TCFD Report 2024 and other non-financial risks

Table of contents

1. Governance

1.1. Board's oversight of climate-related risks and opportunities

Wendel's Supervisory Board comprises 10 members appointed by the Annual Shareholders' Meeting, including 4 independent members, and 2 members representing employees appointed by Wendel's Social and Economic Committee, for a total of 12 members.

The operating rules of the Supervisory Board and its committees (derived from the law, the by-laws and the Afep-Medef Code) are set out in the Supervisory Board's internal regulations (described in section 2.1.1 of Wendel's 2024 Universal Registration Document). These internal regulations are periodically reviewed in order to adapt them to changes in legislation and governance practices.

For the Board to fulfil its responsibilities under optimal conditions, its internal regulations stipulate that discussions on certain topics should be prepared in advance by standing committees. There are two such committees: the Audit, Risks and Compliance Committee, and the Governance and Sustainability Committee. With regard to ESG, after analysing the specific characteristics of Wendel SE in this area, it was decided to entrust the work related to this topic to the Board's two current Committees, rather than create a dedicated committee (described in section 2.1.2, of Wendel's 2024 URD).

Governance is involved in the E, S, G themes in the broader meaning. This includes strategy and climate-related issues for Wendel. Indeed, climate is one of the 5 Wendel's ESG priorities. Missions of the Supervisory Board are described in section 2.1.1.4 of Wendel's 2024 URD. The climate-related tasks of the Supervisory Board and its Committees are declined as follows:

Supervisory Board	Audit, Risks and Compliance Committee	Governance and Sustainability Committee
ESG strategy and consideration of ESG impacts, risks and opportunities (IROs) ▪ Review the ESG strategy (mission statement and values, roadmap, priorities and objectives) ▪ Take ESG matters into account in the Group's main decisions, particularly in terms of investment ▪ Review the work of the committees on ESG matters ▪ Review the gender diversity policy in governing bodies ▪ Ensure gender and pay equality ▪ Succession plan of the Executive Board and the Supervisory Board	**Non-financial information related to IROs** ▪ Review non-financial information intended for publication, including the review of material IROs ▪ Monitor the achievement of key ESG performance indicators ▪ Ensure that non-financial information comes from a structured process, including CSRD implementation ▪ Review the selection process for sustainability auditors under the CSRD ▪ Present relevant observations on ESG reporting to the Supervisory Board	**ESG objectives and ESG skills at governance level** ▪ Ensure that the Board has the required skills to assess ESG impacts, risks and opportunities, and understand applicable rules and standards in this area ▪ Review the choice of the main ESG performance indicators made by the Executive Board ▪ Define and assess ESG objectives applicable to Executive Board members' short- and long-term compensation items

1.2. Supervisory Board training on ESG and climate change

In previous years, the Supervisory Board members benefited from training sessions given by a specialized external instructor, enabling them to deepen their knowledge of new ESG regulations (particularly regarding Taxonomy and sustainability reporting) and to better understand their role in this area.

The Board's ESG expertise was strengthened with the arrival in June 2023 of Fabienne Lecorvaisier, who was previously Executive Vice-President, principally in charge of sustainable development at Air Liquide.

1.3. ESG and climate issues on the agenda in 2023

- **Supervisory Board**: presentation of the 2024-2027 ESG roadmap, including the Group's sustainability priorities and targets over a four-year horizon – 1 meeting;

- **Governance and Sustainability Committee**: assessment of the previous ESG roadmap and review of the Group's 2024-2027 ESG roadmap; assessment of the achievement of ESG criteria linked to Executive Board compensation for 2023 – 1 meeting;

- **Audit, Risks and Compliance Committee**: presentation of non-financial disclosures for 2023 (non-financial performance statement, European Taxonomy, TCFD (Taskforce on Climate-Related Financial Disclosures) report, double materiality report, etc.); sustainability auditor selection process; double materiality methodologies and results; CSRD report structure– 3 meetings.

1.4. Management's role in assessing and managing climate-related risks

The Executive Board establishes the Group's strategic direction and ESG roadmap. It is responsible for validating the climate strategy and the targets set.

The Executive Board is supported by an ESG Steering Committee. This committee is chaired by David Darmon, member of the Executive Board, and is made up of two of the Company's Operating Partners and representatives from Wendel's different business and support divisions: Internal Audit department, General Secretariat, Sustainable Development and Communications department, Financial Communications department, Human Resources and Operational Resources department. It meets on a quarterly basis to monitor the Group's and its portfolio companies' ESG performance and progress made on rolling out the 2024 ESG roadmap including climate objectives.

The Sustainable Development department established by Wendel in 2011 reports directly to the Executive Board and coordinates initiatives in this area. The ESG department is in charge of implementing and monitoring the ESG roadmap, climate objectives and compliance with regulatory obligations in terms of non-financial reporting. It provides technical expertise on climate issues. This Committee meets quarterly; its main tasks are to:

- Define and monitor the ESG/climate strategy and align it with the Group's strategy;
- Implement regulatory developments (Taxonomy, CSRD, etc.) ;
- Assess impacts, risks and opportunities at Group level, setting targets and monitoring the non-financial results achieved.

The members of the Executive Board receive a portion of their variable compensation contingent on the achievement of ESG objectives. A 4-year stock option plan related to climate issues has been defined for 2021. This stock option plan, which will end in 2025, requires in particular that all fully consolidated Wendel portfolio companies have carried out a climate risk analysis in year 1. This plan then requires that corrective action plans relating to the climate risks identified be implemented over the following years. For more information about this stock-options plan, please refer to page 94 of Wendel 2024 Universal Registration Document.

Climate issues on the agenda at executive level in 2024:

- Executive Board: selection process for sustainability auditors, governance mechanism to validate the policies, actions and targets defined within Wendel's fully consolidated portfolio companies in accordance with the CSRD, presentation of results relating to the Group's SBTi trajectory – 3 meetings.
- ESG Steering Committee: presentation of the results of the 2020-2023 ESG roadmap; evaluation of Wendel SE's IROs under the CSRD; validation of the consolidated portfolio IROs, structuring of the CSRD report; presentation of the first sustainability audit findings; drafting of the 2024-2027 ESG roadmap – 4 committees and 12 workshops.

2. Strategy

To ensure that our strategy is in line with existing and future climate challenges, Wendel must first be able to identify the climate risks and opportunities for all Wendel's activities. The identification process therefore requires positioning both at the level of Wendel SE and at portfolio level. The risks and opportunities associated with these investments are specific to their activities and sectors.

In addition to the definition of the scope of analysis, Wendel also considers the time frame in which the assessment is to be carried out. In view of Wendel SE' activities and according to CSRD - ESRS[1] 1 recommendation, we consider short-term to be within a timeframe of 1 year, the medium-term being considered between 2 and 5 years, and the long-term being beyond 5 years.

The various climate risks and opportunities identified by the Wendel Group are presented in the following page, along with their level of exposure and time horizon.

[1] European Sustainability Reporting Standards

2.1. Risks and opportunities identified over the short, medium and long-term

Transition risks and opportunities					
Risk/opportunity category	**Risk/opportunity**	**Description**	**Exposure level**	**Time horizon**	**Measures in place or recommended**
Emerging regulation	Carbon price increase	Estimates from the International Energy Agency anticipate a 250% increase in the price per metric ton of carbon by 2050, assuming a low-carbon transition. No portfolio companies currently have facilities subject to the emissions trading scheme. This increase will mainly have indirect effects in the value chain of the portfolio companies (transportation, energy, commodities, etc.). However, considering a cost range by integrating two prices per ton of carbon: the price at year-end (70.95 euros/ton at 12.31.2024) and the price as presented in the Quinet report (250 euros/ton of CO_2e). Multiplying the Group's 2024 GHG emissions (excluding reduction trajectories from Wendel Group's portfolio companies) by these two prices, the carbon cost would be in the range [127 million euros - 448 million euros].	*	Long-term	Measuring and anticipating the potential cost generated by a carbon emissions tax. For the portfolio companies and for future investment opportunities studied, a carbon cost is estimated when material. GHG emissions mitigation targets for Wendel and the portfolio companies according to SBTi standards. Vigilance with regard to the applicability of emissions trading systems (size of facilities, choice of geographical location, etc.).
Emerging regulation	Stricter regulations on emissions generated	Recent examples related to the EU taxonomy and European "Fit for 55" package demonstrate the strongly evolving nature of the regulations related to low-carbon alignment and emissions reduction. These new regulations generate direct costs (internal and external resources mobilized to verify compliance) as well as indirect costs over the long term (operational transformations necessary for compliance).	**	Mid- term	As a listed company, Wendel monitors changes in European and international regulations on climate impact reduction. It also encourages the fully consolidated portfolio companies to respect the best standards in terms of reducing their emissions (e.g., emissions reduction pathway approved for Stahl, Bureau Veritas and Tarkett). The companies in the portfolio also carry out more specific monitoring of certain subjects to which they may be exposed (e.g., the carbon credit market, environmental labeling, circular economy, etc.).
Risk and Opportunity – Market	Change in commodities costs	The energy transition requires a rapid increase in renewable energy production capacity. Nevertheless, this transition to renewable energy will automatically reduce the current costs of renewable energy. Wendel and its portfolio companies are all committed to significantly increasing the share of renewable energies in their total consumption. Renewables currently account for 19% of the Group's total consumption.	**	Short-term	Securing multiple and diversified supply chains. Wendel monitors and controls the deliberations of the portfolio companies to optimize the quantities of products used. Participation in the improvement of recycling capacities to promote the reuse of certain commodities. In 2024, Wendel will roll out an application that analyses climate risks in the value chain, particularly for the most exposed companies in its portfolio.
Opportunity – Product and Services	Substitution of existing products and services in favour of low-carbon solutions	The transition to a low-carbon economy requires the transformation or discontinuation of certain products and services, the manufacture and consumption of which will become difficult to reconcile with the emission levels to be respected.	***	Mid-term	Wendel encourages its portfolio companies to monitor emerging trends and the risks of substitution in their respective products. The share of sales linked to products or services with environmental added value illustrates Wendel's determination to seize transition opportunities and bring portfolio companies on Board. Accordingly, the majority of the fully consolidated portfolio companies have defined low-carbon products and services: • Bureau Veritas' Green Line segment on energy efficiency and low carbon transition;

					• Segment of Scalian's sustainability offering, including decarbonization strategy services; • Stahl's development of water-based products eligible for the European Taxonomy (with a better carbon footprint than solvent-based products). Wendel and its fully consolidated portfolio companies are working to increase the share of these products and services.
Opportunity – Markets	Changes in consumer expectations	The transition to a low-carbon society is transforming the needs and consumption habits of society. While some products may be abandoned, new needs may emerge. The main examples within the Wendel portfolio are: • the development of needs related to corporate social responsibility, eco-efficiency, emissions reduction and climate change adaptation, as expressed by Bureau Veritas and Scalian group customers via the Net Promoter Scores calculated; • the management and support of trauma related to natural disasters or severe weather events.	**	Mid-term	Bureau Veritas' Green Line offering addresses all emerging needs related to the low-carbon transition (renewable energies, new forms of mobility, low-carbon buildings, etc.). Scalian's sustainability offering specifically addresses issues related to ESG performance, decarbonization of organizations, ESG reporting and life cycle analysis. CPI is involved in managing people who have survived severe climatic events, and its training includes emergency care workers and hospitals. Lastly, Stahl is actively involved in the Zero Discharge of Hazardous Chemicals (ZDHC) program, which is designed to promote the sustainable management of chemicals in the fashion industry. It is also a founding member of the Renewable Carbon Initiative.

Physical hazards

- At the level of the Wendel portfolio, analyses of exposure to physical climate risks according to the SSP5-8.5, SSP1-2.6 and SSSP2-4.5 scenarios has been carried out for the Stahl, Scalian and CPI participations. These assessments were performed using Altitude, an AXA Climate tool that simulates exposure to physical and transition climate risks based on the above scenarios and over a time horizon up to 2050. All assets of these three portfolio companies were assessed using their geospatial coordinates, except for the assets acquired by Stahl in 2024, which will be assessed in 2025. The risk analysis methodology follows the IPCC recommendations, and the results obtained depend on the type of event, vulnerability, and exposure, which integrate the likelihood, magnitude and duration of each event analysed. Of the 61 sites analysed, 45 were identified as being exposed to high physical climate risks.
- In 2023, Bureau Veritas (1) conducted its own analysis based on the IPCC RCP 4.5 and RCP 8.5 scenarios, covering the 2030 and 2050 projection periods. This analysis covers the Group's 1,566 sites (laboratories and offices) based on their geographic coordinates. The results obtained are as follows:
  - 313 sites are exposed to extreme risk regarding at least one natural hazard by 2030 and 371 by 2050 under the RCP 4.5 scenario.
  - 314 sites are exposed to extreme risk regarding at least one natural hazard by 2030 and 380 by 2050 under the RCP 8.5 scenario.
- ACAMS, an organization that operates mainly remotely with one office in Washington, was not subject to an analysis of exposure to physical and transition climate risks aligned with all ESRS E1 requirements related to climate change adaptation.
- In addition, the Wendel Group's value chain has been partially analysed for physical and transition climate risks and opportunities:
  - portfolio company Tarkett analysed the physical climate risks relating to its own operations according to three IPCC scenarios (RCP 2.6, RCP 4.5 and RCP 8.5).
  - portfolio companies IHS Towers and Globeducate were not subject to specific analysis.
  - the physical and transition climate risks of IK Partners' portfolio companies were analysed using the AXA Climate tool.

The climate physical risks identified are assessed on a gross basis. Therefore, the process does not include the existence of protection measures put in place by the participations or by third parties (such as the local authorities where the participations are located)

(1) For more information, see "2.2.2 Climate change" section in the Bureau Veritas 2024 Universal Registration Document

2.2. Impact of climate-related risks and opportunities on the strategy

Wendel’s approach as a long-term investor, strongly oriented towards value creation through ESG leverage, demonstrates that sustainability issues are at the heart of its strategy. Climate change management is positioned as one of the five ESG priorities established by the Company. Wendel’s ESG team and the operating partners ensure that climate issues are integrated into the strategy of the portfolio companies.

As such, most portfolio companies fully consolidated have defined low carbon products and services:

- Bureau Veritas’ Green Line segment on energy efficiency and low carbon transition;
- Stahl’s development of water-based products (with a better carbon footprint than solvent-based products);
- Scalian's sustainability segment offering including decarbonization strategy services;
- Digitalization of CPI’s training courses.

In the pre-investment phase, Wendel's ESG teams also carry out an assessment of the most material ESG risks and opportunities, including, where relevant, an evaluation of climate risks and opportunities. This analysis is part of the in-depth due diligence process, which has been applied to all investment opportunities. A poor climate performance of any new investment opportunity may be the reason for a no-go. As part of each sustainability due diligence, Wendel's ESG team assesses in particular:

- The carbon weight that the investment opportunity would represent in Wendel's portfolio;
- The potential for decarbonization;
- The compatibility of the investment with Wendel's SBTi commitment.

Wendel has defined an onboarding program applicable to all new investments in which Wendel becomes a majority shareholder. This onboarding program requires each new portfolio company to put in place the following actions linked to climate change:

- <u>Carbon footprint</u>: If not already performed, the new portfolio company must perform a comprehensive assessment of its carbon footprint on scopes 1 to 3 in accordance with the GHG protocol standard.
- <u>SBTi commitment</u>: within 24 post-acquisition months, the new portfolio company must commit to SBTi by submitting and having validated GHG emission reduction targets. This requirement also extends to any new portfolio company in which Wendel holds more than 25% of the capital and has at least one seat on the board.
- <u>Adaptation to climate change</u>: if adaptation to climate change emerges as a material issue, Wendel requires its portfolio companies to carry out: i) a precise risk assessment based on at least two IPCC scenarios; ii) a resilience plan approved by the entity's board of directors.

3. Risk management: processes for identifying, managing, and integrating into the organization climate-related risks

Wendel’s ability to seize investment opportunities, best manage its investments, and optimize financing and refinancing depends on how well it is able to assess the quality and resilience of the business models of its portfolio companies, from when those companies are acquired through to when they are divested.

The ESG and climate risks factors of Wendel and its companies in portfolio are integrated into the company's overall risk management.

The climate risks of the fully consolidated portfolio companies are also assessed at each portfolio company’s level. As part of its new ESG roadmap 2024-2027, Wendel requires its fully consolidated portfolio companies to carry out a climate risk analysis based on at least two IPCC or IEA scenarios. This requirement also applies to all new portfolio companies, which must carry out this analysis within 18 months of acquisition. Following those analysis, the portfolio companies should define and implement an adaptation plan that meet the following criteria:

- The adaptation plan should be approved by the Board of Directors (or equivalent) of the portfolio company;
- The adaptation plan should include a CapEx plan linked to the actions identified;
- The adaptation plan should include an assessment of the financial impacts of climate risks and opportunities.

Wendel, as a majority shareholder, ensures that the climate-related policies and actions of fully consolidated portfolio companies comply with ESRS requirements. Policies and actions are reviewed each year by the governance teams of companies presenting the highest emissions at Group level (Bureau Veritas, Scalian and Stahl account for 99.7% of emissions from fully consolidated portfolio companies).

	Climate change adaptation
Policy	**GHG emissions of (fully consolidated [1]) companies covered (%)**
Existence of a policy validated by executive governance	98.8%
Existence of a policy validated by executive governance and presented to non-executive governance	98.8%
Policy covering the entity's consolidated scope	49.9%
Policy covering the entity's consolidated scope and value chain	0%
Policy made available to stakeholders	49.9%

(1) At end of 2024, the fully consolidated portfolio companies are Bureau Veritas, Stahl, CPI, ACAMS and Scalian.

	Climate change adaptation
Actions	**GHG emissions of (fully consolidated) companies covered (%)**
Existence of an action plan addressing climate change adaptation validated by executive governance	98.8%
Action plan covering the entity's consolidated scope	49.9%
Action plan covering the entity's consolidated scope and value chain	0%
Time horizons associated with action plans	49.9%
CapEx/OpEx plans associated with action plans	98.8%

In 2023, climate resilience action plans for all fully consolidated portfolio companies were presented in Wendel's Audits, Risks and Compliance Committee. Fully consolidated companies that have identified climate as a material issue (Stahl, Scalian, Bureau Veritas) report on the progress and updates of their transition plan once a year to the board or a relevant board committee.

4. Metrics and targets

4.1. Metrics used to assess climate-related risks and opportunities GHG emissions of Wendel and its portfolio companies

As a long-term investor committed to value creation, Wendel requires all its companies in portfolio to report on their greenhouse gas emissions through an accurate carbon footprint. To date, 100% of its fully consolidated companies in portfolio assess their carbon footprint yearly in accordance with GHG Protocol standards on scopes 1, 2 and 3. All of the Wendel Group's scopes 1, 2 and 3 emissions (Wendel SE and fully consolidated portfolio companies) are audited by an independent third-party organization (please see pages 239-244 of Wendel's URD 2024).

At Wendel Group level, GHG emissions are reported using the financial control approach, in accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF Standard).

In addition to greenhouse gas emission indicators, Wendel uses the indicators below to monitor the transition of its portfolio companies:

- Transition risks: Wendel calculates its eligibility and alignment with the taxonomy on its consolidated scope for climate change mitigation and adaptation objectives (see section 4.3.2 of Wendel's URD 2024)
- Physical risk: For each of its portfolio companies, Wendel tracks the number of sites exposed to physical risks related to climate change. For all participations, the identification of sites at risk is based on at least the RCP 8.5 (or SSP5-8.5) scenario projections for 2030 and 2050.

4.2. Wendel Group consolidated GHG emissions

tCO2eq	2023	2024	Change 2024 vs. 2023 (%)
Scope 1 GHG emissions			
Gross scope 1 GHG emissions (tCO2eq)	85,863	85,343	-0.6%
Scope 2 GHG emissions			
Gross location-based scope 2 GHG emissions (tCO2eq)	95,790	96,069	0.3%
Gross market-based scope 2 GHG emissions (tCO2eq)	78,492	65,829	-16.1%
Scope 3 GHG emissions			
Gross location-based scope 3 GHG emissions (tCO2eq)	1,493,606	1,640,222	10%
Gross market-based scope 3 GHG emissions (tCO2eq)	1,493,608	1,640,350	10%
3.1 Purchased goods and services	907,800	995,288	10%
3.2 Capital goods	13,942	15,673	12%
3.3 Fuel- and energy-related activities not included in scope 1 or scope 2 (market-based)	56,770	56,194	-1%
3.4 Upstream transportation and distribution	56,494	67,860	20%
3.5 Waste generated in operations	6,925	5,965	-14%
3.6 Business travel	91,650	105,594	15%
3.7 Employee commuting	45,106	46,573	3%
3.8 Upstream leased assets	60,911	62,986	3%
Other indirect upstream emissions (location-based) (1)	-	352	-
Other indirect upstream emissions (market-based) (1)	-	482	-
3.9 Downstream transportation and distribution	3,933	4,743	21%
3.11 Use of sold products	0	25	-
3.12 End-of-life treatment of sold products	4,410	3,457	-22%
3.15 Investments	245,668	275,509	12%
Total GHG emissions			
Total GHG emissions (location-based)	1,675,259	1,821,633	9%
Total GHG emissions (market-based)	1,657,963	1,791,522	8%

(1) Emissions related to freelancers working remotely for Scalian. These emissions were calculated for the first time for 2024.

The Wendel Group's GHG emissions presented below have been consolidated in accordance with the GHG Protocol's accounting and reporting standard, and the PCAF (Partnerships for Carbon Accounting Financials) standard. More specifically, this means that:

- GHG emissions from fully consolidated portfolio companies (Bureau Veritas, Stahl, CPI, ACAMS and Scalian), Wendel SE and IK Partners are fully consolidated within scopes 1, 2 and 3 (categories 1 to 14);
- GHG emissions from non-fully consolidated portfolio companies (Tarkett, IHS Towers and Globeducate) are calculated in accordance with the PCAF standard and included in category 3.15 "Investments" of Scope 3;

- IK Partners' financed emissions related to investments made through its funds are calculated in accordance with the PCAF standard and included in category 3.15 "Investments" of Scope 3.

Emissions related to Wendel Growth investments are not included as they are not deemed material. Details of the GHG emissions within Wendel Group are presented in the next section.

4.3. Details of Wendel Group's GHG emissions

tCO2eq	Wendel SE	Bureau Veritas	Stahl	CPI	ACAMS	Scalian	IK Partners (1)	Total
Scope 1 GHG emissions								
Gross scope 1 GHG emissions (tCO2eq)	17	73,343	11,050	0	0	886	47	85,343
Scope 2 GHG emissions								
Gross location-based scope 2 GHG emissions (tCO2eq)	98	84,662	10,675	434	0	167	33	96,069
Gross market-based scope 2 GHG emissions (tCO2eq)	93	62,083	3,047	434	0	140	33	65,829
Scope 3 GHG emissions								
Gross location-based scope 3 GHG emissions (tCO2eq)	3,113	619,531	725,120	3,064	1,006	11,982	39,033	1,640,222 (2)
Gross market-based scope 3 GHG emissions (tCO2eq)	3,111	619,531	725,120	3,064	1,006	12,112	39,033	1,640,350 (2)
3.1 Purchased goods and services	2,759	362,311	623,052	360	5	5,905	897	995,288
3.2 Capital goods	115	0	14,175	0	0	1,383	0	15,673
3.3 Fuel- and energy-related activities not included in scope 1 or scope 2 (market-based)	21	49,715	6,132	102	0	223	0	56,194
3.4 Upstream transportation and distribution	0	0	67,123	735	0	2	0	67,860
3.5 Waste generated	0	4,872	785	0	0	308	0	5,965
3.6 Business travel	200	97,904	4,133	1,346	962	1,050	0	105,594
3.7 Employee commuting	17	41,743	1,608	427	39	2,739	0	46,573
3.8 Upstream leased assets	0	62,986	0	0	0	0	0	62,986
Other indirect upstream emissions (location-based)	0	0	0	0	0	352	0	352
Other indirect upstream emissions (market-based)	0	0	0	0	0	482	0	482
3.9 Downstream transportation and distribution	0	0	4,699	45	0	0	0	4,743
3.10 Processing of sold products	0	0	0	0	0	0	0	0
3.11 Use of sold products	0	0	0	25	0	0	0	25
3.12 End-of-life treatment of sold products	0	0	3,412	24	0	20	0	3,457
3.13 Downstream leased assets	0	0	0	0	0	0	0	0
3.14 Franchises	0	0	0	0	0	0	0	0
3.15 Investments	0	0	0	0	0	0	38,136 (3)	275,509 (4)
Total GHG emissions								
Total gross GHG emissions (location-based)	3,227	777,536	746,846	3,498	1,006	13,035	39,113	1,821,633
Total gross GHG emissions (market-based)	3,221	754,957	739,217	3,498	1,006	13,137	39,113	1,791,522

(1) Scopes 1, 2 and 3 emissions for 2024 from IK Partners are not available at the date of the publication. The 2023 emissions have been taken into account for 2024.

(2) Wendel consolidated total scope 3 is not equal to the sum of the scope 3 of Wendel and its fully consolidated portfolio companies. This is explained by the inclusion of the "3.15 Investment" category in the Wendel consolidated total scope 3.

(3) IK Partners' 2023 financed emissions (category 3.15, including Scope 1 and 2 emissions of IK Partners' portfolio companies) are estimated at 9% of IK Partners' total emissions. Estimates are made using external proxies based on revenue, headcount and geographical location. IK Partners' financed emissions represent 2.1% of the Wendel Group's consolidated emissions.

(4) Total GHG emissions relating to category "3.15 Investments" correspond to the GHG emissions of Tarkett, IHS Towers and Globeducate, over which the Wendel Group has no financial control (as specified in the GHG Protocol) and the financed emissions of IK Partners. Consequently, and in accordance with the guidelines of the GHG Protocol, these emissions have been recorded under item 3.15.

4.4. Focus on the scope 3 financed emissions of Wendel Group

The scope 3 financed emissions, also known as scope 3 category 15 “Investment”, is a category of emissions associated with the reporting company’s investments in the reporting year. Within the scope of Wendel, and in accordance with the PCAF guidelines, these emissions correspond to those of Tarkett, IHS Towers, Globeducate. On 31 December 2024, these three companies are not fully consolidated at Wendel Group level. The emissions presented below correspond to scopes 1, 2 and 3 of these companies, in proportion to Wendel's shareholding in them. Wendel's financed emissions (scope 3 category 15. investment) also include the financed emissions of IK Partners relating to investments made through its funds.

tCO2eq	2023	2024	Scope 3 financed emissions intensity (tCO2e/million euros of turnover) (1)
Scope 3 financed emissions by entities			
Tarkett	192,129	181,232	457
IHS Towers (2)	53,539	53,539	569
Globeducate	-	2,602	22
IK Partners	-	38,136	Not applicable (3)
Scope 3 financed emissions by asset class			
Listed equity	245,668	234,771	495
Private equity – Direct investments	0	2,602	22
Private equity – Indirect investments	0	38,136	Not applicable (3)
Scope 3 financed emissions by sector/industry			
Flooring industry	192,129	181,232	457
Communication infrastructure	53,539	53,539	569
Education	0	2,602	22
Asset management	0	*38,136*	Not applicable (3)
Scope 3 financed emissions by geography (4)			
France	192,129	181,232	457
United Kingdom	53,539	91,676	Not applicable (3)
Spain	0	2,602	22
Total	**245,668**	**275,509**	

(1) Scope 3 financed emissions intensity data are calculated as follows: GHG emissions 2024 / turnover 2024. These carbon intensity ratios are not weighted, either in the numerator or in the denominator, by Wendel's shareholding ratios.

(2) Scopes 1 and 2 GHG emissions for 2024 from IHS Towers are not available at the date of publication of this report. IHS Towers does not calculate its Scope 3 GHG emissions. These emissions are not estimated by the Wendel Group.

(3) Carbon intensity per € million of revenue at the management company level is not a relevant metric. However, IK Partners calculates the scope 1 and 2 carbon intensity of its portfolio companies using the methodology described in its TCFD report published on the IK Partners website. For the 2023 financial year, this carbon intensity was 893.1 tCO2/€ million of revenue.

(4) The geographical breakdown is based on the head offices of the entities. These entities may themselves have subsidiaries in different parts of the world.

4.5. Carbon targets at Wendel SE and portfolio companies’ level

Wendel SE is committed to reducing its GHG emissions.

The Wendel Group set its climate change mitigation objectives in accordance with the SBTi Financial Institution Criteria (version 1.1) and SBTi Private Equity Guidance (version 1.0) standards. These standards, adapted to Wendel's business model, require the definition of an absolute GHG emissions reduction target for Wendel SE's Scopes 1 and 2, plus a Scope 3 target for the Wendel Group's investments. For its Scope 3 target, the Group opted for the "portfolio coverage" approach. This requires the Group's eligible portfolio and management companies (IK Partners for fiscal year 2024) to set GHG emission reduction targets aligned with the Paris Agreement and approved by SBTi for their own scopes.

All investments held in listed assets are considered eligible under the SBTi methodology. For investments in private equity assets, eligibility depends on the following conditions:

- For Growth capital, a company portfolio is considered eligible if Wendel holds at least 25% of the diluted shares and a seat on the board.

- For Venture capital, a company portfolio is considered eligible if Wendel holds at least 15% of the diluted shares and a seat on the board.

4.5.1. Wendel's SBTi targets

GHG emissions from offices – Scopes 1 and 2	GHG emissions from the eligible companies in portfolio (fully and not fully consolidated) - Scope 3
Perimeter: Wendel SE **Scopes**: 1 and 2 of Wendel SE	**Perimeter**: • All listed portfolio companies: Bureau Veritas, Tarkett and IHS Towers • Eligible private equity portfolio companies: Stahl, CPI, ACAMS, Scalian and IK Partners **Scopes**: 1, 2 and 3 of the portfolio companies
Target: -42% in 2030 versus base year 2022	**Target:** Wendel commits to 96.8% of its listed and eligible private equity portfolio by GHG emissions setting SBTi validated targets by 2028, and 100% by 2030, from a 2022 base year

As part of the SBTi framework for financial institutions, Wendel has calculated the percentage of its investment activities covered by its SBTi objectives.

As of 2022, Wendel's portfolio targets cover 76% of its total investment and lending by asset value. As of that year, required activities made up 76% of Wendel's total investment and lending by asset value while optional activities made up 2% and out of scope activities made up 22%.

4.5.2. Consolidation of emissions using the financial control approach – SBTi methodology

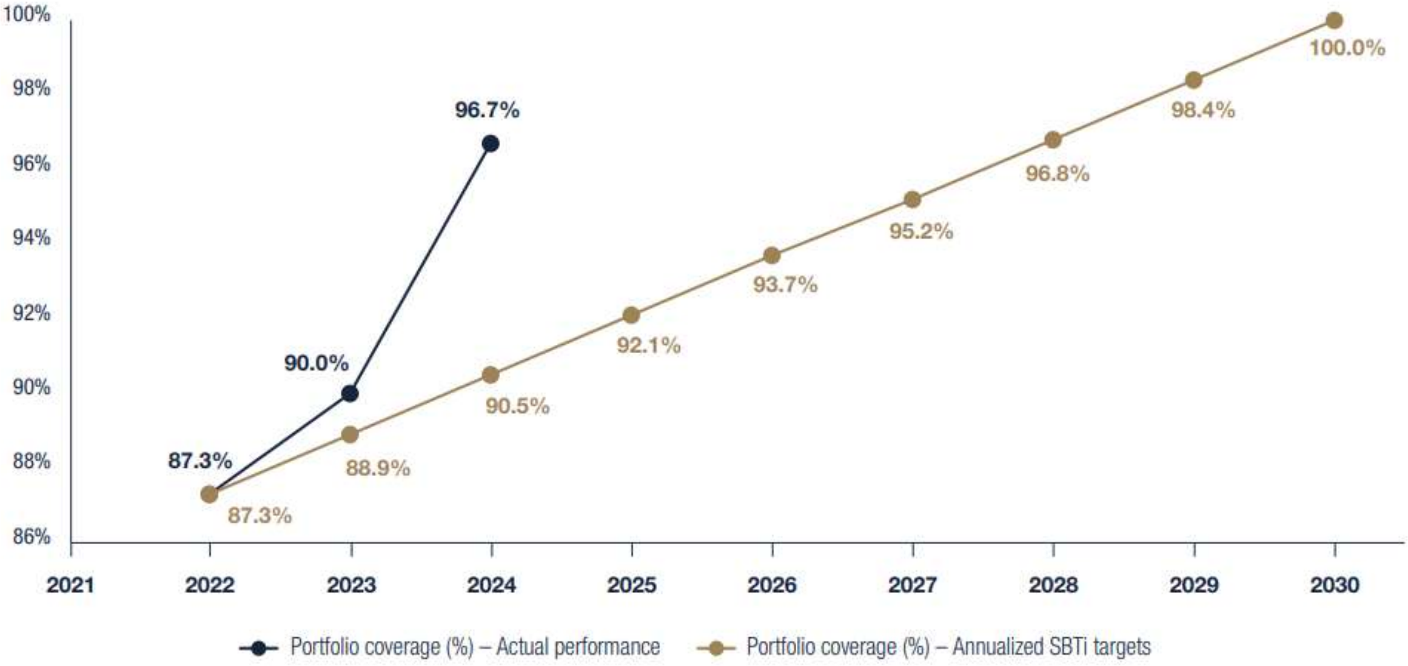
tCO2eq	Total emissions – financial control approach SBTi 2023	Total emissions – financial control approach SBTi 2024(1)	Change 2024 vs. 2023 (%)
Scope 1 - Wendel SE	18	17	-7%
Scope 2 – Wendel SE	99	93	-6%
Scope 3 – Portfolio companies	**1,651,555**	**1,788,301**	**+8%**

At the end of December 2024, 96.7% of the GHG emissions of the eligible companies in Wendel's portfolio are covered by SBTi approved targets:

- 98% of the GHG emissions from unlisted assets in Wendel SE's portfolio come from companies with reduction trajectories approved by SBTi.
- 95% of the GHG emissions of the listed assets in Wendel SE's portfolio come from companies with reduction trajectories approved by the SBTi.

Portfolio coverage trajectory – Wendel SE

Comparison of actual performance vs. SBTi approved target



The SBTi objective at scope 3 level commits Wendel to ensuring that all new portfolio companies implement objectives aligned with the Paris Agreement and according to the SBTi framework.

Beyond these objectives, Wendel monitors and challenges its portfolio companies (at board and management level) in the deployment of action plans to achieve these objectives.

4.5.3. Portfolio SBTi's targets

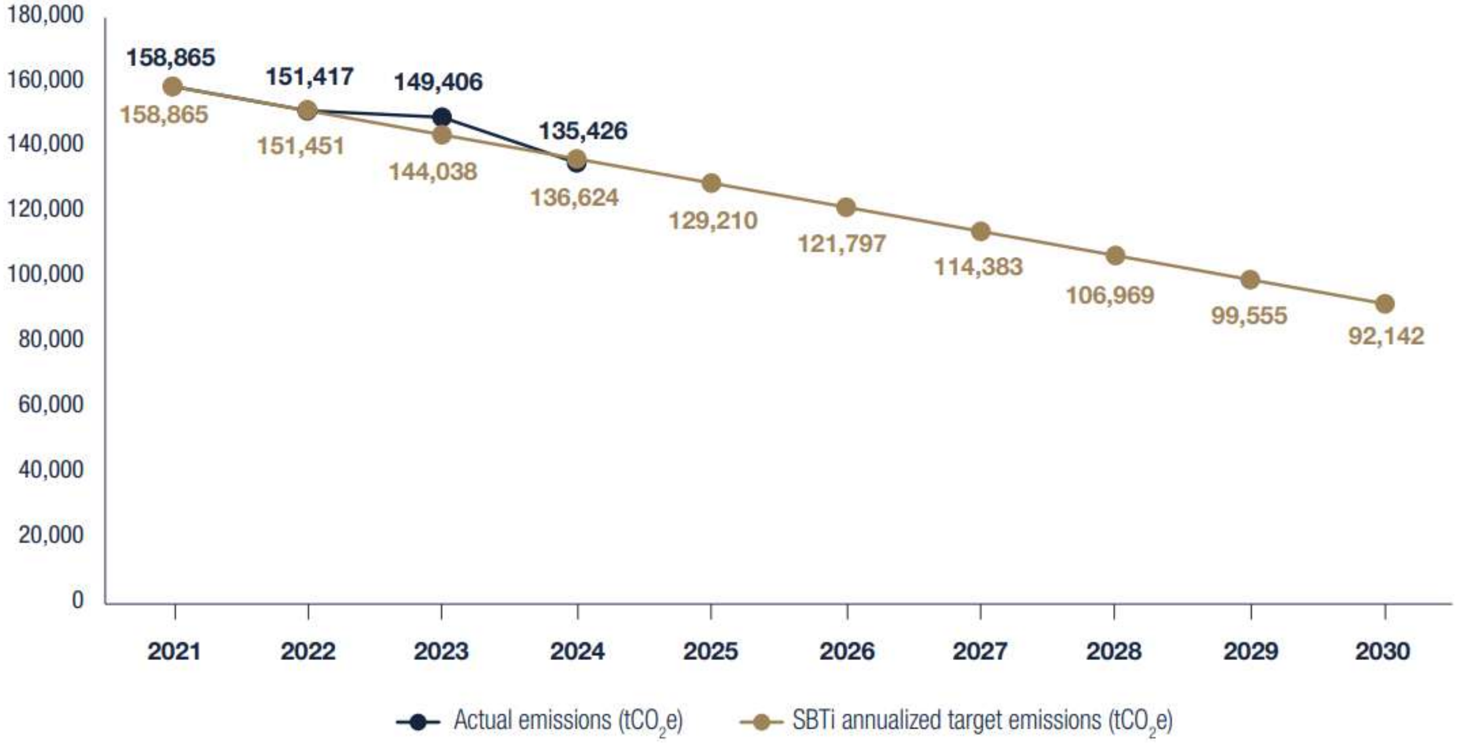
Portfolio companies/ Investment companies	SBTi status	Scopes 1 and 2 objective	Scope 3 objective
Fully consolidated portfolio companies			
Bureau Veritas	Approved	42% absolute reduction in emissions by 2030 versus 2021	25% absolute reduction in emissions by 2030 versus 2021
Stahl	Approved	42% absolute reduction in emissions by 2030 versus 2021	25% absolute reduction in emissions from purchased goods and services by 2030 versus 2021
Crisis Prevention Institute	Not committed	-	-
ACAMS	Not committed	-	-
Scalian	Currently awaiting approval	54% absolute reduction in emissions by 2033 versus 2023	60% reduction in emissions per FTE by 2033 versus 2023
Non-consolidated companies			
Tarkett	Approved	50% absolute reduction in emissions by 2030 versus 2019	27.5% absolute reduction in emissions from product/service purchases and end-of-life treatment of products sold, by 2030 versus 2019
IHS Towers	Not committed	-	-
Private asset management companies			
IK Partners	Approved	54% absolute reduction in emissions by 2030 versus 2019	IK Partners commits to 26% of its eligible private equity investments [1] be assigned SBTi approved targets by 2026, and 100% by 2040 versus the 2021 reference year

(1) Majority investments with a stake of more than 25% and at least one seat on the Board of Directors with the right to vote.

Below are presented the GHG emissions and reduction targets of the fully consolidated companies in Wendel's portfolio that have approved SBTi targets.

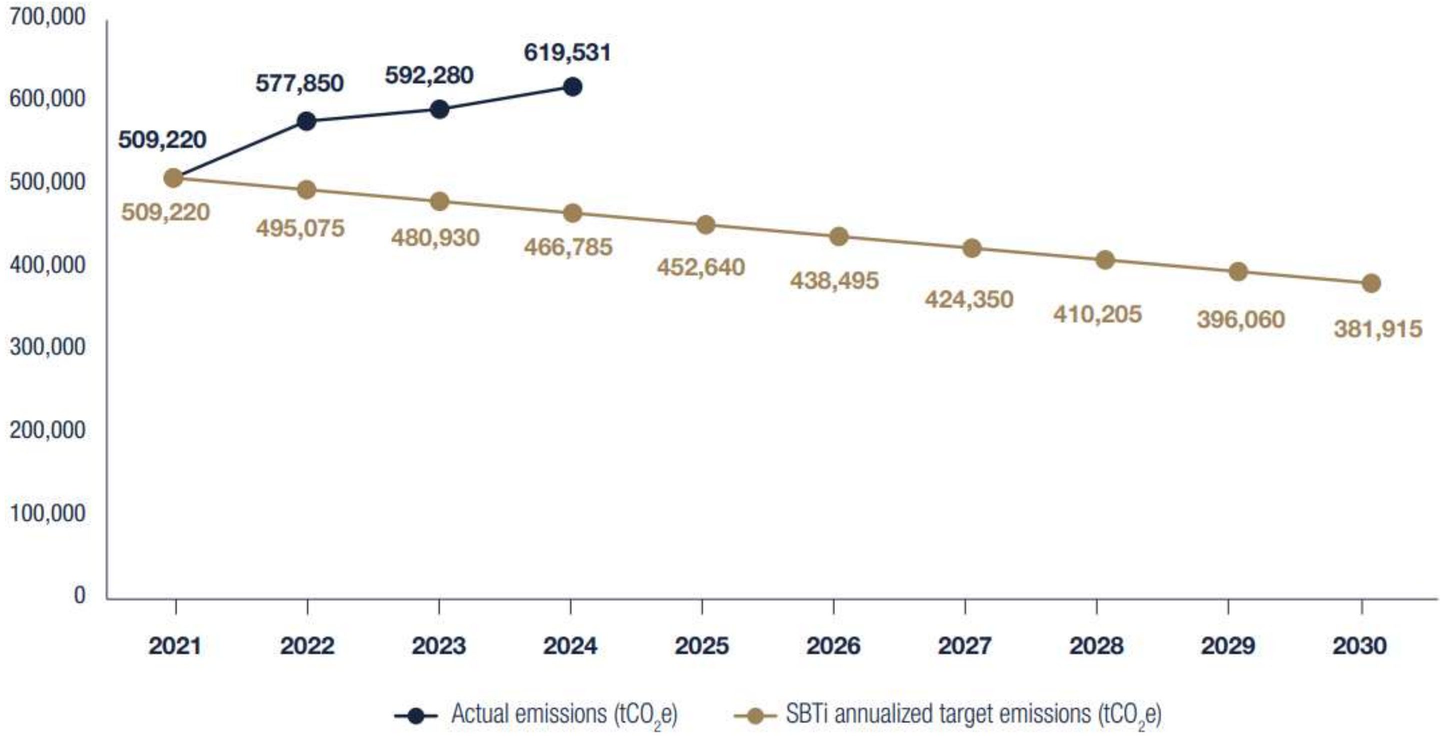
Scopes 1 and 2 GHG emissions trajectory (market-based) – Bureau Veritas

Comparison of actual emissions vs. SBTi approved target

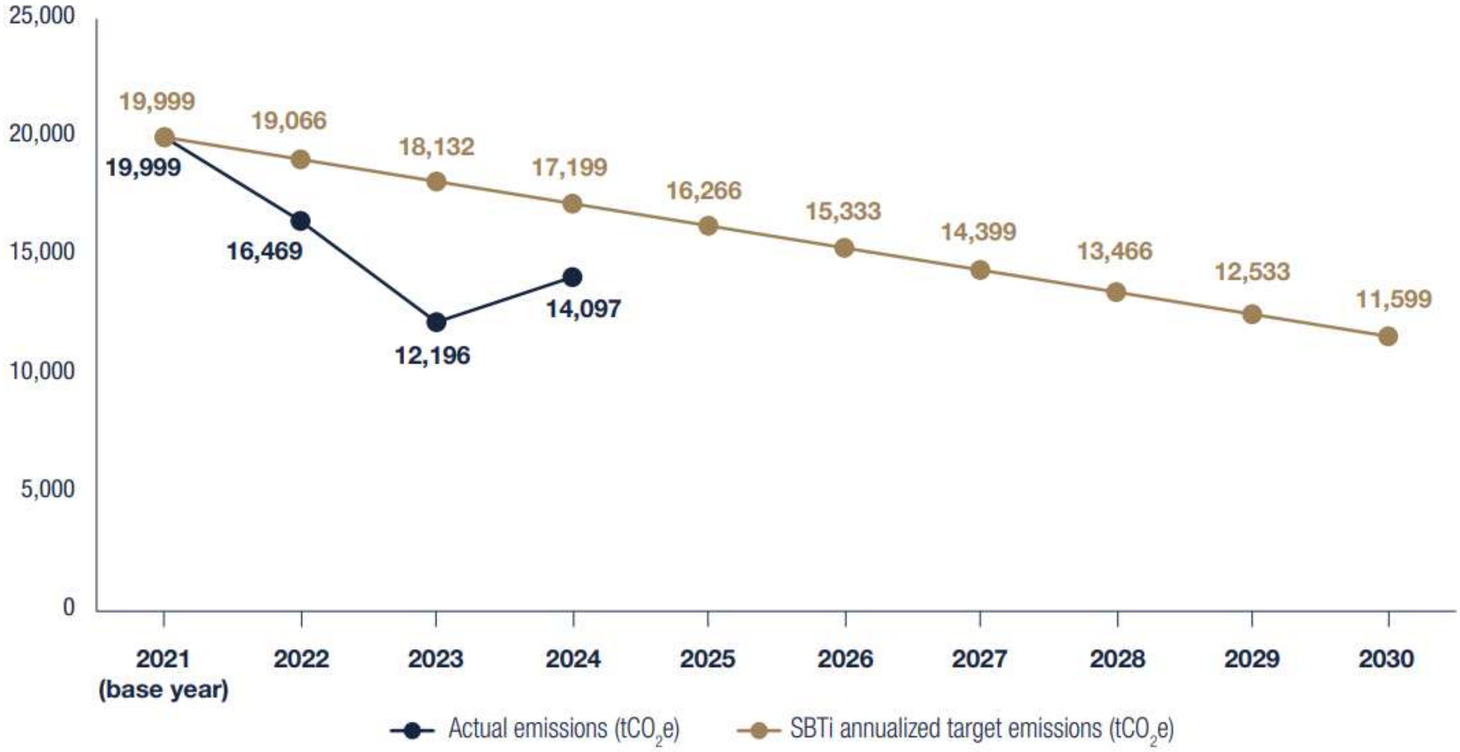


Scope 3 GHG emissions trajectory – Bureau Veritas

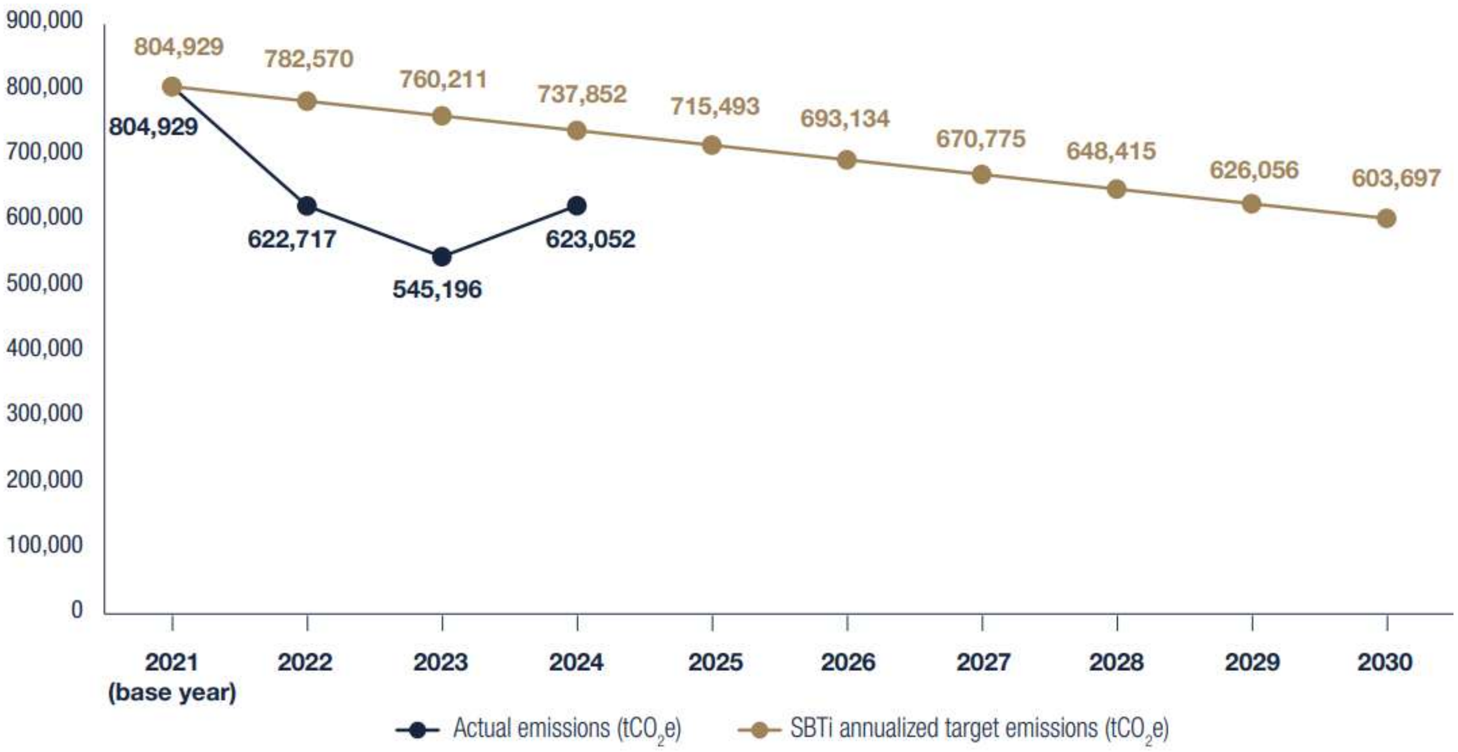
Comparison of actual emissions vs. SBTi approved target



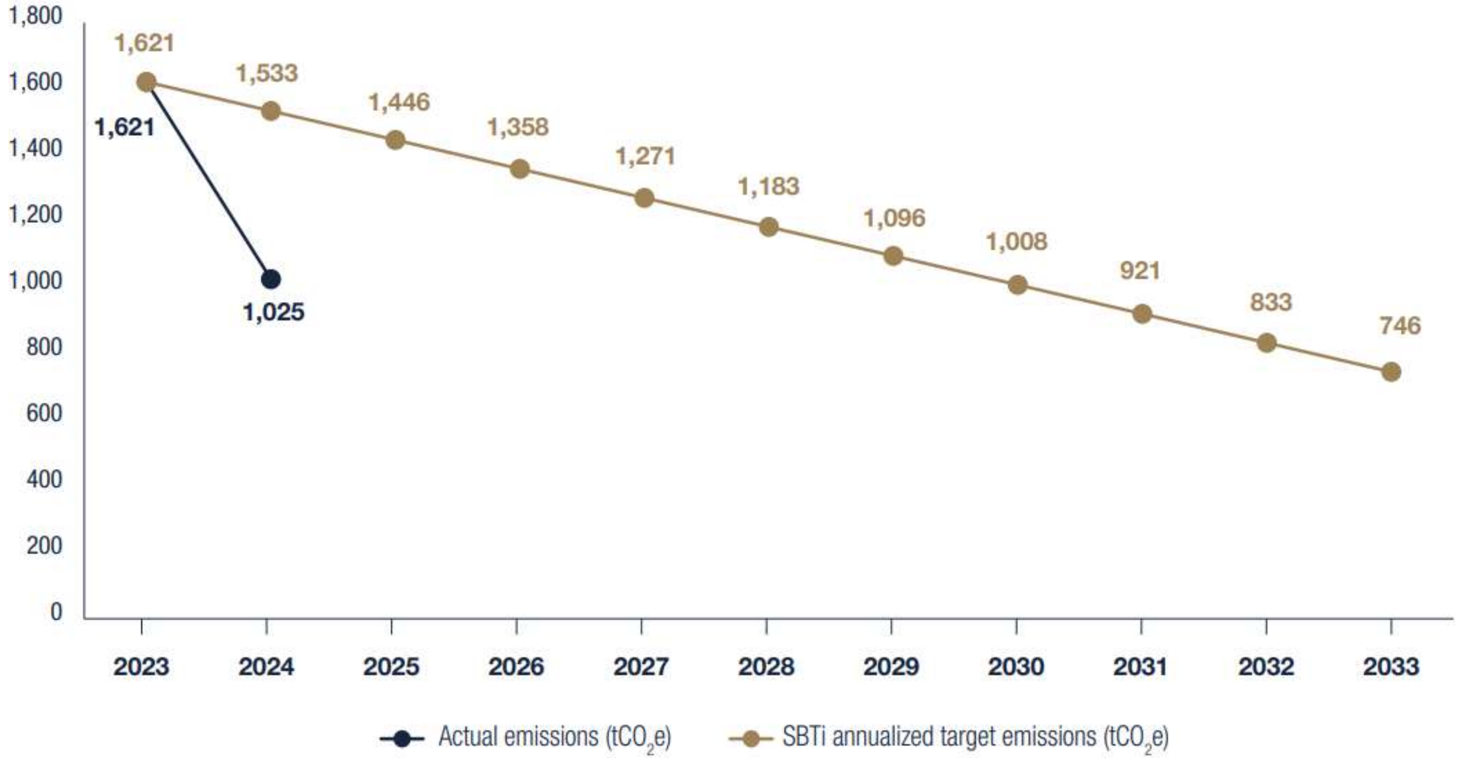
Scopes 1 and 2 GHG emissions trajectory (market-based) – Stahl
Comparison of actual emissions vs. SBTi approved target



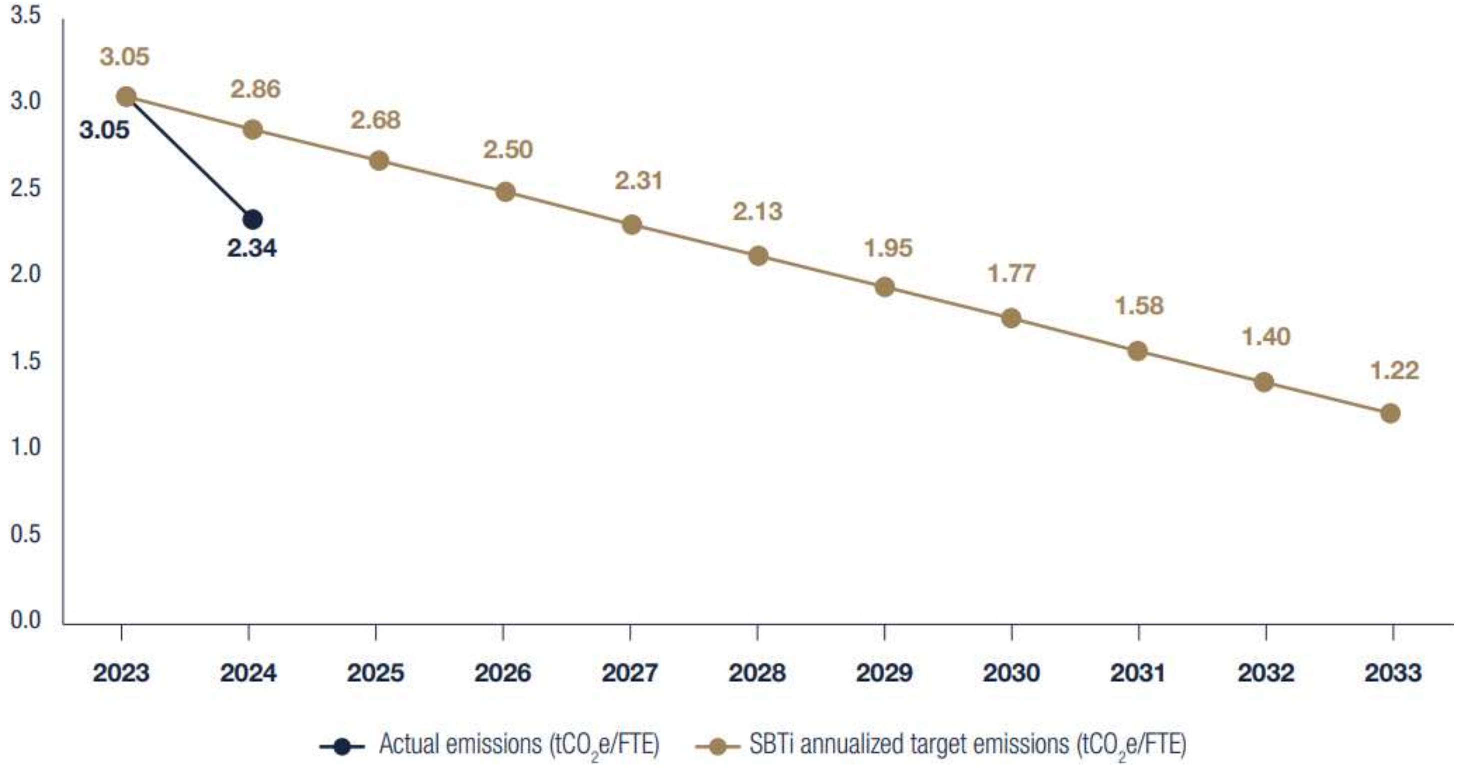
Scope 3.1 GHG emissions trajectory (Purchases of goods and services) – Stahl
Comparison of actual emissions vs. SBTi approved target



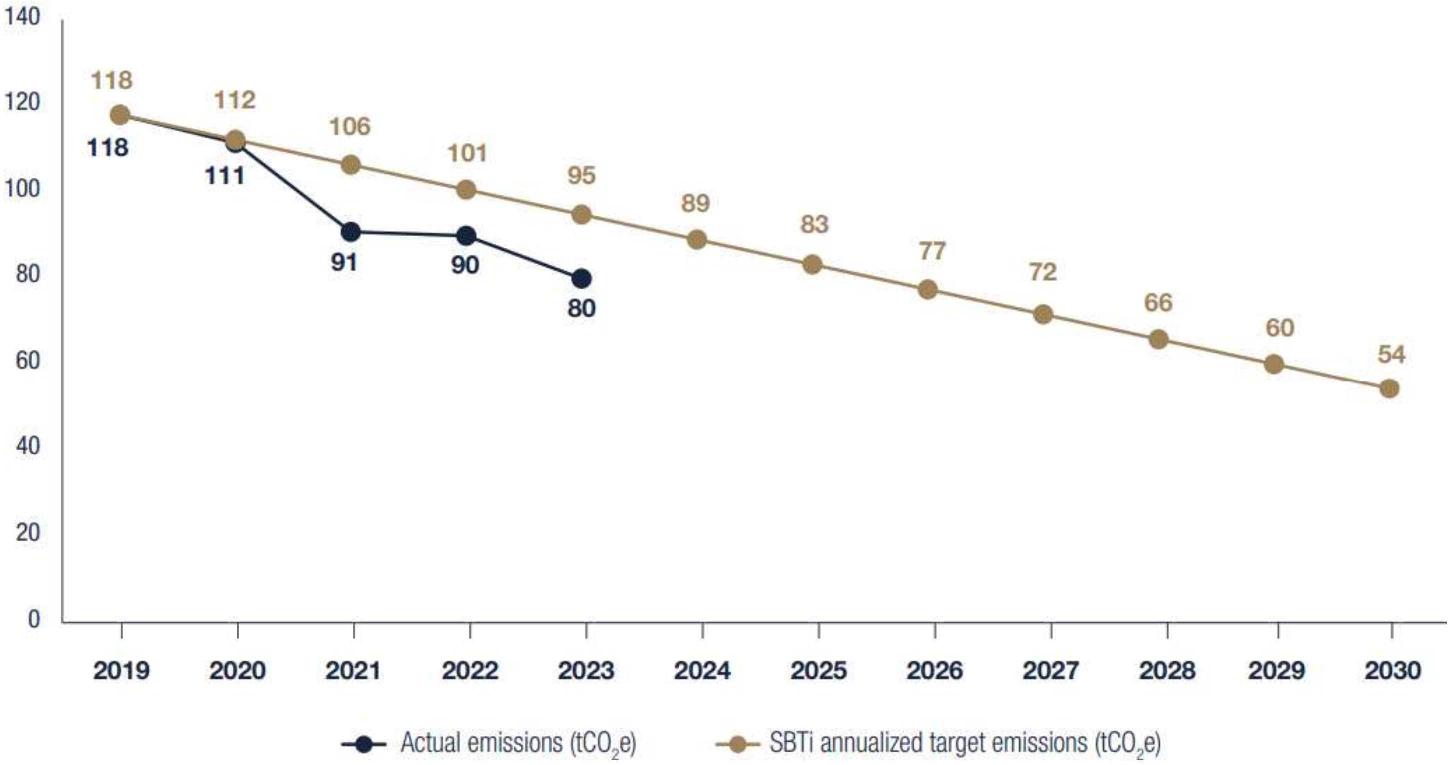
Scope 1 and 2 GHG emissions trajectory (market-based) – Scalian
Comparison of actual emissions vs. target awaiting SBTi approval



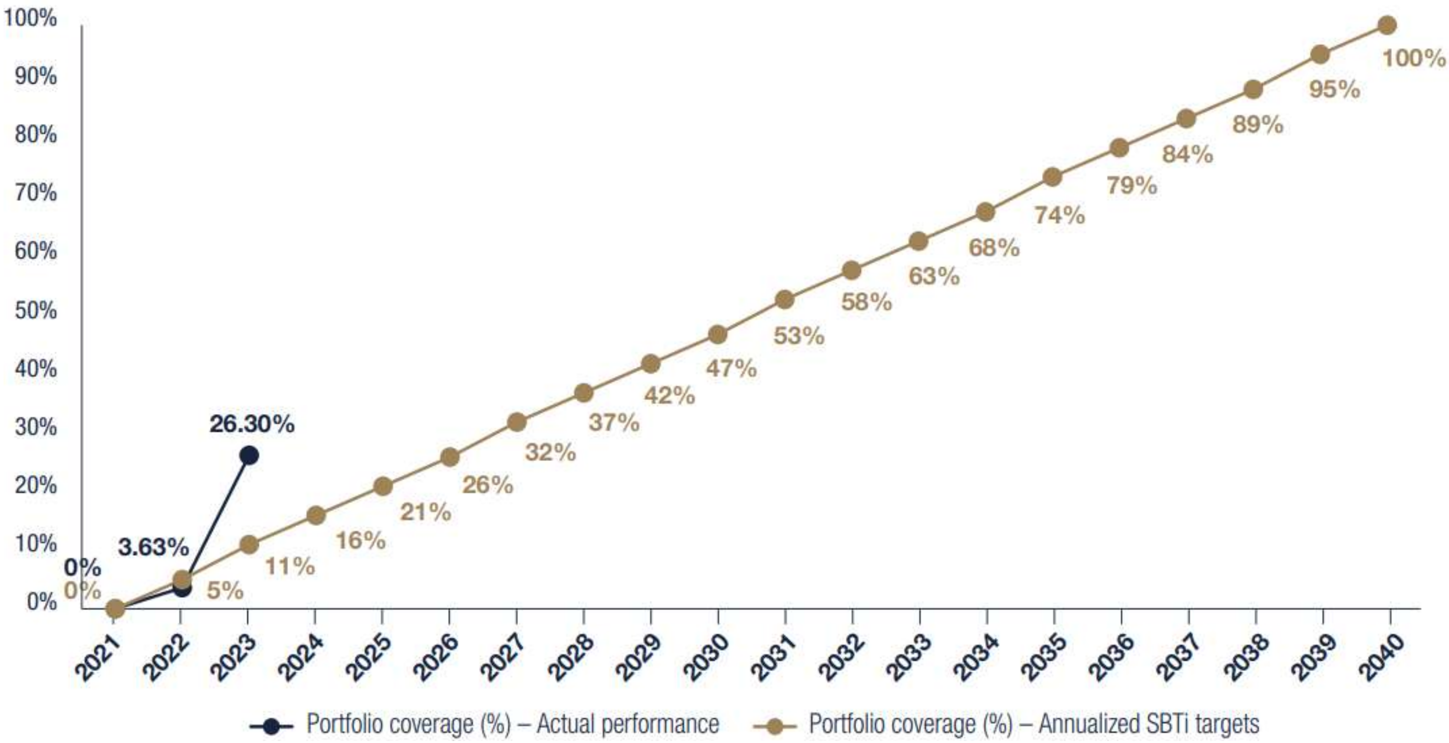
Scope 3 GHG emissions trajectory per FTE – Scalian
Comparison of actual emissions vs. target awaiting SBTi approval



Scopes 1 and 2 GHG emissions trajectory (market-based) – IK Partners
Comparison of actual emissions vs. SBTi approved target



Portfolio coverage trajectory – IK Partners
Comparison of actual performance/SBTi approved target



5. Emerging risks

As a long-term investor, and beyond capturing immediate and current social and environmental trends affecting its activity, Wendel also remains attentive to long-term risks associated with emerging large-scale challenges, and their direct impact on Wendel's activity. While not constituting specific risks for Wendel at that stage, as they are also relevant to other companies irrespective of their business, two emerging global challenges might impact Wendel's investment activity in the current and next decade.

5.1. Deglobalization and global trade disruption

According to US National Intelligence Council's report "Global Trends 2040: A more contested world", the challenges that geopolitical risks create will become broader and more complex in the decades to come, as "a broader range of actors will compete to advance their ideologies, goals, and interests." Rising national and international tensions, as demonstrated by the recent wave of Tariffs imposed by the new US administration, can have direct consequences for businesses (loss of market share in some areas, need for additional investment to shift production closer to some markets, …) and well as indirect consequences for all economic actors (disruption in the supply chains, market volatility, liquidity crises, sectoral downturns).

- **Impact**

As an investor with a global footprint, Wendel's investments operate in a variety of countries subject to growing competition. Disruption caused by a brutal change in the flow of goods and/or the prices of such goods can affect the local and international supply chain of our investments. Knock-on effects which might affect our industrial portfolio companies include surges in raw material prices and energy. Services companies might also be affected with clients delaying spends as they reevaluate their priorities. Moreover, as a listed company, Wendel is directly exposed to the high volatility of the global stock market in times of crisis, with risks of rapid share price drops.

- **Mitigation actions**

Wendel and its portfolio companies pay utmost attention to the geopolitical context in which all business operations are conducted. Risks of international and internal tensions in the long term are systematically assessed and taken into account during pre-acquisition phase to minimize exposure. Investment teams and support teams can provide specific expertise on how to navigate challenges such as political instability, international sanctions and jurisdictional risks. Wendel is also careful to ensure that its portfolio companies have suitable exposure to diversified geographical areas. As part of the development of its private asset management activity, Wendel also takes care in developing its operations in both Europe and the United States. Wendel's family ownership and permanent capital provide greater stability during periods of market instability.

5.2. Transformation of working methods

The transformation of working methods, with remote working becoming the norm, is likely to pose new risk in terms of IT security, attractiveness and talent retention, mental health and well-being at work. With an accelerator like Covid-19, this transformation, which has already begun, could prove to be a risk for companies unable to adapt to new expectations and/or unable to adapt their operational processes for creating value. The transformation of working methods, with companies operating in "hybrid" mode (on site and at home) or in a "full-remote" model also presents an increased risk in terms of IT security.

- **Impact**

The impact of an inability to adapt could be multiple for Wendel. As a services company, the loss of expertise through the departure of employees would have the most detrimental impact, since Wendel would no longer be able to monitor the investments made and would no longer be able to invest. This impact would be even greater if portfolio companies were affected since it could lead to a loss of portfolio value. The transformation of working methods also presents a risk in terms of IT security. Teleworking or working remotely can be a source of risk, with the need to reinforce control levels and business continuity solutions. In the event of a cyber-attack, production processes can be rendered inoperable, resulting in loss of revenue, increased costs, and the loss of portfolio value.

- **Mitigation actions**

As an employer, Wendel tries to ensure that its employees' working conditions promote a positive work-life balance environment. This balance also promotes their long-term commitment and investment in the Company's goals. Wendel's Remote Work Charter aims to offer flexibility to employees who wish to work from home. In this context, Wendel remains vigilant with regard to the application of the Charter on the right to disconnect. Furthermore, Wendel wants to introduce a process for continuously improving quality of life at work. With this in mind, the Company decided to renew its survey to assess mental health risks in 2022. Although this is a requirement under French law, the Company has opted to extend it to all its international offices. Regarding IT security, Wendel's IT systems are tailored to its current objectives and have been designed to support its future objectives. The systems' hardware and software include security mechanisms for protecting the data they store (access protection, backup procedures). Wendel has decided to use cloud based systems and a global solution (Microsoft Office 365) to maximize data security. Additionally, it improved its IT security, with the help of an external provider, in order to consolidate its strength and readiness to resist to cybersecurity attacks. Increased reliance on remote work over the past few years has also made it necessary to roll out cybersecurity dedicated employee awareness campaigns.

6. Risk management process related to information security

6.1. Information security stakeholders

- **The Executive board**

As a key part of Wendel that drives its operation, the Executive Board is the body that can assess the Organization's security requirements and risks.

The Executive Board assigns responsibilities, allocates the necessary resources for Information Security, and supports related actions. The Executive Board is a member of the information security governance bodies.

- **Executive Vice-Presidents**

As members of the Executive Board, they represent the Board in supervising Information Security on a permanent basis

- **IT Operating Partner and Digital Director**

This role is specific to Wendel's organization and is a permanent position at the executive level. Given his responsibilities, the IT Operating Partner and Digital Director is among the CISO (Chief Information Security Officer) closest working partners for the purpose of implementing Information Security across the IT Systems.

His assignments include:

  - Providing assistance and support to Information System Security (ISS) action in projects,
  - Monitoring the ISS Action and Upgrading Plan.

- **IT Manager**

At Wendel, the IT Manager is in charge of IT operation, production and support. Given his activities, he's also among the ISSM's closest working partners for the purpose of implementing Information Security across the IT Systems.

Her/His assignments include:

  - Providing assistance and support with ISS actions,
  - Implementing operational security.

- **Chief Information Security Officer (CISO)**

The CISO role at Wendel is a permanent position held by an external service provider (virtual CISO). The CISO is involved in performance tasks for the operation of audit and monitoring mechanism that allow the supervision of IT security risk. While the vCISO reports to the IT Operating Partner, she/he is in charge of:

  - Applying the Information Security Policy (ISP);
  - Keeping the Mapping of Major IS-related Security Risk up to date;
  - Implementing the ISS Action and Upgrading Plan;
  - Monitoring IT system and equipment safety;
  - Participating in the handling of security events;
  - Contributing Information security expertise to WENDEL's projects;
  - Creating and maintaining the technical audit program.

- **Data Protection Officer**

Wendel's DPO is a permanent position held by a member of the General Secretariat since the General Data Protection Regulation entered into force.

The DPO is in charge of:

  - Keeping the list of personal data and processes handling such data up to date;
  - Completing the necessary reports and applications for authorization;

- Monitoring personal data laws and regulations on a continuous basis.

In fact, she/he works in constant interaction with the ISSM to ensure that ISS activities meet compliance requirements and contribute to personal data security. In this respect, with the assistance of Wendel's Compliance Officer, she/he collects evidence on the controls performed that contribute towards GDPR compliance.

- **Internal Audit**

The Internal Audit department is in charge of independently monitoring Information Security. Internal Audit ensures that monitoring is effectively implemented and maintained up to date.

In this capacity, Internal Audit is involved in ISS governance and receives regular information from the ISSM on how processes contributing to security operates.

- **Technical Administrators**

Wendel’s technical administrators are members of the IT Department, IT Strategy and Digital Transformation, or work in the various business teams, with preferential access. These employees are in charge of implementing and maintaining security measures. They have access to information and resources that are highly sensitive for WENDEL’s business, and any mistake they make, whether accidentally or intentionally, can entail major adverse consequences on our business’ availability, confidentiality, integrity or traceability.

They are in charge of:

- Defining and applying security procedures and actions;
- Keeping the ISS literature up to date, including in particular the Technical and Operational Reference Documents;
- Providing assistance with ISS exercises organized by the ISSM (awareness, risk prevention, etc.);
- Implementing actions under the ISS Action and Upgrading Plan;
- Circulating information security knowledge and culture through discussions with the different teams.

- **All Wendel personnel**

All WENDEL personnel, whatever their status or role, can contribute towards and promote security. They are at the front and last lines of defense to safeguard Information.

6.2. Information security governance and steering committees

In order to meet Wendel's security requirements, security governance makes it possible to establish a close and meaningful link between the Executive Board and the teams in charge of information security. Governance promotes security initiatives at Wendel based on:

- Encouraging a risk-based approach - through the implementation of processing action driven by the need to reduce identified risks and their potential impact on Information to an acceptable level;
- Regulatory compliance;
- Continuous controls - by measuring, monitoring and publishing reliable and documented security indicators to ensure that security targets are met.

Information Security Governance Committee

Members	• CISO – Committee facilitator; • Executive Vice-President; • Members of the Executive Board; • IT Operating Partner and Digital Director; • IT Manager;

	• DPO; • Director of Internal audit
Meeting frequency	Annual
Information submitted	• Operational monitoring indicators (incidents and availability) • Annual Information Systems Security Review • Findings of the operational and technical audits
Responsibilities	• Reporting the businesses' respective requirements, stakeholders' expectations, and the objectives set to meet them. • Deciding on 1 to 3-year directions for ISS (Information System Security) • Ensuring that ISS decisions are in line with the organization's strategy and ISS targets I.
Deliverables	• The Action and Upgrading Plan with a 1 to 3-year outlook • The targets of the annual training plan for ISS

Operational Security Committee

Members	• CISO – Committee facilitator; • IT Operating Partner and Digital Director; • IT Manager;
Meeting frequency	Weekly
Information submitted	• Monitoring of the ISS Action and Upgrading Plan; • Monitoring of the ISS Decision Record; • Monitoring of Incidents; • Monitoring of projects deemed sensitive • Monitoring of the security dashboard (status of updates, execution of controls) • Any incoming information that could facilitate the operational management of IT security
Responsibilities	• Status of sensitive projects; • Security dashboard status and monitoring (status of updates, performance of controls); • Any incoming item that may foster the management of IS security operations.

6.3. Information security policy

Wendel has an internal information security policy. For reasons of confidentiality and security, this policy cannot be made public. Through this policy, Wendel commits to:

- **Continuously improving information security systems**

Wendel has implemented since 2019 an Information Security Management System based ISO27001 and NIST CSF2.0 frameworks. The security controls are deployed and maintained accordingly to the risks identified and monitored. Wendel second and third lines of defences, from permanent control to periodical audits and penetration tests, empowers the firm to operate its security and commit in continuous improvement.

This ISMS has been improved in 2022 and 2023 to be fully compliant with DORA's expectations and is now operated with the Digital and Operational Resilience Act as complementary driver.

- **Ensuring integrity and protection of data**

Regarding Personal Information Data integrity and protection is the subject of a dedicated policy that can be consulted on Wendel's website at the following link: https://www.wendelgroup.com/en/data-protection-policy/

The other data and information received, produced, stored and transmitted by Wendel are protected accordingly to their security needs, formalized in our Data classification policy.

- **Monitoring and responding to information security threats**

Wendel leverage on a SOC/CERT, member of the French Inter CERT, covering its entire Information System and activities, to ensure to be well aware of its threat landscape and to get all the technical means to be protected accordingly. These technical means and systems include the essential Security Information and Event Management, Vulnerability scanners, Artificial Intelligence based technologies for incident detection and remediation, and several security software (this list is obviously non exhaustive).

- **Establishing individual responsibilities for information security for the entire workforce**

Every employee is responsible for Information Security and trained to be an efficient and effective contributor. The human being is for Wendel the first and last line of defence, and we invest to empower each collaborator to be an actor of our security: e-learnings, personal interview and awareness, multi yearly phishing campaigns, CISO dialogues, are some of the vectors used. Beyond these foundational activities, workers are also requested to notify every event, and to be part of the access rights recertification processes.

- **Establishing information security requirements for third parties (e.g. suppliers)**

Before DORA act enforcement, conscious of the risks associated to the ICT third parties, Wendel has started to setup and establish clear expectations and responsibilities in terms of Security using the contractual agreements. Wendel has also for years monitored its critical vendors using Board of Cyber Security Rating. This essential process has been strengthened under DORA’s impulse and Wendel management body is now even strongly committed into the enforcement of Wendel Information Security requirements for third parties.

6.4. Information security management programs

Wendel has several information security management programs to implement and apply its information security policy.

- **Business continuity plans**

Our business continuity plan is exhaustive and includes technical and organisational means to allow us to face any kind of event, should the technical resilience capacities and redundancies be overloaded by the incident or crisis. This global is tested yearly, over a crisis exercise and regular technical tests.

- **Information security vulnerability analysis**

Wendel has a comprehensive vulnerability management process and tooling. Among several technical partners, we use Outpost24 for the vulnerability scanning and Hackuity for the vulnerability consolidation and management.

- **Internal audits**

An audit program, under the control of Wendel Internal Audit (independent from IT and Information Security), is deployed yearly. This program always includes offensive activities (penetration tests, red teams) on physical and logical pans, and organizational audits. Beyond this baseline, an intra group control program also includes IT and Information Security audit activities.

- **Independent external audit**

The previously described audit program includes external and independent audit activities (i.e. the Pentest campaign and the Swift CSP audit are done by external vendors and providers). A global IT and Cyber external audit is carried out by an external specialized firm, on a three years basis.

- **Escalation process**

Our Incident management policy and procedures and our Business Continuity Plan and Crisis Management plans include the necessary escalation process, involving Wendel Management Body, and is integrally tested at least once a year.

- **Results for FY2024**

We had one security incident in 2024, with limited impact (user account compromise, shortly detected and remediated, followed by a root cause analysis and covered by an improvement action plan).