WENDEL

ESG PERFORMANCE REPORT - 04.05.2024

ESG performance of controlled portfolio companies

Wendel Group

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:

1. **Bureau Veritas**
2. **Stahl**
3. **Crisis Prevention Institute**
4. **ACAMS**
5. **Scalian**

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

i) Brief overview of the business and key figures

ii) ESG Roadmap – including the four pillars of Wendel's ESG strategy and the material issues specific to each investment

iii) Main material ESG issue/opportunity related to the business model

iv) Climate change adaptation and mitigation plan

v) Key ESG achievements in 2023

vi) Reporting methodology

1. Bureau Veritas

1.1 Business overview and key figures

GENERAL INFORMATION	
Activity	Global leader in Testing, Inspection and Certification (TIC) services
Revenue	€5,868 million
Revenue by region	Europe: 35% Middle East, Africa: 9% Asia-Pacific: 28% Americas: 28%
HEADCOUNT	
Number of employees	81,511
Headcount by region	Europe: 22% Middle East, Africa: 10% Asia: 40% America (USA/Mexico): 28%
SUPPLY CHAIN	
Number of operational sites and offices	1,610 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: 83 (1/184) MSCI: AA Sustainalytics: 9.1 (1/72) Moody's: 70
In Wendel's portfolio since	1995

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 tracks 19 CSR internal management indicators on a quarterly basis. The annualized performance of these indicators is presented in the table below:

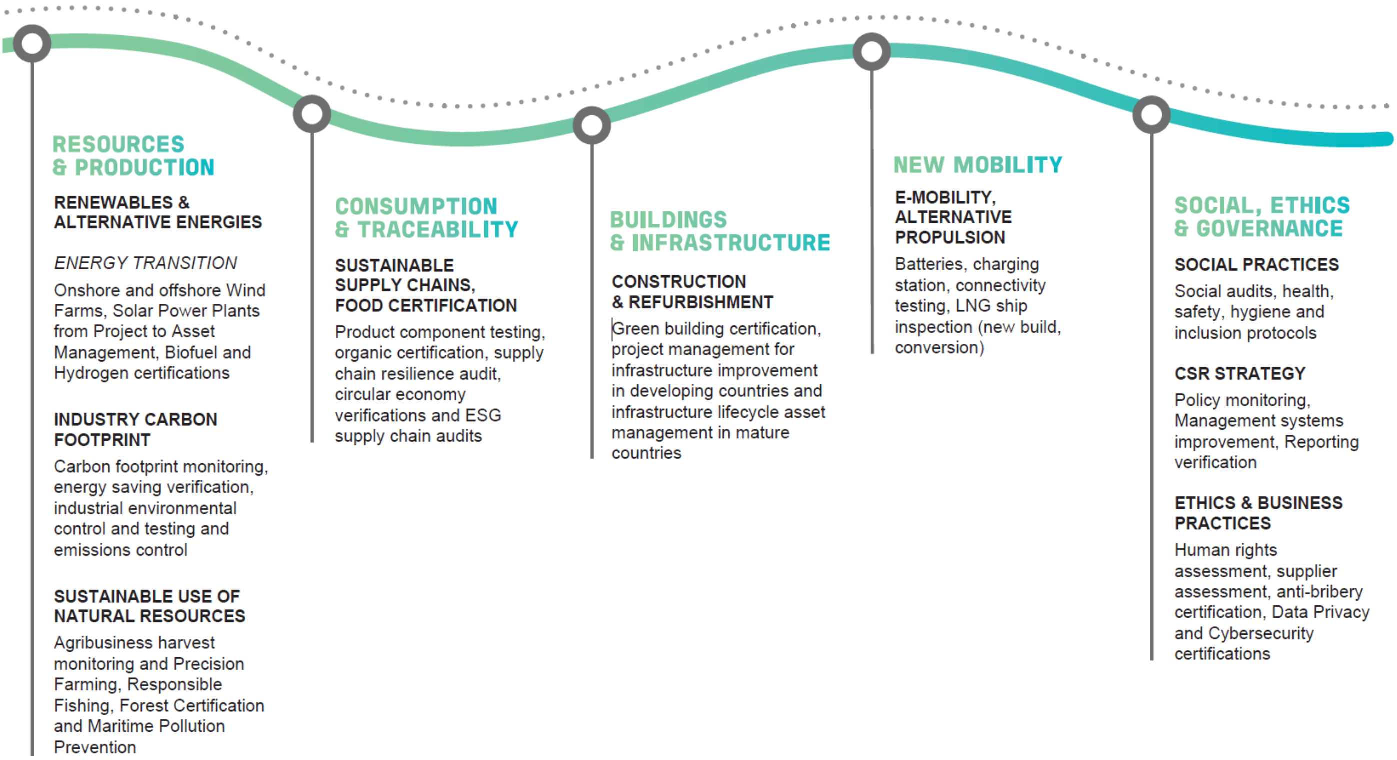
	2023	2022	2021	2028 target
Scope 1 & 2 emissions (ktCO_2 eq.)	149	151	159	107
Scope 3 emissions (ktCO_2 eq.)	592	578	509	410
Share of renewable energy	9.9%	9.5%	4.0%	40%
Number of certified energy efficient sites	N/A	N/A	N/A	-
Number of labelled eco-sites	N/A	N/A	N/A	-
Total Accident Rate (TAR)	0.25	0.26	0.27	0.23
Lost days rate	0.13	0.16	0.19	0.13
Number of fatalities	0	2	0	0
Learning hours per employee	36.1	32.5	29.9	40
Share of employees participating in a performance review	63%	57%	55%	95%
Employee engagement score	70%	69%	70%	76%
Internal leadership and expert placement rate (from the Executive Committee to Band IV)	N/A	N/A	N/A	35%
Global gender balance	31%	30%	30%	35%
Gender balance in senior leadership (EC-II)	29%	29%	27%	36%
Gender balance in leadership and experts (EC-IV)	27.3%	27%	NA	36%
Gender pay ratio	0.93	0.97	-	1
Proportion of employees trained to Bureau Veritas Code of Ethics	97.4%	97.1%	95.8%	99%
Number of BV Code of Conduct breaches	91	51	N/A	N/A
% of suppliers covered by BV Code of Conduct	54%	55%	60%	75%

1.3 Main material ESG opportunity related to the business model: the Green Line sustainable services offering for Bureau Veritas clients

The 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 Green Line covers the three CSR pillars: Environment, Social and Governance. Its scope is broader than that of the European Green Taxonomy.

The BV Green Line has five main focuses:



Find out more about the five main focuses in Bureau Veritas' Universal Registration Document 2023.

1.4 Climate change adaptation and mitigation

This section describes the main points of Bureau Veritas' climate strategy. The entire climate plan can be consulted in the Bureau Veritas Universal Registration Document.

Climate change mitigation

The table below presents Bureau Veritas' greenhouse gas emissions:

Scope	2023	2022	Year-on-year change (%)
Scope 1 (tCO_2 eq.)	74,412	71,561	+4%
Scope 2 (tCO_2 eq.)	74,994	79,856	-6%
Scope 3 (tCO_2 eq.)	592,278	577,847	+2%
TOTAL (TCO2 EQ./€M OFREVENUE)	**126.3**	**127.7**	**-1%**

The main emissions categories considered 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 (59%) Business travel (14%) Upstream leased assets (10%) Fuel and energy-related activities (8%) Employee commuting (7%) Waste generated in operations (1%)

Governance

Bureau Veritas' climate transition plan covers the Group's climate impact, as well as the risks and opportunities that climate change represents for the Group. It covers all of Bureau Veritas' operations, and those of its subsidiaries and facilities in different countries.

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 and the CSR Committee at least once a year.

The CSR Committee pays particular attention to the implementation of the climate transition plan. It reviews the resources allocated, the actions implemented and verifies the alignment of outcomes with the SBTi commitments. It ensures that climate indicators are included in executive compensation.

Strategy

Although a services organization, Bureau Veritas has focused on mitigating its activity impact on the environment for many years. Bureau Veritas is committed to fighting climate change, joining in 2019 the French Business Climate Pledge launched by MEDEF, France's largest employer federation. Bureau Veritas has set a climate transition plan which is disclosed in the CSR section of the Group website. The plan is designed according to the recommendations set by the Taskforce on Climate-related Financial Disclosure (TCFD).

The ambition set in this transition plan is aligned with the Paris Agreement keeping global warming below 1.5 degrees Celsius above preindustrial average. The near-term targets set for 2030 were SBTi approved in May 2023. Bureau Veritas committed to reducing Scope 1 and 2 emissions by 42%, and Scope 3 emissions by 25% from a 2021 baseline.

The decarbonation relies on five main levers:

- reducing fuel and gas consumption in laboratories;
- improving buildings' energy efficiency;
- producing and using renewable energy;
- transforming the vehicle fleet to low carbon emissions;
- reducing the value chain carbon emissions.

The investments related to support these actions are financed in each operating group. Each of them is now working on their budget to financially sustain the effort to 2030. After this exercise, the plan will be reviewed by the Executive Committee and by the Board of Directors. Once approved, it will be immediately deployed. This process is expected to be finalized by the end of Q2 of 2024.

The actions decided in the transition plan are integrated in the Group strategy. They were presented to the Group executive management and to the Board of Directors for their approbation.

Bureau Veritas assessed that the locked-in emissions are residual considering that in the future Scope 1 and 2 emissions could be partially eliminated.

Climate change mitigation policies

Bureau Veritas´s environment statement describes the level of ambition of the company. It confirms the engagements the Group has established to protect our planet and limit climate change. It is signed by the Chief Executive Officer and is periodically reviewed and updated to remain current with standards and best practices. Bureau Veritas operates a certified environment management system using ISO 14001 standard.

In 2014, the Group started a program for carbon accounting. The program has a reporting policy that outlines the various elements to be declared every quarter that measures emissions, such as electricity consumed, fuel used to operate machinery or the fleet, waste, water or refrigerants. All these elements are reported with a tool developed by Bureau Veritas (GreenHub), which allows the Group to quantify and characterize Scope 1 and 2 emissions, and some accounting lines of Scope 3 emissions.

GREENHUB

Since 2020 Bureau Veritas deploys its Eco-efficiency policy. This document outlines the company´s expectations in terms of building efficiency management and all the parameters to be considered for limiting energy consumption, such as room temperatures, lighting, water use or energy efficiency requirements. In addition, this policy outlines the requirements for business travel including air travel, trains, and public transportation.

Since October 2021, the Group has a motor vehicle policy that includes several enhancements to reduce its emissions footprint:

- all senior level company vehicles shall emit less than 60g of CO_2;
- all new passenger vehicles must emit less than 130g of CO_2 per km;
- all entities around the globe must include low-emissions (hybrids and hybrid plug-ins) or zero direct emissions options on the list of authorized vehicles proposed to employees.

The Group reporting and internal control mechanisms have been heavily modified in 2023 to limit the possibility for errors and increase accuracy, through:

- reinforced control over workforce reporting;
- an inconsistency detection system;
- clarification of user profiles, ensuring proper segregation of duties.

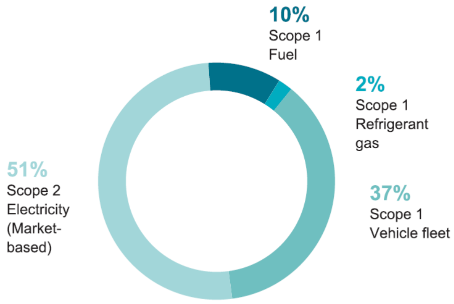
In 2023 Bureau Veritas has updated its climate transition plan. This document outlines its current emissions, its SBTi targets, and its strategy to reduce its CO_2 eq. footprint and decarbonize the company.

Actions and resources related to climate policies

The resources dedicated to executing the actions supporting the climate transition plan are in the operating groups. They include the Environment and Purchasing departments.

Bureau Veritas has a binary profile distinguishing two large areas to tackle as an action plan.

Scope 1 and 2 profile



Action #P1 : Lab energy consumption

10% of the Group' emissions come from fuel consumption, first and foremost, and natural gas that is used in North America to operate large furnaces that process metals and minerals samples. Bureau Veritas is currently considering the implementation of a new technology using laser ablation processes that will render the sample cycle more efficient and reduce the need for furnaces.

Action #P2: Office energy efficiency

Bureau Veritas has several opportunities to render the buildings, the laboratories, the processes, and the machines more efficient. In 2023, the Group deployed and will continue to implement actions to reduce its electricity consumption. The Group increased its revenue by 8.5%, whereas electricity consumption grew only 0.7% (see page 60 on historical electricity consumption). Every year, Bureau Veritas expands the number of buildings that are LEED certified or have an equivalent certification scheme.

One of the key elements of the Group's strategy is to expand its footprint on efficient buildings (LEED, HQE or equivalent). Bureau Veritas has more than 1,600 locations around the world and every year, whenever relocating, there is an opportunity to consolidate and access buildings that require less resources to operate.

The Group has deployed across the globe clear and practical expectations on how to render existing buildings more efficient. Those cover a series of parameters that local operations must consider. A few examples are provided below:

- LED lighting, motion detection with automatic on/off;
- HVAC systems limited to 19-22° C;
- isolation of heat generating machines or instruments in laboratories;
- replacement of machines and instruments by more efficient equipment;
- water reuse in some labs and automatic taps on restrooms;
- waste minimization and management.

Action #P3: Renewable energy

In 2023, 10% of the Group's energy came from renewable sources. Bureau Veritas has a large opportunity here to expand in this area through the installation of solar panels on the top of its buildings and parking lots, the establishment of direct and sleeved PPAs (Power Purchase Agreement), the renegotiation of energy contracts, access to green tariffs and ultimately purchasing RECs (Renewable Energy Certificates), iRecs (Interstate Renewable Energy Certificates) or Green Energy attributes.

The solutions available are multiple for Scope 2 emissions. Bureau Veritas will use all those tools to reach the Group's Scope 1 and 2 near-term objectives.

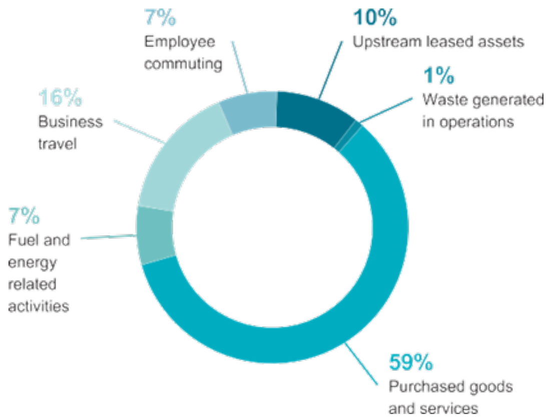
Action #P4: Business travel

Scope 1 emissions are mostly influenced by the vehicle fleet. With the aim of reducing these emissions, it is essential to reconsider the means of travel. Considering that most of the Group' vehicles are located in Europe and Latin America, Bureau Veritas is tackling this challenge in two different ways. First, in Europe where the electrification of the fleet is much closer on the horizon, due to factors such as technology and charging stations availability. ICE (internal combustion engines) vehicles will be converted to electric from now to 2030. Second, in Latin America, the chances of 0 emission solutions are still further away, Therefore, in Brazil, the use of vehicles running on ethanol, which has a lower emission factor (0.009kg of CO2 per liter, versus gasoline with 2,09kg per liter) is favored. In the area, the local fleet is characterized by a strong predominance of commercial vehicles (trucks and pickup trucks) that will take even longer to convert and for which clear solutions are not yet available.

Action #P5: Suppliers

Scope 3, representing the largest part of Bureau Veritas' emissions, comes from Purchased Goods and Services.

Emissions related to upstream and downstream logistics are not significant.



The focus in the upcoming years is going to be as follows:

1. launch a large CO2 emitter supplier engagement program that will require measuring the emissions of large emitter companies and setting emissions reduction targets. With this Bureau Veritas expects the large emitters to set science-based targets to effectively reduce their impact on climate change;
2. obtain more granularity of the emissions from the other suppliers, by improving the precision of the calculation methods based on supply category spent.

Action #P6: adapt Bureau Veritas' premises to physical risks

In the future natural disasters will become more and more frequent and impactful. The company has identified the risk to natural hazards for all its locations.

The general approach to tackle this risk is the renegotiation of insurances and systematic studies of natural risk exposure for existing sites and conducting due diligence for new offices and laboratories.

Bureau Veritas is monitoring its footprint and exposure toward natural hazards for each location. Moreover, engineering visits in coordination with the Property Damage and Business interruption insurer are conducted every year in the Group's most exposed and/or valuable locations to verify compliance with adequate standards and risk management practices (see section 2.2.2.3).

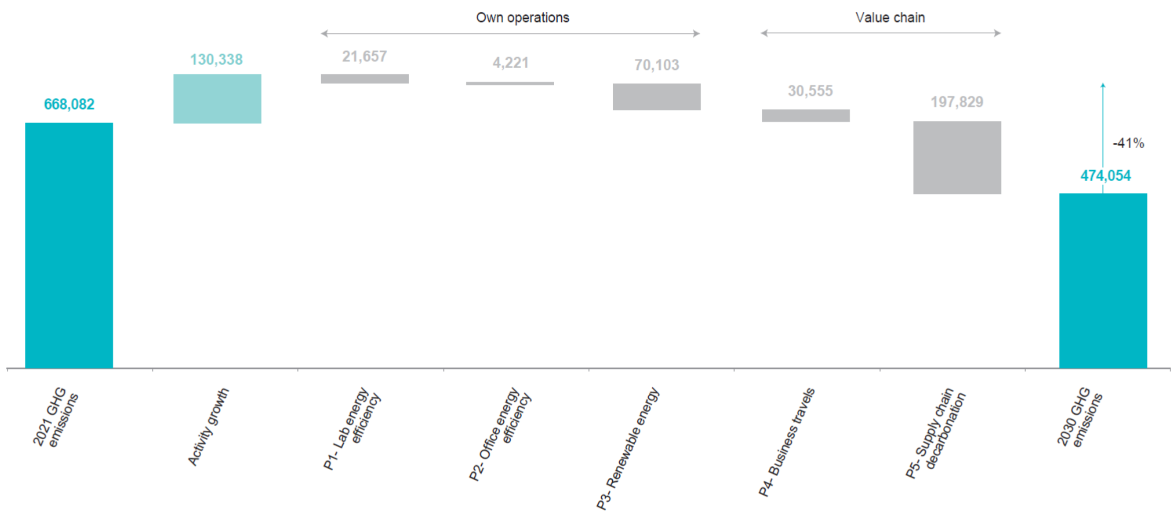
Action #P7: develop and expand ESG related services

Bureau Veritas provides consulting services and support to the market in the ESG domain. Its customers are requesting expertise, solutions and knowledge in transitioning to a society and business model without carbon. Adapting to this new paradigm and preparing the company for the future imply transforming the organization in terms of competency, R&D of new products, and solutions on carbon accounting. The risk of not being able to respond to its customers' needs is significant. In addition, the slowdown of oil and gas and other "brown" sectors may also impact revenue and force adaptation to a new reality.

With the need to decarbonize society and the ambition of large companies to become more balanced from an ESG standpoint, Bureau Veritas has a unique opportunity to expand its sales and revenue with its Green Line. This is an assortment of services and solutions, designed to support businesses in delivering their sustainability goals in areas such as production and the use of natural resources, supply chains and consumption, construction and infrastructure, new mobilities, ethics and adequate governance. Investments in solar, wind or waterpower related to the energy transition, in particular as part of stimulus plans such as the European Green Deal, will provide growth opportunities for Bureau Veritas, which can offer expertise across all these areas (see chapter 2.1.3.1).

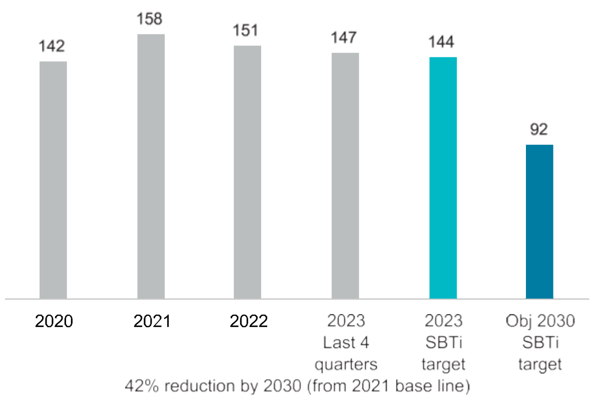
Metrics and targets

Targets related to climate change mitigation and adaptation – scopes 1, 2 and 3 (tons of CO_2 eq.)



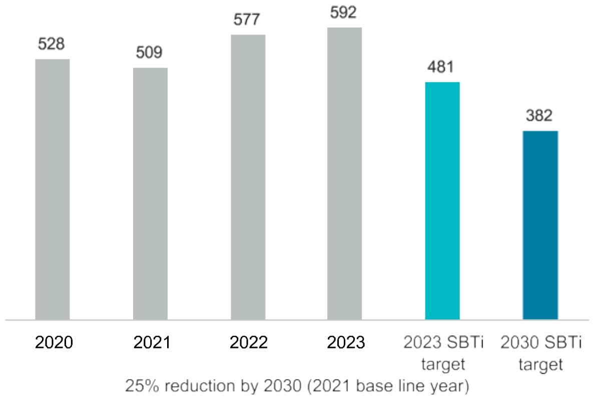
SBTi targets

Scope 1 and 2 (1,000 x tons of CO_2 eq.)



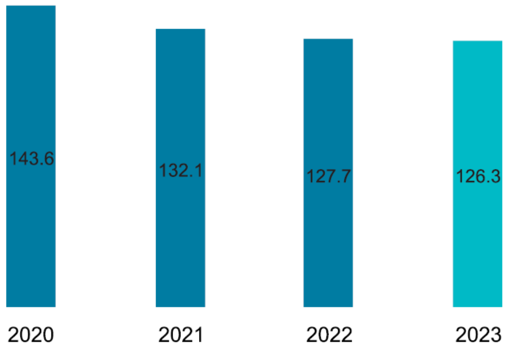
Bureau Veritas Scope 1 & 2 near-term objectives were approved by SBTi (science-based targets initiative). This implies a 42% reduction by 2030 from the 2021 base line year. Despite the progression made on efficiency and access to renewable energy, these efforts were insufficient to reach the objectives, mainly due to headwinds from, in particular, an increase of company vehicle use generated by the post Covid context.

Scopes 3 (1,000 x tons of CO_2 eq.)



Bureau Veritas Scope 3 near-term objectives were approved by SBTi. This implies a 25% reduction by 2030 from 2021 base line year. Bureau Veritas has a Scope 3 much higher than the objective. Currently, Scope 3 emissions are calculated on a spend basis to which emission factors are applied by spend family. This method allows a high level of visibility but lacks granularity to be strategic. In 2023 and 2024, the Group will be reviewing its Scope 3 calculation methodology to better account for its value chain emissions, in particular on having more current and activity spend basis emission factors, on using publicly available information on suppliers and vendors to better account for purchased goods and services. In addition, Bureau Veritas is using producers' emission factors on upstream leased assets (vehicle fleet, laptop, desktop and cell phone fleet, etc) to achieve better precision on this category.

Emissions in proportion to revenue (tons of CO2 eq. per €M of revenue)



Bureau Veritas has been growing in business segments that generate less emissions. Its strong focus on efficiency and access to renewables has had favorable returns. In addition, the development of new commercial activities within the ESG space has also driven a 6% reduction in 2023 on emissions as a proportion of revenue when compared to 2022.

Bureau Veritas emissions report encompasses 100% of its entities without any exclusions. Joint ventures also report 100% of their data, Bureau Veritas being the majority shareholder for most of these partnerships. In addition, the Group is not involved in trading schemes as it does not concern its activity.

Bureau Veritas has not implemented any carbon internal pricing yet.

Actual and potential material impacts, risks and opportunities related to climate change

Challenges for Bureau Veritas	Impact for stakeholders	Financial risks for Bureau Veritas	Financial opportunities for Bureau Veritas
Comply with regulatory frameworks. Reduce CO_2 emissions in line with 1.5°C pathway. Source and produce decarbonized electricity when possible. Reduce CO_2 emissions from business travel and laboratory processes. Obtain business partners to reduce their own emissions. Prevent physical and transition risks.	Energy consumption from offices, laboratories, operational equipment and vehicles. GreenHouse Gas emissions contributing to global warming. Climate related services rendered by Bureau Veritas that contribute to client negative environmental impacts.	Cost of upgrading laboratory equipment with lower energy intensity ones. Electrification cost of the vehicle fleet. Increase of energy cost. In case of inaction: penalties, loss of market opportunities and decreased investors' interest, reputational and controversy risks.	Savings from energy sobriety measures, business travel reduction and smaller office surface. Business opportunities from services to assist clients in reducing their emission and to adapt to climate change. Group reputation and attractiveness increase. Strengthened trust with partners and long-term relationships.

Climate change adaptation policy and results

In 2023, Bureau Veritas updated the analysis of its sites' exposure to natural hazards.

The risk assessment took into account the climate-related risks of earthquakes, floods, hail, cyclones, thunderstorms, tornadoes and lightning.

Projections of change in these risks over time were made using the IPCC RCP 4.5 and RCP 8.5 scenarios for the 2030 and 2050 projection periods.

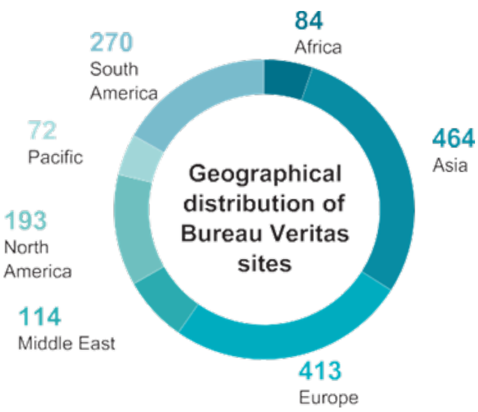
Based on this work, each of Bureau Veritas' 1,610 sites, laboratories and offices was assessed in relation to its geographical location and the level of risk associated with each type of physical climate-related risk.

- 338 sites are at extreme risk with regard to at least one natural hazard by 2030 under the RCP 4.5 scenario;
- 17 sites are exposed to at least two natural hazards under the same scenario.

They are located primarily in China, India, the United States, Brazil, Taiwan and Chile.

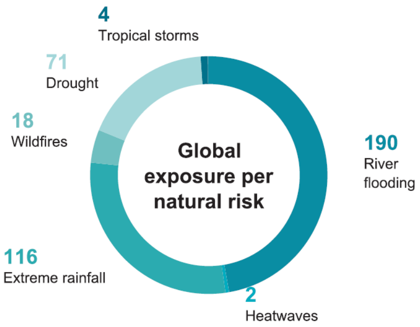
Prevention plans and business continuity plans (BCC) are developed at the operational level and progressively integrated in the prevention processes. For information systems, policies are in place to ensure data protection and integrity and to encourage application teams to develop business continuity plans.

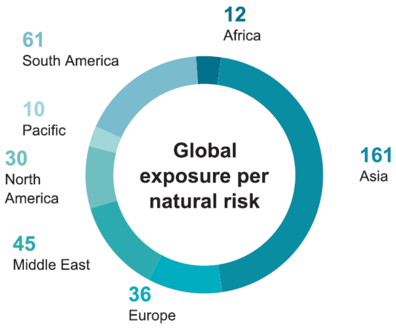
Sites exposed according to the IPCC RCP 4.5 and RCP 8.5 scenarios, using the 2030 and 2050 projection periods



Natural hazards	RCP4.5 2030	RCP4.5 2050	RCP8.5 2030	RCP8.5 2050
Tropical storms	4	10	10	10
River flooding	190	174	176	176
Heat waves	2	3	2	10
Extreme precipitation	116	140	113	156
Wildfires	18	16	14	16
Drought	71	116	67	104
Cold waves	0	0	0	0
Number of sites exposed to one high risk	338	383	330	390
Number of sites exposed to two high risks	17	38	26	41
NUMBER OF SITES EXPOSED TO ONE OR TWO HIGH RISKS	**355**	**421**	**356**	**431**

Exposed sites according to the RCP 4.5 scenario for 2030





The complete climate plan can be consulted in Bureau Veritas' Universal Registration Document 2023.

1.5 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 2023 (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 2023;
- the environmental data is calculated on a 12-month rolling basis (from October 1, 2022 to September 30, 2023).

The information presented in this section is based on the Bureau Veritas group's Non-Financial Statement (NFS), included in its 2023 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.

2. Stahl

2.1 Business overview

Stahl is a world leader in specialty coatings and treatments for flexible substrates. Its products add functionality, durability and comfort to many different materials used in everyday life. Through its continuous focus on innovation and reducing environmental footprint, Stahl's unique service model and premium solutions add value to various industries.

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.	
Revenue	€913.5 million	
SALES BY REGION		
	Asia-Pacific	42%
	EMEA (Europe, Middle East & Africa)	35%
	North and Central America	16%
	South America	8%
HEADCOUNT		
Number of employees	1,802	
HEADCOUNT BY REGION		
	EMEA (Europe, Middle East & Africa)	50%
	Asia-Pacific	20%
	India and Pakistan	15%
	North and South America	15%
PRODUCTS & SUPPLY CHAIN		
Number of manufacturing sites	14 manufacturing sites (11 excluding ICP) (59% of volume produced in the EU, 97.7% of volume from ISO 14001-certified sites excluding ICP sites).	
Products: resources/use of resources/ final products and market	Specialty performance coatings Leather processing chemicals Packaging coatings	
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 does not have cracking, distillation or pyrolysis processes.	
OTHER INFORMATION		
In Wendel's portfolio since	2006	
ESG ratings	EcoVadis 2023 Platinum rating	

Note: This business overview excludes the ICP Industrial Solutions Group, acquired by Stahl in 2023.

2.2 ESG Roadmap

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2023	2022	Change	Remarks on 2023 achievement in relation to the target
Climate Change	Reduce Scope 1 and 2 emissions	Absolute reduction in Scope 1 and 2 emissions of 42% (2021 vs 2030)	Scope 1 and 2 emissions	tCO_2 eq.	12,581	16,469	-24%	SBTi approval obtained in May 2023
	Reduce Scope 3 emissions	Absolute reduction in Scope 3 category 1 purchased goods and services of 25% (2021 vs 2030)	Scope 3 emissions	tCO_2 eq.	630,557	685,441	-8%	SBTi approval obtained in May 2023
	Renewable energy located at or near Stahl factories	Three sites using on-site renewable sources (solar panels) (minimum 20% of total on site energy) by 2023 & six sites by 2030	Number of sites using on-site renewable sources (solar panels)	Number of sites	4	3	+33%	49% of Stahl's global energy consumption is renewable (solar panel, renewable electricity, agri briquettes). In Singapore (2023), 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 (approval at Board level)	Yes (approval at Board level)		Climate resilience plan discussed and approved by Stahl Board in December 2021, 2022, and 2023.
Sustainable products	Safe chemistry (ZDHC) and improved water footprint	80% of Stahl portfolio for the footwear, garment & accessories segment	Number of Stahl products (% of total portfolio revenue) at ZDHC level 3	%	63%	73%	-10 pp	Ongoing external testing of portfolio products & raw materials, and auditing of our manufacturing sites, to maintain and grow the % of

		to be ZDHC certified by 2023	Gateway conformance					products registered at ZDHC level 3 Gateway conformance.
	Environmental footprint – Measuring: Environmental Impact data via Life Cycle Assessment (LCA) methodology	ISO 14044 LCA data for a minimum of 50 strategic products	Number of strategic products with available LCA/LCI data	Number of products	353	160	+121%	In 2023, the company added 193 products for which the Carbon Footprint data is available, bringing the total to 353 products (47% of sales revenue).
	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	9 out of 11 sites	8 out of 11 sites	+12.5%	97.7% of Stahl's production volume is produced at ISO 14001-certified manufacturing sites.
Sustainable use of resources	Sustainable use of water	-	Water withdrawals	m³	598,726	644,268	-7%	-
		-	Water consumption	m³	161,108	N/A	-	-
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	68.7	65.7	+3	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 (80/100)	Platinum rating (77/100)	+3	Platinum EcoVadis achieved in 2022 and 2023. Focus is on maintaining this level. EcoVadis performance bar is continuously rising.

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2023	2022	Change	Remarks on 2023 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)	Rate	2.391	2.325	+3%	TRI-FR consolidated a stable low value compared to Stahl's record. In 2022, Stahl reported 6 events causing 142 days lost. In 2023, the number of LTI events was 8, causing 84 days lost. While the LTI-FR increased by 37%, the severity rate decreased by 36%.
			LTIFR (lost time injury frequency rate – employee)	Rate	2.239	1.638	+37%	
			Severity rate	Rate	0.025	0.039	-36%	
		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 and inclusion by 2023	Percentage of employees trained in DEI annually	%	89.83%	Voluntary training available for employees		Stahl has set up local DEI committees for each of its entities worldwide and a global DEI Committee, which oversees progress and promotes 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	4.07%	5.22%	-1.15 pp	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	11.11%	0%	+11.11 pp	As of March 2023, Stahl had one female member on the leadership team
		By 2023: 25% (minimum) female representation in Stahl's Extended Leadership Team & Heads of functions By 2030: gender balance (30-60% ratio)	Percentage male – female (30-60%) in Stahl supervisory and managerial positions	% membership	24.8%	25.1%	-0.3 pp	Women in supervisory and managerial positions: 24.8%
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	%	92.06%	97.50%	-5.44 pp	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% (5)	100% (8)	-	All cases were treated in 2023.

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2023	2022	Change	Remarks on 2023 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	1	3	-2	-

	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 beyond the Leadership Teams to a larger group of senior managers.

A full overview of Stahl's ESG Roadmap to 2030 is available on the company's website: https://cms.stahl.com/assets/downloads/stahls-esg-roadmap-to-2030-v1-2.pdf

2.3 Main material ESG 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 finished in the 1970s. 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 (close to 60% of sales).

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

Part of Stahl's water-based products manufactured within the EU are eligible and aligned with the EU Green Taxonomy (see section 4.4 EU Green Taxonomy of the Wendel Group URD 2023), 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:

52.9% of Stahl's sales (turnover) are eligible and 7.9% are aligned according to the EU Green Taxonomy in 2023, 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 decisions are made about phasing out identified products in the portfolio. 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 represents the chemical industry on the board of the ZDHC foundation and has been actively involved in the seven-year (2023-2030) strategy for the ZDHC organization. By December 2023, 2,161 of Stahl's products (63% of footwear and ready-to-wear revenue) were certified to the latest MRSL (3.1) at Level 3, the highest conformance level in ZDHC Gateway. Conformity with the ZDHC MRSL (Manufacturing Restricted Substance List) is a critical element of Stahl's long-term commitment to reducing its impact with responsible chemistry.

Key figure:

63% of Stahl's revenue from footwear and ready-to-wear product portfolio are registered at ZDHC Level 3 (the highest level of certification for Zero Discharge of Hazardous Chemicals)

- Raw Materials substitution

The process of substituting raw materials in Stahl's products is continuous. Sometimes a newly restricted substance can be quickly replaced by a preferred alternative, in which case a new product can be designed and introduced to replace the old one within months. More commonly, however, the replacement of existing products with a 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 Scope 3 emissions) by 25% by 2030, and this target was approved by the Science Based Targets Initiative (SBTi) in 2023. Since much of its current raw material portfolio is based on fossil fuels, the company will focus on replacing 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 and a decarbonization roadmap has been developed.

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 were 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 has committed to a 25% reduction in indirect GHG emissions for purchased goods and services (Scope 3, category 1) by 2030, and this target was approved by the Science Based Targets Initiative (SBTi) in 2023.

- Life Cycle Assessment (LCA): measuring environmental impact

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, the carbon footprint of a product (or its Global Warming Potential GWP). LCA or carbon footprint data are available for 353 strategic products in Stahl's portfolio. Creating and maintaining LCAs and carbon footprint data requires a significant investment in time and human capital, and research into data tools. The progressive automation and management of LCA data is a key element of Stahl's ESG strategy of maintaining ESG leadership. Consequently, two employees in the ESG team are currently dedicated to the collection, validation, interpretation and communication of LCA data.

Key figure:

LCA and/or carbon footprint data are available for 353 Stahl products (47% of total sales)

2.4 Climate change adaptation and mitigation

Climate change is strategic for the company, as it is for the chemical industry as a whole. To align itself with the goal 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 was granted in May 2023, when Stahl was added to the list of approved companies on the SBTi website.

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 (category 3.1 Purchased of goods and services) by 2030.

A greenhouse gas reduction plan was drawn up in 2022. A decarbonization roadmap was introduced in 2023. The actions taken to achieve SBTi targets can be summarized as follows:

- Scope 1 and 2 emissions:
    1. A specific plan for each manufacturing site was developed in 2023 based on achieving the overall 42% emissions reduction in 2030 vs 2021. These plans include sourcing renewable electricity from available grids, on-site renewable energy, like solar panels, efficiency gains for boilers & condensers, and from the electrification of energy in general.
- Scope 3 emissions:
    1. replace fossil-fuel based raw materials with lower carbon alternatives, like renewable carbon-based feedstocks;
    2. ensure that all new product development uses available low carbon raw materials;
    3. raw material working groups, per material or category, focused on introducing selected low carbon alternatives that can replace higher carbon versions;
    4. continuously improve the quality of raw material CO_2 emissions data based on verified LCA methodologies and the Ecoivent database;
    5. focus on the top raw material categories, according to their GHG impact (i.e., purchased volume x emission factor).

Stahl has a comprehensive inventory of its greenhouse gas (GHG) emissions. Approximately 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's SBTi commitment means accelerating their replacement with lower carbon alternatives, like renewable carbon-based chemicals. Product-specific "Scope 3 working groups" are actively working to ensure the smooth introduction of these low carbon alternative chemicals into our raw material supply chain. A decarbonization roadmap has also been developed by the company.

Stahl has been replacing fossil-based energy with renewable alternatives at its manufacturing sites for years. In 2023, 49% 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. Four of Stahl's manufacturing sites have installed solar panels for generating electricity (Brazil, Mexico, India and Singapore in 2023). Renewable energy sourcing investment will continue for the remaining sites in the coming years. Stahl still uses fossil energy sources to power its higher energy requirements, like boilers for generating steam. However, the company is actively exploring new technologies to reduce dependence on these sources with a view to electrifying its operations as much as possible. This transition can be powered by renewable energy sources such as solar and wind.

Key figures:

49% of Stahl's global energy consumption is from renewable sources

100% of European factories purchase renewable electricity

Scope	2023	2022	2021	Change (2022/2023) (%)	Remarks
Scope 1 (tCO_2 eq)	10,453	11,852	13,898	-12%	The decrease is linked to lower production volumes and improved energy efficiencies
Scope 2 (tCO_2 eq)	2,127	4,617	6,101	-54%	The decrease is linked to reduced purchased electricity, due to continued investment in solar panels
Scope 3* (tCO_2 eq)	630,557	685,441	898,888	-8%	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 2023 (-8% versus 2022) is due to a combination of reduced volumes of purchased goods and sourcing raw materials with a lower carbon footprint. It is likely that absolute Scope 3 emissions will increase in 2024, due to the impact of Stahl's acquisition of the ICP Industrial Solutions Group.
CO_2 intensity Scopes 1 and 2 (tCO_2 eq./ton produced)	0.0663	0.0849	0.0871	-22%	

**The Science Based Targets approved Stahl's target submission in 2023.*
Stahl calculates its Scope 3 greenhouse gas emissions annually and compares them to the base year, 2021. All purchased goods and services are included in the updated Scope 3 calculation, as well as all other material categories.
All emissions data reported exclude data related to the ICP Industrial Solutions Group, acquired by Stahl in 2023. This data will be included in the 2024 report.

Eleven manufacturing sites are included in the scope of Stahl's Scope 1 and 2 emissions calculations, as well as labs and offices in the same geographical area. The company has begun to collect data for non-manufacturing operations (labs, offices), and these sites will be included in the 2024 report.

Scope 1 (direct emissions) 2023	Scope 2 (indirect emissions) 2023	Scope 3 (indirect emissions) 2023
Production (85.75%) – Scopes 1.1, 1.3, 1.4, 1.5	Purchased electricity (83.67%) – Scope 2.1	Purchased goods/services (86.5%)
Company vehicles (leased or owned) (14.25%) – Scope 1.2	Steam (16.33%) – Scope 2.2	Upstream transportation and distribution (8.9%)
		Other categories (4.6%)

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.

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 GHG emissions reduction target, approved by the SBTi in 2023, is an example of the action taken 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 raw fossil 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 validated and published by the Science Based Targets Initiative (SBTi) in 2023.
Increase in demand of low carbon products	The transition to low carbon products has experienced a slow start in the market, but it has accelerated in recent years due to the SBTi and other target-setting initiatives.	Medium	See actions described in 2.3 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 (49% is already renewable).	Medium	Continue implementing on-site renewable energy sourcing. Invest in energy-efficient technologies to meet higher energy requirements.
Increased capital availability and company reputation related to climate change performances and strategies	Meeting our climate targets requires capital investment in equipment, building and raw materials.	Medium	GHG reduction is ongoing for Scope 1 and 2 emissions, and Scope 3 upstream emissions. The GHG reduction plan and decarbonization roadmap outlines the actions linked to company's target, approved by the SBTi in 2023.

Climate change – Physical risks

Stahl monitors the long-term impact of climate change on its facilities and has developed resilience plans to mitigate the impact of weather-related events. In 2023, it introduced a tool to assess the risk to Stahl's sites around the world and define the mitigation actions and investments to be taken.

The approach is based on a series of individual climate resilience assessments of Stahl's production sites and centers of excellence. The assessments are based on studies conducted by the sustainability consultancy ERM, which models potential climate-related scenarios for 2030 and 2050. The scenarios present a range of physical, climate-related risks, from extreme heat and cold to flooding and water scarcity.

The individual site assessments evaluate the potential impact of climate-related events on the site, including infrastructure, operations and people. The assessments also define the timeframe for these events to occur.

Five sites completed the risk assessments in 2023, with the remainder due to be finalized by the end of Q1 2024. Stahl will create an investment scenario for specific climate and weather-related events across the business, based on the individual site-based actions to be taken. The site-based risk assessments will be reviewed and updated periodically to reflect changes in climate projections and to take into account potential severe weather events at Stahl sites.

Based on the assessments completed to date, no significant capital expenditure is foreseen in the near term. Storm risk and excessive heat risk are the most material topics that could incite Stahl to implement protection measures in the medium term.

2.5 Other material issue: employee health & safety

Stahl's safety vision is defined by achieving a working and operational environment where no one is harmed, and there is a minimal impact on the environment.

In this sense, Stahl considers all its employees, contractors, suppliers, customers, final consumers, and neighboring communities, meaning, anyone directly or indirectly related to Stahl products and activities.

The first step in achieving this goal is to realize that, although the chemical industry is highly regulated, there are inherent hazards associated with the manufacturing, handling and end use of chemicals.

Stahl regards health & safety as a critical value for conducting its businesses and governing its decisions.

The company's core safety principles are:

- inherent SHE (Safety Health Environment) Management – embedding the safest strategy as the main foundation into all decisions. This is achieved by minimizing hazards, for example, by using less hazardous substances, optimizing the size of inventories and operations, and designing equipment and assets with thorough consideration of potential deviation scenarios;
- prevention *vs.* protection – driving all activities by encouraging SHE risk prevention, prior to considering adequate protective measures. This principle does not mean that Stahl is not focusing on being well-prepared for potential scenarios. Rather, it emphasizes that the company will focus primarily on ensuring that the probability for them to happen is the lowest reasonable one, and then, ensuring that the response level is adequate;
- accountability – structures and processes ensuring guidance, SHE accountability and continuous improvement at all levels. Safety records are not achieved through the efforts of a small group of individuals; rather, they are the result of the collective efforts of a large group of people. , In fact, this is the definition of culture: "the way we do things around here", and safety is no exception.

Stahl's ambition is to create a genuine and proactive safety culture, where safety is at the core of Stahl, both inside and outside the company. The Road to Zero (R20) program has been developed to support this goal. The program focuses on integrating safety into the company's culture and ensuring all Stahl colleagues share the responsibility for safeguarding each other's health and well-being.

Stahl is increasing employee engagement and safety awareness, so that safety is embedded in every level of its organization. In 2021 and 2023, employees took part in a company-wide Organizational Cultural Diagnostic Instrument (OCDI) survey. The response rate was 98%, reflecting positively on employee engagement. Performing two surveys in quick succession allowed Stahl to confirm that the policies, principles, and tangible actions in place are effectively steering the culture towards its goals and objectives.

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, plant 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.

2.6 2023 ESG Highlights

- **Health and Safety:** The levels of critical safety KPIs achieved in 2022 continued in 2023. A new OCDI survey was conducted and confirmed significant improvement compared to the first survey, completed in 2021.

  In 2023, a new reporting system (Sphera HSM) was rolled out to make reporting an efficient and consistent company-wide activity.

  The reporting of near misses and close calls was implemented in 2023 to prevent accidents by identifying potential hazards before they happen. Several actions were taken based on the resulting (increased) number of observations and close calls in 2023, reflecting the willingness of employees to take preventive action.
- **Science Based Targets:** Stahl's ambitious targets for Greenhouse Gas emissions reduction were approved and published by the SBTi, in May 2023.
- **External ESG ratings (EcoVadis):** Stahl was awarded the EcoVadis Platinum rating again in 2023, having achieved Platinum in 2022 for the first time. This keeps the company in the top 1% of companies evaluated.
- **New CSRD Reporting Manager:** In 2023 Stahl created a new full-time management position for CSRD reporting. This position is focused on preparing the company for full CSRD disclosure in 2024 and 2025.
- **Life Cycle Assessment and Carbon Footprint:** In 2023 Stahl focused on the collection and automation of carbon footprint data for its strategic products. At the year-end, carbon footprint data was available for 353 of its strategic products.
- **Energy:** 49% of Stahl's global energy consumption is renewable and its Singapore factory was added to the list of Stahl sites using solar panels. 40% of electricity demand at the company's Mexico, Brazil, India and Singapore manufacturing sites are now supplied by solar panels.
- **DEI (Diversity, Equity and Inclusion):** In 2023, Stahl strengthened its DEI culture and governance with local DEI committees for each of its entities around the world, which are responsible for implementing company-wide DEI guidance.
- **Supply chain transparency:** Stahl received ISCC certification for two of its manufacturing sites. This certification is driven by market demand but also by new legislation around the world on provenance and chain of custody for supply chain, i.e., to ensure raw materials have not been manufactured in compromised areas, for example, where deforestation or forced labor is taking place.

2.7 Reporting methodology

Reporting period

The period selected for 2023 annual reporting is the calendar year from January 1 to December 31, 2023.

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:
- Data from the acquired ICP Industrial Solutions Group, and its associated manufacturing sites, were not included in EFPD reporting for 2023

	Site	2023	2022
1	Brazil, Portao	Yes	Yes
2	China, Suzhou	Yes	Yes
3	France, Graulhet	Yes	Yes
4	Germany, Leinfelden	Yes	Yes
5	India, Kanchipuram	Yes	Yes
6	Italy, Palazzolo	Yes	Yes
7	Mexico, Toluca	Yes	Yes
8	Netherlands, Waalwijk	Yes	Yes
9	Singapore, Singapore	Yes	Yes
10	Spain, Parets	Yes	Yes
11	USA, Calhoun	Yes	Yes

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. Data are reported in terms of full-time equivalents.

Safety indicators

Population considered

In preparing the KPI, 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	Included in Stahl SHE&PS Injury KPIs	Included 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.

To align LTI FR with TRI FR, the lost days considered in this calculation are those caused by injuries with medical treatment or a higher level. The calculation is based on calendar days.

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 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 covers all water sources (public water, ground water, third-party supply, surface water, and other water like rainwater for instance) consumed by Stahl manufacturing locations, deducted from the water released into the environment and public sewers around the world. The figures exclude water consumption 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 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 Calhoun (USA) and Toluca (Mexico). Stahl's other manufacturing sites have onsite wastewater treatment.

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.

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.

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 emissions

All Scope 1, 2 and 3 emissions reported by Stahl are calculated 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 deemed to be not relevant to Stahl. In particular, category 11 – Use of Sold Products – is deemed irrelevant, 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 are prioritized as follows	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 data such as spend data

Consistency

- Emission factors for the main category 1 are extracted from an LCA software tool (SimaPro – Ecoinvent Database). The ESG team will track and update the emission factors annually or update them based on supplier data (if they meet the LCA criteria);
- Each year emission factors are reviewed internally and externally (for example by Accenture, Deloitte);
- Stahl follows ISO guidelines for its LCA and Carbon Footprint calculations.

Uncertainties

Aligned with the GHG protocol, the reporting methods for certain CO_2 eq indicators for Scope 3 emissions may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data. For CO_2 eq emissions from Scopes 1, 2 and 3, there are uncertainties due to the intrinsic uncertainties of emission factors.

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).

3. Crisis Prevention Institute

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 its business is not particularly emission-intensive, the company undertakes yearly activities to reduce its footprint and leverage digitization. CPI's stated goal is to reduce the carbon footprint per employee by 10% by the end of 2024.

The following report presents CPI's 2024 ESG Roadmap and associated plans.

3.1 Business overview and key figures

GENERAL INFORMATION	
Company activity	De-escalation and physical intervention training for health and education professionals, worldwide
Revenue	€128 million
Sales by region	North America: 87% EMEA: 10% Asia-Pacific: 3%
Sales by market	100% B2B ▪ 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	410
Headcount by region	North America: 71% "Rest of World": 29%
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 Dubai UAE (new location)

3.2 ESG roadmap

ESG issue	ESG Risk/ Opportunity	Key policies	KPIs	Unit	2023	2022	2021	Change (2022/ 2023)	Target 2024
Health and safety	Health and safety of employees	▪ 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	137.4	25.1		+448%	-
			Lost Time Injury Frequency Rate (LTIFR)	Rate	1.28	1.56	1.64	-18%	0
			Health and Safety incidents	Nb	0	0	3	-	-
			Departure rate	Rate	18%	21%	28%	-3 pp	-
Climate change	Climate change	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. Key policies are: ▪ 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	7.97	8.1	7.7	-2%	7.3
			Catalog page count (2020 baseline year)	pages	576,000.00	582,144.00	832,000.00	-1%	-20% compared to 2019
			% of increase in digital revenue (year on year)	%	30%	26%	141%; Covid-19 impacted	+4 pp	+25% per year
			% of CPI's m^2 using LEDs	%	92%	93%	87%	-1 pp	-
Social	Training	As a professional services firm, CPI makes employee learning and development a priority.	Number of hours of mandatory training per employee	h/ employee	4.90	6.47	23.49	-24%	-

		Key policies are: ▪ Attendance tracking in all mandatory training; ▪ All employees trained on cyber security.	Number of Cyber Incidents per employee	Nb/ employee	6.16	3.09	0.98	+99%	-
			% CPI staff with cyber security training	%	100%	100%	100%	-	100%
	Discrimination and equal treatment	▪ Applicant Tracking System (ATS) to manage the recruiting and hiring process	Percentage of women Board directors	%	29%	29%	25%	-	-
		▪ 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 managers	%	56%	53%	54%	+3 pp	45% - 50%
	Local employment and development	▪ Implementing a Volunteer Time Off Program to support volunteer activities that enhance and serve the communities in which we live and work.	% of offices accessible with public transportation	%	100%	100%	100%	-	-
		▪ 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.	Total paid Volunteer Time Off (VTO) hours per employee (only CPI US)	h/ employee	5.04	3.58	N/A	+41%	-

ESG issue	ESG Risk/ Opportunity	Key policies	KPIs	Unit	2023	2022	2021	Change (2022/ 2023)	Target 2024
Corruption and bribery	Corruption and bribery	▪ 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%	-	-
			Number of lost contracts due to ethics	Nb	0	0	0	-	-
ESG performance of products	ESG performance of products and services	▪ Regulatory authorities certify the quality of training ▪ Verification scheme to guarantee confidence in training delivery for future Certified Instructors ▪ External instructors' acknowledgment of CPI's quality training	Total number of active Certified Instructors/number of learners	Nb	42,241/ 1,238,871	39,224/ 1,078,000	35,954/ 1,400,000	N/A	40,000 over 1,400,000
			NPS	Nb	70	76	70	-6	50

3.3 Main material ESG opportunity 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 shouting 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 42,200 active certified instructors (CPI customers) who 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 70 for our service to them.

3.4 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 85 GPIs travel the world, meeting at customer sites and in public settings, to lead these events. This generates greenhouse gas emissions, 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	2023	2022	2021	Change 2022/2023 (%)
Scope 1 (tCO_2 eq.)	**0(1)**	0(1)	0(1)	-
Scope 2 (tCO_2 eq.)	**1,014**	995	1,049	+2%
Scope 3 (tCO_2 eq.)	**2,190**	2,060	1,354	+6%
Intensity of Scope 1, 2 and 3 emissions per employee (tCO_2 eq./employee)	**7.8**	8.1	7.7	-4%
(1) Scope 1 is at zero as CPI does not have any direct fuel consumption and data relating to refrigerant gas leakages were not available.				

Scope 2 (indirect)	Scope 3 (indirect)
Purchased electricity: 100%	Business travel: 41%
	Inbound freight and distribution (transportation of workbooks): 26%
	Commuting: 19%
	Other items (waste, end-of-life of workbooks, etc.): 14%

In 2022, CPI performed an analysis of projects that will help manage CO_2 consumption and set a goal of decreasing CO_2 eq. consumption per employee by 10% (as measured in December 2024).

- To achieve this, CPI has embarked on two initiatives (starting in 2021):
  - minimizing page count in workbooks starting with our 2023 third edition workbook. In March 2024, CPI will be introducing a "Refresher" workbook, cutting the page count by 50% (96 to 48). We expect 10% of our workbook sales to be this new slimmed-down version, which will represent a 5% overall reduction in manufacturing, shipping, and disposal costs.
  - developing and distributing fully electronic workbooks to negate the printing and shipping of workbooks;
- Over the past three years, CPI has reduced the 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.

3.5 2023 highlights

CPI added a record number of new certified instructors to its membership, which now totals 42,200. 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. 2023 highlights for the US team include:

- a paid Volunteer Time Off Program to support volunteer activities that enhance and serve the communities in which employees live and work. This program is available to US employees and excludes Global Professional Instructors (GPIs) and Global Professional Managers (GPMs). In 2023, 68 employees performed a total of 343 hours of volunteer work at three nonprofit organizations;
- four Health and Wellness Days to address employee health and wellness needs. This program is available to US employees and excludes Global Professional Instructors (GPIs) and Global Professional Managers (GPMs). A total of 6,784 hours' training was followed by 215 employees.

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

Finally, in mid-2023, CPI set up a new office in Dubai, UAE. -This new office reflects our ESG values, featuring 100% LED lighting and convenient access to two nearby train stations.

3.6 Reporting methodology

Reporting period

The period selected for the 2023 annual reporting is the calendar year from January 1 to December 31, 2023.

Reporting scope

The reporting scope covers all legal entities in the United States, the United Kingdom, the United Arab Emirates, 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 the Wendel Group level and the CPI level.

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 per employee" applies to US employees only and excludes Global Professional Instructors (GPIs) and Global Professional Managers (GPMs). The indicator is calculated as follows: 'Total VTO hours'/'Total number of employees who took VTO during the year.'

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. For the Rest of the World, the formula used for planned absenteeism is total hours of sickness for all employees/total contracted hours for all employees. Contracted hours are calculated as the number of hours worked in a week multiplied by the number of weeks in a year (e.g., full-time employee working 37.5 hours multiplied by 52=1950 hours per year).
- Departure rate: the departure rate is calculated as follows: 100 x "Total number of leavers"/"Headcount – Over the year".
- Certified Instructors: individuals trained by CPI to train and coach staff at their organizations to assess, manage, and safely resolve instances of high-risk, disruptive, aggressive, or high-risk behavior in the workplace. A Certified Instructor remains active if they attend required renewal programs, pay annual membership fees, and deliver training at least four times in any 24-month period.

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. ACAMS

4.1 Presentation of the company's activity

In 2023, ACAMS marked another year of transformative progress with new and updated product and service offerings, strengthened and expanded partnerships and key relationships across sectors, with a focus on organizational culture through pivotal initiatives. These collective efforts further strengthen ACAMS' global leadership in combating financial crime and in cultivating a cohesive and collaborative work environment.

GENERAL INFORMATION	
Activity	Continuing Professional Education, Comprehensive Professional Development, Industry-Leading Peer-to-Peer Networking, Expert-Led Training & Content
Revenue	€91.6 million
Sales by region	North America: 47% Europe: 19% Asia-Pacific: 24% Rest of the world: 11%
Sales by market	B2B: 53% B2C: 47%
HEADCOUNT	
Number of employees	312
Headcount by region	Americas: 60% Asia-Pacific: 23% EMEA: 17%
OTHER INFORMATION	
In Wendel's portfolio since	2022

4.2 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.

Theme	Commitment	Target(s)	KPIs	Unit		2023	2022	Change (2022/2023)
Sustainability and collaboration across the value chain of business operations.	We are committed to minimizing our impact on the environment and improving our sustainability performance and creating solutions for the AFC community.	Through the development of a travel policy, we pledge: - to reduce mid-and-long-haul flights by 10% in 2023. - to increase the utilization of transportation options which are more efficient, including rail and train.	Breakdown of flights into three categories: short-haul, medium-haul and long-haul	%	Short- haul	43%	47%	-4 pp
					Medium-haul	17%	17%	0
					Long-haul	40%	36%	+4 pp
			Share of journeys made using rail/train[2]	%		4%	NA	NA
		We commit to establishing supplier policies that meet certain sustainability considerations.	Hotel stays in eco-friendly accommodation for global events and business travel	%		74%	NA	NA
		We commit to building an ESG ecosystem that informs and educates.	# of resources (content, training) related to ESG	#		134	NA	NA
Climate Change	Our employee travel generates carbon emissions (Scope 3). We are committed to demonstrating that we are making efforts to contribute positively to reducing carbon emissions.	Measure our carbon footprint.	Intensity of GHG emissions over the year (Scopes 1, 2, 3)	tCO2 eq/ employee		3.56	1.22	+192%
Consistently enhance products and services.	We commit to staying abreast of the latest trends and regulations impacting financial flows and enhancing our products and	We commit to the continuous development of our offerings: training, certifications, events and thought leadership programming.	Number of products updated or released this year	Number		180	NA	NA
			Net promoter score	%		49%	48%	+1 pp

[2] *Data are for the USA and EMEA regions only.*

	offerings accordingly.		Number of AFC professionals certified during the year	Number	75,007	62,927	+12,080
			Number of jurisdictions covered[3]	Number	203	194	+9
		We commit to strengthening the breadth of independent expertise and faculty that is infused throughout our products, PPP initiatives and global events.	Number of engagement opportunities for Advisory Board Members	Number	30	NA	NA
		We commit to offering social impact certificates that protect the world's most vulnerable populations and biodiversity.	Ratio of new social impact certificates developed and amplified	%	45%	45%	-
			Total enrollments for social impact certificates, since inception	Number	73,664	41,307	+32,357
			Number of individuals enrolled in the "Fighting Modern Slavery and Human Trafficking" free certificates	Number	12,027[4]	14,442	-2,415
			Number of individuals enrolled in the "Preventing Online Child Exploitation with Financial Intelligence" free certificates[5]	Number	10,248	NA	NA
			Number of individuals enrolled in the "Ending Illegal Wildlife Trade" free certificates	Number	6,702[6]	6,606	+96
			Number of individuals enrolled on the "Enhancing Financial Inclusion with a Risk-Based Approach" free certificates[7]	Number	5,308	NA	NA
Diversity, equity and inclusion.	We welcome people from all backgrounds and cultural experiences to strengthen the diversity of perspectives and practices across the organization.	We commit to gender parity in pay and representation in management levels by 2025.	Proportion of women among managers	%	48%	49%	-1 pp
			Proportion of women among Board members	%	40%	43%	-3 pp
		We commit to improving speaker gender diversity at our events and webinars.	Female speakers at events and webinars	%	36%	NA	NA
		We commit to expanding opportunities for professionals from various backgrounds.	Number of scholarship and mentorship granted	Number	28	31	-3
Talent retention, attraction, engagement and development	We commit to providing continuous support and development opportunities for our workforce, as they are foundational to ACAMS outcomes and impact.	We commit to expanding our learning & development opportunities for all employees.	Percentage of employees who attended at least one training course	%	95.2%	NA	NA
			Number of hours spent on training per employee	Hours	6.41	NA	NA
Health, safety and well-being of employees	We commit to prioritizing the consistent development of employee well-being and sustainable	We commit to offering mental health resources/support and team building opportunities to drive well-	% of employees who participated in team building activities	%	78%	NA	NA
			% of employees who responded to the annual pulse and	%	63%	80%	-17 pp

[3] A jurisdiction is country or territory, and is considered as 'covered by ACAMS' if ACAMS had at least one transaction in that jurisdiction over the past year, including transactions with 0 USD amount.

[4] 0.04% of participants in the free Fighting Modern Slavery and Human Trafficking certificate registered in several languages.

[5] The 'Preventing Online Child Exploitation with Financial Intelligence' Certificate was launched in 2023.

[6] 0.15% of participants in the free Fighting Modern Slavery and Human Trafficking certificate registered in several languages.

[7] The 'Enhancing Financial Inclusion with a Risk-Based Approach' Certificate was launched in 2023.

	improvement of the work environment.	being, community, and job satisfaction.	engagement surveys to gauge engagement levels[8]				
			% of employees who feel 'satisfied' or 'very satisfied' at work, based on the annual employee survey[9]	%	61%	60%	+1 pp
Business ethics	We commit to fair, ethical and transparent practices, as outlined in the company's Code of Conduct.	We commit to ensuring compliance with our Code of Conduct.	% of employees who completed the Anti-Bribery and Corruption Training	%	97%	98%	-1 pp
			% of employee who completed the Code of Conduct training	%	92%	100%	-8 pp
		We commit to ensuring global compliance with local laws and regulations.	Number of enhanced third-party risk assessments for strategic partners and vendors[10]	Number	11,971	NA	NA
			% of strategic partners and vendors placed under On-going Monitoring based on risk profiles and relationship[11]	%	11%	NA	NA
		We commit to ensuring proper awareness and best practices to strengthen cybersecurity.	% of people who have completed the cybersecurity training at least once	%	94%	NA	NA

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

ACAMS remains unwavering in its commitment to combat financial crime, playing a pivotal role in mitigating the far-reaching global consequences associated with illicit finance, such as human trafficking and modern slavery, online child exploitation and illegal wildlife trade. Reducing financial crime is essential in fostering societal well-being, bolstering national security, upholding financial integrity, safeguarding communities and mitigating adverse environmental consequences.

Through an array of meticulously crafted training programs, an extensive suite of certifications and certificates, worldwide peer-to-peer networking events, and expert-led thought leadership initiatives, ACAMS stands as a force in enhancing and fortifying financial systems. ACAMS operates with immense pride and responsibility towards its objectives and the stakeholders it serves. Its capabilities extend to the preservation of the world's most vulnerable populations and biodiversity, reflecting a level of dedication and proficiency unmatched in the industry.

With over 110,000 anti-financial crime (AFC) professionals spanning 203 jurisdictions and supported by 64 global chapters, ACAMS achieved significant milestones in 2023. This included the introduction of 180 new or enhanced certifications and training products. It also orchestrated over 11 large-scale events , known as ACAMS Assembly, across the Americas, EMEA and APAC regions. The membership organization's global reach is underscored by its best-in-class expertise, a distinguished global faculty, a robust talent pool, and a suite of solutions that is essential for advancing its mission of ending financial crime.

By educating, informing and convening the global AFC community, ACAMS continues to exert a transformative influence. All its products and services serve as conduits for disseminating knowledge, fostering collaboration, and ultimately propelling economic and social progress in communities across the globe. ACAMS stands resolute in its role as a driver and enabler of change, steering its membership and key stakeholders towards a future of enhanced vigilance, collaboration and global resilience.

Operating and partnering with purpose to strengthen global financial ecosystems

In 2023, ACAMS continued its unwavering commitment to operating and partnering with purpose, fortifying global financial ecosystems through a multifaceted approach. This dedication was exemplified through the launch of a diverse array of 180 new or updated certifications and training programs – including its Law Enforcement Curriculum and AFC Academy, as well as a multinational auto-captioning initiative – reinforcing ACAMS' role as a vanguard in the fight against financial crime. Furthermore, the expansion of a new global chapter, culminating in a total of 64, and 13 public-private sector global roundtables hosted throughout the year, underscored ACAMS' reach and influence, fostering collaboration and localized knowledge-sharing to address emerging challenges across the financial landscape. As a strategic partner and ally, ACAMS persists in its mission to empower professionals, institutions, and regulatory bodies, driving impactful change and resilience within the global financial community.

Empowering Law Enforcement - a collaborative partnership and ecosystems: ACAMS has evolved into a pivotal partner for the Law Enforcement community, taking its public private partnerships to the next level by jointly driving strategic initiatives in the ongoing battle against financial crime. Through shared knowledge and collaboration, ACAMS supports law enforcement officers at every career stage, offering comprehensive curriculums and programs tailored to their evolving needs. This commitment extends far and wide, encompassing dedicated bootcamps, events, publications,

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[8] There were no engagement surveys for employees in 2023. The 2023 data are based on the most recent Pulse Survey conducted in October 2023.

[9] Ibid.

[10] Strategic partners and vendors refer to third parties that represent or conduct businesses on behalf of ACAMS or those that maintain critical functions or operations for ACAMS, such as HR, Sales, and Finance.

[11] On-going Monitoring is a method of automatic screening and alerts against third parties on periodic intervals (daily, weekly, monthly, or quarterly as needed) through a service provider (i.e., Refinitiv).

roundtables, webinar series and a dedicated ACAMS Today “Badge Bulletin” column, which featured 11 published columns in 2023 alone — reinforcing ACAMS’ multifaceted approach to cultivating a robust ecosystem for the law enforcement community.

The ACAMS Law Enforcement Curriculum, which was launched mid-2023, was developed in close partnership with law enforcement professionals and delivers essential AFC training across five full-day modules, covering topics such as anti-money laundering, financial crime investigations, and cryptocurrency training. Presented by a network of subject matter experts, these modules can be accessed in-person or virtually, ensuring accessibility for officers around the clock across geographies.

The Certified Anti-Money Laundering Specialist (CAMS) Bootcamp and Certified Cryptoasset AFC Specialist (CCAS) Bootcamp training programs further prepare law enforcement officers for CAMS or CCAS certification exams, fostering excellence in their roles. ACAMS leverages the power of public-private partnerships to enhance collaboration and information sharing, actively alerting AFC professionals to pervasive and trending threats through initiatives like the ACAMS and Homeland Security Investigations’ (HSI) ‘Pig Butchering’ alert. Developed in collaboration with the U.S. Department of Homeland Security’s principal investigative arm, HSI, this alert underscores ACAMS’ commitment to supporting law enforcement efforts globally by spotlighting growing global threats.

ACAMS’ annual Law Enforcement Seminar stands as a testament to its commitment, featuring expertly designed programs covering diverse topics such as investigative techniques, blockchain fund tracing, and collaboration across domestic and international agencies. Additionally, ACAMS Assembly, a global AFC conference series, serves as a unique platform for networking and knowledge exchange, uniting professionals from financial intelligence units, regulatory bodies, private sector organizations, and law enforcement agencies worldwide.

To round out its knowledge-sharing with the law enforcement community, ACAMS also facilitated a five-part webinar series focused on enhancing investigative and prosecutorial practices, covering topics such as successful prosecutions, optimizing the subpoena process, financial data utilization, cryptoasset recovery strategies and establishing effective public-private AML engagement processes.

These collaborative efforts and the continued partnership with HSI, underscore ACAMS’ commitment to empowering the global law enforcement community.

Equipping financial institutions to navigate an evolving regulatory landscape: Recognizing the escalating demand for robust AFC programs and the skills required to lead these programs strategically and securely, ACAMS launched the AFC Academy, a comprehensive training solution designed to meet the unique needs and risk profiles of institutions. The AFC Academy offers flexible learning paths tailored to upskill employees across all three lines of defense, providing access to leading ACAMS training, webinars, and premium resources covering key AFC topics such as know your customer (KYC), transaction monitoring, financial crime investigations, AFC crypto risk management and sanctions compliance.

Financial institutions can choose between two options: building an enterprise-wide AFC training program from the ground up, or enhancing an existing in-house framework. The Academy's consultative approach includes mapping competencies, recommending learning paths, and addressing known gaps to ensure employees are trained in AFC skills aligned with job responsibilities. The Academy's focus on ongoing education aims to meet current needs while anticipating future demand.

Global initiative aimed at breaking language barriers and fostering inclusivity: In May 2023, ACAMS launched a comprehensive international expansion initiative focused on enhancing accessibility and global capacity building. The initiative included the introduction of auto-captioning in 28 language options for live webinars and virtual classrooms, allowing participants to select a language in real-time for on-screen machine translations during events. Phase one of this initiative paved the way for seamless language integration, enabling a dynamic and inclusive participant experience.

Building on the success of phase one, phase two introduced a library of on-demand recorded webinars with translated auto-captioning in six languages: Spanish, French, Japanese, Korean, German, and simplified Chinese. This innovation accelerated the translation process, while significantly expanding accessibility around the world.

In phase three, the initiative expanded its language offerings to include five additional languages: Arabic, traditional Chinese, Italian, Russian, and Brazilian Portuguese. This expansion not only enriched the webinar library but also marked the beginning of key thought leadership outputs being translated. The translation team, following ACAMS' rigorous process involving native speakers and subject matter experts, started translating bulletins, briefings, reports, best practice guides, white papers and infographics. The first of these translations, in Arabic for the MENA Assembly, demonstrated a commitment to delivering high-quality content to a global audience.

These pivotal efforts are set to be integral components of a broader outreach effort, amplifying ACAMS' international impact and reinforcing its commitment to providing valuable resources to a diverse and global AFC community.

ACAMS Chapters Network - localized support for global impact: ACAMS' Chapters Network plays a pivotal role in fortifying the global financial ecosystem by providing essential localized support to AFC professionals. Through a series of meetings, roundtables, and events, these chapters facilitate collaboration between the private and public sectors, and support capacity building efforts while enabling in-depth discussions on region-specific threats. Over the past year, ACAMS expanded its network with the launch of the Korea Chapter.

The Korea Chapter, the 64th in ACAMS' expansive network, underscores ACAMS' ongoing commitment to combat illicit finance in the region. This chapter serves as a vital platform for education, knowledge-sharing, and networking among AFC practitioners in both the public and private sectors.

Through more than 200 total global chapter events hosted this year − anchored in partnership and collaboration efforts − the ACAMS Chapters Network serves as a catalyst for change and remains at the forefront of fostering and developing communities of dedicated AFC professionals committed to building resilient financial systems and addressing global regulatory concerns.

Empowering individuals to protect and transform communities

In 2023, ACAMS continued empowering individuals to protect and transform communities through a two-fold approach that extended not only to the broader AFC community, but also to its own invaluable employees who contribute tirelessly to the compliance sector each day. With a deliberate focus on fostering well-being and seizing new opportunities, ACAMS embarked on a journey to enhance engagement, deepen a sense of belonging, and strategically advance its mission. ACAMS is not only shaping the industry, it is also at the heart of employee development and growth, thereby reinforcing its collective ability to safeguard and transform communities worldwide.

Shifting the focus to key external stakeholders – ACAMS’ members – the organization advanced its mission further through the launch of four distinct scholarship programs. These scholarships, which are part of a global program launched in 2021, have now been awarded to 90 professionals worldwide, underscoring ACAMS' commitment to creating platforms to foster a community of highly skilled and dedicated AFC practitioners.

As previously mentioned, the establishment of the ACAMS Korea Chapter stands as a testament to ACAMS' dedication to supporting AFC professionals. The accompanying CAMS Scholarship for Korean compliance practitioners, awarded to six deserving recipients, not only provided a one-year ACAMS membership, but also granted a full waiver of the associated fees for study materials. This initiative aims to empower AFC professionals in Korea, fostering collaboration, education, and networking to fortify the nation's defenses against illicit finance.

Japan, has also seen a significant boost in its fight against financial crime with ACAMS awarding CAMS Scholarships to 10 AFC professionals. These scholarships contribute to Japan's ongoing efforts to strengthen its anti-money laundering (AML) and sanctions compliance landscape, providing recipients with comprehensive training on international standards and best practices.

In a first-of-its-kind collaboration with the International Consortium of Investigative Journalists (ICIJ), ACAMS unveiled a new scholarship program aimed at journalists within the ICIJ network. The CAMS Scholarship, awarded to 12 ICIJ members, is designed to deepen journalists' understanding of intricate financial crimes and the methods used by institutions to detect illicit funds. This unique partnership reflects ACAMS' recognition of the crucial role investigative journalism plays in uncovering financial wrongdoing, further reinforcing the organization's commitment to combating financial crime on a global scale.

ACAMS has also made strides in promoting diversity, equity, and inclusion (DEI), by offering 20 CAMS Scholarships to AFC professionals from various countries across the African continent. This initiative aligns with ACAMS' broader DEI strategy, which aims to create opportunities and remove barriers for professionals pursuing careers in financial crime prevention.

These four scholarship programs and supporting efforts underscore ACAMS' multifaceted approach to empowering individuals globally, fostering collaboration, education, and diversity in the relentless pursuit of ending financial crime.

Building on ACAMS' steadfast commitment to promoting professional development and cultivating an environment that fosters growth of diverse perspectives within the AFC community, ACAMS partnered a former ACAMS Scholarship judge to host a Masterclass Series entitled 'Building Your Brand', which is comprised of six comprehensive modules. This was shared with past scholarship applicants to support and enhance their personal and professional branding.

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

2023 was a watershed year for ACAMS in the social impact space, with the launch of two new social impact certificates and the translation of three existing certificates, all addressing critical issues at the intersection of finance, compliance, and societal welfare. Introduced three and a half years ago, and now with 11 certificates in total, ACAMS continues to develop and promote these free-of-charge courses, striving to shape a future where businesses thrive, while enriching society. Through these certificates, ACAMS offers education and empowerment − a tool to reshape industries, protect vulnerable populations, ensure compliance, and foster inclusion.

As these certificates gain traction, their increasing interest, reach and offerings underscore that progress is a collective effort, drawing on diverse strengths and perspectives. ACAMS' social impact certificates, crafted upon the firm foundation of partnership, serve as blueprints for change. With over 73,600 enrolments to date, these certificates demonstrate that impactful strategies can be swiftly developed, executed and implemented.

This transformative effort would not be possible without partnerships forged with esteemed organizations like Finance Against Slavery & Trafficking (FAST), the World Wildlife Fund (WWF), the Wildlife Justice Commission (WJC), United for Wildlife, The Royal Foundation of the Prince and Princess of Wales, TRAFFIC, the Royal United Services Institute (RUSI), and the Bill & Melinda Gates Foundation. These partnerships form the bedrock upon which these certificates stand, uniting diverse expertise and shared aspirations under a common goal. The collaboration extends beyond ACAMS itself; it is a unifying force that connects the public and private sectors: financial institutions, NGOs, academia, and advocacy groups in a shared pursuit of social good.

During the year, ACAMS introduced two new certificates. In collaboration with the Finance Against Slavery & Trafficking (FAST) Initiative, ACAMS launched a training program called "Preventing Online Child Exploitation with Financial Intelligence: An Overview," aimed at fighting online child exploitation (OCSE). This certificate equips AFC professionals and law enforcement investigators with tools to navigate the intersection of OCSE, crypto assets and the formal financial sector. The program offers comprehensive insights into OCSE schemes, decentralized finance (DeFi) platforms and behavioral red flags.

Additionally, in partnership with the Royal United Services Institute (RUSI) and supported by the Bill & Melinda Gates Foundation, ACAMS launched the "Enhancing Financial Inclusion with a Risk-Based Approach" certificate to help AFC practitioners understand the link between financial exclusion and financial crime, the role that the misapplication of global financial standards have played in financial exclusion and how financial inclusion considerations can be incorporated within an institution's financial crime framework.

The program draws on guidance from the Financial Action Task Force (FATF) and experts to underscore the importance of extending financial access to underserved communities while integrating effective compliance controls. The certificate provides insights on applying an AFC risk-based approach aligned with FATF recommendations, guiding financial institutions on offering products and services to unbanked and underbanked groups.

Financial exclusion and its consequences remain a dire problem for countries across the globe. Estimates indicate that some 1.7 billion people in the world currently do not have access to basic financial products and services, leaving them susceptible to generational poverty and criminal exploitation, including human trafficking and other predicate crimes. Without access to regulated banking and payment services, many turn to informal financial systems that operate with little to no supervision for compliance with AFC standards.

ACAMS also translated three of its previously launched social impact certificates, expanding their reach and impact globally. In collaboration with FAST, ACAMS launched the Japanese and French versions of the Fighting Modern Slavery and Human Trafficking - Part 1 certificate. This certificate equips Japanese and French speaking AFC professionals with strategies to identify, investigate, and report financial activities linked to traffickers. Human trafficking generates an estimated $150 billion each year, and with much of the illicit money flowing through the global financial system, there is growing expectation that the financial sector should play a critical role in mitigation efforts.

In June 2020, The Financial Action Task Force (FATF) classified Illegal Wildlife Trade (IWT) as a "significant transnational organized crime," urging governments, anti-corruption bodies, banks, and other institutions to enhance actions against money laundering efforts. Collaborating with the World Wildlife Fund (WWF) and Targeting Natural Resource Corruption (TNRC), ACAMS adapted its flagship IWT certificate, which was first launched in 2020, to Spanish. Now reaching 28 Spanish-speaking countries worldwide, this translation addresses unique challenges in these regions, aiming to train professionals on identifying, investigating, and penalizing financial activity linked to the illegal wildlife trade which is estimated to represent $23 billion annually.

ACAMS' steadfast commitment to social impact is also reflected in the rich plethora of content covering environmental, social, and governance (ESG) compliance, combating human trafficking, child exploitation, illegal wildlife trade, and other predicate crimes. ACAMS serves as a catalyst for knowledge-sharing and collaboration within the financial industry, which included 134 events, webinars or articles, such as "Think Globally, Act Locally: Identifying the Importance of ESG in Your Institution's AML Program" and "Detect and Prevent Child Sexual Exploitation in Your Bank," underscoring ACAMS' razor focus on capacity building.

4.4 Climate-related issues

- **Climate change mitigation**

In 2023, building upon the insights gained from the previous year's inaugural carbon footprint assessment, and under the strategic guidance of Wendel, ACAMS completed its second consecutive annual carbon footprint assessment. This ongoing commitment to environmental accountability reinforces ACAMS' dedication to sustainability while it continues to operate as a fully remote organization. The results track ACAMS' continued low carbon intensity, with **CO_2 eq. emissions of 3.56 tons per employee**.

ACAMS has operated as a fully remote organization since 2020. With global pods strategically positioned across three continents − Americas, APAC, and EMEA − ACAMS has established and continues to advance an Innovative and inclusive work environment. Notably, the Americas pod, headquartered in Washington, D.C., serves as the global hub as of early 2023.

Given ACAMS' remote work model, Scope 1 and 2 emissions were zero in 2023. ACAMS has proactively addressed emissions associated with energy consumption, primarily from the use of computers by employees working from home, which has been conscientiously estimated and considered in Scope 3. This holistic approach to carbon management aligns with ACAMS' broader sustainability initiatives, reflecting a forward-thinking commitment to environmental responsibility and remote work practices. 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 95% of total ACAMS emissions.

ACAMS has made significant strides in fostering sustainability across its global events. The organization has implemented a process for tracking the sustainability of events in alignment with the UN Sustainable Development Goals and has intentionally partnered with venues using renewable energy sources, recycled conference signage materials and single-use plastic during conferences.

Notably, ACAMS replaced all plastic water bottles at its conferences with 7,500 Tetra Pak Carton water, which is plastic-free and made from responsibly sourced, FSC® (Forest Stewardship Council) certified renewable resources. The use of the Cvent Mobile app was also adopted to reduce paper printing for agenda and session materials. Additionally, a collaboration with the Austin Convention Center facilitated the recycling of all signage materials used during the conference, including various types of signage such as Meteboards, banners, easel signs, floor decals, podium signs, table signs, digital signs, and meeting room signs.

Scope	2023	2022	Change (2022/2023)	Target	Comment
Scope 1 (tCO_2 eq)	0	0	-		In 2023, ACAMS was a fully remote organization
Scope 2 (tCO_2 eq)	0	0	-		
Scope 3 (tCO_2 eq)	1,112	371	+200%		95% related to business travel (cat. 6) 4% 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)	3.56	1.22	+192%		Increase linked to the rise in CO_2eq emissions from business travel.

- **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.

4.5 2023 highlights

ACAMS' actions in 2023 reflect a comprehensive commitment to empowering individuals, fostering a culture of compliance, and making a significant impact on global communities. Highlights from 2023 include:

New and Enhanced Product Offerings: ACAMS launched 180 certifications and training programs, expanded to 64 new chapters, and hosted 13 global roundtables, solidifying its position as a leader in the AFC ecosystem.

Empowering Law Enforcement: ACAMS formed collaborative and synergistic partnerships with law enforcement bodies through initiatives like the Law Enforcement Curriculum, CAMS Bootcamp, a five-part webinar series, dedicated ACAMS Today news column, and global events; showcasing its commitment to professionals tasked with safeguarding communities around the world.

Equipping Financial Institutions to Navigate an Evolving Regulatory Landscape: ACAMS introduced the AFC Academy, a comprehensive training solution designed to meet the unique needs and risk profiles of institutions, offering flexible learning paths for financial institutions to build or enhance effective anti-financial crime programs.

Globalization of Offerings – Expanding Access and Accelerating Learning: ACAMS initiated an international expansion with multilingual auto-captioning for webinars, expanded language offerings and translated thought leadership tools and output.

ACAMS Chapters Expansion: ACAMS strengthened its global network of committed AFC volunteers by launching the Korea Chapter, providing essential localized support networking and sharing best practices.

ACAMS Values and Recognition Program Launch: ACAMS officially operationalized its values − purpose, integrity, and partnership − through the launch of ACAMS Values Champion Award Program, recognizing exemplary behavior from colleagues who demonstrate its core values.

MyACAMS Intranet Platform: Successfully launched MyACAMS – the first-ever intranet platform for the global membership organization, which achieved its key objectives of fostering collaboration, removing silos and connecting a fully remote workforce.

ACAMS Scholarship Programs: ACAMS awarded over 90 professionals with scholarships, contributing to anti-money laundering efforts in key markets and sectors, including journalists.

Diversity, Equity, and Inclusion (DEI) Initiatives: ACAMS offered 20 CAMS Scholarships to AFC professionals from African countries, aligning with its broader DEI strategy to create opportunities and remove barriers.

Social Impact Certificates and Translation Initiatives: ACAMS launched two new social impact certificates and translated three existing certificates, collaborating with renowned organizations such as FAST, WWF, RUSI, and the Bill & Melinda Gates Foundation. These certificates help AFC professionals better understand the drivers and illicit money flows linked to predicate crimes such as modern slavery and human trafficking, and illegal wildlife trade, including how to identify financial footprints through transactional analysis, red flags and key indicators.

ESG Compliance Initiatives: ACAMS produced extensive content covering ESG compliance, human trafficking, child exploitation, illegal wildlife trade, and broader financial crime issues, hosting 134 events, webinars, or articles to foster awareness and drive meaningful action.

Sustainability of Events: ACAMS advanced the sustainability of its global events, incorporating tracking aligned with UN Sustainable Development Goals, partnering with renewable energy venues, recycling signage materials, eliminating single-use plastics, and introducing eco-friendly alternatives such as replacing plastic water bottles with 7,500 Tetra Pak Carton water and adopting the Cvent Mobile app to reduce paper usage.

4.6 Reporting methodology

Reporting period

The period selected for 2023 annual reporting is the calendar year from January 1 to December 31, 2023.

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 CSR commitments at the Wendel Group level.

The ESG risk matrix presented above was approved by the Audit Committee in December 2022.

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, or any 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 carried out at least one transaction in that jurisdiction over the past year;
- Number of products updated or released: Includes the total number of updates over the year in relation to the total number of products. This includes certifications, examinations and new translations;
- Total enrollments for social impact certificates is the sum of unique individuals enrolled (enrolled, in-progress, or completed) for each social impact certificate, since the launch of the certificates;
- Number of “Fighting Modern Slavery and Human Trafficking”, “Preventing Online Child Exploitation with Financial Intelligence”, “Ending Illegal Wildlife Trade” and “Enhancing Financial Inclusion with a Risk-Based Approach” certificates enrolled. 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 who felt satisfied or very satisfied at work during the annual employee survey): These indicators are calculated internally this year;
- Net Promoter Score: This indicator is calculated and provided by an external third-party.
- Team building is defined as collaborative moments that go beyond routine professional interactions, elevating the overall experience for ACAMS’ global teams. This includes activities organized by regional Engagement Committees, team get togethers organized to coincide with ACAMS events and departmental team engagement events.
- Distance travelled by air is measured according to hours travelled or distance. Short haul is travel less than 3 hours, or 0-1,000 km; medium haul is travel between 3-6 hours, or 1,000-4,000 km; long haul is travel above 6 hours, or above 4,000km.

5. Scalian

5.1 Business overview

GENERAL INFORMATION		
Company activity	Embedded and critical complex systems, information systems. Overall performance of projects, of supply chain, of purchasing function or of the entire company. Leverage of Big Data and new disruptive digital approaches to transform business and operating models.	
Revenue	€541 million[12]	
SALES BY REGION		
	Europe	96%
	North America	3%
	North Africa	Less than 1%
	Asia	Less than 1%
HEADCOUNT		
Number of employees	4,995	
HEADCOUNT BY REGION		
	Europe	97%
	North America	1%
	North Africa	Less than 1%
	Asia	2%
PRODUCTS & SUPPLY CHAIN		
Number of offices	26	
Products: resources/use of resources/final products and market	Consulting services and software development	
OTHER INFORMATION		
In Wendel's portfolio since	2023	
ESG ratings	CDP: C EcoVadis: silver medal - 77th percentile Great Place to Work France: 5th for companies with more than 2,500 employees	

5.2 ESG Roadmap

ESG issue	ESG Roadmap Topic	Target	KPIs	Unit	2023
Climate Change	Climate change: GHG emissions	A target aligned with SBTi specifications is being developed	GHG emissions from Scopes 1, 2 and 3	tCO_2 eq. per employee	2.1
		Reducing our carbon footprint by sourcing 95% guaranteed renewable electricity 2028	Renewable energy/Total energy consumed	%	50%
		Setting up a climate change resilience and adaptation plan	Climate change resilience and adaptation plan approved by the Board of Directors	Yes/No	Yes
	Contributing to economy-wide transition	Support our customers though a sustainable pathway	% of sales of sustainable services & products	%	2%
Social	Health&Safety	Zero accidents at all sites and for all Scalian employees including subcontractors in 2028	Lost-time injury frequency rate	Rate	1.72
	Ensure with employees that safety conditions are met	Safety conditions are 100% met in 2026	External survey - Employee safety satisfaction rate (Trust Index GPTW).	%	93%
	Ensure diversity & equal opportunity	Encourage female employees to progress in their careers: 40% women in management positions in 2028	% of women managers (directly managing at least 1 employee)	%	25.6%
	Ensure employability though skills development	Maintain a high number of trained employees (for at least 2 days/year) 60%	% of employees trained at least once per year	%	64%
	Promote the creation of stable jobs	Maintain 95% of permanent employees	% of permanent employees	%	95%
	Global Satisfaction of employees	Reach 85% satisfaction rate in 2028	% of employees satisfied according to the survey	%	75%
Governance	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	68.7

[12] *For the period from January 1, 2023 to December 31, 2023.*

	Ensure that all employees are made aware of and trained in ethical issues	Train employees in the Code of Conduct (including Anti-Bribery & Sapin II), with a minimum objective of 100% of employees trained in 2026	% of employees trained in the new versions deployed in November 2023	%	8%[13]
	Respect security conditions and protection of customer and company data	Train employees in the Security of Information System, with a minimum objective of 100% of employees trained in 2026	% of employees trained at least once per year	%	12%[13]

5.3 Main material ESG opportunity related to the business model of Scalian: the CSR business line

Based on its experience, Scalian has developed its sustainable development capabilities by helping its customers to take into account the normative and regulatory considerations associated with sustainable development. As Scalian progresses, its journey has extended to actively engaging in Corporate Social Responsibility (CSR) initiatives and subsequently providing guidance to longstanding clients in formulating and implementing their CSR strategies. Mastery in CSR stands as a fundamental skill set and a pivotal domain of global expansion strategy. Scalian has the capability to deliver task forces and solutions with an average of 11 years of experience, backed by comprehensive training.

The CSR business line brings together services and solutions enabling Scalian to support its customers in their various transformation plans, whether related to the environment, social issues, or governance:

- First, it helps our customers to set better environmental and social ambitions – ones that meet the needs of both the business and society.
- Second, Scalian provides detailed guidance on how to make and measure meaningful progress in pursuit of those ambitions.
- Third, Scalian offers a way to transform how our customers engage stakeholders, by shifting the narrative to focus on the future: where our customers are going, how they are working to get there, and why that is good for both business and society.

Scalian's support offer is based on tools, methods and partnerships (expertise or software) that enable to respond to the context and challenges of its customers.

5.4 Climate change adaptation and mitigation

Scalian acknowledges that its activities have an impact on the environment and is committed to improving its environmental and energy performance by aligning its goals with the 1.5°C pathway of the Paris Agreement on climate change. Scalian plans to commit to the STBi approach in 2024.

Governance

Scalian organizes its governance on climate change around the CEO, the Board of Directors and the Chief Sustainability Officer.

The CEO is responsible for climate change strategy at company level. The Chairman ensures that the Board is informed of market developments, the competitive environment and the main challenges facing the company.

The Board of Directors (executive committee) is a collegial body that determines the strategic direction of the company and supervises the implementation of this vision. The executive committee ensures that climate-related issues are incorporated into Scalian's strategies. The executive committee examines Scalian's GHG emissions reduction targets and reviews its performance on an annual basis. In 2021, the executive committee approved the new transition plan including a new climate ambition to achieve a low carbon pathway by 2050. This plan aims to reduce the company's greenhouse gas emissions (GHG). The current targets will be revised in 2024 to bring them into line with SBTi standards. In 2023, the executive committee has decided to accelerate its transition following its latest GHG review.

The Chief Sustainability Officer (CSO) oversees the CSR department, which deploys and monitors CSR strategy. The CSO ensures that environmental aspects are considered consistently with the Group's strategic guideline. Among its activities, the CSR department examines the Group's climate strategy, proposes transition plans to reduce Group's impact, monitor the results of this strategy annually and issue any opinions or recommendations.

[13] *These training courses have recently been rolled out, and an action plan will be deployed in 2024 to significantly increase the proportion of employees trained and get closer to the 2026 target.*

Carbon footprint

The company has been involved in a carbon footprint assessment for several years. The first carbon footprint was carried out in 2012. Nevertheless, it has been decided to only consider the results of the carbon footprint analysis carried out in 2022. The company has evolved significantly over the last ten years, several companies have been bought and the number of employees has significantly increased from 750 in 2012 to 5,000 in 2023. The carbon footprint produced in the past no longer reflects Scalian's reality and the comparison would not have been relevant.

Scope	2022	Breakdown
Scope 1 (tCO_2 eq)	945	12%
Scope 2 (tCO_2 eq)	71	1%
Scope 3 (tCO_2 eq)	6,794	87%
Intensity of Scope 1, 2, 3 emissions per employee (tCO_2 eq/employee)[14]	2.1	-

Scope 1 (Direct)	Scope 2 (Indirect)	Scope 3 (Indirect)
Mobile combustion (11.6%) Fugitive direct emissions (0.5%)	Electricity consumption (0.9%)	Purchased goods and services (34.1%) Business travel (24.1%) Employee commuting (22.6%) Waste generated (3.2%) Fuel- and energy-related activities not included in Scope 1 or Scope 2 (3.0%)

Action plan

Since 2017, the company has been working to fight climate change through five areas of intervention: energy efficiency, energy from renewable source, increasing the share of long-distance business trips by rail, reducing emissions on business trips, reducing emissions per employee and in relation to sales. After creating an initial transition strategy for the period 2018 to 2021, Scalian took a significant step in June 2021 during the management review by passing a resolution that aimed to fortify existing efforts and establish fresh targets for reducing greenhouse gas (GHG) emissions, focusing on goals for 2025 and 2030. The current targets will be revised in 2024 to bring them into line with SBTi standards.

In 2022, the company upgraded its commitments through a transition plan taking into consideration international frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD), Climate Disclosure Project (CDP) and the Science Based Targets initiative (SBTi).

From 2024, progress against the low carbon Transition Plan will be detailed in Scalian's Corporate Sustainability Reporting Directive Report and − to aid stakeholder engagement – in a stand-alone low carbon Transition Report.

Through these publications, Scalian will deepen its areas of improvement around the following three main themes:

- **Decarbonization**: the actions taken by Scalian to reduce its GHG gas emissions, reduce its impact on the climate and align with a low carbon pathway by reducing Scope 1, 2 and 3 emissions.
- **Responding to climate-related risks and opportunities**: Scalian's actions to respond to the physical and transition risks, and the opportunities that arise from climate change and the transition to a low carbon economy.
- **Contributing to economy-wide transition**: accelerate the transition to a low carbon economy by helping our customers with our sustainable services and eco-designed products.

Mitigation action plan

As a broad company, Scalian has factored this development into its strategy and set itself the ambition of achieving a low carbon pathway by 2040. This ambition is based on measurable objectives to reduce greenhouse gas emissions in the short (2025), medium (2030) and long (2040) terms, covering operations, products, and services, and will be submitted to the SBTi in 2024.

Course of action	Field	Actions	KPI
RENEWABLE ENERGIES Ensure 100% of self-consumed green electricity	Renewable electricity production	▪ Production of green electricity using photovoltaic technology	% of self-consumed green electricity
	Purchase of green electricity	▪ Purchase electricity with guarantee of origin	% of green electricity purchased
PUBLIC & SHARE TRANSPORT Ensure 100% of self-consumed green electricity	(Electric) bicycles promotion	▪ Participation in electric bike leasing programs ▪ Reimbursement of mileage allowance for bicycles	% of km cycled
	Public transport promotion		% of km by public transport
	Car sharing promotion		% of km by carpooling

[14] Based on 3,752 employees in 2022.

		▪ Subscription to a car-sharing platform ▪ Participation in public transport passes	
ENERGY EFFICIENCY Optimize hardware and software to reduce energy consumption in data centers and offices	Data Center Cooling	▪ Implement efficient cooling solutions to minimize the energy required for cooling data centers	% of air-conditioning systems labelled
	Data Management	▪ Implement data optimization techniques to reduce storage and processing requirements, saving energy and resources	% of Gb used per employee
	Efficiency of electricity consumption	▪ Utilize energy-efficient servers, storage systems, and network equipment	% of datacenters with an environmental label
SUSTAINABLE EMPLOYEMENT Encourage telecommuting and remote work options to reduce the need for physical office space and commuting	Remote working	▪ Promoting remote working at Scalian sites for all subsidiaries	% of subsidiaries allowing remote working

Adaptation – climate risks and opportunities assessment

Climate change is one of the greatest risks we face. There is high consensus on the need to limit climate change without penalizing the capacity for economic growth and business development. To ensure full transparency towards the market on climate-change related topics, Scalian is TCFD aligned. In line with TCFD's recommendations, it considers the potential impacts of climate change on its business and ensures it has a strong strategy to respond to them.

Work in 2023 focused on aligning the transition plan with the TCFD recommendations to map climate-related financial risks.

Risks & Opportunities	Description	Level of risk	Actions
Transition Risk Policy and Legal Risks	Carbon pricing The future regulation on carbon pricing could impact on our activities, especially business travel	Medium	▪ Develop internal knowledge on carbon pricing ▪ Reduce the volume of travel
Transition Risk Policy and Legal Risks	New climate change regulations (e.g., GH reduction targets)	High	▪ Reduce GHG emissions through a transition plan, presenting the low carbon pathway to 2040, aligned with the SBTi pathway
Transition Risk & Opportunity	Increase in demand for green and low carbon products	Medium	▪ Encourage the purchase of low carbon products by establishing supplier and product referencing and integrating supplier selection criteria into the company's procurement policy
Transition Risk Market	Customers' needs change, Scalian must reinforce its sustainable expertise	Medium	▪ Increase company expertise to hire or train ESG experts
Opportunity Transition	Technological development needs to support the transition to a lower carbon industry	High	▪ Develop low carbon transition offers though the R&D center and the CSR Business Line ▪ Develop partnerships with companies to complement these offers

5.5 Highlights 2023

Company changes

In July 2023, the company wrote a new page in its history when investment company Wendel Group, listed on Euronext Paris, became Scalian's majority shareholder. Wendel is included in the Down Jones Sustainability (DJSI) world and Europe indexes, highlighting the Group's ongoing ESG performance.

Social Aspects: reinforce safety policy and actions

- **Prioritize the health and safety of our employees**

  To prevent psycho-social risks (PSR), Scalian has opted for highly targeted actions at several levels of the organization. This includes: monitoring critical individual situations and risks, setting up routines at monthly meetings and formalizing and tracking actions taken by HR teams.

Raising managers' awareness of risks, how to detect them, how to deal with them, their role and responsibility at Scalian and the associated legal risks.

- **Open listening channels in real time**

  Scalian decided to introduce a more regular tool for taking the pulse of its employees by introducing an 'Employee Weather Report' in 2023. This new tool allows employees to express satisfaction levels at the end of each month. The data can be accessed by managers and the human resources team in the time management tool. If an employee reports a 'red' dissatisfaction rating, an alert is sent directly to managers so that the necessary action can be taken quickly.

- **Lay the foundation for a sustainable relationship from the start**

  Support is provided throughout the first year, with several milestones to ensure the new employee's successful integration. This includes induction programs 'Welcome HR" and "Welcome Board", as well as "Scalian Pact" to seal our commitment to supporting the new employee's professional and skills development.

Since 2021, each year, Scalian participates in the independent and external Great Place to Work survey. This allows the company to assess employee satisfaction, to identify areas for improvement and to build an action plan. In November 2023, Scalian was rewarded for the third time with the Great Place to Work label and secured 5th place in the Best Place to Work Palmares in France. According to the survey, 75% (trust index) of respondents said they were satisfied with working at Scalian.

Research & Development

Scalian Insights is a new organization directly linked to the Group's Business Development. Its purpose is to define strategic roadmaps ,drive innovation, accelerate project financing, and lead R&D works. Two of its programs are CSR-oriented:

- **COQAIR project**: aims to study the relationship between population mobility and air quality, by measuring the impact of a change in individual behavior on air quality.
- **QWL project**: operationalizes the evaluation of quality of life at work.

  The goal is to put people back at the heart of the company and actively follow and guide project and program performance by monitoring social performance in the workplace. This adaptation program focuses on human aspects, in particular assisting employees in adapting to new challenges and ongoing changes.

5.6 Reporting methodology

Reporting period

The period selected for this reporting is our fiscal year (June 30, 2022, to July 1, 2023). However, Social KPIs regarding Women Managers and the percentage of collaborators with a permanent contract has been calculated on the 2023 calendar year.

Reporting scope

Scalian has integrated several companies in recent years, so some of them are not yet fully included in the reporting scope.

The environmental indicators concern the worldwide scope (coverage rate of over 90% of employees).

The social and governance indicators concern France only (coverage rate of over 50% of employees).

The frequency rate indicator concerns the European scope (coverage rate of over 90%).

Reporting standards and choice of indicators

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

Carbon footprint calculation methodology

Greenhouse gas emissions are calculated and reported according to the GHG Protocol standard. Scope 1, 2 and 3 emissions are updated every year. The following elements have been considered during the carbon footprint analysis:

- Time frame: calendar year 2022;
- Number of employees: 3,752;
- Turnover considered for carbon footprint assessment: €370 million (2022);
- Scope: worldwide except Germany, i.e., 90% of our employees.

Calculation Scope 3

During the last update (calendar year 2022), the following assumptions have been considered in the calculation of Scope 3 emissions:

- Monetary ratios were used for the analysis. Service expenses entitled "External services" have been removed from service expenditure because they only correspond to wages. The emissions that these activities generate are already counted elsewhere because Scalian provides the materials and pays for travel expenses.
- The assessment of employee commuting was based on the results of a questionnaire sent to all employees.