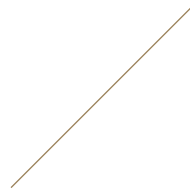


Our Environmental, Social and Governance approach



ESG (Environment, Social, Governance) performance is core to Wendel's investment focus. The Group's permanent capital and the stability of its shareholder base give it the time and ability to carefully develop and transform companies in which it invests. As an investor for the long term, Wendel's key goal is to support and transform companies with the potential to develop in a changing world and to deliver both return on investment to its shareholders and lasting benefits to society.



A new ESG strategy aligned with the main international sustainable development standards

Promote excellence and commitment across Wendel

Build sustainable leaders within the portfolio of companies

Wendel has been a signatory of the Principles for Responsible Investment (PRI) since March 2020 and the United Nations Global Compact since February 2021.

Its corporate social responsibility strategy adheres to the values and principles set by these reference frameworks. In 2021, as a new signatory, Wendel will voluntarily report its ESG performance to these two organizations.

Through the adoption and implementation of its ESG strategy, Wendel is working towards the following Sustainable Development Goals:



4.4. By 2030, substantially increase the number of workers with relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

5.5. Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small, and medium-sized enterprises, including through access to financial services.

12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

13. Take urgent action to combat climate change and its impacts.

ESG highlights for the year 2020-2021

APRIL ²⁰²⁰

Since April 2020, Wendel's head office (Paris) has used 100% renewable energy.

JUNE ²⁰²⁰

Revision of the Wendel Code of Ethics, which now includes commitments on human rights, environmental protection, community involvement and responsible investment.

JULY ²⁰²⁰

Wendel is listed 24th in the ranking on the representation of women on SBF 120 governing bodies.

Presentation of the ESG strategy at the Group's Annual General Meeting.

SEPTEMBER ²⁰²⁰

Wendel participates in the European Sustainable Development Week via a dedicated communication campaign on its social channels.

All Wendel employees receive training on the new Code of Ethics in order to best integrate these new sustainability principles into their business.

OCTOBER ²⁰²⁰

Wendel is ranked fourth in the Grands Prix de la Transparence organized by Labrador, and is awarded the Gold Label.

Launch of a survey on well-being at work for all Wendel employees via the Wittyfit tool.

NOVEMBER ²⁰²⁰

Wendel joins the Dow Jones Sustainability Indexes Europe and World.

DECEMBER ²⁰²⁰

Wendel receives a B rating in response to the Carbon Disclosure Project's (CDP) Climate Change questionnaire.

Wendel becomes the first French issuer to present its ESG strategy to the French Society of Financial Analysts.

JANUARY ²⁰²¹

Wendel launches an analysis of the risks and opportunities related to climate change in its portfolio.

Wendel obtains a score of 69/100 on the Gaïa Rating non-financial questionnaire.

FEBRUARY ²⁰²¹

Wendel organizes a roadshow dedicated to governance topics for its institutional investors and the main proxy advisors.

Wendel is now a member of the United Nations Global Compact.

MARCH ²⁰²¹

The Wendel Group announces the inclusion of ESG objectives in the financial conditions of its €750 million undrawn syndicated loan maturing in October 2024.

Wendel's 2020 non-financial ratings



Inclusion in the Dow Jones Sustainability Index, with a score of 71/100, above the industry average (30/100).
The only French Diversified Financials ranked in the DJSI Europe and World indexes.



AA rating, ranked among industry leaders.



Classified as low risk. Ranked 14 out of 676 financial companies assessed.
No.1 among its peers with the same level of market capitalization.



Rated B for its first participation in 2020,
attests to the sustained consideration of the impacts of climate change in the Group's activities.



Score of 69/100, above the industry average (51/100).

A responsible investment policy that incorporates sustainability issues throughout its investment cycle

Wendel believes that taking ESG criteria into account for its investment activity helps to create near-, medium-, and long-term value, without sacrificing the future for the present. The investment opportunity assessment framework that it uses sets out as a prerequisite for any new investment the alignment of the company's activity with Wendel's values and corporate purpose and an assessment of long-term resilience. In concrete terms, Wendel's responsible investment approach takes the following form:

- 1.** Prior to each investment, each opportunity is examined through the exclusion list and in-depth ESG due diligence.
- 2.** During the holding period, ESG awareness training and a social responsibility maturity review is carried out for each new acquisition. An ESG transformation road-map is drawn up and progress made on sustainability targets is rigorously monitored. Company executives and Wendel teams are held accountable through the alignment of a portion of their variable compensation with the level of ESG performance.

3. When exiting an investment, the progress of ESG practices during Wendel's partnership as an investor is measured and illustrated. Whenever possible, the value created is shared with the teams of the divested company.

Wendel's teams and the executive teams of the portfolio companies are also made accountable for the progress in terms of responsible investment and ESG performance, in particular by indexing a portion of the variable compensation to ESG criteria.

In 2020:

93%

of Wendel employees received training on the Code of Ethics, including the theme of responsible investment.

100%

of the members of the Wendel Coordination Committee have a portion of their variable compensation indexed to ESG criteria.

80%

of the top management of controlled portfolio companies have a portion of their variable compensation indexed to ESG criteria.

Almost 10%






of the variable compensation of the members of the Executive Board is indexed to ESG criteria.

Promoting operational excellence and innovation through ESG

Wendel monitors and promotes the ESG approaches of its controlled companies so that they create added value and lasting benefits for the company and society as a whole. In 2020, 100% of the controlled companies acquired for more than 18 months have implemented an ESG roadmap that

includes the four priority ESG themes established by Wendel: climate change, employee and consumer health and safety, gender equality, and sustainable products and services.

The portfolio companies have all, commensurate with their size and circumstances, deployed initiatives and commitments, and achieved significant results in terms of ESG performance.

	CLIMATE CHANGE	HEALTH AND SAFETY OF CONSUMERS AND EMPLOYEES	GENDER PARITY	SUSTAINABLE PRODUCTS AND SERVICES
 Bureau Veritas	Signatory of the “Science-Based Target” initiative to set targets for reducing Group emissions in line with a low-carbon economy	87% of the headcount covered by an ISO 45 001 certification	Target of 35% women in the Group’s senior management by 2025	Formalization of the Green Line , a set of services and solutions to support customers in achieving their sustainable development targets
 Constantia Flexibles	Signatory of the “Science-Based Target” initiative and rated A- by the Carbon Disclosure Project	78% reduction in accidents since 2015	Formalization of an action plan to increase the proportion of women managers	51% of products sold in 2019 are fully recyclable
 Crisis Prevention Institute	Limited carbon footprint – measurement and tracking of trainer travel emissions	A decrease of up to 90% in verbal and physical aggression noted by the company’s customers	Nearly 60% of employees are women	In the context of the Covid-19 pandemic, launch of training to manage mask refusal in public places
 Cromology	11% reduction in Scope 1 and 2 CO ₂ emissions ratio	100% of industrial sites are ISO 45001/OHSAS 18001 certified	Gender equality index (according to French regulations) of 76.8 in 2020 across the entire Group	Range of bio-based paints (resin from agricultural waste recovery) and indoor anti-pollution paints
 Stahl	Implementation of a 20% reduction target for CO₂ emissions by 2030	40% decrease in the frequency of work-related accidents over the last three years	Target of 25% women on the Executive Board by 2023	More than 1,200 products classified at the maximum level of compliance set by the Zero Discharge Hazardous Chemicals platform

ESG at Wendel – be exemplary

Although most of the Group's social and environmental impacts are generated by portfolio companies, Wendel is nevertheless committed to setting an example in adopting the highest standards in ethics and governance and environmental management. The Group also works to develop an engaging, respectful and inclusive work environment that stimulates individual and collective performance.

In 2020:

98%
of employees received training
in business ethics.

100%
of employees had an individualized
skills development plan.

98%
of employees benefited from
non-mandatory training.