the textile, leather and footwear value chains. Stahl is represented on the board of the ZDHC foundation and has been actively involved in setting the 2030 strategy for the ZDHC organization. By December 2022, 2,088 of Stahl's products (over 72% of footwear and ready-to-wear sales) were certified at Level 3, the highest conformity level. Conformity with the ZDHC MRSL (Manufacturing Restricted Substance List) is a critical element of Stahl's long-term commitment to low impact chemicals and responsible chemistry.

Key figure:

Over 72% of Stahl's footwear and ready-to-wear product portfolio is registered at ZDHC Level 3 (the highest level of certification for Zero Discharge of Hazardous Chemicals)

- Raw Material substitution

The process of substitution of raw materials in Stahl's products is continuous. Sometimes a newly restricted substance can be quickly replaced by a more favored alternative, in which case a new product can be designed and introduced as a replacement of the old one within months. More commonly, however, the replacement of existing products with lower impact alternatives takes years. Typically, requests for replacement are raised by customers, brands, sales or R&D teams. Requests for replacement can be driven by regulations (e.g.: REACH - European chemical legislation), or market-driven restricted substance initiatives, like ZDHC, or by the desire to introduce lower carbon footprint raw materials, as per the company's climate change mitigation goals.

- Renewable feedstock for chemicals - towards lower carbon technologies

Stahl has committed to reducing the greenhouse gas emissions associated with its upstream purchased goods and services (category 1 as per the GHG protocol for Scope 3 emissions) by 25% by the end of 2030. Since much of its current raw material portfolio is based on fossil fuels, the company will replace the highest carbon emitting materials with lower carbon alternatives. This is the challenge Stahl set itself ten years ago when it hired its first "green chemists" in R&D. Since then, it has become a strategic company-wide goal.

Sourcing renewable carbon is one of the ways to reduce the greenhouse gas emissions associated with chemical raw materials. The term Renewable Carbon describes resources that have not been extracted from the earth's surface, like bio-mass materials, carbon capture or recycled plastics. Stahl is one of the eleven founding core advisory members of the Renewable Carbon Initiative (RCI), launched in September 2020 under the leadership of the Nova-Institute (Germany). The aim of the initiative is to advocate the acceleration of the de-fossilization of the chemical industry. The eleven pioneer companies on the Core Advisory Board are Beiersdorf (Germany), Cosun Beet Company (Netherlands), Covestro (Germany), Henkel (Germany), LanzaTech (USA), Lenzing (Austria), Neste (Finland), SHV Energy (Netherlands), Stahl (Netherlands), Unilever (UK) and UPM (Finland).

Key figure:

Stahl is committed to a 25% reduction in indirect GHG emissions for purchased goods and services (Scope 3, category 1) by 2030, pending SBTi approval

- Life Cycle Assessment (LCA): measuring environmental impact

To reduce carbon emissions and minimize the impact of products on the environment, a standardized way to measure the impact is needed. Life Cycle Assessment (LCA) is the most widely accepted methodology for measuring environmental impact, and Stahl has invested significant resources in the collection, calculation, interpretation and communication of the life cycle impact of its products and raw materials.

Life Cycle Assessment (LCA) methodology measures the impact of a product on the environment and expresses it in recognizable, categorized impact data. In 2021, the company achieved its target of publishing LCA data for 50 strategic products and in 2022 LCA data were collected for 110 more products. Creating and maintaining LCAs requires a significant investment in time and human capital and research into data tools.

The target for 2023 for LCA data collection was increased to 300 strategic products. The company is also ramping up the collection of carbon footprint data for its automotive product portfolio, in response to rising market demand for high quality life cycle impact data.

Two full-time employees in the ESG team are currently dedicated to the collection, validation, interpretation and communication of LCA data.

Key figure:

LCA data are available for 24% of Stahl products (based on sales)

4.2.3.4 Climate change adaptation and mitigation

Climate change is strategic for the company as it is for the whole chemical industry. To align itself with the goals of limiting global warming to 1.5°C above pre-industrial levels, as established in the Paris Climate Agreement, Stahl has committed to reducing absolute Scope 1 & 2 GHG emissions by 42%, and Scope 3 emissions by 25%, by 2030. SBTi approval of these GHG emissions targets is pending, and expected in 2023.

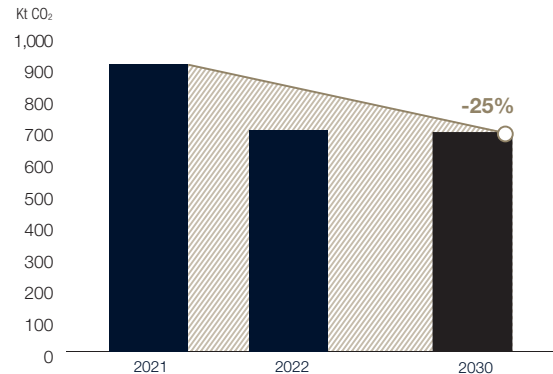
Key figures:

GHG reduction targets compared to a 2021 baseline year:

- -42% Scope 1 and 2 GHG emissions by 2030;
- -25% Scope 3 GHG emissions by 2030.

The action plan to reach the 2030 target is as follows:

- replace fossil-fuel based raw materials with lower carbon alternatives, like renewable carbon-based feedstocks;
- ensure that all new product development uses available low carbon raw materials;
- establish Raw Material Working Groups, per material or category, in which low-carbon alternatives are introduced to replace higher carbon versions;
- measure indirect raw material CO₂ emissions based on LCA data from suppliers and the Ecoivent/Simapro database;
- focus on the top raw material categories, and top individual products, according to their GHG impact (i.e., purchased volume x emission factor).



In 2022 Stahl undertook a comprehensive inventory of its GHG emissions and confirmed that over 90% of its total GHG emissions are linked to its purchased goods and services (Scope 3, category 1), i.e., upstream raw materials from suppliers, including outsourced production. As most of Stahl's products are fossil-based raw materials, the company has committed to accelerating their replacement with lower carbon alternatives, like renewable carbon-based chemicals. Product-specific working groups were set up in 2022 to ensure the smooth introduction of these low carbon alternative chemistries into the raw material supply chain.

Stahl has been replacing fossil-based energy with renewable alternatives at its manufacturing sites for several years. In 2022, 42% of Stahl's global energy usage was from renewable sources, either through network supply (European factories use only renewable electricity) or through on-site investments, like solar panels. Three (out of eleven) of Stahl's manufacturing sites have installed solar panels for electricity generation (Brazil, Mexico, India). Renewable energy (e.g., solar panels) will be planned for the remaining sites in the coming years (see ESG roadmap to 2030). Stahl still uses fossil energy sources to power its higher energy requirements, like boilers for steam generation, but the company is actively investigating new technologies to limit dependence on these sources with a view to using renewable energy sources, like solar and wind.

Key figures:

42% of global energy is from renewable sources

100% of European factories purchase renewable electricity

Scope	2022	2021	Change (%)	Remarks
Scope 1 (tCO ₂ eq)	11,852	13,898	-15%	The decrease is linked to lower production volumes and improved energy efficiencies
Scope 2 (tCO ₂ eq)	4,617	6,101	-31%	The decrease is linked to investment in solar panels
Scope 3* (tCO ₂ eq)	685,441	888,639	-23%	Stahl's largest Scope 3 category is purchased goods and services (category 1), which includes everything that the company buys. The drop in Scope 3 emissions in 2022 (-23% versus 2021) is due to reduced purchased goods and services, improved LCA data quality, and sourcing raw materials with a lower carbon footprint. It is likely that absolute Scope 3 emissions will increase in 2023, reflecting the impact of Stahl's acquisition of ISG, a unit of the ICP group.
CO ₂ intensity Scopes 1 and 2 (tCO ₂ eq/ton produced)	0.0849	0.0871	-3%	

* In preparation for its Science Based Targets submission in 2022 (pending approval in 2023), Stahl re-calculated its Scope 3 greenhouse gas emissions for the baseline year, 2021. All purchased goods and services were included in the updated Scope 3 calculation, as well as all other material categories. The inclusion of products for resale in category 1, for example, had a significant impact on total emissions when compared to previous reporting years.

All 11 manufacturing sites are included in Scope 1 and 2 emissions, as well as the labs and offices in the same geographical area. Large non-manufacturing sites (labs and offices) that are not geographically linked to our 11 manufacturing sites will be included in Scopes 1 and 2 as of 2023.

Scope 1 (direct emissions) 2022	Scope 2 (indirect emissions) 2022	Scope 3 (indirect emissions) 2022
Production (86%)	Purchased electricity (92%)	Purchased goods/services (91%)
Company vehicles (leased or owned) (14%)	Steam (8%)	Upstream transportation and distribution (5%) Other categories (4%)

Adaptation – Climate risks and opportunities assessment

Stahl's Climate Resilience and Adaptation Plan identifies the capacity to adapt to the direct and indirect impacts of climate change on the company. The plan takes into account the (a) transition risks, and (b) physical risks that apply to the company, and describes the actions required to both prepare for the effects of climate change and limit the company's contribution to further global warming. By integrating climate resilience into the Stahl strategy, the company believes it can secure a better future and be a positive force for climate action.

Climate change – Transition risks

Stahl's transition risks include the policy changes (carbon tax, fossil tax), reputational impacts, and shifts in market preferences, norms and technology that are linked to the transition to a low carbon economy. Stahl's emissions reduction target communicated in 2022, linked to Paris Climate Agreement goals, is an example of the action taken in 2022 to mitigate its transition risks.

Climate change transition risks and opportunities

Risk/Opportunity TCFD Category	Identified Transition Climate Risk/Opportunities	Level of risk/ opportunity	Next steps/ Actions
Carbon pricing	Stahl has not set (internal) carbon pricing. Carbon price legislation could impact the cost of using fossil raw materials.	Medium	Investigate carbon pricing and its impact.
New climate change regulations (e.g., GHG reduction targets)	The EU is already introducing legislation that is aligned with the Paris Climate Agreement.	High	A GHG emissions target was submitted to the Science Based Targets Initiative (SBTi) in July 2022 (pending approval).
Increase in demand of low carbon products	The market has been slow to ramp up demand for low carbon products, but it has accelerated in recent years due to societal pressure.	Medium	See actions described in 4.2.3.2.1 on Raw Material substitution: switch to low carbon technologies.
Purchase of renewable energy and energy efficiency	Stahl manufacturing sites are run on both renewable energy and fossil fuel energy (42% is already renewable).	Medium	Continue implementing on-site renewable energy sourcing. Investment in energy-efficient technologies for higher energy requirements.
Increased capital availability and company reputation related to climate change performances and strategies	Meeting our climate targets requires significant capital investment in equipment, building and raw materials.	Medium	GHG reduction plans are ongoing for Scope 1 and 2 emissions, and Scope 3 upstream emissions. These plans will outline the specific actions that should be implemented to meet the company's GHG targets published in 2022.

Climate change – Physical risks

Stahl is evaluating the physical risks of extreme weather events on its manufacturing sites, like flooding, excessive heat, storms, access to water, wildfires, etc. It is conducting an internal assessment at strategic manufacturing sites to determine their vulnerability to specific climate change-related events. At this early stage, storm risk and excessive heat risk are considered to be the most material topics on which Stahl could implement protection measures in the medium term.

4.2.3.5 Other material issue:
employee health & safety

Although the chemical industry is highly regulated, there are safety risks associated with the manufacturing, handling and end use of chemicals. Safety does not only apply to workers at manufacturing sites: it includes the safety of people throughout the value chain. In Stahl's particular case, this means that the priority of safeguarding the safety and health of its employees, and of the communities near its factories, also extends to anyone who handles Stahl products, including consumers who may come into contact with them in a car

or by wearing shoes or garments. Stahl's commitment to safety is therefore focused on the safe handling of chemicals (occupational safety), minimizing exposure to chemicals (by inhaling, skin, eyes, or other body parts), and on the prevention of restricted substances in its products, to mitigate the risk of exposure to the end consumer.

Stahl regards Safety and Health as a critical value for conducting its businesses and governing its decisions.

Core Safety Principles:

- inherent SHE (Safety Health Environment) Management - embedding the safest strategy as the main foundation in all decisions;
- prevention vs. protection - driving all activities by encouraging SHE risk prevention, prior to considering adequate protective measures;
- accountability - structures and processes ensuring guidance, SHE accountability and continuous improvement at all levels.

The following safety pillars define Stahl's approach to hazards and risk management:

- **chemicals:** identifying, controlling, and mitigating hazards related to the chemicals the company manages and handles in laboratories and production operations;
- **assets:** identifying, designing, and implementing best possible techniques to prevent incidents in design and maintenance of new projects, plants and equipment;
- **operations & maintenance:** conducting operations ensuring compliance with recognized international standards and continuous improvement in operational excellence by applying best SHE practices globally in its operations;
- **behavior:** eliminating and/or minimizing risks, as much as technically possible, in work processes worldwide. Working together, supporting each other, and leading by example to integrate SHE in the company's day-to-day business activities.

4.2.3.6 2022 ESG Highlights

- **Health and Safety:** Improvements were observed in 2022 vs. 2021 in Stahl's critical safety KPIs: total recorded injuries, lost time injuries and severity rate of accidents. This is considered to be the result of increased awareness throughout the company and better reporting practices, partly stemming from the results of the OCDI survey, which identified weak spots and translated into concrete action.
- **External ESG ratings (EcoVadis):** Stahl was awarded the EcoVadis Platinum rating in 2022. This lifts the company into the top 1% of companies evaluated. EcoVadis provides a holistic sustainability rating service for companies, delivered via a global cloud-based SaaS platform. The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labor & Human Rights, Ethics and Sustainable Procurement impacts.
- **ESG team expansion:** Stahl added two new people to the team in 2022, which now consists of five dedicated ESG staff, focused on global governance & compliance legislation, ESG ratings, Life Cycle Assessment, Chemical compliance, Environmental management, Climate change and supply chain transparency. More staff are expected to join in the coming years to support Stahl's ambitious targets and to ensure its continued ESG leadership.

- **Energy:** 42% of Stahl's global energy consumption is renewable. Solar panels installed in Mexico, Brazil and India supply electricity at those sites.

- **DEI (Diversity, Equity and Inclusion):** In 2022, Stahl prioritized strengthening its DEI culture and governance by defining and introducing local Diversity, Equity and Inclusion plans in each of Stahl's legal entities worldwide. The company appointed local DEI committees for each of its entities, which are responsible for implementing company-wide DEI guidance, defining local DEI action plans, and providing local information on DEI to support Stahl's company-wide KPIs. To address the need for a clear company-wide DEI strategy, Stahl also appointed a global DEI Steering Committee, with the following responsibilities:

- defining Stahl's DEI Strategy and guidance,
- establishing and monitoring DEI targets and KPIs,
- defining global actions to foster DEI,
- identifying, training, and supporting regional representatives,
- facilitating and stimulating local DEI committees,
- sharing DEI best practices between countries.

The Steering Committee meets on a quarterly basis and acts as a bridge to the company's local DEI committees.

- **Supply chain transparency:** Stahl expanded its ESG scope in 2022 to include the growing need for supply chain mapping and chain of custody certification, like ISCC and RedCert, for its products. Several new legislations around the world have highlighted the importance of understanding the provenance of our products (or more precisely of the raw materials all the way down to the farm level) and demonstrating the chain of custody of all materials, with the ultimate goal of ensuring that they have not been manufactured in compromised areas, for example due to deforestation or where forced labor is taking place.
- **Operational Excellence Program:** In 2022 a Global Operational Excellence Manager was appointed to begin the implementation of a program to improve current practices.

4.2.3.7 Reporting methodology

Reporting period

The period selected for 2022 annual reporting is the calendar year from January 1 to December 31, 2022.

Reporting scope

- unless otherwise indicated, HR and Safety data are reported for all Stahl entities worldwide;
- for environmental data, the manufacturing sites are included as indicated in the table below:

	Site	2022	2021
1	Brazil, Portao	Y	Y
2	China, Suzhou	Y	Y
3	France, Graulhet	Y	Y
4	Germany, Leinfelden	Y	Y
5	India, Kanchipuram	Y	Y
6	Italy, Palazzolo	Y	Y
7	Mexico, Toluca	Y	Y
8	Netherlands, Waalwijk	Y	Y
9	Singapore, Singapore	Y	Y
10	Spain, Parets	Y	Y
11	USA, Calhoun	Y	Y

Social indicators

Total workforce

The total workforce is the number of employees with a permanent or fixed-term contract with the Stahl group on the last calendar day of the month. The data are reported in terms of full-time equivalents.

Safety indicators

Population considered

In the KPI preparation, the following types of population are considered:

- specific contractor: a contractor present at Stahl only for specific projects or work;
- usual contractor: a contractor present at Stahl on a regular basis, i.e., maintenance personnel, security guards or personnel working in the canteen;
- Stahl worker: any person having a personal employment contract with Stahl.

Based on this definition, the impact of workers on the KPIs is as follows:

Relation with Stahl	Reported by site in case of injury	Consideration in Stahl SHE&PS Injury KPIs	Consideration in Stahl SHE&PS Days lost, LTI KPI and Severity Rate
Stahl worker	YES	YES	YES
Usual contractor	YES	YES	NO
Specific contractor	YES	NO	NO

Total reported injuries frequency rate

The total reported injuries (TRI) frequency rate is calculated on the basis of the total number of injuries recorded in the last twelve months over the total number of hours worked and referenced to a base of 1,000,000 h.

Lost-time injury frequency rate

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time in the last twelve months over the total number of hours worked and referenced to a base of 1,000,000 h.

In order to align LTI FR with TRI FR, the lost days considered in this calculation are those caused by injuries with medical treatment level or higher.

Severity rate

The severity rate is the number of lost working days due to injuries in the last twelve months over the total number of hours worked and referenced to a base of 1,000 h.

Environmental indicators**Energy**

Reported energy consumption includes all energy sources consumed by the Stahl manufacturing sites around the world. The figures indicated do not include energy consumed by offices and laboratories that are not geographically connected to one of the manufacturing sites. Coal is not used.

Water

The water consumption indicator includes all water sources (public water and ground water) consumed by the Stahl manufacturing sites around the world. The figures do not include water consumed by offices and laboratories that are not geographically connected to one of the manufacturing sites.

Waste

The waste indicator includes all hazardous and non-hazardous waste generated by the Stahl manufacturing sites around the world. The figures do not include waste generated by offices and laboratories that are not geographically connected to one of the manufacturing sites.

Stahl also reports wastewater that is sent for external treatment. These data relate to the sites in Waalwijk (NL), Calhoun (USA) and Toluca (Mexico). Stahl's other manufacturing sites have onsite wastewater treatment.

Consolidation and internal controls

The HR and SHE departments are responsible for consolidating social and safety data based on the information provided by the Group.

At each site, the SHE Manager reviews safety and environmental data reported before the group-level consolidation is performed.

The social data relating to the workforce are compared with the consolidated data in the group's finance database for consistency.

Guidelines on calculation and reporting of indirect Scope 1, 2 and 3 CO₂ emissions

All Scope 1, 2 and 3 CO₂ emissions reported by Stahl are calculated, verified and communicated in accordance with the recommendations of the GHG protocol.

Scope 3 emissions exclude GHG protocol categories 8, 10, 11, 13, 14 and 15, as they are not relevant to Stahl. In particular, category 11 - Use of sold products - is not relevant, as Stahl's products are not combusted, do not directly consume fuel or electricity, and do not contain GHGs which are emitted during use. Additionally, under the GHG Protocol guidance, the reporting of indirect use-phase emissions is optional for intermediary products.

Process-based data

Process-based data is prioritized in the following order	Data description
Primary	Actual consumption data such as liters of fuel or kWh consumed
Secondary	Data one step removed from actual consumption data such as company car mileage
Tertiary	Data two or more steps removed from actual consumption values such as spend data

Consistency

- emission factors for the main category 1 are extracted from an LCA software tool (SimaPro). The ESG team will track and update the emission factors annually or update them based on supplier data (if they meet the LCA criteria);
- every year (at least once a year) emission factors are reviewed internally (SIMAPRO) and, when needed or desired, externally (for example by Royal Haskoning, Avieco, Ernst&Young and Deloitte);
- we align this as much as possible with our approach on LCA and LCI (which is compliant with ISO 14040 and 14044) for our Scope 3 calculations.

Uncertainties

Aligned with the GHG protocol, the reporting methods for certain CO₂ eq indicators for Scope 3 emissions may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data. For CO₂ eq emissions from Scopes 1, 2 and 3, there are uncertainties due to the intrinsic uncertainties of emission factors. Increasingly using LCA data for conversion factors will make these data more accurate.

The source of Stahl's emission factors for Scopes 1, 2 and 3 are: IPCC, guidelines for National Greenhouse Gas Inventories, EPA (Environmental Protection Agency), IEA (International Energy Agency), National sources, SimaPro/Ecoinvent and DEFRA (Department for Environment, Food & Rural Affairs - UK ministerial department).

4.2.4 Crisis Prevention Institute

ESG has been a focus of Crisis Prevention Institute, Inc. (CPI) from its founding in 1980. CPI is the world’s leading provider of de-escalation training, non-violent physical intervention training, and person-centered care training for those living with dementia. The social impact is core to CPI’s values, business plan, and mission, driven by the thousands of training events it holds each year. Every year, over a million nurses, teachers, social care workers, and others are trained in CPI skills and deploy those strategies to improve a safer, more caring workplace environment.

Additionally, although CPI has a “light” carbon footprint, the company undertakes yearly activities to reduce its footprint and leverage digitization. CPI’s stated goal is to reduce its carbon footprint by 10% by 2024.

The following report presents CPI’s 2022 ESG Roadmap and associated plans.

4.2.4.1 Business overview and key figures

GENERAL INFORMATION	
Company activity	De-escalation and physical intervention training for health and education professionals, worldwide
Sales	€114.2 million
Sales by region	North America: 88% EMEA: 9% Asia-Pacific: 3%
Sales by market	100% B2B <ul style="list-style-type: none">■ Education: 43%■ Healthcare: 23%■ Human and Social Services: 16%■ Mental Health Facilities: 9%■ All Other (e.g., Retail, Long-term Care): 9%
HEADCOUNT	
Number of employees	376
Headcount by region	North America: 72% “Rest of World”: 28%
Female to Male %	58% female, 42% male
OFFICE LOCATIONS	
North America	Milwaukee, WI (2), Gurnee, IL
Rest of World	Reading, UK (new location) Newcastle-Under-Lyme, UK Sale, UK Sydney, AU

4.2.4.2 ESG roadmap

ESG issue	ESG Risk/ Opportunity	Key policies	KPIs	Unit	2022	2021	2020	Change (2021/ 2022)	Target 2024
Health and safety	Health and safety of employees	<ul style="list-style-type: none"> Safety policy (for example, Workplace Violence, Work from Home, and Operation of Vehicles) Well-being at work (for example, Health and Wellness Days, Break-Time for Nursing Employees, and Employee Assistance Program) Training on an annual basis on safety, health and well-being Monitor employee engagement (2 surveys a year) and track planned vs. unplanned churn 	Hours of Personal Time off per employee (CPI North America scope) - including Health and Wellness days leave	h	25.1			N/A	-
			Lost time injury frequency rate (LTIFR)	Rate	1.56	1.64	1.56	-5%	0
			Health and Safety incidents	Nb	0	3	5	N/A	-
			Departure rate	Rate	21%	28%	21%	-24%	-
Climate change	Climate change	<p>Employee travel and energy consumption generate carbon emissions. CPI, as a responsible company, must demonstrate that it is making efforts to participate in the fight against climate change.</p> <p>Key policies are:</p> <ul style="list-style-type: none"> Carbon footprint monitoring; Carbon footprint of workbooks; Mandatory remote work day/week; Implementing virtual training to reduce air travel and hotel days; Use of LED light bulbs. 	CO ₂ footprint/employee	tCO ₂ eq./employee	8.1	7.7		5%	7.3
			Catalog page count (2020 baseline year)	pages	582,144.00	832,000.00	1,280,800.00	-30%	-20% compared to 2019
			% of increase in digital revenue (year on year)	%	+26%	141%; Covid-19 impacted	203%; Covid-19 impacted	N/A	+25% per year
			% of CPI's m ² using LEDs	%	93%	87%		6%	-
Social	Training	<p>As a professional services firm, CPI makes employee learning and development a priority.</p> <p>Key policies are:</p> <ul style="list-style-type: none"> Attendance tracking in all mandatory training; All employees trained on cyber security. 	Number of hours of mandatory training per employee	h/employee	6.63	23.49	11.72	-72%	-
			Number of Cyber Incidents per employee	Nb/employee	0.00	0.98	0.04	-100%	-
			% CPI staff with cyber security training	%	100%	100%	98%	0%	100%
	Discrimination and equal treatment	<ul style="list-style-type: none"> Applicant Tracking System (ATS) to manage the recruiting and hiring process Affirmative Action Plan (AAP) which details our efforts to provide equal employment opportunities that reflect the gender and racial profile of the labor pools from which we recruit and select. 	Percentage of women Board directors	%	29%	25%	25%	14%	-
			Percentage of women managers	%	53%	54%	50%	-2%	45% -50%
	Local employment and development	<ul style="list-style-type: none"> Implementing a Volunteer Time Off Program to support volunteer activities that enhance and serve the communities in which we live and work. Consideration of accessibility of public transportation in making the business decision to close the Kings Langley office in the UK and open a new location in Reading. 	% of offices accessible with public transportation	%	100%	100%		0%	-
			Total paid Volunteer Time Off (VTO) hours per employee (only CPI US)	h/employee	3.58			N/A	-

ESG issue	ESG Risk/ Opportunity	Key policies	KPIs	Unit	2022	2021	2020	Change (2021/ 2022) Target 2024	
Corruption and bribery	Corruption and bribery	<ul style="list-style-type: none"> CPI maintains audited approved segregation of duties and open transactions/contracting (via on-line contracting and DocuSign) Full training on anti-bribery and corruption (ABC) 	% of identified CPI staff trained and passed on Foreign Corrupt Practices Act (FCPA)	%	100%	100%	100%	0%	-
			Number of lost contracts due to ethics	Nb	0	0	0	N/A	-
ESG performance of products	ESG performance of products and services	<ul style="list-style-type: none"> Regulatory authorities certify the quality of training Verification scheme to guarantee confidence in training delivery for future certified External instructors' acknowledgment of CPI's quality training 	Total number of active Certified Instructors/number of learners	Nb	39,224/ 1,400,000	35,954/ 1,400,000	35,032/ 945,000	N/A	40,000 over 1,400,000
			NPS	Nb	76	70		9%	50

4.2.4.3 Main material ESG issue related to the business model: minimizing violence in the workplace

For 43 years, CPI has been at the forefront in training organizations to be able to manage “life’s daily crisis moments”, whereby a child with autism may be self-harming and needs to be stopped, or a person enters an Emergency Room in a hospital yelling and threatening other patients. Over the past four decades, CPI’s training program has proven to significantly reduce the frequency and severity of such events by 50%⁽¹⁾. Upon completing CPI training, customers feel confident in de-escalating these events and are able to improve the culture of care, welfare, safety, and security within their workplace.

Additionally, since 2010, CPI has been a leader in person-centered dementia care training for professionals serving those living with dementia. This includes both de-escalating distressed behavior in the long-term care setting and, more importantly, delivering therapeutic interventions that allow people with dementia to keep living their lives as fully as possible. CPI’s training transforms the organizational culture of care settings and reinforces person-centered care delivery.

Currently, there are over 39,200 active certified instructors (CPI customers) that train their co-workers, buy CPI products, and provide coaching support. It is estimated that hundreds of millions of people are impacted by CPI’s customers and are beneficiaries of safer, calmer and more caring hospital and school environments. Upon completing CPI training, 95% of newly-certified instructors report a material increase in confidence in managing crisis moments, with the long-term effect of CPI customers reporting a Net Promoter Score of 60 for our service to them.

4.2.4.4 Climate approach

Climate change mitigation

In order to train CPI’s customers it is critical that CPI’s Global Professional Instructors (GPIs) are able to meet their customers in person, usually over a three-day period. This intensive program includes content training, facilitation skills, product usage strategies and testing. CPI’s 80 GPIs travel the world, meeting at customer sites and in public settings, to perform these events. This consumes carbon, as does the production and shipping of CPI’s training materials.

CPI has been measuring its carbon footprint since 2021, with the help of a specialized consultant.

Based on this initial assessment, CPI has identified possible actions to reduce its carbon footprint and set reduction targets.

(1) Customer survey from TechValidate conducted in August 2022.

CPI's carbon footprint

Scope	2022	2021	Change (%)
Scope 1 (tCO ₂ eq)	0 ⁽¹⁾	0 ⁽¹⁾	-
Scope 2 (tCO ₂ eq)	995	1,049	-5%
Scope 3 (tCO ₂ eq)	2,060	1,354	+52%
Intensity of Scope 1, 2 and 3 emissions per employee (tCO ₂ eq/employee)	8.1	7.7	+5%

(1) Scope 1 is at zero as CPI does not have any direct consumption of fuel and data relating to any refrigerant gas leakages were not available.

Scope 2 (indirect)

Purchased electricity: 100%

Scope 3 (indirect)

Business travel: 43%

Inbound freight and distribution (transportation of workbooks): 26%

Commuting: 20%

Other items (waste, end of life of workbooks, etc.): 12%

The increase in Scope 3 emissions in 2022 is mainly due to an increase in business travel with in-person training resumed on a large scale following the Covid pandemic. In 2022, CPI performed an analysis of projects that will help manage CO₂ consumption and set a goal of decreasing CO₂ consumption per employee by 10% (as measured in December 2024).

- To achieve the reduction, CPI has embarked on two initiatives (starting in 2021):
 - Minimizing page count in workbooks starting with our 2023 third edition workbook,
 - Developing and distributing fully electronic workbooks to negate the printing and shipping of workbooks;
- Over the past two years, CPI has reduced page count by 2 million pages and has now appointed a consultancy firm to assist in the development of the workbooks that will go on sale in 2024.

Adaptation – Climate risks and opportunities assessment

CPI completed a climate-related physical and transition risk analysis in 2021.

CPI's business is low-carbon and does not require specific raw materials or infrastructure. It is therefore considered to have low exposure to climate risks.

4.2.4.5 2022 highlights

CPI added a record number of new certified instructors to its membership, which now totals 39,000. These additional 3,000 instructors will now train, on average, 120,000 of their co-workers in CPI's skills and techniques.

CPI also focuses on its own employees and their care. It does this by fostering a culture of employee health, safety and well-being through robust workplace safety administration and training and education practices and programs. 2022 highlights for the US team include:

- Achieving annual goal of 0 lost time incidents for employees;
- Implementing a paid Volunteer Time Off Program to support volunteer activities that enhance and serve the communities in which we live and work. Fifty-one employees performed a total of 211 hours of volunteer work at three nonprofit organizations;
- Implementing four Health and Wellness Days to address employee health and wellness needs. A total of 6,361 hours were taken by 206 employees.

The last two points are now in line with the rest of CPI worldwide in terms of time allocated for mental wellness and volunteering.

Finally, in late 2022, CPI moved one of its key offices from Kings Langley (UK) to Reading (UK). Using technology enablement, it was able to reduce the total space needed in the London area and upgraded to a newer facility that is more ESG-aware, including 100% LED lighting.

4.2.4.6 Reporting methodology

Reporting period

The period selected for the 2022 annual reporting is the calendar year from January 1 to December 31, 2022.

Reporting scope

The reporting scope covers all legal entities in the United States, the United Kingdom and Australia.

Reporting standards and choice of indicators

To monitor the progress of its environmental, social and societal performance, Wendel and CPI have adopted key performance indicators in connection with the CSR commitments at both Wendel Group level and CPI level.

CPI's non-financial information is verified by an independent third party organization (see section 4.7 for the list of audited indicators on CPI's scope).

Greenhouse emissions are calculated and reported according to the GHG Protocol standard. Scope 1, 2 and 3 emissions are updated every year.

Specific scope

The indicator "Total VTO (volunteer time off) hours" refers to CPI North America only, as the program is not yet developed more broadly.

Specific indicators' definitions

- Planned absenteeism: to calculate planned absenteeism, CPI North America used the total PTO (personal time off) granted to employees in the United States. The PTO covers both absences for illness and annual leave;
- Departure rate: the departure rate is calculated as follows: $100 \times \frac{\text{Total number of leavers}}{\text{Headcount - Over the year}}$.

Estimated data for the carbon footprint

- Energy consumption has been estimated based on the surface area of each office;
- Freight: upstream freight has been estimated based on the suppliers' addresses and the weight of the total workbooks purchased. Downstream freight has been calculated based on the transport spend.

4.2.5 ACAMS

4.2.5.1 Presentation of the company's activity

2022 paved the way for new possibilities at ACAMS, as the world leading membership organization for anti-financial crime professionals officially became part of the Wendel Group portfolio of companies in March 2022. This change brought new opportunities regarding the way in which the organization operates, while maintaining the same steadfast commitment to ACAMS' mission to end financial crime and drive strong environmental, social and governance (ESG) outcomes.

GENERAL INFORMATION	
Activity	Continuing Professional Education, Best in Class Peer Network, Thought Leadership
Sales	\$98.4 million ⁽¹⁾
Sales by region	Americas: 50.7% EMEA: 25.0% Asia-Pacific: 24.3%
Sales by market	B2B: 51.5% B2C: 48.5%
HEADCOUNT	
Number of employees	303
Headcount by region	Americas: 59.2% Asia-Pacific: 22.7% EMEA: 18.1%
OTHER INFORMATION	
In Wendel's portfolio since	2022

(1) Unaudited figures.

4.2.5.2 ESG Roadmap

ACAMS is committed to cultivating platforms that improve and strengthen the quality of financial flows for the benefit of environmental, social and governance progress globally.

ESG Risk/ opportunity	Non-financial risks related to the company's activity	Key policies	KPIs	Unit	2022
Health & Safety	As a fully remote organization, there is a risk of employee morale, engagement, productivity, and mental health being impacted if appropriate steps are not taken	<ul style="list-style-type: none"> Develop and execute a comprehensive people strategy to address risks related to a fully remote working environment Organize and execute team building and engagement activities, with a focus on the leadership team meeting with their global teams Provide Mental Health Support & access to wellness resources e.g., gyms and counseling Engagement Committees to be supported and encouraged to continue facilitating in-person events 	% of employees covered by the annual pulse and engagement surveys to gauge engagement levels	%	80%
			Monitor % of employees that feel satisfied or very satisfied at work during the annual employee survey (%)	%	60%
Diversity & Gender Parity	While ACAMS is currently well-represented and diverse, there is a need for adequate policies/practices to be in place to maintain the diversity profile of the talent pool	<ul style="list-style-type: none"> Maintain a good gender balance 	Proportion of women among Board members (%)	%	43%
			Proportion of women among managers (%)	%	49%
Climate change	Employee travel generates carbon emissions (Scope 3). ACAMS must demonstrate that it is making efforts to contribute positively to reducing carbon emissions	<ul style="list-style-type: none"> Measure its carbon footprint Define a reduction target after this first year of carbon reporting 	Intensity of GHG emissions over the year (Scopes 1, 2, 3)	tCO ₂ eq/employee	1.22
Business Ethics	ACAMS transacts directly with governmental agencies and state-owned enterprises that may represent corruption risks. ACAMS' corporate clients and vendors could also represent an external corruption risk during sales processes.	<ul style="list-style-type: none"> Risk assessment interviews Issue of a Code of Conduct Launch of ACAMS values - Purpose, Integrity and Partnership - to reinforce the importance of integrity at the workplace 	Percentage of employees having followed training on Anti-Bribery and Corruption	%	100%
			Proportion of employees who signed the Code of Conduct	%	100%
ESG Performance of products and services	The ACAMS ecosystem and ESG programs share a common goal of improving the quality of financial flows	<ul style="list-style-type: none"> Conduct a regular review of all products and services to ensure these are up-to-date and help improve the quality of financial flows Ensure the products reflect legislative and regulatory changes Maintain best-in-class Global Faculty for conferences and training Ensure the examination process is robust with guidelines in place to monitor leaks Develop social impact training 	Net Promoter Score	Nb	48
			Number of ACAMS members	Nb	100,620
			Number of AFC professionals certified during the year	Nb	62,927
			Number of jurisdictions covered	Nb	194
			Number of people enrolled in free social training - "Ending Illegal Wildlife Trade"	Nb	6,606
			Number of people enrolled in free social training - "Fighting Modern Slavery and Human Trafficking"	Nb	14,442
			Number of products updated over the year	%	45%

Data for 2021 are not available as ACAMS joined the consolidated scope of Wendel in 2022. The objectives for each of the issues will be defined at the end of 2023 on the basis of an initial data history.

4.2.5.3 Main material ESG issue related to the business model of ACAMS: performance of services and impacts on society

ACAMS remains steadfast in its mission to fight financial crime, and ultimately aid in stopping the subsequent harm to the world that is associated with illicit finance, such as modern-day slavery and the illegal wildlife trade. Reducing financial crime would have a profound impact on society as a whole, helping to promote national security and financial integrity, protect the lives of would-be victims, and mitigate environmental damage and its knock-on effects.

Through its training programs, certifications and certificates, global peer-to-peer networking events and thought leadership initiatives, ACAMS' ability to improve and strengthen financial flows while protecting the world's most vulnerable populations and biodiversity remains unparalleled across the industry. ACAMS operates with a great sense of pride and responsibility toward its mission and the stakeholders it serves.

With over 100,000 members spread across more than 180 jurisdictions, and more than 63 global Chapters, ACAMS advanced its mission in impactful ways this past fiscal year through the launch of more than 70 new or updated certifications and certificates, and more than 10 large-scale events hosted across the Americas, EMEA and APAC. Its best-in-class expertise, global faculty and strong talent equip the organization with a competitive advantage and solutions that serve in advancing its mission and societal impact.

By educating, informing, and convening the anti-financial crime (AFC) community, and through its flagship events and seminars, training programs, certifications and certificates, ACAMS is making an outsized impact on the economic and social progress of communities around the world.

Operating and partnering with purpose to strengthen global financial ecosystems

The organization's impact is expanded further by its facilitation of cross-sector collaboration and partnerships.

Notably in 2022, ACAMS joined forces with several respected partners to safeguard the integrity of the financial system, including FELABAN, Latin America's leading banking federation. ACAMS and the Bogota-based organization worked together on training AFC professionals throughout Latin America on compliance best practices and emerging risks related to money laundering and other forms of illicit finance. The initiative offers globally recognized ACAMS training certifications to compliance practitioners across 18 Latin American countries and more than 600 of FELABAN's member institutions in the region's banking and payments sectors.

The same year, ACAMS and US Homeland Security Investigations (HSI) partnered on a ground-breaking report to combat organized retail crime, the large-scale theft of retail merchandise with the intent to resell items for financial gain, which is a growing economic and public safety concern.

The joint report - *Detecting and Reporting the Illicit Financial Flows Tied to Organized Theft Groups (OTG) and Organized Retail Crime (ORC)* - highlights red flags associated with organized theft groups, including structured deposits and withdrawals, large purchases of stored-value cards, high-dollar wire transfers tied to wholesale companies involved with health and beauty supplies, and large purchases of lighter fluid or heat guns, among others. The report also serves as a guide for law enforcement investigators and anti-financial crime (AFC) professionals, outlining how organized theft groups steal and resell retail goods through online marketplaces and front companies and launder an estimated \$69 billion in illicit profits through the US financial system and trade-based money laundering (TBML) schemes each year.

Additionally, ACAMS established a partnership with TRAFFIC, a leading non-governmental organization that works to ensure wildlife trade is not a threat to the conservation of nature. Through this partnership, ACAMS enabled the localization of vital training in key markets - China and Japan - to propel efforts related to ending illegal wildlife trade by launching the "Ending Illegal Wildlife Trade - A Comprehensive Overview" certificate in Simplified Chinese (SCH) and Japanese.

ACAMS Chapters are a testament to the simple truth that financial institutions and governments are most effective at fighting illicit finance when they collaborate, communicate and partner with one another. Through ACAMS Chapters, AFC professionals have a network of peers that can work together in identifying and reporting money laundering, terrorist financing, sanctions evasion, and other illicit activity in their respective regions. Chapter members can build on their compliance knowledge to better mitigate their institutional risks, protect those vulnerable individuals who have fallen victim to criminal groups, and ultimately save lives.

In 2022, two new Chapters were established in Italy and East Africa, bringing the total number of ACAMS Chapters to 63. The ACAMS East Africa Chapter includes co-locations across Kenya, Rwanda, Somalia, Tanzania and Uganda.

Each Chapter provides a platform for the education and professional development of AFC and sanctions compliance practitioners and aims to drive collaboration among private-sector institutions, regulatory bodies, law enforcement agencies, and other organizations engaged in combatting illicit finance.

Empowering individuals to protect and transform communities

ACAMS believes that diverse perspectives and cultural experiences help strengthen the world around us. Across the financial sector, diversity enables different perspectives to drive new solutions to problems, ultimately reducing risks, strengthening compliance, and protecting our global communities.

In support of this perspective, ACAMS seeks to drive long-term change that enables diverse perspectives to flourish. This includes creating opportunities for underrepresented professionals pursuing a career in financial-crime prevention.

ACAMS remains eager and intentional in serving as a change agent across various diversity, equity, and inclusion (DEI) issues. In 2021, as part of its wider DEI commitment, it launched the ACAMS scholarship awards to better equip and empower professionals from diverse backgrounds to advance their financial crime prevention careers.

ACAMS continued its efforts in 2022 with the launch of a new scholarship program specifically designed for minority professionals seeking to enroll in the new Certified Cryptoasset Anti-Financial Crime Specialist (CCAS) certification program. This past year garnered more than 679 applicants across 100 countries.

Through its scholarships, and with more than 60 awarded to date, ACAMS aims to advance and elevate the personal and professional development of aspiring BIPOC compliance professionals by:

- creating development opportunities to acquire globally recognized qualifications;
- helping to expand their compliance toolkit to address emerging threats and trends in anti-financial crime;
- providing a platform for peer-to-peer networking and mentorship.

Scholarships are selective and based on various factors. Award recipients must demonstrate a passion for compliance and cryptoassets, and have a deep commitment to create a positive impact in both their personal and professional growth by completing the CCAS Certification. Additionally, all awarded recipients must exude ambition, drive, and passion.

As a large international membership organization with over 100,000 members across 180 jurisdictions, scholarship recipients join a dynamic global community of like-minded professionals that aim to enhance and protect the organizations and communities in which they live and work. Scholarship recipients also benefit from the global visibility and recognition that ACAMS' global platforms provide.

Cultivating solutions that protect the world's most vulnerable and biodiversity

Anti-financial crime professionals are in the unique position of protecting not only the integrity of the financial system, but also the global ecosystem, as they investigate the transactional and trade networks used by criminal syndicates to generate billions of dollars in illicit proceeds every year.

To remove barriers to continuing professional education and to expand access to guidance on the latest threats impacting society and our global communities, ACAMS, in partnership with several global specialist organizations – Finance Against Slavery & Trafficking (FAST) Initiative at the United Nations University Centre for Policy Research (UNU-CPR), World Wide Fund for Nature (WWF), Basel Institute on Governance, United for Wildlife, The Royal Foundation of the Duke and Duchess of Cambridge – first launched a series of free-of-charge social-impact certificates to fight human trafficking and the illegal wildlife trade in 2020. Subsequent additions were made in 2021 with the support of Wildlife Justice Commission and the Polaris Project. Since the launch of the social impact certificates, more than 40,000 individuals have enrolled across 150 countries.

These certificate courses teach compliance and anti-money laundering (AML) professionals how to identify and track financial activity linked to the illegal wildlife trade and modern slavery, as well as how they can safeguard against the exploitation of the formal financial sector. Ultimately, participants learn how to flag and investigate financial flows potentially linked to the estimated \$23 billion in illicit IWT proceeds generated each year.

In 2022, ACAMS further expanded the reach of its “Ending Illegal Wildlife Trade – A Comprehensive Overview” certificate program with translations in both Simplified Chinese and Japanese.

Geopolitical trends and events, including the rise of virtual assets and the Covid-19 pandemic, can also drive ESG-related initiatives at ACAMS.

As part of its efforts to mitigate the illicit-finance risks associated with blockchain technology, ACAMS launched a new training certification for AFC professionals engaged with the virtual-asset sector, the “Certified Cryptoasset AFC Specialist (CCAS)” Certification. Designed to support AFC practitioners across an array of stakeholder organizations – from virtual-asset service providers to law enforcement agencies to banks – CCAS trains candidates on topics and strategies to prevent the criminal exploitation of cryptoassets and shield firms from regulatory risks and reputational harm.

Through coursework focused on anti-money laundering (AML) controls and risk-management policies and procedures, learners master such topics as the types and characteristics of different blockchains, common illicit-finance typologies in the crypto space, Know-Your-Customer standards and best practices, strategies to monitor and track related blockchain payments, and relevant applications of machine-learning and artificial-intelligence tools.

Additionally, as part of its efforts to strengthen anti-money laundering (AML) programs around the world, ACAMS, during the period under review, launched a new module of its ACAMS Risk Assessment™ software-as-a-service solution for money services businesses (MSBs), including those offering virtual-asset products and services. The new module gives MSBs a standardized means of understanding, measuring, and explaining the money laundering risks impacting their business via a comprehensive view of their AML, Sanctions, and Suspicious Activity control programs. Utilizing a risk-based approach, the software solution helps institutions to assess and measure their money-laundering risks across products, services, delivery channels, customer types, and geographies.

Furthermore, in June 2020 and later in July 2021, the Financial Action Task Force (FATF) published guidance on the illegal wildlife trade and environmental crime, heralding interest to incorporate ecological issues. When added to existing published research on human trafficking, labor exploitation, illicit gold mining, and financial inclusion, it is clear that ESG will play a larger role in anti-financial crime as it intersects with the FATF’s guidance on environmental and social issues. The aim of both anti-financial crime and ESG is to improve the quality of financial flows while promoting sustainability and responsibility.

As a result, ACAMS synthesized these findings and recommendations in its 2022 whitepaper – which was also translated into Chinese – “*Environment, Social, and Governance (ESG) and Anti-Financial Crime (AFC) Convergence; Managing AFC Risk: Applying the ESG Framework to Stop Illicit Financial Flows.*” The whitepaper aims to deliver upon a few key areas: (1) help AFC professionals to understand the role they can play in helping organizations build-out ESG functions; (2) link current AFC processes to ESG frameworks; (3) share lessons learned from AFC deployments to make a meaningful impact to save the planet.

Additionally, ACAMS further offered ESG-related guidance and expertise at events with the session: “*It’s Only Natural: Using ESG Practices to Manage Financial Crime Risk.*” This panel session, which incorporated a regulator, the New York department of Financial Services and industry leaders, provided perspectives and counsel on how to utilize financial intelligence to identify high risk customers with ties to environmental crimes that hasten climate change, such as illegal logging and waste trafficking, how to integrate ESG protocols into risk management models to strengthen oversight in areas such as supply chain investigations and detect criminal activities such as trafficked labor, and how to stay up to date with the latest ESG regulations, including the Federal Reserve’s new reporting requirements, and adjusting the institutional risk management system accordingly.

4.2.5.4 Climate-related issues

■ Climate change mitigation

In 2022, under the guidance of Wendel, ACAMS completed its first carbon footprint. This first exercise confirms that ACAMS’ activity is very low carbon intensive, with **just 1.22 tons of CO₂ emissions per employee**.

For 2022, ACAMS was a fully remote organization and will continue being so for the foreseeable future. Employees have access to global pods located in three continents – the Americas, APAC and EMEA. The Americas pod, located in Washington DC, also serves as the global HQ. Scope 1 and 2 emissions are therefore considered as null. Emissions related to energy consumption used by computers when employees work from home have been estimated in Scope 3.

The most significant emissions are related to business travel for the purpose of attending ACAMS conferences, business meetings and convening events such as public-private sector roundtables. They represent 81% of ACAMS’ total emissions.

Scope	2022	Comment
Scope 1 (tCO ₂ eq)	0	In 2022, ACAMS was a fully remote organization
Scope 2 (tCO ₂ eq)	0	-
Scope 3 (tCO ₂ eq)	371	81% related to business travel (cat. 6) 17% related to employee commuting (cat. 7) 1% related to purchased goods and services (cat. 1)
Intensity of Scope 1, 2, 3 emissions per employee (tCO ₂ eq/employee)	1.22	

Given this first carbon footprint assessment exercise and its low carbon intensity, ACAMS has not yet defined an emissions reduction target.

■ Climate change adaptation

ACAMS business is low-carbon and does not require specific raw materials or infrastructure. It is therefore considered to have low exposure to climate risks. Considering its area of activity and its low exposure, ACAMS has not taken or planned any specific adaptation measures.

4.2.5.5 2022 highlights

In March 2022, ACAMS was acquired by the Wendel Group, which brought new opportunities to the structure and governance of the organization, and, with the help of several key senior leadership appointments, made significant progress to transition to a standalone organization and further build capacity for agility, growth, and impact for the years to come.

As part of its capacity building, the organization focused on the buildout of standalone support services teams – such as human resources, legal, finance and IT – to further enable progress for business ethics and the health, safety, and well-being of its employees.

Additionally, through the integration with the Wendel Group, ACAMS established its first-ever ESG roadmap and carbon-footprint analysis that will be fundamental in driving performance and societal impact for years to come.

4.2.5.6 Reporting methodology

Reporting period

The period selected for 2022 annual reporting is the calendar year from March 11 (the acquisition date of ACAMS) until December 31, 2022. Data are presented as of December 31, 2022.

Reporting scope

The reporting scope covers 100% of ACAMS employees.

Reporting standards and choice of indicators

To monitor the progress of its environmental, social and societal performance, ACAMS has adopted key performance indicators that are material for ACAMS and consistent with the CSR commitments at the Wendel Group level.

The ESG risk matrix presented below was approved by the Audit Committee in November 2022.

ESG KPI data are presented for a single year, as this is the first year of ESG reporting. For this first year of reporting, ACAMS' non-financial data was subject to a mock audit.

Greenhouse gas emissions are calculated and reported according to the GHG protocol standard. Scope 3 only includes business travel of employees, work-from-home energy use and some service purchases. It does not include emissions related to the travel of participants going to training courses or conferences organized by ACAMS, and does not include all purchases of products and services.

Specific indicator definitions

- Turnover rate: The formula used is “Number of departures (voluntary and involuntary) / Headcount at year-end.” It excludes interns and temporary employees;
- Number of jurisdictions covered: A jurisdiction is considered “covered by ACAMS” if ACAMS had at least one transaction in that jurisdiction over the past year;
- Number of products updated over the year: Includes the total number of updates over the year in relation to the total number of products. This includes certifications, examinations and new translations;
- Number of “Ending Illegal Wildlife Trade” certificates “purchased” and Number of “Fighting Modern Slavery and Human trafficking” certificates “purchased”: These certificates are sold for 0 USD;
- Employee engagement (% of employees covered by the annual pulse and engagement surveys to gauge engagement levels, % of employees that feel satisfied or very satisfied at work during the annual employee survey): These indicators are calculated and provided by an external third-party;
- Net Promoter Score: This indicator is calculated and provided by an external third-party.

4.3 Issues specific to Wendel SE

Wendel SE includes the business as an investment company (investment teams and support services) representing 89 employees working at three offices in Paris, New York and Luxembourg.

The material non-financial risks identified for this business are as follows:

- risks relating to human resources: Section 4.3.1 - HR performance: fostering commitment, well-being, support, employability and inclusion;
- risks relating to the non-independence of governance bodies and control mechanisms and risks relating to business ethics: Section 4.3.3 - Governance and business ethics.

In addition to these main non-financial risks, this section also includes a section dedicated to the environmental performance of Wendel SE, section 4.3.2 - Environmental performance.

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 guide Wendel's behavior both as an investor and as a company in order to accomplish its mission: partnering with entrepreneurial teams to build sustainable leaders whose long-term performance will create value for all stakeholders.

To this end, and as part of the new ESG strategy published at the beginning of 2020, the main thrust of which is set for 2023, Wendel has defined, in addition to its objectives as a long-term investor, **an ESG roadmap for the Wendel SE holding company.**



4.3.1 HR performance: fostering commitment, well-being, support, employability and inclusion

As part of the ESG strategy published at the beginning of 2020, the main thrust of which is set for 2023, Wendel has set the following objectives in relation to human resources:

		2023 objective	2020	2021	2022
Social	Gender balance	Maintain or achieve gender balance, defined as maintaining a percentage of women of between 30% and 60% at all levels			
		% of women among all employees	54%	57%	60%
		% of women in management positions	37%	42%	40%
		% of women in investment teams	37%	42%	45%
		% of women on the Executive Board	0%	0%	0%
		% of women on the Investment Committee	33%	29%	33%
		% of women on the Management Committee	45.5%	40%	44%
		% of women on the Coordination Committee	26%	21%	22%
		% of women on the Supervisory Board	45%	50%	40%
		Conduct an annual review of progress on diversity			
		Number of diversity-related reviews conducted annually by Wendel's governance bodies (Committees, Executive Board, Supervisory Board)	10.00	20.00	23
		Review of salary differences between men and women over the year [yes/no]	Yes	Yes	Yes
		Review of systems for promotions and appointments over the year [yes/no]	Yes	Yes	Yes
		Review of hiring rates of men and women over the year [yes/no]	Yes	Yes	Yes
	Responsible Sourcing	Deploy a responsible purchasing approach - % of suppliers with a third-party ESG label	N/A	27%	21%
		Deploy a responsible purchasing approach - % of suppliers with a responsible purchasing approach	N/A	51%	47%
	Training	100% of employees to formalize a skills development plan	100%	100%	100%
		100% of employees to receive non-mandatory training each year, in line with their career development plan objectives	98%	99%	96%
		Hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives)	29.5	29.5	30.8
	Quality of life at work	Conduct quality-of-life-at-work surveys every two years, starting in April 2020	Yes	Yes	Yes
		Employee participation rate in the survey on the quality of life at work (%)	60%	81%	88%
		Formalize and deploy employee well-being at work action plans addressing survey findings - number of measures implemented	6	9	9
Societal	Partnerships with associations	Establish long-term partnerships with at least two organizations - Number of long-term [>2 years] partnerships formalized with non-profits [with localization]	3	2	3
		Amounts (in thousands of euros) paid to different community/philanthropic projects	881.80	834.30	1,130.8

1. Main risks related to human resources and policies

Promoting a culture of integration, support and diversity to promote well-being and performance at work

Risks related to Wendel's human resources

NB: This section covers all of Wendel's priority human resources risks identified via the risk matrix (Key people, Talent acquisition and retention, Compensation, Work/life balance, Combating discrimination and promoting diversity, Support for teams in the context of a health crisis).

Risk description

Attracting and retaining talent over time is a key factor in the Group's success.

Wendel operates a service business which demands a high level of skills and commitment from its employees. On a daily basis, employees must foster good relations with the portfolio companies, with whom they must maintain a constructive dialogue on all strategic issues related to the activity of the Company, and they must enable Wendel to achieve its mission.

2. Composition of Wendel's workforce

As of December 31, 2022, Wendel and its holding companies employed a total of 89 people.

The Luxembourg-based company (established in 1931) mainly engages in AIFM-regulated activities and is a holding company. Its United States branch was established in 2013 and is dedicated to investment research and/or support of the Group's companies.

In France

Wendel employs 67 people in France divided between the Investment, Management, and Corporate teams (including the following support functions: Finance department, Legal department, General Secretariat, Tax department, Sustainable Development and Communications department, Internal Audit department, Human Resources department and the IT and General Resources department). Among these "Corporate" functions, the Investment teams are regularly supported by a team of experts on investment/divestment operations in France and abroad.

In 2022, Wendel employed one person on a fixed-term contract (vocational contract) and ten temporary employees, including one person who was subsequently hired on a permanent basis. For 2022, as in the previous year, fixed-term contracts are included in the social data presented in this chapter, but temporary workers are excluded.

Employees with an employment contract in France: headcount and changes	Dec. 31, 2022			2021-22 change	Dec. 31, 2021		
	Non-executive employees	Managers	Total		Non-executive employees	Managers	Total
Total workforce	6	61	67	+8%	6	56	62
of which women	3	37	40	+11%	3	33	36
men	3	24	27	+4%	3	23	26
New hires	1	10	11	+38%	0	8	8
of which women	1	6	7	+17%	0	6	6
men	0	4	4	+100%	0	2	2
Departures	0	6	6	+20%	0	5	5
of which women	0	3	3	-	0	3	3
men	0	3	3	+50%	0	2	2

Outside France

The holding companies and offices outside France are located in Luxembourg and the United States and have 22 employees, more than 40% of whom are in investment teams (investors, office managers and assistants). The rest of the teams work primarily in financial and legal activities at the holding company in Luxembourg.

Country	Workforce at Dec. 31, 2022	2021-22 change	of which women	2021-22 change
France	67	+8%	40	+11%
USA	9	0%	5	0%
Luxembourg	13	0%	8	+14%
TOTAL	89	+6%	53	+10%

3. Talent management

Key people - Talent acquisition, development and retention

Due to its streamlined workforce, Wendel must ensure that its business is not affected by the departure of key people. A process aimed at anticipating and supporting career development within the Company is in place to set clear milestones for each individual's professional development and encourage the development of talent. The aim is to support and accompany those who will be able to make a major difference in their current role, in order to take on other functions and responsibilities to ensure the development and continuation of the Company's activities. Gender balance is naturally integrated into this process. In line with Wendel's gender diversity policy, successors are appointed based first and foremost on their aptitude for the role.

These steps, along with a compensation policy that is fair and aligned with the market, allow the Group to anticipate the risks associated with the development of its organization. As well as performance, annual employee skills and objective appraisals focus on transparency and progress, while taking personal development and teamwork into account.

Wendel also develops an annual individual and collective training offering adapted to the expectations and profiles of its employees, continually improves the appeal of their working conditions, introduces attractive employee benefits, and actively promotes diversity in the workplace.

Training

Professional training and skills development

Wendel considers the development of its employees' skills and experience to be essential to their employability, which makes it a priority. The importance of this issue is underlined by the fact that the percentage of employees who have attended at least one non-mandatory training course per year is a criterion for calculating the annual profit-sharing allocation, as is the percentage of employees with clear and measurable individual objectives set by their manager for the following year.

The 360° feedback process set up in 2018 has improved the quality of employees' individual objectives and allowed for training plans to be adjusted.

Wendel ensures that its employees develop their skills, in particular by offering individualized training in line with the Company's strategic direction. In order to promote the employability of its teams, training leading to a certificate or diploma is encouraged:

- in 2022, Wendel continued the partnership developed with major international business schools, including Insead and Harvard Business School. Since the implementation of this program, eight employees in management roles have received leadership or strategic training related to their missions;
- at their request, several employees have had the opportunity to resume studies financed by Wendel, leading to a recognized diploma (bachelor's or master's degree) and career development. Most of this training took place during the employee's working hours. As of December 31, 2022, six people were involved.

To enable each employee to develop their expertise, Wendel puts the emphasis on "job-related" training, i.e., training focused on a specific aspect of their profession, as well as personal development training. In total, these job-related training courses represented 23% of the overall volume of training hours. **Personal development training represented 32% of the training provided.**

Strengthening ESG training in 2022:

This year, Wendel supported the deployment of its CSR policy with a dedicated training program. Virtually all employees attended a "Climate Fresk" training session to understand the scientific basis of climate change. Fighting climate change is one of the Group's four ESG priorities. The Supervisory Board also received CSR training. Two employees will achieve CESGA certification (ESG analysis certificate) in 2023, after completing training that began in 2022, and one employee is enrolled in the Carbone 4 training courses (on climate and finance and carbon footprints).

ESG-related training totaled 281 hours in 2022, or about three hours of training per person, and another 209 hours have already been planned for 2023.

2022 key figures

- 2,898.8 hours of training
- 95% of employees trained
- 31 hours on average per employee
- 6 employees are enrolled in or have completed a graduate level training course
- 89.9% have received training on ESG issues, including 100% of the members of the Coordination Committee*
- 2.2% of payroll dedicated to training

* Workforce excluding long-term absences.

Tracking of training hours

Indicators	2022	2021	2020
Percentage of employees trained	95.5% (all countries)	98.8% (all countries)	97.6% (all countries)
	92.5% (France)	98.4% (France)	100% (France)
Training hours per employee	30.8 (all countries)	29.5 (all countries)	29.5 (all countries)
	31.12 (France only)	30.56 (France only)	25.08 (France only)

Compensation

For France, total cash compensation (base salary, variable compensation and individual job-related bonuses) paid in respect of 2022 was approximately €20 million.

Wendel's salary policy uses several levers to ensure that employee and shareholder interests are aligned, including the variable component of compensation, profit-sharing (in France) and the employee shareholding scheme, open to all employees. This convergence of interests is a key component of the corporate culture.

Each year, Wendel reviews its employees' compensation according to their duties, skills, experience and the market. Variable compensation is awarded based on the individual and collective performance of teams and the Company as a whole.

In France, most employees have been awarded an exceptional value-sharing bonus (formerly known as the purchasing power bonus) in accordance with the legal provisions in force. This approach had already been implemented in 2019 and 2021, being renewed in 2022.

Lastly, Wendel offers very comprehensive death and disability insurance to its employees and their families, financed largely by the Company.

Employee shareholding

As of December 31, 2022, current and former employees (excluding members of the Executive Board) held 0.30% of Wendel's share capital in the FCPE Wendel mutual fund and 0.49% of Wendel's share capital in the PEG in pure registered form.

Whether through the Group savings plan, which most employees have benefited from for more than 30 years, or through the allocation of performance shares and/or stock options since 2007, Wendel has always promoted employee shareholding as a key value for establishing a long-term partnership with its employees. The allocation program aims to involve Wendel's employees in the Company's strategy and encourage their interest in its long-term performance. 82 of the Company's employees were shareholders as of December 31, 2022.

The Group savings plan

The Wendel Group savings plan is a collective savings scheme that gives employees of Wendel France and Luxembourg the opportunity to build up personal savings through units in FCPE mutual funds.

The FCPE Wendel mutual fund undertakes to invest between 95% and 100% in Wendel shares and its share value is intended to track the Wendel share price.

In 2022, employees were able to participate in a capital increase in October. A total of 37,057 shares out of the 37,500 authorized by the Shareholders' Meeting of June 16, 2022 were subscribed by 89% of eligible employees. This year, employees were once again able to benefit from a 30% discount and their voluntary payment was increased up to the maximum legal ceiling.

Allocation of stock options and performance shares

88% of employees worldwide on the grant date received stock options and/or performance shares. These allocations are subject to presence and performance conditions.

A history of stock option and performance share plans is provided in Tables 6, 7 and 9 of the Afep-Medef Code presented in section 2.2.2.2.

The following table indicates, for the period from January 1 to December 31, 2022:

- the total number of options granted to the ten employees (excluding Executive Board members), who were individually granted the largest number of options;
- the total number of options exercised by the ten current and former employees (excluding members of the Executive Board) who individually exercised the greatest number of options.

	Total number	Weighted average strike price
Options granted during the year to the ten Group employees who were granted the largest number of options	18,667	€84.27
Options exercised during the year by the 10 employees and former employees who purchased or subscribed the highest number of options	20,750	€66.45 ⁽¹⁾

(1) In 2022, these options were exercised at a price of €54.93 (W 5 plan) and €82.90 (W 6 plan).

Employees were awarded performance shares through two different plans. The ten largest beneficiaries among the Group's employees (excluding members of the Executive Board) were granted 117,237 shares, a cumulative total for the two performance share plans granted to employees during the year.

Offering additional pension benefits

"Perecol" pension plan

As of December 31, 2022, 43.27% of employees present had invested in the Perecol.

In 2010, a "Perco" Company pension plan was introduced for employees in France. Its purpose is to enable the Company's beneficiaries to build up savings in the form of a collective portfolio of securities, with the Company's help, and to benefit from the advantages associated with this form of collective savings by offering a supplementary financing mechanism for their retirement. In accordance with the PACTE law (on the growth and transformation of companies), in order to harmonize and simplify retirement savings products, in 2021 Wendel transformed the PERCO plan into a PERECOL (*Plan d'Épargne Retraite d'Entreprise Collectif* - Collective Company Retirement Savings Plan), providing its employees with more favorable measures.

The Company tops up certain contributions up to the legal limit.

4. Well-being at work

Work-life balance, working conditions and mental health risks

As an employer, Wendel must ensure that its employees' working conditions promote a positive work-life balance. This balance also guarantees their long-term commitment and investment in the Company's goals.

In France

Managers aim to optimize working conditions and relations by providing support through close dialogue with employee representatives (CSE) and an end-of-year review process that encourages information sharing, and aims to optimize working conditions and relations. In this way, Wendel can implement the measures that most closely meet staff expectations.

Family policy

Since 2010, Wendel has helped employees achieve a better balance between their work and family lives by offering funded childcare places to employees who request them. In 2022, Wendel financed daycare for eight children, benefiting seven employees. In 2021, a parenting platform was opened for employees. This service offers parental coaching, an additional childcare offering, examples of workshops for children of different ages, support for new parents and conferences.

Key figures:

- 100% of requests for daycare places fulfilled
- 32 daycare places funded over the last five years
- Additional salary for maternity and paternity leave paid at 100%

Wendel's **Remote Work Charter** aims to offer flexibility to employees who wish to work from home. In this context, Wendel remains vigilant with regard to the application of the Charter on the right to disconnect.

Other benefits

Furthermore, in addition to the part of the budget of the Social and Economic Committee (SEC) for social and cultural activities (e.g.⁽¹⁾, holiday vouchers, gift vouchers, discounted movie tickets, etc.), Wendel offers various individual and collective services: contributions towards sports lessons, CESU vouchers (which can be used to pay for services such as cleaning or childcare) and regular, comprehensive health check-ups.

As in the previous year, many benefits were introduced or revised by Wendel to anticipate and better meet employees' needs: introduction of breast cancer screening check-ups, paid for by Wendel; screening check-ups for various other medical conditions for employees over 40, paid for at 50% by the Company; revision of the services included in medical check-ups; increase in the daily amount of meal vouchers; introduction of a concierge service for certain employees offering Amma-assis massages; setting up a voluntary Covid-19 vaccination campaign; offering more varied sports classes on the premises with extended schedules; and setting up a health and well-being conference followed by individualized and personalized well-being check-ups with a top-level athlete.

To highlight the benefits available to its employees and to ensure total transparency, the Company has published a catalog summarizing the benefits by country. This is regularly updated.

Outside France

Outside France, Wendel strives to provide similar benefits in line with local practices (e.g., quality healthcare coverage, contribution to the cost of gym membership, etc.).

In line with what has been done in France, the Company has initiated a process to review and improve the benefits offered in the United States and Luxembourg. The pension plans of both countries have therefore been completely revised and are now much more beneficial to the employees who subscribe to these

plans. In the United States, a Health Equity program has been deployed and is open to all employees. This program allows for the harmonization of health and welfare benefits offered by Wendel under very advantageous conditions.

A catalog summarizing the various benefits is also available for each country.

Surveys on quality of life at work

Wendel wants to introduce a process for continuously improving quality of life at work. With this in mind, the Company decided to renew its survey to assess mental health risks in 2022. Although this is a requirement under French law, the Company has opted to extend it to all its international offices.

The purpose of this survey was to measure, anticipate and monitor potential workplace risks and to compare the results with those obtained during the first survey conducted in January 2020. It also aimed to estimate the stress levels of employees with regard to each of the topics evaluated: work environment, relationships at work, pace and workload, content of the job, perception of the present and the future, and working during a pandemic (this last topic was a new addition to the 2020 version of the survey).

At 88%, the participation rate was very significant and very satisfactory.

The results were very positive and represented an improvement on the 2020 results. It should be noted that according to the survey, age, seniority level and gender had no impact on the stress levels of Wendel employees. Overall, the results showed that employees are satisfied with their relationships with colleagues and management, their freedom to organize their time and tasks, the distribution of work within their team and the opportunity to develop their skills. They are also passionate about their work, have a certain degree of confidence about the future, and feel that their compensation is commensurate with their qualifications. The results were then communicated and shared with the CSE and internally to all employees so that everyone could provide feedback and make suggestions for improvement.

Finally, Wendel continues to fully embrace its commitment to being a socially responsible company and has maintained its corporate sponsorship day, also known as skills sponsorship. This scheme, accessible on a voluntary basis, combines employees' commitments to charitable causes with the development of their skills (see section entitled "Supporting and strengthening our commitments to civil society").

(1) Example of social projects set up by the SEC in 2021. This list is not exhaustive and does not constitute a systematic allocation. These allocations are subject to SEC approval.

Indicators

Wendel's Human Resources department closely monitors all Wendel employees both in and outside France.

	2022	2021
Absenteeism (scope: France) ⁽¹⁾	6.23%	2.61%

(1) Methodology for calculating absenteeism: $(\text{total absenteeism days} \times 100) / (218 \text{ days} \times \text{average number of employees})$.
 Absences recognized: illness, commuting accidents, workplace accidents, sick children, part-time working on health grounds/Absences not recognized: family events and parental leave.

Absenteeism, excluding family events, was around 6.23% in 2022.

	2022	2021
Number of workplace accidents (scope: France)	0	0
Number of commuting accidents	0	0
Number of fatal accidents	0	0

In 2022, there were no workplace accidents or commuting accidents resulting in time off work.

	2022	2021	2020
Average seniority of employees (in years)	7.6	7.9	7.8

Globally, the average seniority of employees is 7.6 years.

5. Diversity, inclusion and human rights

Combating discrimination and promoting diversity

Wendel strives to promote diversity within the Company, seeing it as a major benefit which contributes to the Group's excellence. Wendel promotes a Code of Ethics and Equality among its employees.

Wendel takes steps to ensure that decisions regarding recruitment, career development (training and job promotions) and compensation are made without any form of discrimination. Only candidates' skills and experience are taken into account to ensure that the skills required and developed within the Company remain in line with the needs of the position.

Gender equality

Wendel aims to provide a welcoming and stimulating work environment for men and women and has implemented several initiatives to achieve this goal.

For example, Wendel requires women to be equally represented in the applicant pool during each recruitment process.

There is no difference in pay for men and women in equivalent positions.

Wendel promotes work-life balance by offering working conditions adapted to the demands of employees' personal lives and benefits for parents as described above (see section on work-life balance).

Wendel is aware that gender equality requires a collective effort, particularly in the area of investment. With this in mind, Wendel signed France Invest's Gender Equality charter published on March 6, 2020.

Women are represented in the total workforce and in executives positions, as well as in investment positions and on governance bodies:

Key figures:

- 40% women on the Supervisory Board
- 40% women in management positions
- 45% women in investment teams (i.e., 18% higher than the average resulting from the 2022 Deloitte France Invest Study)

	2022			2021		
	France	International	Group	France	International	Group
Women in the total workforce ⁽¹⁾	59.7%	59%	59.5%	58%	54.5%	57%
Women in executive positions ⁽¹⁾	60%	N/A	N/A	59%	N/A	N/A
Women investors ⁽²⁾	46%	43%	45%	42%	43%	42%
Women in management positions ⁽³⁾	40%	40%	40%	42%	40%	42%
Women on the Investment and Management Committees ⁽⁴⁾	Investment Committee: 33%			Investment Committee: 29%		
	Management Committee: 44%			Management Committee: 40%		
Women on the Supervisory Board ⁽⁵⁾			40%			50%
Women in new hires	64%	80%	69%	75%	50%	67%

(1) In 2021 and 2022: France scope: permanent and fixed-term employees in France/International scope: employees with a permanent or temporary employment contract outside France.

(2) Women employees within the investment teams, excluding assistants and office managers.

(3) Line manager of at least one employee (excluding the Group CEO).

(4) Including the Group CEO.

(5) Excluding members representing employees.

At 45% in 2022, the proportion of women in the Company's investment teams currently exceeds the target set by the France Invest Gender Equality charter (40% by 2030). In 2022, Wendel was 9th in the ranking for gender balance on the governing bodies of SBF 120 companies.

The French "Freedom to Choose a Career" law (*loi pour la liberté de choisir son avenir professionnel*) enacted on September 5, 2018, requires Wendel to publish its Gender Equality Index indicator. In 2022, Wendel scored 55/100. The index's scope covers all of Wendel's workforce in France. It is important to highlight that Wendel is implementing the principle of equal pay through a job-based approach which is not covered by the index methodology. In fact, in the index, it is impossible to divide employees based on their jobs. Given the small number of employees and the disparity between the different jobs at Wendel, the first indicator is not very representative of reality. To date, we have not found a distribution method more suitable for Wendel, so we have applied the law in its strictest sense.

Disability

Wendel welcomes and recognizes all talents, and does not discriminate against candidates or employees with disabilities.

The Company has two permanent employees with disabilities in France and takes out regular contracts with ESATs (centers providing support through employment), in particular for the purchase of office supplies.

Wendel has also adopted a preventive attitude towards its employees, providing ergonomic equipment for any employees who express a need for it, without the need for a doctor's prescription.

Wendel is building a work environment that respects each individual by ensuring safe working conditions and respect for all.

Youth and senior employment

The breakdown of permanent and temporary staff by age group is as follows:

Under 30	14%
30 to 39	38%
40 to 49	28%
50 and above	20%

- New hires under the age of 30: five people under the age of 30 hired worldwide.
- New hires aged between 30 and 39: eight people aged between 30 and 39 hired worldwide.
- New hires aged between 40 and 49: one person aged between 40 and 49 hired worldwide.
- New hires over the age of 50: two people over the age of 50 hired.

Promotion and respect of the ILO fundamental conventions and human rights

Wendel manages its human resources in accordance with the International Labor Organization's (ILO) fundamental conventions.

France has ratified the eight ILO fundamental conventions on forced labor, the freedom of association and protection of the right to organize, and collective bargaining, equal pay, the abolition of forced labor, discrimination, the minimum age for admission to employment and all forms of child labor.

Wendel does not operate in a business segment where there is a risk of violation of workers' rights, and therefore is not faced with the issue of respecting these conventions.

In the course of 2020, Wendel's Code of Ethics was completely revised and mandatory training on this subject was provided to raise employee awareness of Wendel's commitments to upholding individual and human rights. This Code of Ethics is given to each new employee on arrival.

Wendel emphasizes the fact that being valued and respected creates a virtuous circle of a positive work culture, establishing an environment in which every individual is treated with respect. A zero-tolerance approach to any form of harassment or discrimination enables Wendel to comply with the various regulations imposed on each of the countries in which its offices are located. Almost all employees in the French and Luxembourg offices have been trained or made aware of the issue of harassment and, more generally, of mental health risks. In addition, certain employees involved in the recruitment process have taken a "recruiting without discrimination" training module.

The due diligence procedures relating to the ILO fundamental conventions and human rights implemented by Wendel in connection with its investments are described in section 4.5 on duty of care.

6. Supporting and strengthening our commitments to civil society

Wendel's commitment to civil society is in the Group's DNA. It is, in fact, part of its family heritage. This commitment goes hand-in-hand with a long-term vision in line with its business as an investor.

Wendel launched its "Wendel Cares" endowment fund in early 2022. Wendel wanted to give its philanthropic approach fresh momentum by creating a dedicated structure for all of its sponsorship initiatives and by extending its scope of action to other issues in line with topical societal challenges.

Historically, Wendel's sponsorship initiatives focused on two pillars, education and culture, through long-term partnerships with a center for family-owned businesses (Wendel International Centre for Family Enterprise) (Insead) and the Centre Pompidou-Metz, launched in 1996 and in 2010 respectively.

Today, Wendel Cares aims to finance initiatives in one of the five areas to which it has chosen to make a commitment:

1. culture;
2. education;
3. equal opportunities and professional integration;
4. medical research and health; and
5. environmental protection.

Long-term commitments

Wendel has supported Insead since 1996. In that year, the prestigious business school created a chair and then the Wendel International Centre for Family Enterprise (*Centre Wendel pour l'Entreprise Familiale*) and Wendel has been a partner in this initiative from the start:

Since its creation in 2010, Wendel has been committed to the Centre Pompidou-Metz, supporting this emblematic institution in its mission to make art available to the general public. In 2020, Wendel renewed its sponsorship agreement with the Centre Pompidou-Metz for another five years. In the midst of the economic and health crisis linked to Covid-19, it was of crucial importance for Wendel to continue to support the world of culture.

Wendel works actively with partner institutions to further their development projects. The Group is represented on the Centre Pompidou-Metz Board of Directors by Nicolas ver Hulst, Chairman of Wendel's Supervisory Board.

In recognition of its long-standing commitment to the arts, Wendel was awarded the title of *Grand Mécène de la Culture* (Grand patron of the arts) by the French Minister of Culture on March 23, 2012.

Initiatives in line with Wendel Care's new areas of commitment

In line with the areas of commitment that Wendel Cares has defined, in 2022 the members of the endowment fund selected three associations that will receive support over three years, subject to annual reviews.

Medical research and health

Newly supported by Wendel Cares, HELEBOR contributes to the development of palliative care in France and to the improvement of quality of life for seriously ill people and their relatives. HELEBOR is a public interest structure which develops partnerships between various civil society stakeholders to support and foster the development of innovative palliative care projects.

■ For more information: www.helebor.fr

Equal opportunities and professional integration

Alliance pour l'éducation - United Way, another organization newly supported by Wendel Cares, promotes equal opportunity and helps young people from priority areas and rural areas to continue their education with a view to ensuring that they have clear options for their future. With a focus on collective impact, the *Défi Jeunesse* (Youth Challenge) program pools support from the many stakeholders involved in the association and rolls out regional initiatives.

■ For more information: alliance-education-uw.org

Environmental protection

Plastic Odyssey, the latest initiative to receive support from Wendel Cares, is a global project to reduce plastic pollution in the ocean by creating a worldwide network of local recycling actions. It is supported by several stakeholders who all share the drive to build a world in which plastic waste will no longer end up in the ocean.

Plastic Odyssey recently launched an exploration mission in the areas most affected by plastic pollution. The goal of this expedition is to find solutions to combat plastic pollution and to test new models on a small scale, so they can subsequently be rolled out in other regions. Three continents, 30 cities - and as many solutions tested and shared worldwide.

■ For more information: plasticodyssey.org

Additional commitments in 2022

In addition to the five areas underpinning Wendel Cares' scope of action, Wendel continued to support solidarity projects in 2022, on the one hand, by renewing some of its commitments and, on the other hand, by choosing to support new causes.

Support for charitable organizations can take many forms. It can take the form of a donation towards the organization's overall budget, enabling the charity to cover its various actions for a given year or in the form of support for a specific project.

Wendel has therefore renewed its donations to charitable organizations, some of which it has supported since 2018, namely:

- Clubhouse France (France);
- Helen Keller Europe (France);
- 914 Cares - Empty Bowls (United States);
- The Teen Project.

Support for the victims of the war in Ukraine

Deeply moved by the events taking place in Ukraine since February 2022, Wendel Cares and its teams also actively supported the victims of the war in Ukraine over the year. This support gave rise to several initiatives. First, Wendel Cares made two donations during the year, one to the French Red Cross and a second to the Tarkett Foundation, both of which have used their resources since the beginning of the conflict to help victims.

The teams also showed their commitment through the Paris Half Marathon. The Wendel Running Team was behind the launch of a funding pot to support the actions of the French Red Cross in Ukraine. To back the teams' efforts, Wendel Cares donated 2 euros for each euro raised.

These three initiatives resulted in a total of €140,680 raised for the two organizations.

Support for health and/or education organizations

Lastly, through its participation in the Crisis Prevention Institute (CPI), Wendel has renewed a training assistance program launched in 2020, for supervisory staff in health and/or education organizations. The program aims to prevent violence by funding training hours taught by CPI's certified instructors.

In total, in 2022, Wendel's charitable donations amounted to €1,130,832.

The total amount of donations since 2010 is over €6 million.

A day of skills sponsorship offered to all Wendel employees

Since 2021, as part of the reinforcement of its philanthropy strategy, Wendel has offered each employee the opportunity to spend one day of working time per year on a charitable initiative. This skills sponsorship day allows everyone to volunteer with the non-profit of their choice, in compliance with the principles of the Wendel Ethics charter, provided that the organization has no political and/or religious leaning. In order to encourage teams to commit to this approach, in collaboration with its partner associations, Wendel offers a certain number of predefined assignments that enable employees to use their time and skills in the public interest.

4.3.2 Measuring and managing our environmental footprint

As part of the ESG strategy published at the beginning of 2020, the main thrust of which is set for 2023, Wendel has set the following objectives in relation to the environmental performance of its offices:

	2023 objective	2020	2021	2022
Environment	Carry out annual carbon reporting for Wendel SE (Scopes 1, 2 and 3)	Yes	Yes	Yes
	Reduce our carbon footprint by sourcing 100% renewable energy for Wendel offices worldwide <i>% of renewable energies in Wendel's energy consumption</i>	21%	26%	28%
	Promote circular solutions and minimize office waste going to landfill - <i>% of employees covered by recycling systems</i>	100%	100%	100%
	<i>Total volume of waste recycled in metric tons per employee (scope: Paris, Luxembourg)</i>	0.08	0.06	0.10

Carbon impact and climate change management

Risk description

The Wendel Group is conscious of the climate emergency and the importance of everyone involved in mitigating its effects. Managing climate change and the risks and opportunities it generates is a priority in the Group's action as a responsible shareholder. While Wendel focuses primarily on reducing the CO₂ emissions of its portfolio companies and is aiming for a consolidated reduction target, it is nevertheless careful to measure and communicate transparently on its annual carbon footprint. It should be noted that the limited size of the Company (89 employees as of December 31, 2022) and its activity (investment) make its carbon footprint

marginal compared to the emissions generated indirectly by the companies in which it invests. Wendel SE accounts for 0.1% of the Wendel Group's emissions, including the portfolio companies.

Policies and outcomes

Annual carbon reporting for Wendel SE

However, in order to set an example, Wendel committed in 2019 to calculating the carbon footprint of its three offices (Paris, Luxembourg and New York) each year and to implementing reduction or offset actions.

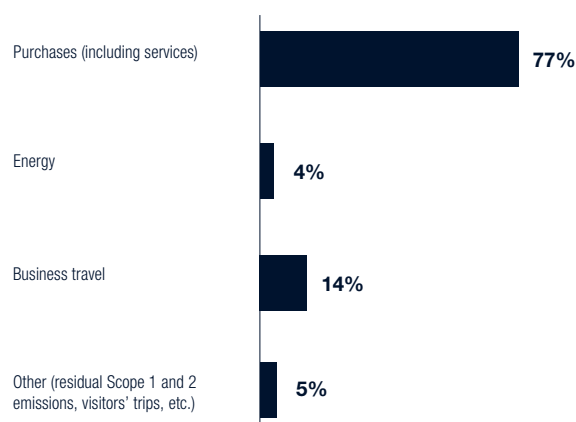
At December 31, 2022, Wendel's carbon footprint was as follows:

Emissions by category (in tCO ₂ eq.)	2021	2022	2021/2022 change
Scope 1	21	15	(29)%
Scope 2	140	158	13%
Scope 3	3,034	3,362	11%
TOTAL (SCOPES 1, 2 AND 3)	3,195	3,535	11%
Intensity of Scope 1, 2 and 3 emissions per employee	38.03	39.71	4.2%

In 2022, the methodology used to calculate the GHG emissions related to the purchase of intellectual services was fine-tuned. Wendel requested GHG emission intensity ratios from its main suppliers of intellectual services, corresponding to the services provided. Historical data have been adjusted based on these emissions factors.

Wendel SE's emissions increased by 11% in 2022, mainly due to the increase in business travel by air (see diagram below). Scope 3 emissions remain the main source of Wendel SE's emissions, and consist mainly of intellectual services, which are essential to an investment activity (law firms, insurance, strategic consulting, etc.).

Breakdown of Wendel SE Scopes 1, 2 and 3 emissions



The Paris and Luxembourg offices are supplied with electricity from renewable sources, bringing the percentage of renewable energies in Wendel SE's energy consumption to 28%.

In 2023, the offices of the Paris headquarters will be moved to a more energy-efficient BREEAM-certified location (excellent level for "asset building" and "building management").

Waste management

In 2022, a total of 7.9 metric tons of waste was sorted and recycled, representing 0.1 metric tons of recycled waste per employee⁽¹⁾.

The Paperless project, which consists of providing employees with digital tools that limit the use of printing and the use of paper in general (advanced document editing software, electronic signatures, etc.) led to a stabilization in paper consumption in 2022 compared to 2021, despite the increase in users and the return to the office.

(1) Calculated using the headcount as of December 31, 2022.

4.3.3 Governance and business ethics

As part of the ESG strategy published at the beginning of 2020, the main thrust of which is set for 2023, Wendel has defined the following objectives in the areas of governance and business ethics. Aspects related to parity in governance bodies are included in section 4.3.2 – HR performance.

		2023 objective	2020	2021	2022
GOVERNANCE & ETHICS	Ethics	100% of employees to sign the Code of Ethics over the course of the year	94%	99%	96%
		100% of employees follow Wendel's annual Business Ethics training course	98%	99%	96%
		Annual review of the Code of Ethics at the Executive Board level	Yes	Yes	Yes
		Annual audit of Wendel's anti-corruption program	No	Yes	Yes
	ESG governance	Adding ESG as a key mission of the Wendel Supervisory Board and the Wendel Governance and Sustainability Committee	3.00	3.00	8.00
		Number of meetings of the Wendel Governance and Sustainability Committee dealing with ESG-related matters			
		<i>Number of ESG Steering Committee meetings</i>	<i>4.00</i>	<i>7.00</i>	<i>5.00</i>

Ensuring balanced governance

Independence of governing bodies

Risk description

Wendel has a controlling shareholder, Wendel-Participations SE which (along with its related parties), held 39.59% of Wendel's share capital and 51.81% of the theoretical voting rights as of December 31, 2022. This could result in a risk of conflict of interest or non-compliance with the principle of equality between shareholders.

Policies and outcomes

Various good governance measures are applied to avoid this risk. Firstly, Wendel's dual structure, as a company with an Executive Board and a Supervisory Board, makes it possible to clearly separate the executive functions performed by an independent Executive Board from the control functions exercised by the Supervisory Board (see section 2.1.7 – Division of powers between the Executive and Supervisory Boards). Within the Supervisory Board itself, 40% of members are independent (excluding members representing employees), which exceeds the recommendations of the Afep-Medef Corporate governance Code (see section 2.1.1 – The Supervisory Board and its operations). In addition, since 2018, the Chairman of Wendel's Supervisory Board no longer serves as Chairman of the Board of Directors of Wendel-Participations. Lastly, the Supervisory Board's internal regulations provide for a procedure for the prevention and management of conflicts of interest, and the Lead Member of the Supervisory Board (who is an independent member) is specifically tasked with handling matters of conflicts of interest with the majority shareholder.

Robustness of internal control mechanisms

Risk description

Wendel must ensure the effective internal control of its own organization and that of its consolidated subsidiaries, in order to control risks relating to their operational activities.

Policies and outcomes

For internal control procedures, (see section 3.3 – Risk management and internal control systems).

Strengthening and upholding business ethics within the Group

Management of main risks as defined by the NFPS

Risk description

In terms of business ethics, Wendel has identified the following as main risks based on NFPS definitions:

- corruption;
- market abuse.

Other risks related to business ethics are taken into account by Wendel and outlined below following the presentation of these two priority NFPS risks.

Anti-corruption

Risk description

The risk mapping conducted for Wendel (namely Wendel SE, its holding companies and foreign offices) showed that corruption risks could arise from some of its activities, particularly its investment arm. For example, this risk could arise in the case of an investment to influence the outcome of a competitive process or to obtain specific authorizations or confidential information.

Corruption distorts competition and normal market conditions. Should it occur, it would be highly damaging to Wendel's reputation and that of the people responsible or who allow the corruption to occur. It would expose Wendel to particularly damaging financial consequences as well as administrative and criminal sanctions. It could disrupt the Wendel Group's operations and destabilize its activities.

Policies and outcomes

For Wendel

The Executive Board has identified the prevention and detection of acts of corruption as an absolute necessity for the Wendel Group and is committed to a zero-tolerance corruption policy. Any use of corrupt practices in the Wendel Group's operations, as well as in its relations with partners or third parties, whether public or private, is strictly prohibited.

To prevent this risk, the Executive Board, fully committed to combating corruption and influence peddling, has put in place a robust program in accordance with the Sapin II law and the recommendations of the French Anti-Corruption Agency (AFA). The Group Compliance and Internal Audit departments monitor, control and reinforce this program. In this regard, an Anti-Corruption Compliance Code specifies the role and responsibilities of Wendel's Compliance department.

In addition, Wendel regularly reviews its corruption-related risk mapping. In 2022 just as in 2021, during the annual assessment of the need to update the mapping, no new areas of exposure to corruption risks were identified. Similarly, in order to better reflect the set of controls in place, the risk mitigation measures for each corruption scenario were listed and reviewed in detail. This exercise also strengthens Wendel's alignment with AFA requirements.

The anti-corruption policy is adapted to the specific risks associated with Wendel's activities as identified in the risk map and complies with the latest AFA recommendations in this regard. The policy is included in the "Employee Handbook" and failure of Wendel employees to comply with its obligations may result in disciplinary sanctions up to and including dismissal for misconduct.

With respect to its core business, which is investing, Wendel's compliance team, in collaboration with external firms, performs thorough anti-corruption due diligence before carrying out any investment transaction. This analysis involves verifying the integrity of the target and its management team, as well as defining the target's corruption risk profile and evaluating any existing compliance framework. In 2022, Wendel formalized this process in its M&A Compliance Due Diligence Policy and provided training to the teams concerned in order to raise awareness and ensure that compliance is taken into account at all stages of a planned investment.

In order to effectively deploy its anti-corruption program, Wendel uses a dedicated compliance and internal control tool - Wendel Protect - to streamline and optimize compliance processes and improve traceability, for example with regard to gifts and invitations or conflicts of interest.

Wendel Protect also ensures a thorough evaluation of third parties. Various levels of counterparty due diligence are in place according to their risk profile, in compliance with AFA recommendations. It should be noted that the process in place provides for a strong link with the accounting procedures preventing payments to third parties that have not been previously assessed.

Accounting controls have been reviewed in light of the AFA's 2022 guide on this subject. This analysis concluded that there were no significant differences between the processes already in place and the new recommendations from the regulator.

In terms of awareness, in addition to deploying training specific to certain Group policies when they are updated or in place, employees receive regular training on corruption risks. In addition, the compliance team ensures a culture of compliance through regular reminders of the procedures to be followed under the program in place. During onboarding, employees and managers are informed that they must adhere to Group policies.

Level 2 controls were further strengthened in 2022 to ensure that the procedures defined and disseminated internally were effectively applied by the teams, and to allow for the continuous improvement of these procedures. Finally, all of these measures were audited by Wendel's Internal Audit department in 2022. The results of the report were presented to Wendel's Audit Committee in June 2022. The program in place was assessed as being in compliance with regulatory requirements in all respects.

As regards the whistleblowing system, no alerts were received in 2022. The whistleblowing hotline is available round the clock on Wendel's website in the ESG section, at www.wendelgroup.com.

For controlled portfolio companies

Wendel also ensures that the measures provided for in the Sapin II law are implemented within the controlled companies in its portfolio. Wendel requires that the Audit Committees include the Sapin II program on their meeting agendas for regular discussion. In particular, in order to continue to monitor the progress made in the fight against corruption, each of the controlled companies produces an annual report on the Sapin II program, presenting the main improvements achieved and an action plan for the following year. In addition, a review of the action plan's progress is scheduled at the Audit Committee's mid-yearly meeting.

In addition, Wendel holds regular meetings on this topic with the compliance officers of portfolio companies, as required, to offer them guidance and discuss specific points. At least once a year, an exchange session called the Compliance Forum is also held for the compliance officers of the portfolio companies. In 2022, the objective of this session was to share best practices in internal investigations, following implementation of the European Directive on the protection of whistleblowers.

Lastly, the portfolio companies file an annual statement of compliance with the obligations resulting from the Sapin II law on corruption (Compliance Statement) and Wendel ensures that the compliance objectives are communicated to the CEOs of controlled portfolio companies.

Preventing market abuse

Risk description

Given its activity as an investor and its status as a company listed on the Euronext Paris regulated market, there may be inside information about Wendel. Inside information is information of a precise nature which has not been made public, relating directly or indirectly to the companies within the Wendel Group or their securities and which, if it were made public, would be likely to have a significant effect on the prices of those securities (see Article 7 of Regulation [EU] 596/2014 of the European Parliament and the Council of April 16, 2014 on market abuse - "MAR Regulation"). Under this framework, Wendel has a duty to prevent any market abuse.

Policies and outcomes

Wendel ensures that it complies with the MAR Regulation. It communicates accurate, precise and fair information to investors, shareholders and analysts. Wendel also ensures that shareholders receive equal information.

A Compliance Committee - made up of the members of the Executive Board, the Ethics Officer and the Chief Financial Officer - oversees compliance with market regulations at Wendel.

A Market Confidentiality and Ethics Code sets out rules that apply to all Wendel employees and corporate officers to prevent market abuse. The main rules introduced by the Code are presented in section 2.1.8 of the Universal Registration Document. The Code is reviewed on a regular basis and updated, when applicable. The main provisions of the Code applying to Supervisory Board members have been incorporated into the Supervisory Board's internal regulations.

A procedure for classifying inside information has been put in place. Insider lists are opened whenever necessary and blackout periods - during which all trading in Wendel shares is prohibited - have been introduced to cover the periods of financial statement preparation and Net Asset Value calculation. Confidentiality and trade restriction lists may also be opened in the presence of information that is not yet classed as inside information but is potentially accurate or sensitive. Wendel has deployed a digital tool to manage these lists and blackout periods, which automates the process and ensures better traceability.

Managing other business ethics risks

Other initiatives supported by Wendel's compliance program

In addition to the measures presented above put in place to manage the regulatory issues most significant to Wendel within the meaning of the NFPS, other compliance processes have been implemented to ensure that the compliance approach is universally respected and applied by all its executives and employees ; not only the legislative and regulatory standards, but also all of the Group's values and commitments in terms of compliance, business integrity and ethics. Wendel pays particular attention to the implementation of its compliance program in a constantly changing regulatory environment and intends to act ethically in all its activities by effectively preventing the risks of non-compliance.

The implementation of the compliance program therefore boosts the confidence of stakeholders with regard to Wendel's commitments as a long-term investor.

In order to promote an overall vision, the other initiatives included in Wendel's compliance program adopted by the Executive Board are described below.

Code of Ethics

Adopted by the Executive Board with the support of the Supervisory Board, Wendel's Code of Ethics aims to bring the Group's long-term investor activity in line with an exemplary approach to doing business. In particular, it illustrates Wendel's desire to behave responsibly and fairly in its relationships with employees and stakeholders, going beyond purely legal requirements. The Code aims to ensure that Wendel's activities constantly comply with laws and regulations, while reinforcing the Group's ethical commitments to the respect for human rights and supporting employees and corporate citizenship.

The ethical principles and values set out in this Code guide the way the Group does business. Wendel promotes an approach based on individual responsibility and has a zero-tolerance policy.

The Code of Ethics applies to all employees and managers of the Company, its holding companies and its foreign offices. Wendel requires companies in which it invests to adopt similar standards. The Code of Ethics can be consulted in the ESG section on Wendel's website at www.wendelgroup.com.

In 2022, the Code was reviewed again by the Executive Board before being distributed to all employees. The changes made concern, in particular, donations and sponsorships.

Protection of confidential information

In the context of its activity as a long-term investor, Wendel handles a large amount of confidential information concerning portfolio companies, potential targets and acquisition or divestment projects.

A Market Confidentiality and Ethics Code sets out the rules that apply to all Wendel employees and corporate officers in terms of protecting confidential information and, where applicable, restrictions on trading. The main rules introduced by the Code are presented in section 2.1.8 of the Universal Registration Document.

Compliance with economic sanctions

In general, Wendel (including its holding companies and international sites) ensures that it does not engage in any activity prohibited by sanctions or embargoes, and that it does not enter into any relationship with individuals or legal entities on sanctions lists. All third parties are subject to checks in terms of sanctions using Wendel's own tools or, for more complex cases, external investigations.

Wendel has paid close attention to this subject in the context of the conflict between Russia and Ukraine and the sanctions imposed by the United States and the European Union, in particular. In 2022, Wendel updated its international sanctions policy and provided a mandatory general training on the subject to all its employees.

Anti-money laundering

The Anti-Money Laundering/Combating the Financing of Terrorism (AML-CFT) policy has been in effect since 2017 and applies to Wendel SE, its holding companies and its international operations.

In addition, a specific AML-CFT policy has been put in place within the framework of the AIFM regulations to which the Luxembourg fund manager (Wendel Luxembourg S.A.) and its subsidiaries are subject. This policy is reviewed annually. All employees, directors and Board of Director members at these companies receive training on the subject every year.

All members of the Board of Directors are jointly responsible for compliance with AML-CFT requirements and one member has been made responsible for monitoring this compliance. They are assisted by the AIFM Compliance Officer and are approved by the CSSF. They report to the AIFM Board of Directors, which regularly conducts a compliance assessment.

The Compliance department ensures compliance with the AML-CFT rules and policy. In particular, it determines the extent of the reasonable due diligence to be carried out according to the level of risk allocated to each investor or investment.

Tax policy

The primary objective of Wendel's tax policy is to ensure legal certainty and stability over the long term. Wendel believes that aggressive and artificial tax structures create long-term financial and reputational risks that are contrary to its interests and values. Wendel is committed not to use structures domiciled in countries considered to be tax havens⁽¹⁾ in order to reduce the amount of taxes due.

Wendel also ensures that its activities comply with applicable tax laws and regulations. In particular, Wendel ensures that its operations do not lead to situations that could be qualified as tax evasion⁽²⁾ and that intragroup transactions comply with the arm's length principle of the OECD transfer pricing guidelines.

Wendel ensures compliance with tax filing and payment obligations in the jurisdictions in which it operates.

Wendel is committed to exchanging information with the tax authorities in a cooperative and transparent manner, in particular during tax audits.

Wendel participates, mainly through professional organizations, in consultations initiated by legislators or national and international governmental organizations aimed at improving tax certainty and encouraging sustainable growth.

Each year, Wendel SE provides the French tax authorities with country-by-country reporting on behalf of Wendel-Participations. This report is then shared via an automatic exchange mechanism with the tax authorities of all countries in which the Company or its subsidiaries operate.

The management of uncertain tax positions is fully integrated in the Group's global risk management process. As part of this process, the Tax Director regularly reports to the Audit Committee and the Management Committee on the Group's global tax position, any risks or tax disputes and the main changes anticipated.

Whistleblowing procedure

As indicated in the section on anti-corruption, the whistleblowing hotline is available round the clock on Wendel's website, in the ESG section at www.wendelgroup.com. The whistleblowing system is accessible to all employees (current or former), management and supervisory bodies, shareholders, external and temporary employees, service providers and co-contractors, as well as their management bodies and their employees or those of their subcontractors.

In addition to combating corruption, this whistleblowing system covers finance and accounting, stock market ethics, anti-competitive practices, health, hygiene and safety at work, discrimination and harassment at work, environmental protection, human rights and fundamental freedoms.

Personal data protection

Wendel takes privacy and the protection of personal data very seriously. It implements the necessary measures to ensure the protection, confidentiality and security of personal data in compliance with the applicable provisions, in particular European Regulation 2016/679 of April 27, 2016 (hereinafter the General Data Protection Regulation or "GDPR").

Wendel's Personal Data Protection Policy is available on its website. It describes the measures taken with regard to all personal data processing carried out by Wendel with respect to the various categories of persons whose data are collected and processed by Wendel (for example: website visitors, suppliers, service providers, job applicants, shareholders, co-investors, and executives of companies in which Wendel plans to acquire a stake).

In addition, an internal policy dedicated to the protection of employees' personal data is available to employees on the Wendel intranet. Wendel has also defined a GDPR charter describing obligations and procedures applicable to the Executive Board and to all Wendel employees who are involved in the processing of personal data. In 2022, a set of personal data protection "golden rules" were distributed to all Wendel employees. They explain the GDPR fundamentals in a synthetic and pedagogical manner and draw attention to the main points concerning the requirements of each employee in terms of GDPR compliance.

Distribution to employees

All of the compliance program policies have been shared with all executives and employees of Wendel, its holding companies, and its international offices. Each year and each time they are updated, the policies are submitted for signature by each employee, who is thereby made aware of the policies and asked to confirm their commitment to respecting their principles.

(1) According to the list of non-cooperative jurisdictions for tax purposes issued by order of February 3, 2023.

(2) Referred to in section 20 of Act No. 2018-898 of October 23, 2018, relating to the fight against fraud.

4.4 European Green Taxonomy

Pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investment, Wendel has prepared a report on its net sales (turnover), capital expenditure (CapEx) and operating expenses (OpEx) eligible and aligned under Annexes I and II of the Regulation.

This Regulation aims to direct financing towards activities that contribute significantly to the achievement of one or more of the Taxonomy's six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transitions to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

To date, only the Delegated Act on climate change mitigation and adaptation has been adopted (objectives 1 and 2, Annexes I and II of the European Regulation).

This report therefore establishes eligibility and alignment criteria for these first two environmental objectives. As a result, contributions to other environmental objectives (such as the circular economy) are not captured in the ratios presented below.

In accordance with the Taxonomy Regulation, the following rules were applied to define the eligibility and alignment of activities:

- eligibility: activities described in Annexes I and II related to the climate change mitigation and adaptation objectives of the Taxonomy Regulation are considered eligible;
- alignment: eligible activities meeting the three criteria below are considered aligned:
 - substantial contribution criteria: the eligible activity meets the technical review criteria set for each objective (mitigation or adaptation),
 - do no significant harm (DNSH): the eligible activity does not significantly impact any of the other five Taxonomy objectives,
 - minimum safeguards: the eligible activity is conducted in accordance with the OECD and UN guidelines for business, including the eight fundamental ILO conventions and the International Bill of Human Rights. These requirements include the following four pillars: human rights, anti-corruption, taxation, and fair competition.

4.4.1 Taxonomy alignment of consolidated turnover

The table below presents the breakdown of the eligibility and alignment ratios for controlled portfolio companies, as well as for Wendel SE. All values presented below are for fiscal year 2022.

The presentation of the alignment and eligibility ratios for turnover, CapEx and OpEx on the consolidated scope within the meaning of Article 8 of the Regulation and Annex II of the Delegated Act of July 6, 2021 is included in section 4.4.4.

Economic activity	Unit	Bureau Veritas	Constantia Flexibles	Stahl	CPI	ACAMS	Total
Turnover	In millions of euros	5,651	1,955	915	114	66	8,700
Taxonomy-eligible turnover	In millions of euros	145.3	0	520	0	0	665.3
Taxonomy-aligned turnover	In millions of euros	141.5	0	37.8	0	0	179.3
Share of turnover that is Taxonomy-aligned	%	2.5%	0%	4.1%	0%	0%	2.1%

For fiscal year 2022, the share of consolidated turnover that is Taxonomy-aligned is 2.1% and contributes to the climate change mitigation objective exclusively.

To date, only Bureau Veritas and Stahl have a share of turnover that is eligible and/or aligned with the European Taxonomy.

Due to its commitment to transitioning to a circular economy, which will shortly be applicable, Constantia Flexibles' activities should show stronger adherence to the Taxonomy, while CPI and ACAMS are pursuing social and societal impact training activities that do not currently fall within the Taxonomy's scope.

Eligible and aligned activities are described in the next pages.

Bureau Veritas – testing, inspection and certification services

The turnover presented is taken from the Bureau Veritas Group management tool (FLEX), which covers 96% of group revenue as at December 31, 2022. However, only 57% of Bureau Veritas' operations have the necessary attributes for their eligibility to be considered. Taxonomy reporting is therefore limited to this 57% of operations. The remaining 43% of unanalyzed operations are declared non-eligible, as required by the Commission, which disallows extrapolations. Taxonomy-eligible turnover is therefore under-estimated in 2022.

Bureau Veritas' share of eligible and aligned turnover breaks down as follows:

Economic activity	Eligible turnover (in millions of euros)	Aligned turnover (in millions of euros)	% of total turnover considered aligned
Technical verification and inspection of infrastructure for rail transport (Annex I – 6.14)	9.4	9.4	0.2%
Audits of the energy performance of buildings (Annex I – 9.3)	20.0	20.0	0.4%
Inspection of electric vehicle charging stations (Annex I – 6.15)	10.0	10.0	0.2%
Issue of energy saving certificates (Annex I – 7.3)	77.6	77.6	1.4%
Inspection of renewable energy production facilities (Annex I – 7.6)	24.5	24.5	0.4%
Inspection of heating, ventilation and air conditioning systems (Annex I – 7.3)	3.8	0	0%
TOTAL	145.3	141.6	2.5%

In total, 2.5% of Bureau Veritas' turnover is considered aligned. The alignment/eligibility ratio is 97%, with only activities related to the inspection of heating, ventilation and air conditioning equipment considered eligible, but not aligned.

The alignment/eligibility ratio is explained by the fact that inspection and audit activities, by their nature, do not have a significant impact on environmental objectives. On the other hand, certain DNSH are not considered applicable under the Regulation (such as categories 9.3 and 7.6). Minimum safeguards are also respected for all four pillars thanks to the policies deployed at group level by Bureau Veritas (Duty of Care Plan, Code of Ethics, tax policy). These policies are detailed in the Bureau Veritas Universal Registration Document.

In addition, many Testing, Inspection and Certification (TIC) services not described above also contribute to one or more of the environmental objectives of the Taxonomy. **A significant portion of these activities are not explicitly mentioned in the Taxonomy and are therefore not strictly eligible under the Regulation.**

This is the case for the following two activities:

- testing/inspection/certification activities implicitly included in eligible activities listed in the Delegated Acts of the Taxonomy related to the manufacturing of equipment (Annex I, section 3), construction and operation of buildings and infrastructures (Annex I, sections 4, 5, 6, 7). This is the case, for example, for the various services and inspections carried out by Bureau Veritas in the renewable energy sector;
- independent third-party activities for verification and certification required by the Technical Screening Criteria (TSC) of the Taxonomy for alignment of certain eligible activities. This is particularly the case for services related to the verification of life cycle GHG emission reductions, which are required in the technical criteria of a significant number of eligible activities.

These contributing but not directly eligible activities within the meaning of the Taxonomy Regulation explain the difference between the proportion of turnover linked to the Green Line of services and the Taxonomy alignment ratio. The description of these "contributing" activities is included in the Bureau Veritas Universal Registration Document.

Stahl – Manufacturing of water-based products

Within the Stahl product portfolio, certain products, due to their composition (significant water and low solvent content) offer a significantly lower-than-market standard carbon footprint over the life cycle of the product. These “water-based” products, which are sold exclusively B2B, are therefore considered to be low-carbon technologies, enabling the reduction of greenhouse gas emissions throughout the value chain.

The share of Stahl’s turnover considered aligned breaks down as follows:

Economic activity	Eligible turnover (in millions of euros)	Aligned turnover (in millions of euros)	% of total turnover considered eligible	% of total turnover considered aligned
Manufacture of other low carbon technologies (Annex I – 3.6)	520	38	56.8%	4.1%

The difference between the aligned share and the eligible share is due to a particularly rigorous and conservative approach to the alignment assumptions, which is described in the alignment analysis below:

- substantial contribution criterion: only water-based products covered by a life cycle assessment of avoided GHG emissions according to ISO 14040/44 mentioned in the Commission Recommendation 2013/179/EU on life cycle assessments were considered. These life cycle analyses, reviewed by an independent third party, make it possible to validate a carbon footprint that is approximately half that of solvent-based products;
- DNSH:
 - climate change adaptation: In 2021, Stahl completed an analysis of physical and transition risks and drafted a Climate Resiliency Plan which was approved by the Board of Directors in 2022 (see section 4.2.3),
 - sustainable use and protection of water and marine resources: the sites manufacturing water-based products in the European Union comply with the European regulations cited in Annex B of the Taxonomy regulation. A conservative approach has been taken and sites located outside the European Union have been excluded from the scope of alignment, pending the collection of evidence of compliance,
 - transition to a circular economy: Stahl’s policies, environmental management systems and actions comply with the provisions mentioned for this DNSH,
- pollution prevention and control: all water-based products have been checked by the regulatory and R&D departments to ensure they do not contain any of the substances mentioned in the European Regulation mentioned in Annex C of the Taxonomy Regulation. Products that do contain such substances were not considered to be aligned,
- protection and restoration of biodiversity and ecosystems: a geographical analysis of the sites located in the European Union in relation to protected areas has been carried out. All sites that are located far from protected areas or that have an appropriate assessment in place when located close to a protected area were included in the alignment scope;
- safeguards: the Stahl group complies with the minimum safeguards of the OECD and UN guidelines for all four pillars (human rights, anti-corruption, taxation, and fair competition) thanks to the policies it has implemented. Stahl has a Duty of Care Plan in accordance with the French duty of care law (see section 4.5), an anti-corruption program in accordance with the French Sapin II law, a Code of Conduct and a tax policy that is publicly accessible on the Company’s website.

In the short term, the share of alignment is expected to increase significantly with a possible extension of the scope of products covered by a life cycle analysis and the integration of manufacturing sites located outside the EU. The inclusion of product life cycle assessments is considered the primary lever for increasing the rate of alignment.

4.4.2 Taxonomy alignment of consolidated CapEx

Taxonomy-eligible and Taxonomy-aligned CapEx are presented in section 4.4.4. The consolidated CapEx alignment rate is 0.7%

Stahl's Taxonomy-aligned CapEx is linked to its Taxonomy-aligned turnover presented above, which was calculated as a proportion of the Taxonomy-aligned turnover for the scope of the CapEx mentioned in the Delegated Act of July 6, 2021.

The Stahl and Constantia Flexibles shareholdings have individual Taxonomy-aligned CapEx related to the following investments:

■ Constantia Flexibles:

- purchase of electric vehicles (Annex I – 6.5),
- upgrades to heating, lighting and machinery systems at production sites to improve energy efficiency (Annex I – 7.3),
- installation of charging stations for electric vehicles (Annex I – 7.4),
- installation of 1,500 solar panels at one of its production sites (Annex I – 7.6);

■ Stahl:

- installation of solar panels at various production sites (Annex I – 7.6),
- improvements to building energy efficiency (Annex I – 7.3).

The difference between the eligible and the aligned share of CapEx is mainly related to categories 7.7 (Acquisition and ownership of buildings) and 6.5 (Transport by motorbikes, passenger cars and light commercial vehicles). In most cases, the granularity of the available information did not allow us to establish the share aligned with these categories in 2022. Eligible CapEx has been considered as non-aligned in these cases. In terms of investments, Wendel is careful to take environmental criteria into account. For example, in 2023, the offices of the historic Paris headquarters will be moved to more energy-efficient premises that are BREEAM-certified (excellent level for asset building and building management).

4.4.3 OpEx scope exemptions

The OpEx covered by the Delegated Act (EU) 2021/2178 of July 6, 2021 of the Taxonomy Regulation (R&D, building renovation, short-term leases, maintenance and repairs) represent €216.3 million, i.e., less than 3% of current expenditure at the consolidated level. For portfolio companies, operating expenses as defined by the

Taxonomy are therefore not significant in comparison to other operating expenses. In accordance with the exemption mentioned in point 1.1.3.2 of the above mentioned Delegated Act, the eligible and aligned OpEx are not included below.

4.4.4 Taxonomy-related regulatory information tables

Turnover

				Substantial contribution criteria					DNSH criteria ('Does Not Significantly Harm')													
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of turnover year Y (18)	Taxonomy aligned proportion of turnover year Y-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)		
		€m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T		
A- TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
3.6 - Manufacture of other low carbon technologies		37.8	0.4%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.4%		E			
6.14 - Infrastructure for rail transport		9.4	0.1%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.1%		E			
6.15 - Infrastructure enabling low-carbon road transport and public transport		10.0	0.1%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.1%		E			
7.3 - Installation, maintenance and repair of energy efficiency equipment		77.6	0.9%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.9%		E			
7.6 - Installation, maintenance and repair of renewable energy technologies		24.5	0.3%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.3%		E			
9.3 - Professional services related to energy performance of buildings		20.0	0.2%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.2%		E			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		179.3	2.1%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	2.1%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																						
3.6 - Manufacture of other low carbon technologies		482.2	5.5%																			
7.3 - Installation, maintenance and repair of energy efficiency equipment		3.8	0.0%																			
Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		486	5.6%														0.0%					
Total (A.1 + A.2)		665.3	7.6%														2.1%					
B- TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Turnover of taxonomy-non-eligible activities (B)		8,035	92.4%																			
Total (A + B)		8,700	100%																			

CapEx

				Substantial contribution criteria					DNSH criteria ("Does Not Significantly Harm")														
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of CapEx year Y (18)	Taxonomy aligned proportion of CapEx year Y-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)			
		€m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T			
A- TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
3.6 - Manufacture of other low carbon technologies		1.2	0.2%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.2%		E				
6.5 - Transport by motorbikes, passenger cars and light commercial vehicles		0.5	0.1%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.1%			T			
7.3 - Installation, maintenance and repair of energy efficiency equipment		1.0	0.2%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.2%		E				
7.4 - Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings		0.1	0.0%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.0%		E				
7.6 - Installation, maintenance and repair of renewable energy technologies		1.0	0.2%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.2%		E				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3.8	0.7%	100%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.7%						
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																							
3.6 - Manufacture of other low carbon technologies		15.6	3.0%																				
4.25 - Production of heat/cool using waste heat		1.4	0.3%																				
6.5 - Transport by motorbikes, passenger cars and light commercial vehicles		43.3	8.2%																				
7.2 - Renovation of existing buildings		0.7	0.1%																				
7.7 - Acquisition and ownership of buildings		127.4	24.2%																				
8.1 - Data processing, hosting and related activities		1.1	0.2%																				
CapEx of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		189.5	36.1%															0.0%					
Total (A.1 + A.2)		193.3	36.8%														0.7%						
B- TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
CapEx of taxonomy-non-eligible activities (B)		332.3	63.2%																				
Total (A + B)		525.6	100%																				

OpEx

				Substantial contribution criteria					DNSH criteria ('Does Not Significantly Harm')											
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx year Y (18)	Taxonomy aligned proportion of OpEx year Y-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		€m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A- TAXONOMY-ELIGIBLE-ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%	0.0%	0%	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.0%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
OpEx of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		0.00	0.0%														0.0%			
Total (A.1 + A.2)		0	0.0%														0.0%			
B- TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of taxonomy-non-eligible activities (B)		216	0.0%																	
Total (A + B)		216	100%																	

4.5 Duty of care plans

In 2016, in response to the requirements of the March 27, 2017 law on duty of care, Wendel's CSR Steering Committee set up a working group to create a duty of care plan applicable to the Group companies affected by these regulations. The principal Group companies affected by the duty of care are Bureau Veritas, Constantia Flexibles, Stahl and CPI.

With regard to information published pursuant to Article R. 225-105-1 of the French Commercial Code, a certain number of tools and procedures had already been implemented on topics covered by the duty of care.

As an investment company that acts as a professional shareholder, Wendel does not take part in the operational management of its subsidiaries. However, it ensures that its subsidiaries take into account the risks targeted by the duty of care regulations, to the extent that they relate to their business. In this context, the relevant

companies perform a risk analysis with respect to the topics covered by the duty of care regulations:

- preventing violations of human rights and fundamental freedoms;
- personal health and safety;
- preventing harm to the environment.

On the basis of this risk assessment, duty of care plans were drawn up by the companies within the relevant scope and are published in this Universal Registration Document, with the exception of Bureau Veritas, in accordance with the applicable regulations. The Bureau Veritas Compliance Program is also available in the group's Universal Registration Document. The specificities of each duty of care plan set up by the companies within the scope of consolidation can be found below.

Wendel SE

As Wendel is a holding company made up of a small management team, its duty of care largely relates to its controlled companies. Nevertheless, Wendel has taken the following steps to strengthen its approach to preventing any potential violations of human rights, personal health and safety, and the environment:

- signature of the Code of Ethics by all employees and new hires. The Code of Ethics includes a reminder of Wendel's strict compliance with international human rights conventions, and proposes a set of rules and measures to ensure a safer working environment (respect in the workplace, whistleblowing procedure in the event of non-compliance, etc.). It is shared with all third parties and partners with which the Group enters into a transactional relationship. Wendel requires the portfolio companies in which it invests to adopt similar standards;

- adoption of remote working rules in compliance with the regulations applicable to on-site and remote working in the countries where the Group operates, when required by local authorities. Wendel's teams also maintain a constant dialogue with the management teams of the companies within its portfolio in order to support and advise them on the management of the various waves of the Covid-19 pandemic, so that the best measures can be taken to protect employees, while ensuring business continuity;
- reinforcement of the internal Wendel Protect tool in early 2022 through the development of an ESG assessment module, which evaluates third parties on the basis of sustainability criteria when a threshold amount is exceeded during the year. This module aims to select and give preference to third parties who are concerned about taking environmental and social criteria into account in their own value chains, for example by setting up a Responsible Purchasing Charter or obtaining third-party labels.

Wendel's internal whistleblowing procedure may also be used to report serious social and environmental breaches, as set out in the duty of care regulations. It is available on Wendel's website, in the ESG section: www.wendelgroup.com.

Stahl

Risk assessment

Stahl carried out a review of its risk assessment and control policies within the scope of the French law on Duty of Care. This review covered the risks linked to its employees, suppliers and customers/external markets. Stahl has adopted governance policies covering health and safety, the environment, and human rights in order to mitigate such risks. These policies are included in the risk mapping section below. The Duty of Care Team performed a review of the three risks in 2022.

Duty of Care Team

In 2019, Stahl established a Duty of Care Team. In 2020, two additional members joined the team, which now includes representatives from Operations (COO), HR (group director), Tax & Compliance (manager), Finance (CFO), ESG (Environment Social & Governance group director and manager) and Risk (manager). The Duty of Care Team meets each quarter to monitor the effectiveness of the duty of care plan and to monitor progress on EFPD and Sapin II.

Duty of care plan

Stahl's duty of care plan corresponds to the French law 2017-399 (March 2017) on Duty of Care. The duty of care plan identifies and aims to prevent the risk of serious violations of human rights and fundamental freedoms as well as harm to human health, safety and the environment. The Stahl Duty of Care Team meets periodically to monitor the effectiveness of the duty of care plan.

The duty of care plan focuses on the following three (3) identified main duty of care risks associated with Stahl's activities and the appropriate prevention of these risks through mitigation actions and the monitoring of the effectiveness of such actions:

Risks linked to human rights and the societal impact of its activities

- **Gross risk:** Modern slavery, the lack of diversity, and discrimination need to be eliminated from the industry, starting with employees and corporate policies. Violations or prosecutions in this respect could also have an impact on the Company's financial performance and reputation.

■ Mitigation actions include:

- **Code of Conduct:** The Stahl Employee Code of Conduct has chapters on modern slavery, conflicts of interest, business practices, data and IP protection, financial reporting and also outlines whistleblower rules. Stahl also has a Code of Conduct for business partners (updated in 2020 with the ten principles of the UN Global Compact). Suppliers are evaluated using the external independent EcoVadis rating system. The Business Partner Code of Conduct is a standard part of contracts with third parties. Both Codes of Conduct are discussed at the monthly Management Team and Quarterly meetings with Executive Control Group;
- **whistleblowing:** The Stahl whistleblower policy allows anyone (employees and people outside the company) to report suspicious behavior that could be in conflict with the Code of Conduct by e-mail or phone, with the necessary protection guarantee for the whistleblower in question. The policy was updated in 2021. Since 2022, Stahl has created the opportunity for anyone (inside or outside the company) to report anonymously through the Stahl website (dedicated page with a form). Using the same form, they can also leave contact details. Whistleblower reports are included annually in the external ESG report;
- **training:** To ensure that our employees understand the issues regarding modern slavery, diversity, discrimination, equal treatment, sexual harassment etc., with respect to their own behavior and that of colleagues and of business partners (which includes suppliers), regular corporate training on the issues is recommended. Stahl employees have completed different levels of online training. Training hours are reported in the annual Stahl ESG report.
- The Stahl Compliance officer also organizes yearly calls with selected colleagues, distributors and suppliers on anti-corruption and human rights issues.
- 2021: Human Rights Policy published for employees.
- 2021: Introduction of three new diversity training courses.
- 2021: First Stahl People Experience Survey conducted.

- 2022: Create, encourage and promote an open culture (e.g., Stahl People Experience Survey, webinars, training, weekly employee newsletter, etc.).
- 2022: Start supplier audits (10 selected suppliers) on workplace conditions by a third party.
- 2022: Focus groups and action groups based on the outcome of the Stahl People Experience Survey 2021.
- 2022: Diversity, Equity and Inclusion Steering Committee and local groups formed to execute action plans resulting from the 2021 Stahl People Experience Survey.
- 2022: Implementation of a due diligence tool for customers that helps Stahl to get to know its customers and avoid entering into business relationships that may harm the trust placed in Stahl.
- 2022: During salary reviews, explicitly introduced Mercer reference and consistent check on conformity of payments.

Risks linked to the health and safety of employees & (sub) contractors

- Gross risk: The risks in this category range from injuries to employees due to slips or falls, to more significant accidents involving chemical spills, machinery operations or exposure to dangerous substances. These are commonplace in the (heavily regulated) chemical industry and Stahl holds itself to the highest health and safety standards in this respect.
- Mitigation actions including:
 - strict legislation & auditing: Stahl is audited by external organizations, including governmental bodies (like ISO, accountancy firms (including NFRD compliance), industry initiatives (e.g., on ZDHC by Eurofins/Chemmap) and local authorities on environmental permits) on a regular basis. Stahl's policy is to adopt the highest regulatory standards and apply them throughout its operations globally;
 - effective SHE policies with clear rules, guidelines and KPIs. Stahl has a zero-tolerance policy towards unsafe acts;
 - auditing and reporting on health and safety, including accidents and incidents. This is performed monthly and annually by Stahl;

- training: Courses on general SHE (Safety, Health and Environment) topics, chemical management including safe handling (for Stahl employees, contractors and visitors of Stahl sites);
- identify and act on health and safety risks at the sites of customers who use Stahl chemicals;
- create, encourage and promote an open culture (e.g., Stahl People Experience Survey, webinars, training, employee newsletter, etc.);
- 2022: New SHE management system developed by a recognized external partner, to further develop a digital toolkit for risk assessments and easy reporting by app. on any digital device;
- 2022: Material increase in CapEx spend related to Safety, Health and Environment in working conditions, process safety and eliminating smaller risks in slip/trip/falls and cuts. Spend increased from €1.5 million to €5 million;
- 2022: Key projects in underground tank storage, overflow protections, protective PPE for all employees globally;
- 2022: Executed safety improvement program at all sites;
- 2022: Running SafeAlign workshops supported by Dekra at most sites.

Risks linked to the protection of the environment

- Gross risk: These risks are linked to unplanned releases to the environment of hazardous materials from Stahl sites, as well as the risks linked to the environmental stewardship practices of our suppliers and customers in the supply chain, who use Stahl's products in their manufacturing operations or who provide it with raw materials.
- Mitigation actions including:
 - alignment with the 17 UN Sustainable Development Goals;
 - effective SHE policies, e.g., covering the risks linked to spills or releases into the environment, a dedicated spill team trained on a regular basis;
 - periodic reporting of spills, releases, incidents, emissions, waste and other environmental KPIs;
 - climate resilience and adaption plan - how the company adapts to climate change risks and opportunities;

- proactive participation in environmental stewardship projects in the supply chain;
- long-term ESG targets (ESG Roadmap to 2030) for climate change (mainly through CO₂ and energy reduction);
- Stahl also takes into account potential health and safety risks for customers who use its chemicals, and this also requires mitigation actions. Indeed, many of its customers work in environments that are not as highly regulated as the chemical industry. Stahl has taken action, either alone or in conjunction with other peer companies and non-governmental organizations, to train users in these cases on (1) the safe use of chemicals, (2) the correct use of personal protective equipment, and (3) communicating clear rules on exposure prevention for potentially harmful chemicals. In addition to this, Stahl itself regularly hosts seminars around the world, for example in India, Pakistan and Bangladesh, which are attended by large groups of customers, which focus on safety, health, environmental stewardship and sustainability in general;
- 2022: Scope 3 target set, on top of the existing Scope 1 and 2 targets, pending SBTi approval for the full carbon footprint (Scope 1, 2 and 3 target on absolute emissions);
- 2022: Formation of a Carbon Steering Committee and Carbon working groups to speed up and streamline the Carbon reduction possibilities and plans;
- 2022: Introduction of a global waste policy based on ISO 14001 and circular economy principles;
- 2022: Implemented a wastewater treatment plant at the Waalwijk site (Netherlands);
- 2022: Implemented zero discharge wastewater treatment at the Suzhou site (China);
- 2022: Implemented condensers, reducing emissions to air materially at a European site;
- 2022: Implemented three solar panel projects in India, Mexico and Singapore.

Monitoring the policies and activities in place and measuring their effectiveness

- KPIs related to corruption/bribery/harassment/non-compliance/environment/safety are reported annually at least in Stahl's ESG publications.
- EcoVadis is used to track and monitor performance with selected suppliers and their suppliers on social, environmental and safety dimensions.
- Incidents, cases and accidents are closely tracked, monitored and action is taken based on data.
- The effectiveness of Stahl's policies is assessed by measuring safety and spills performance at each site, acting in cases where the data is trending the wrong way.
- Stahl's ESG roadmap to 2030 includes environmental, social and safety targets (see section 4.2.3 – Stahl's ESG Performance).
- EcoVadis platinum rating, which is the highest possible rating for the four EcoVadis priorities: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.
- Stahl is involved in selected projects with NGOs and government on training workers who use its chemicals, e.g., the safe handling of chemicals project in Bangladesh, where training statistics and the improvement in incident rates will be tracked.
- The Code of Conduct covers non-compliance of third parties.
- Letter of Representation, signed by local Stahl managers each year, which include Code of Conduct related risks.

Constantia Flexibles

Risk mapping

Risks related to Constantia Flexibles' own operations

The detailed identification, analysis and assessment of risks has been developed in the countries where Constantia Flexibles operates its own production facilities. These countries are in the region "EU-countries", where 17 of all Constantia Flexibles' production-units are located although the group operates another 21 plants in countries outside the European Union, such as the Russian Federation (2), Vietnam (1), India (11), South Africa (3), the United States (1), the UK (1) and Mexico (1) (the risk rating for each country comes from the databases of organizations such as ILO, etc.).

Risks to the health and safety of individuals (on-site employees and sub-contractors, consumers, residents)

The risk of "occupational injuries and fatalities", "occupational toxics and hazards" were aggregated at the same level as potential "industrial (major) accidents" for all locations.

Moreover, Constantia Flexibles ensures the provision of flexible packaging according to customers' specifications and regulatory requirements in the food and pharmaceutical sectors. In terms of "Consumer health and safety", this aspect was recognized and mapped as an opportunity (competitive advantage) for which a range of counter measures is already effectively implemented by Constantia Flexibles. Additional business opportunities for Constantia Flexibles are long-term trends such as urbanization, emerging middle class, demand for products that are not harmful to health, premium products and sustainability.

Risks related to the environment

Constantia Flexibles identified "Climate Change" and "Air pollution" as the main risks, besides dealing with the topics and related risks of other environmental issues.

Constantia Flexibles' climate-related policies are described in section 4.2.2.

The company is aware of the risk of air pollution and the impact of VOC emissions on the environment. These emissions originate in plants from the usage of solvents. In this context, the company has installed Regenerative Thermal Oxidizers (RTO) in several plants and aims to decrease its overall solvent consumption.

During the risk assessment, to fulfill the requirements of the Duty of Care framework, it also identified that the potential risk categories of raw materials/resource depletion, water scarcity and land/ecosystem/biodiversity destruction could be considered as very low.

Risks related to human rights and fundamental freedoms

As a manufacturer of flexible packaging operating in 19 countries worldwide, Constantia Flexibles clearly commits to compliance with internationally recognized human rights. The categories in which it assessed the related residual risks include:

- non-respect of freedom of association and collective bargaining (including the right to join and form unions and to strike);
- non-respect of international labor standards on migrant workers; and
- non-respect of data privacy.

These topics were clearly identified as salient due to the company's multi-country business. Following the group's organization, the countries exposed to the above risks are mainly outside the European Union.

Constantia Flexibles recognizes and respects its employees' right to freedom of assembly, as well as their right to elect their representatives freely and independently.

Furthermore, Constantia Flexibles has a zero-tolerance approach to modern slavery in all forms such as slavery, servitude, forced and compulsory labor and human trafficking, all of which are recognized as the deprivation of a person's freedom by another in order to exploit them for personal or commercial gain.

The group is committed to acting ethically and with integrity in all its business dealings and relationships by implementing and enforcing effective systems and controls to eliminate potential breaches in its supply chain.

Constantia Flexibles complies with the rules established by the United Nations on human and children's rights and commits to offering working conditions that are free of any form of harassment and bullying. No form of violence or harassment is tolerated.

Risks related to Constantia Flexibles' purchasing

Constantia Flexibles has identified the risks related to its tier 1 suppliers for the scope of each purchase category, in several stages.

The first stage involved collecting and centralizing key data for each major category of purchases made by Group Procurement. The mapping includes the four major categories of goods procured within Constantia Flexibles, which are "Aluminum", "Film", "Chemicals" and "Paper". Each category represents the amount of goods bought as a share of spending, namely aluminum (about 1/3), film (about 1/3), chemicals (about 1/5) and paper (less than 10%).

The second stage of the mapping process involved ranking the CSR risks – split again into three main categories: "human rights and fundamental freedoms", "health and safety" and "environment" – and linking and assessing the respective risks to the countries where the suppliers produce the required goods and raw materials.

For this assessment, the "Global Risk Profiles" (www.globalriskprofile.com) risk assessment was used.

Steered by group Procurement, Constantia Flexibles monitors the main suppliers of raw materials in their non-financial performance using standardized forms. As part of its supplier-selection process, a self-evaluation form to be filled by the potential supplier addresses core topics related to environmental, social and ethical risks that may arise from manufacturing and is based on the Constantia Flexibles' Code of Conduct. Further supplier audits performed by Constantia Flexibles at the supplier production facility follow a standardized set of questions to ensure adherence to the required standard.

Regular assessment procedures and mitigation measures

Risks related to Constantia Flexibles' own operations

Constantia Flexibles implemented its Risk and Opportunity Framework with a bottom-up approach using a group-wide standardized risk-catalogue. On a group level, risks are consolidated and reassessed twice a year.

In the course of this process, certain risks need to be dealt with by the group's Human Resources, Sustainability/Environment and Health and Safety departments. Moreover core business-risks from all operating sites (plants) globally will also be collected, assessed and reviewed.

The analysis of these risks takes into account appropriate mitigation measures and their potential effects at the current stage, and subsequently describes the level of residual risk.

Constantia Flexibles determines ownership by naming risk-owners, who are the persons responsible for implementing the specified mitigation actions. This includes respective risk ownership on a Group as well as on a plant level.

Constantia Flexibles holds Risk Committee meetings and also Safety Committee meetings. The Audit Committee (meeting as part of the Supervisory Board), examines all the aspects of Internal Audit covering financial processes, statutory audits, etc. The social risks or degradation of Human Rights (working hours, data privacy, labor conditions, etc.), Health and Safety (accident reports, sick-leave/workers' compensation), Environment (waste management, potential areas of pollution, etc.) are also handled by the Audit Committee. Constantia Flexibles experts from other Group functions are consulted each time, as necessary.

Risks to the health and safety of individuals (employees and sub-contractors on site, consumers, residents)

These risks are mainly derived from the "List of Main Risks" which can be applied here.

Constantia Flexibles treats Safety as a top priority, especially at the manufacturing sites, where people who work for and with Constantia Flexibles are exposed to the hazards attached to its operations. Therefore, with regard to the personal protection, Constantia Flexibles does not distinguish between prevention and workplace safety rules in their contracts (for employees, leased personnel/temporary workers, contractors). Moreover, the constant development and maintaining of safe and sustainable working conditions are supported by:

- Group Standards such as the group HSE Policy and underlying HSE Standards applicable for all subsidiaries;

- the group reporting process for accidents, including standardized templates;
- defined group Terms & Definitions which underpin the need for a common understanding and a set of performance figures throughout all countries where Constantia Flexibles operates, regardless of individual, national requirements;
- a minimum number of HSE-related topics integrated into the site visits/audits performed by HSE and group Internal Audit.

For all Constantia Flexibles group standards set out as group-wide procedures, an Internal Document Control System provides the latest version on the Constantia Flexibles Intranet-pages. Beside this database, ongoing training has to be attended online by all management functions on core business-policies, for example the Code of Conduct.

Additional Group departments, such as the Operations Development as part of the Global Operations department, ensure the constant implementation of technical improvements considering technical safety alongside efficiency and operational excellence (for example, in the field of fire safety).

Risks related to the environment

Constantia Flexibles has a comprehensive sustainability policy in place, which includes an appendix that details actions and measures implemented to work towards the company's commitments and core targets. Furthermore, the Code of Conduct and the Code of Conduct for Suppliers include clauses on the environment and responsible sourcing, reflecting and outlining the importance of sustainability in the company's written principles to internal and external stakeholders.

All mitigation actions on the environmental aspects are presented in section 4.2.2 – Constantia's ESG Performance, including:

- GHG emissions mitigation plan (approved SBTi targets by 2030 and 2050), including the actions implemented to mitigate the risk of air pollution and Scope 3 emissions (downstream and upstream);
- participating and steering initiatives throughout the value chain (Aluminium Stewardship Initiative, A Circular Economy for Flexible Packaging, New Plastics Economy led by the Ellen MacArthur Foundation).

Risks related to human rights and fundamental freedoms

The largest risk category is covered in this section and could impact people working with and for Constantia Flexibles at all organizational levels and in all countries where the group operates manufacturing sites.

The sub-categories for which the country-related risks were assessed were identified mainly based on the principles of the UN's Universal Declaration of Human Rights and the ETI Base Codes.

Due to established regulations and applied standards, all countries belonging to the European Union could receive lower ratings for their inherent exposure to risks in the above-mentioned categories.

Nevertheless, Constantia Flexibles has implemented Group-wide internal standards and built up specific reporting lines for key performance indicators, which are compiled with at Group level.

As one of the key documents, the Code of Conduct covers most of the topics within the group as a whole. However, during the assessments performed for the Duty of Care framework, the potential of further improvements were identified with regard to the minimum standards regarding excessive working hours and unequal salaries.

Risks related to Constantia Flexibles' purchasing

To fulfill duty of care requirements and describe the different kinds of assessment procedures, Constantia Flexibles has identified the following fields of activities and procedures. All purchase categories were summarized to be classified commonly as "industrial manufacturing" (B2B only):

- potential risks related to "Human Rights and Fundamental freedoms", "Health and Safety" as well as "Environment" are effectively covered by the CSR-related purchasing charter named "Code of Conduct for Suppliers", which Constantia Flexibles requires all suppliers to adhere to in principle;
- integration of mandatory minimum requirements of CSR terms and conditions included in contracts and purchase orders; furthermore, group Procurement performs supplier audits at their production sites and requests them to fill in a self-assessment form named "pre-audit questionnaire".

Alert mechanism

In 2008, Constantia Flexibles set up a whistleblower hotline. It is outsourced to a dedicated external legal service provider, which deals as the first point of contact for all incoming e-mails and calls. The external legal service provider is held to strict confidentiality obligations and is able to answer in most languages spoken within the Constantia Flexibles group and its affiliates worldwide. Every alert is then forwarded (depending on the whistleblower's request) to Constantia Flexibles' compliance team.

This system in place aims to encourage employees and leased personnel/temporary workers to report any concerns regarding unethical behavior, or any human rights violations, environmental damage or any other concern relating to the Code of Conduct, Anti-corruption and Compliance Policy, Antitrust Policy, HR and Health and Safety policies.

Also covering the French Sapin II law on corruption and anti-bribery aspects, Constantia Flexibles provides a description of this whistleblowing system, which is available on the intranet and also in the above-mentioned Code of Conduct (available to all employees or leased personnel/temporary workers). Via the "Ethical Sourcing Policy" and the "Code of Conduct for Suppliers", which are available on the corporate website and contain contact details for the whistleblowing hotline, Constantia Flexibles ensures this information is available to external stakeholders (e.g., suppliers, customers and their employees).

Monitoring system of implemented measures and assessment of their effectiveness

Constantia Flexibles has implemented several systems and standardized their monitoring throughout all operating facilities.

Training and awareness-raising campaigns were identified by Constantia Flexibles as useful tools. For example, with regard to the document seen as a basis for the "Duty of Care" framework, namely the Code of Conduct, Constantia Flexibles provides annual web-based trainings on the requirements including a (anonymous) test which needs to be passed with at least 80% correct answers to successfully complete the online training session.

To ensure the effectiveness of Constantia Flexibles' duty of care framework, some group functions have introduced specific measures:

- group Procurement conducts on-site supplier audits based on defined criteria and recurring internal risk assessments on the defined purchase-categories (aluminum, chemicals, film, etc.);
- the group Sustainability team collects and monitors all key environmental indicators for Constantia Flexibles and tracks performance throughout the Group;
- the group-wide consolidation platform used as a database provides and includes consistency checks and requests to upload supporting documents for reported data from the operating units;
- the group Human Resources department, as well as other disciplines like HSE, benefit from the participation of several operating units in Sedex, which is one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries. Third-party auditing companies perform so-called Smeta (Sedex Members Ethical Trade Audits) at the production sites on behalf of Sedex, which are set up as four pillar audits covering labor standards, health and safety, business ethics and the environment;
- the group HSE department implements group standards to fulfill the targeted management system based on Constantia Flexibles' vision of Zero Loss - No Harm. Moreover, the group-wide KPIs to be monitored on monthly basis include, as well the opportunity to share lessons learned via events (accidents like Lost Time Injuries (LTI)), detailed audits on site and cross-checks with observations and findings identified by the group Internal Audit department on site. This department provides an internal self-assessment matrix which needs to be completed by the operating units and performs frequent site visits as part of the activities for ensuring internal compliance with the standards of Constantia Flexibles, which are set out in the Code of Conduct and its human rights, health and safety and environmental aspects.

Auditing against the required standards performed by independent parties allows Constantia Flexibles to close the cycle and constantly learn. These audits performed for Sedex, which are necessary to obtain any certificate based on ISO-standards or for any other customer-related packaging-requirements like BRC (British Retail Consortium), give Constantia Flexibles the opportunity to continuously improve globally while ensuring the reliability of its Duty of Care framework.

Crisis Prevention Institute

Risk mapping

The following stakeholders have been integrated in the risk mapping: Tier 1 suppliers, subsidiaries in the United Kingdom and Australia, employees, and clients.

The risk mapping is conducted annually and consists in identifying and ranking the main risks for each stakeholder. This evaluation is based on criteria such as the geographical location of each stakeholder, its industry, and its weight within CPI's value chain. International frameworks such as Global Risk Profile and SASB are used as a basis for the criteria evaluation.

The main risks identified within the subsidiaries are:

- risks relating to the environment, such as greenhouse gas emissions;
- the risk of insufficient health and safety of employees;
- risks relating to the non-respect of human rights and principles of the International Labor Organization, and to discrimination.

The main risks identified for the upstream supply chain are:

- the risk of insufficient health and safety and non-respect of human rights and principles of the International Labor Organization, and discrimination for suppliers' employees;
- the risk of lack of personal data security among online storage suppliers;
- risks relating to the environment, such as raw material consumption.

The main risks identified for the downstream supply chain are:

- risks relating to the health and safety of people trained directly by CPI.

Evaluation procedures

The risks within the subsidiaries are evaluated through internal evaluation questionnaires covering cybersecurity risks, which are completed at site level on a yearly basis.

The risks relating to the downstream supply chain are assessed through surveys sent to every participant who completes a CPI training program. These surveys are administrated through SurveyMonkey and the responses are reviewed by CPI every week. Trainers have the opportunity to report any incident or risk relating to the clients during meetings organized at regional level on a weekly basis.

The implementation of evaluation procedures for Tier 1 suppliers is taken into consideration.

Actions to mitigate risks

To reduce risks, CPI has implemented the following procedures:

- integration of diversity and anti-discrimination and safety in the workplace policies in the Employee Handbook, which is signed by all employees upon their arrival and subject to an annual review of acknowledgment;
- addition of sustainability criteria in the tender documents for all suppliers and for all group entities, with the exception of Australia. This formalizes the sustainability standards required by CPI for purchases in the US and the UK; Australian operations will also be covered going forward as from 2022;
- onboarding, covering risks relating to human rights and diversity, in all subsidiaries;
- training on health and safety offered to key employees, in all subsidiaries;
- certifications such as IACET, CQC, BILD/RNN, and ASQA, obtained by CPI at country level. Each CPI entity has at least one of the listed certifications. They cover issues relating to human rights and health and safety.

Alert mechanism

In 2020, CPI implemented a whistleblowing system enabling employees and other individuals to anonymously report a concern to a reporting office, by sending an email to whistleblower@crisisprevention.com. This aims to identify suspected illegal or unethical conduct or practices or violations of CPI's policies. This alert mechanism is referenced in the Employee Handbook and is available on the company's website. The alert is received and processed by the Chief Compliance Officer and, if needed, by an external legal partner.

In 2022, the group received one alert through the whistleblowing mechanism, reporting a CPI staff on staff bullying matter, which was resolved within a month.

System to monitor implemented measures

The risk mapping and the implementation of the Vigilance Plan relies on the CEO, the VP HR and the Chief Compliance Officer who meet on a quarterly basis.

Key performance indicators (KPIs) are monitored internally and reported to the Audit Committee and/or to the Board on a yearly basis, to evaluate efficiency of mitigating actions. The KPIs are as follows:

- 100% of sites covered by the internal evaluation questionnaire over the year;
- 100% of employees had signed the Employee Handbook at the year-end;
- 100% of tender documents include a sustainability criteria;
- 100% of CPI entities covered by at least one multi-year certification (IACET, BILD/RNN, ASQA) at the year-end;
- 100% of 'at-risk' employees trained on anti-bribery and anti-corruption practices over the year.

ACAMS

Given the integration by Wendel in 2022, this investee has not yet formalized a due diligence plan within the meaning of Article R. 225-105-1 of the French Commercial Code. The analysis of non-financial risks carried out jointly by ACAMS and Wendel has not highlighted any risk to date with regard to human rights and fundamental freedoms, health and safety or the environment. As ACAMS is a US-based training company, the vast majority of its employees work from home.

4.6 Cross-reference table and reporting methodology

4.6.1 Cross-reference table

Risk description

EFPD

Policies and outcomes

The cross-reference table below links the non-financial information required in the non-financial performance statement (NFPS) with the other parts of the Wendel Universal Registration Document, where relevant to the Company's main risks or policies, in accordance with Article L. 225-102-1 of the French Commercial Code.

Topic	Section
Business model	
Description of the main businesses (business segments and/or divisions), products or services, including key figures (i.e., business volumes, headcount, financial results) by business/division and/or geographical area	Introductory guide and section 4.1.1 – Business model
Interactions within its subsidiaries/business segments (i.e., customer categories, potential partnerships, use of subcontracting, competitive positioning, relations with stakeholders, etc.)	Section 1.2 – Business
Challenges and outlook for the entity and its businesses (i.e., market trends, ongoing transformations, sectoral sustainable development issues, etc.)	Section 1.3 – Investment model: Strategy and objectives
Information relating to value creation and its distribution among stakeholders	Introductory guide and section 4.1.1 – Business model
	Section 8.1.2 – Dividend
	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
Vision and objectives of the entity (i.e., values, strategy, transformation or investment plan)	Section 1.3 – Investment model: Strategy and objectives
Main risks related to Wendel's business	
Wendel Group's ESG issues and responsible investment procedures	Section 4.1.5 – Wendel Group's ESG strategy
Portfolio companies' ESG issues	Section 4.2 – ESG performance of controlled portfolio companies
Risks related to climate change	Sections 4.1.5 and 4.2 (integrated in Wendel's ESG risks and the portfolio companies' ESG performance)
Risks related to Wendel's human resources	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
Risk of non-independence of governance bodies and control mechanisms and risks related to business ethics	Section 4.3.3 – Governance and business ethics

Topic	Section
Other information mentioned in Article L. 225-102-1 of the French Commercial Code	
The business’ social impact, particularly with regard to collective agreements and their effects, combating discrimination and fostering diversity, societal commitments, promoting the practice of sport, disability	Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion
The business’ environmental impact, in particular with regard to climate change, the circular economy, food waste, the fight against food insecurity, respect for animal welfare and responsible, equitable and sustainable food	<p>Climate issues relating to Wendel’s business are among the main risks facing the Group. The risks, opportunities, policies and KPIs related to climate change are presented in sections 4.1.5, 4.2 and 4.3.2</p> <p>The circular economy approach implemented within Wendel SE is presented in section 4.3.2 – Measuring and managing our environmental footprint. Issues relating to the circular economy specific to Constantia Flexibles are presented in section 4.2.2</p> <p>Other environmental risks have not been identified as relevant to Wendel’s activity as an investor (apart from specific risks related to the activities of controlled companies mentioned in section 4.2 – ESG performance of controlled portfolio companies)</p>
The impact of the business on respect for human rights	<p>Section 4.3.1 – HR performance: fostering commitment, well-being, support, employability and inclusion</p> <p>Section 4.5 – Duty of care plans</p>
The impact of the business on the fight against corruption	Section 4.3.3 – Governance and business ethics

4.6.2 Methodological information

Details of methodologies and specificities (e.g., scope limitations, specific considerations in the consolidation of certain indicators, etc.) are presented in the various consolidated indicators published in sections 4.1.5 and 4.3 or in the methodological notes for each investment in section 4.2.

4.7 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2022

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Wendel SE (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 rev. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Further to your request and beyond the scope of our accreditation by COFRAC, we also have conducted procedures to express a reasonable assurance conclusion on the fact that some information, selected by the Company, has been prepared, in all material respects, in accordance with the Guidelines.

Limited assurance conclusion on the Statement pursuant to article L225-102-1 of the French Commercial Code (Code de Commerce)

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Reasonable assurance conclusion on selected information included in the Statement

In our opinion, the following information, selected by the Company, has been prepared, in all material respects, in accordance with the Guidelines:

- CO₂ emissions from scope 1+2 - Financial control (kT CO₂ eq);
- Frequency rate of work accidents with time off (per 1,000,000 hours worked);
- Women in management positions (number and%);
- Percentage of women among the aggregate number of all the individuals actually nominated directly or indirectly by Wendel in the relevant boards (boards of directors or equivalent) of the portfolio.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

The Executive Board is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;

- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 6 people between September 2022 and March 2023 and took a total of 20 weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around thirty interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.

■ We referred to documentary sources and conducted interviews to:

- assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important and listed in Appendix; for certain information our work was carried out on the consolidating entity, while for other information, our work was carried out on the consolidating entity and on a selection of entities.

■ We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.

■ We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.

■ For the key performance indicators and other quantitative outcomes that we considered to be the most important and listed in Appendix, we implemented:

- analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto.
- substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities⁽¹⁾ and covered:
 - For Stahl, between 17% and 81% of the information selected for this subsidiary;
 - For Constantia Flexibles, between 22% and 41% of the information selected for this subsidiary;

- For CPI, 100% of the information selected for this subsidiary;

- For Wendel SE, 100% of the information selected for this entity.

■ We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

At the request of the Company, we have conducted additional work to enable us to form a reasonable assurance conclusion on the following information:

- CO₂ equivalent emissions from scope 1+2 - financial control (kT CO₂ eq);
- Frequency rate of work accidents with time off (per 1,000,000 hours worked);
- Women in management positions (number and%);
- Percentage of women among the aggregate number of all the individuals actually nominated directly or indirectly by Wendel in the relevant boards (boards of directors or equivalent) of the portfolio.

The work carried out was of the same nature as that described in the section above relating to limited assurance, but more in-depth, particularly regarding:

- Analytical procedures to verify the correct consolidation of the collected data and the consistency of their trends;
- Detailed tests performed on a sample basis to verify the correct application of definitions and procedures and to reconcile data with supporting documents.

Paris-La Défense, March 16, 2023

One of the Statutory Auditors,

Deloitte & Associés

Mansour Belhiba
Partner, Audit

Julien Rivals
Partner, Sustainability Services

(1) Wendel SE ; Stahl : Parets (Spain), Kanchipuram (India), Suzhou (China) ; Constantia Flexibles : C-Teich (Poland), Asas Turkey (Turkey), Pirk (Germany); CPI

Appendix: Information considered to be the most important

Qualitative information	
Information at Wendel level	Information at Stahl, Constantia Flexibles, CPI level
<ul style="list-style-type: none"> ■ Actions carried out as part of the Climate Plan ■ Actions carried out as part of responsible investment procedures. 	<ul style="list-style-type: none"> ■ Policies and measures implemented to improve health and safety of employees at work ■ Policies and measures implemented to mitigate and adapt to climate change ■ Measures implemented to promote a better gender balance on the workforce ■ Priorities identified for offering sustainable products and services and related action plans defined.
Quantitative information	
Consolidated information at Wendel group level	
<ul style="list-style-type: none"> ■ Percentage of the Investment Opportunities screened with the Exclusion List ■ Percentage of the Investment Opportunities subject to the ESG Due Diligence ■ Percentage of controlled portfolio companies with an ESG roadmap aligned with their strategy ■ Percentage of CEOs in the controlled portfolio whose variable compensation is contingent on progress on their ESG roadmaps ■ Percentage of controlled portfolio companies for which a carbon footprint assessment has been realized (scope 1, 2, 3) ■ CO₂ eq emissions of scopes 1+2 - financial control ■ Energy consumed (of which renewable energy), ■ Percentage of controlled portfolio companies that are committed to an emission reduction plan ■ Percentage of portfolio companies that have assessed their exposure to physical and transition climate change risks and opportunities ■ Percentage of controlled portfolio companies with a climate change resilience plan ■ Percentage of controlled portfolio companies that have an environmental management system (in particular via ISO 14001 certification) for all or part of their activities ■ Percentage of controlled portfolio companies have adopted a continuous improvement approach to health and safety in the workplace ■ Lost-time accident frequency rate (per 1,000,000 hours worked) ■ Percentage 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 ■ Percentage of controlled portfolio companies committed to improving gender balance in their workforce ■ Percentage of women in the total headcount ■ Percentage of women in management positions ■ Percentage of women in shareholder governance bodies ■ Percentage of women in operational governance bodies ■ Percentage of women among the aggregate number of all the individuals actually nominated directly or indirectly by Wendel in the relevant boards (boards of directors or equivalent) of the portfolio ■ Percentage of controlled portfolio companies that have identified priorities for offering sustainable products and services ■ Percentage of consolidated revenue related to products and services with environmental added value 	
Information at Wendel SE level	Information at Stahl level
<ul style="list-style-type: none"> ■ Headcount (by gender and category), ■ Hires and Departures, ■ Percentage of women among employees in management position and at Supervisory Board level ■ Percentage of members of the Coordination Committee that have followed an ESG training during the year ■ Direct GHG emissions scope 3 	<ul style="list-style-type: none"> ■ Headcount ■ Severity rate ■ Percentage of revenue associated with products with life cycle ■ ZDHC products (% of total portfolio turnover)
Information at Constantia Flexibles level	Information at CPI level
<ul style="list-style-type: none"> ■ Headcount ■ Percentage of recyclability of product portfolio ■ Number of suppliers audits carried out during the year 	<ul style="list-style-type: none"> ■ Headcount ■ Total number of active certified instructors



W E N D E L

Societas Europea with an Executive Board and a Supervisory Board with capital of €177,630,708

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April 2023

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