WENDEL

2021

Universal Registration document

including the annual financial report

Investing *for the long term*

Contents

WENDEL

Universal registration document 2021

This Universal registration document contains the entire contents of the annual financial report and the non-financial performance statement.

Profile

The Wendel Group is a professional shareholder and investor that fosters sector-leading companies in their long-term development.

Committed to a long-term relationship, Wendel helps design and implement ambitious and innovative development strategies that create significant value over time.

TRANSPARENCE LABEL OR 2021

This label recognizes the most transparent documents and information materials according to the criteria of the classement annuel de la Transparence (annual Transparency ranking) (https://www.grandsprixtransparence.com).

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of the Universal registration document was filed on April 14, 2022 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal registration document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This is a translation into English of the Universel Registration Document of the Company issued in French and it is available on the Wendel's website. This is a free translation into English for information purposes only. Only the original French version can be used to support abovementioned transactions.

— OUR MISSION

Engaging with entrepreneurial teams to build sustainable leading companies.

Wendel is one of Europe's most prominent listed investment firms. We are generally positioned as a specialist in long-term equity investments and as a majority or leading minority investor. With a focused portfolio and permanent capital, we have the means to work with management teams to implement our strategy as a committed investor over the long term. With more than three centuries of experience, and a founding family that continues to play a key role as the controlling shareholder, Wendel consistently carries the values that have forged its success: Engagement, Excellence and Entrepreneurial spirit. With their rich and wide-ranging expertise and backgrounds, our teams provide active and attentive support to the companies we accompany. Wendel's goal is to build international and lasting leaders in growing industries. The value of this approach has been demonstrated in a number of major strategic and organizational successes, including Bureau Veritas, Capgemini, Legrand, bioMérieux, Stallergenes, Editis, Deutsch Group, Stahl and Allied Universal, for example.

Our values

Three centuries of experience have forged solid values of Excellence, Engagement and Entrepreneurial spirit at Wendel. The strategic and human successes that have marked its history attest to these qualities. Today, the Group's teams are committed to being stewards of this heritage.

Engagement

Engagement means first and foremost having a strong sense of responsibility towards the companies, shareholders, employees and other stakeholders of Wendel. The Group's emphasis on building for the long term makes Wendel a special investor. We bring to our investments management expertise, support of acquisitions and investments, and a consistent focus on innovation and ESG. Wendel also pays particular attention to developing the employability of its employees.

Excellence

Wendel has been in existence for over 300 years. This longevity is the result of a culture of excellence, built on relationships of trust, always in compliance with high standards. Wendel strives to achieve this excellence both in its operational and financial discipline and in its analysis of its investment activity. As a listed company, Wendel is committed to being a model for the unlisted companies in its portfolio.

Entrepreneurial spirit

For Wendel, the entrepreneurial spirit is both a state of mind and a behavior that combines courage, reasoned audacity and responsibility. It is also a desire to be useful: to employees, companies and communities.

Mission

Engaging with entrepreneurial teams to build sustainable leading companies

Values

Engagement
Excellence
Entrepreneurial spirit

Governance

SUPERVISORY BOARD[1]

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

40% independent members[2]

50% women[3]

Audit, Risks and Compliance Committee

Governance and Sustainability Committee

EXECUTIVE BOARD

2 members appointed
by the Supervisory Board for a 4-year term

COMMITTEES

Management Committee

Investment and Development Committee

Coordination Committee

ESG Steering Committee
(Environment, Social, Governance)

ESG strategy

EMPOWERING EXCELLENCE & ENGAGEMENT

99% of employees trained in business ethics

Carbon footprint assessment and actions to reduce carbon footprint

Signatory of the **France Invest Parity charter**

Employee surveys and initiatives to promote **quality of life at work**

Skills **sponsorship program**

42% of female managers

BUILDING SUSTAINABLE COMPANIES

100% of controlled companies have formalized an ESG roadmap

75% of controlled companies have committed to defining a carbon emissions reduction objective approved by the Science Based Targets Initiative (SBTi)

54%[4] of the Group's consolidated revenues generated via products with social and/or environmental added value

Sponsorships

Launch of the Wendel Cares endowment fund in early 2022

Partnership with Insead since 1996, with the creation of the Wendel International Center for Family Enterprise

Founding sponsor of the Center Pompidou-Metz since 2010

Resources

PERMANENT CAPITAL

Family shareholding
39.3% of share capital held by Wendel-Participations and related parties[5] (reference family shareholder)

Employee shareholding
91% of employees are shareholders and hold 1.0% of share capital

Individual investors
20.4% of share capital held by nearly 25,000 individuals

Institutional investors
36.9% of share capital held, in 32 countries

Treasury shares
2.4%

Bond investors
accounting for
c. €1.6 billion
of loans

HUMAN CAPITAL

86
employees located in Paris, Luxembourg and New York

57%
of staff are women

42%
of investment team members are women

(1) The composition of the Supervisory Board is as of 12/31/2021. (2) Percentage excluding members representing employees. Beyond the requirements of the Afep-Medef Code.
(3) Percentage excluding members representing employees; including these members, the percentage rises to 58.3%. Beyond the legal requirements and the Afep-Medef Code.
(4) This ratio is based either on the eligibility ratio of the turnover taxonomy (for Stahl) or on other ratios measuring the contribution to environmental or social objectives other than climate change mitigation and adaptation (environmental objectives currently covered by the EU taxonomy).

Our investments

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

BUREAU VERITAS
Certification and verification services
Since 1995

CONSTANTIA FLEXIBLES
Flexible packaging
Since 2015

CRISIS PREVENTION INSTITUTE
Training services
Since 2019

IHS TOWERS
Telecoms infrastructure
Since 2013

STAHL
Coating layers and surface treatments for flexible materials
Since 2006

TARKETT
Innovative flooring and sports surface solutions
Since 2021

WENDEL LAB
Investment in innovation
Since 2013

Acquisition completed in 2022

ACAMS
Anti-money laundering and financial crime training and certification services(6)

Other assets (treasury, real estate etc.)

Value created with and for stakeholders

Measurement of value creation

Nearly €10 billion of gross assets

Nearly €5 billion in market capitalization

Net Asset Value (NAV) of €188.1/share on 12/31/2021, up 20.1% in 2021 and 18.3% when adjusted for the dividend paid in 2021

Overall yield (dividends re-invested) of 9.9% per annum since 06/13/2002(7)

Payment of a stable dividend at €3.00/share, up 3.4%, proposed to the Shareholders' Meeting on 06/16/2022

More than €5m distributed to nearly 20 associations since 2010

Support for companies and value sharing

Active and ongoing assistance, discussions on risk taking, sharing of experiences and pooling of financial and technical expertise

Representation on the companies' boards of directors and key committees

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

Shareholder dialogue

Institutional investors: **269 meetings**

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

Letter to shareholders: **2 letters**

Governance roadshows

Independent lead director

Employee development and value sharing

99% of employees trained over the year

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

89% of employees were awarded stock options and/or performance shares

Reimbursement of daycare expenses

Supplemental insurance, contingency benefits

(5) In accordance with Article L. 233-10 of the French Commercial Code (Code de commerce), the data include Wendel-Participations SE, its Chairwoman, Priscilla de Moustier and Société Privée d'Investissement Mobiliers (SPIM). (6) Acquisition finalized on 03/10/2022. (7) The overall yield is as of 12/31/2021.

OVERVIEW AS OF DECEMBER 31, 2021

GROSS ASSETS

Nearly €10 billion

CONSOLIDATED NET SALES

€7503.9 million

+10.2% organic growth year-on-year

7 major portfolio companies

NET ASSET VALUE (NAV)

€188.1 per share

ORDINARY DIVIDEND

€3.00 per share(1)

MARKET CAPITALIZATION

Nearly €5 billion

318 years of history

More than 40 years of investment experience

86 employees

— FINANCIAL CREDIT RATINGS

Standard & Poor's
Long-term: BBB
with stable outlook
Short-term: A-2
Since January 25, 2019

Moody's
Long-term: Baa2
with stable outlook
Short-term: P-2
Since September 5, 2018

— NON-FINANCIAL RATINGS

Sustainalytics
Classified as Negligible Risk.
Top 50 ESG performer in 2021.
No. 1 among its peers of the same market capitalization level.

CDP
Rated B- for the "Climate Change Management" program.

MSCI
AA rating, ranked among industry leaders.

V.E
Score of 43/100.
Ranked 21/101 in the market sector.

GAÏA RATING
Score of 75/100.

SAM S&P Global
Inclusion for the second consecutive year in the Dow Jones Sustainability Index (DJSI) with a score of 76/100. Only French Diversified Financials company ranked in the DJSI's Europe and World indices.

GRANDS PRIX DE LA TRANSPARENCE
Grand Prix, all categories.

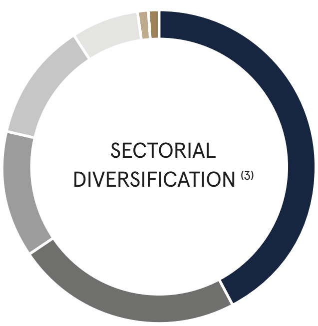
(1) Subject to approval at the Shareholders' Meeting on 06/16/2022.

— PORTFOLIO COMPANIES

Bureau Veritas
ACAMS (2)
Constantia Flexibles
Crisis Prevention Institute
IHS Towers
Stahl
Tarkett
Wendel Lab

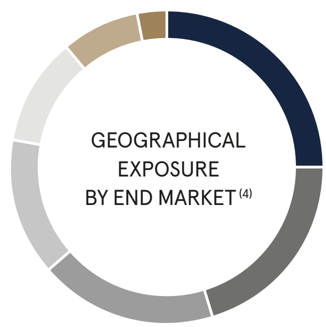
— OFFICES

Paris
New York
Luxembourg



- 42% Business services
- 23% Construction, building and materials
- 13% Packaging
- 12% Telecom services
- 7% Chemicals
- 1% Training and certification
- 1% Venture capital

- 22% Consumer goods
- 13% Energy
- 12% Automotive and transportation
- 12% Other
- 11% Telecoms and infrastructure
- 8% Government, administration and education
- 6% Healthcare
- 6% New construction
- 5% Renovation
- 4% Industry



- 25% Asia-Pacific
- 20% North America
- 18% Rest of Europe
- 14% Africa and other
- 11% France
- 8% Latin America
- 3% Eastern Europe

Wendel is listed on the Euronext Paris Eurolist.
(2) Acquisition finalized on 03/10/2022. (3) Breakdown of the sum of the revenues of the portfolio companies and Wendel Lab commitments.
(4) Enterprise value exposure of Group companies, according to the breakdown of 2021 revenues. Enterprise values are based on NAV calculations as of 12/31/2021.
Companies included are: Bureau Veritas, Constantia Flexibles, Crisis Prevention Institute, IHS Towers, Stahl and Tarkett.

HISTORY

1704

THE SAGA BEGINS

Jean-Martin Wendel acquires the Hayange steel works

Between 1704 and 1870, Jean-Martin Wendel and his successors leverage several important innovations of the Industrial Revolution: iron smelted with coke, widespread use of blast furnaces and rolling mills, the development of railways, etc.

1815

A NEW DIMENSION

François de Wendel enters public life

François de Wendel acquires the Moyeuvre steel works. With the Restoration, the family reclaims its industrial assets confiscated during the French Revolution and relaunches its activities. François de Wendel goes into politics and is elected member of parliament for La Moselle.

1859

MF ON THE STOCK MARKET

Marine-Firminy goes public

Originating from the Compagnie des Hauts Fourneaux, Forges et Aciéries de la Marine et des Chemins de Fer, Marine-Firminy is listed on the stock market in 1859. Marine-Wendel purchases Marine-Firminy in 1975 and keeps its stock ticker symbol, MF.

1880

THE AGE OF STEEL

The Thomas process gives birth to the Lorraine steel industry

The Thomas process makes it possible to produce steel from Lorraine ore. Les Petits-fils de François de Wendel & Cie, a company established in 1871, and Wendel & Cie, founded in 1880, rise to the top tier of Europe's steel producers.

1948

THE POST-WAR PERIOD

The focus is on rebuilding the country

After the destruction of many of its factories during the Second World War, the Group recovers and begins to grow again. The creation of the Sollac production cooperative in 1948, followed by the Solmer cooperative in 1969, help meet the growing demand for sheet steel. In 1975, Wendel produces 72% of French crude steel.

2002

NEW MOMENTUM

Diversification into new business sectors

Merger of Marine-Wendel and its subsidiary CGIP. The entity takes the name Wendel Investissement, renamed Wendel in 2007. The industry approach and the focus on long-term corporate development help give Wendel a strong, clearly-identified image.

The 2010s and 2020s

SERVICES, INDUSTRY AND FINANCE

Wendel, one of Europe's leading listed investment firms

For more than three centuries, the Group has been supported by the Wendel family, its reference shareholder. The Group continues to diversify and invest in companies strongly focused on international development. Bold investment choices notably allowed for the creation of global leaders specialized in different sectors such as Deutsch Group, Legrand, Bureau Veritas or Stahl.

1977

THE ERA OF CHANGE

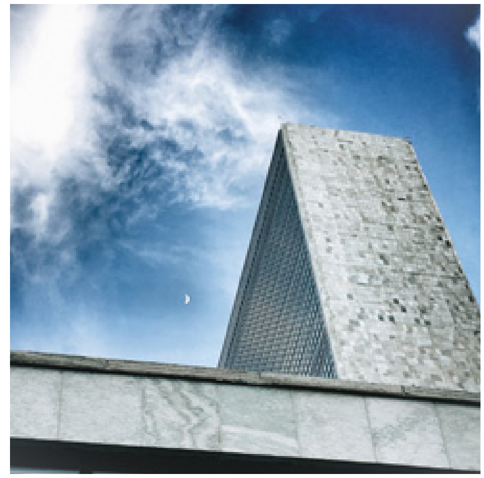
Diversification begins amid a deepening economic recession

The Group is reorganized. Its non-steel assets are brought together in a new entity: Compagnie Générale d'Industrie et de Participations (CGIP).

2021 HIGHLIGHTS

JANUARY

Harper Mates, a member of the New York office, becomes Managing Director and joins the Investment and Development Committee. Harper also is an employee representative on Wendel's Supervisory Board. With her appointment, the percentage of women on the Investment and Development Committee is 29%.

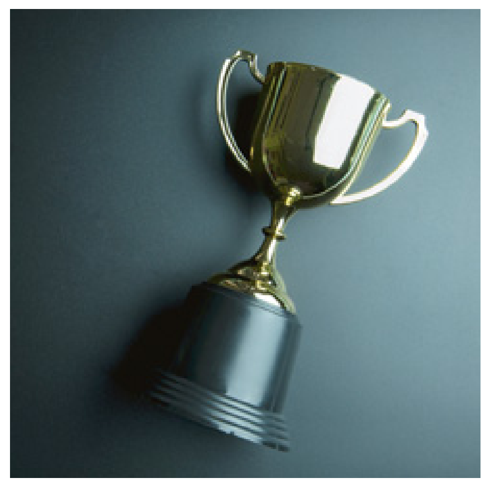


FEBRUARY

Wendel signs up to the 10 Principles of the United Nations Global Compact, joining the 12,000 companies worldwide that are most actively committed to human rights, labor rights, environmental protection and the fight against corruption.

JULY

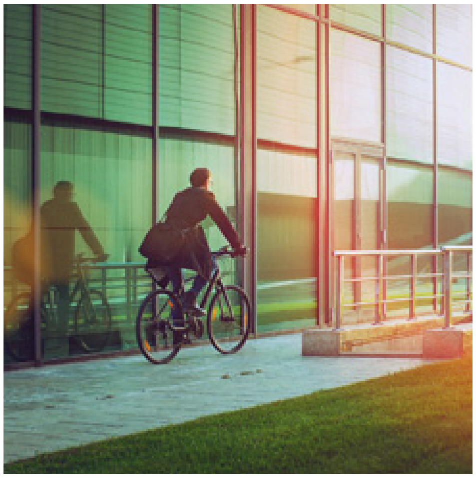
Maarten Heijbroek becomes CEO of Stahl. Previously President Consumer Care at Croda International Plc in the UK, he succeeds Huub van Beijeren who is retiring after 14 years of contributing to the growth and success of Stahl.



OCTOBER

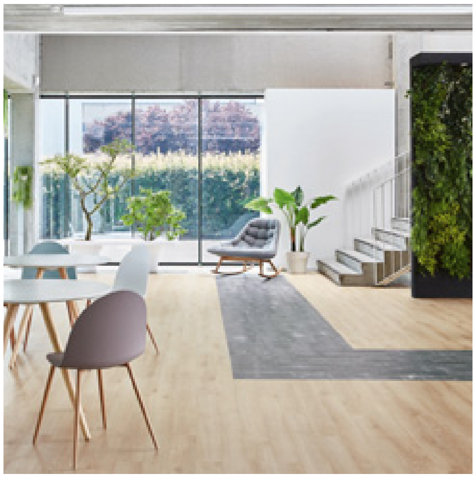
Wendel wins the Grand Prix de la Transparence 2021, all categories. This recognition, which ranks Wendel first among all SBF 120 companies, attests to the quality of its financial communication practices and the significant efforts made in recent years to deploy and present the Group's ESG strategy.

(1) Rate of indirect ownership of the share capital of Tarkett SA by Wendel at December 31, 2021, net of treasury shares and pro forma for the capitalization of sums temporarily invested by Wendel in shareholder loans. Interest held via Tarkett Participation in the context of the agreement with the Deconinck family.
(2) At December 31, 2021, Wendel held 62,975,396 shares of IHS Holding Limited.



MARCH

Wendel signs an amendment to its €750 million undrawn syndicated loan (maturity October 2024) to include ESG performance criteria in line with its roadmap.



APRIL

Wendel joins forces with the Deconinck family to purchase shares in Tarkett and support its development. Wendel invested €222 million in equity to hold 23.4%[1] of the share capital. The Deconinck family retains control of the company. Wendel is represented on Tarkett's Board of Directors and has governance rights commensurate with its minority shareholding.

APRIL

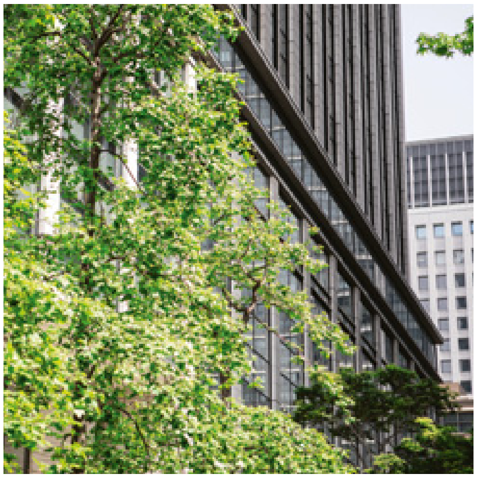
Constantia Flexibles acquires the Turkish company Propak, a European leader in the packaging industry for the snacks market. This acquisition is an important step in the development of Constantia Flexibles' presence in a growing market.

OCTOBER

IHS Holding Limited ("IHS Towers") is listed on the New York Stock Exchange under the symbol "IHS" at an initial price of $21 per share. Wendel did not sell any shares in this transaction and now holds 19.2% of the company's share capital[2].

OCTOBER

Announcement of the sale of Wendel's stake in Cromology to DuluxGroup for an enterprise value of €1,262 million. This transaction generated net cash for Wendel of €896 million, *i.e.* €358 million more than its valuation in the NAV published before the announcement of the transaction, *i.e.* on June 30, 2021.



NOVEMBER

Wendel improves its score in the Europe and World Dow Jones Sustainability Indices (DJSI). The score of 76/100 obtained in the Diversified Financials category is an increase of 5 points compared to the 2020 assessment (71/100) and places Wendel well above the average for its sector (27/100).

Nicolas ver Hulst,

CHAIRMAN OF THE SUPERVISORY BOARD

"Wendel took full advantage of the economic rebound in 2021."

The world is facing a major crisis with Russia's invasion of Ukraine. This is a serious concern, just as are the disruptions caused by the COVID-19 pandemic which many regions are still trying to navigate in early 2022.

Whereas Year 2020 saw the emergence of COVID-19 over the first quarter, followed by widespread lockdowns everywhere, and the development of a vaccine during the fourth quarter, all of which translated into an economic recession of 8% in France and 4% globally, Year 2021 saw a powerful economic rebound (+7% in France, +5% globally), despite new variants of COVID-19 and continued confinement measures designed to address the pandemic.

Against this backdrop, Wendel remained opportunistic and benefitted from the refocusing work carried out over the last four years.

All portfolio companies resumed their pre-pandemic levels of activity, including those that experienced massive slowdowns in the First Half of 2020. The disposal of Cromology was a big success, ending the difficult history of our investment in Materis on a positive note.

With a strong cash position and liquidity, Wendel will continue to implement the 2021-2024 roadmap that has been agreed between the Supervisory Board and the Executive Board, and that calls for redeploying into new companies. We are delighted with our new investments in Tarkett, completed over the summer of 2021, and in ACAMS, announced in January 2022. ACAMS, a US-based training company, is particularly well positioned in the growing markets of anti-money laundering, regulatory compliance, and implementation of sanctions, areas that we are familiar with, because of their adjacencies with Bureau Veritas and CPI. Other investments will follow, although we will remain disciplined in times of uncertainties, with the war in Ukraine, record inflation levels, rising interest rates and volatility of financial markets.

Creating shareholder value is a constant priority of the Supervisory Board. The growth in Net Asset Value (NAV), which reached a record of €189.1 at June 30, 2021, was not followed by a commensurate increase in Wendel's stock price. The discount of our stock price to NAV is a matter monitored closely by the Supervisory Board, and we are determined to ensure that Wendel's share price better reflects the intrinsic value of your company. As for the dividend, we continue to increase it. This year, a dividend of €3 per share (+3.4%) will be proposed to our shareholders at our next Shareholders' Meeting.

As far as governance is concerned, there is a trend towards corporations electing to separate Board office from executive functions, a choice we made back in 2001. The Supervisory Board and its Committees have done a great deal of work in this area, and I commend them for doing so.

In 2021, the Board continued to address non-financial issues. In particular, the Audit Committee focused on Wendel's IT improvement plan and how best to prevent cyber-attacks on our portfolio companies. The Governance and Sustainable Development Committee redefined the general compensation policy for the Executive Board for the 2021-2024 period, which includes ESG objectives, particularly in climate change and gender equality. This new compensation policy is consistent with the roadmap, encourages new investments and promotes sustainable performance of the Group.

The composition of the Supervisory Board changed in 2021. First of all, the offices of Edouard de l'Espée and Nicholas Ferguson came to an end, and we would like to express our gratitude to them for their remarkable contribution to the Board. François de Mitry, a seasoned investment professional who brings a wealth of experience in listed companies, was appointed to the Supervisory Board. Priscilla de Moustier, Bénédicte Coste and I were renewed as members of the Supervisory Board, and I would, personally, like to take this opportunity to thank Wendel's shareholders. The Supervisory Board has confirmed my role as Chairman, for which I am also grateful.

Nicolas ver Hulst,
April 11, 2022

André François-Poncet,

CHAIRMAN OF THE EXECUTIVE BOARD

“2021 was a pivotal year for Wendel.”

While we attempt to manage the effects of the pandemic, the world is facing a new major crisis with Russia's invasion of Ukraine which began on February 24. Obviously, this has upset major political and economic balances.

Soaring energy prices, shortages, logistical disruptions and inflation are making life difficult for companies. Currently, Wendel is minimally exposed to Russia and Ukraine, but we remain very focused on understanding the potential consequences of this crisis. Over the coming months, we will be keeping a close eye on the indirect impacts on our companies' cost structures, such as the increase in the price of raw materials.

Last year was marked by a vigorous economic recovery that has put substantial pressure on companies' operating costs; persistent uncertainties on the health front; and an abundance of liquidity in the financial markets resulting in very high valuations. In this context, Wendel has sought to strengthen its position by capitalizing on its competitive advantages.

The very strong growth of our portfolio companies has enabled them to return to - and in most cases exceed - their 2019 activity levels. Bureau Veritas recorded remarkable results, in spite of a cyber-attack, that contributed to a strong share price increase in 2021. CPI and Stahl, our two portfolio companies that suffered the most from the lockdowns in 2020, both experienced strong rebounds and exceeded their 2019 revenues. Constantia Flexibles recorded a clear increase in profitability and its cash generation. These solid results have enabled our Net Asset Value (NAV) to reach €189.1 as of June 30, 2021, an all-time high, even though it declined slightly to €188.1 at the end of the year due to the drop in IHS' valuation following its IPO. The results also allow us to propose a dividend of €3.00 per share to the Shareholders' Meeting, an increase of 3.4% over last year.

We also are pleased with the strong ESG performance of Wendel and its portfolio companies. As a committed shareholder, we obviously pay attention to the "S" and the "G" in ESG, applying best practices in governance. In this respect, the succession plan recently announced by Bureau Veritas is exemplary, with the recruitment of Hinda Gharbi to succeed Didier Michaud-Daniel at the end of a one-year transition period in June 2023. We have also accelerated our efforts tenfold on the "E" – the environmental impact of the companies in our portfolio – in order to together meet the great challenge of our time.

Examples of recognition include the recent naming of Constantia Flexibles to the CDP's "A list", which rewards Constantia's long-standing investment in the circular economy and responsible packaging, and the excellent non-financial ratings obtained by Bureau Veritas, which assists its customers on a day-to-day basis in meeting challenges related to safety, the environment, social responsibility, and the quality of products and services.

In addition to being consistent with our investment philosophy and values, these initiatives contribute to building a major competitive advantage in a global economy increasingly exposed to environmental and climate risks.

In terms of managing our portfolio, 2021 was a pivotal year for Wendel, as we completed the process of portfolio simplification we initiated in 2018, and began a phase of redeployment of our share capital. The sale of Cromology to DuluxGroup was completed in excellent conditions, validating our decision to reinvest in the company in 2019 when it was in difficulty. We also finalized the public listing of our telecom tower company IHS on the New York Stock Exchange, although its stock performance since the IPO has been well below our expectations.

Our Group is now almost debt-free and has the strength to implement the more aggressive 2021-24 roadmap set with the Supervisory Board. A first significant acquisition was made in 2021 with a minority investment alongside the Deconinck family in Tarkett. In early 2022, we also announced the acquisition of ACAMS, a US company that provides training in anti-money laundering and financial crime prevention. Finally, Wendel Lab, our vehicle dedicated to investing in growth companies and new technologies, is being developed and strengthened. The experience we have gained by investing in funds allows us to look further ahead and consider direct investments in companies that complement the rest of our portfolio. We will eventually devote between 5% and 10% of our NAV to Wendel Lab.

With our two investment teams – in Paris (for Europe) and New York – we intend to seize new opportunities by maintaining the utmost discipline in our investment decisions. We will remain selective, especially given the current volatility in the markets related to the ongoing tightening of monetary policies in the face of surging inflation and geopolitical risks.

To meet these challenges, Wendel relies first and foremost on its long-standing values as a long-term investor, a responsible shareholder and a committed partner. We are also preparing for the future by investing in our human resources, the real "lifeblood" of our investment business. David Darmon and I are fortunate to be surrounded by an experienced team that we continue to strengthen, with the recruitment of proven talent in our investment and corporate teams. I also would like to thank the Supervisory Board for the quality of our discussions and for their trust.

André François-Poncet,
April 11, 2022

SUPERVISORY BOARD

The Supervisory Board is composed of 12 members, including six members of the Wendel Family and two employee representatives. Terms are four years. 50%[1] of members are women i.e. above the 40% target recommended by the Afep-Medef Code and required by law. At 40%[2], the percentage of independent members on the Board also exceeds the Afep-Medef Code requirement of 33.33%.

Nicolas ver Hulst

Chairman of the Supervisory Board

68 YEARS OLD

Gervais Pellissier

Vice-Chairman of the Supervisory Board, lead member of the Supervisory Board, member of the Audit, Risks and Compliance Committee, **independent member**

62 YEARS OLD

Franca Bertagnin Benetton

Member of the Audit, Risks and Compliance Committee, **independent member**

53 YEARS OLD

Bénédicte Coste

Member of the Governance and Sustainability Committee

64 YEARS OLD

Harper Mates

Employee representative

39 YEARS OLD

François de Mitry

Member of the Audit, Risks and Compliance Committee

56 YEARS OLD

Priscilla de Moustier

Member of the Governance and Sustainability Committee

69 YEARS OLD

The composition of the Supervisory Board is as of 12/31/2021.
(1) Percentage excluding members who are employee representatives: including them, the percentage increases to 58.3%. (2) Percentage excluding members who are employee representatives.

Guylaine Saucier

Chairwoman of the Audit, Risks and Compliance Committee, member of the Governance and Sustainability Committee, **independent member**

End of mandate at the Shareholders' Meeting of 06/16/2022

75 YEARS OLD

Jacqueline Tammenoms Bakker

Chairwoman of the Governance and Sustainability Committee, member of the Audit, Risks and Compliance Committee, **independent member**

68 YEARS OLD

Sophie Tomasi Parise

Member of the Governance and Sustainability Committee, employee representative

43 YEARS OLD

Thomas de Villeneuve

Member of the Governance and Sustainability Committee

49 YEARS OLD

Humbert de Wendel

Member of the Audit, Risks and Compliance Committee

65 YEARS OLD

William D. Torchiana

Appointment proposed to the Shareholders' Meeting of 06/16/2022

63 YEARS OLD

50%
women (excluding members representing employees)

40%
independent members (excluding members representing employees)

59 years
average age

5.6 years
of service, on average

6 nationalities
American, Canadian, Dutch, French, Italian, Luxembourgian.

In 2021

8 scheduled
meetings

98.2%
attendance rate

5 ***ad hoc***
meetings

92.5%
attendance rate

2h40
average duration of a meeting

André François-Poncet

GROUP CEO

A graduate of HEC and holder of an MBA from Harvard Business School, André François-Poncet was appointed Group CEO on January 1, 2018. He has been a Director of Axa since 2016 and the Vice-Chairman of Bureau Veritas' Board of Directors since 2018. He worked at Morgan Stanley (London, New York and Paris) for 16 years and at BC Partners (Paris and London) as a Managing Partner, then Senior Advisor, for 15 years. He was Partner at CIAM from 2016 to 2017.

David Darmon

GROUP DEPUTY CEO

David Darmon is a graduate of Essec and holds an MBA from Insead. He joined the Group in 2005, after working at Apax Partners and Goldman Sachs, and became a member of the Executive Board on September 9, 2019. David has led many investments for the Group and, in 2013, created Wendel's New York office.

— MANDATE OF THE EXECUTIVE BOARD
April 7, 2021 - April 6, 2025

— THREE EXECUTIVE VICE-PRESIDENTS
Jérôme Michiels,
Josselin de Roquemaurel
and Félicie Thion de la Chaume.

The Executive Board, appointed by the Supervisory Board for a four-year term, comprises two members: André François-Poncet and David Darmon.

The Executive Board makes decisions regarding the Group's activities, including definition and implementation of the investment strategy, financial situation and internal organization. It meets at least every two weeks.

It is assisted by four committees: the Management Committee, which handles operational management, and the Investment and Development Committee, which studies and recommends investment projects, selected based on analyses by the investment team and which monitors the portfolio companies. Based on recommendations from the Investment and Development Committee and relevant teams, the Executive Board makes decisions, which are presented to the Supervisory Board. There is also a Coordination Committee, which ensures that information is shared between teams at Wendel's various locations, and an ESG Steering Committee is in charge of tracking the ESG performance of Wendel and its portfolio companies.

INVESTMENT & DEVELOPMENT COMMITTEE

Composed of the Executive Board, three Executive Vice-Presidents and two Managing Directors — the CEO of Wendel Luxembourg being Secretary and permanent participant — the Investment and Development Committee meets at least every two weeks and more frequently if needed, to work on selecting and developing the Group's investments. It examines plans to acquire and divest assets and regularly reviews the position of the main companies within the portfolio and Wendel's investment policy in order to formulate recommendations to the decision-making bodies.

André François-Poncet
Group CEO

62 YEARS OLD

4 YEARS OF SERVICE

David Darmon
Group Deputy CEO

48 YEARS OLD

16 YEARS OF SERVICE

Jérôme Michiels
Executive Vice-President, Managing Director, Chief Financial Officer, Director of the Wendel Lab

47 YEARS OLD

15 YEARS OF SERVICE

Josselin de Roquemaurel
Executive Vice-President, Managing Director

45 YEARS OLD

4 YEARS OF SERVICE

Félicie Thion de la Chaume
Executive Vice-President, Managing Director

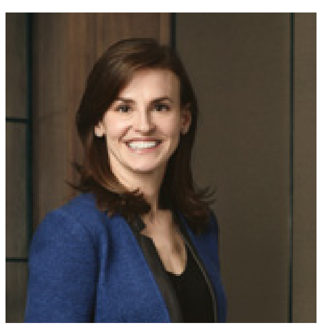
42 YEARS OLD

14 YEARS OF SERVICE

Adam Reinmann
Managing Director, CEO of Wendel North America

46 YEARS OLD

8 YEARS OF SERVICE



Harper Mates
Managing Director

39 YEARS OLD

6 YEARS OF SERVICE

Claude de Raismes
Secretary of the Investment and Development Committee, CEO of Wendel Luxembourg

38 YEARS OLD

13 YEARS OF SERVICE

47 years(1)
average age

10 years(1)
of service, on average

29%(1)
women

(1) The calculation does not take into account Claude de Raismes.

MANAGEMENT COMMITTEE

At least every two weeks, the Management Committee brings together the members of the Executive Board, the three Executive Vice-Presidents, the Director of Sustainable Development and Communications, the General Counsel, the Deputy Chief Financial Officer, the Tax Director and the Director of Human Resources and General Resources. It makes day-to-day decisions regarding the organization and the Group's operations, involving, where appropriate, other relevant people.

André François-Poncet
Group CEO

62 YEARS OLD
4 YEARS OF SERVICE

David Darmon
Group Deputy CEO

48 YEARS OLD
16 YEARS OF SERVICE

Jérôme Michiels
Executive Vice-President, Managing Director, Chief Financial Officer, Director of the Wendel Lab

47 YEARS OLD
15 YEARS OF SERVICE

Josselin de Roquemaurel
Executive Vice-President, Managing Director

45 YEARS OLD
4 YEARS OF SERVICE

Félicie Thion de la Chaume
Executive Vice-President, Managing Director

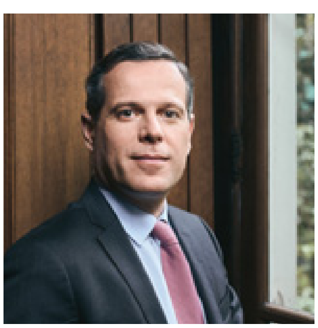
42 YEARS OLD
14 YEARS OF SERVICE

Caroline Bertin Delacour
General Counsel and Group Chief Compliance Officer

58 YEARS OLD
12 YEARS OF SERVICE

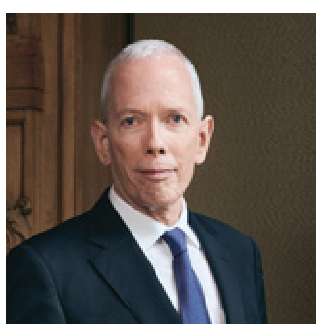
Christine Anglade Pirzadeh
Director of Sustainable Development and Communications, Advisor to the Executive Board

50 YEARS OLD
10 YEARS OF SERVICE



Benoît Drillaud
Deputy CFO

47 YEARS OLD
17 YEARS OF SERVICE



Peter Meredith
Tax Director

62 YEARS OLD
9 YEARS OF SERVICE

Alexina Portal
Director of Human Resources and General Resources

52 YEARS OLD
2 YEARS OF SERVICE

51 years
average age

10 years
of service, on average

40%
women

Our strategic orientations 2021-2024

Investment in high-quality companies aiming to further diversify the portfolio towards more growth.

The Executive Board roadmap for 2021-2024 is focused on diversifying Wendel's portfolio with balanced exposure to listed and unlisted companies by generally deploying capital towards higher-growth markets, while retaining a dose of opportunism. Wendel aims at building a portfolio of 7 to 10 companies, with new investments focused on Western Europe, particularly France, and North America, and with improving ESG (Environment, Social, Governance) profiles. Standalone equity investments should amount from circa €150 million to €500 million targeting majority, control or large minority investments. Wendel also contemplates investments in small equity growth opportunities.

Wendel will pursue its long-term shareholder approach, with the objective of being a top shareholder with board and critical committee seats, alongside like-minded partners.

In terms of sectorial approach, Wendel seeks market leading business or growing sectors with long-term growth prospects and pricing power.

Wendel generally does not invest in highly cyclical or capital-intensive assets and looks for companies with a demonstrated resilience through economic cycles (and during shocks such as the pandemic or armed conflicts). Attractive sectors meeting those criteria include technology services and software, business services, healthcare and industry. Nevertheless, Wendel remains opportunistic and would contemplate situations in different industries that otherwise meet its criteria.

In the context of the Wendel Lab initiative, Wendel expects to gain greater exposure to the growth of tomorrow, by making commitments to several high-quality technology investment funds and by exposing itself directly to companies with high-growth profiles. This asset class should eventually represent 5 to 10% of net asset value. Wendel Lab has multiple objectives. Not only does it diversify the portfolio by increasing exposure to high-growth assets, generally with a digital component or with disruptive business models, but it also improves its knowledge and that of its companies about technological innovations that could impact or enhance their value creation profiles.

As part of its ESG commitment and recent roadmap published in 2020, Wendel will consider investing in assets that have a positive impact on society in a broad sense.

— 2024 TARGET PORTFOLIO: 7 TO 10 CORE INVESTMENTS

	Percentage of net asset value	Target average annual return profile
Listed equity	Balanced %	Above c.7%
Private equity buyout		Above c.10%
Private equity (Wendel Lab[1]: growth equity, venture capital)	c. 5 to 10%	c.10% to 15% (above 25% in direct investments)

(1) Including funds.

Empowering excellence and engagement to build sustainable companies

Wendel has long been convinced that environmental, social and governance (ESG) standards are drivers of sustainable growth.

Driven by a three-hundred-year-old culture of **excellence, engagement** and **entrepreneurship,** we are committed to doing our utmost in this regard, and continually support talented management teams around the world to build tomorrow's sustainable businesses, leaders in their respective segments. We are convinced that taking ESG criteria into account in our investment activity is not only necessary to address the societal challenges of our time, it also allows for value creation in the short, medium and long term.

Our strategy rests on two pillars

PILLAR 1

Empowering excellence and engagement within Wendel

Upholding the highest governance, ethics, environmental and operational management standards.

Foster employability, inclusion, wellbeing and engagement through concrete actions.

In an exemplary approach, Wendel has undertaken important commitments in order to ensure that its internal activities conform to its own values and to the ESG objectives defined within its portfolio companies.

PILLAR 2

Building sustainable leaders within the portfolio

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

ESG performance is anchored in Wendel's state of mind and its permanent capital, as well as the stability of its shareholding structure which provide it the time and the possibility to develop and transform with care the companies it invests in.

Our 4 priorities as a responsible company and as an investor

EQUITY AND DIVERSITY
A better gender mix in the workforce.

MITIGATING CLIMATE CHANGE
Implementation of actions to reinforce eco-efficiency and environmental management.

HEALTH AND SAFETY OF EMPLOYEES AND CONSUMERS
Adoption of a continuous improvement approach to health and safety in the workplace.

SUSTAINABLE AND/OR ECO-DESIGNED PRODUCTS AND SERVICES
Offering customers and end-users value-added products and services with added environmental and/or social value.

Wendel incorporates sustainability issues throughout the investment cycle

PRIOR TO THE INVESTMENT

Screening of the investment target through the exclusion list.

ESG due diligence.

HOLDING PERIOD

Formalization of an ESG roadmap.

The Board of the portfolio company approves the ESG roadmap and tracks yearly progress.

EXIT

ESG integrated into the vendor due diligence.

Value sharing with the teams whenever possible.

Wendel's extra-financial ratings p. 8

Wendel works towards the following Sustainable Development Goals (SDGs):

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

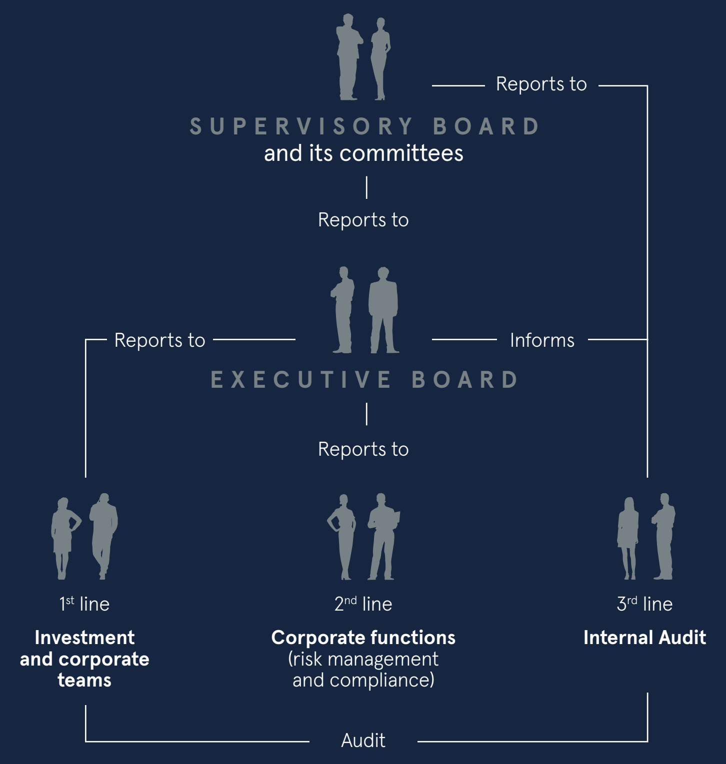
13 CLIMATE ACTION

WE SUPPORT UN GLOBAL COMPACT

Signatory of: PRI Principles for Responsible Investment

Risk management and internal control systems

The risk management and internal control systems of the Wendel Group are organized into three lines of defense and accountability.



Within its portfolio, Wendel relies on the audit committees of its portfolio companies to promote the deployment of similar systems, based on the three lines of defense principle.

1st line. Members of the investment and corporate teams implement controls and identify risks at the operational level.

2nd line. The managers of corporate functions define processes and deploy the procedures and tools needed to control these risks. They regularly ensure that risks are monitored and that controls are properly implemented.

3rd line. The Internal Audit Department conducts an assessment independent of the system and issues recommendations for improvement. The investment and corporate teams report to the Executive Board. Internal Audit reports to the Audit, Risks and Compliance Committee.

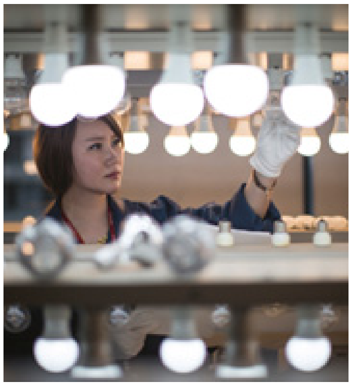
Map of risks deemed most significant by Wendel

RISK FACTORS	ASSESSMENT
OPERATIONAL AND BUSINESS RISKS	
Geographical exposure and asset concentration	High
Robustness of portfolio companies' business models	High
Due diligence on potential investments and divestments	Medium
Estimated value of portfolio companies	Medium
FINANCIAL RISKS	
Equity risk	High
EXTERNAL RISKS	
Legislative and regulatory changes	Medium
Covid-19 pandemic	Low
Risks linked to the conflict in Ukraine	(1)
RISKS RELATED TO GOVERNANCE	
Presence of a majority shareholder	Low

The risk factors are classified in four categories (risks related to Wendel's operations and business, financial risks, external risks, risks related to governance). Risks are ranked within their respective categories by reverse order of importance according to their likelihood of occurrence and estimated impact and having factored in mitigation measures. The summary table opposite is intended to present an overview of these risks according to their net impact, based on whether they are considered by Wendel to be high, medium or low risk (decreasing order).
The risk factors presented here are those that are specific to the Company and/or its marketable securities which could have a material net effect on the business operations, financial position or future performance of the Company or of the companies that were fully consolidated during the financial year ended and as of the date of this Universal Registration Document. This map is not intended to provide a full list of all of the Group's risk factors.

(1) In relation to the conflict in Ukraine, and due to the current high level of uncertainty and the impossibility at this stage to precisely assess the impacts, especially indirect ones, a specific risk factor is presented, but its net impact has not been assessed.

A CONCENTRATED, YET DIVERSIFIED, INVESTMENT PORTFOLIO



BUREAU VERITAS

35.5%

stake

Certification and verification services

2021 sales: €4,989.1 million
No. 2 in the world
c. 80,000 employees
Present in 140 countries
400,000 customers
More than 1,600 offices and laboratories

Amount invested:
€397.3 million since 1995

ACAMS[(1)]

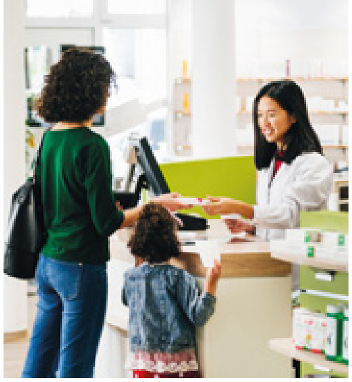
98%

stake

Anti-money laundering and financial crime training and certification services

2021 sales: $83 million[(2)]
No. 1 worldwide
c. 285 employees
Present in 175 jurisdictions
Over 90,000 members

Amount invested:
$338 million since 2022



Constantia Flexibles

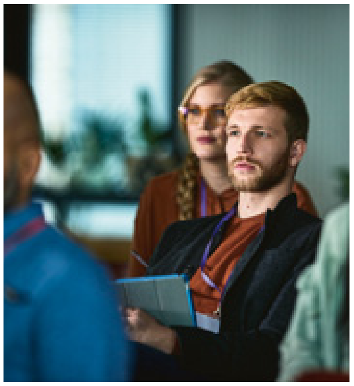
60.8%

stake

Flexible packaging

2021 sales: €1,603.4 million
No. 2 in Europe
No. 3 worldwide
8,551 employees
37 production sites in 16 countries

Amount invested:
€565 million since 2015



cpi

96.3%

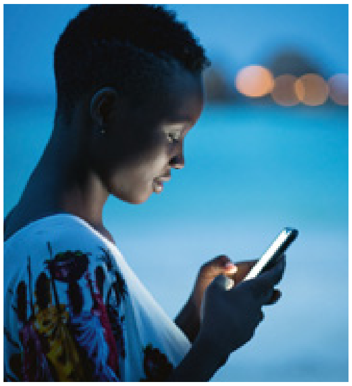
stake

Training services

2021 sales: $104.3 million
No. 1 worldwide
More than 10,000 customers
311 employees
37,000 Certified Instructors that train over 1.4 million people annually
Offices in 3 countries, trainings offered in 17 countries

Amount invested:
$569 million since 2019

Amounts invested and percentage of share capital held by the Wendel Group are stated as of 12/31/2021, except for ACAMS whose acquisition was finalized on 03/10/2022.
If co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. See section 6.7 "Notes to the financial statements", note 6-3 "Impact of co-investment mechanisms for Wendel" of the 2021 Universal Registration Document. All information regarding the competitive positioning and market shares of our subsidiaries and associates, as well as certain financial information, derives from the companies themselves and has not been verified by Wendel.
(1) Acquisition finalized on 03/10/2022. (2) Sales as of end-September 2021. Non-audited US GAAP figures. (3) Number of towers as of 12/31/2022, pro forma for the acquisition of 5,709 towers in South Africa, and of 2,115 towers in Brazil. (4) Percentage of Tarkett SA's capital held indirectly by Wendel at December 31, 2021, net of treasury shares and pro forma for the capitalization of amounts temporarily invested by Wendel in shareholder loans. Interest held via Tarkett Participation in concert with the Deconinck family.



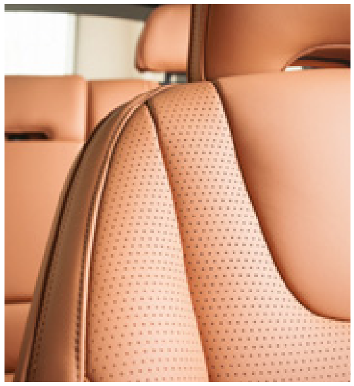
19.2%

stake

Telecoms infrastructure

2021 sales: $1,579.7 million
No. 1 in Africa
No. 3 among independent multi-national operators[3] in the world
c. 2,000 employees
Present in 11 countries
38,867 towers[3]

Amount invested:
$830 million since 2013



67.8%

stake

Coating layers and surface treatments for flexible materials

2021 sales: €831.3 million
No. 1 worldwide
c. 1,800 employees
Present in 22 countries
37 laboratories and 11 production sites

Amount invested:
€221 million since 2006

23.4%

stake[4]

Innovative flooring and sports surface solutions

2021 sales: €2,792.1 million
No. 3 worldwide
c. 12,000 employees
34 industrial sites
25 laboratories and 8 recycling centres

Amount invested:
€222 million since 2021

Wendel Lab

The Wendel Lab's mission is to enable the Group to gain exposure to tomorrow's growth by investing in innovative, high-growth companies; by developing intelligence and expertise on disruptive technological and digital trends; and by developing an ecosystem of innovative partners to create synergies with portfolio companies.

Targeted investments

Funds and funds of funds, co-investments and direct investments in high growth companies

Amount invested

€115 million committed in 2021 and an additional €21 million in early 2022

Investment objective

5 to 10% of Wendel's NAV by the end of 2024

KEY FIGURES FOR THE PAST THREE FISCAL YEARS

CONSOLIDATED NET SALES

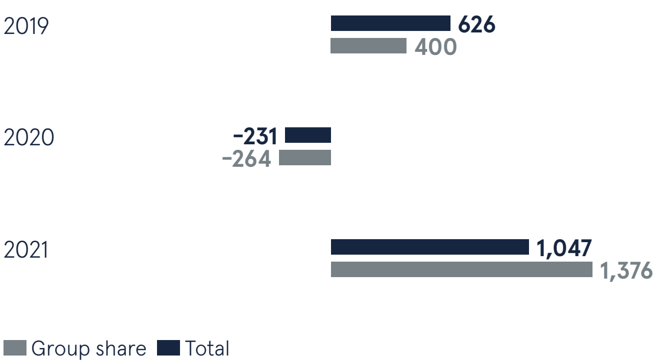
In millions of euros

NET ASSET VALUE (NAV)

In euros per share as of 12/31

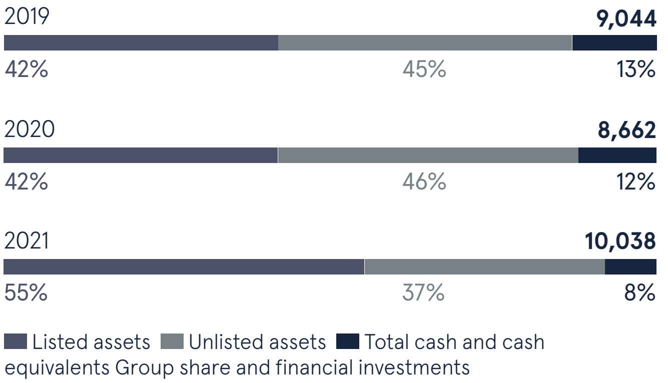
NET INCOME

In millions of euros



TOTAL GROSS ASSETS UNDER MANAGEMENT

In millions of euros as of 12/31

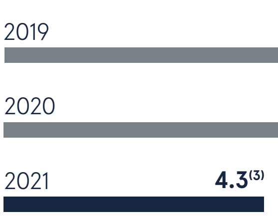


DIVIDEND

Ordinary dividend, in euros per share

LOAN TO VALUE (LTV) RATIO

In percentage as of 12/31



(1) In accordance with IFRS 5, the contribution of Cromology has been reclassified as "Net income from discontinued operations". Comparable sales for the 12 months of 2020 represent €6,831.6m, compared with €7,459.2m published in 2020. The difference (€627.6m) corresponds to revenues from Cromology, classified as an asset held for sale. (2) Subject to approval by the Shareholders' Meeting of 06/16/2022. (3) LTV ratio of 10.3% at December 31, 2021. Pro forma of the sale of Cromology and the ACAMS transaction, the LTV ratio would be 4.3% at December 31, 2021.

EXTRA-FINANCIAL KEY FIGURES

ESG APPROACH

- **100%** of portfolio companies have an ESG roadmap
- **75%** of the Group's controlled companies have an EcoVadis medal
- **75%** of the Group's controlled companies have committed to defining a carbon emissions reduction objective approved by the Sciences Based Targets Initiative (SBTi)

CLIMATE

- **400 tCO_2e** of GHG emissions offset by Wendel in 2021 (tons of CO_2 eq)
- **100%** of the Group's controlled companies have conducted an analysis of the climate risks and opportunities to which they are exposed
- **100%** of controlled companies have defined a target for reducing their emissions

EQUITY AND DIVERSITY

Controlled companies committed to gender parity

2020 80%

2021 **100%**

Women on the boards of controlled companies

2020 23%

2021 **26%**

Women in the investment team

2020 37%

2021 **42%**

Women in management positions in portfolio companies

2020 24%

2021 **23%**

SUSTAINABLE AND/OR ECO-DESIGNED PRODUCTS AND SERVICES

Consolidated Group revenues

2020 28%

2021 **54%**

- **52%** of Bureau Veritas' sales are generated by its Green Line products and services(1)
- **55%** of Constantia Flexibles' sales are generated by its recyclable packaging products(2)
- **57%** of Stahl's sales are generated through water-based coating solutions, which have a smaller carbon footprint than conventional solutions
- **100%** of CPI's sales are generated through training programs designed to reduce violent behavior and improve personal safety.

(1) Bureau Veritas' Green Line is a line of services and solutions dedicated to Corporate Social Responsibility (CSR).
(2) Estimated share of Constantia Flexibles' sales in 2020. Ratios relating to the recyclability of Constantia Flexibles' solutions are only available for the previous year (2020).

HEALTH AND SAFETY OF EMPLOYEES AND CONSUMERS

Severity rate of work-related accidents

2020 0.03

2021 **0.04**

Average frequency rate of work-related accidents

2020 1.08

2021 **1.14**

1

GROUP PRESENTATION

1.1 Corporate history

The Wendel Group was founded in the Lorraine region in 1704. For 270 years, it developed its business in diverse industrial activities, notably within the steel industry, before focusing on long-term investing.

A central force in the development of the French steel industry, the Wendel Group diversified at the end of the 1970s. Today the Group is dedicated to the success of leading businesses in a variety of sectors (tests, inspection and certification – chemicals and high performance and decorative coatings – business services – telecom infrastructure – packaging – training).

From 1704 to 1870, the Group took advantage of the major inventions that spurred on the expansion of its iron and steel activities: coke iron, widespread use of blast furnaces and rolling mills, the development of railroads…

In the 20th century, hard hit by two world wars that ravaged the Lorraine production facilities, the Group recovered and began to grow again. The creation of the Sollac production cooperatives in 1948, followed by Solmer in 1969, helped meet the growing demand for sheet steel. In 1975, the Group produced 72% of French crude steel.

In 1974, the sudden rise in oil prices led to a widespread economic crisis. The French steel industry experienced a serious downturn. Fixed steel prices and investment in modernization pushed the industry toward financial ruin.

In 1975, Marine-Wendel was created when the Wendel Group took over the holding company Marine-Firminy. The coexistence of the Group's steel industry assets (Sacilor, Forges and Aciéries de Dilling, etc.) alongside its diversified activities (Carnaud, Forges de Gueugnon, Oranje-Nassau, Cimenteries de l'Est, several mechanical engineering companies, etc.) came to an end during the European steel crisis of 1977, and the Group was broken up into two entities. By transferring all of its non-steel industry assets in November 1977, Marine-Wendel created Compagnie Générale d'Industrie et de Participations (CGIP), in which it retained only a 20% equity interest.

In June 2002, Marine-Wendel and CGIP merged and the new entity took the name of WENDEL Investissement. The industry approach and focus of our management teams on long-term corporate development has helped give our Group a strategic clarity. This solid positioning, as a professional shareholder that approaches investments an industrial point of view, prompted us to propose, at the June 4, 2007 Annual Meeting, that the legal name of the Company be simplified from "WENDEL Investissement" to "Wendel", so as to emphasize our long-term industrial values anchored in our centuries-old history. In addition to its historic bases in Paris and Luxembourg, Wendel has an office in New York to develop its portfolio in its preferred geographical regions of Europe and North America.

1.2 Business

Wendel is one of Europe's leading investment companies in terms of size, with over €10 billion in gross assets at December 31, 2021. It invests in leading companies and in companies with the potential to become leaders. Wendel is both a shareholder and an active partner. It supports the management of the companies in which it invests, gives them responsibility and works with them over time to achieve ambitious sustainable growth and shareholder value objectives. Wendel is differentiated by the facts that it is a long-term investor with permanent capital, a double Investment Grade credit rating, and access to the capital markets. It is supported and controlled by Wendel-Participations, a stable family shareholder structure with more than 315 years of history in industry and more than 40 years of investment experience.

The current investment team is composed of approximately 20 experienced professionals. The team members have varied and complementary profiles and include former consultants, company executives, investment bankers and operations managers from a broad array of industrial and service sectors. This allows us to capitalize on their experience and the network of contacts they have developed during their professional careers. The team thus has both sector knowledge and recognized financial expertise. Its objective is to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation, the best ESG practices, and boosting productivity. Investment opportunities are systematically referred to a team which examines each case, in particular by looking at the enterprise's growth prospects. These investment opportunities are then reviewed by a diverse and collegial Investment Committee, composed of experienced Managing Directors, including the Chief Financial Officer and the two members of the Executive Board, before being approved by the Boards of Wendel Luxembourg and Wendel SE. If Wendel goes ahead with the transaction, the team that examined the opportunity then carries out its execution.

Global competitive landscape in 2021

As a professional investor, Wendel may face competition in its acquisitions, including private equity funds, sovereign wealth funds, pension funds, family groups and industry players. All of these entities are active in the controlling stake investment universe (except for industry players) and they number in the thousands, typically focusing on medium-term investment horizons of 3 to 5 years – unlike Wendel, which generally takes a long-term approach – and make use of leverage.

Wendel's permanent capital sets it apart from private equity players, allowing it to conduct a long-term investment policy, with no maturity constraints. In recent years, new competitors (sovereign funds, pension funds and investment funds) have emerged, also targeting longer-term investments, and a trend towards more substantial deals.

The year 2021 was marked by a very strong rebound in investment activity in terms of both the number and value of transactions after a pause of several months in 2020 due to the COVID-19 crisis and its economic impact. In 2021, stiff competition for the most attractive assets continued to favor sellers over funds looking to place their investors' capital. The abundance of capital to invest and the strong performance of most stock markets continued to push up acquisition multiples in unlisted assets to record levels and, often, well above public markets' valuations. At the same time, the debt markets remained generally open, allowing purchasers to take advantage of historically low interest rates and increase average debt leverage for acquisitions.

No global data are available on the investment activities of all of the market participants mentioned above. However, in 2021, private equity funds, for which annual statistics are published, continued to realize the value of their portfolios value, with record capital exits totaling $957 billion (double that of 2020), driven by rising valuations. All exit routes were used, particularly the IPO and sales to strategic investors. Despite growing market volatility, private equity has continued to produce rates of return above those offered by most other asset classes. Over the years, due to the rise in valuations, Wendel has focused increasingly on smaller companies as well as consider positions in which it shares control.

Despite their different models and portfolio composition strategies, Wendel is often compared to Eurazeo, Exor, Peugeot Invest, Investor AB, Onex, Ratos AB, Kinnevik AB, Industrivarden AB, HAL Trust, Ackermans & van Haaren, Sofina, GBL and 3i Group.

1.3 Investment model and business development strategy

Wendel's approach consists of selecting leading companies, both listed and unlisted, making long-term investments and helping to define ambitious strategies, while implementing a clear, explicit shareholder approach, together with the management. To successfully execute its long-term investment strategy, Wendel leverages several strengths: a stable family shareholder base, permanent capital, a robust balance sheet, and a portfolio of companies that lends the Group a very broad geographical and sectoral view. Since 1977, Wendel's international investment teams, have applied their experience and expertise in investments in a great number of successful companies, including Capgemini, Bureau Veritas, BioMérieux, Reynolds, Stallergenes, Wheelabrator, Valeo, Afflelou, Editis, Legrand, Stahl, Deutsch and Allied Universal.

1.3.1 Engaged partnering with entrepreneurial teams

Wendel's investment and sustainable development strategy is based on close interaction with the managers of the companies in which it invests. This partnership is central to the creation of value. Wendel provides constant and active support, shares risks and contributes its experience and financial, technical and communications expertise. Similarly, Wendel can reinvest and support companies when demanded by the economic and financial conditions or a company's business development plans.

Wendel is represented on the Boards of Directors and key committees – audit, governance, sustainable development and strategy – of its investments, in proportion to its stake. It can thereby take part in each company's most important decisions without ever taking the place of its management.

1.3.2 Principles defining our role as long-term shareholder

Wendel upholds the shareholder's charter, established in 2009, which includes five major principles:

- active involvement in designing and implementing company strategies by generally participating on the Boards of Directors and key committees of the companies in which Wendel is invested;
- firm, long-term commitments to our partner companies by supporting their development, fostering their exposure to strong-growth regions and allocating time and resources to the innovation cycle;
- constructive, transparent and stimulating dialogue with management while constantly questioning ingrained habits and applying global best practices;
- effective relationships built on trust that recognize the respective roles of shareholders and managers; and
- a guarantee of shareholder stability and the common cause of a long-term partner who does not hesitate to make a financial commitment during challenging times, where justified.

1.3.3 Constructing a balanced portfolio

First and foremost, Wendel aims to create value by developing investments over the long term, by actively encouraging its companies to make investments that drive organic growth and profitability and by providing support for their acquisitions. Leveraging its status as an Investment Grade bond issuer, the Group has the financial means to develop a diversified portfolio of companies and to make new investments, in listed or unlisted companies.

1.3.3.1 Investment profile

Wendel's permanent capital enables it to invest for the long term as the majority or leading shareholder mainly in unlisted companies that are leaders in their markets, in order to boost their growth and development.

The Wendel Group has an investment model chiefly focused on companies with as many of the following characteristics as possible:

- companies that embody Wendel's ESG values and ethics;
- business activities relating to one or more major, long-term economic trends, enabling Wendel to plan to hold the investment over the long term, even going beyond 15 to 20 years in certain cases;
- located in countries that are well known to Wendel: in Europe, particularly in France and North America (both the United States and Canada);
- with strong international exposure or an international growth strategy;
- ideally representing an initial investment of between €150 million and €500 million; smaller investments are also considered directly or indirectly, notably through Wendel Lab;
- led by high-quality, experienced management teams with which Wendel shares a common vision;
- among the leaders in their markets;
- operating in sectors with high barriers to entry;
- sound fundamentals and, in particular, recurrent and predictable cash flows;
- offering high potential for long-term profitable growth, through both organic growth and accretive acquisitions.

Wendel will pursue its long-term shareholder approach, with the objective to be a significant shareholder with Board and critical committee seats, alongside like-minded partners. Wendel particularly favors certain circumstances, such as:

- control or joint control immediately or in phases;
- a need for a long-term, reference shareholder; and
- opportunities for further reinvestment over time to accompany organic or external growth.

1.3.3.2 Acquisitions by Group companies

Growth by acquisition is an integral part of the development model of Wendel Group companies. These companies made 14 acquisitions in 2021 and most of them plan to achieve a portion of their growth via acquisitions, focusing on small or medium-sized purchases, that create the most value. Wendel's teams assist Group companies in their search for acquisitions that can create value, in deploying their external growth strategy, and in arranging the required financing.

1.3.3.3 An entrepreneurial model

Wendel believes in the efficacy of providing management teams a financial interest in value creation. This gives the executives a personal stake in the risks and rewards of these investments.

For listed subsidiaries and associates (Bureau Veritas, IHS Towers, Tarkett), these mechanisms consist of stock-option and/or bonus share plans.

For unlisted subsidiaries (Stahl, Constantia Flexibles, CPI, ACAMS, IHS Towers – when it was unlisted - and Tarkett Participation), the participation policy is based on a co-investment mechanism through which executives may make significant personal investments alongside Wendel. These systems are described in section 6.7, note 6-2 of this Universal Registration Document.

1.3.4 Strategic orientations 2021-2024

1.3.4.1 Investment in high-quality companies aiming to further diversify the portfolio towards more growth

The Executive Board roadmap by 2024 will focus on diversifying Wendel's portfolio with balanced exposure to listed and unlisted companies by generally deploying capital towards higher-growth markets, while retaining a dose of opportunism. Wendel aims to build a portfolio of 7 to 10 companies, with new investments focused on Western Europe, particularly France, and North America, as well as on improving ESG profiles. Standalone equity investments should amount to c. €150 million to €500 million targeting majority/control/large minority investments in listed or unlisted companies. Wendel also contemplates investments in small equity growth opportunities.

Wendel will pursue its long-term approach, with the objective to be a significant shareholder with Board and critical committee seats, alongside like-minded partners.

- In terms of sectorial approach, Wendel seeks market leading business or growing sectors with long-term growth prospects and pricing power. Wendel generally avoids highly cyclical or capital-intensive assets and looks for companies with a demonstrated resilience through economic cycles (and pandemics). Attractive sectors meeting those criteria include technology services and software, business services, healthcare and industrial technology. Nevertheless, Wendel remains opportunistic and would contemplate investments in other industries that meet its criteria.
- Through the Wendel Lab initiative, Wendel expects to gain greater exposure to the growth of tomorrow, mainly by making commitments to several high-quality technology investment funds. This asset class should eventually represent 5% to 10% of net asset value. Wendel Lab has a multiple objectives. Not only does it diversify the portfolio by increasing exposure to high-growth assets, generally with a digital component or with disruptive business models, but also develops the expertise of its team and that of its assets on technological innovations that could impact or enhance their value creation profiles.
- As part of its ESG commitment and recent roadmap published in 2020, Wendel will consider assets that have a positive impact on society.

1.3.4.2 2024 target portfolio: 7 to 10 core investments

	Listed assets	Unlisted Assets	Private Equity (Growth Equity/VC)[1]
% of Net asset value	Balanced%		c. 5 to 10%
Target average annual return profile	above c.7%	above c.10%	c.10 to 15% (above 25% in direct investments)

(1) Including funds.

1.3.4.3 Financing strategic guidelines

Wendel expects to maintain available liquidity to enable the Group to seize attractive opportunities (*i.e.*, can safely make at least a €300 million investment at most times).

Wendel aims to retain a flexible financing structure that can withstand sudden, severe market shocks.

Finally, in relation to its long-term investor profile Wendel aims to retain its Investment grade credit rating. As of December 31, 2021, Wendel had a low Loan-To-Value ratio of 10.3%(1). Wendel has been rated BBB with stable outlook by Standard & Poor's since January 25, 2019, and Baa2 with stable outlook by Moody's since September 5, 2018.

1.3.4.4 Return to shareholders

Wendel aims to pay a regular and growing dividend year on year.

In addition, Wendel may proceed with share buybacks on an opportunistic basis and reserves the ability to carry out these buybacks, within the limits of its Shareholders' Meeting and the regulations in force.

1.3.4.5 Development of Group companies to create value

Wendel will continue to emphasize the long-term growth of its companies, by actively encouraging them to use their resources to make investments that drive organic growth and profitability and by providing support for their external growth operations, the establishment of the best ESG practices and continuous improvements in digitization and cybersecurity. Wendel supports its companies in their operational improvements thanks in particular to the work of the teams within the Boards of Directors or Supervisory Boards, as well as the expertise of Wendel's Operating Partners.

For nearly a decade, Wendel's Sustainable Development Team and Sustainable Development Steering Committee have also been implementing numerous internal initiatives and constantly improving transparency and reporting. Over the past year, these efforts and Wendel's good reputation have been recognized by external extra-financial rating agencies.

On this basis, in 2019, Wendel's Executive Board and Supervisory Board expressed their strong desire to further refine Wendel's ESG approach as a pillar of strategic development, in line with our values and history. Their vision has been implemented by Wendel teams at all levels with enthusiasm and commitment.

These teams showed their eagerness to lead by example, and a willingness to cultivate relationships of trust with all our stakeholders. In 2020, Wendel published its ESG Roadmap 2023, formalizing its ambitious strategy in this area. 2021 was marked by the improvement of many ESG parameters and a significant increase in its extra-financial ratings. (see Chapter 4).

As part of its 2021-2024 roadmap, all these efforts continued.

1.3.4.6 Achievements of the 2021-2024 roadmap

Wendel has already initiated its capital redeployment objective with the acquisition of ACAMS, which further improves the portfolio's growth profile, as step that already was taken in 2019 with CPI. In 2021, Wendel entered into a partnership with the Deconinck family to invest in Tarkett, a world leader in flooring and sports surfaces. The transactions themselves were creative, illustrating the team's ability to carry out complex projects as the buyer of choice. Wendel has also accelerated the development of Wendel Lab's activities through commitments in funds and has recruited confirmed professionals with solid experience and excellent references, in particular to develop direct investments. In addition, Wendel made significant gains thanks to the turnaround and disposal of Cromology, which will be recognized in the Group's results for 2022, and also saw the IPO of IHS Towers, in which the Group did not sell any shares.

(1) Pro forma for the disposal of Cromology and the ACAMS transaction, the LTV ratio would be 4.3% at December 31, 2021.

1.4 Subsidiaries and associated companies

All information regarding the competitive positioning and market shares of our subsidiaries and associates, as well as certain financial information, derives from the companies themselves and has not been verified by Wendel. Comments on company activity are after IFRS 16, unless otherwise stated.

1.4.1 Bureau Veritas

Bureau Veritas continues its growth and strengthens its positioning in terms of sustainability services with the "Green Line"

Bureau Veritas is the world's second-largest provider of compliance and certification services in the areas of quality, health, safety, environmental and social responsibility (QHSE-SR). Bureau Veritas is directly and indirectly involved in the field of ESG and in 2020 launched its "Green Line", enabling its clients and their stakeholders to bring transparency and reliability to their ESG commitments. Bureau Veritas derives approximately 50% of its sales from high-growth areas.

Bureau Veritas in brief

(Fully consolidated company)

Present in 140 countries	Approximately 1,600 offices and laboratories	Approximately 80,000 employees	400,000 clients
€4,981.1 million in sales in 2021	€801.8 million in adjusted operating income(1)	Stake held by Wendel: 35.5%(2) of equity and 51.63% of voting rights	Amount invested(3) by Wendel: €397.3 million since 1995

(1) Bureau Veritas defines "adjusted" operating income as its operating income before revenue and expenses related to acquisitions and other non-recurring items (indicator not recognized under IFRS). Post IFRS 16.
(2) Share of equity owned by Wendel as of December 31, 2021, net of treasury shares.
(3) Amount of equity invested by Wendel for the stake held as of December 31, 2021.

Why did we invest in Bureau Veritas?

Bureau Veritas is ideally positioned in markets driven by long-term structural trends. QHSE regulations and standards are proliferating and becoming tougher to meet. Increasingly, certification and inspection activities are being outsourced. Health and environmental protection standards are becoming more stringent. And trade has become global. The growing need for companies to be responsible players in their ecosystems demonstrates the central role of Bureau Veritas in building trust between companies and all their stakeholders.

Since it was founded in 1828, Bureau Veritas has gradually built up its globally renowned expertise. The market that Bureau Veritas addresses has numerous barriers to entry. Operating certification and approval are mandatory in each country. Service providers must offer a comprehensive range of inspection services (in particular for major clients) and extensive geographical coverage both locally and internationally. They must provide high value-added solutions through first-rate technical expertise and enjoy a reputation of independence and integrity. Bureau Veritas' success is based on its ability to adjust to new business challenges, whether they are one-off situations or long-term issues.

Wendel has gradually increased its holding in Bureau Veritas. When Wendel made its initial €25 million investment in 1995, obtaining 19% of the share capital, Bureau Veritas generated annual sales of less than €400 million. Wendel then supported the company's growth until it held 99.2% of the capital in 2004. In 2007 Bureau Veritas was listed on the stock exchange, enabling it to continue its international expansion.

Highlights of 2021

Revenue in 2021 amounted to €4,981.1 million, an 8.3% increase compared with 2020. Organic revenue was up 9.4%. In the fourth quarter, organic growth was limited to 2.5%, impacted by the cyber-attack which occurred in November 2021. Adjusted for the cyber-attack, organic growth would have reached 4.5% in the last quarter and 9.9% for the full year 2021.

All six divisions posted organic growth, with more than half of the portfolio (including Consumer Products, Certification, and Buildings & Infrastructure) posting a strong recovery, reaching +13.3% organically on average. Consumer Products was the best performing division, up 15.7% over the year, fueled by Asia, the resumption of product launches, and helped by a favorable comparison base. Certification (up 15.4%) benefited from the catch-up of audits and strong momentum in Corporate Responsibility and Sustainability Certification services. Buildings & Infrastructure outperformed Bureau Veritas's average growth, with an increase of 11.8% during the year as it benefited from strong momentum across its three platforms (Americas, Asia and Europe).

External growth contributed a positive 0.1% (of which 0.4% in the last quarter), reflecting the impact from prior-year disposals offset by the six bolt-on acquisitions realized in 2021. Currency fluctuations had a negative impact of 1.2% (including a positive impact of 2.3% in Q4), mainly due to the depreciation of some emerging countries' currencies, as well as the USD and pegged currencies against the euro.

During the year 2021, Bureau Veritas completed six M&A transactions in strategic areas, representing around €48.0 million in annualized revenue (or 1.0% of 2021 Bureau Veritas revenue). The pipeline of opportunities is healthy, and Bureau Veritas will continue to deploy a selective bolt-on acquisitions strategy in targeted strategic areas (notably Buildings & Infrastructure, Renewable Energy, Consumer Products, Technologies and Cybersecurity).

Consolidated adjusted operating profit increased by 30.4% to €801.8 million whilst the 2021 adjusted operating margin increased by 273 basis points to 16.1%, including a 7 basis points negative foreign exchange impact and a 2 basis points positive scope impact. On an organic basis, adjusted operating profit margin jumped by 278 basis points to 16.2%. All business activities experienced higher organic margins thanks to improved operational leverage in a context of revenue recovery and the benefit of the cost containment measures taken in the prior year.

Cyber-attack

On November 22, 2021, Bureau Veritas announced that its cybersecurity system had detected a cyber-attack on Saturday, November 20, 2021.

In response, all Bureau Veritas's cybersecurity procedures were immediately activated. A preventive decision was made to temporarily take servers and data offline to protect clients and the company while further investigations and corrective measures were in progress. This decision generated a partial unavailability or slowdown of services and client interfaces.

Bureau Veritas's teams, supported by leading third-party IT experts, deployed all efforts to ensure business continuity and minimize disruption to its clients, employees and partners. Bureau Veritas also actioned the relevant authorities and its cybersecurity insurance policies.

Bureau Veritas considers that all its operations have been running at normal level since the beginning of the year 2022. Nevertheless, there are still incident response costs to be incurred through 2022.

Overall, Bureau Veritas estimates the impact of the cyber-attack (fully accounted for in Q4 2021) to be approximately €25 million on Bureau Veritas's revenue (around 50 basis points impact on the Bureau Veritas's full-year organic growth).

Launch of an ESG solution: with Clarity, Bureau Veritas enables companies to bring transparency and credibility to their ESG commitments

On December 8, 2021, Bureau Veritas announced the launch of Clarity, a suite of solutions that enables companies to manage their ESG roadmaps and monitor the progress of their sustainability strategies. With Clarity, Bureau Veritas supports its clients across a wide spectrum of topics, from Social, Health & Safety, Environment, Biodiversity, Climate Change, Business Ethics and Responsible Sourcing to Animal Welfare, Energy Efficiency and Waste Management.

Clarity helps organizations put their sustainability strategies in motion. Through systematic maturity evaluations, the approach helps clients clearly define where they should focus their efforts across complex value chains.

In 2021, Bureau Veritas also defined a clear roadmap laying out its Strategic Direction for 2025 and its growth opportunities, notably as regards Sustainability services which already represent today more than 50% of Bureau Veritas sales.

Strong financial position

At the end of December 2021, Bureau Veritas adjusted net financial debt decreased compared to the level at December 31, 2020. Bureau Veritas had €1.4 billion in available cash and cash equivalents, complemented by €600 million in undrawn committed credit lines. At December 31, 2021, the adjusted net financial debt/EBITDA ratio has been further reduced to 1.10x (from 1.80x last year). The average maturity of Bureau Veritas's financial debt was 4.3 years with a blended average cost over the year of 2.3% excluding the impact of IFRS 16 (to be compared with 2.6% in 2020 excluding the impact of IFRS 16).

Strong free cash flow at €603.0 million driven by operating performance

Free cash flow (operating cash flow after tax, interest expenses and capex) was €603.0 million, compared to €634.2 million in 2020, down 4.9% year on year (against a record level achieved in 2020) attributed to increased capex. On an organic basis, free cash flow reached €605.9 million, down 4.5% year on year.

Proposed dividend

Bureau Veritas is proposing a dividend of €0.53 per share for 2021, up 47.2% compared to prior year. The proposed dividend will be paid in cash. Going forward, Bureau Veritas expects to propose a dividend of around 50% of its adjusted net profit.

This is subject to the approval of the Shareholders' Meeting to be held on June 24, 2022. The dividend will be paid in cash on July 7, 2022, (shareholders on the register on July 6, 2022 will be entitled to the dividend and the share will trade ex-dividend on July 5, 2022).

Renewal of the term of office of the Chief Executive Officer and appointment of a Chief Operating Officer

On February 24, 2022, the Board of Directors of Bureau Veritas announced the renewal of the term of office of the Chief Executive Officer, Didier Michaud-Daniel, until the Annual General Meeting of June 2023, which will be called to approve the financial statements for the year 2022.

As of May 1st, 2022, Hinda Gharbi will join Bureau Veritas as Chief Operating Officer and member of the Executive Committee. The Board of Directors' decision is the result of a rigorous selection and recruitment process, as part of the succession planning for the Chief Executive Officer, led jointly by the Nomination & Compensation Committee and Didier Michaud-Daniel.

On January 1st, 2023, Hinda Gharbi will assume the position of Deputy CEO of Bureau Veritas. The Board of Directors will appoint her as Chief Executive Officer at the end of the 2023 Annual General Meeting.

Hinda Gharbi will join Bureau Veritas from Schlumberger, a global technology leader in the energy sector, where she is currently Executive Vice President, Services and Equipment. In this role, which she has held since July 2020, she oversees products and services for Schlumberger as well as digital topics.

2022 Outlook

Based on a healthy sales pipeline and the significant growth opportunities related to Sustainability, and assuming there are no severe lockdowns in its main countries of operation due to Covid-19, for the full year 2022 Bureau Veritas expects to:

- Achieve mid-single-digit organic revenue growth;
- Improve the adjusted operating margin;
- Generate sustained strong cash flow, with a cash conversion rate above 90%.

2025 strategy aims to take Bureau Veritas' value creation to the next level

On December 3, 2021, Bureau Veritas hosted its Investor Day to present Bureau Veritas' 2025 strategy and financial ambitions. Bureau Veritas is capitalizing on the successful delivery of the previous strategic plan and relies upon the key fundamentals of the Testing Inspection and Certification market, which offer solid growth prospects:

Below are the financial ambitions and assumptions as well as sustainability ambitions for 2025:

2025 financial ambitions and assumptions

2025 ambitions:

- GROWTH. Resilient enhanced organic growth: mid-single-digit
- MARGIN. No compromise on margin: above 16%(1)
- CASH. Strong Cash Conversion(2) : superior to 90%.

(1) Adjusted operating margin at constant exchange rates.
(2) Net cash generated from operating activities/Adjusted Operating Profit, on average over the period.

The use of Free Cash Flow generated from operations will be balanced between Capital Expenditure (Capex), Mergers & Acquisitions (M&A) and shareholder returns (Dividend).

2025 assumptions:

- CAPEX. Between 2.5% and 3.0% of Group revenue
- M&A. Disciplined and selective bolt-on M&A strategy.
- DIVIDEND. Pay-out of around 50% of Adjusted Net Profit.

2025 SUSTAINABILITY AMBITIONS	UN SDGs	2025 TARGET
SOCIAL & HUMAN CAPITAL		
Total accident rate (TAR)[1]	#3	0.26
Proportion of women in leadership positions[2]	#5	35%
Number of training hours per employee (per year)	#8	35.0
NATURAL CAPITAL		
CO_2 emissions per employee (tons per year)[3]	#13	2.00
GOVERNANCE		
Proportion of employees trained to the Code of Ethics	#16	99%

(1) TAR: Total Accident Rate (number of accidents with and without lost time x 200,000/number of hours worked).
(2) Proportion of women from the Executive Committee to Band II (internal grade corresponding to a management or executive management position) in the Group (number of women on a full-time equivalent basis in a leadership position/total number of full-time equivalents in leadership positions).
(3) Greenhouse gas emissions from offices and laboratories, tons of CO_2 equivalent net emissions per employee and per year corresponding to scopes 1, 2 and 3 (emissions related to business travel).
For more information: group.bureauveritas.com

Sustainable development and non-financial information[1]

Bureau Veritas' commitment to Corporate Social Responsibility (CSR) issues reflects its wish to play its part in efforts that each company and citizen should make to address society's social and environmental challenges. Besides its compliance with CSR regulations, Bureau Veritas seeks above all to meet the needs of its clients and employees, as well as end consumers and all its stakeholders.

Owing to the nature of its services, Bureau Veritas has a direct and indirect impact on CSR issues: directly, by acting within each of its business lines, its entities and subsidiaries, and its regions; indirectly, Bureau Veritas offers a broad range of services aimed at improving the impact its clients have in terms of health and safety, security, environment and sustainable development. As an example, in October 2020, Bureau Veritas launched its "Green Line", a wide range of existing sustainability services that enable clients, private and public organizations to help them execute their sustainability strategies with trust and transparency.

For more information: https://group.bureauveritas.com/fr/groupe/responsabilite-societale-de-lentreprise.

In millions of euros	2021 after IFRS 16	2020 after IFRS 16	Δ
Net sales	4,981.1	4,601.0	+8.3%
Adjusted operating income(1)	801.8	615.0	+30.4%
As a % of net sales	16.1%	13.4%	+273 bps
Attributable adjusted net income(2)	420.9	125.3	+235.9%
Adjusted net financial debt(3)	1,051.4	1,329.1	-20.9%

(1) Bureau Veritas defines "adjusted" operating income as its operating income before revenue and expenses related to acquisitions and other non-recurring items (indicator not recognized under IFRS).
(2) Bureau Veritas defines attributable "adjusted" net income as attributable net income adjusted for other operating expenses net of tax.
(3) Net financial debt as defined in the calculation of bank covenants.

Top management

Didier Michaud-Daniel, CEO

Hinda Gharbi, Chief Operating Officer as of May 1, 2022

François Chabas, Chief Financial Officer

Aldo Cardoso, Chairman of the Board of Directors since March 8, 2017

Wendel's teams

Board of Directors: André François-Poncet (Vice-Chairman) since January 1, 2018, Jérôme Michiels, Christine Anglade-Pirzadeh, Claude Ehlinger

Strategy Committee: André François-Poncet (Chairman since January 1, 2018).

Nomination and Compensation Committee: Claude Ehlinger

Audit and Risk Committee: Jérôme Michiels

For more information, please visit: bureauveritas.com

(1) Source: Universal Registration Document published by Bureau Veritas on March 25, 2021.

1.4.2 Stahl

Stahl is the world leader in coatings and surface treatments for flexible materials. Stahl produces high-performance polymers and coatings for various materials such as textiles, paper, plastics, rubber, wood and specialty chemical treatments and related services for leather. Stahl offers a wide range of solutions to the automotive, shoe, apparel & accessories and home interior sectors, and for industrial applications.

Stahl in brief

(fully consolidated company)

Physically present in 22 countries	37 laboratories and 11 production sites	c.1,800 employees	No. 1 worldwide in specialty leather chemicals
€831.3 million in sales in 2021	Adjusted EBITDA(1) of €179.9 million in 2021	Stake(2) held by Wendel: 67.8%	Amount invested(2) by Wendel: €221 million since 2006

(1) Adjusted EBITDA before goodwill allocation entries, management fees and non-recurring items. Post IFRS 16.
(2) Amount of equity invested by Wendel as of December 31, 2021, for the stake held at that date.

Why did we invest in Stahl?

Stahl is the world leader in coatings and surface treatments for flexible materials and in specialty chemicals and related services for leather. It enjoys high barriers to entry as a result of its expertise, the long-term relationships it maintains with its customers, which include major luxury and high-end car brands, as well as the very high level of skills of its "golden hands" technicians. Stahl has prospects for sustained growth generated by global leather consumption markets, in Asia in particular, and the development of fast-growing niche markets for high-performance coatings. The potential consolidation in the sector we identified in 2006, combined with rigorous financial discipline, has allowed Stahl to expand further and strengthen its market leadership. It derives approximately 65% of its sales from high growth regions. Since its initial investment of €171 million in Stahl in 2006, Wendel has received €341 million in dividends and loan repayments, owing in particular to Stahl's very strong cash generation. At the end of 2018, Wendel announced the acquisition of 4.8% of the capital of Stahl from Clariant for €50 million, bringing its total investment in the company to €221 million.

Highlights of 2021

Stahl posted total sales of €831.3 million in FY 2021, representing an increase of +24.2% over FY 2020 and above 2019 pre-pandemic sales level. Organic growth was +25.4% while foreign exchange rate fluctuations had a negative impact -1.2%.

After a challenging 2020, Stahl continued its recovery that started in Q3 2020, despite disruptions in the automotive end market. This was driven by a strong order book and broad-based volume growth across almost all regions and end markets, in part due to a restocking effect observed across several industries. Growth was particularly strong in Asia Pacific. Stahl's automotive business rebounded significantly vs. FY2020, although it was impacted in the second half of 2021 by disruptions in the automotive supply chain.

FY2021 EBITDA[1] amounted to €179.9 million, translating into an EBITDA margin of 21.6%. While Stahl was able to largely maintain a low level of fixed costs in FY2021 (below FY2019), thanks to management's focus and a resilient business model, variable costs were affected by the unprecedented increase in raw material prices, especially from H2 onwards, which led to a deterioration of EBITDA margin. Price increase measures have been implemented, across the Leather Chemicals and Performance Coatings divisions, although the full effect of these is not yet reflected in FY2021 numbers. In addition, the Company will continue to monitor closely the continuous rise of input costs (raw materials, freight services and energy) and take appropriate measures, if required, to preserve its profitability.

Stahl remained highly cash generative, notably thanks to the good EBITDA level. As a result, as of December 31, 2021, Stahl's net debt[2] was €176.2 million, thus a €68.8 million reduction for this year. Leverage[3] was reported at 0.8x EBITDA as of December 31, 2021.

On March 11, 2021, Stahl announced the appointment of Maarten Heijbroek as new Chief Executive Officer of Stahl. Maarten Heijbroek joined Stahl on July 1, 2021 and took over the CEO responsibilities from Huub van Beijeren, who retired from Stahl at the end of June 2021.

Stahl's sustainability efforts have been rewarded in July with a Gold rating from EcoVadis, placing it within the top 5% of companies assessed by EcoVadis. In 2020, Stahl had been awarded a Silver award. Stahl's 2030 target is to maintain the EcoVadis Gold rating through continual improvement.

In November 2021, Stahl announced that it will extend its GHG reduction targets to cover Scope 3 emissions. This step underlines Stahl's commitment to aligning its strategy with the 2015 Paris Climate Agreement goals, updated at the recent COP26 in Glasgow.

Outlook for development

Amid a still-volatile global economy still impacted by the COVID-19 pandemic, geopolitical tensions, inflation and the availability of raw materials, Stahl is focusing its efforts on protecting its profitability and cash generation. To do so, it will focus on ongoing product innovation, while stepping up marketing efforts and capitalizing on the positions it has established in high-growth regions (over 65% of sales). Stahl also intends to continue to develop service-oriented made-to-order solutions to its clients and develop solutions for numerous substrates, in order to expand its scope of business and gain further market share. The group will continue to capitalize on its strengths, which are its innovation capabilities (innovative environmentally friendly solutions and customized technologies), its strong position with top clients, exposure to emerging markets and active cost and cash flow management (strict financial discipline and value-adding investments).

Stahl remains buoyed by strong long-term trends, such as the shift in its markets to emerging markets, particularly in Asia, and environmental regulations. These are beneficial to Stahl, given its leadership in this area and the fact that it has the only solution in the sector to comply with these regulations throughout the production chain. The trend towards bio-based chemicals continues to develop, and Stahl is the market leader with a solid bio-based chemistry portfolio.

Reflecting its strong financial structure, Stahl is actively reviewing targeted acquisition opportunities.

(1) EBITDA including the impact of IFRS 16. EBITDA excluding the impact of IFRS 16 would be €176.8 million.
(2) Net debt including IFRS 16; debt excluding IFRS 16 would be €161.3 million.
(3) Financial leverage ratio according to the definition of the loan documentation.

Sustainable development and non-financial information

Through its culture of continuous improvement, Stahl limits the impact of its activities on the surrounding ecosystems. Stahl's strategy is to promote greater transparency throughout the whole supply chain, leading to a more sustainable industry and a progressively lower environmental footprint. Sustainability also represents a significant opportunity for Stahl, to gain competitive advantage in the marketplace and drive operational excellence throughout the company. For more information, see Chapter 4.

In millions of euros	2021 after IFRS 16	2020 after IFRS 16	Δ
Net sales	831.3	669.4	+24.2%
EBITDA(1)	179.9	152.3	+18.2%
As a % of net sales	*21.6%*	*22.7%*	*-110 bps*
Net financial debt	176.2	245.0	-68.8

(1) Adjusted EBITDA before goodwill allocation entries, management fees and non-recurring items.

Top management

Maarten Heijbroek since July 1, 2021.

Frank Sonnemans, CFO

Wendel's teams

Board of Directors: Claude Ehlinger (Chairman), Félicie Thion de la Chaume, Xavier Lemonnier, Caroline Bertin Delacour, David Varet

Nomination and Compensation Committee: Félicie Thion de la Chaume (Chairwoman), Claude Ehlinger

Audit Committee: Félicie Thion de la Chaume, Claude Ehlinger, Caroline Bertin Delacour, Xavier Lemonnier

For more information, please visit: Stahl.com

1.4.3 IHS Towers

IHS, a leading provider of communications infrastructure

IHS is one of the largest independent owners, managers and operators of communications infrastructure in the world by tower count. IHS is also the largest independent multinational towerco solely focused on the emerging markets. The group builds, leases and manages communications towers that it owns or which are owned by others. With nearly 39,000 towers on a pro forma basis, IHS supports the leading mobile phone operators in each of its markets and is well-placed for future organic growth given the strong demand for infrastructure needs across Africa, Latin America and the Middle East.

IHS in brief

(Equity-method investment)

Present in 11 countries, on 3 continents(1)	38,867 towers(1)	No. 1 in Africa	No. 3 independent multi-country TowerCo(1) in the world
$1,579.7 million in sales in 2021	Approx. 2,000 employees	Stake held by Wendel(2): 19.2%	Amount(2) invested by Wendel: $830 million since 2013

(1) Number of towers at December 31, 2021, pro forma for acquisitions of 5,709 towers in South Africa (completion planned for the second quarter of 2022), and 2,115 towers in Brazil (completed in the second quarter of 2022).
(2) Stake held and amount of equity invested by Wendel at December 31, 2021 for the stake held at that date.

Why did we invest in IHS?

IHS is a leading provider of communications infrastructure for mobile phone operators. Over the last 20 years, the Group has successfully developed along the entire telecom tower value chain, from construction to leasing *via* maintenance. It provides market-leading service to its customers, who are leading telecom operators, including Airtel, MTN, Orange, and 9mobile.

With its investment in IHS, Wendel made its first direct investment in Africa, demonstrating at this time its intention to gain exposure to and participate in the continent's rapid growth. Wendel chose a company with an increasing number of projects, high-quality management and an outlook of balanced and profitable growth in several important and promising African nations, especially in Nigeria which represents about 75% of Group revenue. IHS's business is being buoyed by long-term trends that make Africa a strong growth region for communications infrastructure:

- growth potential is higher than in mature economies, both in terms of GDP and demographics (a young population with a growing middle class);
- the telecom market in Africa is expanding steadily, driven by continued growth in the number of subscribers and by an increase in the smartphone penetration rate;
- telecom operators need to extend their network coverage on a continent with low population density. This situation favors the sharing model for telecom towers;
- regulations are encouraging sharing of tower space so as to rapidly increase the coverage of telecom networks;
- new mobile Internet services (3G and 4G deployment) are constantly being rolled out; and
- Potential for replicating its development model in emerging countries

In this promising context, fundamentals specific to IHS will enable it to achieve high growth rates in the coming years:

- as mobile telephone operators focus increasingly on the services they provide to customers and less on infrastructure, they are outsourcing the management of their telecom towers. IHS offers these operators turnkey services enabling them to cover the regions they target and benefit from excellent quality services;
- historically, IHS's success has been based on experience, specialized knowledge and the excellence of its engineers at the operating level. These qualities enable IHS to consistently deliver a high level of service to its customers. IHS's key performance indicators exceed those of its competitors and the company has a reputation as an innovator in the industry. These attributes contribute to improved margins and better customer service;
- its business model is resilient, based on contracts with mobile phone operators generating lease payments indexed mostly to the US dollar or inflation negotiated over periods of 10 to 15 years;
- most counterparties have a very sound financial condition; its multicultural and entrepreneurial management team have extensive experience in the African and worldwide telecom markets. IHS's founders still manage the company.

These advantages should enable IHS to continue growing steadily. The company will be able to increase its installed base of towers in the countries where it is already present and acquire passive networks in other countries offering attractive economic and demographic prospects.

In October 2021, IHS Towers listed publicly on the New York Stock Exchange. Wendel did not sell any shares in this transaction.

Highlights of 2021

IHS Towers listed publicly on the New York Stock Exchange on October 14, 2021. On this occasion, Wendel did not sell any shares. Post listing, Wendel does not have any significant influence over IHS, as no Wendel employee sits on the Supervisory Board and the shareholders' agreement has been updated for the public status of IHS. As a result, IHS Towers has been accounted for as a financial asset at fair value since the IPO, with changes in value being booked in equity.

In 2021, IHS sales were $1,579.7 million compared to $1,403.1 million in 2020, thus an increase of $176.6 million, or +12.6%. Organic growth was $226.6 million, or +16.1%. Organic growth was driven primarily by escalations, lease amendments and foreign exchange resets, as well as new sites and tenants. Aggregate inorganic sales were $34.0 million, or +2.4%. The increases in organic sales in the period were partially offset by a negative 6.0% movement in foreign exchange rates of $84.0 million.

Adjusted EBITDA[1] was $926.4 million in 2021, compared to $819.0 million in 2020. Adjusted EBITDA margin was 58.6%, compared to 58.4% in 2020. The increase in adjusted EBITDA primarily reflects the increase in sales offset with year-on-year increase in cost of sales mainly due to higher power generation costs. The increase was also due to a decrease in administrative costs mainly due to a reversal of allowance for trade receivables.

As of December 2021, IHS recorded $2,985.2 million of total debt. As of December 31, 2021, IHS totaled $916.5 million of cash and cash equivalents and its leverage stands at 2.2x[2].

In January 2021, March 2021 and April 2021, IHS closed and integrated the Skysites Acquisition, Centennial Colombia acquisition and the Centennial Brazil acquisition, respectively. In April 2021 and October 2021, IHS closed the third and fourth phase of the Kuwait Acquisition, respectively. In October, IHS entered the Egyptian market through a licensed partnership. In November 2021, IHS completed its previously announced transaction with TIM S.A. ("TIM") to acquire a majority stake in FiberCo Soluções de Infraestrutura S.A. ("I-Systems") and signed agreements to acquire 5,709 towers from MTN in South Africa.

As of end of December 2021, IHS was the fourth largest independent multinational tower company with over 31 000 towers spanning nine countries on three continents; however, in January 2022 IHS announced the acquisition of the GTS SP5 portfolio of 2,115 towers in Brazil, which it subsequently closed in March 2022, after which IHS became the third largest towerco in Brazil. Including its anticipated close of the 5,709 towers from MTN in South Africa in 2Q22 and its anticipated launch in Egypt, IHS will have nearly 39,000 towers spanning 11 countries on three continents. IHS has also invested in ancillary technologies such as small cells, DAS and fiber.

(1) Adjusted EBITDA is a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" from IHS financial communication for additional information and a reconciliation to the most comparable IFRS measures.
(2) Consolidated Net Leverage Ratio is calculated based on a trailing 12 month adjusted EBITDA pro forma for acquisitions

2022 Outlook

The following full year 2022 guidance is based on a number of assumptions that IHS management believes to be reasonable and reflect the company's expectations as of March 15, 2022.

Please refer to IHS financial communication for the assumptions considered by the company on:
https://www.ihstowers.com/investors

- Sales: between $1,795 million and $1,815 million
- Adjusted EBITDA: between $960 million and $980 million
- Recurring levered FCF[(1)] : between $310 million and $330 million
- CAPEX: between $500 million and $540 million

$830 million invested by Wendel

To support IHS pan-African growth strategy, Wendel invested $826 million between 2013 and 2016, participating in five capital increases alongside IHS's shareholders, who are primarily major financial institutions active in economic development and top-tier private equity companies. In 2019, Wendel exercised warrants in IHS that were issued in 2012 for a net value of $4 million.

Among IHS' shareholders before its IPO are MTN, Emerging Capital Partners, International Finance Corporation (IFC), part of the World Bank Group, FMO, the Netherlands development bank, and Investec Asset Management (now Ninety-One). In 2014, new investors chose to support the growth of IHS, in particular Goldman Sachs, IFC Global Infrastructure Fund, African Infrastructure Investment Managers (Old Mutual and previously Macquarie), and the Singapore and Korean sovereign wealth funds GIC and KIC.

In addition, Wendel has brought together five US and European family investors (incl. Peugeot Invest, Sofina, ERES and Luxempart) to invest alongside it in IHS. In addition to the $830 million it has invested, Wendel has thus far raised an additional $220 million through an IHS co-investment vehicle that Wendel manages and whose voting rights Wendel exercises. This co-investment vehicle was terminated shortly after the IHS IPO and the shares were distributed to the co-investors.

Sustainable development and non-financial information

The purpose of IHS Towers is to have a positive impact on communities in the countries where it operates, helping to improve the quality and availability of communications infrastructure in an increasingly connected world. Its investment in communications infrastructure helps to connect individuals, businesses and governments. With increased connectivity of individuals, opportunities for expansion are increasing. IHS Towers impact goes beyond the benefits of connectivity, and the company has a four pillar sustainability strategy: Education and Economic Growth, Ethics and Governance, Our People and Communities and Environment and Climate Change. For more information: https://www.ihstowers.com/sustainability/

In millions of US dollars	2021	2020	Δ
Sales	1,579.7	1,403.1	+12.6%
Adjusted EBITDA[(1)]	926.4	819.0	+13.1%
As a % of sales	*58.6%*	*58.4%*	*+20 bps*
Net financial debt	2,069	1,933	+136

(1) Adjusted EBITDA is a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" from IHS financial communication for additional information and a reconciliation to the most comparable IFRS measures

Top management

Sam Darwish, Chairman and CEO

Steve Howden, Group CFO

Governance

Following the IPO, Frank Dangeard has been designated by Wendel to sit at the board of IHS which comprises 10 directors in total.

For more information, please visit: ihstowers.com

(1) Adjusted EBITDA and RLFCF are non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" for additional information and a reconciliation to the most comparable IFRS measures in IHS financial communication.

1.4.4 Constantia Flexibles

Constantia Flexibles bases its international development on innovation

Constantia Flexibles is a global leader in flexible packaging. The Group produces flexible packaging solutions for the consumer and pharmaceutical industries.

Constantia Flexibles in brief

(Fully consolidated company)

No. 2 in Europe, No. 3 worldwide	8,551 employees		37 production sites in 16 countries
€1.603.4 million in sales in 2021	EBITDA of €201.0 million in 2021(1)	Stake held by Wendel: 60.8%	Amount invested by Wendel(2): €565 million since March 2015

(1) Adjusted EBITDA before goodwill allocation entries, management fees and non-recurring items. Post IFRS 16.
(2) Amount of equity invested by Wendel as of December 31, 2020, for the stake held at that date.

Why did we invest in Constantia Flexibles?

Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles Group produces flexible packaging solutions for the consumer and pharmaceutical industries. Constantia Flexibles has successfully developed its activities outside Europe and, over the last five years, has become a global leader in flexible packaging. The Group now has 8,551 employees in 16 countries.

The flexible packaging market for fast moving consumer goods, in which Constantia Flexibles operates, offers a combination of stability and a certain growth. The business of Constantia Flexibles is largely independent of economic cycles because the Group caters to the daily needs of end-consumers. In addition, there are long-term megatrends supporting the growth of the flexible packaging market, such as urbanization and the increased consumption of single portions, tied in with the decline in the size of households and the development of the middle classes, especially in emerging markets. For several years, this market's growth in GDP terms has outpaced economic growth in developed and emerging countries.

In this fast-growing, resilient but highly fragmented market, Constantia Flexibles has clear competitive advantages enabling it to play a decisive role in the consolidation of the flexible packaging industry and offering long-term growth potential, such as:

- the group's long-standing relationships with major global customers;
- the size of the group, enabling it to harness economies of scale;
- the group's technological edge, ability to innovate, sustainability solutions and robust manufacturing facilities;
- the ability of Constantia Flexibles to pursue an external growth strategy, as demonstrated recently with the acquisition of Propak in Turkey.

On March 27, 2015, Wendel finalized the acquisition of Constantia Flexibles for an enterprise value of €2.3 billion, or around 9x 2014 EBITDA, and invested €640 million in equity for a 73% stake in the company, alongside the AREPO Foundation's €240 million, or 27% investment. Subsequently, on September 22, 2015, Wendel signed an agreement with Maxburg Capital Partners ("MCP"), an investment company backed by the RAG Foundation, to syndicate a minority share of its investment in Constantia Flexibles. Accordingly, in November 2015, MCP acquired approximately 11% of the capital of Constantia Flexibles from Wendel for €101 million.

Following this transaction, Wendel, the AREPO Foundation and MCP subsequently participated in a €50 million capital increase for Constantia Flexibles, each subscribing to a *pro-rata* stake, to finance the acquisitions of Afripack and Pemara.

Following the capital increase and MCP's investment in Constantia Flexibles, Wendel's equity investment in Constantia Flexibles totaled €565 million. Wendel is the company's controlling shareholder, with 60.8% of the share capital.

Consumer

The Consumer division represents around 76% of the sales of Constantia Flexibles. It encompasses a vast array of products to serve market segments ranging from dairy to confectionery *via* ready-made meals, as well as pet food. Because the products in this division cater to the daily needs of the population, this business is largely independent of economic cycles. In addition, demand for flexible packaging in the consumer market is rising, in response to a growing population, urbanization and higher environmental standards.

Constantia Flexibles supplies the consumer industry with consumer packaging solutions made of aluminum and various types of film. They include lids for dairy products, aluminum foil wrappings for butter and cheese, confectionery packaging, pouches for dried soups, sauces and ready-made meals, single-serve coffee capsules and light aluminum packaging systems also used for pet food.

This division of Constantia Flexibles is a global leader in several of its market segments (confectionery packaging and lidding) and serves consumer industry giants such as Nestlé, Unilever, Mars, and Pepsico.

Pharma

Constantia Flexibles produces different packaging solutions for the pharmaceutical industry, ranging from traditional aluminum foil blister packs to innovative packaging systems for new types of drug delivery (flexible sticks, inhalers, etc.) to sachets for powders and granules.

The pharmaceutical industry generates around 24% of the group's sales, and it is the second-largest manufacturer of foil-based blister packs for medication.

Global demand for flexible packaging from the pharmaceutical industry is supported by three main growth drivers:

- higher life expectancies in developed markets and a corresponding rise in chronic diseases;
- the development of health systems in emerging economies; and
- the expanding liberalization of the sale of medication, which is accelerating the trend toward self-medication.

Furthermore, demand for innovative packaging solutions is buoyed by the strong competition between traditional pharmaceuticals and generics. Traditional laboratories are aggressively offering novel forms of drug delivery, in order to maintain their technological edge and market share.

Highlights of 2021

FY 2021 Constantia Flexibles sales increased by +6.5% reaching €1,603.4 million, up +4.2% on an organic basis, notably through the effect of the increase in materials prices. Organic growth is driven by the Consumer markets (+6.1% organic growth) with a focus on some key growing segments such as coffee. The Pharma division, whose activity suffered during the first part of the year from a season of moderate flu and colds linked to lockdowns, and from destocking by customers, recorded a -1.3% decline in sales. In addition, it faced an unfavorable basis for comparison at the beginning of the year, as it had experienced very strong activity at the start of 2020. However, this demand has since significantly improved and the orderbook for the Pharma market is currently at record levels.

For the record, in 2020, Consumer sales were negatively impacted with lower activity levels particularly in India, Mexico and South Africa, partially offset by (i) an increased demand in European Consumer markets due to so-called 'pantry loading', and (ii) particularly high pharma sales due to increased demand in the early part of the COVID-19 pandemic. In India, the market has remained very challenging this year in the light of a second lockdown and a very competitive environment with significant price pressure.

2021 benefited from the integration of Propak in June (+3.2%), but was negatively impacted (-0.9%) by unfavorable FX, mainly from U.S. dollar, Russian ruble and Indian rupee.

Despite the inflationary environment in raw material, freight, and energy costs, EBITDA was up +6.1% to €201 million[(1)], i.e., a 12.5% EBITDA margin, only 10 bps below last year. This is the result of (i) Constantia's renewed management team efforts towards profitability measures to mitigate the impact of raw material cost increases and (ii) a continuous cost reduction program, (iii) acquisition of Propak.

(1) EBITDA after the impact of IFRS 16. Excluding the impact of IFRS, EBITDA would be €191.4 million.

On June 9, 2021, Constantia Flexibles closed the acquisition of Propak, a flexible packaging producer located in Düzce in Turkey. The purchase price is based on an enterprise value of €120 million, representing a 6.4x multiple of 2020 actual EBITDA. Propak is a leading player in the European packaging industry for the snacks market operating out of a well-invested plant with approximately 360 employees and complements Constantia Flexibles' packaging solutions portfolio. This significant acquisition elevates Constantia Flexibles to one of the leading packaging players in the European snacks market. Performance since the acquisition has been in line with expectations with good commercial and cost synergies identified for the future.

In spite of the Propak acquisition in June 2021, leverage has remained stable year on year at 1.8x LTM EBITDA, leaving significant headroom to its covenant level of 3.75x, with ample liquidity as of end of December 2021. Net debt stood at €400.3 million[(1)] at the end of December (€362.2 million at December 31, 2020) thanks to strong cash flow generation. This year, significant improvements were made in terms of cash generation thanks to contained capex from a more focused investment policy, improved working capital position and the acquisition of the cash-generative Propak business. As a result, Constantia Flexibles improved its operating cash flow profile above its historical track record of c. 45% on average.

Good progress has been made by the company in line with its Vision 2025 strategy with a return to organic growth and an improvement of operational efficiency (targets of achieving an EBITDA margin of at least 14% by 2025). With the mentioned Propak acquisition, Constantia has resumed acquisitions in the fragmented and consolidating flexible packaging market. Outside of Europe, profitability of operations has been significantly enhanced in North America and South Africa. Constantia Flexibles is carefully managing raw material price' increases as well as the availability of raw materials, particularly the aluminum, focusing its efforts on preserving the profitability of the company to the extent possible. In addition, Constantia reaffirmed its standing with its customer base with a very positive customer feedback survey for the second year in a row.

In 2021, Constantia Flexibles continued its efforts to improve the performance of its processes and products relating to sustainable challenges. The Ecolutions initiative (development of new recyclable packaging solutions to support the ongoing market transformation) has experienced a positive momentum, with the commercialization of its products by more than 10 various large Fast-Moving Consumer Goods players in Europe and India and a strong acceleration in the pipeline with more than 320 projects. In 2021, Constantia Flexibles has been recognized for leadership in corporate sustainability by global environmental non-profit CDP (Carbon Disclosure Project), securing a spot on its 'A List'. In addition, for the fourth time in a row, Constantia Flexibles as a group has been awarded the EcoVadis Gold Medal in recognition of its CSR achievement. This result places Constantia Flexibles among the top 1% of companies assessed by EcoVadis in its industry.

On March 29, 2021, Constantia Flexibles announced Richard Kelsey was confirmed as new CFO of the company. Richard Kelsey joined Constantia Flexibles in 2010 as Group Head of M&A subsequently assuming the responsibility of Group Controlling & Accounting for three years. Since October 2020 he was interim CFO.

Outlook for development

Under the leadership of its new CEO, Pim Vervaat, and his new management team Constantia Flexibles has developed a new strategy called Vision 2025. This strategic roadmap should refocus strategic priorities primarily towards boosting growth and profitability. It should also strengthen organic growth through innovation and the sustainable packaging technologies segment and the new EcoLutions sustainable product range, and external growth through selective consolidation in Europe and worldwide. The company has set the following financial objectives for 2025: organic growth of at least 2% per year, through cyclical growth and an EBITDA margin of at least 14%.

(1) After impact of IFRS 16. Excluding IFRS 16, net debt would be €363.2 million.

Sustainable development and non-financial information

Constantia Flexibles values sustainable improvements of its products as an opportunity to accelerate success factors by building long-term relationships with the company's key stakeholders. Constantia Flexibles' ambition is to supply flexible, superior packaging solutions that improve people's daily lives. This priority takes the form of global initiatives implemented by the Group that exceed regulatory requirements.

Constantia Flexibles pays particular attention to continual improvements in the consumption of raw materials (principally aluminum, plastics, paper, and chemicals like inks and solvents), and to mitigating its carbon footprint. In 2018, Constantia Flexibles signed the New Plastics Economy Global Commitment (see section 4.2.2.6.1 Circular economy) alongside 400 companies (including several of the world's largest packaging and consumer goods players). It has also set a target to reduce its absolute GHG emissions in accordance with climate science practices. Accordingly Constantia Flexibles uses appropriate procedures to monitor the possible impact of its products on the environment, in particular by performing life cycle assessments. For more information, see Chapter 4.

In millions of euros	2021 after IFRS 16	2020 after IFRS 16	Δ
Net sales	1,603.4	1,505.3	+6.5%
EBITDA[1]	201.0	189.4	+6.1%
As a % of net sales	*12.5%*	*12.6%*	*-10bps*[1]
Net financial debt	400.3	362.2	+38.1

(1) Adjusted EBITDA before goodwill allocation entries, management fees and non-recurring items.

Top management

Pim Vervaat, CEO

Richard Kelsey, CFO

Wendel's teams

Supervisory Board: Josselin de Roquemaurel, Jérôme Richard, Constance d'Avout

Nomination and Compensation Committee: Josselin de Roquemaurel, Constance d'Avout

Audit Committee: Josselin de Roquemaurel, Jérôme Richard

For more information, please visit: cflex.com

1.4.5 Crisis Prevention Institute

Crisis Prevention Institute, a provider of training solutions, consultancy and assistance, is improving support, safety, trust and compliance for all in the workplace.

Crisis Prevention Institute, "CPI," is the world leader in crisis prevention and aggressive behavior management training programs. For 42 years, CPI has been providing crisis prevention and intervention training programs to help professionals anticipate and respond to anxious, hostile and violent behaviors with safe and effective methods. The training programs have proven effective in reducing the frequency and impact of incidents resulting from aggressive behavior in the workplace. They boost the confidence of professionals, assist clients in complying with regulatory obligations and create a safer environment for employees and the community at large.

CPI in brief

(Fully consolidated company)

Offices in 3 countries which organize training in some 17 countries	Over 10,000 clients and an installed base of 37,000 "Certified Instructors" who train over 1.4 million people each year.	311 employees	World market leader
$104.3 million in sales in 2021	Adjusted EBITDA[(1)] of $51.5 million in 2021	Stake[(2)] held by Wendel: around 96.3%	Amount invested[(2)] by Wendel: $569 million in December 2019

(1) Adjusted EBITDA before goodwill allocation entries, management fees and non-recurring items. Post IFRS 16.
(2) Amount of equity invested by Wendel as of December 31, 2021, for the stake held at that date.

About CPI

On December 23, 2019, Wendel completed the acquisition of the Crisis Prevention Institute (CPI). CPI, which is headquartered in Milwaukee, in Wisconsin, has been the world leader in behavior management and crisis prevention training for over 40 years. CPI specializes in "train the trainer" programs. These programs that teach and certify individuals to instruct staff at their organizations to assess, manage, and safely resolve instances of high-risk, disruptive, aggressive or high-risk behavior in the workplace. After taking a course, these employees of CPI clients become Certified Instructors (CI). They then train their colleagues with a view to issuing them with CPI's Blue Card™ certification at the end of their program.

The company's main clients are those in the fields of education and healthcare in the US as well as other sectors where behaviors are a key issue, particularly human services, corporate services and security services. CPI has an installed base of around 37,000 active "Certified Instructors" who train over 1.4 million people a year. Over the last 40 years, CPI's certified instructors (CI) have trained over 15 million professionals in North America, Europe and worldwide.

CPI is Wendel's fourth investment in the US after Deutsch, CSP Technologies and Allied Barton.

Why did we invest in CPI?

CPI is the world leader and is seen by healthcare and education professionals as the gold standard. The company's training programs have proven to be effective in improving personal safety and focus on the appropriate responses to high-risk situations. Moreover, they support staff retention and significantly reduce the likelihood of violence in the workplace as well as its seriousness and related costs. Drawing on in-depth knowledge of the relevant regulations at state and federal level, which are constantly changing and expanding in scope, CPI helps its clients to comply with regulatory requirements and to defend themselves in the event of incidents.

CPI's long-standing financial success is evidence of the quality of services the company offers its clients. CPI's business model is strengthened by its diverse customer base, a net retention rate of over 100% and the relationships it has built over the past 42 years: CPI's top 500 key clients have been customers for at least 20 years. Wendel's investment in CPI was motivated by the company's ability to expand this base, and to realize the significant potential for growth in adjacent markets and services. Wendel is supporting CPI management and employees in expanding the scope of their services and creating a global training platform with an even greater impact.

A mission-led business that shares Wendel's values.

Wendel is proud to be associated with CPI's mission, which is aimed at reducing conflict and violence in the workplace. CPI is a mission-led business that provides essential services supported by its Certified Instructors and employees. They are all united around a common goal: ensuring the well-being of the company's stakeholders. As a supplier of essential services aimed at safeguarding communities, in particular where healthcare supports the most vulnerable, CPI's mission and values are consistent with Wendel's Code of Ethics.

Highlights 2021

In 2021, Crisis Prevention Institute recorded sales of $104.3 million, up +63.6% in total compared to the same period in 2020 and +18.9% versus 2019. CPI passed for the first time in its history the $100 million sales mark thanks to:

- recoveries in attendance aided by CPI's adaptation to virtual training;
- overall new Certified Instructors (CI) and renewal volumes above 2019 levels;
- successful new program launches including specialty topics such as Trauma and Autism; and
- continued mix shift toward digital solutions for both new and existing Cis, with programs retaining the required in-person components. Virtual Learner Material sales (c. 46% of learner material sales) continued to expand in share, with year-to-date, e-learning delivery representing 35% of total Learner Material volumes, above the 30% and 11% levels in 2020 and 2019.

Of the +63.6% sales increase versus the same period in 2020, + 58.8% was organic growth, +3.0% was related to a purchase accounting adjustment to deferred sales (impact of -$1.9 million in 2020), and +1.8% was due to FX movements.

CPI's activity has benefited from the improved ability to gather in person as customers, notably in hospitals and schools, to move towards an increasingly normalized work environment. As a result, CPI has leveraged an improved sales force strategy to continue further penetrating these core US markets as well as expanding into new markets.

This strong growth in sales was accompanied by an overall EBITDA increase of +97.3% year on year to $51.5 million[(1)] or a 49.4% EBITDA margin in 2021. Compared to 2019, EBITDA is up by c. 30%[(2)] and EBITDA margin improved by +435 basis points.

This strong growth of profitability was primarily induced from the flow-through of higher sales to earnings, as well as effective cost management. In 2022, to maintain quality and fidelity standards, CPI has resumed in-person training, which will include higher travel and operating costs than those incurred during the hybrid training provided during 2020 and 2021.

The overall heightened level of activity, combined with effective cost management, has led to continued deleveraging over the past few months, driving CPI's leverage level at 6.0x, well below the 10.5x FY21 covenant, and below the leverage agreed at acquisition by Wendel in 2019.

(1) EBITDA after the impact of IFRS 16. Excluding the impact of IFRS 16, EBITDA would be €50.4 million.
(2) Excluding the impact of IFRS 16.

Outlook for development

CPI is benefiting from its position as leader in a market where demand for training on preventing and de-escalating crisis situations is increasingly high. CPI services are increasingly in demand due to a greater number of incidents and ever more restrictive regulations introduced by state and federal government. This is particularly true of educational and healthcare establishments which currently represent the bulk of CPI's sales. This is also increasingly the case in other sectors where violence and trauma in the workplace are commonplace. In addition to continuing these initiatives aimed at expanding in the United States, CPI is also investing in increasing its international presence, which accounted for around 20% of sales in 2021, mainly to clients in Canada, the United Kingdom and Australia. The company is constantly evaluating and improving its training programs and teaching methods. It will continue to suggest improvements, specialized services and new technological solutions over time in order to equip clients who are exposed to varying degrees of risk, enabling them to manage violence at work effectively.

Sustainable development and non-financial information

Since CPI's founding, the Institute has played an increasing role in advocacy for the underserved populations and drastically reducing workplace violence. In 2018, CPI joined the United Nations Principles for Responsible Investment (PRI). This initiative demonstrates a strong commitment to assessing business-oriented investments and operations against these international principles. As a continuation, and under Wendel's impetus CPI implemented in 2020 an ESG strategy with indicators. This value-added strategy allows CPI to remain at the forefront of the industry. For more information, see Chapter 4.

In millions of US dollars	2021 after IFRS 16	2020 after IFRS 16	Δ[1]
Net sales	104.3	63.8	+63.6%
EBITDA[1]	51.5	26.1	+97.3%
As a % of net sales	*49.4%*	*40.9%*	*+850 bps*
Net financial debt	322.6	337.8	-15.2

(1) Adjusted EBITDA before goodwill allocation entries, management fees and non-recurring items.

Top management

Tony Jace, CEO

Susan Driscoll, President

Joy Krausert, CFO

Wendel's teams

Board of Directors: Adam Reinmann (Chairman), Harper Mates, Mel Immergut (Wendel Senior Advisor)

Audit Committee: Harper Mates (Chairperson), Adam Reinmann

For more information, please visit:
https://www.crisisprevention.com/

1.4.6 Tarkett

Tarkett, a world leader in flooring and sports surface solutions

The Tarkett group's leadership position in the flooring industry is the result of 140 years of experience, and builds on the talent, values and commitment of generations of entrepreneurs. Tarkett develops, manufactures and sells one of the broadest ranges of flooring products and addresses diversified commercial and residential end-markets, mainly focus on renovation.

Tarkett in brief

(Equity-method investment)

3rd largest manufacturer of flooring solutions worldwide	Approx. 12,000 employees	Sales in over 100 countries	34 industrial sites, 25 R&D laboratories and 8 recycling centers
€2,792.1 million in sales in 2021	EBITDA of €229.0 million in 2021(1)	Stake(2) held by Wendel: 23.4%	Amount invested by Wendel(3): €222 million since April 2021

(1) Adjusted EBITDA. Post IFRS 16.
(2) Share of equity owned by Wendel as of 12.31.2021, net of treasury stock and pro forma of the capitalization of the sums temporarily invested by Wendel in shareholder loans. Participation held via the company Tarkett Participation as part of the parternship with the Deconinck family.
(3) Amount of equity invested by Wendel at December 31, 2021, for the stake held at that date through Tarkett Participation.

Why did we invest in Tarkett?

As part of its 2021-2024 investment strategy, Wendel announced on April 23, 2021, that it had partnered with the Deconinck family to form Tarkett Participation to support Tarkett's growth. The Deconinck family will maintain a controlling stake in the company. Wendel is represented by an observor on Tarkett's Board of Directors and has governance rights commensurate with the level of its minority shareholding.

On October 26, 2021, Tarkett Participation announced that it held, directly or indirectly, 90.41% of Tarkett's share capital (compared with 86.27% following the close of the simplified tender offer on July 9, 2021). Minority shareholders of Tarkett now hold less than 10% of share capital and voting rights.

Tarkett Participation could contemplate a potential squeeze-out procedure, in accordance with the regulation, but this is not on the table at this time. Tarkett Participation is a company controlled by the Deconinck family, alongside Wendel.

As a result, Wendel has invested a total of €222 million for a total stake of 25.9% of Tarkett Participation's capital, representing a 23.4% ownership of Tarkett.

Tarkett was formed in 1997 through the merger of the French company Sommer Allibert S.A. and Tarkett AG (at the time listed on the Paris and Frankfurt Stock Exchanges respectively). Sommer Allibert S.A. was also formed as the result of a merger in 1972 between two French companies. Sommer was established at the end of the nineteenthcentury and Allibert was formed at the beginning of the 20th century by Mr. Joseph Allibert, whose heirs are the members of the Deconinck family, the majority shareholder. Tarkett was formed at the end of the 19th century in Sweden.

In 1997, the Group embarked on a strategy which refocused on flooring by transferring its other activities, in particular automotive equipment (2001) obtained from Sommer Allibert S.A., and was renamed Tarkett (in 2003).

The strategic plan is based on the following four strategic pillars:

a) sustainable growth upheld by an increased focus on a selection of buoyant commercial market segments such as health, education or corporate, the development of a global range in the hospitality industry and the continued expansion of sporting activities. The group is also planning to invest in digital distribution channels in order to harnessfuture growth;

b) its approach will be even more focused on customers with a simpler, more flexible and responsive organisation;

c) This is an ambitious development in terms of the circular economy, with specific efforts made to develop recycling solutions for customers; and

d) a rigorous cost reduction programme has been developed with the aim of generating savings of at least €120 million between 2019 and 2022 alongside a selectivecapital allocation policy aligned with strategic sustainable growth initiatives.

The group has many strategic assets:

- a leading position as the world's 3rd largest flooring supplier worldwide (based on 2021 sales);
- balanced geographical exposure and diversified market segments;
- a product range among the widest in the flooring and sports surface industry;
- long-term relationships with customers;
- special long-term relationships with fitters and contractors p;
- a "GloCal" positioning;
- an eco-innovation pioneea pioneer; and
- an international and experienced management team.

Resilient flooring (vinyl and linoleum) 48% of 2021 revenue

The group offers a wide range of resilient flooring, including homogeneous and heterogeneous vinyl as well as linoleum. Both residential and commercial end-users purchase heterogeneous vinyl. Homogeneous vinyl and linoleum, on the other hand, are purchased primarily by commercial end-users.

Parquet and laminate flooring 8% of 2021 revenue

Parquet

The Group sells parquet in Europe (EMEA region), primarily in the Nordic countries. It also sells these products in the CIS countries and the Balkans. The Group is among the leading manufacturers of parquet in Europe and the CIS. Parquets are generally sold in the residential market.

Laminate flooring

Laminate flooring is mainly used in the residential market. Its allows the end-user to reproduce their preferred design - wood, stone, ceramic or graphic design - with greater durability at a lower cost.

Carpets 16% of 2021 revenue

Tarkett primarily offers carpets for use in commercial spaces such as office buildings, public institutions, and the healthcare and education sectors. The group's principal markets for commercial carpet are North America, since the acquisition of Tandus in 2012, and Europe, since the acquisition of Desso in 2014. In 2018, the Group significantly strengthened its position in the North American hospitality sector carpet market with its acquisition of Lexmark.

Rubber flooring and accessories 7% of 2021 revenue

Tarkett sells a wide range of rubber flooring as well as vinyl and rubber accessories. Flooring products include rubber sheets and tiles, while accessories include stair nosing, tactile warning strips, tactile paving tiles, warning tiles, baseboards, decorative wall skirting, thresholds and adhesives.

Sports surfaces 21% of 2021 revenue

The sports surfaces manufactured by Tarkett are used all over the world. They support amateur and high level sports people in their activities and combine safety, comfort, performance and attractiveness. Sports surfaces are laid in universities, schools and public sporting areas, primarily in North America and Europe (particularly in France, Spain, Benelux and the United Kingdom).

Highlights of 2021

In 2021 Tarkett totaled €2,792.1 million in net sales, an increase of +6.0% as compared with 2020. Organic growth was 6.4%, or 8.0% including price increases in the CIS region (Commonwealth of Independent States) implemented to counter inflation in procurement costs (in the CIS, price adjustments have historically been excluded from the calculation of organic growth, because they are implemented to offset currency fluctuations). The effect of price increases implemented in all segments averaged +3.5% in 2021 as compared with the prior year.

Adjusted EBITDA totaled €229.0 million in 2021, or 8.2% of revenues, as compared with €277.9 million in 2020, or 10.6% of revenues. Growth in sales volumes aided EBITDA, contributing €20 million. However, the effect of inflation on purchases of raw materials, energy, and freight accelerated in the second half and led to an unprecedented increase in procurement costs of €178 million, in an environment of limited supply and very strong demand, which added to the increases in the prices of oil and other energy sources. The selling price increases of €93 million have mitigated the impact of inflation.

Net financial debt was stable at €475.7 million at the end of December 2021 (as compared with €473.8 million at the end of December 2020), including an increase due to an exchange rate effect on Tarkett's dollar-denominated debt. Financial leverage was 2.1x adjusted EBITDA at the end of December 2021[(1)]. In addition to this solid financial structure, at the end of the year Tarkett had a significant amount of liquidity, €628.7 million, including undrawn Revolving Credit Facilities for €350.0 million and other confirmed and unconfirmed credit facilities for €73.3 million and cash equivalents of €205.4 million.

2022 Outlook:

As at the date of publication of its annual results on February 16, 2022, Tarkett expected continued volume growth and further inflation in purchasing costs €220 million to be fully offset by additional selling price increases.

The situation in Russia and Ukraine has implications for the activities of the Group in the CIS region and its overall performance, although it is too early to assess the impact. Russia represents c.10% of Tarkett's combined net sales in 2021. Safety of employees who can be exposed to the conflict is a key priority.

Tarkett represented c.1.9% of Wendel's Gross Asset Value as of December 31, 2021.

For more information:
https://www.tarkett-group.com/en/investors/

Outlook for development

Tarkett's ambition is to be the world leader in commercial flooring and sports surfaces and to grow in a targeted manner in the residential sector. The Group's vision is also to become a leader in the circular economy, an area in which it has set itself some ambitious objectives.

The Group strives to provide innovative solutions to create value for its customers and designs flooring and sports surfaces which offer end users a good return on investment, high technical performance and clear, strong commitments to the environment.

For more information, see Chapter 1.3 of the Tarkett 2021 Universal Registration Document, filed with the AMF on March 28, 2022.

(1) Leverage at Tarkett level. Total consolidated debt at Tarkett Participation stands at €717m and leverage at 3.6x

Sustainable development and non-financial information

For over 140 years, Tarkett has been committed to designing great spaces every day. The company puts people and the planet first, considering the environment and health of current and future generations in its Tarkett Human-Conscious Design™ approach.

Its ambition is to combine the expectations of each of its customers with the profound challenges of protecting the planet, by reducing its carbon footprint and changing the game with circular economy. By working with its partners, Tarkett delivers safer and healthier spaces in which people can reach their full potential.

On February 3, 2022 – Tarkett, announced its new Climate 2030 roadmap, in line with the Paris Agreement's goal of limiting global warming to 1.5°C. The company will reduce its greenhouse gas emissions across its entire value chain by 30% by 2030. In February 2022, the independent Science Based Targets (SBTi) organization began the assessment and validation of Tarkett's greenhouse gas reduction targets. Tarkett's 2030 climate roadmap covers reductions in greenhouse gas emissions from its own operations (Scope 1) and purchased energy (Scope 2) – as well as those from the rest of its value chain, from suppliers to end customers (Scope 3).

For more information:
https://www.tarkett-group.com/fr/climat-economie-circulaire/

In millions of euros	**2021 after IFRS 16**	**2020 after IFRS 16**	**Δ**
Net sales	2,792.1	2,632.9	+6.0%
EBITDA	229.0	277.9	-17.6%
As a % of net sales	*8.2%*	*10.6%*	*-240 bps[1]*
Net financial debt[1]	475.7	473.8	+1.5

(1) Tarkett SA's net financial debt.

Top management

Fabrice Barthelemy, CEO

Raphaël Bauer, CFO

Eric La Bonnardière, Chairman

Wendel's teams

Board of Directors of Tarkett Participation: Josselin de Roquemaurel

Board of Directors of Tarkett SA: Josselin de Roquemaurel (Observor)

For more information: https://www.tarkett-group.com/

1.4.7 ACAMS

ACAMS is the world's largest membership organization dedicated to fighting financial crime

ACAMS is the world's largest membership organization dedicated to fighting illicit finance through training and certification in the areas of Anti-Money Laundering (AML) and financial-crime prevention.

ACAMS in brief

(Fully consolidated company from March 2022)

Approx. 285 employees	Over 90,000 members	Presence in 175 jurisdictions	Global leader in anti-financial crime training and certification
$83 million in annual sales at the end of September 2021[(1)]	$18 million annual adjusted EBITDA[(1)] at the end of September 2021	Stake held by Wendel: 98%	Amount invested[(2)] by Wendel $338 million

(1) Unaudited US GAAP figures. EBITDA established according to Wendel's usual methodology, including Wendel's estimate of the operating expenses required to manage ACAMS' operations on an independent basis. EBITDA includes non-recurring items of approximately $2 million.
(2) Amount of equity invested by Wendel in ACAMS in March 2022.

Why did we invest in ACAMS?

On March 10, 2022, Wendel completed the acquisition of ACAMS (Association of Certified Anti-Money Laundering Specialists) from Adtalem Global Education (NYSE: ATGE) and will conduct the transition to a stand-alone business. This transaction valued ACAMS at approximately $500 million[(1)]. Wendel invested approximately $338 million in equity and holds approximately 98% of the Company's share capital alongside the company's management and a minority shareholder.

ACAMS is the world's largest membership organization dedicated to fighting illicit finance through training and certification in the areas of Anti-Money Laundering (AML) and financial-crime prevention. The company benefits from a large global network of over 90,000 members in 175 jurisdictions. Of these members, more than 50,000 professionals hold CAMS certifications that require rigorous preparation, regular updates and annual continuing education and training, including webinars and conference attendance. ACAMS employs approximately 285 people, mainly in the United States, London and Hong Kong, who together serve a global customer base. The company generates more than 60% of its sales outside of the United States.

For the 12-month period ending on September 2021, ACAMS reported revenue of $83 million and unaudited EBITDA of $18 million[(2)], estimated on an independent operational management basis and calculated according to Wendel's usual methodology. ACAMS has a long history of organic growth.

Wendel's investment is in line with Wendel's 2021-24 roadmap, and its stated objective of accelerating the redeployment of capital to higher-growth companies that share the ESG values of the Wendel Group.

(1) Net adjusted acquisition price of $487.5 million.
(2) Unaudited US GAAP figures. EBITDA established according to Wendel's usual methodology, including Wendel's estimate of the operating expenses required to manage ACAMS' operations on an independent basis. EBITDA includes non-recurring items of approximately $2 million.

Sustainable development and non-financial information

ACAMS is a mission-driven company dedicated to the goal of ending financial crime. ACAMS' training helps prepare individuals and businesses to identify and prevent money laundering as well as the financing of illicit operations that have a negative impact on society, including corruption, cybercrime, terrorism, human trafficking, illegal wildlife trade, and many other nefarious, harmful, and illegal activities. As with all of its controlled companies, Wendel will support ACAMS in the development of a formal ESG roadmap.

Top management

Scott Liles, CEO

Mariah Gause, COO

Wendel's teams

Board of Directors: Adam Reinmann (Chairman), Harper Mates, Jamie Fletcher, Caroline Bertin Delacour

Audit Committee: Jamie Fletcher (Chairman), Adam Reinmann, Harper Mates, Mel Immergut (Wendel Senior Advisor)

For more information: acams.org

1.4.8 Wendel Lab

The Wendel Lab, a gateway to strong growth and a new ecosystem for Wendel

The Wendel Lab enables Wendel to increase portfolio growth but also to give Group companies access to a disruptive and technological ecosystem.

Wendel Lab in brief

Investments in 7 funds and funds of funds	1 direct investment	€115 million of committed capital (1)

(1) As of December 31, 2021. As of end of March 2022, an additional €21 million had been committed.

Why did we create the Wendel Lab?

With the Wendel Lab, Wendel aims to increase its exposure to the high growth company sector. The structure, which was initiated in 2013, has so far primarily made commitments to several high-quality technology and growth investment funds. In addition to these commitments, Wendel Lab aims to make direct investments in high-growth companies. As part of its 2021-2024 strategic roadmap, Wendel announced that Wendel Lab would eventually represent 5% to 10% of its net asset value.

With the Lab, Wendel invests directly or through funds in innovative and high-growth companies. The Lab should enable the Group to be involved (via funds or directly) in the development of hundred start-ups, mainly in the digital field.

Wendel Lab's purpose is two-fold:

- the diversification of Wendel's portfolio, by exposing itself to high-growth assets, generally with a digital component or with disruptive business models, and
- developing the expertise of Wendel's teams and those of its portfolio companies in terms of technological innovations that could impact or improve the Group's value creation profile.

Through its funds and funds of funds activity, Wendel Lab has access to renowned institutions such as: Accel Partners, Andreessen Horowitz (a16z), Bond Capital, Innovation Endeavors, InvAscent, Kleiner Perkins and Quadrille.

Recent highlights

In 2021, €49 million of new commitments has been subscribed. Since the start of 2022, an additional €21 million has been committed to technology-focused funds raised by Andreessen Horowitz (a16z), Insight Partners and Kleiner Perkins. Each of these firms is managed by highly respected and experienced technology investors given their historical performance. Total commitments of Wendel Lab in the fund amounted to €115 million at end 2021, of which c. 70% have been already called.

In early 2022, Wendel announced the enhancement of Wendel Lab with the naming of Jérôme Michiels as being responsible for the Group's initiatives in terms of investment in funds and directly within the Wendel Lab. Jérôme Michiels, who is Wendel's Executive Vice-President and Chief Financial Officer, will continue in those roles.

Wendel Lab will thus continue to invest in funds and funds of funds, under the leadership of Chris Witherspoon, hired in 2021. In parallel, Wendel Lab is now seeking direct investment and co-investment opportunities in start-ups. To make these direct investments, like the one made in 2019 in AlphaSense, the Wendel Lab will rely on a new team of two experienced professionals in this asset class, including Antoine Izsak, who joined Wendel at the beginning of February 2022 as Head of Growth Equity.

Sustainable development and non-financial information:

Investments made by Wendel Lab are subject to specific ESG procedures. In particular, they are subject to the exclusion list adopted by Wendel. Before investing in a fund of funds, the ESG and Wendel Lab teams analyze the investment policies of the funds in question and their suitability for Wendel's exclusion list. Where possible, more in-depth ESG due diligence is undertaken (HR policies, code of conduct, consideration of climate change, etc.). As far as possible, this practice will also be implemented as part of the investments that Wendel Lab will make directly in growth companies.

1.4.9 Cromology

Sale of Cromology, a European leader in decorative paints

At the end of October 2021, Wendel received a binding offer from DuluxGroup to acquire the entire share capital. Present in eight European countries, Cromology designs, manufactures, sells and distributes a wide range of decorative paint and products to professionals and consumers. 65% of its activity is in France, 35% in Southern Europe and in the rest of the world.

In January 2022, DuluxGroup acquired the entire share capital of the company for an enterprise value of €1,262 million, or 13.2 times LTM EBITDA(1) as of June 30, 2021.

This transaction generated net cash for Wendel of €896 million, *i.e.*, €358 million more than its valuation in the NAV published before the announcement of the transaction, *i.e.*, on June 30, 2021.

The history of Cromology within Wendel's portfolio highlights the validity of the long-term investor model, which has allowed Wendel to accompany the company in critical moments. When Wendel made the decision in early 2019 to reinvest €125 million in the company, Wendel was confident that the new management team put in place in 2018 was capable of creating sustainable value for its shareholders and stakeholders. In addition, all Cromology teams demonstrated their commitment and resilience during the COVID-19 crisis, enabling the company to deliver remarkable operational, financial and non-financial performance.

This transaction is an additional step in Wendel's roadmap for 2021-2024, and its strategy to redeploy its capital towards growth assets.

History of Wendel's investment in Cromology

In 2006, Wendel acquired the Materis group, which comprised four divisions: Aluminates (Kerneos), Mortars (Parexgroup), Admixtures (Chryso) and Paints (Materis Paints). In 2014, the Materis group fully refocused its operations on its Paints business, selling Kerneos in March, Parexgroup in June and Chryso in October of that year for total net sales proceeds of €1.7 billion, which were devoted to reducing the company's debt. On July 7, 2015, Materis Paints, the last Group division, rebranded as Cromology and set its sights on new challenges.

On May 13, 2019, Wendel announced that it had signed an agreement to renegotiate Cromology's financial debt. At the end of May 2019, Wendel invested €125 million in equity alongside the new management team, led by Pierre Pouletty, the Company's new Chairman appointed in June 2018, and Loïc Derrien, appointed Chief Executive Officer in August of the same year. The new equity provided by Wendel has been used to strengthen the Company's financial structure, in particular by reducing its debt. The new equity also enabled the company to implement its transformation plan and finance its investments.

In total, Wendel has invested €550 million of equity in the Materis group, including €125 million in 2019 in Cromology. With Wendel's support, the new management team has thus successfully led the Company's strategic and operational refocusing since the end of 2018, enabling it to weather the Covid crisis in a remarkable manner. As a result, the EBITDA margin has reached a record level of 19.7%(2), and financial leverage has been reduced to 0.05x(3) at end June 2021.

(1) Enterprise value and EBITDA exclude the impact of IFRS 16.
(2) Including the impact of IFRS 16.
(3) According to the banking definition.

ESG achievements since 2006

Since the acquisition of the Materis Group by Wendel in 2006, Cromology has pursued a proactive policy to promote the environmental and social performance of the company and its products. Cromology places ESG at the heart of its strategy, at the same level as profitable growth and operational excellence. In its ESG roadmap published in 2020, Cromology committed to five priority themes: human resources, business ethics, health and safety, respect for the environment, and the quality of the paints offered.

Thus, 100%[1] of the Group's industrial sites are certified in terms of health and safety of teams[2], and 70% of sites are certified in terms of environmental management[3], with a target of 100% by 2023. Cromology works to engage its entire value chain in its social responsibility approach: 80% of the volume of raw material purchases comes from suppliers who have signed the company's responsible purchasing Charter and are committed to respecting its principles. Finally, Cromology is continuously working to offer paints and colors that are more respectful of the environment and users: in 2020, almost half of the revenue from paint was generated by the sale of paint with a European environmental label.

1.4.10 Other portfolio information

Wendel is paying close attention to the evolution of the situation in Ukraine and its potential consequences, as the most material financial impact, among other things, could come from an increase of our companies' cost structures, raw materials prices, supply chain and wages inflation, if these are not passed on sufficiently quickly in sales prices, as our companies were able to do in 2021. Wendel is also monitoring the evolution of the Covid epidemic in Asia, particularly in China.

Wendel's direct economic exposure to Russia and Ukraine is limited at c. 1%[4] and security of local employees who can be exposed to the conflict is a key priority.

Please find below the Group direct exposure to Russia and Ukraine through its companies:

	2021 Russia & Ukraine sales (% total sales)
Listed assets (55% of GAV[1])	
Bureau Veritas (46 % of GAV[1])	<1 %
IHS Towers (7.5 % of GAV[1])	0 %
Tarkett (1.9 % of GAV[1])	c.10 %
Unlisted assets (37 % of GAV[1])	
Constantia Flexibles	<5 %
Stahl	c.1 %
CPI	c. 0 %
Net cash position (6,5% of GAV[1])	0 %
ACAMS	c. 0 %

(1) GAV: Gross Asset Value, as computed in Wendel's NAV as of December 31, 2021.

(1) Values at December 31, 2021.
(2) OHSAS 18001 or ISO 45001 certification.
(3) ISO 14001 certification.
(4) GAV: Gross Asset Value, as computed in Wendel's NAV as of December 31, 2021.

2

CORPORATE GOVERNANCE

This "Corporate governance" section includes extracts from the report of the Supervisory Board on Corporate governance prepared pursuant to Articles L. 22-10-20 and L. 22-10-34 of the French Commercial Code. The Supervisory Board's report also includes information pertaining to the Shareholders' Meetings (section 8.4.4) and information that could have an impact in the event of a public offer (section 8.3.11). Lastly, it includes information regarding delegations of powers and authority for capital increases (section 8.3.7), and the observations of the Supervisory Board (section 9.3). This report was issued by the Supervisory Board at its meeting on March 17, 2022, after review by the Governance and Sustainability Committee.

2.1 Governing and supervisory bodies

Since 2005, the Company has been governed by an Executive Board and a Supervisory Board. The following section explains how the Company's governing bodies operate, their composition and the rules of ethics that apply to them.

2.1.1 The Supervisory Board and its operations

2.1.1.1 Composition of the Supervisory Board

The Supervisory Board is composed of a minimum of 3 and a maximum of 18 members.

The members of the Supervisory Board are appointed by the shareholders, voting in their Ordinary Meeting, for a four-year term. They can be reappointed. In order to foster a harmonious turnover on the Supervisory Board and enable a smooth transition between the members of the Supervisory Board, staggered renewals were organized in 2005 following the move towards a dual structure.

The number of Supervisory Board members being more than 70 years old may not, after each Ordinary Shareholders' Meeting, exceed one-third of current Board members. Should this proportion be exceeded, the term of the oldest member of the Supervisory Board, except for the Chairman, will end at the close of the following Ordinary Shareholders' Meeting.

Changes in the composition of the Supervisory Board

The composition of the Supervisory Board has not changed since the Shareholders' Meeting of June 29, 2021. Thus, the Supervisory Board is composed of 10 members appointed by the Shareholders' Meeting and 2 members representing employees, appointed by Wendel's Social and Economic Committee, in accordance with the legal and statutory provisions in force.

As of December 31, 2021, the expiry dates for the terms of each member were as follows:

2022 Shareholders' Meeting	2023 Shareholders' Meeting	2024 Shareholders' Meeting	2025 Shareholders' Meeting
■ Franca Bertagnin Benetton ■ Guylaine Saucier	■ Gervais Pellissier ■ Jacqueline Tammenoms Bakker ■ Humbert de Wendel	■ Thomas de Villeneuve	■ Bénédicte Coste ■ François de Mitry ■ Priscilla de Moustier ■ Nicolas ver Hulst

Since 2014, the Company has been in compliance with the legal requirements imposing a 40% proportion of women on the Supervisory Board since this proportion is 50% excluding employee representatives, and 58.3% when they are included. As of the publication of this Universal Registration Document, 5 women sit on the Supervisory Board: Franca Bertagnin Benetton, Bénédicte Coste, Priscilla de Moustier, Guylaine Saucier, Chairwoman of the Audit, Risks and Compliance Committee, and Jacqueline Tammenoms Bakker, Chairwoman of the Governance and Sustainability Committee.

The renewal of the term of office of Franca Bertagnin Benetton will be subject to the approval of the Shareholders' Meeting of June 16, 2022. Guylaine Saucier, an independent member of the Supervisory Board for almost 12 years, has expressed her intention to not seek the renewal of her term. The appointment of William D. Torchiana as an independent member will be proposed to the Shareholders' Meeting on June 16, 2022.

For more information concerning the renewal of the term of office of Franca Bertagnin Benetton and the proposed appointment of William D. Torchiana, see the "Succession plan for the Supervisory Board" section below.

Subject to the approval of the Shareholders' Meeting on June 16, 2022, the Supervisory Board after the Meeting will be composed of 12 members, including 2 employee representatives, *i.e.*:

- 40% of women excluding employee representatives and 50% when they are included; and
- 40% independent members, excluding members representing employees.

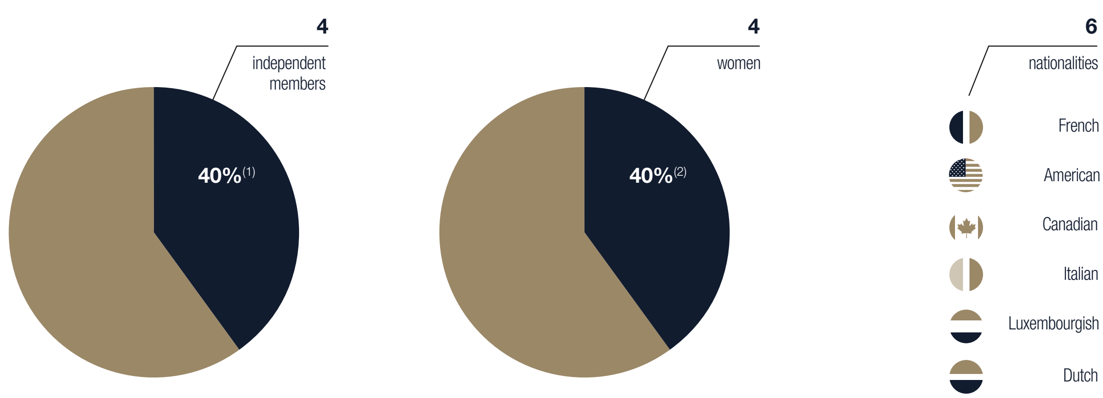
Supervisory Board members at April 14, 2022

Name	Gender	Age	Nationality	Position on the Supervisory Board	Date first appointed to the Supervisory Board	Date current term ends	Number of Wendel SE shares held on 12/31/21	Committee member	Independent as defined in the Afep-Medef Code
Nicolas ver HULST	M	68	French	Chairman	05/18/2017	2025 AGM	906	-	
Gervais PELLISSIER*	M	62	French	Vice-Chairman Lead Member	06/05/2015	2023 AGM	500	ARCC	•
Franca Bertagnin BENETTON*	F	53	Italian	Member	05/17/2018	2022 AGM	500	ARCC	•
Bénédicte COSTE	F	64	French	Member	05/28/2013	2025 AGM	1,060	GSC	
Harper MATES	F	39	American	Member representing employees	01/01/2021	12/31/2024	687	-	
François de MITRY	M	56	Luxem-bourger	Member	06/29/2021	2025 AGM	3,000	ARCC	
Priscilla de MOUSTIER	F	69	French	Member	05/28/2013	2025 AGM	150,443	GSC	
Guylaine SAUCIER	F	75	Canadian	Member	06/04/2010	2022 AGM	500	ARCC and GSC	•
Jacqueline TAMMENOMS BAKKER**	F	68	Dutch	Member	06/05/2015	2023 AGM	500	ARCC and GSC	•
Sophie TOMASI PARISE	F	43	French	Member representing employees	09/05/2018	11/20/2022	2,941	GSC	
Thomas de VILLENEUVE	M	49	French	Member	07/02/2020	2024 AGM	500	GSC	
Humbert de WENDEL	M	65	French	Member	05/30/2011	2023 AGM	225,064	ARCC	

AGM = Annual General Meeting; GSC = Governance and Sustainability Committee; ARCC = Audit, Risks and Compliance Committee.

* *The number of asterisks shows the number of directorships held in another listed company.*

12 members including **2** employee representatives



(1) Excluding members representing employees

(2) Excluding members representing employees (50% when these are included)

The Supervisory Board's diversity policy

The Supervisory Board considers that the diversity of its members' profiles is a strength and enhances its contribution to good governance. The Governance and Sustainability Committee conducts its search and selection work with a view to promoting a variety of skills and nationalities, gender diversity and a balanced representation of independent members. The key skills of each member of the Supervisory Board are described in their biographies below. The complementarity of experience and skills is important, with in particular the presence on the Board of skills in investment and private equity, finance and audit, ESG and governance, technology and digital, and general management and strategy experience.

The Supervisory Board has drawn up and periodically reviews its skills matrix in order to identify the experiences and qualifications that should be strengthened within the Board, in particular with regard to the evolution of its governance and its strategic objectives. In 2021, the analysis of the results of this matrix, supplemented by those of the Board's annual assessment of its composition, showed that the Supervisory Board would benefit from the addition of the following skills:

- experience in US markets and business; and
- senior profile with operational leadership experience.

The Governance and Sustainability Committee conducted its work in accordance with the Supervisory Board's diversity policy and proposed the following candidate: William D. Torchiana. For more information on the process for selecting a new member, please refer to the "Succession plan for the Supervisory Board" section.

Independence of Supervisory Board members

The Supervisory Board is designed to guarantee impartial deliberation and includes members who qualify as independent. It reviews the independence of its members every year.

The Supervisory Board adopts the following definition of "independent member", as defined by the Afep-Medef Code: "A director is independent if he or she has no relationship of any kind with the Company, its Group or its management, which could compromise his or her judgment."

At their respective meetings on February 8 and 9, 2022, the Governance and Sustainability Committee and the Supervisory Board reviewed the independence of each member based on the following criteria, in accordance with recommendation 9.5 under the Afep-Medef Code, as to whether they:

- were not employees or executive corporate officers of the Company, employees, executive corporate officers or directors of the parent company or of a company consolidated by it, either currently or at any time in the five previous years;
- were not executive corporate officers of a company in which the Company holds, directly or indirectly, a directorship, or in which an employee designated as such or an executive corporate officer of the Company (current or in the last five years) holds a directorship;
- were not customers, suppliers, investment bankers or corporate bankers:
  - of the Company or the Group to a significant extent, or
  - for which the Company or the Group accounts for a significant portion of the business;
- did not have family ties with a corporate officer of the Company;
- have not been a Statutory Auditor of the Company during the previous five years; and
- have not been directors of the Company for more than 12 years. The loss of independent director status occurs at 12 years.

With regard to the criterion relating to a business relationship with the Group, the Supervisory Board – following the recommendation of the Governance and Sustainability Committee – carries out a quantitative and qualitative review of the situation of each member concerned, based on the following criteria:

- the companies involved in the business relationship;
- the nature of the business relationship (customer/supplier/ management position/member of a governance body), as well as its frequency; and
- the significance of the business relationship with regard to (i) the revenue generated between the parties concerned, and (ii) the existence or absence of economic dependence or exclusivity between the parties.

As in previous years, the independence of Gervais Pellissier was examined in detail because of his business relationship with Orange. Gervais Pellissier is Deputy Chief Executive Officer of Orange, in charge of Human Resources and Transformation, and Chairman of Orange Business Services. Orange is a customer of IHS, a Wendel portfolio company. The Supervisory Board confirmed Gervais Pellissier's independence given that:

- the revenue generated between parties is not material;
- since the IPO of IHS, Wendel no longer has any influence over IHS and no longer accounts for IHS on an equity basis; and
- the relations between Orange and IHS do not fall under the competence of Gervais Pellissier and are not under his responsibility.

Following the review of the independence of its members, the Supervisory Board estimated that on March 9, 2022, 4 members out of 10, *i.e.*, 40%, met the independence criteria set by the Afep-Medef Code: Franca Bertagnin Benetton, Gervais Pellissier, Guylaine Saucier and Jacqueline Tammenoms Bakker[1]. The composition of the Supervisory Board therefore complies with recommendation 9.3 of the Afep-Medef Code, which advocates that at least one-third of the Board members of controlled companies be independent.

Lead Member of the Supervisory Board

Gervais Pellissier was appointed as Lead Member of the Supervisory Board in October 2018. His role is to:

- interact with Wendel shareholders who request it;
- represent the independent members of the Board *vis-à-vis* the other members of the Board and the Executive Board; convene and chair meetings of the independent members; and
- prevent, examine and handle potential or actual conflicts of interest with the majority shareholder.

In 2021, Gervais Pellissier met with one of the Company's institutional investors, which allowed a direct dialogue on certain issues. Gervais Pellissier subsequently reported on this meeting to the Board.

Succession plan for the Supervisory Board

The succession plan for the Supervisory Board was formalized following the work carried out by the Governance and Sustainability Committee in early 2022. It was adopted by the Supervisory Board, without the presence of the Executive Board (executive session), at its meeting of March 9, 2022.

It will be reviewed by the Committee and the Chairman of the Supervisory Board at least once a year and whenever necessary.

The plan specifies the characteristics of the Board's composition, as well as the data that will make it possible to monitor its evolution.

It describes the assumptions leading to the organization of the succession of Board members, according to different time-frames:

- short-term situations: unforeseen circumstances such as incapacity, resignation or death;
- medium-term situations: dismissal from office; and
- long-term situations: expiry of the term of office, reaching the age limit or loss of independent status due to the length of the term of office.

For each of these situations, the replacement of the member(s) concerned is organized, and the role of the Governance and Sustainability Committee is specified. The procedure for selecting the new member(s) is also detailed. It is based on the preparation of a candidate profile by the Committee, taking into account the Supervisory Board's diversity policy, general personal and professional criteria expected of all candidates, as well as specific criteria enabling the search to be adjusted to needs, taking into account, in particular, changes in the Group's governance, its strategic orientations and new trends and priorities.

The Committee may call on a recruitment firm to assist it, and may also ask the members of the Executive Board for their opinion. The selection procedure is adapted to the type of appointment – independent member or member of the Wendel family. Whenever possible, the Committee submits two alternative candidates to the Board for a decision. The appointment of the candidate selected by the Supervisory Board is then placed on the agenda of the next Shareholders' Meeting.

At the end of 2021 and early 2022, a process for selecting a new independent member of the Supervisory Board was set up according to the main steps described below:

- a Selection Committee, composed of the Chairman of the Board and several Board members, has been set up by the Governance and Sustainability Committee. This committee was assisted in its work by a recognized international recruitment firm;
- the selected candidates were interviewed; and
- the Committee presented a candidate to the Supervisory Board, which decided to submit his appointment to the Shareholders' Meeting for approval.

Accordingly, the appointment of William D. Torchiana will be submitted to the shareholders at the Shareholders' Meeting of June 16, 2022. William Torchiana will bring to the Supervisory Board his expertise in mergers and acquisitions and complex transactions, acquired while working as a lawyer since 1986 in Paris and New York with the international law firm Sullivan & Cromwell LLP, of which he managed the Paris office for 14 years. He will also bring to the Board his knowledge of the US markets and business environment, thanks to his bicultural Franco-American background, his work with the US Federal Reserve, and with US organizations in France.

Subject to his appointment, he would join both the Audit, Risks and Compliance Committee and the Governance and Sustainability Committee.

(1) It is specified that the Supervisory Board members representing employees are not included in the calculation of the proportion of independent Board members, in accordance with the Afep-Medef Code.

The renewal the term of office of Franca Bertagnin Benetton is also submitted to shareholders' approval. Her US education, her experience in the listed and non-listed companies investment sector, her knowledge of family business issues gained within the Benetton's family office, are all relevant skills for the Supervisory Board. The Board also values the qualitative contribution of Franca Bertagnin Benetton to the work of the Board and the Audit, Risks and Compliance Committee for the four last years.

No conviction for fraud, official public incrimination and/or public sanction or liability for bankruptcy during the previous five years

To the best of the Company's knowledge and as of the date of this Universal Registration Document, subject to the clarification below, no member of the Supervisory Board has, during the last five years: (i) been convicted of fraud or been the subject of an official indictment and/or official public sanction by statutory or regulatory authorities (ii) been associated with any bankruptcy, receivership, liquidation or placement under court administration; (iii) been disqualified by a court from serving as a member of an administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer.

Nicolas ver Hulst is Chairman of the Board of Directors of the company BR Gaming, which is subject to court-ordered liquidations proceedings which began on September 2, 2015. These proceedings are ongoing.

Conflicts of interest, family ties and service contracts

To the best of the Company's knowledge as of the date of this Universal Registration Document, subject to the details below, there is no proven or potential conflict of interest between, on the one hand, private interests or other duties of the members of the Supervisory Board and, on the other hand, their obligations with regard to the Company:

- Nicolas ver Hulst, Bénédicte Coste, François de Mitry, Priscilla de Moustier, Thomas de Villeneuve and Humbert de Wendel are members of the Wendel family. They are also directors of Wendel-Participations SE, the Company's main shareholder, which represents the interests of Wendel family members. Priscilla de Moustier is Chairman and CEO of Wendel-Participations SE; and
- Thomas de Villeneuve and François de Mitry hold positions in investment funds that may compete with Wendel.

It is specified that to the Company's knowledge, there is no existing or potential conflict of interest that has not been handled in accordance with the conflict-of-interest management procedure specified in the internal regulations of the Supervisory Board and described in 2.1.8.2 "Business ethics", "Conflicts of interest" paragraph.

Supervisory Board members have no family ties with the Executive Board members.

Restrictions on the sale of shares held by the members of the Supervisory Board are described in 2.1.8.1 "Market ethics".

2.1.1.2 Information regarding members of the Supervisory Board

Nicolas ver HULST

Chairman of the Supervisory Board

Date appointed to first term: May 18, 2017

Current term expires on: AGM to be held in 2025

Born on August 21, 1953

French nationality

Address:
20 Cité Malesherbes,
75009 Paris
France

Key skills:

- Private equity
- Finance
- CEO

Career path:

Nicolas ver Hulst is a graduate of École Polytechnique and holds an MBA from INSEAD.

He began his career at the French department of Telecommunications before joining BNP.

From 1985 to 1995, he worked in various positions at CGIP, including as head of business development.

From 1989 to 2017, he held management positions at Alpha Associés Conseil, initially as an Executive Board member, then as CEO, and from 2007 as Chairman. His term of office at Alpha Group ended on October 16, 2017.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Director of Wendel-Participations SE

Other:

Member of the Supervisory Board of Qovetia

Member of the Supervisory Board of MPM Advisors

Director of Septagon Sicav

Manager of Milkyway Capital Soparfi

Manager of Northstar SC

Manager of Orion SC

Director of Midas Wealth Management

Director of Center Pompidou Metz

Appointments expired in the last five years:

Member of the Executive Board of Alpha Associés Conseil

Chief Executive Officer of Glacies Holding

Director of Cyrillus-Vertbaudet

Member of the Supervisory Board of Financière Ramses

Number of Wendel shares held as of December 31, 2021: 906

Gervais PELLISSIER

Vice-President of the Supervisory Board

Lead Member of the Board

Member of the Audit, Risks and Compliance Committee

Independent member

Date appointed to first term: June 5, 2015

Current term expires: AGM to be held in 2023

Born on May 14, 1959

French nationality

Professional address:
Orange,
78, rue Olivier-de-Serres,
75015 Paris,
France

Key skills:

- CFO
- Experience in the field of digital and new technologies
- Management

Career path:

Gervais Pellissier is a graduate of HEC, as well as Berkeley in California and the University of Cologne in Germany. He joined Bull in 1983 and held positions of increasing responsibility in finance and management control in France, Africa, South America, and Eastern Europe. In 1994, he was appointed Chief Financial Officer of the Services and Systems Integration division, and then of the IT Outsourcing division. He became Director of Management Control at Bull and in 1998, its Chief Financial Officer.

From April 1, 2004, to February 1, 2005, Gervais Pellissier was the Associate Manager guiding the Board of Directors and Deputy Chief Executive Officer of Bull. From February 2005 to mid-2008, he was Vice Chairman of the Board of Directors of Bull.

He joined the France Télécom Group on October 17, 2005, and was appointed CEO of France Télécom Operadores de Telecomunicaciones in November 2005. In this role he merged France Télécom's landline and mobile activities in Spain into a single structure.

From January 2006 to February 2009, he served as a member of France Télécom's General Management Committee, in charge of Finance and Operations in Spain.

From March 2009 to March 2010, he served as the Executive Vice-President in charge of Finance and Information Systems.

In November 2011, Gervais Pellissier was appointed Deputy Chief Executive Officer of France Télécom-Orange, which became Orange on July 1, 2013, retaining the full scope of his activities. On September 1, 2014, he was appointed Deputy Chief Executive Officer, Executive Director in charge of European operations (excluding France).

In May 2018, Gervais Pellissier took over new responsibilities in the Orange Group Executive Committee as the Group's Deputy CEO for Transformation, as well as Chairman of Orange Business Services.

Since September 1, 2020, Gervais Pellissier is Deputy CEO, Human Resources and Group Transformation Director and Chairman of Orange Business Services.

He holds two of France's highest honors: Knight of the Legion of Honor and Officer of the National Order of Merit.

Other appointments and positions held as of December 31, 2021:

Orange Group:

Deputy Chief Executive Officer of Orange SA since 2011 (listed company)

Chairman of the Board of Directors of Orange Business Services since 2018

Director of Orange Spain since 2006 and Chairman since 2016

Founder and director of the Fondation des Amis de Médecins du Monde since 2014

Appointments expired in the last five years:

Member of the Supervisory Board of Orange Polska SA

Director of Orange Horizons

Director of Mobistar/Orange Belgium

Number of Wendel shares held as of December 31, 2021: 500

Franca BERTAGNIN BENETTON

Member of the Supervisory Board

Member of the Audit, Risks and Compliance Committee

Independent member

Date appointed to first term: May 17, 2018

Current term expires: AGM to be held in 2022

(submitted renewal)

Born on October 23, 1968

Italian nationality

Professional address:
Evoluzione 2 Srl,
Vicolo Avogari, 5
31 100 Treviso
Italy

Key skills:
- Private equity
- Family business
- International experience

Career path:

Franca Bertagnin Benetton is a graduate of Boston University and holds a MBA from Harvard University (1996).

She started her career at Colgate Palmolive in Global Business Development, in New York (USA) and Hamburg (Germany), as Product Manager. She later worked at Bain & Co in Itlay until joining the Benetton group in 1997.

In 2003, she moved to the investment sector managing a diversified portfolio of private and public investments as CEO of her family office Evoluzione (until 2021) and CEO of Evoluzione 2 (since 2021).

She is a director of Edizione, the investment holding company of the Benetton family (since 2005), Benetton (since 2013), Autogrill Spa (since 2017), Telepass Spa (since 2019) and Fondazione Benetton (since 2019).

She currently serves on the European Advisory Board of the Harvard Business School and the International Advisory Board of Boston University.

Other appointments and positions held as of December 31, 2021:

Chief Executive Officer of Evoluzione 2

Director of Edizione Srl

Director of Autogrill Spa (listed company)

Director of Benetton Srl

Director of Telepass Spa

Director of Fondazione Benetton

Appointments expired in the last five years:

CEO of Evoluzione Spa

Director of Aidaf, the Italian Chapter of FBN (Family Business Network)

Number of Wendel shares held as of December 31, 2021: 500

Bénédicte COSTE

Member of the Supervisory Board

Member of the Governance and Sustainability Committee

Date appointed to first term: May 28, 2013

Current term expires on: AGM to be held in 2025

Born on August 2, 1957

French nationality

Professional address:
4, avenue Lamartine,
78170 La Celle-Saint-Cloud,
France

Key skills:

- Finance
- Strategy
- CEO

Biography:

Bénédicte Coste is a graduate of the École des hautes études commerciales (HEC) (with a major in finance) and holds a degree in law.

She began her career in the finance division of Elf Aquitaine where she managed a portfolio in the Markets & Portfolio department from 1980 to 1984.

In 1986, she started a portfolio management business first as an independent, then created Financière Lamartine SA, a portfolio management company, which obtained approval from the French market regulatory authority (COB) in 1990 (authorization No. GP 9063 on July 27, 1990). Financière Lamartine is specialized in discretionary management for private clients.

She is a member of the Bank and Asset Management Group at the HEC Association.

She was President of AFER, the French savings and retirement association, from April 2004 to November 2007.

In 2011, she graduated with a BTS in agricultural management from l'École supérieure d'agriculture d'Angers.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Director of Wendel-Participations SE

Other:

Chairwoman and CEO of Financière Lamartine

Chairwoman of Association samarienne de défense contre les éoliennes industrielles

Manager of SCEA Domaine de Tailly (farm)

Manager of Groupement forestier de la Faude

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2021: 1,060

Harper MATES

Member of the Supervisory Board, employee representative

Date of first appointment: January 1, 2021

Current term expires on December 31, 2024

Born on June 10, 1982

American nationality

Professional address:
Wendel North America
101 Park Avenue, 27th Floor
New York, NY 10017

Biography:

Harper Mates is a Managing Director and member of the Investment Committee of Wendel.

Prior to joining the New York office in 2015, Harper was a Vice President at MidOcean Partners, a US middle-market private equity fund, where she was responsible for investments in the Services and Media sectors.

She began her career at J.P. Morgan Chase as an analyst, then worked at Citi Private Equity as an investment manager. Harper holds a MBA from Harvard Business School and a BA from the University of Wisconsin-Madison.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Managing Director at Wendel

Director of Elevator Holdco Inc. (Crisis Prevention Institute)

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2021: 687

François de MITRY

Member of the Supervisory Board

Date appointed to first term: June 29, 2021

Date current term ends: AGM to be held in 2025

Born on January 27, 1966

Luxembourg nationality

Professional address:
3 St James Square
London SW1 Y4JU3
United Kingdom

Key skills:

- Investment
- International experience
- Experience as top management of a listed company

Career path:

He holds a Master's degree in Economics and a postgraduate diploma in Finance from Dauphine Paris University and the Institut d'études politiques in Paris.

François de Mitry began his career in the M&A team of HSBC in London. He joined Société Générale in 1991 as business manager of the LBO/Financing department, and then as deputy director from 1994.

He then joined in 1997 the alternative asset manager Intermediate Capital Group Plc (ICG) in London, of which he became Managing Director in 2005.

Between 2004 and 2012, François de Mitry was a member of the Wendel Supervisory Board.

In 2012, il joined the investment fund Astorg in London, of which he became managing partner in 2018. Astorg primarily invests in software, healthcare, business services and technology-based industrial companies, in Europe and in the USA.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Director of Wendel-Participations SE

Other:

Manager of Astorg Asset Management

Manager of Astorg Group

Class A Manager of Astorg Advisory Services Mid-Cap

Manager of Astorg Advisory Services

Manager of Astorg Advisory Services Growth Luxembourg

Director of Astorg Advisory Services Growth UK Branch

Manager of Astorg Advisory Services Niederlassung Deutschland

Member of the Supervisory Board of Saphilux

Class A Manager of Saphilux GP

Manager of AAM UK Branch, AAS UK Branch

Director of Axiom UK Midco Ltd, Axiom UK Topco Ltd, Axiom UK Nominee Ltd

Director of A7 Invest Bidco Ltd

Director of Cidron Healthcare IT 4 Ltd

Member of the Supervisory Board of Loire UK Holdco Ltd

Director of TopNexus Ltd

Director A of Greyhound Dutch Topco BV

Director of Cronos Holdings Ltd

Manager of Foreigner Topco SARL

Manager of Infinity Luxco

Member of the Supervisory Board of Solina Group Holding

Appointments expired in the last five years:

Class A Manager of Hosta/Megadyne

Advisor of Megadyne Spa

Director of Audiotonix Group Ltd

Director of Audio UK 2, Audio UK 3, A6 Audio Bidco Ltd

Managing Director of Astorg Partners UK Branch

Chairman of the Board of French Park 1/Parkeon

Member of the Supervisory Board of Flowbird Holding 1

Director of Tremolo Holdco Ltd, Tremolo Bidco Ltd, Tremolo Midco Ltd

Number of Wendel shares held as of December 31, 2021: 3,000

Priscilla de MOUSTIER

Member of the Supervisory Board

Member of the Governance and Sustainability Committee

Date appointed to first term: May 28, 2013

Current term expires on: AGM to be held in 2025

Born on May 15, 1952

French nationality

Address:
94, rue du Bac
75007 Paris
France

Key skills:

- Family business
- ESG
- International experience

Biography:

She holds an MBA from INSEAD, a bachelor's degree in mathematics and a master's degree in economics from the Paris University as well as the diploma of the Institut d'études politiques.

After negotiating the sale of turnkey manufacturing facilities for Creusot-Loire Entreprises and working as a consultant at McKinsey, she joined Berger-Levrault, where she was responsible for new project developments in the Metz technology park.

Since 1997, she has been involved in the Wendel chair at Insead, and subsequently the Wendel International Center for Family Enterprise.

She also represents Wendel-Participations in the Family Business Network.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Chairman and CEO of Wendel-Participatiosns SE

Other:

Chairwoman of the Supervisory Board of Oxus Holding

Vice-President of the French chapter of the Family Business Network

Member of the Supervisory Board of F-451

Chairwoman of Fondation Acted

Director of Acted

Director of Somala (Marais de Larchant SA)

Appointments expired in the last five years:

Director of American Library of Paris

Director of FBN International

Number of Wendel shares held as of December 31, 2021: 150,443

Guylaine SAUCIER

Member of the Supervisory Board

Chairwoman of the Audit, Risks and Compliance Committee

Member of the Governance and Sustainability Committee

Independent member

Date appointed to first term: June 4, 2010

Current term expires: AGM to be held in 2022

Born on June 10, 1946

Canadian nationality

Professional address:
1321 rue Sherbrooke Ouest,
Montreal H3G1J4,
Canada

Key skills:

- Risk, internal control, audit
- Governance
- Strategy

Career path:

Graduate, with a baccalauréat ès arts, from the Collège Marguerite-Bourgeoys and a license degree in business from the École des hautes études commerciales de Montreal.

A Fellow of the Order of Certified Public Accountants of Quebec, Guylaine Saucier was Chairman and CEO of Gerard Saucier Ltée, a major Group specializing in forestry products, from 1975 to 1989. She is also a certified director of the Institute of Corporate Directors.

She holds or has held positions on the Boards of Directors of several major companies, including Bank of Montreal, AXA Assurances Inc., Danone and Areva.

She was Chairwoman of the Joint Committee of Corporate governance (ICCA, CDNX, TSX) (2000-01), Chairwoman of the Board of Directors of CBC/Radio-Canada (1995-2000), Chairwoman of the Board of Directors of the Canadian Institute of chartered Accountants (1999-2000), member of the Board of Directors of the Bank of Canada (1987-1991), member of the Commission of Inquiry on Unemployment Insurance (1986) and member of Minister Lloyd Axworthy’s task force on social security reform (1994). Ms. Saucier was the first woman appointed President of the Quebec Chamber of Commerce. She has played a very active role in the community as a Board member of various institutions, including the University of Montreal, the Montreal Symphony Orchestra and the Hôtel-Dieu de Montreal.

She was recognized as a member of the Order of Canada in 1989 for her exceptional civic-mindedness and significant contribution to the business world.

On May 18, 2004, she was named a “Fellow” of the Institute of Corporate directors, and on February 4, 2005, received the 25th McGill University Management Achievement Award. On September 3, 2010, she was made Honorary Corporate Director by the Collège des Administrateurs de Sociétés.

She received an honorary Ph.D. degree from the University of Laval in 2017.

Other appointments and positions held as of December 31, 2021:

Member of the Board of Directors of Rémy Cointreau (listed company)

Chairwoman of the Board of the Institute for the Governance of Public and Private Organizations

Appointments expired in the last five years:

Member of the Board of Directors of Cuda Oil & Gaz (Quebec)

Member of the Board of Directors of Tarkett

Number of Wendel shares held as of December 31, 2021: 500

Jacqueline TAMMENOMS BAKKER

Member of the Supervisory Board

Chairwoman of the Governance and Sustainability Committee

Member of the Audit, Risks and Compliance Committee

Independent member

Date appointed to first term: June 5, 2015

Current term expires: AGM to be held in 2023

Born on December 17, 1953

Dutch nationality

Professional address:
33 Thurloe Court,
London SW 3 6 SB,
United Kingdom

Key skills:

- Experience as a non-executive corporate officer
- Human resources and compensation
- International executive management

Career path:

She holds a BA in History and French from Oxford University and an MA in International Relations from the John Hopkins School for Advanced International Studies in Washington D.C.

She worked for Shell from 1977 to 1988, McKinsey from 1989 to 1995, and Quest International (Unilever) from 1995 to 1998.

She moved to the public sector in the Netherlands in 1999, serving as Director of Gigaport from 1999 to 2001, and as Director General at the Ministry of Transport from 2001 to 2007, responsible for civil aviation and freight transport.

From 2006 to 2007 she was Chairman of the High-Level Group for the future of aviation regulation in Europe, reporting to the EU Commissioner for Transport.

She was awarded Knight of the Legion of Honor in 2006 in recognition of her contribution to the co-operation between France and the Netherlands.

Other appointments and positions held as of December 31, 2021:

Member of the Supervisory Board of TomTom (listed company)

Member of the Supervisory Board of Boskalis (listed company)

Member of the Consultative Committee of Transparency International NL

Member of the VEUO Board (NL Association of listed companies)

Appointments expired in the last five years:

Member of the Supervisory Board of CNH Industrial (2012-2021)

Member of the Supervisory Board of Unibail Rodamco (2015-2020)

Chairwoman of the Board of the Van Leer Group Foundation (2011-2020)

Number of Wendel shares held as of December 31, 2021: 500

Sophie TOMASI PARISE

Member of the Supervisory Board, employee representative

Member of the Governance and Sustainability Committee

Date appointed to first term: September 5, 2018

Current term expires on November 20, 2022

Born on April 19, 1978

French nationality

Professional address:
89, rue Taitbout
75009 Paris
France

Career path:

Sophie Tomasi Parise holds post graduate degrees in corporate and tax law from the University of Cergy Pontoise and the University of Montpellier.

She started her professional career with Wendel (CGIP at the time) in 2001 as a junior member of the tax team, with a main focus on tax compliance.

She has gradually taken charge of tax audits, the supervision of tax compliance and the tax coordination of certain M&A projects and deals.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Deputy Tax Director Wendel

Number of Wendel shares held as of December 31, 2021: 2,941

Thomas de VILLENEUVE

Member of the Supervisory Board

Member of the Governance and Sustainability Committee

Date appointed to first term: July 2, 2020

Date current term ends: AGM to be held in 2024

Born on May 19, 1972

French nationality

Professional address:
1 rue Paul Cézanne,
75008 Paris
France

Key skills:

- Private equity and investment
- Experience in the telecoms, media and technology sectors
- International experience

Career path:

Graduate of École des hautes études commerciales (HEC).

Thomas de Villeneuve began his career as a consultant at strategic consultancy firm The Boston Consulting Group, in Paris and New York, from 1994 to 2001.

He then joined the private equity firm, Apax Partners, specialist in the mid-market segment in France, Italy and Benelux, where he is now Managing Director, responsible for investment in the fields of telecom/media/technologies.

In the course of his career he has been a member of a number of company Boards and, in particular, director of the listed company Altran Technologies, an international engineering and research and development firm, for around 10 years.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Director of Wendel-Participations SE

Other:

Director of Apax Partners SAS

Director of Clarisse SA

Director of the association We2Go

Managing Director of Société Civile Hermine

Chairman and Board member of A Stichting Administratiekantoor ShadesofGreen Capital (Netherlands)

Director MelitaLink Advisor Limited (Malta)

Director MelitaLink Management Limited (Malta)

Managing Director of SCI La Valentine

Member of the Supervisory Board of Oditop SAS

Chairman of Apax Avenir SAS

Director of Destilink BV (Belgium)

Permanent representative of Destiling Finco BV (Belgium)

Chairman of Graifin SAS

Member of the Supervisory Board of Grailink SAS

Director of Efficy SA

Member of the Supervisory Board of Ristretto Topco BV (Netherlands)

Appointments expired in the last five years:

Director of Altran Technologies (listed company)

Class A Manager of Cabolink SARL (Luxembourg)

Manager of Cabolink Gérance SARL (Luxembourg)

Class A Manager of Cabolink Holdco SARL (Luxembourg)

Chairman & Non-Executive Board member of Experlink Holding B.V. (Netherlands)

Chairman and Board member of A ShadesofGreen Capital B.V. (Netherlands)

Class A Manager of Fourteensqaure SARL (Luxembourg)

Managing Director of Experlink BV (Netherlands)

Director of Comitium SAS

Director of Comitium HoldCo SAS

Number of Wendel shares held as of December 31, 2021: 500

Humbert de WENDEL

Member of the Supervisory Board

Member of the Audit,
Risks and Compliance Committee

Date appointed to first term: May 30, 2011

Current term expires: AGM to be held in 2023

Born on April 20, 1956

French nationality

Professional address:
89, rue Taitbout
75009 Paris
France

Key skills:

- CFO
- Experience in the industrial sector
- Finance

Career path:

Graduate of the Institut d'études politiques de Paris and ESSEC.

Humbert de Wendel has spent his entire career with the Total Group, which he joined in 1982, mainly holding positions in the Finance department, first heading trading floor operations and then financial operations, successively, for several divisions in the Group. He also spent several years in London at the finance division of one of Total's joint ventures.

Director of acquisitions and divestments and in charge of the Group's corporate business development from 2006 to 2011, he was Director of Financing and Cash Management and Treasurer of the Group until 2016.

Other appointments and positions held as of December 31, 2021:

Wendel Group:

Director of Wendel-Participations SE

Other:

Manager of OGQ-L SÀRL

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2021: 225,064

New member of the Supervisory Board whose appointment is proposed to the Shareholders' Meeting of June 16, 2022

William D. TORCHIANA

Member of the Supervisory Board

Member of the Audit, Risks and Compliance Committee

Member of the Governance and Sustainability Committee

Independent member

Date appointed to first term: June 16, 2022

Date current term ends: AGM to be held in 2026

Born on September 19, 1958

American nationality

Professional address:
51 rue de la Boétie
75008 Paris
France

Key skills:

- Experience in the US
- International executive management
- Law, governance and compliance

Career path:

He holds a BA from Stanford University and a *Juris Doctor* from the University of Pennsylvania Law School.

William D. Torchiana has spent his entire career with the law firm Sullivan & Cromwell LLP, which he joined as an associate in 1986 and where he has been a partner since 1995, in the Financial Institutions department. He was also Managing Partner of the Paris office from 2004 to 2018. He is a member of the New York and Paris bars.

Other appointments and positions held as of December 31, 2021:

Director and Member of the Executive Committee of the American Hospital of Paris

Member of the Insurance Policy Advisory Committee (IPAC) of the United States Federal Reserve

Member of the International Bar Association

Chairman of the Board of the American Library of Paris

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2021: none

2.1.1.3 Preparation and organization of the Board's proceedings

The Supervisory Board's internal regulations set down the rights and responsibilities of the members of the Board, state the criteria for evaluating the independence of said members, and describe the composition and the duties of the Board and its Committees. It also sets out the rules for managing conflicts of interest and market ethics (see section 2.1.8, "Compliance and ethical issues involving the Group's governing and supervisory bodies"). It is regularly reviewed and updated. The latest changes are dated March 18, 2020, and concerned the description of the missions of the Audit, Risks and Compliance Committee and the Governance and Sustainability Committee, in connection with changes to the Supervisory Board's role in ESG.

The main provisions of the Board's internal regulations are detailed below.

The members of the Supervisory Board agree to comply with all legal and regulatory obligations as well as all requirements set forth in the Company's bylaws, the Board's internal regulations, the Company's Market Confidentiality and Ethics Code, the Company's Ethics Code and the Company's policies for combating bribery and influence peddling.

The Supervisory Board meets as often as the interests of the Company require, and at least once a quarter, as convened by its Chairman.

The Chairman of the Supervisory Board is responsible for convening the Board and chairing its discussions. Meetings are held and decisions are made according to the quorum and majority conditions required by law. In the event of a tie, the Chairman casts the deciding vote.

Notices of meeting are sent by post or e-mail and, whenever possible, one week in advance. In case of emergency, the Board may be convened without advance notice. The members of the Supervisory Board attend certain meetings in person and others remotely (by telephone or videoconference), allowing great flexibility and reducing international travel.

The Statutory Auditors are invited to all meetings of the Supervisory Board at which the annual or semi-annual financial statements are examined, attending the parts of the meeting during which those financial statements are discussed.

The Supervisory Board meets regularly. A record of attendance is kept. The Supervisory Board met 13 times in 2021: 8 scheduled meetings and 5 *ad hoc* meetings for specific projects. The average attendance rate was 98.2% for scheduled meetings and 92.5% for *ad hoc* meetings, and the average length of meetings was 2h40.

The attendance rate for each Supervisory Board member was as follows:

	Scheduled meetings	*Ad hoc* meetings
Nicolas ver Hulst (Chairman of the Supervisory Board)	100%	100%
Gervais Pellissier (Vice-Chairman and Lead Member of the Supervisory Board)	100%	60%
Franca Bertagnin Benetton	87.5%	80%
Bénédicte Coste	100%	80%
Édouard de L'Espée (until June 29, 2021)	100%	100%
Nicholas Ferguson (until June 29, 2021)	100%	100%
Harper Mates	100%	100%
François de Mitry (from June 29, 2021)	100%	100%
Priscilla de Moustier	100%	100%
Guylaine Saucier	100%	75%
Jacqueline Tammenoms Bakker	100%	100%
Sophie Tomasi Parise	100%	100%
Thomas de Villeneuve	87.5%	100%
Humbert de Wendel	100%	100%

The method of participation of each member in the meetings of the Supervisory Board is presented below:

Board meetings in 2021	Physical presence	Presence by videoconference/ conference call	Absence
January 25	-	✓	-
January 29	-	✓	-
March 17	-	✓	-
April 21	-	✓	Guylaine Saucier
April 27	-	✓	Franca Bertagnin Benetton
June 3	-	✓	-
June 28	-	✓	-
July 28	-	✓	Thomas de Villeneuve
September 6	-	✓	-
October 19	-	✓	Gervais Pellissier
October 27	Nicolas ver Hulst Franca Bertagnin Benetton Priscilla de Moustier Gervais Pellissier Guylaine Saucier Jacqueline Tammenoms Bakker Sophie Tomasi Parise Humbert de Wendel	Bénédicte Coste Harper Mates François de Mitry Thomas de Villeneuve	-
December 1	-	✓	-
December 17	-	✓	Franca Bertagnin Benetton Bénédicte Coste Gervais Pellissier

Meetings held without the presence of the Executive Board (executive sessions):

During fiscal year 2021, three executive sessions were held during Supervisory Board meetings. During these sessions, the subjects mentioned below were discussed by the members of the Supervisory Board without the presence of the members of the Executive Board:

- changes in the composition of the Board and the search for an independent candidate;
- compliance of the governance and compensation system with the Afep-Medef Code;
- compensation of the Executive Board;
- co-investment policy; and
- evaluation of the operation of the Board and its committees.

With regard to the Committees:

- all meetings of the Governance and Sustainability Committee were held without the presence of the Executive Board, except to obtain explanations from the Executive Board on a previously determined subject; and
- executive sessions were held at each meeting of the Audit, Risks and Compliance Committee.

In 2022, there are plans to systematize executive sessions and to hold one at each Supervisory Board meeting.

Other information relating to Supervisory Board meetings

The Supervisory Board's Secretary is Caroline Bertin Delacour, General Counsel.

Considerable care is taken to provide Supervisory Board members with comprehensive, high-quality information in preparation for meetings and to transmit these information packages promptly.

The Board Secretary prepares minutes of each meeting. It is distributed prior to the following meeting, during which it is submitted for approval. The minutes are then transcribed in the register.

Board members also receive all information published by the Company (press releases) at the time of its release. The press review is distributed to them every day at the same time as the Company and the main analyst studies are given to them at the next Supervisory Board meeting.

2.1.1.4 Responsibilities of the Supervisory Board

As specified in the Supervisory Board's internal regulations, the Supervisory Board individually and collectively represents all shareholders. The Board must conduct its business in the shared interest of the Company. It is a collegial body in which decisions as well as comments on the decisions of the Executive Board are made collectively.

In its role of supervising the management of the Company, the Supervisory Board pays particular attention to social and environmental issues, which are inherent to the Company's value creation strategy.

The main items discussed at Supervisory Board meetings in 2021 and in early 2022 were as follows:

Corporate strategy, transactions and finance

- execution of the 2021-2024 strategic plan and monitoring of the Executive Board's roadmap;
- proposed investments and divestments;
- quarterly reports of the Executive Board on the situation of the Company and the portfolio companies;
- presentations and discussions with the CEOs of the portfolio companies;
- net asset value;
- parent company and consolidated financial statements at December 31, 2020, and June 30, 2021, and Statutory Auditors' reports;
- dividends;
- presentation of the management report;
- reports of the Audit, Risks and Compliance Committee;
- quarterly financial information;
- financing;
- share buybacks; and
- financial communication.

ESG and compliance

- succession plans of the Executive Board and the Supervisory Board;
- Supervisory Board and Committees composition;
- reports of the Governance and Sustainability Committee;
- review of the gender diversity policy in governing bodies;
- short-term and long-term compensation of the Executive Board;
- sponsorship and solidarity actions;
- review of the Group's ESG strategy and progress in implementing the ESG roadmap;
- consideration of social and environmental issues in the Group's main decisions;
- extra-financial reporting;
- professional and pay equality, notably in terms of recruitment, maternity leave and the pay gap;
- review of the Company's compliance with the Afep-Medef Code;
- evaluation of the operations and work of the Supervisory Board and Committees;
- report of the Supervisory Board on corporate governance;
- authorization of regulated related-party agreements;
- annual review of regulated related-party agreements remained in force and review of agreements relating to day-to-day operations and concluded under normal conditions;
- Wendel's compliance program, including the implementation of anti-corruption measures (Sapin II law);
- preparation of the Shareholders' Meeting and authorization of resolutions submitted to the Board; and
- capital increase reserved for members of the Group savings plan.

2.1.1.5 Evaluation of the Supervisory Board and its Committees

Recommendation 10 of the Afep-Medef Code advises the Board to "evaluate its capacity to meet the expectations of shareholders […] by periodically reviewing its composition, organization and operations […]". Specifically, it suggests that the Board discuss its operations once a year and perform a formal evaluation at least once every three years.

At the end of 2020, the evaluation of the Supervisory Board was entrusted to an independent firm, which submitted its work to the Supervisory Board in March 2021. The conclusions of this evaluation were presented in the 2020 Universal Registration Document.

At the end of 2021, the Supervisory Board carried out a self-assessment of its work and its composition on the basis of a comprehensive questionnaire that was redesigned to take into account the remarks of the assessment carried out at the end of 2020 with an independent firm, the new meeting methods linked to the health crisis and best market practices. Individual meetings were also held between each member of the Board and the Chairman in order to obtain their views on desirable improvements in the composition and operation of the Board and its Committees and on the main points of attention for the coming years.

The feedback from Board members was extensive and generally very positive and constructive. The Governance and Sustainability Committee and the Audit, Risks and Compliance Committee each discussed the findings of the evaluation regarding each of them respectively and suggested improvements. The Chairman presented the findings of the evaluation to the Supervisory Board on February 9, 2022, which devoted an agenda item to the subject and identified actions to improve its work and its contribution to good governance, some of them with immediate effect.

The main conclusions of the 2021 evaluation are as follows:

Main strengths of the Board:

Member engagement: the Board's evaluation shows a high level of commitment, availability and preparation on the part of the Board members. The professionalism of the work of the Governance and Sustainability Committee and the Audit, Risks and Compliance Committee is particularly highlighted and appreciated.

Relations with management: the Board welcomes the relationship of trust that exists with the Executive Board, as well as the quality and transparency of information and exchanges with the management team. The presentations made by the CEOs of the portfolio companies during the year are also considered relevant and useful for a better understanding of the issues by the Supervisory Board.

Food for thought for the future:

ESG: Board members want to take greater account of environmental and social issues in their decisions, both at Board and Committee levels, and have requested that a training program be set up to strengthen their skills.

Executive sessions: the members of the Board consider it appropriate to systematize the executive sessions and to hold one at each Supervisory Board meeting.

Board meetings: the members of the Board wish to set up a hybrid organization of their meetings with (i) a resumption of face-to-face meetings at least 4 times a year in order to promote exchanges, creativity, cohesion and the integration of new members and (ii) remote meetings, allowing for a flexibility considering the large number of unscheduled meetings.

2.1.2 Supervisory Board Committees

For the Board to discharge 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. The responsibilities of each Committee are specified in the internal regulations of the Supervisory Board.

2.1.2.1 The Audit, Risks and Compliance Committee

Composition of the Audit, Risks and Compliance Committee

As of the date of the Universal Registration Document, the Audit, Risks and Compliance Committee has 6 members.

The Chairman of the Supervisory Board is invited to each Committee meeting.

Each member of the Committee has the required financial and accounting expertise, insofar as they occupy or have occupied senior executive positions in industrial or financial companies, as prescribed by recommendation 16.1 of the Afep-Medef Code. Guylaine Saucier is a member of the Quebec chartered Professional Accountants Order. Franca Bertagnin Benetton manages a number of investments in her Family Office. Gervais Pellissier is Deputy Chief Executive Officer of Orange and former Chief Financial Officer of the same company, he was also Chief Financial Officer of Bull. Humbert de Wendel was Treasurer of the Total Group. François de Mitry is managing partner of the investment fund Astorg. Jacqueline Tammenoms Bakker, who chairs the Governance and Sustainability Committee, has proven experience in executive management.

Guylaine Saucier, Gervais Pellissier, Jacqueline Tammenoms Bakker and Franca Bertagnin Benetton are the Committee's independent members, 4 members out of 6 (*i.e.*, two-thirds of the members). The Committee is chaired by Guylaine Saucier, an independent member. The composition of the Audit, Risk and Compliance Committee is in line with recommendation 16.1 of the Afep-Medef Code, which recommends at least two-thirds of independent members.

Responsibilities of the Audit, Risks and Compliance Committee

Pursuant to recommendation 16.2 of the Afep-Medef Code, to French decree No. 2008-1278 of December 8, 2008, pertaining to the Statutory Auditors, to the AMF's final report on audit committees published in July 2010, and to AMF Recommendation 2010-19, Wendel's Audit, Risks and Compliance Committee is principally responsible for monitoring:

- the process for preparing financial and extra-financial information;
- the effectiveness of internal control and risk management systems;
- the audit of parent company and consolidated financial statements by the Statutory Auditors; and
- the independence of the Statutory Auditors.

More specifically, and pursuant to Article XVI.i.b of the internal regulations of the Supervisory Board, the main tasks of Wendel's Audit, Risks and Compliance Committee are to:

- review all accounting and financial documents to be issued by the Company before they are published (in particular the periodic calculation of net asset value);
- ensure that the accounting policies chosen are appropriate and properly applied in the preparation of parent company and consolidated financial statements;
- ensure that the processes used to produce financial and extra-financial information are rigorous enough to guarantee the reliability of this information;
- ensure the appropriate accounting methods are used for any significant or complex transaction realized by the Company;
- ensure that a process is in place for identifying and analyzing risks liable to have a material impact on accounting and financial information and particularly on the Company's assets;
- in terms of anti-corruption measures, review risk mapping and monitoring the implementation of action plans;
- review risk exposure, hear from internal audit and risk control managers and offer advice on the organizational structure of their departments;
- keep abreast of the internal audit program;
- monitor extra-financial performance indicators;
- review information in extra-financial reporting;
- serve as liaison with the Statutory Auditors and consult them regularly;
- oversee the Statutory Auditor selection process and submit its findings to the Supervisory Board, and issue a recommendation on the Statutory Auditors for shareholder approval at the Shareholders' Meeting;

- review the audit and consulting fees paid by the Group and Group-controlled companies to the Statutory Auditors and their networks and submit a report thereon to the Supervisory Board;
- examine any work that is accessory to or directly complementary to the audit of the financial statements (work directly related to the audit);
- inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are finalized;
- review the Company's earnings releases; and
- review any issues within its remit raised by the Supervisory Board.

Organization and procedures

The Audit, Risks and Compliance Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Supervisory Board's review of the semi-annual and annual financial statements. The Committee may hold meetings using videoconferencing or other telecommunications tools. It may, in the context of its responsibilities, examine a topic whenever it believes it is necessary and worthwhile to do so. It has access to all the resources it considers necessary to discharge its responsibilities. To the greatest extent possible, its meetings are held sufficiently in advance of Board meetings to allow for an in-depth examination of any subject requiring the committee's attention.

Accordingly, documents are addressed to committee members sufficiently in advance of each meeting. The Executive Vice-President in charge of the Company's finances presents the subjects on the agenda to Committee members as well as any risks the Company faces and any off-balance-sheet commitments. Financial matters are presented by the Financial department. Compliance risks, including anti-corruption measures, are presented by the Group's Chief Compliance Officer and extra-financial risk by the Director of Sustainable Development. The Director of Internal Audit attends each Audit, Risks and Compliance Committee meeting and reports to it directly. He regularly presents risk mapping, audit plans and monitoring updates. He also acts as the Secretary of the Committee.

The Statutory Auditors are invited to each meeting. The Audit, Risks and Compliance Committee may interview any member of the Management as well as the Statutory Auditors in the absence of the Company's management.

The Committee may also hire experts to perform specific tasks falling within the scope of its responsibilities.

The Chairwoman of the Audit, Risks and Compliance Committee presents a report at the next Supervisory Board meeting. The minutes of each Audit, Risks and Compliance Committee meeting are approved at the next Committee meeting.

In 2021, the Audit, Risks and Compliance Committee met 8 times: 7 scheduled meetings and 1 *ad hoc* meeting for specific projects. The average attendance rate was 93.2% for scheduled meetings and 100% for the *ad hoc* meeting. The meetings lasted on average 2 hours and 20 minutes.

The attendance rate for each member of the Committee is as follows:

		Scheduled meetings	*Ad hoc* meetings
Guylaine Saucier, Chairwoman of the Committee*	Member since June 4, 2010, Chairwoman since March 22, 2011	100%	100%
Franca Bertagnin Benetton*	Since September 4, 2018	85.7%	100%
François de Mitry	Since June 29, 2021	66.6%	100%
Gervais Pellissier*, Vice-Chairman and Lead member of the Board	Since June 5, 2015	100%	100%
Jacqueline Tammenoms Bakker*, Chairwoman of the Governance and Sustainability Committee	Since May 17, 2018	100%	100%
Thomas de Villeneuve (until June 29, 2021)	Since July 2, 2020	100%	100%
Humbert de Wendel	Since May 30, 2011	100%	100%

* *Independent members.*

The method of participation of each member in the Committee meetings is presented below:

Committee meetings in 2021	Physical presence	Presence by videoconference/ conference call	Absence
January 28	-	✓	-
March 16	-	✓	-
April 26	-	✓	Franca Bertagnin Benetton
June 28	-	✓	-
July 27	-	✓	-
September 6	-	✓	-
October 26	-	✓	-
November 30	-	✓	François de Mitry

In 2021, the Committee examined the following points:

- net asset value and its calculation method;
- parent company and consolidated financial statements as of December 31, 2020;
- first-half 2021 consolidated financial statements;
- the Statutory Auditors' reports;
- Wendel's liquidity and debt situation and that of its subsidiaries;
- review of the compliance of the anti-corruption measures within the framework of the implementation of the "Sapin II Law";
- approval of non-audit assignments for the Statutory Auditors, and monitoring of their work;
- review of certain subsidiary risks;
- risk mapping and internal control measures;
- internal audit plan;
- validation of the quantitative factors used to determine the extent to which the Executive Board has met its variable compensation objectives;
- verification of the achievement of the performance conditions of the stock option and performance share plans;
- situation and valuation of co-investments;
- non-financial reporting and monitoring of non-financial ratings;
- monitoring of non-financial performance indicators, in particular ESG criteria;
- review of disputes, the tax situation and off-balance-sheet commitments;
- review of the insurance plan;
- monitoring of the implementation of Wendel's IT and cybersecurity roadmap;
- review of the cybersecurity system of the portfolio companies; and
- review of auditing and non-auditing fees and statement of independence of Statutory Auditors.

2.1.2.2 Governance and Sustainability Committee

Composition of the Governance and Sustainability Committee

In 2020, the Governance and Sustainability Committee, which includes the functions of a Nomination Committee and a Compensation Committee, was supplemented by functions related to ESG.

As of the date of the Universal Registration Document, it is composed of 6 members, including one employee representative. 2 members (not including the employee representative), or 40%, are independent: Jacqueline Tammenoms Bakker, Chairwoman, and Guylaine Saucier.

The Chairman of the Supervisory Board was invited to attend each Governance and Sustainability Committee meeting.

Remit of the Governance and Sustainability Committee

Pursuant to Article XVI.ii.b of the internal regulations of the Supervisory Board, the tasks of the Governance and Sustainability are as follows:

- propose new members of the Executive Board or the renewal of the Executive Board to the Supervisory Board;
- propose changes in the Supervisory Board's composition;
- draw up succession plans for the Supervisory Board and Executive Board;
- propose the current and deferred compensation of Executive Board members, whether fixed or variable, including benefits of all kinds and the granting of stock options or performance shares and pensions or termination benefits;
- examine the Executive Board's proposals concerning the allocation of performance shares and stock options to Company employees;

- propose to the Supervisory Board the general principles of the co-investment policy for Executive Board members and the management team, and examine the terms and conditions proposed by the Executive Board;
- propose the compensation package for the Chairman of the Supervisory Board;
- propose methods for allocation of compensation among Supervisory Board members;
- express an opinion on any question related to the governance of the Company or the functioning of its governing bodies;
- guide the evaluation of the Supervisory Board's composition and operations;
- examine the commitments and orientations of the Company's ESG policy, oversee its implementation and more generally ensure that ESG issues are taken into account in the Company's strategy and its implementation;
- review compliance with the Afep-Medef Code and governance best practices;
- ensure the implementation of measures to prevent and detect corruption and influence peddling; and
- review any question concerning business ethics raised by the Supervisory Board and members of the Executive Board.

Organization and procedures

The Governance and Sustainability Committee met 10 times in 2021: 6 scheduled meetings and 4 *ad hoc* meetings for specific subjects. The average attendance rate was 95.8% for scheduled meetings and 84.4% for *ad hoc* meetings. The meetings lasted on average 2 hours and 20 minutes.

The member of the Supervisory Board representing employees does not participate in meetings relating to appointment or succession issues.

The attendance rate for each member of the Committee is as follows:

		Scheduled meetings	*Ad hoc* meetings
Jacqueline Tammenoms Bakker*, Chairwoman of the Committee	Member from June 5, 2015, Chairwoman since May 17, 2018	100%	100%
Bénédicte Coste	Since July 2, 2020	100%	75%
Nicholas Ferguson* (until June 29, 2021)	Since July 5, 2017	66.6%	100%
Priscilla de Moustier	Since October 23, 2013	100%	100%
Guylaine Saucier*, Chairwoman of the Audit, Risks and Compliance Committee	Since October 23, 2013	100%	100%
Sophie Tomasi Parise, member representing employees	Since September 5, 2018	100%	50%**
Édouard de l'Espée (until June 29, 2021)	Since July 4, 2018	100%	100%
Thomas de Villeneuve	Since June 29, 2021	100%	50%

* *Independent members.*
** *Sophie Tomasi Parise, as employee representative, did not participate in the meetings relating to the succession of Guylaine Saucier.*

The method of participation of each member in the Committee meetings is presented below:

Committee meetings in 2021	Physical presence	Presence by videoconference/ conference call	Absence
January 20	-	✓	-
January 28	-	✓	-
February 17	-	✓	Bénédicte Coste
March 16	-	✓	-
June 28	-	✓	Nicholas Ferguson
July 27	-	✓	Sophie Tomasi Parise Thomas de Villeneuve
September 14	-	✓	-
October 14	-	✓	Sophie Tomasi Parise
October 26	Priscilla de Moustier Guylaine Saucier Jacqueline Tammenoms Bakker Sophie Tomasi Parise	Bénédicte Coste Thomas de Villeneuve	-
November 30	-	✓	-

The committee may call upon recognized independent experts to help it carry out its assignments.

The agenda and the necessary documents and reports are sent to committee members several days before the meeting. The Chairman of the Committee presents a report at the following Supervisory Board meeting. The minutes of the Committee are approved at the next meeting.

Caroline Bertin Delacour, General Counsel, is secretary of the committee.

The following topics were addressed during Committee meetings in 2021 and at the beginning of 2022:

- setting variable compensation of Executive Board members for 2020;
- setting the 2021 compensation policy for the members of the Executive Board;
- assessment of the achievement of the performance conditions of the stock option and performance share plans;
- changes in the composition of the Supervisory Board and Committees and formalization of the succession plan for the Supervisory Board;
- review of the gender diversity policy in governing bodies;
- execution of the ESG strategy at Wendel and in the portfolio companies, definition of the ESG objectives of the Executive Board;
- capital increase for the Group savings plan and allocation of shares to the Executive Board members;
- review of governance issues;
- determination of the co-investment policy for the 2021-2025 period;
- compliance of the Company with the Afep-Medef Code, and particularly the independence of Board members;
- report of the Supervisory Board on corporate governance;
- preparation of governance and compensation issues for the 2021 Shareholders' Meeting; and
- review of the conclusions of the independent firm selected to evaluate the operation and work of the Supervisory Board and its Committees.

To further improve dialogue with Wendel's main investors who wanted to, as well as with the main proxy advisors, the Chairwoman of the Governance and Sustainability Committee participated in governance road shows organized by the Investor Relations department and the General Secretariat in February 2022.

This direct dialogue, which allows for a better mutual understanding of expectations, was initiated in 2019. The various topics addressed include the composition of the Supervisory Board, the compensation of members of the Executive Board and Supervisory Board and consideration of ESG-related issues.

2.1.3 Gender diversity policy in governing bodies

In accordance with recommendation no. 7 of the Afep-Medef Code, this section describes the diversity policy of Wendel's governing bodies, as set by the Executive Board on March 10, 2021.

Each year, the Supervisory Board is informed by the Executive Board of the results obtained in the past financial year. These will then be described in the Board's report on corporate governance.

Governing bodies

The collective operation of Wendel's management team is based on two key committees: the Investment and Development Committee and the Management Committee. These two committees, which reflect the leadership of Wendel, were selected by the Executive Board as governing bodies.

As of the date of the Universal Registration Document, 28.6% of the Investment and Development Committee and 40% of the Management Committee are women.

Targets

The following gender equality targets were set over a period aligned with the duration of the new term of office of the members of the Executive Board:

- Investment and Development Committee: target of 30% women by March 2025; and
- Management Committee: target of 45% women by March 2025.

Action plan

In coordination with the Human Resources department, the Executive Board has set up an action plan for the implementation of these targets, based on three pillars:

Career development, training and empowerment

This pillar includes the following measures:

- development of the mentoring system and individual coaching programs within Wendel's teams;
- development of a demanding training program, with high-level educational institutions, to ramp up skills;
- no impact on career development or access to training, of any parental leave or any personal or family obligations; and
- for each employee function, creation of a job description linked to the experience, skills and performance of employees.

Recruitment

This pillar includes the following measures:

- continued promotion of gender diversity in recruitment procedures, and a proactive approach to ensuring the presence of women candidates throughout the recruitment process, while continuing to prioritize the right skills fit;
- use of selection criteria based exclusively on the professional experience, skills and qualifications of the candidates; recruitment firms are required to apply these criteria; and
- introduction of a recruitment training guide to promote good practice on gender diversity within the Company.

Compensation

This pillar includes the following measures:

- before the start of any recruitment procedure, the compensation for the position to be filled is set and will be applied identically to each candidate; and
- in the event of parental leave, Wendel supplements social security benefits and maintains the level of compensation, with no impact on future compensation.

2021 in review

The proportion of women on the two committees at the date of the Universal Registration Document is identical to that of the previous year because there has been no movement (departure or arrival) within the composition of these committees. During 2021, 100% of the planned actions were implemented in accordance with the plan described above and in particular:

- all job descriptions have been written to support the year's recruitments but also to allow each employee to clearly position himself/herself with regard to his/her professional skills and career development. This is how the training requests made were matched to the needs, and despite the impact of the health crisis on travel, all the training plans envisaged were developed to allow everyone to participate in the sessions according to the format they wished, either face-to-face or remote, and thus better manage their constraints;
- since July 1, 2021, Wendel applies the paternity leave reform. Wendel continued to fund inter-company daycare places for parents of young children under the age of three; a parenting support service was also opened to all;
- all recruitment contracts have been reviewed to ensure compliance with Wendel's expectations, and each person involved in a recruitment process has received a copy of the internal guide recalling the legal and regulatory provisions relating to discrimination in hiring and in the Company;
- for each new recruitment, a salary range for the position was determined prior to the search for candidates and the publication of the offer. Wendel also participated in a study of market comparables (company size, sector of activity, business lines) and used four complementary benchmarks for all Wendel functions. These data were used for recruitments but also during the salary review campaign that took place at the end of 2021; and
- finally, as is the case every year, the assessment of the Wendel 2021 action plan on gender equality was presented to and validated in December 2021 by the Social and Economic Committee in December 2021, which noted that all the criteria envisaged had been met.

2.1.4 Corporate governance statement

In 2008 the Company adopted the Afep-Medef Corporate governance Code for listed companies, which was revised in June 2018 and January 2020. This Code is available on the Medef website at the following address:
www.consultation.codeafepmedef.fr.

At its meeting of February 9, 2022, the Supervisory Board reviewed the Company's situation with regard to the Afep-Medef Code.

In accordance with AMF recommendation 2012-02 on Corporate governance and executive compensation, the table below summarizes the recommendations of the Code that the Company does not apply:

Proportion of independent members of the Nomination and Compensation Committee	The Afep-Medef Code recommends that a majority of the Nomination Committee and Compensation Committee be composed of independent members (50%). The Governance and Sustainability Committee combines the functions of the Nomination Committee and the Compensation Committee. Since the expiry of Nicholas Ferguson's term of office at the end of the Shareholders' Meeting of June 29, 2021, the proportion of independent members on the Committee is 40%[(1)]. Future changes in the composition of the Committee: subject to his appointment by the Shareholders' Meeting of June 16, 2022, William D. Torchiana will join the Governance and Sustainability Committee. Gervais Pellissier, who will succeed Guylaine Saucier as Chairman of the Audit, Risks and Compliance Committee, will also join the Governance and Sustainability Committee. As of June 16, 2022, the Governance and Sustainability Committee will once again be composed of 50% independent members[(1)].

(1) The member representing employees is not taken into account.

2.1.5 The Executive Board and its operations

2.1.5.1 Composition of the Executive Board

The Executive Board is composed of a minimum of 2 and a maximum of 7 members.

The Executive Board is made up of 2 members: André François-Poncet, its Chairman, and David Darmon.

During its November 16, 2017 meeting, the Supervisory Board appointed André François-Poncet as Chairman of the Executive Board effective January 1, 2018 for the remainder of Frédéric Lemoine's term, *i.e.*, until April 6, 2021.

During its September 9, 2019 meeting, the Supervisory Board appointed David Darmon to Wendel's Executive Board effective from that date, and for the remainder of Bernard Gautier's term, *i.e.*, until April 6, 2021.

The terms of André François-Poncet and David Darmon were renewed for a period of 4 years, from April 7, 2021 to April 6, 2025, by decision of the Supervisory Board of December 9, 2020.

David Darmon has also been Chief Executive Officer since the Supervisory Board's decision of October 27, 2021.

Executive Board members, with the exception of its Chairman, may have an employment contract with the Company which remains in force during and after the member's term on the Executive Board. This is the case for David Darmon (see section 2.2.2.2, paragraph "Position of executive corporate officers with respect to Afep-Medef recommendations"). In accordance with the recommendations of the Afep-Medef Code, the Chairman of the Executive Board, André François-Poncet, has no employment contract.

Members of the Executive Board are appointed and can be removed by the Supervisory Board. Their term is of four years. The age limit for members of the Executive Board is 70. Removal of a member of the Executive Board does not cause his or her employment contract, if applicable, to be terminated.

Christine Anglade Pirzadeh, Director of Sustainable Development and Communications, is Secretary and Advisor to the Executive Board.

Executive Board succession plan

The Governance and Sustainability Committee draws up and regularly reviews the Executive Board's succession plan, which covers long-term situations and emergency situations.

The Company's governance structure, with an Executive Board that is a collegial body, is an asset in terms of succession. Each member of the Executive Board can act as the Company's legal representative, is empowered to make all day-to-day decisions *vis-à-vis* third parties, and is fully informed of current issues, in order to ensure the necessary continuity.

In the event of a vacancy on the Executive Board – which consists of at least two members – the Supervisory Board must provide for a replacement within two months. Future members of the Executive Board may be chosen from among the Group's employees or from outside the Group, in which case the committee may call on a recruitment firm to assist it in its search.

The Executive Board draws up and regularly reviews the career, development and succession plans for Wendel's top management. In this context, it sets up individual training programs that aim to enrich the experience of high-potential profiles and give them promotion prospects aligned with the Group's needs. This plan takes into account current and future needs for the main positions, gender diversity and the identification of internal and external skills. The Executive Board's work is shared with the Governance and Sustainability Committee, which is thus provided with accurate and up-to-date information for its deliberations on the succession plan for the Executive Board.

No conviction for fraud, official public incrimination and/or public sanction or liability for bankruptcy during the previous five years

To the best of the Company's knowledge and as of the date of this Universal Registration Document, subject to the clarification below, no member of the Executive Board has, during the past 5 years: (i) been convicted of fraud or been the subject of an official challenge and/or an official public sanction pronounced by statutory or regulatory authorities (ii) been associated with any bankruptcy, receivership, liquidation or placement under court administration; (iii) been disqualified by a court from serving as a member of an administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer.

It is specified that in the context of the unwinding in 2007 of a mechanism linking employees to the Group's performance, David Darmon is involved, along with other current and former employees of Wendel, in judicial proceedings concerning their personal tax situation. Available information mentions a first instance judgment at the end of April 2022. This decision will be subject to appeal.

Conflicts of interest, family ties and service contracts

André François-Poncet and David Darmon held and hold directorships in some of the Group's subsidiaries and associated companies.

To the Company's knowledge, as of the date of issue of this Universal Registration Document, there is no conflict of interest between the private interests or other obligations of the members of the Executive Board and their obligations with regard to the Company.

No Executive Board member has been selected during his term of office as a Wendel client or supplier nor is any member tied to the Company or to one of its subsidiaries by a service contract.

Executive Board members have no family ties with the Supervisory Board members.

Restrictions on the sale of shares held by the members of the Executive Board are described in section 2.1.8.1 "Market ethics".

André FRANÇOIS-PONCET

Group Chief Executive Officer / Chairman of the Executive Board

Date first appointed to the Executive Board: January 1, 2018

Current term expires on April 6, 2025

Born on June 6, 1959

French nationality

Professional address:
89, rue Taitbout
75009 Paris
France

Biography:

André François-Poncet is a graduate of HEC and has an MBA from Harvard Business School.

He began his career in 1984 with Morgan Stanley, first in New York and then London and finally Paris where he was in charge of setting up the Morgan Stanley Paris office.

After 16 years at Morgan Stanley, he joined BC Partners (Paris and London) in 2000, as a Managing Partner until December 2014 and then as a Senior Advisor until December 2015.

He was a Partner at CIAM from 2016 to 2017, and then became Chairman of Wendel's Executive Board and Group CEO in January 2018.

Other appointments and positions held at December 31, 2021:

Wendel Group:

Vice-Chairman of the Board of Directors of Bureau Veritas (listed company)

Other:

Director of AXA (listed company)

Member of the Bureau of the Club des Trente

Appointments expired in the last five years:

Chairman of Trief Corporation SA

Director of Winvest Conseil SA

Chief Executive Officer of LMBO Europe SA

Number of Wendel shares held as of December 31, 2021: 2,001 shares and 117,265 FCPE Wendel shares (equivalent to 18,077 Wendel shares at that date)

David DARMON

Member of the Executive Board / Chief Executive Officer

Date first appointed to the Executive Board: September 9, 2019

Current term expires on April 6, 2025

Born on December 18, 1973

French nationality

Professional address:
89, rue Taitbout
75009 Paris
France

Biography:

David Darmon is a graduate of ESSEC and holds an MBA from INSEAD.

He began his career in London at Goldman Sachs in mergers and acquisitions in 1996 before joining Apax Partners in 1999 as Principal, where he specialized in LBO transactions for six years.

David Darmon joined Wendel in 2005 and has managed numerous investments for the Group over the past 16 years. In particular, he participated in the investment and oversight of companies such as Allied Barton (now Allied Universal), CSP Technologies, Deutsch, Stallergenes and Crisis Prevention Institute. In his work for Wendel Lab, he also initiated several investments in the technology sector. He opened the New York office (Wendel North America), which he managed from 2013 to 2019. David has also served as Wendel's corporate Secretary to the Supervisory Board.

He became a member of Wendel's Executive Board and Deputy Group CEO in September 2019.

Other appointments and positions held at December 31, 2021:

–

Appointments expired in the last five years:

Wendel Group:

Director of Allied Universal

Director of CSP Technologies

Director of IHS

Number of Wendel shares held as of December 31, 2021: 45,554 shares and 90,463 FCPE Wendel shares (equivalent to 14,180 Wendel shares at that date)

2.1.5.2 Operation of the Executive Board

In accordance with Article 20 of the bylaws, Executive Board meetings are held at the head office or at any other venue specified by the Chairman in the meeting notice. The agenda can be amended at the time of the meeting. Meeting notices can be sent out by any means, including verbally, without advance notice if necessary. In the event of a tie, the Chairman casts the deciding vote. Minutes of Executive Board meetings are recorded in a special register kept at the head office and signed by the members of the Executive Board who took part in the meeting.

In 2021, the Executive Board met 30 times, mostly by videoconference due to the health situation.

During its meetings, it discussed the following issues in particular:

- the Group's financial situation; and
- affiliates and subsidiaries acquisitions or divestments;

The following topics were addressed on a regular basis during the year:

- the Company's general strategy and positioning;
- the performance of portfolio companies;
- the proposed IPO announced by IHS;
- account closings and periodic financial information;
- the share buyback program and the share capital reduction;
- monitoring the deployment of the ESG strategy;
- cash management;
- risk mapping;
- financial communication issues:
  - net asset value,
  - roadshows,
  - Investor Day;
- internal organization and labor issues:
  - the organization of the work of the teams in the context of the Covid-19 crisis,
  - the career development of the Company's employees,
  - the ethics and the compliance program, in particular monitoring the implementation of the Sapin II law on the prevention of corruption and influence peddling and the GDPR regulation on the protection of personal data,
  - training programs,
  - the compensation and performance evaluation policy for teams,
  - the allocation of stock options and performance shares and capital increases reserved for employee members of the Group savings plan, subject to approval by shareholders at their Shareholders' Meeting,
  - insurance and pension plans;
- succession plans;
- Group governance and the preparation of the Executive Board's quarterly reports to the Supervisory Board;
- preparation for the Shareholders' Meeting and the dividend policy; and
- IT, cybersecurity and digital.

2.1.6 Internal organization

Led by the Executive Board, Wendel's team is composed of men and women with diverse and complementary career paths. To make sure that decisions are made as a team, a Coordination Committee meets every two weeks, ensuring smooth communication at all times within the international team of 86 people across Wendel's three offices. The team is articulated around two key committees: the Investment & Development Committee and the Management Committee.

2.1.6.1 Executive Vice-Presidents

Three Executive Vice-Presidents have been appointed to support the Executive Board since September 2019. They do not have corporate officer status and may not enter into binding agreements on behalf of the Company.

Jérôme Michiels

Executive Vice-President, Managing Director, Chief Financial Officer, Director of Operational Resources, Head of Wendel Lab

Jérôme joined Wendel at the end of 2006. From 2002 to 2006, he was a *chargé d'affaires* with the investment fund BC Partners. Prior to that, he worked as a consultant in the Boston Consulting Group from 1999 to 2002, carrying out strategic missions in Europe, particularly in the fields of distribution, transportation, telecommunications, and financial services. After 10 years on the investment team, he took over the responsibility for Wendel's Finance department in October 2015. He is a graduate of HEC.

Josselin de Roquemaurel

Executive Vice-President, Managing Director

Josselin de Roquemaurel joined Wendel's European investment team as Managing Director in 2018. He began his career in 2001 at JPMorgan in London as an analyst and then as an investment manager in their Investment Banking department. From 2005 to 2017, he worked at Kohlberg Kravis Roberts (KKR) in London, most recently as Head of Private Equity activities in France. He is a graduate of the École normale supérieure de Fontenay/St Cloud and HEC.

Félicie Thion de la Chaume

Executive Vice-President, Managing Director

Félicie is a graduate of ESCP Europe and began her career at Goldman Sachs on the firm's French M&A team between 2003 and 2006. In 2007, she then joined the Wendel Paris investment team as an associate. In 2016 she relocated to the United Kingdom where she helped open the London office dedicated to generating and monitoring investment opportunities in Europe. In September 2020, Félicie joined the Paris investment team in line with the Group's strategy to concentrate its teams in France, Luxembourg and New York.

2.1.6.2 The Investment and Development Committee

Composed of the Executive Board, three Executive Vice-Presidents and two Managing Directors – the CEO of Wendel Luxembourg being secretary and permanent participant – it meets at least every two weeks and more frequently if needed, to work on selecting and developing the Group's investments. It examines plans to acquire and divest assets and regularly reviews the position of the main companies within the portfolio, Wendel's investment policy and the performance of employees in the investment team. At the date of the Universal Registration Document, it was composed of 7 members, including 2 women and 5 men.

2.1.6.3 The Management Committee

At least every two weeks, it brings together the members of the Executive Board, the three Executive Vice-Presidents, the General Counsel, the Tax Director, the Director of Sustainable Development and Communications, the Human Resources Director, and the Deputy Chief Financial Officer. It makes day-to-day decisions regarding the organization and the Group's operations, involving, where appropriate, other relevant people. At the date of the Universal Registration Document, it was composed of 10 members, including 4 women and 6 men.

2.1.6.4 The Coordination Committee

It meets twice a month and is made up of the members of the Investment & Development Committee and the Management Committee as well as Wendel's other principal managers worldwide. Its role is to act as a hub of cross-company information and sharing to ensure the free flow of information throughout the Group. At the date of the Universal Registration Document, it was composed of 19 members, including 4 women and 15 men.

2.1.6.5 The ESG Steering Committee

The ESG Steering Committee has been set up by the Executive Board in 2012 and strengthened in 2020 as part of the ramping up of Wendel's ESG strategy. The Committee is chaired by David Darmon, member of the Executive Board, and is made up of two Operating Partners and representatives of Wendel's different business and support divisions: Internal Audit department, General Secretariat, Communications and Sustainable Development department, Financial Communications department, Human Resources department, Finance and Operational Resources department. This Committee meets every six weeks to carry out in-depth monitoring of the Group's ESG ratings, progress made on rolling out Wendel's ESG roadmap for 2023 and that of the portfolio companies, and the change in applicable standards. It is composed of 11 members, of which 5 women and 6 men.

2.1.6.6 Locations

Wendel has offices for its holding companies and service activities. The oldest are in Paris (since 1704) and Luxembourg (since 1931). The Group was also established in Amsterdam, Tokyo, New York, Singapore, Casablanca and London. With the exception of New York, these offices were closed in 2019 and 2020 to streamline the Group's organization and thus focus the pursuit of new opportunities in Europe and North America.

Paris

Wendel's head office is located in the ninth arrondissement of Paris. The Paris office is home to part of the Group's corporate and investment teams.

Luxembourg

Wendel has been established in Luxembourg since 1931 through Wendel Luxembourg (resulting from the merger-absorption of Winvest Conseil by Trief Corporation, completed in 2021). This company indirectly holds the Group's unlisted investments and certain listed investments through Reserved Alternative Investment Funds (RAIF), which it manages as an alternative investment funds manager approved by the CSSF. Wendel Group co-invests from Luxembourg with third-party partners in certain companies, such as Stahl or Constantia Flexibles.

New York

Wendel North America investigates and advises the Group on investments in North American companies looking for a long-term shareholder. Wendel North America is in charge of monitoring CPI and ACAMS and helps the Wendel Lab to identify opportunities. North America is the world's biggest private equity market in terms of investment opportunities. Wendel opened an office in New York in 2013 and has made a number of investments there (in particular CPI and ACAMS).

2.1.6.7 Teams

Wendel's team leaders and principal members

- ♦ Management Committee
- ■ Investment & Development Committee
- ✶ Coordination Committee
- ❖ ESG Steering Committee

Olivier Allot ✶ ❖

Director of Financial Communication and Data Intelligence

Olivier Allot joined Wendel in 2007. He began his career in 1996 at the Société des Bourses Françaises–Paris Stock Exchange. For four years, he served as the organization's spokesperson and was then in charge of investor relations until 2007. In this capacity, he contributed actively to the combination of the Paris, Amsterdam, Brussels and Lisbon stock exchanges and the merger of Euronext and the NYSE. He has a Master's in Management Sciences and an advanced engineering degree in banking, finance and insurance from the Sorbonne, Paris I, as well as a financial analyst diploma from the SFAF and CEFA and an MBA in Strategic Management and Economic Intelligence from the Paris Economic Warfare School.

Christine Anglade Pirzadeh ♦ ✶ ❖

Director of Sustainable Development and Communications, Advisor to the Executive Board

Christine Anglade Pirzadeh joined Wendel in 2011. She was previously Director of Communications at the Autorité des marchés financiers (AMF) from 2000. From 1998-2000 she served as Media Director for the French prime minister. She began her career on the editorial team of Correspondance de la Presse. Christine Anglade Pirzadeh holds a master's degree in European and International Law from the University of Paris I and a master's degree (DEA) in communication law from the University of Paris II.

Caroline Bertin Delacour ♦ ✶ ❖

General Counsel, Ethics Officer, Chief Group Compliance Officer, Secretary of the Supervisory Board

Before joining Wendel in 2009 as Director of Legal Affairs, Caroline Bertin Delacour practiced law for over 20 years, specializing in tax and business law at the law firms Cleary Gottlieb Steen & Hamilton and August & Debouzy. She was appointed General Counsel of Wendel on January 1, 2015.

She holds a master's degree in business law from Université de Paris II Panthéon-Assas, a postgraduate degree in Applied Tax Law from Université de Paris V René-Descartes, and an LLM from New York University.

Benoît Drillaud ♦ ✶

Deputy CFO

Benoît Drillaud joined the Wendel Finance department in September 2004 after five years at PricewaterhouseCoopers as an auditor. He holds a Master's in Finance from ESCP and a master's degree (DEA) in economics from Université Paris I Panthéon-Sorbonne.

Étienne Grobon ✶ ❖

Director of Internal Audit

Étienne joined Wendel in 2018 as Director of Internal Audit. Before joining Wendel, Étienne spent eight years as Senior Director (Audit and Insurance) at Dassault Systèmes in Paris. He led the Group team in all relevant areas (audit & internal audit). He was also responsible for the global insurance program. He previously spent over fifteen years working in the audit and risk management sectors. First, at the Bouygues Group, then at Andersen (formerly, Arthur Andersen), leading the Sarbanes-Oxley compliance projects. Finally, he was a member of the team which founded the Protiviti firm in France where he was Director responsible for Internal Audit and Risk Management. He is a graduate of HEC Paris.

Jean-Yves Hemery ✶

Délégué à la gestion journalière of Wendel Luxembourg

Jean-Yves Hemery joined the Wendel Group in 1993 as Deputy General Secretary at Marine-Wendel, after seven years spent working for the French tax authority and three years at Pechiney. He is a graduate of École nationale des impôts and also holds a degree in economics. He was appointed International Delegate of Oranje-Nassau in December 2012 where he is responsible for coordinating the Company's international administrative and financial development.

Harper Mates ■

Managing Director

Harper Mates joined Wendel in the New York office in 2015. She was previously Vice-President at MidOcean Partners, a US mid-market private equity fund, where she was Head of Investments in the services and media sectors. She began her career at J.P. Morgan Chase as an analyst, then worked at Citi Private Equity as an investment manager. Harper holds an MBA from Harvard Business School and a BA from the University of Wisconsin-Madison.

Harper Mates has been a member of the Supervisory Board representing employees since January 1, 2021.

Peter Meredith ♦ ✶

Tax Director

Peter Meredith joined Wendel on March 1, 2013. He has previously held the position of Tax Director of the Bouygues Construction Group (2005-2013), of CapGemini (2000-2005), and of the GTM Group (1989-2000). Throughout his career, Peter Meredith has been in charge of tax issues related to both French and international contexts. He holds a master's degree (DEA) in comparative law.

Sébastien Metzger ✶

Director of Legal Affairs M&A and Finance

A lawyer by training, Sébastien Metzger, 41, began his career at Wendel in 2008 as an M&A lawyer, was promoted to Deputy Director of Legal Affairs in January 2018, and then Director of Legal Affairs, M&A and Finance in February 2022. He is a graduate of ESSEC and holds a Master II in Business Law and Taxation (Paris I – Panthéon Sorbonne).

Alexina Portal ♦ ✶ ❖

Director of Human Resources

Alexina Portal joined the Wendel Group in 2020 to take charge of the Group's development in human resources. A graduate of INSEAD (IEP) and with a doctorate in organizational behavior, Alexina Portal has spent the last 25 years working on various international organizational transformation and development projects.

Claude de Raismes ✶

Délégué à la gestion journalière, CEO of Wendel Luxembourg

Claude joined the Group's investment team in 2009 as an analyst, became an Associate and then investment manager. He co-headed Winvest Conseil as of March 1, 2019, and was after appointed its CEO on January 1, 2020. He is also secretary of the Investment & Development Committee. Previously, he had experience in financial auditing at Deloitte in Paris. He was then an analyst at UBS Investment Bank from 2007 to 2009 where he notably participated in the financing of leveraged buyouts (LBO). Claude is a graduate of HEC business school and holds a master's degree in modern literature and a master's degree in econometrics.

Adam Reinmann ■ ✶

Managing Director, CEO of Wendel North America

Adam Reinmann joined Wendel at the end of 2013 and began his career with the JPMorgan Group. Before joining Wendel, he worked for Onex, a leading investment firm in Canada. At Onex he participated in the acquisitions of The Warranty Group, Skilled Healthcare, Cypress insurance Group, RSI Home Products and JELD-WEN Holding, Inc. In 2009, Adam was a member of the Executive Committee of an Onex operating company (Celestica) where he was involved in the development and operational improvement strategy of the Company. He holds an MBA from the Columbia Business School and a BS from Binghamton University.

Jérôme Richard ✶

Operating Partner

Joining Wendel in 2019, Jérôme started his career at the Boston Consulting Group, where he worked for eight years in France and the US on transformation and operational performance improvement projects, mainly in the healthcare and industrial sectors. He also served as Director of Recruitment for the Paris office. In 2010, Jérôme joined Schneider Electric as Vice-President to take on operational management positions in purchasing and then sales. In 2016, he was appointed Chief Executive Officer of John, a leading start-up in concierge services for brands and their customer relations. He is a graduate of Centrale Supélec.

Michel Tournier ✶

IT Strategy and Digital Transformation Director

Prior to joining Wendel, Michel was Director of IT Systems – Technology Core Solution Group | EMEA/APAC at Ingram Micro Commerce & Lifecycle Services. Michel has over 26 years of experience managing IT systems in several industry sectors: at Cofidis in 1996, he took part in the creation of subsidiaries in Portugal and Argentina for five years, before spending three years with Louis Vuitton in Latin America in the role of Regional CIO, followed by several roles with the Shiseido Group. In late 2012, he joined Anovo as Group CIO, for a period of three years.

David Varet ✶ ❖

Operating Partner

David Varet joined Wendel as Operating Partner in 2021. Prior to joining Wendel, David spent eight years as Chief Executive Officer of HOMEBOX, France's number one self-storage service provider. He began his career as a technology consultant at Capgemini. David then worked for five years for the PSA Group, first on logistics and distribution issues and then as Global Pricing Manager for parts and accessories. He then joined the Boston Consulting Group, which he left after five years with the rank of Principal. David is a graduate of École Polytechnique and École des Mines de Paris.

2.1.7 Division of powers between the Executive and Supervisory Boards

At the Shareholders' Meeting of May 31, 2005, Wendel adopted a dual governance structure with an Executive Board and a Supervisory Board.

The Executive Board has the broadest powers to act on the Company's behalf under all circumstances. It exercises these powers within the limits of the Company's purpose and as long as they have not been expressly attributed to shareholders or the Supervisory Board. It sets and oversees the Company's strategic priorities, in accordance with its corporate interests and taking into consideration the social and environmental implications of its business. The Chairman of the Executive Board and, if applicable, the Executive Board member or members designated for such purpose by the Supervisory Board, represent the Company in its relations with outside parties. Currently, only André François-Poncet, Chairman of the Executive Board, and David Darmon, member of the Executive Board, represent the Company with regard to third parties, unless specifically delegated. The Company is bound even by actions of the Chairman or members of the Executive Board that do not comply with the Company's purpose, unless the Company can prove that the third party knew, or that given the circumstances, must have known, that the action was outside of the scope of the Company's purpose.

The Executive Board may vest one or more of its members or any non-member with special, ongoing or temporary assignments that it has determined and may delegate to them for one or more set purposes, with or without the option to sub-delegate, the powers that it deems necessary.

The Executive Board draws up and presents the strategy and the reports mentioned below to the Supervisory Board, as well as annual and semi-annual financial statements, as prescribed by law.

The Executive Board, after discussion with the Supervisory Board, sends out the notice of Shareholders' Meetings and, if applicable, any other meeting, and draws up the agenda of these meetings, without prejudice to the provisions of Article 15 of the bylaws.

The Executive Board ensures that the draft resolutions it submits to shareholders at their Shareholders’ Meeting regarding the composition or the proceedings of the Supervisory Board comply with the Supervisory Board’s decisions.

The Executive Board executes all decisions made at the Shareholders' Meetings.

The Supervisory Board exercises ongoing oversight of the Executive Board’s management of the Company, pursuant to Article L. 225-68 of the French Commercial Code and Article 1 of its internal regulations. Throughout the year, it performs the checks and controls it deems appropriate and may request any document it considers necessary to fulfill its duties. The Supervisory Board may mandate one or more of its members to carry out one or more assignments of its choosing. In the circumstances it deems necessary, the Supervisory Board may call a Shareholders’ Meeting. In this case, it sets the meeting’s agenda.

At least once every quarter, the Executive Board presents to the Supervisory Board a detailed report on the Company’s situation and outlook. In particular, it reports on the performance of the companies in its portfolio, their development strategy, their financial condition, their external growth transactions and any other transaction likely to have a significant impact on the Company.

Within three months after the close of each financial year, the Executive Board submits the parent company and consolidated financial statements for the year to the Supervisory Board for verification, along with the management report to be presented to shareholders at their Shareholders’ Meeting. The Supervisory Board reports its observations on the Executive Board’s report and on the annual parent company and consolidated financial statements to the shareholders. The Executive Board also presents the semi-annual financial statements to the Supervisory Board, as well as the documents containing management forecasts.

The Executive Board finalizes and presents to the Supervisory Board the net asset value (NAV) per share, which measures the Company’s creation of value (see section 5.3). As often as necessary, it also reports to the Supervisory Board on the Company’s balance sheet and the type and maturity of its bank and bond debt.

The Supervisory Board is kept regularly informed of the financial and extra-financial risks the Company assumes and the measures the Executive Board takes to address them (see Chapter 3 below and note 7 to the consolidated financial statements).

Prior approval of the Supervisory Board is required for the transactions specified in Article 15 of the Company’s bylaws:

- any transaction, including an acquisition or divestment by the Company (or an intermediate holding company), exceeding €100 million, as well as any decision permanently affecting the future of the Company or its subsidiaries;
- divestment of real property of more than €10 million per transaction;
- granting of security interests, guarantees, endorsements and collateral of more than €100 million per transaction;
- any proposal at the Shareholders' Meeting to change the bylaws;
- any transaction that may lead, immediately or at a later date, to a capital increase or reduction of capital through the issuance of securities or cancellation of shares;
- any proposal to shareholders regarding the appropriation of earnings or the distribution of dividends, as well as any interim dividend;
- any merger or spin-off that the Company would be party to;
- any proposal to shareholders regarding a share buyback program;
- any proposal to shareholders regarding the appointment or reappointment of the Statutory Auditors; and
- any agreement subject to Article L. 225-86 of the French Commercial Code.

Significant divestments are not required to be submitted to shareholders at their Shareholders’ Meeting. According to the AMF, when a company’s primary activity is to acquire and manage equity investments, divestments – even significant ones – they clearly fall within its normal operating cycle, so the market and shareholders can foresee them. Wendel is therefore not required to present significant divestments to its shareholders.

The Supervisory Board appoints, and has the power to revoke, members of the Executive Board. It sets their level of compensation as well as their terms (current or deferred, fixed or variable). It sets stock-option and performance share grants allocated to Executive Board members, as well as the relevant presence, performance and holding conditions. In all these cases, the Board acts based on the recommendation of the Governance and Sustainability Committee. It is the responsibility of the Executive Board to determine the individual grants of stock options and performance shares to employees, to decide on the grant dates, to define the usual conditions and to approve the plans.

Based on the recommendation of the Governance and Sustainability Committee, the Supervisory Board sets the general principles of the co-investment policy for the members of the Executive Board and authorizes the co-investment of Executive Board members (see note 6-1 to the consolidated financial statements). The Executive Board determines the team members eligible for co-investment and their individual allocations.

2.1.8 Compliance and ethical issues involving the Group's governing and supervisory bodies

Since 2009, Wendel's obligations in terms of confidentiality, abstention from transactions involving Wendel shares and investments, market information and conflicts of interest have been governed by the Market Confidentiality and Ethics Code. It applies in particular to the members of the Executive Board and the Supervisory Board. The last update of this charter by the Executive Board was in July 2019.

Wendel's Market Confidentiality and Ethics Code defines the rules for managing conflicts of interest and the responsibilities of the Ethics Officer. Since 2009, the Ethics Officer has been Caroline Bertin Delacour, General Counsel of Wendel.

The Executive Board has also adopted a Code of Ethics, revised in July 2021, and a compliance program through targeted policies (anti-corruption and influence-peddling policy, anti-money laundering policy, international sanctions policy) (see section 4.1.7.1). This compliance program applies in particular to corporate officers.

2.1.8.1 Market ethics

Registered shares

Shares or any other securities issued by the Company or by its listed subsidiaries and affiliates, which are held or may be held by members of the Executive Board or the Supervisory Board or any related person, such as their spouse or dependent children, must be held in registered form.

Confidentiality and abstention obligations

Executive and Supervisory Board members are bound by strict confidentiality rules regarding specific, non-public information that could have a material impact on the share price or of any other listed security of the Company. This information is considered to be inside information.

The confidentiality requirement applies in particular to any privileged information that the members may have about a company in which Wendel is considering an investment.

When members of governing and supervisory bodies are in possession of inside information, they must refrain from carrying out, directly or indirectly, on their own behalf or on behalf of another party, any transaction involving the Company's shares or any other of its listed securities. They are then entered on the insider lists drawn up by the Company's Ethics Officer. These lists are made available to the AMF and kept for at least five years from the date they were drawn up or updated.

This same restriction on trading is required during certain so-called "blackout" periods during which the Company publishes its annual and semi-annual financial statements, quarterly revenue, and net asset value (NAV, see section 5.3). These periods are as follows: for the publication of annual and semi-annual financial statements, from 30 days before to 24 hours after their publication; for quarterly revenue and NAV, from 15 days before to 24 hours after their publication.

Trading is also restricted during any other period communicated by the Company's Ethics Officer.

Unless specified to the contrary, these blackout periods end upon the publication of the information in question, in an official notice and/or a press release that is effectively and fully disseminated.

In addition, members of the Company's management and supervisory bodies must also refrain from trading in the securities of listed and unlisted Wendel Group subsidiaries and affiliates. This restriction does not apply to shares held by the directors to fulfill obligations imposed by legislation or the bylaws or in accordance with any recommendations issued by the Company in which they serve as director. This restriction also does not apply to the payment of a dividend in kind in the form of shares in subsidiaries or affiliates held in the Company's portfolio. Individuals holding such shares may keep them or sell them, as long as they comply with the Company's Market Confidentiality and Ethics Code.

Transactions carried out by executives

Members of the Executive Board and the Supervisory Board, as well as persons related to them, are required to report to the AMF, electronically and within three trading days of their execution, transactions in the Company's shares and related instruments, as soon as the total amount of transactions carried out during the calendar year exceeds €20,000. This notification is also sent to the Company's Ethics Officer. The Company has been publishing all of these transactions on its website since 2005.

Restriction on the sale of Wendel shares by Supervisory and Executive Board members

To the Company's knowledge, members of the Supervisory and Executive Boards have accepted no restrictions on the divestment of their shareholdings in the Company, with the following exceptions:

- in accordance with the bylaws of the Company, each member of the Supervisory Board must hold 500 fully paid-up shares;
- the obligation for each member of the Executive Board to retain a number of shares, in particular those resulting from the exercise of their stock options or the acquisition of their performance shares, corresponding, for the Chairman of the Executive Board and the member of the Executive Board respectively, to a value equal to 200% and 100% of the fixed portion of their annual compensation;
- Executive Board members may not exercise their options or sell the corresponding shares during blackout periods or in the event of possession of inside information, in accordance with the Company's Market Confidentiality and Ethics Code and with recommendation 25.3.3 of the Afep-Medef Code;
- certain abstention obligations imposed by Wendel's Market Confidentiality and Ethics Code; and
- certain corporate officers have entered into collective lock-up commitments under Article 787 B of the French Tax Code ("Pacte Dutreil"), described in section 8.3.10.1 of this Universal Registration Document.

2.1.8.2 Business ethics

Conflicts of interest

A number of procedures are in place within the Wendel Group to prevent and manage any conflicts of interest: the Market Confidentiality and Ethics Code, the anti-corruption policy, the internal regulations of the Supervisory Board and the procedure for evaluating regulated related-party agreements and current agreements (see paragraph below "Regulated related-party agreements and standard agreements").

The members of the Executive and Supervisory Boards must clear up any actual or potential conflicts of interest and bring them to the attention of the Company's Ethics Officer or the Supervisory Board Chairman.

For the members of the Executive Board, specific processes for declaring and handling conflicts of interest have been implemented.

The members of the Supervisory Board, who have a general obligation of confidentiality and loyalty, must each prepare a statement, addressed to the Company's Ethics Officer (i) at the time of appointment, (ii) at any time, on his or her initiative or at the request of the Ethics Officer and (iii) in any event, within 10 working days following the occurrence of any event that made the previous statement in whole or in part inaccurate. In the event of a conflict of interest, the concerned Board member does not take part in the discussions and does not take part in the corresponding vote, does not receive information related to the agenda item giving rise to a conflict of interest; any decision of the Board concerning a conflict of interest is recorded in the minutes of the meeting. The proper functioning of the Board requires the presence of profiles with investment experience. In this respect, some members of the Board may hold positions - outside their mandate as members of the Supervisory Board - with companies competing with Wendel. An increased level of vigilance is then required and implemented as part of the application of the conflict of interest management procedure.

Members of the Supervisory Board must also inform the Chairman of the Supervisory Board of their intention to accept a new appointment or a new position in a company that does not belong to a Group of which they are executives. If the Chairman of the Supervisory Board believes that the new appointment could create a conflict of interest, the Chairman puts the issue before the Supervisory Board. In this case, the Board decides whether or not the new appointment or position is compatible with the position of the Wendel Supervisory Board member. Should the Board decide that there is a conflict of interest, it asks the Board member to choose between the new appointment and his/her appointment at Wendel. All decisions declared incompatible are duly justified.

Regulated related-party agreements and standard agreements

In accordance with Article L. 22-10-29 of the French Commercial Code and recommendation 4.1 of AMF Recommendation No. 2012-05, the Supervisory Board has adopted a Charter for the evaluation of regulated related-party agreements and agreements relating to ordinary transactions under standard conditions. This Charter:

- reiterates the regulatory framework applicable to regulated related-party agreements and commitments and offers additional guidance on the methodology used internally to classify the various agreements entered into;
- sets out a typology of agreements which, due to their nature and terms, are not subject to formalities; and
- sets out an internal procedure for the regular review of Wendel's agreements relating to ordinary transactions under standard conditions.

The procedure applicable to agreements relating to ordinary transactions under standard conditions is described below:

The charter first sets out the various criteria to be met by the agreements to which the valuation procedure is applied, related to (i) the parties to the agreement, (ii) the ordinary nature of the agreement or transaction and (iii) the normal nature of the conditions provided for in the agreement.

It then describes the different steps to be implemented for the valuation of the agreements, as follows:

1. **Pre-assessment of these criteria by the functions involved in drawing up an agreement**

Prior to signature, the functions initially involved in drawing up the agreement, depending on its purpose (hereinafter the "Involved Function(s)") will, at the time of concluding an agreement, an amendment or renewal, assess whether the conditions meet the criteria of ordinary transactions under standard conditions. This assessment must be documented. In the event of difficulties in interpreting or evaluating criteria, the matter should be referred to the Chief Group Compliance Officer who will make an assessment on a case-by-case basis and consult the Director of Internal Audit if needed.

Each year, every Involved Function must be in a position to present its standard agreements included within its functional scope and respond to requests from the Chief Group Compliance Officer.

2. **Retrospective review of the application of criteria by the Chief Group Compliance Officer**

The Chief Group Compliance Officer reviews how the Charter is applied by the Involved Functions on a regular basis and as deemed necessary.

To facilitate the Chief Group Compliance Officer's review, each Involved Function in drawing up these agreements must be in a position to share a sample/list of agreements relating to ordinary transactions under standard conditions within their scope upon request.

If the Chief Group Compliance Officer retrospectively considers that an agreement on the list of agreements relating to ordinary transactions under standard conditions should fall within the scope of regulated related-party agreements, she must notify the Supervisory Board and obtain confirmation that the regulated related-party agreement procedure set out in the French Commercial Code shall apply. At its annual review of regulated related-party agreements, the Supervisory Board may decide to correct the situation and follow the correction procedure referred to under Article L. 225-90 of the French Commercial Code. Parties with an indirect interest in any of the agreements under review do not take part in the Supervisory Board's discussions on this matter.

Each year, the Chief Group Compliance Officer reports on the findings of her review to the Company's Supervisory Board. Interested parties or parties with an indirect interest in one of the agreements under review do not take part in the Supervisory Board's discussion on the matter.

Moreover, if the Chief Group Compliance Officer deems it necessary to modify the charter, she refers any proposed modifications to the Supervisory Board for approval.

3. **Information on agreements relating to ordinary transactions under standard conditions**

The Supervisory Board's annual report on corporate governance contains:

- a description of the procedure for reviewing agreements relating to ordinary transactions under standard conditions; and
- a description of its implementation by the Company, including the Supervisory Board's conclusions following the Chief Group Compliance Officer's annual report and any follow-up.

The implementation of the procedure in 2021 is described below:

The Chief Group Compliance Officer obtained the list of standard agreements entered into by Wendel under standard conditions during the year from the Involved Functions. After analyzing them, it reported on its assessment to the Supervisory Board at the meeting of March 17, 2022, as follows:

- as a precautionary measure and a concern for transparency, all agreements entered into with a member of the Executive Board or a member of the Supervisory Board, and those entered into with Wendel-Participations SE (the only shareholder with more than 10% of the voting rights attached to the Wendel shares) were classified as regulated related-party agreements and subject to the corresponding procedure. These agreements are described in the Statutory Auditors' special report on regulated related-party agreements; and
- the agreements entered into with companies identified as companies having in common top management individuals with Wendel meet the cumulative criteria of "ordinary transaction" and "standard conditions".

The Supervisory Board concluded that there was no need to reclassify the agreements referred to in the second bullet above as regulated related-party agreements. It also considered that no changes should be made to the applicable Charter.

Information regarding agreements entered into between a director or significant shareholder and a subsidiary

In accordance with Article L. 225-37-4, paragraph 2 of the French Commercial Code, described below are agreements entered into directly or through an intermediary between (i) one of the members of the Executive Board or Supervisory Board or one of the shareholders with a fraction of voting rights exceeding 10% of the Company and (ii) another Company controlled by Wendel according to the definition under Article L. 233-3, with the exception of agreements relating to ordinary transactions under standard conditions.

To the best of the Company's knowledge, the following agreements were entered into during fiscal 2021 and early fiscal 2022 (see also note: 6-1 to the consolidated financial statements):

- in the framework of the co-investment principles for the 2021-2025 period, André François-Poncet and David Darmon, members of the Executive Board, and Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing the employees, entered into purchase and sale agreements in July 2021 with Wendel Luxembourg, a wholly-owned subsidiary of Wendel, relating to their co-investments for the 2021-2025 period. The purpose of these undertakings is to settle the outcome of their co-investments in the event of their departure from the Wendel Group before the occurrence of liquidity events affecting the companies in which they have co-invested;
- in application of the co-investment principles for the period 2021-2025, André François-Poncet and David Darmon, members of the Executive Board, Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing the employees, invested in July and December 2021 in Tarkett, and in March 2022 in ACAMS; and
- in accordance with the co-investment principles of the 2018-2021 period, Harper Mates, a member of the Supervisory Board representing employees, reinvested in Crisis Prevention Institute in December 2021.

The Company has applied the regulated related-party agreements process to these agreements. They were authorized by the Supervisory Board and are described in the Statutory Auditors' report on regulated related-party agreements, submitted for approval to the Shareholders' Meeting of June 16, 2022, under the terms of Resolution No. 4.

2.2 Compensation of corporate officers

2.2.1 Compensation policy for corporate officers

The compensation policy for members of the Executive Board (section 2.2.1.2) and the compensation policy for members of the Supervisory Board (section 2.2.1.3), pursuant to Article L. 22-10-26 of the French Commercial Code, are described below. These compensation policies are subject to the approval of the Shareholders' Meeting on June 16, 2022, pursuant to resolutions No. 8 to 10.

2.2.1.1 General principles relating to the compensation policy for corporate officers

Identification, review and implementation process

Members of the Executive Board

The compensation of the members of the Executive Board is set by the Supervisory Board on the recommendation of the Governance and Sustainability Committee. It is established with a general view to provide stability during the four-year term of the Executive Board and submitted each year to the approval of the Shareholders' Meeting.

As part of the renewal of the Executive Board's term of office in 2021 for a further period of four years, the compensation policy was fully reviewed. The process followed is detailed in section 2.2.1.2 of the 2020 Universal Registration Document, with an overview of the work of the Governance and Sustainability Committee, as well as the proposed changes compared to the previous compensation policy.

The execution of the policy is carried out in accordance with the terms approved by the Shareholders' Meeting, subject to any exemptions applied in accordance with the principles set out in this section. The implementation of the policy is discussed during meetings of the Governance and Sustainability Committee, with the support of the Audit, Risks and Compliance Committee for the verification of numerical data.

Detailed information describing the compensation is set out in the Universal Registration Document relating to the fiscal year during which the compensation items were awarded and/or paid.

Supervisory Board members

The compensation package allocated to members of the Supervisory Board is determined by the Shareholders' Meeting. It is then the responsibility of the Supervisory Board to set the distribution of this compensation among its members, by allocating a fixed portion and a variable portion based on actual attendance at meetings of the Supervisory Board and its Committees.

The variable amount of the compensation of members of the Supervisory Board and the Committees may be adjusted each year according to (i) the number of scheduled meetings and (ii) the number of members benefiting from this compensation.

Compliance

The Supervisory Board follows the recommendations of the Afep-Medef Code for setting the compensation and benefits to be paid to members of the Executive Board and members of the Supervisory Board.

It ensures that the compensation policy for corporate officers complies with the principles of comprehensiveness, balance, comparability, consistency, intelligibility and prudence.

Principles and objectives

The principles and objectives that have guided the determination of the 2021-2024 compensation policy for corporate officers are as follows:

- performance requirement;
- alignment of interests with shareholders;
- motivation of corporate officers;
- importance of retaining teams and attracting the best talents (the Executive Board's compensation policy is then applied to that of approximately 20% of Wendel's workforce);
- alignment with Wendel's values, notably in terms of ESG; and
- simplicity.

Respect for the Company's interests and link with the Company's strategy, sustainability and employee compensation

The compensation policy set by the Supervisory Board contributes to the Company's long-term interests in that it is based, on the one hand, on the performance of Wendel and the portfolio and, on the other hand, on the implementation of its strategy. Thus, certain short-term compensation objectives depend on the achievement of strategic and ESG roadmaps, while others are based on the revenue and results of Wendel's portfolio companies. Long-term compensation, which gives corporate officers a stake in the share capital, is linked to the Company's performance over 4 years; this performance being both financial, based on the increase in the TSR and dividend, and non-financial, based on ESG criteria.

Through these features, the compensation policy is in line with the corporate interest, contributes to the Company's sustainability and creates alignment between the interests of corporate officers and shareholders. It is also consistent with the *raison d'être* of Wendel, as defined in 2020, which, as a long-term investor, engages with entrepreneurial teams to build sustainable leading companies.

Compensation conditions for the Company's teams are also taken into account, insofar as:

- the targets used to determine the annual variable compensation of the Executive Board are also applied to a portion of the variable compensation of approximately 20% of Wendel's workforce;
- performance conditions attached to the Executive Board's stock options and performance shares are used in the allocation plans for employees.

Conflicts of interest

During the determination, review and implementation of the compensation policy for members of the Executive Board and Supervisory Board, the Supervisory Board, where necessary, applies the measures for management of conflicts of interest stated in the Supervisory Board's internal regulations and the Market Confidentiality and Ethics Code (see sub-section 2.1.8.2 "Conflicts of interest"). The members of the Executive Board do not attend the deliberations of the Supervisory Board relating to their compensation.

Exemptions

In accordance with Article L. 22-10-26 III paragraph 2 of the French Commercial Code, an exemption to the application of the compensation policy may be granted if it is temporary, subject to the occurrence of exceptional circumstances, consistent with the Company's interests and necessary to ensure the Group's continued existence or viability. Any exemption from one of the compensation items policy shall be decided by the Supervisory Board on the prior recommendation of the Governance and Sustainability Committee. Any exemptions thus decided will be set forth in the Universal Registration Document for the fiscal year in which they were defined.

It is specified that this option may be used by the Supervisory Board in accordance with the following conditions:

- the compensation items that may be amended are: the annual variable compensation as well as the options and the performance shares;
- the maximum amounts that can be awarded under these elements cannot be amended; and
- are identified as exceptional circumstances (i) any geopolitical event having a significant impact on the Group (in particular related to the war in Ukraine) and (ii) the continuing effects of the Covid-19 pandemic. In this respect, the impact of these events and their management by the members of the Executive Board may be taken into consideration by the Supervisory Board, on the advice of the Governance and Sustainability Committee, in order to modify certain terms of the annual variable compensation, options or performance shares granted under the 2022 compensation policy. This provision will enable the Supervisory Board to ensure adequacy between the application of the compensation policy with the management of these events by the members of the Executive Board, the performance of the Group, and the exceptional circumstances.

2.2.1.2 Compensation policy for Executive Board members

Determination of the compensation policy for 2022

The 2022 compensation policy is consistent with the one established in 2021 in the framework of the renewal of the Executive Board's term of office for four years, subject to the adjustments outlined below.

As a reminder, the principles of compensation for the Executive Board were reviewed in depth and with a global approach, so that this compensation would be aligned with the individual and collective performance of the members of the Executive Board (pay for performance), as well as with Wendel's *raison d'être* and strategy. These changes were also intended to motivate and retain members of the Executive Board, whose actions contribute to the Company's performance.

The methodology and outcome of the overhaul of the compensation policy since 2021 are set out in section 2.2.1.2 of the 2020 Universal Registration Document. A rigorous process was followed, based on:

- the use of dedicated benchmarks by a specialized external consultant (use of three company panels to analyze data adapted to Wendel's hybrid nature: SBF 120 companies in a market capitalization range close to that of Wendel, investment and holding companies based in Europe, and private equity funds;
- analysis of best practices in the sector and compensation recommendations;

- discussions with shareholders, as part of governance roadshows during which the Chairwoman of the Committee met with Wendel's main investors and the main proxy advisor firms; and
- constructive dialogue with each member of the Executive Board.

Proposed changes for 2022

At its meeting of March 17, 2022, the Supervisory Board, on the recommendation of the Governance and Sustainability Committee, maintained the structure of the Executive Board's compensation while proposing the following adjustments for certain policy items:

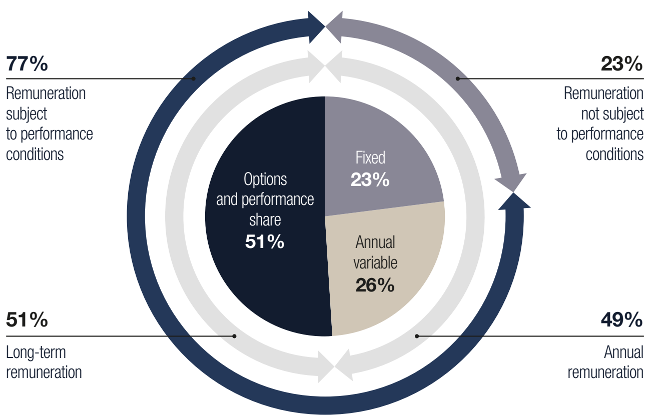
- annual variable compensation: for the financial objectives, the list of companies whose financial performance is measured has been modified to take into account changes in scope. The non-financial objective has been revised, with a greater weighting given to the execution of the 2021-2024 strategic plan (75% instead of 40% last year) and a new human resources criterion has been added, to highlight the importance given to talent development and succession planning. Details were provided on the methods for calculating the achievement rates of objectives;
- options: the exercise of options is subject to meeting a new ESG performance condition, the achievement of which will be assessed at the end of a continuous period of four years (the condition is described in the section "Compensation items", paragraph "Allocation of stock options"). In 2021, the performance condition was based on the deployment of Wendel's climate strategy: the objective of this performance condition was to establish the basis for a climate policy for investments controlled by Wendel. Now that this dynamic has been launched, with objectives to be achieved each year for four years, it was deemed more relevant to launch a new project in 2022 and it was decided to focus this time on the "S" of ESG; and
- exemption from the compensation policy: the nature of the exceptional circumstances justifying the use of the exemption has been specified and the scope of amendments has been limited (no exemption from the maximum amounts of the variable annual compensation, options and performance shares).

2022 compensation structure

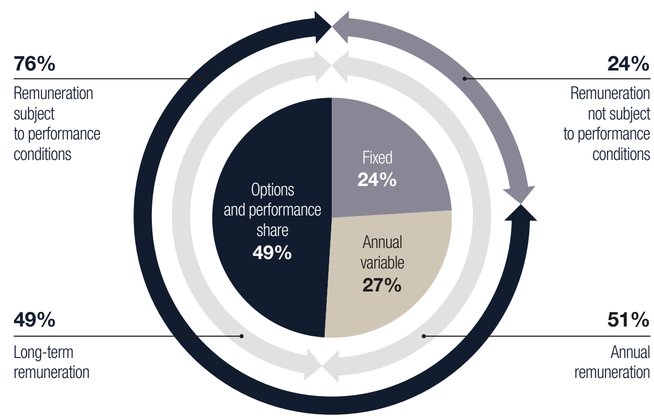
The 4 main compensation items of the members of the Executive Board form a balance (approximately 50/50) between annual compensation and long-term compensation, and are also demanding since more than ¾ of the compensation is subject to performance conditions. They are complementary and each of them serves different purposes. The members of the Executive Board do not benefit from the following compensation items: multi-year variable compensation, exceptional compensation, non-compete compensation, supplementary pension plan.

It is specified that approximately 17.5% of the maximum compensation of the members of the Executive Board is based on ESG criteria, including short-term and long-term objectives.

André François-Poncet



David Darmon



Compensation items

Fixed compensation

The fixed compensation for 2022 is as follows:

- €1,150,000 for the Chairman of the Executive Board; and
- €770,000 for the other member of the Executive Board.

Annual variable compensation

For 2022, the maximum amount of variable compensation remains set at 115% of the fixed compensation, this proportion being unchanged since 2017. Variable compensation is in no way guaranteed and its amount varies each year according to financial and non-financial objectives. The achievement rate of these objectives for 2021 is detailed in section 2.2.2.2 "Total compensation and benefits of all kinds" paragraph "Summary of the compensation of each executive corporate officer".

The Supervisory Board kept 4 objectives for 2022, three financial and one non-financial, described below. The content of these objectives was precisely determined by the Supervisory Board, on the recommendation of the Governance and Sustainability Committee, at its meeting on March 17, 2022. For each criterion, the Supervisory Board set a target objective and a range of performance thresholds. As outlined below, these objectives are consistent with the Group's development strategy.

Each performance objective on which the allocation of the annual variable compensation is based is capped, in order to avoid any effect of offsetting outperformance with possible underperformance.

These financial and non-financial objectives are also used to determine a portion of the variable compensation of approximately 20% of Wendel's workforce.

Description of the 2022 performance objectives:

The **financial objectives**, weighted and capped together at 65% of the maximum variable compensation, are as follows:

- the **first objective** concerns Bureau Veritas, with specific criteria regarding its performance, measured on the basis of its organic growth and adjusted operating income; it is weighted and capped at 20% of the maximum variable compensation;
- the **second objective** concerns the individual and collective performance of four other companies in the portfolio (Constantia, CPI, Stahl and Tarkett), measured on the basis of their organic growth and EBITDA; the achievement rate of this objective is calculated on a consolidated basis, based on the achievement rates of each of the companies, weighted according to the average of the individual values of these four companies in Net Asset Value as of December 31, 2021 and as of December 31, 2022, this objective is weighted and capped at 25% of the maximum variable compensation; and
- the **third objective** is to maintain Wendel's Investment Grade rating, reflecting a high standard of credit quality; it is weighted and capped at 20% of the maximum variable compensation.

For the first two financial objectives, the achievement rates will be calculated, on the one hand, according to the individual budgets for the portfolio companies at the beginning of the year and, on the other hand, according to a demanding scale:

- if the results achieved are less than 90% of the target budget, the objective is considered not met;
- if the results achieved correspond to the target budget, the objective is only considered 85% achieved; and
- if the results achieved exceed the target budget, the objective is considered achieved between 85% and 100% depending on the outperformance.

The weighting of unlisted companies in the portfolio in the net asset value is not disclosed for confidentiality reasons related to Wendel's competitive positioning.

The **non-financial objective** is based on quantifiable criteria; it is weighted and capped at 35% of the maximum variable compensation. It is based on the satisfaction of two types of criteria, which represent respectively 75% and 25% of the non-financial objective:

- a criterion related to the execution of the 2021-2024 strategic plan and other value-creating initiatives (weighted and capped at 75% of the non-financial objective), such as the deployment of capital in unlisted companies, the development of the Wendel Lab, the external growth of portfolio companies; and
- criteria related to human resources, ESG roadmap and compliance mechanisms, at the levels of Wendel and the portfolio companies according to specific, pre-defined criteria (weighted and capped at 25% of the non-financial objective).

For the non-financial objective, specific initiatives and actions are set for each criterion when determining the compensation policy. The achievement rate of this objective is calculated based on the completion of these initiatives and actions during the year.

Summary

Type of objective	Weighting
Financial objectives	**65%**
Bureau Veritas performance: organic growth and adjusted operating income	20%
Performance of 4 other companies in the portfolio (Constantia, CPI, Stahl and Tarkett): organic growth and EBITDA	25%
Maintaining Wendel's Investment Grade rating	20%
Non-financial objective	**35%**
Criteria:	
Execution of the 2021-2024 strategic plan and value creation initiatives	*75%*
Human Resources/ESG/Compliance	*25%*
TOTAL	**100%**

Grants of stock options and performance shares

The members of the Executive Board are granted stock options and performance shares which stimulate the achievement of the Group's medium to long-term objectives and the resulting creation of value for shareholders.

Maximum grant amount

The total value of the options and performance shares, as determined on the date of their grant, may reach a maximum of:

- for the Chairman of the Executive Board: 105% of the sum of the fixed and the maximum annual variable portions of his annual compensation; and
- for the member of the Executive Board: 95% of the sum of the fixed and the maximum annual variable portions of his annual compensation,

Within these proportions, each member of the Executive Board receives an allocation of 70% performance shares and 30% options.

In the framework of resolutions No. 27 and 28, it will be proposed to the 2022 Shareholders' Meeting to authorize, for a period of 14 months, the allocation of an overall budget of options and performance shares capped at 1% of the capital. For members of the Executive Board, a sub-ceiling stipulates that the total number of shares resulting from the exercise of the stock options and the definitive vesting of the performance shares granted may not exceed 50% of this overall budget, within the limits expressed in terms of compensation referred to above.

Holding obligation

In accordance with the law and the governance principles of the Afep-Medef Code, the members of the Executive Board are subject to a general and permanent obligation to hold Company shares that represent:

- for the Chairman of the Executive Board: 200% of the fixed portion of his annual compensation; and
- for the member of the Executive Board: 100% of the fixed portion of his annual compensation.

The members of the Executive Board are also required to keep in registered form until the end of their terms of office: 500 shares resulting from the exercise of stock options and 500 performance shares granted under each plan they benefit from in their capacity as members of the Executive Board. It is specified that these shares are included in the calculation of the aforementioned general obligation.

If a member of the Executive Board does not hold shares representing the required value at the time of taking up his duties, he/she is not required to purchase shares on the market; but he/she must keep all the shares acquired as and when options are exercised or performance shares vested until he/she holds the number of shares stipulated by the aforementioned general obligation, after deducting, for the shares resulting from the exercise of options, the exercise price of the said options.

Hedge

The members of the Executive Board have each undertaken not to use any hedging transactions for stock options and performance shares granted by the Company, until the end of their corporate office.

Allocation of stock options

Members of the Executive Board may be granted stock subscription or purchase options.

The exercise price for the stock options is based on the average of the share price in the 20 trading days preceding the grant date, with no discount.

The presence condition is 4 years following the date of granting of the stock options, it being specified that subject to the achievement of the performance condition described below, 50% of the options will be exercisable in the event of departure at the end of a period of 2 years, 75% of the options in the event of departure at the end of a period of 3 years (and 100% of the options in the event of departure at the end of a period of 4 years).

The Supervisory Board considers that the options include an intrinsic performance condition directly linked to the growth in the Company's share price, since the exercise of the options is only favorable to the beneficiaries if the share price on the exercise date is higher than the exercise price set on the grant date.

However, the Board has provided for the inclusion of a performance condition linked to the Company's ESG strategy: the options granted under the 2022 compensation policy will be exercised if, over a period of 4 years, at least 90% of the members of the Wendel Coordination Committee have attended an ESG training course each year.

The Supervisory Board considers that this performance condition, assessed over a continuous period of 4 years, is a relevant indicator of the deployment of Wendel's ESG strategy, which is based in particular on its responsible investment policy. As ESG is an evolving and complex subject, Wendel must ensure that its teams have the necessary skills in this area to be able to anticipate and understand the challenges and concepts induced by ESG, which are present throughout the Group's activity, at both Wendel and portfolio company levels.

The Supervisory Board also stresses that this condition is measurable, because a tool will make it possible to monitor and audit its achievement.

As the options are valid for 10 years, their exercise period begins at the end of a period of 4 years following their grant date and lasts for 6 years.

Allocation of performance shares

Members of the Executive Board may be granted performance shares. The presence condition is of 4 years following the date of allocation of the performance shares, it being specified that, subject to the achievement of the performance conditions described below, 50% of the performance shares may be acquired in the event of departure at the end of a period of 2 years, 75% of the performance shares in the event of departure at the end of a period of 3 years (and 100% of the performance shares in the event of departure at the end of a period of 4 years).

The Supervisory Board has set three performance conditions assessed over a period of 4 years that are aligned with the interests of shareholders. They are based on (i) Wendel's Total Shareholder Return (TSR), by applying both an absolute and a relative assessment, and (ii) the evolution in the dividend paid each year to shareholders. These conditions, and their weighting, are as follows:

- Absolute TSR performance (25% of the allocation)

  The absolute performance of Wendel's annualized TSR is measured as follows:

  - if the TSR is greater than or equal to 9% per year, the condition is met at 100%,
  - if the TSR is less than 5% per year, the condition is not met,
  - between these two limits, the acquisition is calculated on a linear basis;

- Relative TSR performance (50% of the allocation)

  The relative performance of Wendel's annualized TSR is measured against that of the CACMid60 index as follows:

  - if Wendel's TSR is greater than or equal to the median TSR of the index plus 3%, the condition is met at 100%,
  - if Wendel's TSR is equal to the median of the index's TSR, the condition is met at 50%,
  - between these two limits, the acquisition is calculated on a linear basis,
  - if Wendel's TSR is lower than the median of the index's TSR, the condition is not met;

- Dividend evolution (25% of allocation)

  The ordinary dividend paid each year for 4 years must be greater than or equal to the dividend paid the previous year.

  The evolution in the dividend each year is a good indicator of Wendel's financial health and is one of the pillars of Wendel's long-term strategy towards its shareholders.

  It is specified that in the event of an exceptional distribution, the Supervisory Board reserves the right to assess the impact of such a distribution on the achievement of the performance condition.

Employment contract

In accordance with the recommendations of the Afep-Medef Code, the Chairman of the Executive Board does not have an employment contract.

The other member of the Executive Board, David Darmon, holds a French law employment contract with the Company that entered into force on July 4, 2005. The contract has been suspended since May 31, 2013, and was last amended on March 4, 2020.

When David Darmon was appointed to the Executive Board, it was decided, in view of his seniority as an employee of Wendel, to maintain the suspension of his employment contract rather than terminate it. This employment contract will remain suspended for the duration of David Darmon's term of office.

In the event that David Darmon's term of office was to end, his employment contract with the Company would resume. It may be terminated under the conditions of ordinary law, at the initiative of David Darmon or the Company. The termination of the employment contract will be effective at the end of a notice period of six months (except in the event of serious misconduct) and may trigger the entitlement to legal and contractual indemnities for dismissal. This notice period may be cut short to allow David Darmon to claim unemployment benefits through GSC (a specialized provider of unemployment insurance for CEOs).

Benefits of all kinds

The members of the Executive Board are covered by unemployment insurance through GSC (a specialized provider of unemployment insurance for CEOs).

They also benefit, in the same way as all Wendel employees, from the agreements in force at the Company in terms of profit-sharing, savings and retirement plans, it being recalled that they are not entitled to any supplementary pension plans.

Executive Board members can subscribe to capital increases reserved for members of the Group savings plan under the same conditions as all Wendel employees, in accordance with the applicable legal provisions (*i.e.* a capped company matching contribution and a discount of no more than 30% of the reference price on the share subscription price).

In the context of co-investments made in accordance with the applicable rules for the period 2021-2024 (see note 6-1 to the consolidated financial statements), the subscription price is the same for Wendel and other co-investors, Executive Board members included, and does not take into account carried interest rights.

The Chairman of the Executive Board may be provided with a company car, the maintenance and insurance costs of which are borne by the Company.

Appointment of a new Executive Board member

In the event of the arrival of a new Executive Board member, the principles and criteria defined in this policy will apply to this new Executive Board member, except in exceptional circumstances. The Supervisory Board, on the recommendation of the Governance and Sustainability Committee, shall determine the fixed and variable items of the compensation and the objectives of variable compensation, within that framework and according to the specific situation of the person concerned. If necessary, any changes to the compensation policy shall be submitted for approval at the next Shareholders' Meeting.

If the new Executive Board member is appointed from outside the Company, the Supervisory Board, on the recommendation of the Governance and Sustainability Committee, may decide to pay a welcome bonus to the new Executive Board member as compensation for any benefits he or she may lose by leaving his or her prior position.

Departure of an Executive Board member

In the event of the departure of an Executive Board member, several compensation items shall be impacted as follows:

Fixed compensation	Prorated amount paid.
Annual variable compensation	Amount of variable compensation to be paid, which is prorated, assessed after the end of the fiscal year by the Supervisory Board according to the achievement of the targets set, on the recommendation of the Governance and Sustainability Committee.
Options and performance shares	Options not yet exercisable and performance shares not yet vested are forfeited. However, in certain circumstances, the Supervisory Board may, on the proposal of the Governance and Sustainability Committee, decide to maintain it, waiving the applicable presence condition, the exemption being applied on a *prorata-temporis* basis. In any event, there can be no exemptions from the application of the performance conditions governing the exercise of the options and/or the vesting of the performance shares.
Termination benefits	The Supervisory Board shall assess the fulfillment of the conditions of application and performance conditions set for the payment of termination benefits.

Termination benefits

André François-Poncet

In the event of termination of his term of office on the Executive Board, André François-Poncet would receive a severance payment equal to 18 months of his monthly average remuneration determined as follows: sum of (i) his gross monthly fixed compensation at the time of his removal and (ii) 1/12th of the variable compensation actually paid during the last fiscal year preceding his departure.

Payment of the benefits is subject to the fulfilment of both of the following two performance conditions:

- André-François Poncet must have obtained, for the last two fiscal years preceding his departure, more than 70% of his maximum variable compensation; and
- the amount of the last known ordinary dividend on the date of departure must be higher than or equal to the dividend for the previous fiscal year.

This indemnity will be due only in the event of forced departure, *i.e.* in the following situations:

- departure linked to the dismissal as Chairman and member of the Executive Board;
- non-renewal of the term of office as Chairman and member of the Executive Board at the request of the Supervisory Board; and
- resignation as Chairman and member of the Executive Board within six months following a substantial change in responsibilities or a significant divergence in strategy.

This indemnity will not be due in the event of:

- resignation, except in the aforementioned case;
- retirement within six months prior to eligibility for a full pension;
- serious or gross misconduct; and
- a situation of failure: a situation of failure being defined as serious misconduct (in accordance with the definition of the Social Law Chamber of the French Supreme Court) unanimously recognized by the members of the Supervisory Board, it being specified that if the removal procedure is initiated more than two months after one of the members of the Board becomes aware of the events motivating the removal, the situation of failure is not qualified.

David Darmon

In the event of termination of his term of office on the Executive Board and of his employment position with the Company, David Darmon would receive, in addition to any legal and contractual indemnities payable in respect of the termination of his French employment contract, a severance payment equal to 18 months of his gross monthly fixed compensation at the time of his departure.

Payment of the benefits is subject to the fulfilment of both of the following two performance conditions:

- David Darmon must have obtained, for the last two fiscal years preceding his departure, more than 70% of his maximum variable compensation; and
- the amount of the last known ordinary dividend on the date of departure must be higher than or equal to the dividend for the previous fiscal year.

This indemnity will be due only in the event of forced departure, *i.e.* in the following situations:

- departure linked to the dismissal of a member of the Executive Board;
- non-renewal of the term of office as member of the Executive Board at the request of the Supervisory Board;
- resignation as a member of the Executive Board within six months following a substantial change in responsibilities or a significant divergence in strategy; and
- resignation from office as a member of the Executive Board as a result of dismissal (with the exception of dismissal for serious or gross misconduct).

This indemnity will not be due in the event of:

- resignation, except in the aforementioned cases;
- retirement within six months prior to eligibility for a full pension;
- serious or gross misconduct; and
- a situation of failure, it being specified that a situation of failure occurs if (i) the level of consolidated net debt of the Wendel Group is greater than €2.5 billion, and (ii) for two continuous years, Wendel's TSR is in the last quartile in terms of relative performance compared to the CACmid60.

At the end of David Darmon's term of office as a member of the Executive Board, his employment contract would resume its effects with the Company and might trigger an entitlement to legal and contractual termination indemnities.

It is specified that the total amount of indemnities paid to David Darmon, including legal and contractual indemnities related to his employment contract, may not exceed 18 months of his monthly average compensation determined as follows: sum of (i) his gross monthly fixed compensation at the time of his removal and (ii) 1/12th of the variable compensation actually paid during the last fiscal year preceding his departure.

2.2.1.3 Compensation policy for members of the Supervisory Board

Since 2017, the maximum overall compensation budget as approved by the Shareholders' Meeting for the Supervisory Board members is €900,000.

In accordance with the recommendations of the Afep-Medef Code, a criterion of variability based on actual attendance at Supervisory Board meetings and meetings of its committees has been included since 2019 to calculate the awarding of compensation to Supervisory Board members.

It is specified that the variable amount of compensation of Supervisory Board members may be adjusted each year in line with (i) the number of scheduled meetings of the Supervisory Board and of its Committees, within the limit of the overall budget approved by the Shareholders' Meeting and (ii) the number of members who benefit from this compensation. In 2022, 8 meetings of the Supervisory Board, 7 meetings of the Audit, Risks and Compliance Committee and 7 meetings of the Governance and Sustainability Committee are scheduled.

The compensation policy for Supervisory Board members is set out below:

- ordinary compensation (for all Board members except Chairman):
  - fixed compensation: €25,000, and
  - variable compensation: €3,000 per scheduled meeting;
- additional compensation for Committee membership (for all Committee members other than Chair):
  - fixed compensation: €10,000, and
  - variable compensation: €1,700 per scheduled meeting;
- compensation for chairing a Committee:
  - fixed compensation: €25,000, and
  - variable compensation: €3,400 per scheduled meeting;
- compensation for the Chairman of the Supervisory Board:
  - fixed compensation: €52,000, and
  - variable compensation: €6,000 per scheduled meeting;
- specific compensation for the Chairman of the Supervisory Board and for the Lead member of the Supervisory Board:

  Since 2018, the annual compensation of the Chairman of the Supervisory Board has amounted to €250,000. This compensation was set on the basis of a benchmark. It is reviewed every year by the Supervisory Board and the Governance and Sustainability Committee.

  The Lead Member of the Supervisory Board receives compensation of €25,000 for his specific duties.

Members of the Supervisory Board do not receive any other compensation.

2.2.2 General information on the compensation of corporate officers for fiscal year 2021

The information mentioned in Article L. 22-10-9, I of the French Commercial Code is described below. In accordance with Article L. 22-10-34, I of the French Commercial Code, this information is submitted for approval to the Shareholders' Meeting of June 16, 2022, pursuant to Resolution No. 11.

2.2.2.1 Application of the 2021 compensation policy

The 2021 compensation policy for the Chairman of the Executive Board, the member of the Executive Board and the members of the Supervisory Board was approved as follows at the Shareholders' Meeting of June 29, 2021:

- Chairman of the Executive Board, Resolution No. 10 approved with 96.79% "for" votes;
- member of the Executive Board, Resolution No. 11 approved with 96.68% "for" votes; and
- members of the Supervisory Board, Resolution No. 12 approved with 99.23% "for" votes.

The total compensation of the aforementioned corporate officers paid or awarded in respect of fiscal year 2021 fully complies with the provisions of the compensation policy for 2021. In particular, the caps stated in the compensation policy and the presence and performance conditions of options and performance shares have been respected, without exception. For more information on the achievement of the performance objectives attached to the payment of the annual variable compensation, see section 2.2.2.2 "Total compensation and benefits of all kinds."

Total compensation contributes to the long-term performance of the Company by being both balanced and attractive, thereby making it possible to satisfactorily compensate the corporate officers who are the most qualified to develop the Company and create value for all stakeholders.

2.2.2.2 Total compensation and benefits of all kinds

The compensation items of Executive Board and Supervisory Board members presented below are those paid during or allocated in the fiscal year 2021 in respect of their term of office.

Summary of compensation, options and performance shares granted in respect of the 2021 fiscal year to each executive corporate officer

It should be noted that the compensation policy for 2021 had been overhauled as part of the new term of the Executive Board and that it is significantly different from that of 2020 in certain aspects, which partly explains the variations between the two financial years shown in the tables below.

Relative proportion of fixed and variable compensation

The variable annual compensation allocated to the members of the Executive Board for fiscal year 2021 corresponds to 115% of the respective fixed compensation allocated to André François-Poncet and David Darmon.

For André François-Poncet, the value of options and performance shares granted in 2021 corresponds to 105% of the sum of the fixed and the maximum variable compensation provided for by the 2021 compensation policy.

For David Darmon, the value of options and performance shares granted in 2021 corresponds to 95% of the sum of the fixed and the maximum variable compensation provided for by the 2021 compensation policy.

Table 1 under the Afep-Medef Code

	2021	2020
André François-Poncet		
Chairman of the Executive Board		
Total compensation awarded for the year (detailed in table 2)	**2,656,241**	**2,210,666**
Number of options granted during the year	41,034	22,341
Valuation of options granted during the year (detailed in table 4)	**779,646**	**408,840**
Number of performance shares granted during the year	23,421	35,745
Valuation of performance shares granted during the year (detailed in table 6)	**1,817,470**	**1,758,654**
TOTAL	**5,253,357**	**4,378,160**
David Darmon		
Member of the Executive Board		
Total compensation awarded for the year (detailed in table 2)	**1,677,674**	**1,636,023**
Number of options granted during the year	24,858	20,625
Valuation of options granted during the year (detailed in table 4)	**472,302**	**377,438**
Number of performance shares granted during the year	14,188	6,875
Valuation of performance shares granted during the year (detailed in table 6) Total	**1,100,989**	**338,250**
TOTAL	**3,250,965**	**2,351,711**

The options and performance shares granted in 2021 were valued at €19.0 and €77.6, respectively. The options and performance shares granted in 2020 were valued at €18.3 and €49.2, respectively. This valuation corresponds to their "fair value", calculated at the time they were granted and in accordance with IFRS. They correspond neither to amounts actually received nor to the real amounts that could be obtained if the presence and performance conditions enabling their beneficiaries to exercise their rights.

Summary of the compensation of each executive corporate officer

On the recommendation of the Governance and Sustainability Committee, the Supervisory Board made the following decisions in 2021:

- the fixed compensation of André François-Poncet and David Darmon was set at €1,150,000 and €770,000 per year respectively; and
- Executive Board members' variable compensation was set at a maximum of 115% of fixed compensation, with no possibility of exceeding this limit. As before, such variable compensation was not guaranteed.

Variable compensation is paid after the Shareholders' Meeting in the year following the year for which it is awarded.

65% of the variable compensation for 2021 was subject to the achievement of financial objectives and 35% was subject to the achievement of non-financial objectives. The Supervisory Board, at its meeting of March 17, 2022, on the recommendation of the Governance and Sustainability Committee and after validation of the figures by the Audit, Risks and Compliance Committee, determined the level of achievement of the objectives as follows:

Type of objective	Weighting/ caps	Rate of achievement on 100%	Comments
FINANCIAL OBJECTIVES			**Comments for the first two objectives:** The achievement rates were calculated by combining the levels of organic growth and profitability included in the ambitious budgets set for the main companies in the portfolio at the beginning of the year, according to a demanding scale: ■ if the achieved result is less than 90% of the budget, the variable portion due in respect of this objective is zero; ■ if the achieved result is equal to the budget, the variable portion due in respect of this objective is only 85%; and ■ if the achieved result is higher than the budget, the variable portion due in respect of this objective is between 85% and 100%, without being able to exceed this amount regardless of the level of outperformance.
Bureau Veritas performance measured equally in terms of organic growth and adjusted operating profit	20%	100%	The organic growth and adjusted operating income achieved by Bureau Veritas in 2021 were compared to the grid of target amounts initially determined in early 2021 for the budget, as indicated in the general comment above. This result reflects the very good performance of Bureau Veritas in 2021 and its resilience to the Covid-19 health crisis.
Performance of 5 unlisted companies in the portfolio (IHS, Stahl, Constantia, Cromology and CPI), measured equally between organic growth and EBITDA	25%	100%	In accordance with the applicable methodology, the performance of Cromology was not taken into account in the calculations due to its disposal. The achievement rate of this objective was calculated on a consolidated basis, based on the performance achieved by each of the companies, weighted according to the average of the individual values of the four companies in the revalued net assets at December 31, 2020 and at December 31, 2021. The 2021 organic growth and EBITDA of IHS, Stahl, Constantia and CPI were compared to the grid of target amounts initially determined in early 2021 for the budget, as indicated in the general comment above. It should be noted that the weighting of unlisted portfolio companies in the net asset value is not disclosed, for reasons of confidentiality related to Wendel's competitive positioning. Overall, the FY 2021 performances of Stahl, Constantia, CPI and IHS were strong in terms of organic growth and profitability.
Maintaining Wendel's Investment Grade rating	20%	100%	Wendel's rating remained the same in 2021: BBB stable outlook according to Standard & Poor's since January 25, 2019, and Baa2 stable outlook according to Moody's since September 5, 2018.
TOTAL FINANCIAL OBJECTIVES	**65%**	**100%**	

Type of objective	Weighting/ caps	Rate of achievement on 100%	Comments
NON-FINANCIAL OBJECTIVE			**General comment:**
Criteria:			Specific initiatives and actions were set for each criterion when the compensation policy was determined. The results obtained in this context are described below.
Criteria related to Wendel in connection with the execution of the 2021-2024 strategic plan and the implementation of other value creation initiatives, in particular: ■ disposals and liquidity of certain assets ■ deployment of capital ■ investments *via* the Wendel Lab ■ optimization of the balance sheets of the portfolio companies ■ reorganization of the investment team ■ growth in dividends	***40%***	***100%***	■ The successful disposal of Cromology generated €896 million in net cash for Wendel. The IPO of IHS on the New York Stock Exchange was also completed. ■ Numerous investment opportunities were studied and two acquisitions were announced: Tarkett (€222 million of Wendel investment) and ACAMS (around $345 million of Wendel investment). ■ €49 million was invested through the Wendel Lab. ■ The balance sheets of Wendel and its portfolio companies have been optimized thanks in particular to the bond issue of May 2021 (€300 million maturing in June 2031 with a coupon of 1%), and to the refinancing of certain credit lines of Bureau Veritas and Constantia Flexibles on more favorable terms. ■ The investment team was reorganized and expanded with the recruitment of several additional profiles. ■ A dividend of €2.90 was paid to shareholders, up 3.6% compared to the previous year.
Objectives relating to portfolio companies:	***37.5%***	***100%***	
■ for Bureau Veritas, targets in line with the non-financial targets attached to the payment of the variable compensation of the Chief Executive Officer of Bureau Veritas	*10%*	*100%*	On February 23, 2022, the Board of Directors of Bureau Veritas acknowledged a 100% achievement of the non-financial objectives attached to the variable compensation of Didier Michaud-Daniel, Chief Executive Officer, it being specified that Wendel does not have a majority in this Board and that André François-Poncet, as a Director, abstained from any participation in the work relating to the measurement of these objectives in order to prevent any conflict of interest.
■ various targeted initiatives for the five unlisted portfolio companies	*27.5%*	*100%*	The initiatives expected for the unlisted companies in the portfolio were carried out, in particular: ■ the new strategic plan for Constantia Flexibles has been defined and is being implemented; ■ the Stahl succession plan was implemented, with the arrival of Maarten Heijbroek as Chief Executive Officer, following Huub van Beijeren. A new strategic plan, which includes a new M&A program, has been defined; ■ CPI's performance and balance sheet were improved, notably through the development of growth opportunities; and ■ the portfolio companies improved their score as part of the assessment of their level of maturity in terms of cybersecurity.

Type of objective	Weighting/ caps	Rate of achievement on 100%	Comments
Criteria related to the ESG roadmap and compliance procedures, including: ▪ maintaining or improving Wendel's extra-financial rating ▪ finalizing the analysis of climate risk exposure ▪ monitoring key ESG performance indicators at portfolio companies' level ▪ continuing to make progress in terms of diversity ▪ monitoring and strengthening compliance systems	*22.5%*	*100%*	The expected initiatives were carried out, in particular: ▪ in 2021, Wendel's score improved in each of the non-financial rating systems in which it participates. Thus Wendel is still present in the DJSI index, one of the most recognized and competitive; its score has also improved significantly in the Sustainalytics and ISS databases; ▪ a climate risk analysis was carried out at the level of each controlled portfolio company, and the main conclusions of these analyses, as well as the risks and opportunities identified on this occasion, were presented to the Boards of Directors of these companies in December 2021; ▪ all portfolio companies have established an ESG roadmap that takes into account their strategic priorities as well as the priorities of Wendel's ESG strategy. These roadmaps are accompanied by an action plan and quantitative indicators; ▪ the proportion of women in Wendel's workforce remained stable compared to 2020, but there are more women than last year in the investment team and among managers.
TOTAL NON-FINANCIAL OBJECTIVE	**35%**	**100%**	
TOTAL	**100%**	**100%**	

The Supervisory Board did not apply any adjustment clauses to the compensation policy, which would have enabled the Board to replace all or part of the non-financial objective's criteria by its assessment of quality of Covid-19 crisis management by the Executive Board.

The Supervisory Board held on March 17, 2022, on the advice of the Governance and Sustainability Committee, has concluded that the achievement rate of 2021 Executive Board members' objectives was 100%. As a result, it set the variable compensation of the Executive Board members for 2021 at 115% of their maximum variable compensation, i.e. €1,322,500 for André François-Poncet and €834,297 for David Darmon.

Tables 2 under the Afep-Medef Code

The amounts "paid during 2021" correspond to the amounts actually received by each executive corporate officer. The amounts "awarded for 2021" correspond to the compensation allocated to the executive corporate officers for duties performed during 2021, regardless of the payment date. These amounts include all compensation paid by Group companies during the year.

André François-Poncet

	2021		2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Total fixed compensation(1)	1,150,000	1,150,000	1,150,000	1,078,125
of which compensation from Group companies(2)	*97,500*	*97,500*	*126,000*	*126,000*
Variable compensation	1,322,500	912,525	912,525	1,102,965
Other compensation(3)	170,524	5,924	134,924	36,317
Benefits of all kinds(4)	13,217	13,217	13,217	13,217
TOTAL	**2,656,241**	**2,081,666**	**2,210,666**	**2,230,624**

(1-2)Fixed compensation: (1) In 2020, the difference between the amount awarded and the amount paid corresponds to the voluntary waiver made by André François-Poncet, in the context of the Covid-19 crisis, of 25% of his fixed compensation over a period of three months during the year (this sum has been allocated to Wendel's endowment fund to finance philanthropic causes). Regarding the compensation of Group companies, in 2021, André François-Poncet received directors' fees from Bureau Veritas and Wendel Luxembourg.

(3) Other compensation: André François-Poncet benefits from the agreements in force at Wendel, including the Group profit sharing and savings plans, in the same manner as any Wendel employee. In addition, as part of his subscription to the capital increase reserved for members of the Group savings plan, and in accordance with the applicable legal provisions, he benefited in 2021 from the Company matching contribution of €5,924 and a discount of 30% on the price of the subscribed shares representing a value of €164,600.

(4) Benefits of all kinds: André François-Poncet benefited from unemployment insurance taken out with the GSC (social guarantee for business leaders), amounting to €13,217 for 2021.

André François-Poncet also receives health, death & disability insurance under the same terms and conditions as Wendel management employees.

David Darmon

	2021		2020	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Total fixed compensation(1)	725,476	725,476	600,000	562,500
of which compensation from Group companies	-	-	-	-
Variable compensation	834,297	476,100	476,100	180,402
Other compensation(2)	104,684	5,924	33,663	15,370
Benefits of all kinds(3)	13,217	13,217	526,260	526,260
TOTAL	**1,677,674**	**1,220,717**	**1,636,023**	**1,284,532**

(1) Fixed compensation: In 2020, the difference between the amount awarded and the amount paid corresponds to the voluntary waiver made by David Darmon, in the context of the Covid-19 crisis, of 25% of his fixed compensation over a period of three months during the year (this sum has been allocated to Wendel's endowment fund to finance philanthropic causes).

(2) Other compensation: David Darmon benefits from the agreements in force at Wendel, including the Group profit sharing and savings plans, in the same manner as any Wendel employee. As part of his subscription to the capital increase reserved for members of the Group savings plan, and in accordance with the applicable legal provisions, he benefited in 2021 from the Company matching contribution of €5,924 and a discount of 30% on the price of the subscribed shares representing a value of €98,760.

(3) Benefits of all kinds: David Darmon benefited from unemployment insurance taken out with the GSC (social guarantee for business leaders), amounting to €13,217 for 2021.

David Darmon also receives health, death & disability insurance under the same terms and conditions as Wendel management employees.

Subscription-type and purchase-type stock options granted to executive corporate officers for 2021 or exercised during 2021

1. Options granted in 2021

In 2021, Executive Board members were granted a amount of subscription stock options determined by the Supervisory Board, on the recommendation of the Governance and Sustainability Committee, and within the limits set by shareholders at their Shareholders' Meeting. This grant is presented in the table below.

The exercise price for the stock options was based on the average of the share price in the 20 trading days preceding the grant date, with no discount.

The exercise of these stock options is subject to the following conditions:

- a presence condition of 4 years following the grant date of the stock options, it being specified that subject to the achievement of the performance condition described below, 50% of the options may be exercised in the event of departure at the end of a 2-year period, 75% of the options in the event of departure at the end of a 3-year period and 100% of the options in the event of departure at the end of a 4-year period. However, in the event of exceptional circumstances, the Supervisory Board may, on the recommendation of the Governance and Sustainability Committee, decide to maintain it, waiving the applicable presence condition, the exemption being applied on a *pro rata-temporis* basis;
- a performance condition, assessed over a period of 4 years linked to the Company's ESG strategy: if, at the end of the first year, all the companies controlled by Wendel have drawn up an analysis of their climate risk, the condition is met (for 25% of the allocation); if, at the end of the second year, at least half of the companies controlled by Wendel have defined and approved a corrective action plan to address the climate risks identified, the condition is met (for an additional 25% of the allocation); if, at the end of the third year, all the companies controlled by Wendel have defined and approved a corrective action plan to address the climate risks identified, the condition is met (for an additional 25% of the allocation); if, at the end of the fourth year, all the companies controlled by Wendel have implemented priority corrective actions as defined in their action plan and have presented the initial results of these corrective actions, the condition is met (for an additional 25% of the allocation); and
- a holding condition of at least 500 shares resulting from the exercise of the options of the 2021 plan.

Table 4 under the Afep-Medef Code – Subscription-type or purchase-type stock options granted for 2021

	Plan No. and date	Type of option (purchase or subscription)	Option valuation according to the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period	Performance conditions
André François-Poncet	Plan W-14	Subscription	€19.0	41,034	€110.97	2025-2031	
	Date: July 30, 2021						See above
David Darmon	Plan W-14	Subscription	€19.0	24,858	€110.97	2025-2031	
	Date: July 30, 2021						See above
TOTAL				**65,892**			

Options were valued by an independent expert using a Monte Carlo mathematical pricing model. The model takes into account various events that might take place while the options are valid, including various points in time at which the predetermined requirements for both performance and presence within the Company are tested. Based on this model, each stock option was worth €19.0 as of the grant date (July 30, 2021), as indicated in the table above. This value reflects the particularly restrictive scheme that ensures alignment of the Executive Board's interests with the Company's objectives. On the other hand, this valuation does not reflect the blackout periods or other periods during which possession of inside information would prevent the beneficiaries from exercising their options and selling the corresponding shares. These factors should reduce the value of these options. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these shares.

The value of the stock options granted to André François-Poncet and David Darmon in 2021 represents respectively 31.5% and 28.5% of the sum of fixed and maximum variable compensation as provided for in the 2021 policy.

A total of 33,649 stock options were granted in 2021 to the 10 non-corporate officer employees who received the highest number of stock options that year.

2. Options for which the performance conditions were met in 2021

In 2021, no options became exercisable (see "Start date for exercise of options" in the table 8 below).

3. Options exercised in 2021

Table 5 under the Afep-Medef Code – Subscription-type or purchase-type stock-options exercised in 2021

	Plan No. and date	Type of option (purchase or subscription)	Number of options exercised during the year	Exercise price
David Darmon	Plan W-4	Purchase	17,000	€80.91
	Date: July 7, 2011			

4. **Review of stock options grants**

Table 8 under the Afep-Medef Code – Review of stock subscription or purchase option grants

It should be noted that the plans whose options have expired are not presented in the table below.

	Plan 5	Plan 6	Plan 7	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14
Date of the Shareholders' Meeting	06/04/12	05/28/13	06/06/14	06/05/15	06/01/16	05/18/17	05/17/18	05/16/19	07/02/20	06/29/21
Plans	W-5	W-6	W-7	W-8	W-9	W-10	W-11	W-12	W-13	W-14
Date of grant	07/05/12	07/01/13	07/08/14	07/15/15	07/07/16	07/07/17	07/06/18	07/08/19	08/05/20	07/30/21
Type of option	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Sub-scription	Sub-scription
Initial total number of shares that can be subscribed or purchased	227,270	252,182	231,834	268,314	68,814	235,895	152,744	145,944	270,342	131,795
of which:										
Number initially granted to corporate officers:										
André François-Poncet	-	-	-	-	-	-	23,140	22,579	22,341	41,034
Frédéric Lemoine	54,542	53,518	52,632	51,747	0	50,952	-	-	-	-
Bernard Gautier	36,361	35,677	35,088	34,500	0	33,968	33,784	32,965	-	-
David Darmon	-	-	-	-	-	-	-	-	20,625	24,858
Start date for exercise of options	07/05/13	07/01/14	07/08/15	07/15/16	07/07/17	07/09/18	07/08/19	07/08/22	08/05/23	07/30/25
Option expiration date	07/05/22	07/01/23	07/08/24	07/15/25	07/06/26	07/06/27	07/05/28	07/08/29	08/02/30	07/29/31
Subscription or purchase price per share	€54.93	€82.90	€107.30	€112.39	€94.38	€134.43	€120.61	€119.72	€82.05	€110.97
Discount	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Performance conditions(1)	for all	for all	for all	for all	for all	for all	for all	for all	for all	for all
Cumulative number of shares subscribed or purchased as of Dec. 31, 2021	**204,970**	**204,645**	**0**	**142,834**	**22,605**	**0**	**4,250**	**8,500**	**0**	**0**
Cumulative number of canceled or expired options	**500**	**0**	**231,834**	**16,005**	**5,565**	**144,279**	**26,002**	**32,965**	**6,296**	**0**
Number of options remaining to be exercised at December 31, 2021(2)	**21,800**	**47,537**	**0**	**109,475**	**40,644**	**91,616**	**122,492**	**104,479**	**264,046**	**131,795**
BALANCE OF REMAINING OPTIONS TO BE EXERCISED BY CORPORATE OFFICERS(2):										
André François-Poncet	-	-	-	-	-	-	23,140	22,579	22,341	41,034
David Darmon	-	-	-	-	-	-	-	-	20,625	24,858

(1) The performance conditions applicable to executive corporate officers are described in the Registration Document for the year during which options were granted.
(2) Maximum number subject to fulfillment of performance conditions.

Over the last 5 years, employees of Wendel and its foreign offices have been granted options, regardless of the beneficiaries' gender, in the following proportions:

- 2021: 89% of workforce, including 53% of women, at the grant date;
- 2020: 80% of workforce, including 55% of women, at the grant date;
- 2019: 28% of workforce, including 26% of women, at the grant date (options granted only to Executive Board n-1 and top managers);
- 2018: 33% of workforce, including 35% of women, at the grant date (options granted only to Executive Board n-1 and top managers); and
- 2017: 84% of workforce, including 51% of women, at the grant date.

Table describing the performance conditions applicable to options not yet exercisable by corporate officers

	Plan 12	Plan 13	Plan 14
OPTIONS NOT YET EXERCISABLE BY CORPORATE OFFICERS:			
André François-Poncet	22,579	22,341	41,034
David Darmon	-	20,625	24,858
PERFORMANCE CONDITIONS			
Start date for the exercise of stock options	07/08/22	08/05/23	07/30/25
Duration of the condition	3 years	3 years	4 years
Nature of the condition	The ordinary dividend paid each year from 2020 must be greater than or equal to the ordinary dividend paid the previous year	The ordinary dividend paid each year from 2021 must be greater than or equal to the ordinary dividend paid the previous year	If, at the end of the first year, all the companies controlled by Wendel have drawn up an analysis of their climate risk, the condition is met (25% of the allocation); if, at the end of the second year, at least half of the companies controlled by Wendel have defined and approved a corrective action plan to address the climate risks identified, the condition is met (25% of the allocation); if, at the end of the third year, all the companies controlled by Wendel have defined and approved a corrective action plan to address the climate risks identified, the condition is met (25% of the allocation); if, at the end of the fourth year, all the companies controlled by Wendel have implemented priority corrective actions as defined in their action plan and have presented the initial results of these corrective actions, the condition is met (25% of the allocation).
Achievement of the condition	Precision: the ordinary dividend paid upon the Shareholders' Meeting of May 16, 2019, is of €2.80 per share Achievement: condition satisfied for the first year (dividend paid in 2020 equal to that paid in 2019) and for the 2nd year (dividend paid in 2021 higher than that paid in 2020)	Precision: the ordinary dividend paid upon the Shareholders' Meeting of July 2, 2020, is of €2.80 per share Achievement: condition satisfied for the first year (dividend paid in 2021 higher than that paid in 2020)	Achievement: not yet known. The achievement of this ESG condition will be verified by the independent third party as part of its report on the consolidated extra-financial performance statement.

Performance shares granted to executive corporate officers for 2021 or vested in 2021

1. Performance shares granted in 2021

Executive Board members were granted performance shares in 2021 of an amount determined by the Supervisory Board, on the recommendation of the Governance and Sustainability Committee, and within the limits set by shareholders at their Shareholders' Meeting. This grant is presented in the table below.

The vesting of these performance shares is subject to the following conditions:

- presence condition of 4 years following their grant date, it being specified that, subject to the achievement of the performance conditions described below, 50% of the performance shares may be acquired in the event of departure at the end of a 2-year period, 75% of the performance shares in the event of departure at the end of a 3-year period and 100% of the performance shares in the event of departure at the end of a 4-year period. However, in the event of exceptional circumstances, the Supervisory Board may, on the recommendation of the Governance and Sustainability Committee, decide to maintain it, waiving the applicable presence condition, the exemption being applied on a *pro rata-temporis* basis;
- three performance conditions, assessed over a 4-year period and respectively covering 25%, 50% and 25% of the allocation:
  - the first condition measures the absolute performance of Wendel's annualized TSR: if the TSR is greater than or equal to 9% per year, the condition is met at 100%; if the TSR is less than 5% per year, the condition is not met; between these two limits, the acquisition is calculated on a linear basis,
  - the second condition measures the relative performance of Wendel's TSR compared to that of the CACMid60 index: if Wendel's TSR is greater than or equal to the median TSR of the index plus 3%, condition is 100% met; if Wendel's TSR is equal to the median of the index's TSR, the condition is met at 50%; between these two limits, the acquisition is calculated linearly; if Wendel's TSR is lower than the median of the index's TSR, the condition is not met,
  - the third condition is linked to the evolution of the dividend: the ordinary dividend paid (excluding any exceptional dividend) each year for 4 years must be greater than or equal to the dividend paid the previous year;
- a holding condition of at least 500 shares of the 2021 plan.

Table 6 under the Afep-Medef Code – Performance shares granted for 2021

	Plan No. and date	Number of performance shares granted during the year	Performance share valuation according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
André François-Poncet	Plan 13-1	23,421	€77.6	07/30/2025	07/30/2025	
	Date: 07/30/2021					See above
David Darmon	Plan 13-1	14,188	€77.6	07/30/2025	07/30/2025	
	Date: 07/30/2021					See above
TOTAL		**37,609**				

Performance shares were valued by an independent expert using a Monte Carlo mathematical pricing model. The model takes into account various events that might take place while the performance shares are valid, including various points in time at which the predetermined requirements for both performance and presence within the Company are tested. Based on this model, each performance share was worth €77.6 as of the grant date (July 30, 2021), as indicated in the table above. This value reflects the particularly restrictive scheme that ensures alignment of the Executive Board's interests with the Company's objectives. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these shares.

The value of the performance shares awarded to André François-Poncet and David Darmon in 2021 represents respectively 73.5% and 66.5% of the sum of fixed and maximum variable compensation as provided for by the 2021 policy.

The 10 non-corporate officer employees who were granted the largest number of performance shares were granted in 2021, were granted a total of 40,461 shares (it being specified that in 2021, there were two separate allocation plans, and the number of 40,461 corresponds to the cumulative total of shares allocated under both plans).

2. Performance shares for which the performance conditions were met in 2021

Performance shares granted on May 17, 2018:

The vesting of shares was subject to the absolute and relative performance of Wendel's TSR over 3 years. As of May 17, 2021, none of the thresholds had been reached, so the performance conditions were not met and all performance shares granted on May 17, 2018 were forfeited.

3. Performance shares that became available in 2021

Table 7 under the Afep-Medef Code – Performance shares that became available in 2021

No performance shares became available in 2021. Accordingly, Table 7 of the Afep-Medef Code is not applicable.

4. Review of performance share grants

Table 9 under the Afep-Medef Code – Review of performance share grants to date

It should be noted that old plans for which there are no remaining shares to be vested, are not presented in the table below.

Situation as of 12/31/2021	Plan 10-1	Plan 11-1	Plan 11-2	Plan 12-1	Plan 12-2	Plan 13-1	Plan 13-2
Date of Shareholders' Meeting	05/17/18	05/16/19		07/02/20		06/29/21	
No. of authorized shares as % of capital	0.5%	0.5%		0.5%		1%	
Share grants as % of capital	0.283%	0.203%	0.138%	0.189%	0.123%	0.163%	0.104%
Grant date	07/06/18		07/08/19		08/05/20		07/30/21
Number of performance shares granted	**130,860**	**91,833**	**62,480**	**84,341**	**55,036**	**73,021**	**46,411**
of which, shares granted to corporate officers:							
André François-Poncet	37,023	36,126	0	35,745	0	23,421	0
Frédéric Lemoine	-	-	-	-	-	-	-
Bernard Gautier	11,107	10,837	0	-	-	-	-
David Darmon	-	-	-	6,875	0	14,188	0
Shares to be issued/existing shares	existing	existing		existing		existing	
Vesting date	07/06/21	07/08/22	07/10/23	08/05/23	08/05/24	07/30/25	
End of holding period	07/06/21	07/08/22	07/10/23	08/05/23	08/05/24	07/30/25	
Performance conditions(1)	yes	yes	yes	yes	yes	yes	
Share value at grant date	€120.61	€119.72	€119.72	€82.05	€82.05	€110.97	€110.97
Share value at vesting date	-	-	-	-	-	-	-
Number of shares vested	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cumulative number of canceled or expired shares	**130,860**	**15,301**	**6,232**	**1,098**	**6,753**	**0**	**0**
Number of shares not yet vested(2)	**0**	**76,532**	**56,248**	**83,243**	**48,283**	**73,021**	**46,411**
Remaining shares to be vested by the corporate officers(2):							
André François-Poncet	37,023	36,126	0	35,745	-	23,421	-
David Darmon	-	-	-	6,875	-	14,188	-

(1) *The performance conditions applicable to corporate officers are described in the Reference Document or Universal Registration Document for the year in which performance shares were granted.*
(2) *Maximum number subject to fulfillment of performance conditions.*

Over the last 5 years, employees of Wendel and its foreign offices have been granted free shares, regardless of the beneficiaries' gender, in the following proportions:

- 2021: 89% of workforce, including 53% of women, at the grant date;
- 2020: 80% of workforce, including 55% of women, at the grant date;
- 2019: 88% of workforce, including 51% of women, at the grant date;
- 2018: 85% of workforce, including 53% of women, at the grant date; and
- 2017: 84% of workforce, including 51% of women, at the grant date.

Table describing the performance conditions applicable to performance shares not yet vested by corporate officers

	Plan 11-1	Plan 12-1	Plan 13-1
SHARES NOT YET VESTED BY CORPORATE OFFICERS:			
André François-Poncet	36,126	35,745	23,421
David Darmon	-	6,875	14,188
PERFORMANCE CONDITIONS			
Share vesting date	07/08/22	08/05/23	07/30/25
Duration of the condition	3 years	3 years	4 years
Nature of the condition	Each of the following conditions applies to one-third of the total number of shares granted under each plan: 1. Absolute performance of Wendel's annualized TSR; if the performance is over 9%, the condition is 100% met; if this TSR is less than 5%, the condition is not met. Between these two limits, the performance condition is evaluated on a linear basis. 2. Relative performance of Wendel's cumulative TSR (non-annualized) over three years compared to that of the SBF 120; if Wendel's TSR is 900 basis point higher than the SBF 120 TSR, the condition is 100% satisfied; if Wendel's TSR is equal to the SBF 120 TSR, the performance condition is satisfied at 60%; if Wendel's TSR is 300 basis point lower than that of the SBF 120, the condition is not met; between these limits, the allocation is linear. 3. Relative performance of Wendel's TSR with the TSR of a basket of comparable listed investment and holding companies. If Wendel's TSR is in the top decile, then the performance condition is fully met; if Wendel's TSR is equal to the upper limit of the lowest decile, then the performance condition is 20% met; if Wendel's TSR is in the lowest decile, then the performance condition is not met; between these limits, the allocation is linear.		The following three conditions apply respectively to 25%, 50% and 25% of the total number of shares granted under the plan: 1. Absolute performance of Wendel's annualized TSR: if the TSR is greater than or equal to 9% per year, the condition is met at 100%; if the TSR is less than 5% per year, the condition is not met; between these two limits, the acquisition is calculated on a linear basis; 2. Relative performance of Wendel's TSR compared to that of the CACMid60 index: if Wendel's TSR is greater than or equal to the median TSR of the index plus 3%, condition is 100% met; if Wendel's TSR is equal to the median of the index's TSR, the condition is met at 50%; between these two limits, the acquisition is calculated linearly; if Wendel's TSR is lower than the median of the index's TSR, the condition is not met; 3. Dividend growth: the ordinary dividend paid (excluding any exceptional dividends) each year for 4 years must be greater than or equal to the dividend paid the previous year.
Achievement of the condition	Not yet known.		Not yet known.

Multi-year variable compensation

Table 10 under the Afep-Medef Code – Summary table of the multi-year variable compensation of each executive corporate officer

Corporate officers do not receive any multi-year variable compensation. Accordingly, Table 10 under the Afep-Medef Code is not applicable.

Executive corporate officers' situation with respect to Afep-Medef recommendations

The situation of executive corporate officers complies in every respect with Afep-Medef recommendations.

Table 11 under the Afep-Medef Code

	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due upon departure or a change in responsibility		Non-compete clause payments	
Executive corporate officers	Yes	No	Yes	No	Yes	No	Yes	No
André François-Poncet Chairman of the Executive Board (January 1, 2018 – April 6, 2025)		X		X	X			X
David Darmon Member of the Executive Board (September 9, 2019 – April 6, 2025)	X			X	X			X

Employment contract

For David Darmon's employment contract, see section 2.2.1.2 "Compensation policy for Executive Board members."

Termination benefits

See sections 2.2.1.2 "Compensation policy for Executive Board members" and 2.2.2.4 "Termination benefits."

Compensation received by the members of the Supervisory Board

Since 2017, the annual amount of compensation paid to Supervisory Board members is capped at €900,000. Since 2019, this compensation includes a variable portion based on attendance. For 2021, the amount of compensation was as follows:

- ordinary compensation (for all Board members except Chairman):
  - fixed ordinary compensation: €25,000, and
  - variable ordinary compensation: €3,000 per scheduled meeting;
- additional compensation for committee membership (for all committee members other than Chair):
  - fixed compensation for committee membership: €10,000, and
  - variable compensation for committee membership: €1,700 per scheduled meeting;
- compensation for chairing a committee:
  - fixed compensation: €25,000, and
  - variable compensation: €3,400 per scheduled meeting;
- compensation for the Chairman of the Supervisory Board:
  - fixed compensation: €52,000, and
  - variable compensation: €6,000 per scheduled meeting;
- annual compensation of €250,000 for the Chairman of the Supervisory Board and annual compensation of €25,000 for the Lead Member of the Supervisory Board for his specific mission.

Members of the Board may be reimbursed for their travel expenses. The expense reimbursement policy for Supervisory Board members was approved by the Supervisory Board, on the recommendation of the Governance and Sustainability Committee.

The compensation received by the non-executive corporate officers in relation to their positions at Wendel and all companies in the Group are presented in the following table.

Table 3 under the Afep-Medef Code

The amounts awarded correspond to the amounts paid, as there is no lag between the granting and payment of compensation to Supervisory Board members.

Non-executive corporate officers	Amounts paid in 2021	Amounts paid in 2020
NICOLAS VER HULST – CHAIRMAN		
Compensation for term of office	100,000	93,750[1]
Compensation as Chairman of the Supervisory Board	250,000	250,000
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**360,000**	**353,750**
FRANCA BERTAGNIN BENETTON		
Compensation for term of office	66,200	66,363
BÉNÉDICTE COSTE		
Compensation for term of office	69,200	66,363
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**79,200**	**76,363**
ÉDOUARD DE L'ESPÉE (UNTIL JUNE 29, 2021)		
Compensation for term of office	34,600	64,875
Compensation for Wendel-Participations term of office	5,000	10,000
Total	**39,600**	**74,875**
NICHOLAS FERGUSON (UNTIL JUNE 29, 2021)		
Compensation for term of office	32,900	64,875
HARPER MATES[2]		
Compensation for term of office	-	-
FRANÇOIS DE MITRY		
Compensation for term of office	32,900	-
Compensation for Wendel-Participations term of office	10,000	-
Total	**42,900**	**-**
PRISCILLA DE MOUSTIER		
Compensation for term of office	69,200	64,875
Compensation for Wendel-Participations term of office	10,000	10,000
Compensation as Chairwoman and CEO of Wendel-Participations	30,000	30,000
Total	**109,200**	**104,875**
GERVAIS PELLISSIER		
Compensation for term of office	70,900	62,038
Compensation of lead independent member of the Supervisory Board	25,000	25,000
Total	**95,900**	**87,038**
GUYLAINE SAUCIER		
Compensation for term of office	118,000	110,413
JACQUELINE TAMMENOMS BAKKER		
Compensation for term of office	116,300	107,438
SOPHIE TOMASI PARISE[2]		
Compensation for term of office	-	-
THOMAS DE VILLENEUVE		
Compensation for term of office	67,900	34,600
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**77,900**	**44,600**

Non-executive corporate officers	Amounts paid in 2021	Amounts paid in 2020
FRANÇOIS DE WENDEL (UNTIL JULY 2, 2020)		
Compensation for term of office	-	30,275
Compensation for Wendel-Participations term of office	-	5,000
Total	**-**	**35,275**
HUMBERT DE WENDEL		
Compensation for term of office	70,900	66,363
Compensation for Wendel-Participations term of office	10,000	10,000
Total	**80,900**	**76,363**
TOTAL	**1,219,000**	**1,202,228**
Of which total compensation paid by Wendel	1,124,000	1,107,228

(1) In 2020, in the context of the Covid-19 crisis, Nicolas ver Hulst waived 25% of his fixed and variable compensation over a three-month period. This sum has been allocated to Wendel's endowment fund to finance philanthropic causes.
(2) As employee representatives, Harper Mates and Sophie Tomasi Parise do not receive compensation for their duties as members of the Supervisory Board and the table above does not include the compensation paid to them by the Company as part of their employment contract.

2.2.2.3 Clawback clause

Neither the compensation policy for the members of the Executive Board nor the policy for the members of the Supervisory Board provided for the possibility of requesting the return of variable compensation (clawback clauses).

2.2.2.4 Termination benefits

The terms of the termination benefits that may be paid to André François-Poncet and David Darmon are described in section 2.2.1.2 "Compensation policy for Executive Board members."

2.2.2.5 Compensation paid or awarded by a company in the scope of consolidation

The compensation paid or granted by the companies included in the scope of consolidation is presented in the following tables:

- for Executive Board members: Tables 1 and 2 under the Afep-Medef Code; and
- for Supervisory Board members: Table 3 under the Afep-Medef Code.

This is solely about compensation granted or paid for corporate offices held in companies included in the Company's scope of consolidation.

2.2.2.6 Table for monitoring changes in Wendel's compensation ratios and performance

In accordance with Article L. 22-10-9 I, paragraphs 6 and 7 of the French Commercial Code, the following are presented for the Chairman of the Executive Board, the member of the Executive Board and the Chairman of the Supervisory Board:

- the ratios between the level of compensation of each of these corporate officers and, on the one hand, the compensation average on a Full-time equivalent basis for the Company's employees (excluding such corporate officers), and on the other hand, the median compensation on a Full-time equivalent basis for Company's employees (excluding such corporate officers); and
- the annual evolution in the compensation of each of these corporate officers, the average compensation on a Full-time equivalent basis for the Company's employees (excluding such corporate officers) above-mentioned ratios, and the Company's performance over the last five fiscal years.

The amounts indicated were calculated in accordance with the methodology set out below. For this purpose, the Company referred to the guidelines published by Afep as updated in February 2021. In particular, the monitoring table is in line with the one proposed by Afep.

Methodology

Numerator (corporate officers) and denominator (employees)	Description
Compensation and benefits of all kinds paid or granted in 2021	■ Fixed compensation paid in 2021 ■ Variable compensation paid in 2021 for 2020 ■ Exceptional compensation paid in 2021 ■ Stock subscription or purchase options granted in 2021(1) ■ Performance shares granted in 2021(1) ■ Employee savings (profit-sharing, PEG and PERECOL contributions) paid in 2021 ■ Benefits of all kinds paid in 2021 ■ For the Chairman of the Supervisory Board (numerator): fixed and variable compensation for its Wendel term of office

(1) The valuation of the options and performance shares was established by an independent expert, at the date of their grant, and is based on a Monte Carlo valuation model.

In accordance with Afep guidelines, non-recurring compensation items were excluded from calculations to avoid distortion of the comparability of ratios. The following items are excluded: termination benefits, non-compete payments and supplementary pension plans.

The scope taken into account for employees is 100% of the Wendel SE workforce in France, subject to the methods detailed below. This approach was favored given the nature of Wendel's investment company, which acquires, holds and resells operating subsidiaries with diversified and unrelated activities, but does not constitute a centralized industrial or services Group.

Any employee who joined or left during the year was excluded from the calculations, except in the event of a seamless replacement, where the compensation of the departing employee and the replacement for their respective period of work was taken into account and counted as one position (and not two employees).

For the Chairman of the Executive Board, the member of the Executive Board and the Chairman of the Supervisory Board:

- in the event of termination of office during the year, the ratio was calculated by taking into account the cumulative compensation paid to the departing and incoming corporate officers, *pro rata* the respective length of their terms of office (ratio expressed according to position and not individually);
- for the Chairman and the member of the Executive Board, the amount of compensation indicated below corresponds to the sum of (i) the total "amounts paid" for the last fiscal year presented in Table 2 under the Afep-Medef Code (net of non-recurring items, and (ii) the valuation of the options and performance shares indicated in Table 1 under the Afep-Medef Code; and
- for the Chairman of the Supervisory Board, the amount of compensation indicated below corresponds to the sum of the compensation paid by Wendel, indicated in Table 3 under the Afep-Medef Code.

Table for monitoring changes in Wendel's compensation ratios and performance

	2017	2018	2019	2020	2021
COMPENSATION AND RATIOS					
Average compensation of employees (excluding corporate officers)	250,664	245,083	290,463	321,984	307,655
Change/n-1	*+21.7%*	*-2.2%*	*+18.5%*	*+10.9%*	*-4.5%*
Median compensation of employees (excluding corporate officers)	126,800	121,938	145,150	131,070	124,795
Change/n-1	*+19.8%*	*-3.8%*	*+19.0%*	*-9.7%*	*-4.8%*
Chairman of the Executive Board (A)					
Compensation of the Chairman of the Executive Board	4,645,427	4,731,811	5,597,164	4,398,118	4,678,781
Change/n-1	*+16.3%*	*+1.9%*	*+18.3%*	*-21.4%*	*+6.4%*
Compared to average employee compensation	18.53	19.31	19.27	13.66	15.21
Change/n-1	*-4.5%*	*+4.2%*	*-0.2%*	*-29.1%*	*+11.3%*
Compared to median employee compensation	36.64	38.80	38.56	33.56	37.49
Change/n-1	*-2.9%*	*+5.9%*	*-0.6%*	*-13.0%*	*+11.7%*
Member of the Executive Board (B)					
Compensation of the Executive Board member	3,091,245	2,893,506	3,337,411	1,487,176	2,794,008
Change/n-1	*+16.1%*	*-6.4%*	*+15.3%*	*-55.4%*	*+87.9%*
Compared to average employee compensation	12.33	11.81	11.49	4.62	9.08
Change/n-1	*-4.6%*	*-4.2%*	*-2.7%*	*-59.8%*	*+96.5%*
Compared to median employee compensation	24.38	23.73	22.99	11.35	22.39
Change/n-1	*-3.1%*	*-2.7%*	*-3.1%*	*-50.6%*	*+97.3%*
Chairman of the Supervisory Board (C)					
Compensation as Chairman of the Supervisory Board	147,000	274,998	350,000	343,750	360,000
Change/n-1	*+5.0%*	*+87.1%*	*+23.7%*	*-1.8%*	*+4.7%*
Compared to average employee compensation	0.59	1.12	1.20	1.07	1.17
Change/n-1	*-13.2%*	*+89.8%*	*+7.1%*	*-10.8%*	*+9.3%*
Compared to median employee compensation	1.16	2.26	2.41	2.62	2.88
Change/n-1	*-12.1%*	*+94.8%*	*+6.6%*	*+8.7%*	*+9.9%*
PERFORMANCE					
NAV per share as of December 31 (D)	176.4	147.4	166.3	159.1	188.1
Change/n-1	*+14.6%*	*-16.4%*	*+12.8%*	*-4.3%*	*+18.2%*

(A) Chairman of the Executive Board during the period: Frédéric Lemoine (April 2009 – Dec. 2017), André François-Poncet (since Jan. 2018).
(B) Member of the Executive Board during the period: Bernard Gautier (May 2005 – Sept. 2019), David Darmon (since Sept. 2019).
(C) Chairman of the Supervisory Board during the period: François de Wendel (March 2013-May 2018), Nicolas ver Hulst (since May 2018).
(D) Change in scope: NAV at December 31 is based on the following investments:
- *December 31, 2017: Bureau Veritas, Saint-Gobain, Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal, Tsebo, Nippon Oil Pump, PlaYce, Saham, Mecatherm, Exceet, CSP Technologies;*
- *December 31, 2018: Bureau Veritas, Saint-Gobain, Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal, Tsebo, Nippon Oil Pump;*
- *December 31, 2019: Bureau Veritas, Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal, Tsebo;*
- *December 31, 2020: Bureau Veritas, Cromology, Stahl, IHS, Constantia Flexibles, CPI;*
- *December 31, 2021: Bureau Veritas, Cromology, Stahl, IHS, Constantia Flexibles, CPI, Tarkett, indirect investments and debts.*

2.2.3 Breakdown of compensation paid in 2021 or awarded for 2021 to Executive Board members and to the Chairman of the Supervisory Board, submitted to a shareholders' vote

In accordance with Article L. 22-10-34, II of the French Commercial Code, the following elements of the compensation paid or granted, if applicable, to Executive Board members and to the Chairman of the Supervisory Board for 2021 must be submitted to a vote of shareholders:

- fixed compensation;
- variable compensation for the year, including any multi-year variable portion, together with the objectives contributing to the determination of that variable compensation;
- exceptional compensation;
- stock options, performance shares, and any other form of long-term compensation;
- welcome bonuses and termination benefits;
- supplementary pension plans; and
- any other benefits.

It is proposed that the Shareholders' Meeting of June 16, 2022, vote on the elements of compensation paid in 2021 or awarded for 2021 to André François-Poncet, David Darmon and Nicolas ver Hulst in respect of their terms of office. This will be covered in Resolutions No. 12, 13 and 14 of the Shareholders' Meeting (see section 9.5 "Draft resolutions").

Breakdown of compensation paid in 2021 or awarded for 2021 to André François-Poncet, Chairman of the Executive Board, to be submitted to a shareholders' vote

Resolution No. 12

Form of compensation	Amounts	Comments
Gross fixed compensation	€1,150,000 (awarded/paid)	Fixed compensation awarded for 2021: The fixed compensation was approved by the Supervisory Board on November 16, 2017, amounting to €1,150,000, and has remained unchanged since that date. A small portion (€97,500) is paid in part in the form of compensation for corporate offices held in companies included in the Company's scope of consolidation.
Gross annual variable compensation	€1,322,500 (awarded)	Annual variable compensation awarded for 2021: If all the financial (65%) and non-financial (35%) objectives were achieved, the variable compensation could have amounted up to 115% of the fixed compensation. The financial objectives were as follows: performance of Bureau Veritas, performance of unlisted companies in the portfolio, maintaining of Wendel's Investment Grade rating. The non-financial objective was based on different criteria: ▪ criteria for Wendel related to the execution of the 2021-2024 strategic plan and the implementation of other value-creating initiatives (notably: disposals and liquidity of certain assets, deployment of capital, investments via the Wendel Lab, optimization of the balance sheets of the portfolio companies, reorganization of the investment team, dividend growth); ▪ criteria related to portfolio companies (for Bureau Veritas, objectives related to the non-financial criteria for the payment of the variable compensation of Bureau Veritas' Chief Executive Officer; for the unlisted portfolio companies, various targeted actions); and ▪ criteria related to the ESG roadmap and compliance (in particular: maintaining or improving Wendel's non-financial rating, finalizing the analysis of climate risk exposure, monitoring ESG key performance indicators, continuing progress in terms of diversity, monitoring and strengthening compliance systems). For detailed information on the achievement of these various objectives, see section 2.2.2.2 "Total compensation and any other benefits," paragraph "Summary of each executive corporate officer's compensation" of the 2021 Universal Registration Document. On March 17, 2022, upon the recommendation of the Governance and Sustainability Committee, the Supervisory Board set André François-Poncet's variable compensation at 100% of his maximum variable compensation, i.e. €1,322,500. The amount of variable compensation thus determined represents 115% of the gross fixed compensation awarded for 2021. The payment of André François-Poncet's variable compensation is subject to the approval of the Shareholders' Meeting of June 16, 2022 (Resolution No. 12).
	€912,525 (paid)	Annual variable compensation paid in 2021: The gross annual variable compensation granted for 2020 was paid in 2021 following the approval of the Shareholders' Meeting of July 29, 2021 (resolution No. 14), based on an achievement rate of the objectives set at 69.0% of André François-Poncet's maximum variable compensation by the Supervisory Board of March 17, 2021.

Form of compensation	Amounts	Comments
Performance shares	23,421 performance shares valued at their grant date at €1,817,470*	In accordance with the authorization of the Shareholders' Meeting of June 29, 2021, performance shares were granted to members of the Executive Board. The definitive acquisition of these shares is subject to three performance conditions, assessed over a period of 4 years and covering respectively 25%, 50% and 25% of the allocation: ■ the first condition measures the absolute performance of Wendel's annualized TSR: if the TSR is greater than or equal to 9% per year, the condition is met at 100%; if the TSR is less than 5% per year, the condition is not met; between these two limits, the acquisition is calculated on a linear basis; ■ the second condition measures the relative performance of Wendel's TSR compared to that of the CACMid60 index: if Wendel's TSR is greater than or equal to the median TSR of the index plus 3%, condition is 100% met; if Wendel's TSR is equal to the median of the index's TSR, the condition is met at 50%; between these two limits, the acquisition is calculated linearly; if Wendel's TSR is lower than the median of the index's TSR, the condition is not met; ■ the third condition is linked to the evolution of the dividend: the ordinary dividend paid (excluding any exceptional dividend) each year for 4 years must be greater than or equal to the dividend paid the previous year. *The performance shares were valued by an independent expert at €77.6 (unit value) on their grant date, it being specified that this is a theoretical valuation that may be different from the amounts that will (or not) be actually received depending on the achievement (or not) of the conditions attached to these performance shares.
Stock options (subscription and/or purchase)	41,034 subscription stock options valued at their grant date at €779,646*	In accordance with the authorization of the Shareholders' Meeting of June 29, 2021, subscription stock options were granted to members of the Executive Board. The exercisability of these options is subject to a performance condition, assessed over a period of 4 years, linked to the Company's ESG strategy: if, at the end of the first year, all the companies controlled by Wendel have drawn up an analysis of their climate risk, the condition is met (for 25% of the allocation); if, at the end of the second year, at least half of the companies controlled by Wendel have defined and approved a corrective action plan to address the climate risks identified, the condition is met (for an additional 25% of the allocation); if, at the end of the third year, all the companies controlled by Wendel have defined and approved a corrective action plan to adress the climate risks identified, the condition is met (for an additional 25% of the allocation); if, at the end of the fourth year, all the companies controlled by Wendel have implemented priority corrective actions as defined in their action plan and have presented the initial results of these corrective actions, the condition is met (for an additional 25% of the allocation). *The stock options were valued by an independent expert at €19.0 (unit value) on their grant date, it being specified that this is a theoretical valuation that may be different from the amounts that will (or not) be actually received depending on the achievement (or not) of the conditions attached to these performance shares.
Other compensation	€170,524 (awarded)	Other compensation awarded for 2021: As part of his subscription to the capital increase reserved for members of the Group savings plan, and in accordance with the applicable legal provisions, André François-Poncet benefited from the matching contribution of €5,924 (already paid, see below) and a 30% discount on the price of the subscribed shares, representing €164,600.
	€5,924 (paid)	Other compensation paid for 2021: This amount corresponds to the matching contribution in connection with the capital increase reserved for members of the Group savings plan.

Form of compensation	Amounts	Comments
Benefits of all kinds	€13,217 (awarded/paid)	André François-Poncet benefited from unemployment insurance taken out with the GSC (social guarantee for Company managers), the amount for the 2021 fiscal year being €13,217.
Termination benefits	None owed or paid	The 2021 compensation policy included the following commitments: ■ compensation equal to 18 months of André François-Poncet's average monthly compensation determined as follows: the sum of (i) his average monthly fixed compensation at the time of departure, and (ii) 1/12th of his variable compensation actually paid for the last fiscal year preceding the departure; ■ subject to two performance conditions: André François-Poncet must have received, for the last two fiscal years preceding his departure, variable compensation equal to at least 70% of his maximum variable compensation; and the amount of the last known ordinary dividend at the date of departure must be greater than or equal to the dividend for the previous year.

André François-Poncet did not receive any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan. André François-Poncet did not use the company car that could have been made available to him.

Breakdown of compensation paid in 2021 or awarded for 2021 to David Darmon, member of the Executive Board, submitted to a shareholders' vote

Resolution No. 13

Form of compensation	Amounts	Comments
Gross fixed compensation	€725,476 (awarded/paid)	Fixed compensation awarded for 2021: The fixed compensation was approved by the Supervisory Board on March 17, 2021, amounting to €770,000, effective from April 1, 2021. For the period from January 1 to March 31, 2021, a *prorata temporis* was applied on the basis of the previously applicable fixed annual compensation.
Gross annual variable compensation	€834,297 (awarded)	Annual variable compensation awarded for 2021: If all the financial (65%) and non-financial (35%) objectives were achieved, the variable compensation could have amounted up to 115% of the fixed compensation. The financial objectives were: performance of Bureau Veritas, development of unlisted companies in the portfolio and maintaining Wendel's Investment Grade rating. The non-financial objective was based on different criteria: ■ criteria for Wendel related to the execution of the 2021-2024 strategic plan and the implementation of other value-creating initiatives (notably: disposals and liquidity of certain assets, deployment of capital, investments via the Wendel Lab, optimization of the balance sheets of the portfolio companies, reorganization of the investment team, dividend growth); ■ criteria related to portfolio companies (for Bureau Veritas, objectives related to the non-financial criteria for the payment of the variable compensation of Bureau Veritas' Chief Executive Officer; for the unlisted portfolio companies, various targeted actions); and ■ criteria related to the ESG roadmap and compliance (in particular: maintaining or improving Wendel's non-financial rating, finalizing the analysis of climate risk exposure, monitoring ESG key performance indicators, continuing progress in terms of diversity, monitoring and strengthening compliance systems). For detailed information on the achievement of these various objectives, see section 2.2.2.2 "Total compensation and any other benefits," paragraph "Summary of each executive corporate officer's compensation" of the 2021 Universal Registration Document. On March 17, 2022, upon the recommendation of the Governance and Sustainability Committee, the Supervisory Board set David Darmon's variable compensation at 100% of his maximum variable compensation, i.e. €834,297. The amount of variable compensation thus determined represents 115% of the gross fixed compensation awarded for 2021. The payment of David Darmon's variable compensation is subject to the approval of the Shareholders' Meeting of July 16, 2022 (Resolution No. 13).
	€476,100 (paid)	Annual variable compensation paid in 2021: The gross annual variable compensation granted for 2020 was paid in 2021 following the approval of the Shareholders' Meeting of July 29, 2021 (resolution No. 15), based on an achievement rate of the objectives set at 69.0% of his maximum variable compensation by the Supervisory Board of March 17, 2021.

Form of compensation	Amounts	Comments
Performance shares	14,188 performance shares valued at their grant date at €1,100,989*	In accordance with the authorization of the Shareholders' Meeting of June 29, 2021, performance shares were granted to members of the Executive Board. The definitive acquisition of these shares is subject to performance conditions, assessed over a period of 4 years and covering respectively 25%, 50% and 25% of the allocation: ■ the first condition measures the absolute performance of Wendel's annualized TSR: if the TSR is greater than or equal to 9% per year, the condition is met at 100%; if the TSR is less than 5% per year, the condition is not met; between these two limits, the acquisition is calculated on a linear basis; ■ the second condition measures the relative performance of Wendel's TSR compared to that of the CACMid60 index: if Wendel's TSR is greater than or equal to the median TSR of the index plus 3%, condition is 100% met; if Wendel's TSR is equal to the median of the index's TSR, the condition is met at 50%; between these two limits, the acquisition is calculated linearly; if Wendel's TSR is lower than the median of the index's TSR, the condition is not met; ■ the third condition is linked to the evolution of the dividend: the ordinary dividend paid (excluding any exceptional dividend) each year for 4 years must be greater than or equal to the dividend paid the previous year. *The performance shares were valued by an independent expert at €77.6 (unit value) on their grant date, it being specified that this is a theoretical valuation that may be different from the amounts that will (or not) be actually received depending on the achievement (or not) of the conditions attached to these performance shares.
Stock options (subscription and/or purchase)	24,858 subscription stock options valued at their grant date at €472,302*	In accordance with the authorization of the Shareholders' Meeting of June 29, 2021, subscription stock options were granted to members of the Executive Board. The exercisability of these options is subject to a performance condition, assessed over a period of 4 years, linked to the Company's ESG strategy: if, at the end of the first year, all the companies controlled by Wendel have drawn up an analysis of their climate risk, the condition is met (for 25% of the allocation); if, at the end of the second year, at least half of the companies controlled by Wendel have defined and approved a corrective action plan to address the climate risks identified, the condition is met (for an additional 25% of the allocation); if, at the end of the third year, all the companies controlled by Wendel have defined and approved a corrective action plan to address the climate risks identified, the condition is met (for an additional 25% of the allocation); if, at the end of the fourth year, all the companies controlled by Wendel have implemented priority corrective actions as defined in their action plan and have presented the initial results of these corrective actions, the condition is met (for an additional 25% of the allocation). *The stock options were valued by an independent expert at €19.0 (unit value) on their grant date, it being specified that this is a theoretical valuation that may be different from the amounts that will (or not) be actually received depending on the achievement (or not) of the conditions attached to these performance shares.
Other compensation	€104,684 (awarded)	Other compensation awarded for 2021: As part of his subscription to the capital increase reserved for members of the Group savings plan, and in accordance with the applicable legal provisions, David Darmon benefited from the matching contribution of €5,924 (already paid, see below) and a 30% discount on the price of the subscribed shares representing €98,760.
	€5,924 (paid)	Other compensation paid for 2021: This amount corresponds to the matching contribution in connection with the capital increase reserved for members of the Group savings plan.
Benefits of all kinds	€13,217 (awarded and paid)	David Darmon benefited from unemployment insurance taken out with the GSC (social guarantee for Company managers), the amount for the 2021 fiscal year being €13,217.

Form of compensation	Amounts	Comments
Termination benefits	None owed or paid	The 2021 compensation policy included the following commitments: ■ termination benefits equal to 18 months of David Darmon's average monthly fixed compensation at the time of departure; ■ subject to two cumulative performance conditions: David Darmon must have received, for the last two fiscal years preceding his departure, variable compensation equal to at least 70% of his maximum variable compensation; and the amount of the last known ordinary dividend on the date of departure must be greater than or equal to the dividend for the previous year. Since David Darmon's employment contract governed by French law was suspended during his term of office, said contract will take effect again at the end of his term of office and may entitle him, if applicable, to statutory and contractual termination benefits. These benefits, together with those due in respect of the term of office, are capped at 18 months' average monthly compensation determined as follows: the sum of (i) his average monthly fixed compensation at the time of his departure, and (ii) 1/12th of his variable compensation actually paid in respect to the last fiscal year preceding the departure.

David Darmon did not receive any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

Breakdown of compensation paid in 2021 or granted for 2021 to Nicolas ver Hulst, Chairman of the Supervisory Board, to be submitted to a shareholders' vote

Resolution No. 14

Form of compensation	Amounts	Comments
Gross fixed compensation	€250,000 (awarded/paid)	The compensation for the Chairman of the Supervisory Board was fixed by the Supervisory Board on March 21, 2018, at €250,000, in line with market practices. It has not changed.
Compensation related to meetings	€100,000 (awarded/paid)	In accordance with the compensation policy for the members of the Supervisory Board approved by the Shareholders' Meeting of June 29, 2021, this amount corresponds to the sum of the "fixed fee" of €52,000 and the "variable fee" of €6,000 per scheduled meeting.

Nicolas ver Hulst did not receive any of the following benefits: variable compensation, multi-year variable compensation, exceptional compensation, stock options, performance shares, benefits of any kind, termination benefits, a non-compete clause payment, or a supplementary pension plan.

3

RISK FACTORS

3.1 Risk factors

Wendel regularly evaluates its own risk factors and those of its consolidated subsidiaries, operating subsidiaries, and holding companies. The risk management process is described in section 3.3 below, "Risk management and internal control systems."

The risk factors presented in this section are those that are specific to the Company and/or its marketable securities which could have a material net effect on the business operations, financial position or future performance of the Company or of the companies that were fully consolidated during the financial year ended and as of the date of this Universal Registration Document.

This section is not intended to provide a full list of all of the Group's risk factors. In particular, other risks that Wendel does not consider specific to its activities in that, to varying degrees, they are also relevant to other issuers irrespective of the business, such as, for example, risks linked to IT security, could have an equally negative impact on Wendel or its activities, its financial position, profits or outlook.

As a long-term investor, Wendel is also vigilant with regard to the occurrence of emerging risks which, without constituting specific risks at this stage, are the subject of particular attention. As such, the climate risk (*i.e.* the impact that global warming could have on its business or that of its portfolio companies) is taken into account *via* a specific impact audit designed to help in the preparation of an initial assessment and implement action plans. Among these long-term trends, we can also mention the transformation of working methods with the rise of remote working. The impact of this transformation is likely to pose new risks in terms of both IT security and attractiveness and talent retention, issues on which risk mitigation actions are undertaken.

Other risks, of which the Company is unaware as of the date of this Universal Registration Document, may also exist or arise.

As regards the exceptional situation resulting from the Covid-19 global pandemic, and although the situation continues to evolve favorably, some uncertainty remains at the date of this document. A specific risk factor is presented below.

In connection with the conflict in Ukraine, and due to the current high level of uncertainty and the impossibility at this stage to accurately assess the impacts, particularly indirect ones, a specific risk factor is also presented below; its net impact, however, has not been assessed. Where possible, Wendel has also endeavored to describe the impacts on its portfolio companies, in section 1.4 "Subsidiaries and associated companies."

Risk factors fall into 4 categories:

- risks relating to Wendel's operations and business;
- financial risks;
- external risks;
- risks related to governance.

Risks are ranked within their respective categories by reverse order of importance according to their likelihood of occurrence and estimated impact and having factored in mitigation measures.

The summary table below is intended to present an overview of these risks according to their net impact, based on whether they are considered by Wendel to be high, medium or low risk (decreasing order).

Risk category	Risk factors	Evaluation
3.1.1 Operational and business risks	3.1.1.1 Risks related to geographical exposure and asset concentration	High
	3.1.1.2 Risks related to the robustness of portfolio companies' business models	High
	3.1.1.3 Risks related to due diligence on contemplated investments and divestments	Medium
	3.1.1.4 Risks related to valuing portfolio companies	Medium
3.1.2 Financial risks	3.1.2.1 Equity risk	High
3.1.3 External risks	3.1.3.1 Risks related to legislative and regulatory changes	Medium
	3.1.3.2 Risks related to the COVID-19 pandemic	Low
	3.1.3.3 Risks related to the conflict in Ukraine	-
3.1.4 Risks related to governance	3.1.4.1 Risks related to the presence of a majority shareholder	Low

In addition, risks specific to companies in the portfolio are also presented in section 3.1.5 for each of the companies within the scope of the fully consolidated company. Risk factors related to directly Bureau Veritas are presented in more detail in its own Registration Document. Please also refer to the financial communication specific to the other listed companies in the portfolio (IHS, Tarkett) for their risk factors.

3.1.1 Operational and business risks

3.1.1.1 Risks related to geographical exposure and asset concentration

Presentation of risk

A high level of concentration in specific regions and sectors can create significant economic risks for the portfolio in the event of a downturn in those regions or sectors. Wendel aims to diversify its asset allocation.

However, by increasing the regional diversification of its assets, Wendel is exposed to currency risk and to certain specific country risks, such as in Nigeria or China.

Wendel deems its investment in Bureau Veritas to be a high-quality asset. This holding accounted for 46% of the Company's gross asset value at December 31, 2021. Any significant decrease in Bureau Veritas' stock price would have a considerable impact on Wendel's net asset value.

IHS operates in five African countries and especially in Nigeria (where the majority of its towers are located) and since 2020 in the Middle East and South America. As such, its development could be negatively impacted by legal, regulatory, political, financial or fiscal factors specific to these regions and which could be beyond its control. The Company is also significantly exposed to a single customer which is however the subsidiary of a significant shareholder.

The activities of Wendel's portfolio companies in Ukraine or Russia could be disrupted given the current conflict and its (direct or indirect) consequences.

Risk management

The Wendel Group seeks to reduce its sensitivity to regional or sectoral risks by diversifying its assets, in terms of both sector and region. Divestments made over the last few years to rationalize Wendel's portfolio by reducing the number of investments (such as the latest sale of Cromology in 2021, for example), mechanically strengthened the concentration of its assets. Given the composition of the NAV, these divestments have not significantly changed the geographical or sectoral profile of the Group.

Conversely, acquisitions such as Crisis Prevention Institute, Tarkett and ACAMS have the opposite effect and contribute to risk reduction.

Wendel's teams regularly and closely monitor Bureau Veritas and its risks.

IHS is itself pursuing a strategy of reducing the weight of Nigeria in its activities, and diversifying its customer base.

Lastly, Wendel keeps itself informed as much as possible of the evolution of the situation related to the conflict in Ukraine, and in particular of the evolution of the sanctions against Russia that could impact the ability of its portfolio companies to carry out their business.

The direct exposure of portfolio companies in Ukraine and Russia (sales generated locally, assets present in these countries) remains limited, with the exception of Tarkett, which could be significantly impacted if its operations in Russia were to be significantly disrupted.

The portfolio's concentration risk remains significant: at December 31, 2021, Wendel's gross assets consisted of 55.4% of listed assets (Bureau Veritas, IHS and Tarkett), 37.2% of unlisted assets and 7.4% cash and financial assets.

3.1.1.2 Risks related to the robustness of portfolio companies' business models

Presentation of risk

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

This assessment of companies looks particularly at the following factors:

- risks related to operations and business: risks related to non-compliance with budgets, potential impact of market trends on operating margin, competitive pressure, changes in raw material prices, rapid growth and execution, key people;
- financial risks: risk related to a company's leverage, cash flow stability, and ability to service its debts, liquidity and ability to meet banking covenants;
- external risks: risk related to the concentration of activities in a limited number of countries, or in countries with high risk profiles, risks of disruption related to innovative alternative technologies
- compliance with current social and environmental standards and the capacity to seize opportunities around CSR themes; and
- risks related to governance especially for minority stakes: risks related to the ability to influence the strategy and the external growth appetite.

Risk management

Risk evaluation is carried out prior to the acquisition of stakes by conducting in-depth due diligence covering a significant number of factors that could affect the business model of the portfolio companies.

Monthly reporting of the performance of portfolio companies is carried out post-acquisition and quarterly monitoring *via* business reviews. The teams were strengthened in this way with the presence of operating partners within the investment team that are in permanent contact with the companies.

Wendel pays special attention to the quality of its managers and its associates and subsidiaries and regularly evaluates their performance and their succession plans.

Appropriate financing was set up or renegotiated with often favorable conditions for borrowers given recent market conditions.

In the current context of the Covid-19 pandemic, Wendel remained particularly attentive to the cash forecasts of its associated companies and assisted their top management in adopting solutions that are the most adapted to their circumstances. Wendel also remains vigilant to assess the sustainability of the recovery of its portfolio companies as the impact of the health crisis subsides;

In the current context of uncertainty related to the conflict in Ukraine, Wendel is closely monitoring the exposure of its companies to the Ukrainian and Russian markets, as well as the more indirect consequences (increase in energy or raw material prices, disruptions in the market. supply chains, staff turnover and inflation, ability to increase their own prices).

Finally, financings are without recourse to Wendel.

3.1.1.3 Risks related to due diligence on contemplated investments and divestments

Presentation of risk

Equity investments involve a risk at the time an ownership stake is taken in a company, in that the Company's value might be overestimated. The valuation applied to a target company is based in particular on operating, financial, accounting, social, legal, tax and environmental data communicated during due diligence, and this information might not be entirely accurate or complete. Due diligence processes may also be shorter in length than otherwise expected.

As part of a divestment, Wendel may grant earnouts or representations and warranties.

Proposed investments and divestments are also subject to stock market, debt and venture-capital risks, which can impact the prices and liquidity of these assets.

Risk management

Wendel's due diligence is reviewed in the Investment and Development Committee and in other bodies. They are thorough and must, when possible, meet predetermined investment criteria. Identified risks can, on a case-by-case basis, be covered by a guarantee from the seller. These due diligence processes are updated regularly and include considerations related to CSR and digitalization, as well as aspects related to compliance or internal control. During this due diligence, Wendel also relies on expert advice provided by renowned service providers.

Wendel aims to limit the amount and duration of any earnout clauses and representations and warranties granted during divestments.

Wendel makes co-investments with quality partners in order to better examine its projects and limit its exposure, with the prospect of an alignment of interests.

As part of the Wendel Lab, Wendel is gradually strengthening its teams to acquire the necessary specific skills, and has defined appropriate assessment and monitoring processes.

3.1.1.4 Risks related to valuing portfolio companies

Presentation of risk

Once they have joined the portfolio, the companies in which Wendel has invested must be evaluated periodically. These periodic valuations are used to calculate net asset value (NAV) per share, but they do not necessarily reflect ultimate divestment or listing value (no discount for listing, for minority or control premium is used in our valuation methodology). Controlled private companies are less liquid and are generally of a smaller size than listed companies. High volatility in the financial markets or low economic performances amplified by leverage from the debt of portfolio companies could cause significant fluctuations in the NAV, especially given the current significant uncertainties surrounding the conflict in Ukraine.

There is no guarantee that portfolio companies can be sold at a value at least equal to that used to calculate Wendel's NAV. The sale of equity investments can be facilitated or hindered by market conditions.

Conversely, some associated companies may find buyers at a significantly higher price than the one set for NAV, particularly in the event of a change of control resulting in a strategic premium.

Risk management

Wendel's NAV is currently calculated and published four times a year, using a precise, stable methodology (see section 5.3). It is determined by the Executive Board, reviewed by the Audit, Risk and Compliance Committee, and examined by the Supervisory Board (see section 2.1.7). An independent appraiser makes and submits its own valuation. When appropriate, the methodology could be adjusted to obtain a better estimate. At each NAV publication date, Statutory Auditors verify that the methodology used for calculating net asset value complies with the Group's methodology and confirm consistency with accounting data as well as the customary nature of any adjustments. They also conduct a regular review of peers samples used in the calculation.

The individual Net Asset Values (NAV) of unlisted equity investments are also approved by the Boards of Directors of the parent companies in Luxembourg. Independent directors sit on these Boards.

In addition to this rigorous and contradictory estimation process, Wendel's business model does not have a time constraint on completing sales. The risk of forced sale at a potentially unfavorable price is consequently limited, generally speaking.

The presence within Wendel's portfolio of listed companies also limits the risk of error in the calculation of the valuation of these assets (valuation according to the share price).

3.1.2 Financial risks

In addition to the description of risk below, information related to financial risks is presented in note 7 "Managing financial risks" of the notes to the consolidated financial statements in this document.

3.1.2.1 Equity risk

Presentation of risk

Wendel's assets are mainly investments in which it is the main or controlling shareholder. These assets are listed (Bureau Veritas) or unlisted. Other assets in which the Wendel Group directly or indirectly holds a minority stake are also listed on the financial markets (in particular IHS and Tarkett). The value of these subsidiaries and associates (and as a consequence the value of the Wendel Group) is related in particular to their economic and financial performance, their prospects for growth and profitability as well as the equity market trends, directly in the case of listed companies and indirectly in the case of unlisted companies, the value of which may be influenced by market parameters. Despite the measures put in place by the investment teams during the investment process or when carrying out regular monitoring of performance, there is a risk that the economic results of investments are not in line with Wendel's expectations.

Moreover, the financial structure and levels of debt of certain unlisted subsidiaries and associates may increase the risk to the value of these subsidiaries and associates. Indeed, reliance on debt may increase financial difficulties in the event of a significant reduction in levels of activity restricting the ability to access cash and subjecting these subsidiaries and associates to a risk that their financial debt will become due early as a result of financial covenants. In the context of the conflict in Ukraine, the volatility of stock markets as well as potential tensions on credit markets are liable to exacerbate this risk.

Risk management

Although Net Asset Value (NAV) is monitored very regularly, as a long-term shareholder Wendel is less constrained by changes in the spot value of assets.

Moreover, processes are in place for rigorously selecting portfolio companies in order to invest in companies with resilient business models. The performance of each of the companies within the portfolio is regularly monitored in order to anticipate changes insofar as possible.

To prevent and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. Moreover, Wendel and its subsidiaries are in close contact with bank lenders, in order to more effectively manage the restrictions on these financing agreements.

3.1.3 External risks

3.1.3.1 Risks related to legislative and regulatory changes

Presentation of risk

Acquisition and divestment operations are often complex, because of the application of legal, fiscal and regulatory provisions under multiple legislation and because specific organizational structures must be implemented depending on the characteristics of each investment. Moreover, unfavorable changes in tax legislation or its interpretation could make Wendel's investment transactions less attractive (see section 3.2.3).

Risk management

Legislative and regulatory change is constantly monitored through active monitoring by the corporate teams composed of experienced people in their respective fields. During an acquisition or divestment, Wendel's investment team, in association with the legal, tax, and finance teams, work with experienced consultants in the local markets to ensure that the new structure complies with all applicable legal, regulatory, and tax requirements. Wendel makes sure that it is in compliance with the laws and regulations in force.

3.1.3.2 Risks related to the COVID-19 pandemic

Presentation of risk

The Covid-19 pandemic, which has spread around the world, had a significant impact on many global economies and on the ability of companies to operate in several countries (varying degrees of lockdown, curfews, closure of public buildings and shops, restrictions on movement, etc.) in 2020. Financial markets saw their level of volatility increase as a result of the growing uncertainty that stemmed from the pandemic situation itself. In 2021, the strategies that have emerged, in particular thanks to the ramp-up of vaccination policies, have enabled a gradual exit from the crisis, and a relative return to normal. However, uncertainty as to the sustainability or strength of this recovery remains in early 2022. Although today unlikely, as the main health protection measures are being lifted, a possible relapse cannot be ruled out.

In this context, the companies in Wendel's portfolio could see their business recovery slowed,, which would have a negative impact on their revenue and earnings and consequently on their balance sheet position, ability to meet their contractual financial commitments or their liquidity. The value of the Group's portfolio could once again be affected, as well as Wendel's liquidity or debt ratio, by any cash contributions by Wendel and by a decline in the value of the portfolio. Companies' ability to make reliable forecasts could also be impaired and have an impact on the Group's ability to assess the value of its assets, its unlisted assets in particular.

Risk management

To ensure the safety and health of its employees, Wendel continues to strictly follow the recommendations of the health authorities in the countries where it operates and promotes remote working whenever possible. The corporate teams remain fully mobilized to exercise the necessary vigilance over operational processes using the IT tools deployed over the past years, which make hybrid working possible under satisfactory conditions. Wendel's investment team works with the companies in the portfolio to monitor their respective positions. Wendel also pays close attention to the analysis of the financial capacity of its companies, which it assesses according to various scenarios.

3.1.3.3 Risks related to the conflict in Ukraine

Presentation of risk

The conflict and the Russian invasion in Ukraine, in addition to the local destruction they have caused, have led to a massive exodus of refugees to neighboring countries and economic sanctions against Russia which are tightening. Operating in Ukraine and Russia could prove increasingly difficult or impossible (sanctions limiting imports and exports, impossibility of access to financial means to be paid or to pay suppliers, difficulty of transport or supply). In this context, subsidiaries or factories of Wendel's portfolio companies could see their activity impacted, both in terms of sales and income. Wendel's NAV could be affected.

Beyond the direct consequences on these two countries, the European or even global economy could be affected: significant increase in the cost of energy (oil, gas, electricity), high prices or unavailability of raw materials, impact on logistics chains, lower consumption, higher interest rates. While it is too early to estimate the impacts of its possible upheavals, the economic and financial performance of Wendel's portfolio companies could be deteriorated.

In a context of confrontation and response to European sanctions beyond the military theater, a resurgence of cyber-attacks on European infrastructures or companies could also occur. Wendel or some of the companies in its portfolio could be impacted.

Risk management

The direct exposure of the portfolio companies in Ukraine and Russia (sales generated locally, assets present in these countries) remains limited, with a percentage of sales generated in 2021 in these countries of less than 5%. Only Tarkett has a percentage of sales in Russia and Ukraine of around 10% and could be materially impacted if its operations in Russia were to be severely disrupted (decline in sales, EBITDA and its results more generally, impacted by the indirect effects of the crisis). Given the relative weight of this company in Wendel's NAV, these impacts are not material for Wendel.

Wendel's investment team is fully engaged with portfolio companies and its management teams to monitor their respective situations.

With regard to indirect exposure (increase in energy and raw material costs, difficulty in supply chains at the level of suppliers, disruption of its customers' activity, etc.), it is still too early to accurately measure the impact on the performance of portfolio companies. As part of the regular monitoring of the performance of its companies, Wendel is attentive to changes in the situation of each company and, where necessary, supports management in defining the necessary adjustments.

In terms of cyber security, Wendel continues to strengthen its awareness-raising efforts and its protection measures and fosters increased vigilance of the companies in its portfolio, through the directors it has on the governance bodies (Boards of Directors and Audit Committees).

3.1.4 Risks related to governance

3.1.4.1 Risks related to the presence of a majority shareholder

Presentation of risk

Wendel is controlled by family type shareholder (holding 39.3% of its share capital as at December 31, 2021), with the ability to sell its shares, which could have an adverse effect on Wendel's stock price. In addition, this situation implies that decisions of the controlling shareholder could have adverse consequences for other minority shareholders.

Risk management

Wendel ensures that its governance remains balanced with the presence of four independent members and two employee representatives on the Supervisory Board. Furthermore, the Supervisory Board has a lead independent director, one of whose missions is to prevent, analyze and manage potential conflicts with the controlling shareholder.

Wendel also respects and implements the principles and recommendations of the Afep-Medef Code.

Refer to section 2 of this universal registration document for a more detailled description of the Group's governance rules.

3.1.5 Risks specific to portfolio companies

This section presents the risks specific to the companies in the Wendel Group's fully consolidated portfolio. For portfolio companies listed on the financial markets (Bureau Veritas, IHS and Tarkett), we invite the reader to refer to the financial publications of these companies.

Bureau Veritas

The main specific risks identified by Bureau Veritas fall into 3 categories. They are listed below for each category in reverse order. Risks related to the Group's activities and operations, in particular the risk related to Cybersecurity, the risk arising from legislation and changes thereto, the risk related to the non-renewal, withdrawal or loss of certain authorizations, the ethical risk, the risk related to litigation and prelitigation proceedings and the risk related to the issuing of false certificates. Human risks with the risk related to Human resources. Risks related to acquisitions with the risk of depreciation of intangible assets from acquisitions.

The Bureau Veritas management team is in charge of managing these risks. Bureau Veritas describes these risk factors in more detail in its Universal Registration Document, available on its website (www.bureauveritas.fr) and on that of the AMF (www.amf-france.org).

Stahl

The main risks identified by Stahl are: disruptions in the automobile industry supply chains, competitive pressure, the concentration of chemical suppliers, changes to the macroeconomic and financial environment in relation to the conflict in Ukraine (notably its potential consequences on the change in the prices of energy and raw materials); sectoral innovation and leather substitution by other materials; industrial risks; environmental risks (certain materials used or products manufactured could be discovered to be hazardous to human health or the environment); the risk of departure of key people; currency risk (see the section on currency risk management in the consolidated financial statements); liquidity risk arising from the financing structure for this investment (see the section on liquidity risk management in the consolidated financial statements), the risk related to IT security and the risk related to the execution and consolidation of acquisitions.

The Stahl management team is in charge of managing these risks.

Constantia Flexibles

The main risks identified for Constantia Flexibles are: regulatory change in public health, environment or security matters leading to significant investment or compliance costs, the volatility of commodity prices; environmental risks; hiring and retaining talented employees; finding the right balance between product prices and maintaining long-term relationships with key customers; possible interruptions to production processes; machine breakdowns and quality requirements; and risks related to data processing and IT security. The packaging industry is subject to a number of regulatory requirements that also exposes Constantia Flexibles to product liability-related risks. Changing expectations of end consumers and customers in terms of more environmentally-friendly packaging (recyclability in particular) exposes Constantia Flexibles to greater risks of substitution or increased capital expenditure. The company's R&D activities could pose risks related to meeting deadlines and market needs. Due to the nature of its business, the company is exposed to currency risk and country risk (political and macroeconomic), notably due to the conflict in Ukraine. Acquisitions and disposals could also have a material impact on the company's cash flow and pose risks related to the integration of newly-acquired companies.

The Constantia Flexibles management team is in charge of managing these risks.

Crisis Prevention Institute

The main risks identified by CPI are risks associated with the impact of the Covid-19 pandemic on CPI's in-person training delivery programs (delay in the expected recovery, availability of personnel to be trained or trainers), risks related to the financing and liquidity of the company, risks associated with the regulatory environment (accreditation) and the availability of funds for training in de-escalating crisis situations, the risk of a shortage of qualified staff to deliver CPI training programs, risk related to the quality of training delivered, the risk of staff being unavailable or unable to attend training or certification sessions, risks related to CPI's growth and the capacity to adapt its organizational model and operations, the competitive environment and risk of departure of key individuals, in particular given the modest size of the organization.

Risk management falls under the responsibility of CPI Management.

3.2 Judicial proceedings, insurance, and regulatory environment

3.2.1 Judicial proceedings and arbitration

The principal disputes and litigation involving the Company and its controlled subsidiaries are detailed in note 17-1 to the consolidated financial statements.

To the best of the Company's knowledge, there are no other legal or arbitration proceedings (including any pending or threatened proceedings of which Wendel is aware) involving the Company or any of its fully-integrated subsidiaries that may have or that have had, over the last 12 months, a material adverse effect on the financial position or profitability of the Company and/or the Group.

Bureau Veritas' main disputes are presented in paragraph 4.4 "Administrative, judicial and arbitration procedures and investigations" of its 2021 Universal Registration Document (available on the Bureau Veritas website (www.bureauveritas.fr) and on that of the AMF (www.amf-france.org)).

3.2.2 Insurance

Wendel

As part of its risk hedging policy, Wendel has taken out the following main insurance policies:

- general liability: this policy covers bodily injury, property damage and other losses to third parties;
- professional liability: this policy covers litigation risks in the event of professional error or an act deemed as such, committed by the Company or one of its agents or employees with third parties; and
- liability of executives and corporate officers: this policy covers the Company's corporate officers, its representatives on the governing bodies of subsidiary and affiliated companies, and persons considered executives de facto or de jure, who might be held responsible for a professional error in connection with their management, supervisory or administrative duties.

Bureau Veritas

Bureau Veritas has taken out the following main centralized insurance programs:

- a professional and general liability program covering all of the Group's businesses, except for Aeronautics and the Construction division's French operations; this program supplements local insurance programs;
- the General Liability Insurance for Corporate Officers (RCMS) program, which covers the civil liability of corporate officers of all Bureau Veritas Group subsidiaries;
- the Aeronautical Civil Liability program, mainly covering aircraft inspection activities leading to airworthiness certificates; and
- the "Property Damage and Business Interruption" program, which covers offices and laboratories owned, leased or entrusted to the Group throughout the world.

Other risks are insured locally, such as risks related to the Construction division in France, for example. For more information, please refer to section 4.3 "Insurance" of its 2021 Universal Registration Document (available on the Bureau Veritas website (www.bureauveritas.fr) as well as on the website of the French Financial Markets Authority (Autorité des marchés financiers) (www.amf-france.org).

Stahl

Stahl has taken out the following main centralized insurance policies:

- direct property damage and business interruption;
- general liability/product liability insurance, including a guarantee for third parties in the event of a product recall; and
- general liability insurance for executives and corporate officers.

Constantia Flexibles

Constantia Flexibles has taken out the following main insurance policies:

- property damage and business interruption insurance;
- general product liability insurance;
- transportation and maritime transportation liability insurance; and
- liability insurance for executives and corporate officers.

Crisis Prevention Institute (CPI)

CPI has taken out the following main insurance policies:

- general liability insurance;
- property damage and business interruption insurance;
- general liability insurance for corporate officers; and
- property damage outside the United States.

3.2.3 Regulatory environment

Wendel

As an investment company, Wendel SE is not subject to any specific regulations.

The Wendel Group holds its unlisted investments and some of its listed investments through Luxembourg companies, initially constituted in the form of Venture Capital Investment Companies (SICARs), transformed at the end of 2019 into Reserved Alternative Investment Funds (RAIF). RAIF are governed by the Luxembourg law of July 23, 2016, itself transposed from the European Directive on Alternative Investment Fund Managers (AIFMD) into national law. They are managed by a Luxembourg management company, Wendel Luxembourg (formerly known as Winvest Conseil SA), which was approved as an alternative investment funds manager by the CSSF on June 4, 2015. Wendel Luxembourg manages the portfolio, and is responsible for risk management and the central administration of the RAIF. It also performs compliance and internal audit functions for the companies included in its scope. It has implemented detailed procedures and is subject to strict obligations, whose performance is closely monitored by the CSSF.

Wendel North America, which studies the Group's investment opportunities in North America, registered with the Securities and Exchange Commission (SEC) as an Investment Advisor in May 2017.

Each of the Group's companies carries out its business in compliance with its own regulatory environment, which differs according to its businesses and geographical areas, and in which changes could be unfavorable.

The tax rules applicable to Wendel could change adversely.

To date, the Company is not aware of any measure or factor of an administrative, economic, budgetary, monetary or political nature that has materially influenced or may materially influence, directly or indirectly, its activities, subject to the regulatory or other impacts that could result from the international crisis related to Covid-19 and the conflict in Ukraine.

Bureau Veritas

Bureau Veritas operates in a highly regulated environment. To exercise a significant portion of its activities, Bureau Veritas must first obtain authorization from local, regional or international public authorities or professional organizations. Each division in the Bureau Veritas Group has a specific structure devoted to centralized monitoring and management of these authorizations, which are subject to regular audits conducted by the relevant authorities. For more details on the regulations applicable to Bureau Veritas, please refer to the Bureau Veritas Universal Registration Document (available on the Bureau Veritas website (www.bureauveritas.fr) and on that of the AMF (www.amf-france.org).

Stahl

Stahl operates in 22 countries. Its manufacturing sites are located in 11 countries: Singapore, China, France, India, Netherlands, Brazil, Spain, Mexico, Italy, Germany, and the United States. Stahl has obtained or has applied for the authorizations necessary to operate in these countries. These authorizations relate to safety, health and to the environment. In other countries, Stahl exercises commercial or storage activities. As the authorization system may change, Stahl monitors this issue and takes appropriate decisions when necessary. In Europe, Stahl's products, production and activities that are in scope, comply to the EU Seveso directive and EU REACH regulation.

Constantia Flexibles

Constantia Flexibles has production plants in 15 countries on 4 continents. Constantia Flexibles has obtained all the required permits and is not aware of any regulatory changes that could affect those permits.

The company serves customers in the food, pharmaceuticals, and healthcare industries. Both Constantia Flexibles and its customers are subject to numerous health, safety, and environmental regulations, which change frequently. Plants must comply with local operating licenses, and sometimes face changes in occupancy zones affecting permitted emissions, or the need to relocate production equipment. There is a risk, partly due to the growing importance of sustainable development, that new regulations could require the company to make further capital expenditures, increase production costs or prohibit the use of certain materials.

The activities of Constantia Flexibles do not rely only on intellectual property. Although Constantia Flexibles owns patents and licenses, these are not material with respect to its business activity. Constantia Flexibles' competitive advantage is based primarily on its skills, particularly its production know-how.

Crisis Prevention Institute (CPI)

CPI operates primarily in two sectors, healthcare and education. CPI has set up an active legislative and regulatory watch in these two sectors. For education, the watch focuses on provisions related to restraint and isolation, and for healthcare, on provisions related to violence at work.

In the education sector, the 50 states of the United States of America have a legal framework for coercion and isolation. In the healthcare sector, a legal framework governing workplace violence is in place in 37 states of the United States of America. For CPI and its "Non-violent Crisis Intervention® Program", these measures have either a neutral or a positive impact.

CPI has CEU (Continuing Education Units) accreditation at state and federal level. It also has IACET (International Association for Continuing Education & Training) accreditation, and several state-specific authorizations.

3.3 Risk management and internal control systems

3.3.1 Introduction

The following sections describe the main risk management and internal control procedures in place at Wendel (which includes Wendel SE, its holding company and foreign offices) and companies in its portfolio. Wendel's internal control policy forms part of the Company's broader Corporate governance rules, under which the Audit, Risk and Compliance Committee is assigned with making sure that risk management and internal control systems are properly implemented and effective. The rules are intended to help the Supervisory Board ensure that the Company's internal controls are effective, and that the information provided to shareholders and financial markets is reliable.

Definitions and objectives of risk management and internal control

Wendel applies the AMF guidelines issued in July 2010, entitled "Reference framework for internal control and risk management systems," as well as the recommendations for implementing those guidelines, to develop its approach and procedures for internal control and risk management. Wendel also takes into account best practices taken from other commonly used referentials such as the COSO framework (Committee Of Sponsoring Organizations of the Treadway Commission).

Objectives of internal control

Wendel's internal control system consists of resources, behaviors, procedures, and initiatives tailored to the specifics of Wendel's business.

By regularly reviewing how the system is implemented across its operations, Wendel aims to put in place adequate processes to manage the risks to which the Group is exposed.

The internal control system aims to secure that the Group generates reliable and complete financial information, and that it has the right processes for managing its operations in accordance with applicable laws and regulations and with the management principles and strategy set by the Executive Board.

The internal control system therefore aims to help Wendel and its Portfolio companies mitigate its risks, prevent fraud and corruption, and more generally reach its objectives, and protect the value that it creates for shareholders and employees.

However, no such system can provide an absolute guarantee that all risks to which Wendel and its Portfolio companies are exposed are managed in their entirety, nor that the Wendel Group will reach its objectives.

Principles of internal control

Wendel's internal control system is based on the following fundamental principles, consistent with the Company's objectives:

- a transparent corporate culture and appropriate values. Employee assessment processes to measure their competence, professional ethics and to detect any weaknesses;
- an organization with competent, responsible men and women that draws on established procedures, tools, and practices, supported by dedicated IT systems;
- periodic assessments of the Company's main risks in order to identify, analyze, and manage those risks with respect to its objectives;
- appropriate internal control measures proportionate to the risks of each business process and designed to ensure that the right steps are taken to manage risks that could prevent the Company from reaching its objectives;
- the dissemination within the Company of relevant, reliable information that lets each employee carry out his or her duties;
- annual review of internal control practices by an independent internal audit team; and
- continuous follow-up of action plans identified.

Risk management

Risks represent the possibility that an event may occur whose consequences would adversely affect Wendel's employees, assets, environment, objectives, financial condition, or reputation.

Risk management is comprehensive and covers all of Wendel's activities, processes and assets. It includes a set of resources, behaviors, procedures, and initiatives tailored to Wendel's characteristics. They enable the Executive Board to maintain risks at a level that is acceptable.

The Company's risk management system is designed to identify and analyze the main risks to which Wendel is exposed. The system helps:

- preserve Wendel's assets, teams, reputation, and the value it has created;
- make Wendel's decision-making and other processes more secure so as to help it achieve its objectives; foster consistency between Wendel's activities and its values; and
- encourage Wendel's employees to adopt a shared view of the principal risks and raise their awareness about the risks inherent to their business activities.

Relationship between risk management and internal control

Wendel's risk management and internal control systems are complementary.

The risk management system is designed to identify and analyze its main risks

The risk management system includes controls within the internal control system that are designed to ensure risk management functions properly. Risks whose possible occurrence or magnitude exceeds limits that the Company deems acceptable are dealt with using the risk management system described here, and action plans are implemented if necessary. These action plans could involve setting up controls, transferring the potential financial consequences (such as through an insurance policy), and/or modifying the associated business processes.

Any controls that are set up form part of the Company's internal control system

This aims to ensure that the system can help the Company deal with the risks to which it is exposed. Similarly, the internal control system relies on the risk management system to identify the principal risks that must be controlled. The internal control system consequently helps protect the value that Wendel creates for its shareholders and employees.

These and any such internal control and risk management systems, no matter how well they are designed and implemented, cannot provide an absolute guarantee that risks will be totally eliminated and that Wendel's objectives will be achieved.

Internal control scope and limitations

Wendel's risk management and internal control system, as described in this report, covers all operations carried out by Wendel SE as an investment company as well as all of its directly controlled holding, investment and advisory companies. Wendel and its Portfolio companies is a Group of companies that: (i) is decentralized, including in the choice of organizational structure and in its risk management and internal control systems; (ii) includes listed and unlisted companies; and (iii) includes companies in different businesses and of varying sizes. As a result, the scope and characteristics of risk management and internal control can vary from one subsidiary to another. Each operating company and its executives are responsible for designing and implementing their own risk management and internal control systems, in line with the Group's philosophy and organization. Regardless of the quality of its design and operating effectiveness, such internal control systems can only provide a reasonable assurance that processes are operated as intended and risks adequately mitigated. Moreover, despite the many interactions and exchanges between Wendel SE and its Portfolio companies, there is no certainty that unexpected events may occur in its portfolio companies and impact Wendel Group ability to reach its objectives.

3.3.2 An appropriate organization with clearly-defined responsibilities and powers

Wendel's internal control system draws on the Company's operational organization and on functional divisions that are directly or indirectly dedicated to managing the risks to which the Company is exposed.

The governance structure encourages transparency and traceability in decision-making. It requires strong involvement of the manager of each functional area, who must take ownership of the Company's policies and procedures, help implement them and ensure they are followed, and supplement them when needed.

Persons involved in internal control at Wendel SE

The Supervisory Board and its committees

The Supervisory Board exercises permanent oversight of the Executive Board's management of Wendel SE. Throughout the year, it performs the checks and controls that it deems appropriate and may request any document that it considers necessary to fulfill its duties.

The Supervisory Board regularly reviews the main risks to which the Group is exposed. It does so within the framework of its meetings, and in particular:

- when it examines the quarterly management reports prepared by the Executive Board on the economic and financial condition of each subsidiary or investment (business trends, margins and financial debt), as well as all events that could have a significant impact on the Group; and
- as part of investment projects: the Executive Board explains to the Supervisory Board how the projects will be implemented, the risks and opportunities connected with each investment, based on various assumptions, as well as current and projected resources to protect against identified risks. The Supervisory Board's prior approval is required for all acquisition and disposal projects of more than €100 million or any decision requiring a significant long-term commitment on the part of Wendel or its subsidiaries.

In addition, the Executive Board regularly updates the Supervisory Board on changes in Wendel's net asset value (NAV), indebtedness and liquidity.

In accordance with Article L. 823-19 of the French Commercial Code, the Supervisory Board's Audit, Risk and Compliance Committee is responsible for ascertaining the quality and reliability of financial statements and other published financial information, tracking the effectiveness of risk management and internal control procedures, interviewing the Statutory Auditors, in particular with no Wendel SE representatives present, and ensuring they remain independent. The Audit, Risk and Compliance Committee's tasks are described in detail in section 2.1.2.1 of this document.

The Governance and Sustainable Development Committee proposes to the Supervisory Board changes to its composition, the terms under which Executive Board members are to be compensated and those for allocating stock options or performance shares. It sees to it that compensation arrangements align the interests of the members of the Executive Board with those of Wendel. In addition, the Governance and Sustainable Development Committee proposes the co-investment policy intended for senior managers to the Supervisory Board. The Governance and Sustainable Development Committee's tasks are described in section 2.1.2.2 of this Document.

To accomplish its tasks, the Supervisory Board and its committees may call upon external experts, when they deem it necessary.

The Supervisory Board and its committees discuss their operating methods every year, as described in section 2.1.1.5 of this Document.

The by-laws and legal provisions governing the transactions for which the Supervisory Board's prior consent is necessary, as well as the thresholds set by the Supervisory Board regarding divestments, the sale of real estate, and the granting of endorsements and guarantees requiring the Supervisory Board's approval are described in section 2.1.7 of this document. These rules are part of the internal control process. The division of roles between the Supervisory and Executive Board is specified in the same section.

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 and are described in detail in section 2.1.1. These internal regulations are periodically reviewed in order to adapt them to both the legislation in force and to changes in legislation and governance practices.

Executive Board and its committees

The Executive Board has two members. In 2021 it met 30 times (generally once every two weeks and as often as required by Wendel's interests)). Its decisions are made collegially. Executive Vice-Presidents and the Executive Board Secretary are invited to join the meetings of the Executive Board in order to contribute to the discussions.

The Executive Board has organized Wendel's SE procedures by setting up five committees:

- an Investment and Development Committee, which includes the Executive Board members and Executive Vice-Presidents, the Managing Directors of the Investment Team, and the Director of Wendel Luxembourg. It meets once every two weeks (41 meetings in 2021) to monitor the subsidiaries efficiently and identify and issue recommendations on potential investments or divestments Wendel undertakes. The Wendel Lab's investment transactions are examined by delegation by an ad hoc sub-committee;
- a Management Committee, which includes the Executive Board members and Executive Vice-Presidents and the main operational managers, and which is in charge of running the day-to-day business of Wendel and monitoring its holding companies. It usually meets at least twice a month but in 2021, the frequency of its meetings has been augmented during lockdowns and when working from home was made mandatory (37 meetings in 2021);
- a Coordination Committee, which comprises all senior executives of Wendel and its advisory companies, including members of the above two committees. It takes stock of Wendel's position and the initiatives to be undertaken, and it reports on any difficulties or risks encountered. This committee meets at least once a month (21 meetings in 2021);
- an Ethics Committee, which was created in 2017 and comprises the Executive Board members, Chief Financial Officer, and Ethics Officer. It is responsible for identifying information as insider information and deciding how it should be handled. This committee was set up as part of efforts to comply with the EU's market abuse regulation. Its composition and duties are set forth in an internal procedure for identifying insider information. This committee meets on an as-needed basis.
- an ESG Steering Committee which was strengthened in 2020 as part of the ramping up of Wendel's ESG strategy. Its members represent the Company's different business and support divisions: Internal Audit department, General Secretariat, Communications and Sustainable Development department, Finance department, Human Resources department. This Committee meets every six weeks to carry out in-depth monitoring of the Group's ESG ratings, new programs, and progress made on rolling out the ESG roadmap for 2023.

The Executive Board's monitoring of various risks to the Group is described below in the section titled "Periodic assessments of main risks."

Holding companies, investment companies and directly-controlled advisory companies

The governing bodies of the Group's holding companies, investment vehicles and advisory companies are directly or indirectly controlled by Wendel SE, making it possible to apply the risk management and internal control principles described in this report to them.

Operating subsidiaries (portfolio companies)

Each operating subsidiary enjoys full management autonomy with a Board of Directors comprising experienced personalities, and reports periodically to Wendel SE periodically on operational and financial matters. Wendel also takes part in the Corporate governance bodies of its subsidiaries and thus ensures that internal control and risk management procedures are properly applied in each of them.

Internal audit

Wendel SE created a Group Internal Audit department in 2016. This department is responsible for evaluating the internal control and risk management systems of Wendel SE, its holding, investment, and foreign offices, and its operating subsidiaries (portfolio companies), as well as for regularly checking those systems and making recommendations for improving them. It is also responsible for promoting continuous improvement efforts for internal control and risk management systems.

The Group Internal Audit department helps train and inform internal control managers but is not directly involved in the implementation and day-to-day functioning of internal control and risk management systems. Reporting to the Executive Board and the Audit, Risk and Compliance Committee, the department provides support to senior management that is independent of the operations and functions that it reviews. The team, composed of 2 audit professionals, is now in charge of Internal Audit and Internal Control activities and participates in the Risk Management process.

Internal control environment

Reporting information within the framework of decision and control processes

The Supervisory Board and Audit, Risk and Compliance Committee are regularly provided with necessary information on business matters, strategic planning, and the risks to which Wendel and its Portfolio companies are exposed, within the framework of the regular meetings described in the section titled "Persons involved in internal control at Wendel" relating to the Supervisory Board and its committees.

Because Wendel's five Management Committees meet often, the Executive Board can organize appropriate dissemination of information within the Company. Consequently, the Executive Board and each department head can make decisions based on all the relevant information in Wendel's possession on its organization, strategic planning, financial position, and the business activities of its subsidiaries.

Dissemination of information on Wendel's organization and its employees' responsibilities

Wendel aims to clearly identified responsibilities for organizing, preparing and reporting information. Several procedures help ensure this:

- the Executive Board convenes meetings of all Wendel employees whenever necessary, in addition to the Committee Meetings mentioned above and internal Team Meetings. Similarly, Group reflection and motivation seminars involving some or all employees are held to take stock of Wendel's position and its environment, and to encourage each person to express his or her expectations about Wendel's operations;
- the dissemination of procedures and rules to all personnel – such as expense commitment procedures, the Market Confidentiality and Ethics Code (see below), the Ethics Code (see below), policies to fight money-laundering and corruption (see below), the Whistleblowing procedure and the IT System charter – helps each employee to comply with the internal control procedures established by the Executive Board. The Group has drafted a finance and business administration procedure for its advisory companies to communicate the Wendel internal controls requirements; and
- an intranet is operational at Wendel: it serves to share useful information with all Wendel's employees about Group events and organization. Among other things, the intranet includes a functional and hierarchical organization chart as well as the calendar of blackout periods.

Protection of confidential information

Wendel endeavor to preserve the utmost confidentiality when sharing sensitive information:

- the Market Confidentiality and Ethics Code is presented to all employees and is part of the internal regulations. It applies to all employees in France and abroad, and to members of the Executive and Supervisory Boards;
- IT access and security are managed centrally by the IT function. Each workstation can be accessed only by the employee to whom it is assigned. Session access is controlled by a login and password combination. The access rights of each employee are limited to his or her responsibilities or department. In 2020, Wendel increased its focus on IT security and awareness of its employees on Cyber security to take into account the increased reliance on remote working;
- in order to comply with the EU's 2018 General Data Protection Regulation (regulation 2016/679), a Data Protection Officer (DPO) was appointed. All employees of Wendel SE, its holding companies and its foreign offices also attended a dedicated e-learning training on data privacy. In 2021, Wendel further updated and refined its GDPR related processes in order to keep abreast of and apply any changes to regulations; and
- a video-surveillance system has been implemented and security guards are assigned to the building at all times, securing all building access.

Compliance with laws and regulations and with ethical rules

Compliance with laws and regulations

The Legal, Human Resources, Sustainable Development and Communication, and Tax departments, along with the General Secretariat, address compliance with the laws and regulations in the countries where Wendel and its holding, investment, and advisory companies are located. They monitor the legal and tax environment, so as to stay on top of changes in laws and regulations that might be applicable to them.

Market Confidentiality and Ethics

The Market Confidentiality and Ethics Code is part of Wendel SE internal regulations and applies to employees of Wendel and its international offices, and to members of the Executive and Supervisory Boards.

This Code explains the rules of confidentiality for persons who are in possession of confidential or privileged information. It explains the obligation to abstain from stock-market transactions when in possession of privileged information and during blackout periods. Blackout periods are defined as extending from 30 days before until one day after the publication of annual and semi-annual earnings, as well as from 15 days before until one day after the publication of quarterly financial data and the NAV.

The Code defines illegal insider trading, misinformation and share price manipulation, and explains the applicable legal sanctions. It also sets up a number of measures for preventing such infractions. The Code also includes the provisions applicable to stock options and bonus shares and details the AMF disclosure obligations incumbent on executives and persons affiliated with them.

In addition to legal and regulatory obligations in this area, the Code includes certain more restrictive provisions in the interest of transparency and prudence. Specifically, it requires Executive and Supervisory Board members, employees and their relatives to register their Wendel shares and restricts transactions on derivatives or speculative transactions. The Code also defines conflict-of-interest situations. The Group Ethics Officer monitors adherence to the Code. The Code forbids employees and executives from holding, buying or selling shares of listed Group subsidiaries or associates at any time, except for shares that the Board members of those companies must own, or dividends-in-kind paid to them in the form of shares of Wendel's subsidiaries or associates.

Pursuant to EU Regulation 596/2014 of April 16, 2014 on market abuse, and as part of its effort to prevent illegal insider activity, Wendel draws up a list of insiders every time sensitive information emerges that will not be published immediately. These lists are made available to the AMF, which can request to see them. They are kept for at least five years after they are created or after their last update. The Compliance Officer is in charge of creating and updating the lists. Specific compliance rules applicable to the members of the Executive and Supervisory Boards are detailed in section 2.1.8.

Code of Ethics

The Executive Board of Wendel SE adopted a Code of Ethics in March 2015. This Code embodies the values of the Company and its employees and supplies the frame of reference for Wendel's SE role as a long-term investor. It applies to all employees and executives of the Company in all its offices, as well as to its holding companies. Wendel encourages the companies in which it invests to adopt similar standards.

The main issues covered by the Code are: antimoney laundering measures, compliance with economic sanctions, bribery prevention, fair competition, workplace equality, occupational health and safety, personal data protection, the preservation of operating resources, and being a responsible corporate citizen.

Compliance with the provisions of the Ethics charter is the responsibility of the Secretary General of Wendel SE.

In 2021, the Code was updated to reflects changes in legislation and implementation of improved controls measures.

Antimoney-laundering and anti-corruption policies

Wendel has adopted a Group-wide antimoney-laundering policy, communicated to all employees, that specifies its procedures for preventing money laundering and managing the associated risks. Starting in 2018, all employees of Wendel Luxembourg S.A. and its subsidiaries follow an e-learning module to keep abreast of changes in regulation in Luxembourg (circular 18/698).

Wendel SE has introduced several initiatives to comply with the new requirements under France's Sapin 2 law on transparency, combating bribery, and modernizing the economy, which went into effect on June 1, 2017. The Group deployed processes around the 8 pillars of Sapin 2 and regularly follows up on the implementations of these requirements in its Portfolio companies using the AFA's (Agence Française Anticorruption) published Guidelines and questionnaire. All Wendel SE employees follow annually a specific training on the prevention of bribery. Throughout 2021, Wendel updated its processes, upgraded the online platform supporting them and followed their implementation.

Human resources policy

Wendel's human resources policy is designed to make sure the Company has employees with the skills and knowledge necessary to carry out their duties and help the Group reach its current and future objectives. Wendel's employees are aware of their responsibilities and limits and are informed of and comply with the Company's rules. The attention paid to the fight against harassment and discrimination and the promotion of gender equality contributes to the implementation of a working environment conducive to the development of employees.

Wendel conducts formal, annual performance reviews, through which it regularly examines the contribution of each employee, the scope of their position and the resources given to them for meeting their objectives. This information is centralized by the Human Resources department and can, where necessary, lead to recommendations for training, in order to allow all employees to improve their respective skillsets. Starting in 2019, Wendel conducts the performance reviews using a 360°feedback exercise to measure the contribution of each person and identify improvement opportunities more globally.

Information systems

The Company's IT systems are tailored to its current objectives and have been designed to support its future objectives. The systems' hardware and software employ 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. As part of efforts to enhance data security and automate internal controls, Wendel deployed in 2020 an ambitious program for the roll-out of a integrated Finance and HR ERP using the Workday platform. Additionally, it improved, with the help of an external provider, its IT security in order to consolidate its strengths and readiness against cybersecurity attacks. Increased reliance on remote work, in a particular sanitary context, also made necessary Cyber security dedicated employee awareness campaigns. The addition of an outsourced CISO (Chief Information Security Officer) and SOC (Security Operations Center) further contributed to the improvement of IT systems. Efforts continued throughout 2021 with, among other things, penetration testing conducted by a specialized firm.

3.3.3 Periodic assessments of main risks

Wendel

Note 17-1 to the consolidated financial statements as at December 31, 2021 and section 3.1 detail the main risks Wendel encounters, owing to its businesses and the way it is organized, and how those risks are covered.

Wendel SE and its governing bodies are organized in such a way as to allow for active risk management and internal control. The Executive Board assigns and distributes risk monitoring responsibilities to various departments of Wendel SE in the following ways:

- the Investment Team is in charge of monitoring subsidiary performance on a monthly basis, the operational risks specific to each equity investment and the acquisition and divestment process. It is also responsible for valuation risk on Wendel's assets with the support of the Finance department. In 2021, increased focus was made on improving Wendel and its Portfolio companies' financial performance after it was impacted in 2020 by the Covid-19 pandemic and its effects on the global economy;
- the Executive Board and the Investment Team also review that the management team of each subsidiary and associated company is organized in such a way as to manage its risks properly and achieve its objectives; and
- the Finance department monitors Wendel's SE financial risks (financial leverage, liquidity, interest rates, foreign exchange), cash management, and the quality of Wendel's SE financial counterparties, accounting regulations, the production of financial statements, the calculation of NAV, earnings forecasts, the estimates needed to prepare the financial statements and calculate NAV (together with other Wendel departments if necessary), and transaction security. Key indicators (changes in NAV, financial leverage, current and projected cash levels, and exposure to interest rates and exchange rates) are reviewed regularly so that the Executive Board can take measures insofar as possible to adjust Wendel's exposure to these risks if deemed necessary;
- the Group Internal Audit department is responsible for evaluating the internal control and risk management procedures of Wendel SE, its holdings and foreign offices, and its operating subsidiaries (portfolio companies);
- the Legal department is responsible for Wendel's legal security and reviewing that Wendel's SE transactions (financing, acquisitions, divestments, etc.) comply with all applicable laws and regulations and that the corresponding contracts are legally valid. More generally, the department is responsible for the proper execution of all transactions that Wendel undertakes as a long-term investor;
- the General Secretariat is responsible for ensuring that Wendel SE and its holding companies adhere to company law and laws governing market trading and Corporate governance, and to regulations on compliance, ethics, disputes and litigation, data protection; it is also in charge of general liability insurance for corporate officers, professional liability insurance, and intellectual property;
- the Tax department monitors tax regulations, ensures that Wendel's SE obligations *vis-à-vis* the tax authority are handled properly and guards against tax risks;
- the Sustainable Development and Communications department seeks to preserve Wendel's image and reputation and to stay abreast of environmental, social and governance (ESG) obligations;
- the Financial Communication department makes sure that the financial information communicated to investors and analysts is of high quality;
- the IT department is in charge of the prevention of IT risks (intrusion, data security and storage, business continuity, etc.) at Wendel SE, its holdings companies and foreign offices level;
- the Human Resources department is in charge of managing human resources risks; and
- the international offices in Luxembourg, New York, provide the Group with business and investment advice for their respective regions.

To the extent necessary, each department may be assisted by outside experts (lawyers, bankers, brokers, Auditors, consultants, etc.) with approval of the Executive Board.

The Executive Board oversees the monitoring of risk and, together with each department, decides on the procedures that will be used to cover them. This takes place in Management Committee and Executive Board Meetings as described in the section on organization.

As indicated in the section on organization, the Executive Board discusses the main risks that could significantly impact the value of Wendel's assets with the Supervisory Board, whenever required and as part of the quarterly business report.

In addition, in accordance with Article L. 823-19 of the French Commercial Code, incorporated into the Supervisory Board's internal regulations, the Audit, Risk and Compliance Committee is responsible for monitoring the effectiveness of the Company's internal control and risk management systems. A map of the risks to which Wendel is exposed is prepared by Wendel's various departments, validated by the Executive Board and presented to the Audit, Risk and Compliance Committee. This map relates primarily to the risks borne by Wendel and its holding companies. It is reviewed on a yearly basis.

For certain principal risks identified in the mapping – *i.e.* those whose occurrence and/or intensity are considered the highest – a detailed analysis is formalized by the departments involved. This analysis is presented to the Audit, Risk and Compliance Committee. In addition, the Audit, Risk and Compliance Committee examines risk management at certain subsidiaries and associated companies. The Chairwoman of the Audit, Risk and Compliance Committee presents a summary of its findings to the Supervisory Board.

Portfolio companies

Portfolio companies manage their own risks, particularly operational risks, and take the necessary steps to understand and monitor them. It is for them to determine the action plans to be implemented each year depending on the evolution of the most critical risks.

Nevertheless, Wendel's SE presence in the governing bodies of its portfolio companies allows it to verify that major risks are actively monitored.

Wendel SE also draws on its Internal Audit department as well as those of its portfolio companies (when they have them), and on portfolio companies' risk reports to assess their main risks and internal control procedures.

Wendel also takes into account the conclusions of the Statutory Auditors of its portfolio companies. To improve communication, they are often part of the same networks as Wendel's SE Statutory Auditors.

3.3.4 Appropriate internal control processes

Wendel SE has set up processes to ensure that relevant, reliable information is communicated in a timely manner to all necessary employees so that they can perform their duties.

Operational and functional control activities

Investments and divestments

The Investment and Development Committee meets regularly to examine progress made on planned acquisitions and divestments and to explore new opportunities. The Executive Board selects a team comprising people with the requisite expertise to review each opportunity. A senior member of the team acts as coordinator and is responsible for the investment/divestment recommendation. Once the analysis has been finalized, and the latter has been approved by the Board of Directors of Wendel Luxembourg and the Executive Board, and if applicable, by the Supervisory Board if the by-laws so require, the investment decision is made by the concerned companies. The presentation of the opportunity includes an analysis of the impact of the transaction on Wendel's SE financial position and net asset value under various favorable and unfavorable assumptions, as well as an assessment of the identified risks and opportunities. The team in charge of the transaction is then responsible for executing it, with the help of the Finance, Legal, and Tax departments, and that of top-level banks, strategy consultants, legal firms, and Auditors, to the extent necessary. Liability guarantees granted or received are presented to the Audit, Risk and Compliance Committee and to the Supervisory Board.

Monitoring investments

Monitoring the existing portfolio involves:

- a monthly operational report from each portfolio company presenting trends in sales, profitability and financial debt, as well as non-financial indicators. These indicators are compared with previous periods and with budgeted figures. For some subsidiaries, short-term cash management and projection tools have also been implemented;
- quarterly business reviews for each portfolio company in which some corporate functions join the investment teams and the Executive Board to review business performance and other transversal topics (including ESG);
- regular work sessions with the managers of each portfolio company. The agenda for these meetings includes, in addition to a review of the business, an in-depth analysis of one or more important topics (procurement policy, optimization of business assets, research and development, analysis of the position of major subsidiaries, organization of internal control, coverage of financial risks, etc.);
- an annual Budget Meeting with each portfolio company, updated at additional meetings when new projections become available; and
- numerous discussions or meetings organized with members of the management of each portfolio company, if required.

The members of the Investment and Development Committee present a summary of their work monitoring the portfolio companies for which they are responsible and make recommendations in the event significant decisions concerning these investments need to be made. Moreover, in order to strengthen dialogue with the subsidiaries and better understand their operating environment and the concerns of their respective management teams, Wendel SE is systematically represented on the governing bodies of the subsidiaries and, in particular, on their Audit Committees. This presence on the governing bodies of the portfolio companies gives Wendel SE and its representatives insight into whether risk management and internal control procedures are functioning properly.

Wendel SE Supervisory Board is kept regularly informed of trends in the economic and financial situation of the companies in its portfolio at the numerous meetings described in the section titled "An appropriate organization with clearly-defined responsibilities and powers."

Senior executives of most portfolio companies are chosen in agreement with Wendel SE. In addition, Wendel SE representatives take part in the governing bodies of each portfolio company, enabling it to closely monitor the compensation of their principal executives and ensure its incentive character. Wendel SE also thereby aims to align the interests of the executives with those of the company they manage.

Monitoring Wendel's financial position

Internal control procedures are designed to provide ongoing reasonable assurance that financial transactions are carried out under secure conditions and in accordance with objectives:

- trends in NAV, in financial leverage and in bank covenant compliance are regularly monitored;
- Wendel SE has been rated by Standard & Poor's since September 2002 and since September 2018 by Moody's;
- the Executive Board regularly monitors the indebtedness, liquidity position and cash projections presented by the Chief Financial Officer and regularly presents the debt and liquidity positions to the Supervisory Board;
- the Executive Board reviews the monthly reporting of the cash position and cash investments of Wendel SE and its holding companies;
- Wendel SE and its holding companies have a budget process with formal procedures and responsibilities, including budget tracking.

The procedures for preparing financial statements and the financial information communicated outside the Group are detailed in the section titled "Control activities to ensure reliable accounting and financial information."

Arranging financing

Financing terms and their implementation are approved by the Executive Board after an in-depth review of various solutions and an analysis of Wendel's SE financial situation prepared by the Chief Financial Officer. After the Legal department reviews the related contracts and legal documentation, financing transactions are executed under delegations of power and/or signature authority given by the Executive Board Chairman to the Chief Financial Officer, the Director of Legal Affairs, or a member of the Management Committee. Depending on the transaction amounts and characteristics, the by-laws require bond issues or new loans to be authorized by the Supervisory Board.

Exposure to interest rates and exchange rates is analyzed regularly by the Chief Financial Officer. The Executive Board decides whether or not to adjust interest-rate and exchange-rate exposure, and if necessary, appropriate financial instruments are put in place.

Procedures for preventing fraud and monitoring commitments and expenditure

The procedures for authorizing expenditure commitments at Wendel SE, its holding companies and foreign offices cover all of Wendel's commitments as well as the signatures needed for bank transactions *(via* delegated signature authority):

- estimates are submitted by several service providers. They are negotiated under the supervision of the Management Committee member or members in charge;
- expenditures are subject to a formal authorization procedure. Depending on the amount, they must be authorized by the Management Committee member in charge of the expenditure, by an Executive Board member, and/or by the Executive Board Chairman. Funding requests are compared with the budget, and invoices are approved after comparison with funding requests; and
- only the Finance department can issue checks and transfer orders, backed up by supporting documentation, and it informs the Chairman of the Executive Board when the amount exceeds a certain threshold.

IT tools used in order to improve visibility on its commitments and better manage and track expenditures have been migrated in 2020 into the Finance ERP.

For the Group's foreign offices, the Chief Financial Officer has issued in 2018 a procedure for managing their finances and business administration. The Audit department carries out a formal audit of Wendel's foreign offices at least every 2 years to make sure they adhere to the Group's internal control policy.

Preservation of IT data integrity

In order to prevent the risks of abuse of and intrusion into computers and IT systems, the IT department is in charge of developing initiatives on data conservation and storage systems. In 2021, continued efforts were focused on improving data security and cybersecurity. More specifically, Wendel continued to implement its IT strategy, increasingly relying on SAAS (Software As A Service) IT solutions. IT security monitoring started in 2020 with the implementation of a outsourced Security Operations Center (SOC) was also extended in 2021. Regular penetration testings are also conducted to measure the robustness and resilience of IT systems.

Control activities to ensure reliable accounting and financial information

The risks related to the preparation of Wendel's accounting and financial information mainly include the risk of error, risks inherent to the use of estimates (see notes 1.7 and 1.8 to the consolidated financial statements as at December 31, 2021), and risks arising from the valuations used to calculate NAV.

The internal control procedures designed to ensure that the annual (parent company and consolidated) and semi-annual financial statements present a true and fair view of the results of operations as well as Wendel's financial position and assets are as follows:

Procedures for the preparation and consolidation of the financial statements

Wendel SE applies International Financial reporting Standards (IFRS) for its consolidated financial statements. The principal rules applicable are described in the annual financial report and are distributed to subsidiaries as part of the process for reporting and for preparing the financial statements. Because of the diversity of the subsidiaries' activities, Wendel SE leaves it up to each subsidiary to propose the accounting processes appropriate for its business. The Finance department and the head of consolidation at Wendel look at uniformity of treatment within the Group, in particular by examining accounting principles in the financial statements of each subsidiary.

In addition, Wendel's Finance department oversees the proper reporting of full accounting and financial information from the subsidiaries to Wendel using the following procedures:

- in coordination with the Finance department of each subsidiary, a schedule is set for the submission of financial statements with the supplementary information required for preparing Wendel's consolidated financial statements;
- Wendel's SE CFO or his staff meet with the Finance department of each subsidiary to prepare the closing and to review the highlights of the period as well as any significant or exceptional transactions; and
- accounting information from subsidiaries is reviewed in detail and consistency checked with the financial information compiled by the investment team from subsidiaries' monthly activity reports.

The Chief Financial Officer is a member of the Management Committee and the Coordination Committee, which enables him to review significant events likely to have an impact on the Group's consolidated financial statements, the parent company financial statements, or on the financial statements of holding companies. The Chief Financial Officer reports directly to the Executive Board and is thus fully independent of other Wendel departments.

Procedures for auditing of the financial statements

At the controlled subsidiary level:

- to secure better upward reporting to Wendel's Statutory Auditors, the Group engages the same auditing firms for all subsidiaries, to the extent possible. Selection criteria for the Statutory Auditors includes their ability to audit all directly- and indirectly-held subsidiaries throughout the world and to obtain audit results and any observed anomalies from the subsidiaries' Statutory Auditors;
- a representative of the Finance department attends end-of-audit or Audit Committee Meetings of subsidiaries under exclusive control and receives details of audit and internal control observations raised by the subsidiaries' Auditors during the course of their audit;
- one or more representatives of Wendel SE attend Board of Directors/Supervisory Board Meetings and/or Audit Committee Meetings of portfolio companies.

At the Wendel SE level:

- the Group CFO is responsible for accounting policies and compliance with accounting rules. If required, he has the authority to commission audits and informs the Executive Board of the results of any such audits. He regularly holds pre-closing meetings with the Statutory Auditors to follow-up on issues raised in previous financial periods and to explain how they were resolved. He also discusses transactions carried out during the financial period in question and the planned accounting treatment;
- the Executive Board is in regular contact with the Chief Financial Officer during the preparation of the financial statements. In particular, it is informed of the financial and accounting impact of any significant event, as well as estimates and judgments that have a significant impact on the financial statements. The Statutory Auditors and the Executive Board meet when subjects arise whose accounting interpretation is complex or whose impact on the financial statements is significant. The Chief Financial Officer also reviews all of Wendel's financial communication and is informed of any subject that is likely to have an impact on it; and
- the Audit, Risk and Compliance Committee's remit, mode of operation and activity during the fiscal year are presented in detail in section 2.1.2.1. The committee can decide to seek independent expert advice to confirm its views on the Wendel's financial position. It also interviews the Statutory Auditors regularly to solicit their opinion about the reliability of the parent company and consolidated financial statements. Finally, the Audit Committee ensures that accounting methods are applied consistently from one year to the next, or that any changes to accounting methods are well founded.

Procedures for calculating NAV

NAV is calculated by the Finance department and finalized by the Executive Board under the procedure described in section 5.3. The Statutory Auditors verify that the methodology used for calculating NAV complies with the Group's methodology and confirm consistency with accounting data. NAV calculation and evolution are presented and discussed in Audit, Risk and Compliance Committee Meetings before presentation to the Supervisory Board and publication.

Internal control procedures related to financial information

Once the parent company and consolidated statements have been finalized and net asset value calculated, the Audit, Risk and Compliance Committee is asked to issue an opinion on this information before it is submitted to the Supervisory Board. These documents are also submitted to the Statutory Auditors for review (who also audit Wendel's full-year parent company and consolidated financial statements).

3.3.5 Review of the internal control system

The processes implemented at Wendel allow the Company to regularly verify their effectiveness and take steps necessary to improve them.

In addition to the controls carried out by all managers, internal controls are reviewed from two complementary perspectives:

Audit of internal control practices

This audit includes checks of the internal control system and helps with risk management at entities in the scope of consolidation.

A comprehensive review of the internal control system is carried out using detailed self-evaluation questionnaires.

Since 2007, Wendel SE has carried out a number of reviews relating to internal control, relying on the framework set down by the AMF in its January 21, 2007 recommendation and on its application guide updated in July 2010.

The reviews are based on a self-evaluation questionnaire that has extensively updated in 2019 to better adapt it to Wendel Group's specific features and activities, *i.e.* by identifying the specific areas of risk, such as financial risks.

Wendel Group completes the questionnaire once a year and distributes it to its principal, fully-consolidated portfolio companies. Since 2019, deployment is made through an online platform for better efficiency, and improved traceability and follow-up of action plans.

The questionnaire has two parts:

- Entity-Level Controls (General principles of risk management and internal control) such as governance and ethics principles, organization and procedures, internal control and audit oversight…; and
- Process level controls both operational and related to the preparation of accounting and financial information, such as, for example, purchase to pay and inventories, human resources management, order to cash, Financial Statement Closing process and Consolidation,or the organization and security of IT systems.

Wendel SE Internal Audit reviews responses through on site visits of portfolio companies. The Audit Committees of subsidiaries subject to controls also examine and analyze the replies given in the questionnaires. The data gathered make it possible to prepare and track improvement plans for the control points that require it. The findings of the questionnaires are communicated each year to Wendel's Audit, Risk and Compliance Committee.

3.3.6 Achievements in 2021

The application of procedures implemented in previous years was reviewed and improved in 2021 where necessary.

In 2021, Wendel continued to follow-up on outstanding action items on compliance related matters in the context of Sapin 2 and GDPR, more specifically it conducted audits of these compliance processes and further refined action plans as necessary. In the controlled portfolio companies subjected to Sapin 2, Wendel monitored progress through Audit, Risk and Compliance Committee Meetings.

Dedicated training sessions organized for all employees to raise awareness and keep them informed of the compliance rules that apply to Wendel and its employees have been conducted on an annual basis since 2019. Special attention was paid in 2021 to raising awareness of good practices in terms of compliance with GDPR.

Process standardization on the Finance and Human Resources ERP, initiated in 2020, continued in 2021 to be an important factor contributing to process improvement, transparency in operations and related transactions. When it comes to HR processes in particular, automation of administrative tasks helped, amongst other things, facilitate the induction of new recruits at Wendel in 2021.

To raise awareness on harassment and discrimination issues, dedicated training was also provided to all Wendel employees.

The process for internal controls evaluation at Wendel and in its portfolio companies had been redesigned in 2019, making 2021 a year of consolidation of the framework in the latest acquired portfolio company.

Finally, in a sanitary context, which saw remote work becoming the norm, projects started in 2019 to reinforce IT governance and security were accelerated. Raising employee awareness on Cyber security issues and reinforcing IT security globally became a strong focus with the realization od phishing simulations and the expansion of dedicated Security Operations Center (SOC) operations to 24/7. The same focus was applying with increased attention in the controlled portfolio companies, notably with regular reviews of their progress.

4

EXTRA-FINANCIAL INFORMATION

4.1 Wendel

4.1.1 Extra-Financial Performance Declaration: reporting methodology

In the context of Decree No. 2017-1265 of August 9, 2017 transposing Directive 2014/95/EU of October 22, 2014 setting out the rules relating to the publication of extra-financial information in the management report provided for in Article L. 225-100 of the French Commercial Code, Wendel has produced the Extra-financial Performance Declaration (EFPD) presented in the following pages for the 2021 fiscal year.

Companies subject to this reporting exercise must publish the following information:

- an overview of the business model;
- a description of the main risks related to the business, covering social and environmental aspects and, where applicable, respect for human rights and the fight against corruption and tax evasion, including where relevant and proportionate, the risks created by the business relationships, products or services;
- a description of the policies applied, including, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the occurrence of these risks;
- the results of these policies, including key performance indicators.

BUSINESS MODEL AS OF DECEMBER 31, 2021

Mission

Engaging with entrepreneurial teams to build sustainable leading companies

Values

Engagement
Excellence
Entrepreneurial spirit

Governance

SUPERVISORY BOARD[1]

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

40% independent members[2]

50% women[3]

Audit, Risks and Compliance Committee

Governance and Sustainability Committee

EXECUTIVE BOARD

2 members appointed
by the Supervisory Board for a 4-year term

COMMITTEES

Management Committee

Investment and Development Committee

Coordination Committee

ESG Steering Committee
(Environment, Social, Governance)

ESG strategy

EMPOWERING EXCELLENCE & ENGAGEMENT

99% of employees trained in business ethics

Carbon footprint assessment and actions to reduce carbon footprint

Signatory of the **France Invest Parity charter**

Employee surveys and initiatives to promote **quality of life at work**

Skills **sponsorship program**

42% of female managers

BUILDING SUSTAINABLE COMPANIES

100% of controlled companies have formalized an ESG roadmap

75% of controlled companies have committed to defining a carbon emissions reduction objective approved by the Science Based Targets Initiative (SBTi)

54%[4] of the Group's consolidated revenues generated via products with social and/or environmental added value

Sponsorships

Launch of the Wendel Cares endowment fund in early 2022

Partnership with Insead since 1996, with the creation of the Wendel International Center for Family Enterprise

Founding sponsor of the Center Pompidou-Metz since 2010

Resources

PERMANENT CAPITAL

Family shareholding
39.3% of share capital held by Wendel-Participations and related parties[5] (reference family shareholder)

Employee shareholding
91% of employees are shareholders and hold 1.0% of share capital

Individual investors
20.4% of share capital held by nearly 25,000 individuals

Institutional investors
36.9% of share capital held, in 32 countries

Treasury shares
2.4%

Bond investors
accounting for **c. €1.6 billion** of loans

HUMAN CAPITAL

86
employees located in Paris, Luxembourg and New York

57%
of staff are women

42%
of investment team members are womend'investissement

(1) The composition of the Supervisory Board is as of 12/31/2021. (2) Percentage excluding members representing employees. Beyond the requirements of the Afep-Medef Code.
(3) Percentage excluding members representing employees; including these members, the percentage rises to 58.3%. Beyond the legal requirements and the Afep-Medef Code.
(4) This ratio is based either on the eligibility ratio of the turnover taxonomy (for Stahl) or on other ratios measuring the contribution to environmental or social objectives other than climate change mitigation and adaptation (environmental objectives currently covered by the EU taxonomy).

Our investments

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

BUREAU VERITAS
Certification and verification services
Since 1995

CONSTANTIA FLEXIBLES
Flexible packaging
Since 2015

CRISIS PREVENTION INSTITUTE
Training services
Since 2019

IHS TOWERS
Telecoms infrastructure
Since 2013

STAHL
Coating layers and surface treatments for flexible materials
Since 2006

TARKETT
Innovative flooring and sports surface solutions
Since 2021

WENDEL LAB
Investment in innovation
Since 2013

Acquisition completed in 2022

ACAMS
Anti-money laundering and financial crime training and certification services[6]

Other assets (treasury, real estate etc.)

Value created with and for stakeholders

Measurement of value creation

Nearly €10 billion of gross assets

Nearly €5 billion in market capitalization

Net Asset Value (NAV) of €188.1/share on 12/31/2021, up 20.1% in 2021 and 18.3% when adjusted for the dividend paid in 2021

Overall yield (dividends re-invested) of 9.9% per annum since 06/13/2002(7)

Payment of a stable dividend at €3.00/share, up 3.4%, proposed to the Shareholders' Meeting on 06/16/2022

More than €5m distributed to nearly 20 associations since 2010

Support for companies and value sharing

Active and ongoing assistance, discussions on risk taking, sharing of experiences and pooling of financial and technical expertise

Representation on the companies' boards of directors and key committees

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

Shareholder dialogue

Institutional investors: **269 meetings**

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

Letter to shareholders: **2 letters**

Governance roadshows

Independent lead director

Employee development and value sharing

99% of employees trained over the year

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

89% of employees were awarded stock options and/or performance shares

Reimbursement of daycare expenses

Supplemental insurance, contingency benefits

(5) In accordance with Article L. 233-10 of the French Commercial Code (Code de commerce), the data include Wendel-Participations SE, its Chairwoman, Priscilla de Moustier and Société Privée d'Investissement Mobiliers (SPIM). (6) Acquisition finalized on 03/10/2022. (7) The overall yield is as of 12/31/2021.

4.1.2 Organization of ESG governance

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

The Sustainable Development department established by Wendel in 2011 coordinates initiatives in this area. It relies on an ESG Steering Committee set up by the Executive Board in 2012 and strengthened in 2020 and 2021 as part of the ramping up of Wendel's ESG strategy. The Committee is chaired by David Darmon, member of the Executive Board, and is made up of two of the Company's Operating Partners and representatives from Wendel's different business and support divisions: Internal Audit department, General Secretariat, Communications and Sustainable Development department, Financial Communications department, Human Resources department Operational Resources. It meets every six weeks to carry out in-depth monitoring of the Group's ESG ratings, progress made on rolling out the 2023 ESG roadmap and those of portfolio companies, as well as changes thereto.

The Communications and Sustainable Development department reports to the Executive Board, which regularly discusses ESG issues during its meetings. The Supervisory Board also carries out regular monitoring of ESG, both at plenary sessions and within the Audit, Risks and Compliance Committee and the Governance and Sustainable Development Committee. In 2021, the number of presentations to the two Board committees increased significantly, reflecting the sustained importance of the topic. In particular, the following points were addressed:

- at the level of the Audit, Risks and Compliance Committee: non-financial reporting and monitoring of non-financial ratings, monitoring of Wendel's stakeholder expectations in terms of transparency, monitoring of non-financial performance indicators;
- at the level of the Governance and Sustainability Committee: execution of the ESG strategy at Wendel and in the portfolio companies, definition and assessment of the ESG objectives used to determine the variable compensation of the Executive Board and the stock option and performance share plans (criterion related to climate risk management).

The members of the Executive Board and all members of the Coordination Committee (*i.e.* 23% of Wendel's workforce) receive a portion of their variable compensation contingent on the achievement of ESG objectives. In addition to the Coordination Committee, the teams from all of Wendel's functional departments contribute to the deployment of the ESG roadmap for 2023, and develop initiatives and approaches that contribute to the sustainability of the Company's activity. This is evidenced by the Company's Code of Ethics, which sets out the Group's commitments in terms of respect for human rights, environmental protection, quality working environment and responsible investment. This Code of Ethics applies to all employees and managers of the Company, its holding companies and its sites.

4.1.3 Sustaining dialogue with stakeholders

Wendel considers as stakeholders all persons or organizations directly or indirectly involved in the Company's business. The Group endeavors to maintain a regular dialog with each of them. This inclusive approach underpins the Company's strategy in both its economic and societal aspects.

Wendel thus establishes a lasting relationship in the interests of all. The main methods of interaction with these stakeholders are as follows:

Stakeholder	Dialogue methods
Wendel portfolio companies	■ Attendance and voting at meetings of the Board of Directors ■ Strategic and operational support (investment teams, operating partners, compliance and ESG teams, specialized consultants, etc.)
Financial community (equity and credit)	■ Analyst conferences and regular press updates on the day on which annual results are published ■ Annual Investor Day ■ Conference calls/webcast for half-year results, first and third quarter turnover, and other *ad hoc* strategic events ■ Credit, equity, Governance and ESG Roadshows ■ Shareholders' Meeting ■ Publication of communication materials relating to our business (press releases, brochures, letters to shareholders, website, social media…) ■ Shareholder Advisory Committee ■ Perception Studies
Non-executive employees	Surveys on quality of life at work ■ Social dialogue with employee representative bodies (if applicable under local regulations) ■ Organization of dedicated discussion times (*e.g.* Get to know your colleagues) and personnel meetings ■ Annual 360° assessments ■ Corporate seminars
Suppliers and service-providers	■ Third-party assessment process ■ Call for tenders or competition for larger service-providers ■ Assignment meetings and postmortems
Local non-profits and community organizations	■ Philanthropic initiatives *via* financial donations or skills sponsorship ■ Organization of team seminars
Trade associations	■ Participation in working Groups on the challenges faced by our sector

4.1.4 EFPD requirements

At the Wendel level

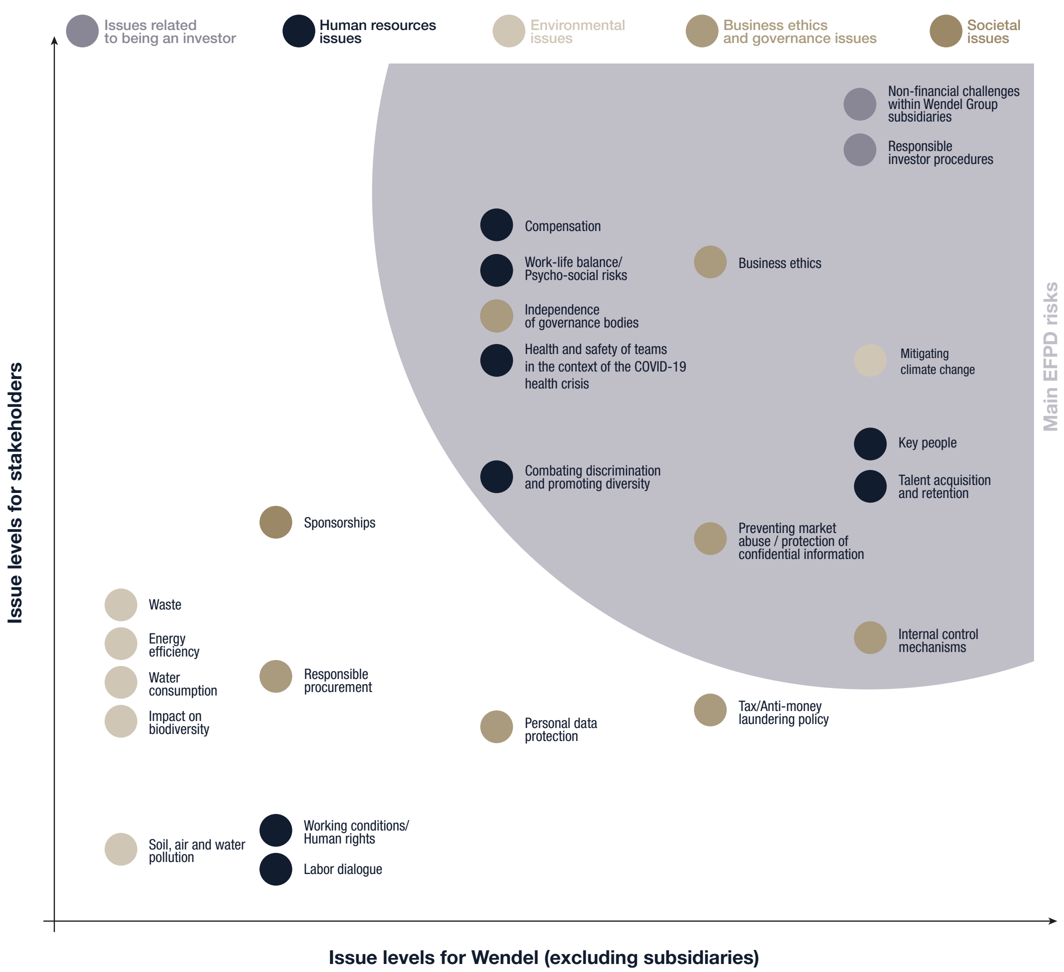
As part of the development of its first materiality matrix in 2018, Wendel identified the main extra-financial risks relating to its business, based on operational risks, interviews with its various departments, the international SASB reference framework and the reports of extra-financial rating agencies. This risk analysis is updated annually to ensure its relevance, with collaboration by the departments of sustainable development and communication, human resources, internal audit, finance and the General Secretariat. In 2021, this risk matrix was changed at the initiative of the ESG Steering Committee, with increased prioritization of the issue of climate change.

The particular context of 2021, the first year of implementation of the European environmental taxonomy, as well as the significant number of questions from investors about the Group's approach to taking into account the effects of climate change, prompted Wendel to consider these as key ESG issues.

The management of climate change is closely monitored by the Executive Board and the Supervisory Board.

This theme is the subject of a dedicated chapter in paragraph 4.1.8 – Climate Plan.

The main risks that have been identified are those presented in the upper circle of the following matrix:



In addition to the most material risks for its business, Wendel has identified other non-material ESG risks that are also addressed in this extra-financial performance statement, in order to align it with the Group's ESG strategy rolled out in early 2020 (presented in section 4.1.7).

These main risks – as defined by the EFPD – as well as their mitigation policies-action plans and tracking indicators are presented in this chapter and are identified in the summary by the following icons:

DPEF

Risk description

Policies and results

The cross-reference table below links the extra-financial information required in the Extra-financial performance declaration (EFPD) with the other parts of the Wendel Universal Registration Document, when they are relevant to the Company's main risks or policies, in accordance with Article L. 225-102-1 of the French Commercial Code.

Topics	Paragraph
Business model	
Description of the main businesses (business segments and/or divisions), products or services, including key figures (volume of activity, headcount, results) by business/division and/or geographical area	Introductory guide and chapter 1
Interactions within its subsidiaries/business segments (*i.e.* customer categories, potential partnerships, use of subcontracting, competitive positioning, relations with stakeholders, etc.)	Section 1.2 - Global competitive landscape
Challenges and outlook for the entity and its businesses (*i.e.* market trends, ongoing transformations, sectoral sustainable development issues, etc.)	Strategic orientations: section 1.3.4
Information relating to value creation and its distribution among stakeholders	Dividends: section 8.1.2 Supporting and strengthening our commitments to civil society – section 4.1.7.1.2
Vision and objectives of the entity (*i.e.* values, strategy, transformation or investment plan)	Section 1.3.4
Main risks related to Wendel's business	
Extra-financial issues within Wendel Group subsidiaries and responsible investment procedures	Section 4.1.7.2
Risks related to the human resources of Wendel teams	Section 4.1.7.1.2 – *Promoting employability, inclusion, well-being and commitment through concrete actions*
Risk of non-independence of governance bodies and control mechanisms	Section 4.1.7.1.1 – *Ensuring balanced governance*
Risks linked to business ethics	Section 4.1.7.1.1 – *Strengthening and preserving the Group's business ethics*
Risks related to climate change	Section 4.1.7.1.1 – *Measuring and managing our environmental footprint* Section 4.1.8 - Climate Plan
Other information disclosed by Article L. 225-102-1 of the French Commercial Code	
The social consequences of the business, particularly with regard to collective agreements and their impact, the fight against discrimination and the promotion of diversity, societal commitments, disability	Section 4.1.7.1.2
The environmental consequences of the business, in particular with regard to climate change, the circular economy, food waste, the fight against food insecurity, respect for animal welfare and responsible, equitable and sustainable nutrition	The climate challenges of Wendel's business are among the main risks facing the Group. The carbon footprint of the investment holding company is presented in section 4.1.7.1.1. The carbon footprint of investments is presented in section 4.1.7.2. The risks and opportunities related to climate change are presented in section 4.1.8 The circular economy approach implemented within the Company is presented in section 4.1.7.1.1 – *Measuring and managing our environmental footprint* Other environmental risks have not been identified as relevant to Wendel's activity as an investor (apart from risks related to the activities of controlled companies)
The impact of the business on respect for human rights	Promotion of and compliance with the provisions of the ILO fundamental conventions and with human rights – 4.1.7.1.2 Vigilance plan – 4.1.5
The impact of the business on the fight against corruption	Section 4.1.7.1.1 – *Strengthening and preserving the Group's business ethics*

At the Wendel Group subsidiary level

As of December 31, 2021, Wendel is the majority shareholder of Bureau Veritas, Constantia Flexibles, Stahl, and CPI. Cromology, held since 2006, was the subject of a disposal process announced on October 20, 2021 and finalized in January 2022. Due to the disposal process initiated at the end of 2021, Cromology is excluded from this year's non-financial reporting.

The financial statements of all of these companies are fully consolidated in the Group's consolidated financial statements and must be included in Wendel's Extra-financial Performance Declaration and its review by an independent verifier (IV), in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

As a result, the same exercise was carried out in each of the companies in the consolidated portfolio and was updated for fiscal year 2021. Wendel, assisted by an external consulting firm, provided a methodology for identifying and prioritizing the main extra-financial risks to the companies in the scope in question (excluding Bureau Veritas): Constantia Flexibles, Stahl and CPI. The results of this work have been validated by the appropriate governing body of each of these companies and the risk analysis methodology used was reviewed by an independent third-party. The main risks are presented for each of the companies that it controls (section 4.2. – *Wendel subsidiaries reviewed by an independent third party*), with the exception of Cromology, which was sold.

Bureau Veritas, Wendel's largest controlled company, listed on Euronext Paris and part of the Next 20 index (Compartment A, ISIN Code, FR0006174348, mnemonic: BVI), publishes its own EFPD, available in its 2021 Universal Registration Document and subject to review by an independent third-party. In the section of this chapter about portfolio companies, Wendel publishes a summary of the extra-financial information from Bureau Veritas.

In addition, the data on the companies that it controls published in sections 4.1.7.2 – *Wendel, investing for the long term: Building sustainable businesses, 4.1.8 - Climate Plan and 4.1.9 - European green taxonomy* concerns the fully consolidated subsidiaries (Bureau Veritas, Constantia Flexibles, Stahl and CPI), with the exception of Cromology, which was sold.

Every Group subsidiary and associated company is expected to develop an ESG policy addressing its specific issues. However, as part of its ESG roadmap, Wendel encourages the companies concerned to take into account four priorities: the fight against climate change, the safety of employees and consumers, gender parity and the ESG performance of the product offering and services. Each company has established objectives and implementation plans adapted to the regulatory environment of their business segments and their own development strategies. Group companies operate in very different fields (see section 1.4 – *Subsidiaries and affiliates*) and are at different stages of maturity in implementing dedicated ESG policies and indicators. Wendel therefore does not consider it appropriate to consolidate all the indicators used since, in certain cases, this information would have no operational significance.

However, in order to provide an overall view of the Group's ESG performance, Wendel publishes consolidated ESG performance indicators for each of its four priorities, as well as indicators for monitoring the ESG policies of the companies it controls, which reflect the Company's approach as a responsible shareholder

4.1.5 Duty of care

In 2016, in response to the requirements of the law of March 27, 2017 on the Duty of Care, Wendel's CSR Steering Committee set up a working Group in 2016 to create a vigilance plan applicable to the Group companies affected by this regulation. The principal Group companies affected by the Duty of Care are the following: Bureau Veritas, Constantia Flexibles, Stahl and CPI.

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

As an investment company that acts as a professional shareholder, Wendel does not take part in the operational management of its subsidiaries. It ensures that the risks targeted by the Duty of Care regulation are taken into account by the subsidiaries it controls, however, to the extent they relate to their business. In this context, the relevant companies completed a questionnaire about their risk environment with respect to the topics covered by the Duty of Care regulation:

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

On the basis of this questionnaire, vigilance plans were drawn up by the companies within the relevant scope in accordance with applicable regulations and are published in this Universal Registration Document. For the Group's unlisted controlled companies, the vigilance plans can be found in the following chapters:

- Constantia Flexibles (section 4.2.2.7)
- CPI (section 4.2.3.5)
- Stahl (section 4.2.4.7)

As Wendel is a holding company made up of a small management team, its Duty of care largely relates to its controlled companies. In fiscal year 2021, Wendel nevertheless took the following steps to reinforce its approach to preventing any potential detriment to human rights, personal health and safety, and the environment:

- signature of the Code of Ethics by all employees and new hires. This Code of Ethics includes a reminder of Wendel's strict compliance with international human rights conventions, and proposes a set of rules and measures to ensure a safer working environment (respect in the workplace, whistle-blowing procedure in the event of non-compliance, etc.). This Code is brought to the attention of all third parties and partners with which the Group enters into a transactional relationship. Wendel requires portfolio companies in which it invests to adopt similar standards;
- continued roll-out of remote working in compliance with the regulations applicable to on-site and remote working in the countries where the Group operates, when local authorities require such implementation. Wendel's teams maintain constant dialogue with the management teams of the companies within its portfolio in order to support and advise them in the management of the various episodes of the Covid-19 pandemic, so that the best measures are taken to protect employees while ensuring business continuity;
- reinforcement of the internal Wendel Protect tool in early 2022 through the development of an ESG assessment module, which evaluates third parties on the basis of sustainability criteria when a threshold amount is exceeded during the year. This module aims to select and give preference to third parties who are concerned about taking environmental and social criteria into account in their own value chain, for example by setting up a responsible purchasing charter or obtaining third-party labels.

In 2021, the analysis of climate risk and opportunities conducted by Wendel (as announced in the previous vigilance plan) did not highlight any risk of major harm to the environment.

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

4.1.6 Highlights of Wendel's ESG commitment in 2021-2022

February 2021 – Wendel organizes a roadshow dedicated to governance topics for its institutional investors and the main proxy advisors.

February 2021 – Wendel offers all employees the opportunity to dedicate one working day per year to a charitable activity of their choice.

March 2021 – Wendel announces the integration of ESG objectives in the financial conditions of its undrawn syndicated loan.

March 2021 – Wendel achieves Prime status with the ISS rating agency. This status distinguishes the best ESG performances in each business segment.

May 2021 – Wendel's premises in Luxembourg are now powered by renewable electricity.

May 2021 – Wendel confirms its AA rating (sector leader) from the MSCI rating agency.

June 2021 – On the occasion of the Quality of Life Week, Wendel offers a series of distance learning courses open to all employees.

July 2021 – Wendel launches an awareness and information campaign for all employees on the subject of cybersecurity.

July 2021 – The 2021-2024 stock option plan includes a condition related to the analysis and management of climate risk in portfolio companies.

September 2021 – Wendel raises its Sustainanalytics rating from "low risk" to "negligible risk" and ranks among the 50 best-rated companies in its business segment.

September 2021 – Wendel wins the "Diversity in Management Bodies" prize in the 2021 Corporate governance Awards.

October 2021 – On the occasion of the European Week for Sustainable Development, Wendel participates in a project to offset part of its emissions, chosen by employees.

October 2021 – Wendel wins the 2021 Transparency Award, All Categories, and is nominated for the prizes for ethical conduct and quality of ESG information.

November 2021 – Wendel updates its exclusion policy by adding the exclusion of new business segments.

November 2021 – Wendel is once again a member of the Dow Jones Sustainability Europe and World indexes, with a score of 76/100.

December 2021 – Finalization of the analysis of climate change risks and opportunities within the portfolio.

December 2021 – Wendel receives a B- rating in response to the Carbon Disclosure Project's Climate Change questionnaire.

December 2021 – Wendel participates in the first issuer conference on ESG organized by the French Society of Financial Analysts (SFAF).

January 2022 – Wendel improves its score on the Gaia Rating extra-financial questionnaire from 69/100 to 75/100.

January 2022 – Presentation to investment teams of ESG expectations for portfolio companies.

January 2022- Wendel participates for the first time in the Financial Times Stock Exchange (FTSE) extra-financial rating exercise and obtains a score of 3.4/5, above the average of 2.4 for its sector.

Summary of Wendel's extra-financial ratings

	2021	2020
Member of **Dow Jones Sustainability Indices** Powered by the S&P Global CSA	Inclusion in the World and Europe Dow Jones Sustainability Index with a score of 76	Inclusion in the World and Europe Dow Jones Sustainability Index with a score of 71
MSCI	Double AA rating, ranked among industry leaders	Double AA rating, ranked among industry leaders
SUSTAINALYTICS	Classified as Negligible Risk, first among its peers of the same market capitalization level and in the top 50 best performers within its industry	Classified as "Low Risk", and first among its peers with the same level of market capitalization
CDP DRIVING SUSTAINABLE ECONOMIES	B- rating, marks a sustained consideration of the impacts of climate change in the Group's activities	B rating (first participation in 2020) marks a sustained consideration of the impacts of climate change on the Group's activities
Gaïa RATING	Score of 75/100	Score of 69/100, above the industry average (51/100)
V.E	Score of 43/100	Score of 41/100
FTSE Russell	Score of 3.4/5, above the industry average (2.4/5)	N/A
Corporate ESG Performance Prime ISS ESG	C+rated, Prime status Among the top 10% of companies in the sector & the most transparent companies	N/A

Overview of the 2021 ESG performance of Wendel's consolidated operating subsidiaries

		Bureau Veritas	Constantia Flexibles	Stahl	CPI	WENDEL-CONTROLLED ASSETS PORTFOLIO
CLIMATE CHANGE	2021 Emissions	637,513 tCO_2	1,639 $ktCO_2$	597,711 tCO_2	2,403 tCO_2	**1,614, 917 tCO_2**
	Reduction target	2 tCO_2/employee by 2025 (currently 2,49 tCO_2/employee)	Reduce CO_2 emissions by 24% by 2030	Reduce CO_2 emissions by 20% by 2030	5 tCO_2/employee by 2024 (currently 8 tCO_2/employee)	**75% of controlled portfolio companies have committed to defining a reduction target aligned on the Paris Agreement requirements (certified by SBTi)**
	Committed to SBTi	YES	YES	YES	NO	
DIVERSITY AND GENDER PARITY	% of women on the board of directors	42%	12.5%	22%	25%	**26%**
	% of women in management positions	23%	20%	25%	54%	**23%**
	Commitment to better gender balance	Reach 35% women in top management positions by 2025	Action plan to increase the share of female managers	25% women in the executive committee in 2023	45% to 50% women in the board of directors in 2024	**100% of controlled portfolio companies committed to better gender balance**
HEALTH AND SAFETY	Frequency rate of accidents at work	0.27*	2.8**	1.37	1.64	**1.14**
	Health and safety management system (OHSAS 18001/ISO 45001)	YES	YES	YES	NO (not relevant for a structure like CPI)	**100% of all companies have included health & safety as a priority in their ESG roadmap**
SUSTAINABILITY OF PRODUCTS AND SERVICES	% of turnover generated from sustainable products and services	52% (estimate based on 2021 sales)	55% (estimate)	57%	100%	**54%**
	Associated action plans	BV Green Line, sustainable services and solutions	Recyclable flexible packaging solutions	Low-carbon solutions eligible to the EU green taxonomy -high water content	All CPI trainings	**100% of controlled portfolio companies have identified action plans to deliver sustainable products and services**

**The Bureau Veritas accident frequency rate is calculated by including all accidents that occurred, with and without lost time*
***Constantia's accident frequency rate is based on actual, not theoretical, working hours*

4.1.7 Wendel Group's ESG strategy

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

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

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

(1) **its behavior as a company, and its commitment to its employees and communities. The Group aims to become a role model for its peers, by adopting a responsible attitude in all its projects;**

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

Wendel as a responsible company: EMPOWER EXCELLENCE & ENGAGEMENT		Wendel investing for the long term: BUILDING SUSTAINABLE COMPANIES
Uphold the highest governance, ethics, environmental and operational management standards	Foster employability, inclusion, wellbeing, and engagement through concrete actions	Invest to support the prosperity and transformation of companies that are respectful of society and the environment

Wendel has made commitments and set clear and measurable goals to develop its ESG performance as a company and that of its portfolio companies. The Group has also deployed the necessary resources to meet these new expectations.

The year 2021 represents the second year of deployment of this roadmap.

The main extra-financial risks identified by Wendel (extra-financial risks within the subsidiaries, risks related to human resources, governance bodies and control mechanisms, and business ethics) as well as the mitigation procedures in place, are addressed in this presentation of the Group's strategic approach.

4.1.7.1 Wendel as a responsible company: Promoting excellence and commitment

4.1.7.1.1 Uphold the highest governance, ethics, and environmental and operational management standards

Ensuring balanced governance

Independence of governance bodies EFPD

Risk description

Wendel has a controlling shareholder, Wendel-Participations SE which, as of December 31, 2021, holds 39.29% of Wendel's share capital and 51.41% of the theoretical voting rights. This could result in a risk of conflict of interest or non-compliance with the principle of equality between shareholders.

Policies and results

Various good governance measures are applied to avoid this risk. Firstly, the dual structure of Wendel, a company with an Executive Board and a Supervisory Board, makes it possible to clearly separate the executive functions performed by an independent Executive Board from the control functions exercised by the Supervisory Board (see section 2.1.7 "Distribution of powers between the Executive Board and the Supervisory Board"). Within the Supervisory Board itself, independent members represent 40% (excluding employee representatives), which exceeds the recommendations of the Afep-Medef Corporate governance Code (see section 2.1.1 – *The Supervisory Board and its operations*). In addition, since 2018, the Chairman of the Wendel Supervisory Board does not serve as Chairman of the Board of Directors of Wendel-Participations. Lastly, the Supervisory Board's internal rules provide for a procedure for the prevention and management of conflicts of interest, and assigns a specific assignment to the lead member of the Supervisory Board (who is an independent member) in matters of conflicts of interest with the majority shareholder.

Robustness of internal control mechanisms EFPD

Risk description

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

Policies and results

For internal control procedures, refer to section 3 (see section 3.3 "Risk management and internal control system").

Strengthening and upholding business ethics within the Group

Risk description

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

- corruption;
- market abuse.

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

Anti-corruption EFPD

Risk description

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

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

Policies and results

At the Wendel level

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

To prevent this risk, the Executive Board has put in place a robust anti-corruption and influence peddling program in accordance with the Sapin 2 Law and the recommendations of the French Anti-Corruption Agency (AFA). The Group Compliance department and the Internal Audit department monitor, control and reinforce this program.

In 2021, the recruitment of a new member of the compliance team has also enabled the latter to be strengthened in order to ensure the effective deployment of the Sapin 2 mechanism. This initiative also demonstrates the strong commitment of Wendel's management to the fight against corruption by allocating all necessary resources.

In addition, Wendel regularly conducts a review of its corruption-related risk mapping. In 2021, during the annual assessment exercise regarding the need to update the mapping, no new areas of exposure to corruption risk were identified. However, in order to better reflect the set of controls in place, the risk mitigation measures have been listed and reviewed in detail for each corruption scenario, which also allows for better alignment with the AFA requirements.

With regard to the whistleblowing system, the associated policy was distributed to all employees in 2019. A reminder of the system in place is given regularly and, in particular, in 2021, it took the form of a communication on the Wendel intranet site. The purpose of this communication was to ensure that all Wendel employees are aware of the procedure to be followed and understand how to use the system and report an alert. This policy is available on Wendel's website, in the ESG section at www.wendelgroup.com. No alerts were received in 2021.

Wendel’ s corruption prevention policy was completely overhauled and circulated in 2019 to adapt it to the specific risks associated with Wendel’s activities as identified in the risk mapping. This policy has been incorporated in the “Employees Handbook” and failure of Wendel employees to comply with its obligations may result in disciplinary sanctions up to and including dismissal for misconduct.

In 2021, following the publication of the new recommendations and the new AFA questionnaire, an analysis was carried out in order to identify possible improvement areas for the current compliance program. The results of this analysis did not reveal any significant differences.

In addition, Wendel has also put in place an Anti-Corruption Compliance Charter, the purpose of which is to define the role and responsibilities of Wendel’s Compliance function; this was formalized and distributed to Wendel employees in 2019 and is accessible to them at all times from Wendel’s intranet, as is the anti-corruption policy.

With regard to the effective deployment of the anti-corruption program, a set of controls specific to the Sapin 2 law has been designed and implemented. In 2020, a dedicated compliance and internal control tool – Wendel Protect – was deployed to streamline and optimize compliance processes and improve traceability, for example with regard to gifts and invitations or conflicts of interest. In 2021, the monitoring plan for these controls has been updated to comprehensively document all controls that fall within the competence of the compliance team in the fight against corruption.

In addition, in 2021, Wendel further improved the third-party assessment process, optimizing the various levels of due diligence of its counterparties to ensure an agile system, in compliance with the new AFA recommendations. It should be noted that the process in place provides for a strong link with the accounting procedures preventing the payment of a third party that has not been previously assessed. In addition, accounting controls were also reviewed in 2021, with the help of an external firm, in order to better document all controls more specifically designed to detect corrupt practices. With respect to its investment activities, Wendel’s compliance team, in collaboration with external firms, performs the most thorough due diligence possible in terms of corruption before carrying out any investment transaction. The analyzes include a verification of the integrity of the target and its management team, as well as the definition of the target’s risk profile with regard to corruption and the evaluation of the compliance system in place, where it exists.

In terms of awareness, training on corruption risks is regularly provided to all employees; a dedicated training on the third-party assessment process was conducted in 2021 and a more general e-learning on anti-corruption was launched in January 2022. In addition, the compliance team ensures that a culture of compliance is disseminated through regular reminders of the procedures to be followed under the program in place.

Finally, all of these measures will be audited by Wendel’s Internal Audit department in 2021. The results of the report were presented to Wendel’s Audit Committee in June 2021; overall, the program in place was assessed as being in compliance with regulatory requirements.

Controlled companies in the portfolio

Wendel also ensures the implementation of the measures prescribed by the Sapin 2 law within the controlled companies in its portfolio. Wendel requires the Sapin 2 program to be regularly on the agenda of their Audit Committees and holds regular meetings on this topic with the Compliance Heads of portfolio companies in order to offer them guidance and discuss specific points. In particular, in order to continue to monitor the progress made in the fight against corruption, each of the controlled companies produces an annual report on the Sapin 2 mechanism, presenting the main improvements achieved and an action plan for the following year. In addition, a mid-year review of the progress of the action plan is scheduled at the Audit Committee.

In 2021, Wendel also organized two exchange sessions (called “Compliance Forum”) with the compliance officers of its portfolio companies. The purpose of these sessions was to share best practices in anti-corruption controls and to review the key points of the new AFA recommendations.

Finally, the portfolio companies file an annual declaration of compliance with the obligations resulting from the Sapin 2 law on corruption (Compliance Statement).

Preventing market abuse EFPD

Risk description

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

Policies and results

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

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

A Market Confidentiality and Ethics Code sets out rules for all Wendel employees and corporate officers to prevent market abuse. The main rules introduced by this Code are presented in section 2.1.8 of the Universal Registration Document. The Code is regularly reviewed and updated. The main provisions applying to Supervisory Board members have been incorporated into the Supervisory Board's rules of procedure.

A procedure for classifying inside information has been put in place. Insider lists are opened whenever necessary and blackout periods – during which all trading in Wendel shares is prohibited – have been introduced. Confidentiality lists may also be opened in the presence of information that is not yet privileged but potentially accurate or sensitive. Wendel has deployed a digital tool to manage these lists and negative windows, which automates their processing and ensures better traceability.

Other initiatives supported by Wendel's compliance program

Wendel pays particular attention to the implementation of its compliance program in a constantly changing regulatory environment. Indeed, Wendel intends to behave ethically in all its activities and wishes to prevent the risks of non-compliance. To this end, in addition to the measures already presented above, which represent the measures put in place to manage the most significant regulatory issues with regard to Wendel's business sector and within the meaning of the EFPD), other processes have been defined; these are intended to complement Wendel's compliance approach in order to ensure compliance by all its executives and employees not only with legislative and regulatory standards, but also with all of the Group's values and commitments in terms of compliance, business integrity and ethics.

Consequently, the implementation of the compliance program is likely to boost Wendel's reputation, thus benefiting all its stakeholders while respecting its long-term commitments.

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

Code of Ethics

Completely revised in 2020 and adopted by the Executive Board with the support of the Supervisory Board, the objective of Wendel's Code of Ethics is to make the Group's long-term investor activity part of an exemplary approach to doing business. In particular, it illustrates the Company's desire to behave responsibly and be loyal to its employees and stakeholders, going beyond purely legal requirements. The purpose of this Code is to ensure the permanent compliance of Wendel's activities with laws and regulations, while reinforcing the Group's ethics in terms of upholding human rights, supporting employees and civic engagement.

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

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

It should be noted that in 2021, the Code was reviewed again by the Executive Board: the changes that were made mainly concern the ESG section and are intended to clarify Wendel's responsible investment policy.

Protection of confidential information

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

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

Compliance with economic sanctions

Wendel established its policy on international sanctions in 2017. Wendel (its holding companies and foreign offices) ensures that it does not engage in any activity prohibited by sanctions and embargoes, and that it does not enter into any relationship with individuals or legal entities on sanctions lists. Background checks are carried out whenever necessary on the basis of tools that Wendel has used or, for more complex cases, external surveys.

Anti-money laundering

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

In addition, within the framework of the AIFM regulations to which the Luxembourg fund manager (Wendel Luxembourg S.A.) and its subsidiaries are subject, a specific AML-CFT policy has been put in place and is reviewed annually. All their employees and directors receive training on the subject every year. The AIFM Compliance Officer, approved by the CSSF, ensures compliance with the rules and the AML-CFT policy. In particular, it determines the extent of the reasonable due diligence to be carried out depending on the risk level allocated to each investor or investment. It reports to the AIFM Board of Directors, which regularly conducts a compliance assessment.

Tax policy

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

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

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

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

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

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

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

Whistle-blowing procedure

As indicated in the section on "Anti-Bribery and Anti-Corruption", the whistleblowing system was updated in 2019 and all employees were reminded of its operation in 2021. In addition to corruption, this whistle-blowing system covers the following areas: financial and accounting, stock market ethics, anti-competitive practices, health, hygiene and safety at work, discrimination and harassment at work, environmental protection, human rights and fundamental freedoms.

A whistleblowing line is also available to all third parties working with Wendel. The terms and conditions of access are defined in the alert procedure available on Wendel's website, in the ESG section at www.wendelgroup.com.

Personal data protection

Wendel takes privacy and the protection of personal data very seriously. The Company implements adequate measures to ensure the protection, confidentiality and security of personal data. These data are processed and used in compliance with the applicable provisions, in particular European Regulation 2016/679 of April 27, 2016 (hereinafter the General Data Protection Regulation or "GDPR") and any local laws applicable in this area.

Wendel's Personal Data Protection Policy was reviewed in 2021 and is available on its website. It describes the measures taken with regard to all personal data processing carried out by Wendel with respect to the various categories of persons whose data is collected and processed by Wendel (for example: website visitors, suppliers, service providers, job applicants, shareholders, co-investors, and executives of companies in which Wendel plans to acquire a stake). In addition, an internal policy dedicated to the protection of employee personal data is accessible to employees on the Wendel intranet.

Wendel also defined a GDPR charter describing a certain number of obligations and procedures applying to the Executive Board as well as to all Wendel employees who, in the course of their activities, are involved in the processing of personal data.

In 2021, during the redesign of Wendel's website, the cookies policy was revised and strengthened to better reflect regulatory requirements, in terms of transparency and ease of access to information for users. In addition, in July 2021, an online training course on the protection of personal data was assigned to Wendel's employees, in order to increase their awareness of the subject and remind them of the rules applicable in this area.

Distribution to employees

The policies of the compliance program have been disseminated among all Wendel employees, its holding companies, and its international offices. They are periodically submitted for signature by each employee, who is thereby made aware of the policies and asked to reiterate his or her commitment to respect their principles.

(1) According to the list of uncooperative states and territories for tax purposes issued by order of March 2, 2022..
(2) Referred to in section 20 of Act No. 2018-898 of October 23, 2018, relating to the fight against fraud.

Measuring and managing our environmental footprint

Carbon impact and climate change management EFPD

Risk description

The Wendel Group is aware of the climate emergency and the importance of everyone being involved in mitigating its effects. Managing climate change and the risks and opportunities it generates is now a priority dimension of the Group's action as a responsible shareholder. While Wendel focuses primarily on reducing the CO_2 emissions of its portfolio companies and is aiming for a consolidated reduction target, it is nevertheless careful to measure and communicate transparently on its annual carbon footprint. It should be noted that the limited size of the Company (84 employees as of December 31, 2021) and its primary activity (investment) make its carbon footprint marginal compared to the quantity of emissions generated indirectly by the companies in which it invests.

In addition, the geographic location of Wendel SE's offices (Paris, Luxembourg and New York) limits its short- and medium-term exposure to the physical consequences of climate change (increase in meteorological catastrophes)

Policies and results

As part of its ESG strategy and in order to set an example, Wendel has undertaken to assess the carbon footprint of its offices and its activities (excluding subsidiaries) every year. Carried out for the first time in 2019, the Company's carbon assessment made it possible to carry out an initial inventory of significant emission sources and to implement priority reduction or offset actions. In 2021, the following actions were carried out:

- adoption of a renewable electricity supply contract for the Luxembourg office, thus joining the Paris office in this approach. Today, 89% of the employees are located in an office supplied with electricity from renewable sources. Wendel's ambition is to extend this coverage to the New York office by the end of 2023;
- definition of a grid of 15 priority actions to be implemented to improve environmental management on the Group's premises;
- participation in a carbon offset project to preserve forest areas and forestry in Brazil. The Company's participation made it possible to offset 400 teq CO_2 eq. It should be noted that the 2021 carbon footprint presented below does not deduct the offset emissions, as Wendel wishes to communicate a gross and precise carbon footprint of its activity;
- implementation of a "green taxi" contract available to employees in France, which offers to compensate for the emissions generated by a business trip, and implementation of a sustainable mobility package in order to encourage employees to use soft modes of mobility for commuting.

In addition to monitoring its own emissions, Wendel's carbon footprint resides primarily in the activities of its subsidiaries, and this aspect is an integral part of the ESG monitoring of the portfolio companies.

The calculation methodology and reporting format presented below follow the GHG Protocol. The emissions calculated cover Wendel's offices in France and abroad (Paris, Luxembourg, New York) over a period of 12 months. The emission factors come from the Ademe Carbon Base.

In line with the GHG Protocol methodology, scopes 1 + 2 include emissions related to energy consumption, refrigerant leaks and fuel consumption. For fiscal year 2021, the coverage rate for scopes 1 and 2 is between 89% and 100%.

Scope 3 includes emissions related to the purchase of products and services, business travel, visitor travel, employee commuting and waste generation. The main Scope 3 emission categories (business travel by plane and train, visitor travel, home-to-work travel, purchase of services) have a 100% coverage rate. The other Scope 3 emissions categories have a coverage rate of between 74% and 100%.

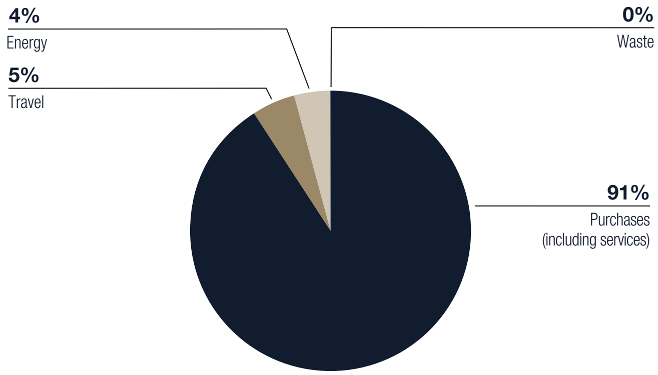
Scope 1 (direct)	Scope 2 (indirect)	Scope 3 (indirect)
Direct emissions from stationary combustion sources	Indirect emissions from electricity consumption	Products and services purchased
Direct emissions from mobile combustion sources	Indirect emissions related to the consumption of steam, heat or cold	Fixed assets
Direct fugitive emissions		Fuel and energy-related emissions (not included in scope 1 or 2)
		Waste produced
		Business travel
		Commuting
		Other indirect downstream emissions (visitor travel)

Emission categories (in tCO_2 eq)[1]	**2021**	**2020**[2]
Scope 1	21	28
Scope 2	107	102
Scope 3	6,219	2,978
Total Scope 1+2+3	6,347	3,108
Scope 1+2+3 emissions intensity per employee	76	38

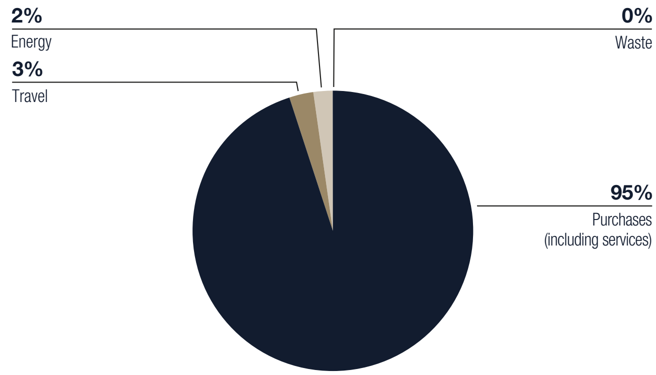
(1) Scope: All offices are included in the carbon footprint: France, Luxembourg and the United States.
The data collected correspond to the period January-December (except for the consumption of renewable electricity and gas for Luxembourg which are on a sliding 12 months basis). If necessary, data have been extrapolated for the year, based on available figures.
Travel: in 2021, visitor and employee travel were calculated on the basis of 2019 data, adjusted for the days that offices were open during the Covid-19 crisis for all offices. For business travel, the distances traveled by taxi exclude the personal travel of Wendel SE employees.
For the calculation of CO_2eq emissions of taxi journeys for Paris, 2/3 were associated with the emission factor of electric vehicles and 1/3 were associated with the emission factor of diesel vehicles.
Energy: in 2021, the Luxembourg offices changed their supplier and now consume 100% renewable electricity.
Purchasing: some 2020 data have been corrected to align with the 2021 methodology, which has established a correspondence table between Wendel's accounting classifications and the carbon footprint classifications - this was made possible by the implementation of a new ERP in 2020 (correction of this data was therefore not possible in 2019).
In order to avoid double counting, purchase categories related to a significant purchase item are reported in another category (e.g. taxi expenses reported in the business travel category).
(2) Carbon emissions for the year 2020 have been corrected on the basis of the following elements: Adjustment of gas and electricity consumption by the Luxembourg offices after receipt of invoices indicating actual consumption, re-evaluation of the volume of purchases made for the Paris and Luxembourg offices.

The breakdown of Wendel SE's emissions sources between 2021 and 2020 is as follows:

Share of CO_2 eq emissions by emission category 2020



Share of CO_2 eq emissions by emission category 2021



For the year 2021, the Group's total emissions will increase significantly (6,347 tCO_2 eq vs. 3,108 tCO_2 eq, for an intensity ratio per employee of 76 tCO_2 eq/employee compared to 38 tCO_2 eq/employee for the previous year). This increase is mainly explained by a strong increase in activity: the active pursuit of investment opportunities, as well as the acquisitions and disposals carried out during the year, have necessitated the increased purchase of intangible services (consultancy, insurance, legal expertise etc.). It should be noted that Wendel SE's carbon footprint is based on the guidelines of the Ademe's Carbon Footprint methodology, and is based solely on the amount of expenses incurred, and not on the emissions actually generated by the consulting activities performed on behalf of the Company.

Resource and waste management

In addition to the priority placed on reducing the Company's climate footprint, Wendel is committed to a series of initiatives and actions aimed at limiting the consumption of resources related to its activity (paper, plastic, etc.) and of any avoidable waste generation.

The collection and recycling systems with which the Group's premises are equipped ensure efficient recycling of metal, glass, paper, cardboard and electrical and electronic waste (WEEE). These systems extend the life of the resources used in the manufacture of the products purchased and used by the Group and contribute more broadly to Wendel's circular economy approach. In fiscal year 2021, a total of 5.2 tons of waste was sorted and recycled, representing 0.06 tons of recycled waste per employee[(1)].

The Paperless project, which consists of providing employees with digital tools that limit the use of printing and the use of paper in general (advanced document editing software, electronic signatures, etc.) made it possible to reduce paper consumption by 63% tons compared to 2019.

Adopting a responsible sourcing approach

Wendel adopts the highest ethical standards and respect for environmental and human rights in doing business, and wishes to partner with suppliers and service providers who share similar standards.

The Company relies on a short supply chain and mainly on local service providers (present in the countries where Wendel operates). Its purchases consist mainly of intellectual services and the supply of office goods and services (computer equipment, software, maintenance and upkeep of premises etc.). Nevertheless, Wendel remains fully committed to the prevention of possible violations of human and environmental rights, as well as the active promotion of these principles. Thus, the Group's Code of Ethics, which sets out the Company's commitments in this area, is brought to the attention of any new supplier subject to the third-party assessment process, upstream of this. The acknowledgment of this Code is signed by the third party before the transaction is executed.

In 2021, Wendel has decided to strengthen its monitoring of the sustainability commitments made by the third parties with which it associates. For example, the Wendel Protect third-party assessment tool, which was set up for regulatory compliance and anti-corruption issues, will include a module for assessing service providers on the basis of environmental, social and governance criteria from early 2022. Given the mapping of purchasing risks carried out in 2020, which concluded that there was very limited risk with regard to the Company's service providers, and in order to maintain the materiality of the approach, the assessment is carried out for third parties with whom Wendel incurs expenses of more than €100,000 (or $100,000) in any given year.

This assessment module provides for an evaluation of third parties on the basis of their third-party certifications (*e.g.*, holding an ESG supplier label), but also on the basis of the implementation of a responsible sourcing charter and an approach aimed at limiting their impact on the environment and the climate, and respecting human rights and applicable labor laws.

In 2021, prior to the implementation of this module, Wendel has evaluated on the basis of these criteria the third parties exceeding the threshold amount with which transactions were initiated in 2020. More than 50% of the third parties with which Wendel collaborates for services have a responsible purchasing policy, and 27% of these third parties have a label or distinction awarded by a third-party organization.

4.1.7.1.2 Promoting employability, inclusion, well-being and commitment through concrete actions

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

Risks related to the human resources of Wendel teams

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

Risk description

The Wendel Group's primary resource is its human capital.

Wendel operates a service business which demands a high level of skills and commitment from its employees. Wendel's employees play a key role and are essential to the realization of its mission because they are the day-to-day guarantors of the relationship with the portfolio companies, with whom they must maintain a constructive dialogue on all the strategic issues of the Company's life.

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

Policies and results

Risks related to the appeal and talent retention of Wendel's teams are managed primarily though the exemplary nature and behavior of its management bodies. In addition, each year Wendel develops an individual and collective training offering adapted to the expectations and profiles of its employees, continually improves their working conditions to make them more attractive, introduces attractive employee benefits, and actively promotes diversity in the workplace.

(1) *Calculated using the headcount at December 31, 2021.*

Combined with a compensation policy that is fair, consistent with the market and non-discriminatory, the Group is able to anticipate the risks associated with the development and positioning of its entire organization. In addition to performance, the appraisal of employees carried out each year focuses on criteria such as transparency, progress, personal development and teamwork.

The Human Resources department ensures close monitoring of employees, in France and worldwide, to meet their needs and anticipate any risks that may arise. The monitoring of human resources data within the Group, in compliance with European regulations on personal data management (RGPD), makes it possible to strengthen the management of expectations and to establish precise monitoring indicators.

Composition of Wendel teams

As at December 31, 2021, Wendel and its holding companies employed a total of 84 people.

Wendel has foreign offices dedicated to investment research and/or support of the Group's companies in their international expansion. The Luxembourg-based company (established in 1931) is mainly a holding company. The establishment in the United States is more recent and dates back to 2013.

In France

Wendel employs 62 people in France divided between the Investment, Management, and Corporate teams (in particular the support functions: Finance department, Legal department, General Secretariat, Tax department, Sustainable Development and Communication department, Internal Audit department, Human Resources department and Operational Resources department). Among these corporate functions, a team of experts also regularly works on investment/divestment operations in France and abroad in support of the investment teams.

In 2021, Wendel employed two fixed-term contracts and two temporary workers. For fiscal year 2021, as in the previous year, fixed-term contracts are included in the social data presented in this chapter, but temporary workers are excluded.

Employees with an employment contract in France: headcount and movements	12/31/2021			12/31/2020			12/31/2019		
	Non-executive employees	Managers	Total	Non-executive employees	Managers	Total	Non-executive employees	Managers	Total
Total workforce	6	56	62	7	52	59	6	48	54
of whom Women	*3*	*33*	*36*	*3*	*30*	*33*	*3*	*27*	*30*
Male	*3*	*23*	*26*	*4*	*22*	*26*	*3*	*21*	*24*
New hires(2)	0	8	8	0	11	11	2	9	11
of whom Women	*0*	*6*	*6*	*0*	*6*	*6*	*2*	*4*	*6*
Male	*0*	*2*	*2*	*0*	*5*	*5*	*0*	*5*	*5*
Departures(2)	0	5	5	0	7	7	0	8	8
of whom Women	*0*	*3*	*3*	*0*	*3*	*3*	*0*	*4*	*4*
Male	*0*	*2*	*2*	*0*	*4*	*4*	*0*	*4*	*4*

(1) France open-ended contracts, fixed-term contracts and apprentices for 2020 and 2021. For 2019, only permanent staff are included.

(2) In 2019, new hires and departures including internal mobility of three employees, from abroad to France and vice versa, that took place during the year (recognized as -1 in the departure country and +1 in the host country) and expatriated employees who are no longer included in the headcount in France. Mobility between offices abroad is not recognized.
In 2020, recruitment includes three internal transfers, from international to France, and the transition from a fixed-term to permanent contract.
In 2021, departures include intra-Group mobility, transfer from the Wendel entity to the parent company Wendel-Participations SE (workforce not accounted for in the Wendel URD).

Overseas

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

Employees with a permanent employment contract[(1)] abroad: headcount and changes	12/31/2021	12/31/2020	12/31/2019
Total workforce	22	26	36
of whom Women	*12*	*13*	*17*
Male	*10*	*13*	*19*
New hires[(2)]	4	2	5
of whom Women	*2*	*2*	*4*
Male	*2*	*0*	*1*
Departures[(2)]	8	13	12
of whom Women	*3*	*6*	*6*
Male	*5*	*7*	*6*

(1) Workforce with an international, permanent or fixed-term employment contract for 2020 and 2021. For 2019, only permanent employees are recognized.

(2) New hires and departures including internal mobility of three employees, from abroad to France and vice versa, having taken place in 2019 (recognized as -1 in the departure country and +1 in the host country). Mobility between offices abroad is not recognized. In 2020 departures included three internal transfers (international to France) + a change of contract (Permanent to Corporate Officer). Employees who left in 2020 but who were not counted the previous year are excluded from the calculation.

Key people – Talent acquisition, development and retention EFPD

Due to its streamlined workforce, Wendel must ensure that its business is not affected by the departure of key people. The Company's Human Resources department has initiated a process aimed at anticipating and supporting career development within the Company. The development of career plans makes it possible to set clear milestones for the professional development of each individual and contributes to achieving the Company's objectives. It is therefore a matter of planning, upstream, and then managing at various stages of the Company's development by encouraging talent to flourish. The objective is to support and accompany those who will be able to make a major difference in their current role, in order to take on other functions and responsibilities and thus ensure the continuation of the Company's activities.

The aim of this approach is to draw up a development and training plan and a succession plan for each function or key person to ensure that the Company always has the skills required for its activity. This arrangement should also provide, as far as possible, for each specific skill or know-how to be held by at least two people. However, the collegial nature of decisions relating to the investment activity limits the impact of any departures within Wendel.

Gender parity is naturally integrated into this process, while keeping competence for each role as a basic vector among the successors envisaged, in accordance with the gender diversity policy implemented at Wendel.

To build such an approach, it is necessary to rely on and regularly review the elements of identification of skills and needs, the qualities necessary for the continuation of the Company's activities, the evaluation of capacities reviewed at a regular rhythm, the willingness to be involved in the responsibility and commitment of each candidate, make it possible to limit the risks and to identify the most suitable profiles for each function while anticipating the periods of necessary transitions.

The compensation policy and the development of employees are reviewed each year to ensure consistency with market practices and to ensure that the approach is based on individual merit.

In order to anticipate future changes in the collective bargaining agreement applicable in France, the job descriptions for all of the Company's businesses were completely reviewed and standardized during the year 2020. This approach has been extended to all Wendel sites in order to facilitate career development and deploy the necessary training.

Training EFPD

Professional training and skills development

Wendel considers the development of its employees' skills and experience to be essential to their employability, which is one of its priorities. To emphasize the importance of this issue, the percentage of employees who have attended at least one non-mandatory training course per year has been added as one of the criteria for calculating the annual profit-sharing allocation, in the same way as the percentage of employees with clear and measurable individual objectives set for the following year.

The 360-degree feedback process implemented in 2018 has improved the quality of the objectives set for each employee and allowed for adjustments to training plans.

100% of permanent employees whose objectives were to be formulated for the year 2022 received a 360° evaluation in 2021. The members of Wendel's Executive Board are also subject to a 360-degree evaluation.

Wendel ensures that its employees maintain their skills and acquire the experience they need to succeed in their missions, notably through a comprehensive training program.

Wendel has continued to develop its training catalog in order to align it with its strategic orientations around different themes: business, behavior, expertise, etc.

The "Get to Know" program, set up in 2020 to enable everyone to learn more about the jobs available within the Company, was a great success, with an average of more than 80% participation by the employees targeted by the module at each session. This approach continues to be developed by Wendel's teams to promote knowledge transfer.

Despite the health crisis, an ambitious training program has been deployed in all countries over the past two years. Wendel has continued to develop a range of online training platforms in a variety of fields, in line with employee demand and accessible to all employees, including those on temporary contracts and interns.

Each quarter, the deployment of the training plan and the adequacy of employee requests to the needs of their missions are reviewed by the HR department and managers.

In 2021, Wendel developed a partnership with major international schools, including INSEAD and Harvard Business School. This program enabled seven employees in management positions to attend training focused on leadership and strategy related to their respective jobs, selected from a predefined catalog with the support of these two schools in order to provide an adapted educational curriculum. This initiative will be renewed in 2022.

In order to be as responsive as possible to the needs and expectations of its employees and to enable each of them to develop their own business expertise, Wendel has responded positively to every employee who has made a request for training that he or she has identified and that meets the Company's development needs. In addition, numerous training courses leading to certification or diplomas have been provided. All of the so-called "job-related" training courses represent 43% of the overall volume of training hours.

As in previous years, language courses, particularly in English and French, continued to be offered to interested employees. In fact, 40% of employees received at least one language training course during the year.

In addition, in order to accelerate the development of training programs, and to improve the monitoring of training programs and related indicators, Wendel developed a training management and monitoring platform in 2020.

Training in health, safety and psychosocial risks

In 2021, Wendel has placed considerable emphasis on health and safety training[(1)]. A large majority of French and Luxembourg employees, including corporate officers, have been made aware of and trained in psychosocial risks. For this training, several formats were proposed according to the target populations (14 hours for the human resources team, four hours face-to-face for the members of the Executive Board and managers, two hours for other employees).

A program of conferences on Covid-19 led by health professionals was also offered to employees. In addition, a "Health and Performance" module consisting of several sessions presented by personalities recognized in their field, notably high-level athletes, has been set up. These conferences addressed various themes related to well-being: stress management, nutrition, motivation, etc.

In the Paris office, several "First Aid for the Workplace" courses were given, enabling volunteer employees to be trained in first aid. In addition, the Company has also provided training in fire safety, in gestures and postures adapted to workstations, and in electrical clearances. Training on the use of defibrillators has also been scheduled. In Luxembourg, a person has been trained to be a "designated worker for health and safety at work".

Wendel offers employees who wish to do so the opportunity to take the violence de-escalation training provided by its company CPI (Crisis Prevention Institute).

(1) The hours corresponding to the training described below are counted in the total of non-mandatory training, with the exception of Get to Know conferences and training considered mandatory (for mandatory training, the total is presented in section 4.1.10 in the Group's roadmap).

Tracking of training hours

In total, and despite the circumstances imposed by the pandemic, Wendel continued to implement its training plan and trained 96 employees, including corporate officers, people who joined or left during the year, those on temporary contracts and some trainees attending Group training, amounting to a total of 2,555.1 hours[(1)] in non-mandatory training[(2)].

On average, this represents 29.5 hours of non-mandatory training per employee[(3)], for a total of 2,483.5 hours, marking a certain stability over the last two years, despite the pandemic and remote work.

In France, there was an average of 30.6 hours of non-mandatory training per employee (1,894.7 hours in total) compared with 25.1 hours per employee in 2020.

Indicators	2021	2020	2019
Percentage of employees trained	98.8%[(2)] (all countries) 98.4% France	97.6%[(2)] (all countries) 100% France	92.6%[(1)] (all countries)
Training hours per employee	29.5 (all countries) 30.6 (France only)	29.5 (all countries) 25.1 (France only)	16.5 (all countries) 14.5 (France only)

(1) Percentage of employees present in 2019 who participated in training.
(2) Percentage of employees present at December 31, 2020 having been trained.

Work-life balance, working conditions and psychosocial risks (see also below) Training in health, safety and psychosocial risks

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

In France

Support for managers, through regular meetings with all employees, close dialogue with employee representatives (CSE) and an end-of-year review process that is very open to information sharing, aims to optimize working conditions and relations. In this way, Wendel can implement the measures that most closely match staff expectations.

To help employees better reconcile work and family life, and to assist them in choosing childcare, Wendel has, since 2010, offered employees who request it childcare places financed by the Company. In 2021, Wendel financed daycare for eight children, for the benefit of eight employees. In 2021, a platform for parenthood was opened for employees. This new service offers parental coaching, suggestions for additional childcare, examples of workshops for children according to age groups, support for new parents, and conferences.

Furthermore, in addition to the part of the Social and Economic Committee's budget devoted to social and cultural activities (*e.g.*[(4)] holiday vouchers, gift vouchers, discounted cinema tickets, etc.), Wendel covers various individual and collective services: sports lessons, Cesu checks (Checks for Universal Employment Services), comprehensive health checks.

The remote working policy, first implemented at Wendel in November 2018, and fully reviewed with a new charter in 2020, makes it possible to offer more flexibility to employees who express a desire for it. It goes without saying that Wendel has also scrupulously complied with the government's recommendations for monitoring remote working since the beginning of the Covid pandemic.

A charter on paid leave, limiting, among other things, the excessive carryover of leave days from one period to another, was also signed in 2020. This new charter aims to guarantee all employees the opportunity to take full advantage of the annual leave entitlements which are necessary for their physical and mental well-being.

(1) Carried out by 96 Group employees, including corporate officers and trainees as well as people who arrived or left during the year, excluding mandatory training, Get to know your colleagues' sessions and compliance training.
(2) Excluding mandatory training, "Get to know your colleagues" sessions and compliance.
(3) Employees with a permanent or temporary employment contract, all offices combined, as of December 31.
(4) Example of social projects set up by the CSE in 2021. This list is not exhaustive and does not constitute a systematic allocation. These attributions are at the sole charge and will of the CSE.

In 2021, many of the benefits offered by Wendel were revised to be more competitive and more advantageous for employees: additional allocation of CESU checks during confinement for employees with children under 16 years of age, transformation of the PERCO into PERECOL, market study for the renewal of the mutual insurance company with a more advantageous quality/cost ratio and offering a better quality of services, (which responded to a desire expressed by employees in a survey carried out in 2019), the launch of a parenthood platform, the introduction on several occasions of Covid vaccination sessions open to employees and their spouses on a voluntary basis only, the introduction of the sustainable mobility package with effect from January 1, 2022. But also, the allocation of the exceptional purchasing power bonus for eligible employees, the opening of a second capital increase and the proposal of new criteria for the calculation of the profit-sharing taking into account the commitment of each employee in the calculation of the final result (participation in training and implementation of annual objectives).

In order to highlight all the benefits available to employees and to ensure total transparency, the Company has made available a summary catalog of all existing benefits by country. This is regularly updated.

Overseas

Abroad, Wendel strives to provide similar services in line with local practices (examples: quality health coverage, contribution to the cost of gym membership, etc.).

In line with what has been done in France, the Company has initiated a process to review and improve the benefits offered in the United States and Luxembourg. A catalog summarizing the various benefits will also be available for each country.

As in France, Wendel has respectfully applied the recommendations of local governments in terms of monitoring remote working since the start of the Covid pandemic.

Surveys on quality of life at work

Wendel wants to introduce a process for continuously improving quality of life at work. With this in mind, at the end of 2019 the Company decided to launch a survey to assess psychosocial risks. Although this is a requirement under French law, the Company has opted to extend it to all international offices. A first international survey was carried out in 2020. These initial results have made it possible to highlight the Company's strengths, as perceived internally, and to identify potential areas for improvement. Overall, the findings are very positive and reveal a positive working environment, a manageable level of stress and the strong interest that employees have in their work. The results were then communicated and shared with the CSE and internally so that everyone could provide feedback and make suggestions for improvement.

Following this survey on psychosocial risks, an internal participatory tool was set up in 2020 to further assess the quality of life at work within the Group. This platform allows Wendel to collect employees' perceptions on various themes (recognition, working conditions, relations with others, well-being, etc.) and for employees to express themselves by sharing their ideas anonymously. Regular surveys will be carried out. In this way, Wendel can carry out a qualitative and comparative assessment, identify high-priority projects, develop associated corrective measures and measure their impacts.

The quality of life survey was relaunched in September 2021, after 18 months of health crisis. The participation rate was significantly higher than that of the first survey conducted in 2020. For this new campaign, an "ease of remote collaboration" indicator has been added. As in previous surveys, the results are very positive and almost similar to the feedback from employees as shared in previous surveys (favorable work environment, interest of employees in their work, stress level under control). The results obtained show that the sub-indicators most appreciated by the employees are the ease of collaboration, the Company values, the atmosphere and the ratio between workload and autonomy.

As a result of these initial surveys, Wendel has taken into consideration many of the ideas put forward by employees.

Wendel has also launched a survey on parenthood in 2021, open to all employees, whether or not they are parents. The purpose of this anonymous survey, carried out by an independent external organization, was to assess employees' perception of the Company's parenting policy, to measure existing support for employees who are parents and to orient parenting policies according to the needs identified. The results obtained are very positive and are, in the majority of cases, much higher than the results obtained by all the companies that participated in this same survey (all business segments included). Overall, the results at Wendel show:

- a very favorable perception of the announced parenting policy and its practical application with little discrepancy between the two, a criterion obtaining 65.8% of favorable opinions.

  There is a culture of goodwill towards parent employees, as reflected in the 71.1% favorable opinion at Wendel (compared with 57% for the panel as a whole);

- departures and returns from parental leave are well anticipated and well managed;
- the Company is open to discussion in order to find solutions for an adapted work organization.

More than 60% of respondents indicate that becoming or being a parent does not have a negative impact on career development or compensation. Men and women are equally concerned by the systems put in place by the Company.

Finally, more than 76% of respondents believe that the Company offers concrete support for employees who are parents, well above the 34.7% obtained by the panel of participating companies. For Wendel employees in France, this rate reaches more than 96%.

To ensure that everyone's personal time is respected, Wendel has had a charter in place since 2018 guaranteeing a right to disconnect for everyone outside of working hours. In 2021, the Group continued to make its teams aware of this charter, particularly during periods of lockdown or reinforced remote working.

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

All of these measures enhance the appeal of Wendel's employer brand.

Indicators

Wendel's Human Resources department closely monitors all Wendel Employees in France and overseas.

	2021	2020
Absenteeism (scope: France)[(1)]	2.61%	3.13%

*(1) Methodology for calculating absenteeism: (total absenteeism days*100)/(218 days* average number of employees).*
Absences recognized: illness, commuting accidents, work-related accidents, sick children, part-time working on health grounds/absences not recognized: family events and parental leave.

Absenteeism, excluding family events, was around 2.61% in 2021. This figure remains well below the national average absenteeism rate estimated at 6.87% in 2020[(1)]. At the national level (France), this represents an average of 25.1 days of absence per employee. At Wendel, the average number of days of absence per employee is 5.5.

	2021	2020
Number of accidents (scope: France)	1	0
Number of commuting accidents	0	2
Number of fatal accidents	0	0

In 2021, there was one workplace accident resulting in no lost time and no commuting accidents.

	2021	2020	2019
Average length of service of employees (years)	7.9[(1)]	7.8[(1)]	7.5

(1) In 2020 and 2021: inclusion of employees on permanent and temporary employment contracts. In 2019, only permanent contracts were taken into account.

At the world level the average length of service of employees is 7.9 years.

(1) According to the 13th Ayming France absenteeism and engagement survey.

Combating discrimination and promoting diversity

As set out in its Code of Ethics, Wendel strives to promote diversity within the Company and sees it as a major benefit which contributes to the Group's excellence.

Wendel takes steps to ensure that decisions regarding recruitment, career development (training and job promotions) and compensation are made without any form of discrimination. Only the skills and experience of candidates is taken into account. To reinforce this approach in a transparent manner, in 2021 Wendel has undertaken the implementation of a vast project to define each of the Company's roles and functions, within in an evolving organization, in order to ensure that the skills required and developed within the Company remain directly and uniquely linked to the expertise and knowledge adapted to the Company's internal and external environment.

Gender equality

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

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

In equivalent positions, there is no difference in pay for men and women.

Wendel offers flexible working and benefits for parents in order to promote work-life balance as described above (see section on work-life balance).

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

As such, women are represented in the total headcount, in management positions, as well as in investment positions and on governance bodies:

	2021			2020		
	France	International	Group	France	International	Group
Women in the total workforce(1)	58%	54.5%	57%	56%	50%	54%
Women in employee manager roles(1)	59%	N/A	N/A	58%	N/A	N/A
Women Investors(2)	42%	43%	42%	40%	33%	37%
Women in management positions(3)	42%	40%	42%	40%	29%	37%
Women on the Investment and Management Committees(4)	Investment Committee: 28.6%			Investment Committee: 33%		
	Management Committee: 40%			Management Committee: 45.5%		
Women on the Supervisory Board(5)			50%			45%
Women in recruitment(6)	75%	50%	67%	62.5%	100%	70%

(1) In 2020 and 2021: France scope: permanent and fixed-term employees in France/International scope: employees with a permanent or temporary employment contract abroad.
(2) Women employees within the investment teams, excluding assistants and office managers.
(3) Line manager of at least one employee (excluding the Chairman of the Executive Board).
(4) Including the Chairman of the Executive Board.
(5) Excluding members representing employees.
(6) Excluding internal mobility, including fixed-term contracts hired on a permanent basis during the year in 2020 (change in calculation method) and temporary contracts.

In 2021, the proportion of women on the Supervisory Board enabled Wendel to win the "Diversity in Management Bodies" prize at the 2021 Corporate governance Awards.

The Company's rate of women in its investment teams (42% in 2021) exceeds, to date, the objectives set by the France Invest charter on Parity by 2030 (target of 40%).

Under the French "Freedom to Choose a Career" law (*loi pour la liberté de choisir son avenir professionnel*) enacted on September 5, 2018, Wendel is required to publish the indicator of the Gender Equality Index. In 2021, Wendel obtained a score of 53/100. All of Wendel's workforce in France falls under the scope of the index.

It is important to highlight that Wendel is committed to a process for implementing the principle of equal pay through a job-based approach which is not covered by the index methodology.

In addition, in 2020 Wendel fully reviewed its action plan on gender equality by incorporating more criteria than required by French regulations for a company with fewer than 300 employees. The four criteria to which Wendel has committed are hiring, training, balancing work and family responsibilities and actual compensation. Each of these criteria includes numerous measures and indicators used to implement concrete actions in favor of professional equality. This new action plan went into effect on January 1, 2021 and will be renewed for the year 2022. This action plan is reviewed and updated annually and approved by the CSE. Although the implementation of an action plan on gender equality is governed by French regulations, Wendel ensures that these principles of equality are applied in all countries. The monitoring indicators are adapted according to local regulations and practices.

Disability

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

The Company employs two (in its permanent workforce) people with disabilities in France and contracts with institutions providing assistance through work, in particular for the purchase of office supplies.

Wendel is also adopting a preventive attitude towards its employees. Thus, the Company made ergonomic equipment available to employees who expressed a need, even if these requests did not come from a doctor.

Wendel builds a work environment that respects each individual by ensuring safe working conditions and respect for everyone.

Youth and senior employment

The breakdown of permanent and temporary staff by age Group is the following:

Under 30	17%
30 to 39 years old	37%
40 to 49 years old	26%
50 years and over	20%

- New hires under the age of 30: four people under-30-year-old hired worldwide;
- Percentage of 30-39 year old recruited: four people aged between 30 and 39 recruited worldwide;
- Percentage of 40 to 49-year old recruited: four people aged between 40 and 49 recruited worldwide;
- New hires who are seniors (> 50 years old): no one over the age of 50 hired.

Compensation EFPD

Wendel's salary policy ensures that the interests of employees are aligned with those of shareholders, through several levers: the variable component of compensation, profit-sharing (in France) and the employee shareholding, open to all employees. This convergence of interests is a key component of the corporate culture; thus, everyone shares the Group's ambition for excellence.

Each year, Wendel carefully reviews the level of compensation of its employees according to the nature of their duties, skills and experience. It is also important to note that this level of compensation and its structure are reviewed in view of market levels and practices. Variable compensation is awarded based on the individual and collective performance of teams and the Company.

For France, total compensation in cash (base salary, variable pay and individual job-related bonuses) paid in respect of 2021 was approximately €14,4 million.

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

Promoting employee shareholding

Wendel believes that employee share ownership is a key value for establishing a long-term partnership with employees and has always encouraged it, whether through the Group Savings Plan that has been in place for more than 30 years or grants of performance shares and/or stock options, which most employees have received since 2007. This attribution campaign is designed to include Wendel's employees in the Company's strategy and to interest everyone in its long-term performance. As a result, 91% of the Company's employees were shareholders at December 31, 2021.

The Group Savings Plan

The Wendel Group savings plan is a collective savings scheme that allows employees of Wendel France and Luxembourg who so wish to build up personal savings with the help of the Company. The Group Savings Plan was completely overhauled in 2020 with the introduction of two different regulations, a PEG for French companies (Wendel and Wendel-Participations) and a PEGI (International Group Savings Plan) for the Luxembourg companies. This new PEG allows savers to no longer hold Wendel shares but units in mutual funds (FCPE).

The Wendel mutual fund undertakes to have an investment in Wendel shares of between 95% and 100% and the share value is intended to track the Wendel share price.

In 2021, employees were able to participate in two capital increases, the first in October and the second in December. A total of 28,824 shares were subscribed in the two transactions by 96% of eligible employees, through two bridging funds created for the occasion, which were then merged with the Wendel mutual fund, the FCPE. Once again this year, employees were able to benefit from a discount of 30% and their voluntary payment was increased up to the maximum legal ceilings.

At December 31, 2021, former employees and employees (excluding members of the Executive Board) held 0.19% of Wendel's share capital in the Wendel FCPE and the Wendel 2021 FCPE Relais No. 2, the two funds having merged in January 2022, and 0.50% of Wendel's share capital in the PEG in pure registered form.

Grant of stock options and performance shares

89% of employees worldwide on the grant date received stock options and/or performance shares.

In addition to the two Executive Board members, 76 employees in France and abroad received stock options and/or performance shares by virtue of the authorization granted at the Shareholders' Meeting of June 29, 2021 and the Executive Board's decision on July 30, 2021.

Attached to these grants are a service condition and a performance condition.

A history of stock-option and performance share plans is provided in Tables 8 and 9 of the Afep-Medef Code presented in section 2.2.2.2.

The following table indicates, for the period from January 1 to December 31, 2021:

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

	Total number	Strike price weighted average
Options granted during the year to the ten Group employees who were granted the largest number of options	33,649	€110.97
Options exercised during the year by employees and former employees whose number of options thus purchased or subscribed is the highest	50,661	€87.22(1)

(1) In 2021, these options were exercised at a price of €80.91 (W 4 plan), €54.93 (W 5 plan), €82.90 (W 6 plan) and €112.39 (W 8 plan).

Employees were awarded performance shares through two different plans. The ten largest beneficiaries among the Group's employees (excluding members of the Executive Board) were granted 40,461 shares, a cumulative total for the two performance share plans granted during the year.

Offering additional pension benefits

- **"PERECOL" pension plan**

In 2010, a Company pension plan "Perco" was introduced for employees in France. Its purpose is to enable the Company's beneficiaries to build up savings, with the Company's help, in the form of a collective portfolio of securities and to benefit from the advantages associated with this form of collective savings and to offer, on the basis of this, a supplementary financing mechanism for retirement. In accordance with the PACTE law (law on the growth and transformation of companies), in order to harmonize and simplify retirement savings products, Wendel has transformed the PERCO plan into a PERECOL (*Plan d'Épargne Retraite d'Entreprise Collectif* – Collective Company Retirement Savings Plan), providing its employees with more favorable measures. The amendment signed in July 2021 replaces in all its provisions those of the agreement of November 30, 2010 and its amendment signed on April 9, 2020.

The Company matches certain contributions up to the legal limit.

On December 31, 2021, 58.06% of the employees present had already invested in PERECOL, compared with 50.85% at the same date of the previous year.

- **Supplementary pension plan**

In 1947, the Company "Les Petits-Fils de François de Wendel" (now Wendel SE) set up a supplementary pension plan for all employees, regardless of their category, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of this compensation. The pension plan provides for a payout of 60% to a surviving spouse on the date of the employee's retirement, and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group from the guaranteed amount. Since 2005, the Company has transferred the assets necessary to service pension benefits to an insurance company, which makes payments to the beneficiaries.

As at December 31, 2021, there were 36 retirees and two employees of the Company who benefited from the plan.

Promotion and respect of the ILO fundamental conventions and Human Rights

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

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

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

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

Wendel insists on the fact that being valued and respected creates a virtuous circle of a positive work culture and thus establishes an environment that respects each individual. Zero tolerance against any form of harassment or discrimination enables Wendel to comply with the various regulations imposed on each of the countries in which an office is located. As explained in the training section, almost all employees in the French and Luxembourg offices have been trained or made aware of the issue of harassment and, more generally, of psychosocial risks. In addition, certain employees involved in the recruitment process have taken a "recruiting without discrimination" training module.

Health and safety of the workforce in a global health crisis

Wendel pays close attention to the health and safety of its workforce. In the unprecedented health context related to Covid-19, the Group strictly applies the governmental directives in the countries where it operates (remote working, health protocol, etc.) Everything is done to allow everyone to work remotely in the best conditions (individual office equipment when requested, computers for everyone, computer hotline, etc.) in order to maintain the activity while ensuring the well-being of all. Regular communications are sent to all employees to remind them of the rules in force.

A Covid-19 unit is in place since 2020 to answer employees' questions and provide teams with information on specific measures such as telehealth consultations, psychological support, childcare in the event of illness, etc. The purpose of this unit is also to promote interaction between employees and anticipate any specific support that may be given to teams. When employees returned to the Group's various offices, the unit continued its support activity, monitoring changes in the health situation and supporting the return to work in the classroom under the best possible conditions according to changes in government regulations.

The Company also organized time for one-to-one and collective discussions with healthcare professionals, in order to provide everyone with answers on the health protocol to be followed and, more generally, on the implications and status of the pandemic. A psychological assistance unit has been set up with the support of Wendel insurance in the local language of each country, a service provided by professionals and available seven days a week.

The Company has implemented a very strict health protocol in its offices that allows each employee moving around the premises to have access to a reassuring and secure environment in terms of hygiene and health.

As part of the survey on quality of life at work, Wendel also wanted to measure the impact of the health crisis and remote working on the morale and motivation of its employees. Thus, 83% of survey respondents believe that the new working organization is satisfactory, and that the level of stress experienced at work remains moderate.

Regular, even daily, meetings during the various lockdown periods were held by Wendel's Executive Board with the Deputy CEOs, the General Secretary, the Director of Human Resources, the Director of Sustainable Development and Communications and the Director of Taxation. All managers have been asked to adapt management practices to combat the effects of isolation and maintain a positive working environment, including through daily meetings by video conference.

The deployment of the training plan was adapted to the context with the implementation of an online training offer for all interested employees (see the chapter dedicated to training in section 4.1.7). In the majority of cases, depending on the training courses and when this was made possible by the service providers or the health context, employees were able to select the format best suited to their needs (face-to-face or distance learning). Workshops and in-house events are regularly offered to ensure and maintain team cohesion.

Supporting and strengthening our commitments to civil society

Wendel's commitment to civil society is in the Group's DNA. It is, in fact, part of its family heritage. This commitment goes hand-in-hand with a long-term vision in line with its business as an investor. Wendel's philanthropic approach is based on two longstanding pillars: education and culture. A third pillar, solidarity, supplements this approach.

The Group's sponsorship policy, strengthened in 2018, was continued in 2021 in the form of recurring or one-off donations to the world of culture, education and solidarity.

Long-term commitments

Wendel has supported Insead since 1996. In that year, the prestigious business school created a chair and then a center for family-owned businesses (Le Centre Wendel pour l'entreprise familiale) and Wendel has been a partner in this initiative from the start.

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

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

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

Commitments for 2021

- A prioritized commitment to solidarity in the context of a health crisis.

In 2021, Wendel continued to support solidarity projects, on the one hand by renewing some of its commitments and on the other hand by choosing to associate itself with new causes.

Support for charitable organizations can take many forms. It can take the form of a donation that will contribute to the overall budget of the organization, thus enabling the charity to cover its various actions for a given year. Or it can be in the form of support for a specific project.

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

- The Bowery Mission (United States);
- Clubhouse France (France);
- The Fondation de la Maison de la Gendarmerie (France);
- iMentor (United States);
- Les Restaurants du Cœur (France);
- 914 Cares – Empty Bowls (United States).

And supported new charitable organizations for 2021:

- Memorial Sloan Kettering Cancer Center (United States);
- Mosaics 9 (France);
- Civil protection (France).

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

In total, in 2021, Wendel's charitable donations amounted to €834,265.

- A day of skills sponsorship offered to all Wendel employees.

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

Wendel launches its "Wendel Cares" endowment fund

In 2022, Wendel's philanthropic approach will become further established through the creation of an endowment fund that now includes all of the Company's philanthropic actions.

During 2021, Wendel's teams worked on the creation of this endowment fund to standardize the Company's philanthropic approach and make it more ambitious. Named "Wendel Cares", its purpose is to finance structures/charities submitted through internal and external calls for projects that fall within one of the five areas to which it has chosen to commit. These projects are then selected by the fund's Board of Directors, which is now made up of employees from each department, recruited to best represent Wendel's identity.

- Wendel Cares' areas of commitment.

In addition to the two historical pillars of education and culture, three new areas of commitment have been chosen to define its scope of action:

- equal opportunities and professional integration;
- medical research and health; and
- environmental protection.

Lobbying activities
Wendel does not use any lobbying agencies.

Trade associations
As a listed company, Wendel contributes to marketplace discussion by participating in the work of all the major professional and financial market organizations of which it is a member: Afep, Ansa, Medef, France Invest, Paris Europlace, etc. In 2021, professional contributions amounted to approximately €131,000.

Think tanks
Wendel is a partner of: Institut Montaigne.

4.1.7.2 Wendel, investing for the long term: Building sustainable companies

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

ESG performance is embedded in Wendel's mindset as an investor. It believes that a stringent ESG approach to investment is the most relevant to upholding its responsibility *vis-à-vis* its shareholders and stakeholders. The investment opportunity assessment framework that it uses sets out 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.

Its permanent capital and the stability of its shareholder base gives 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. In other words, Wendel believes that taking ESG criteria into account for its investment activity helps to create near-term, medium-term and long-term value, without sacrificing the future for the present.

Integration of ESG throughout the Investment Cycle

Extra-financial issues within Wendel Group subsidiaries: consideration of risks and opportunities to build sustainable leaders

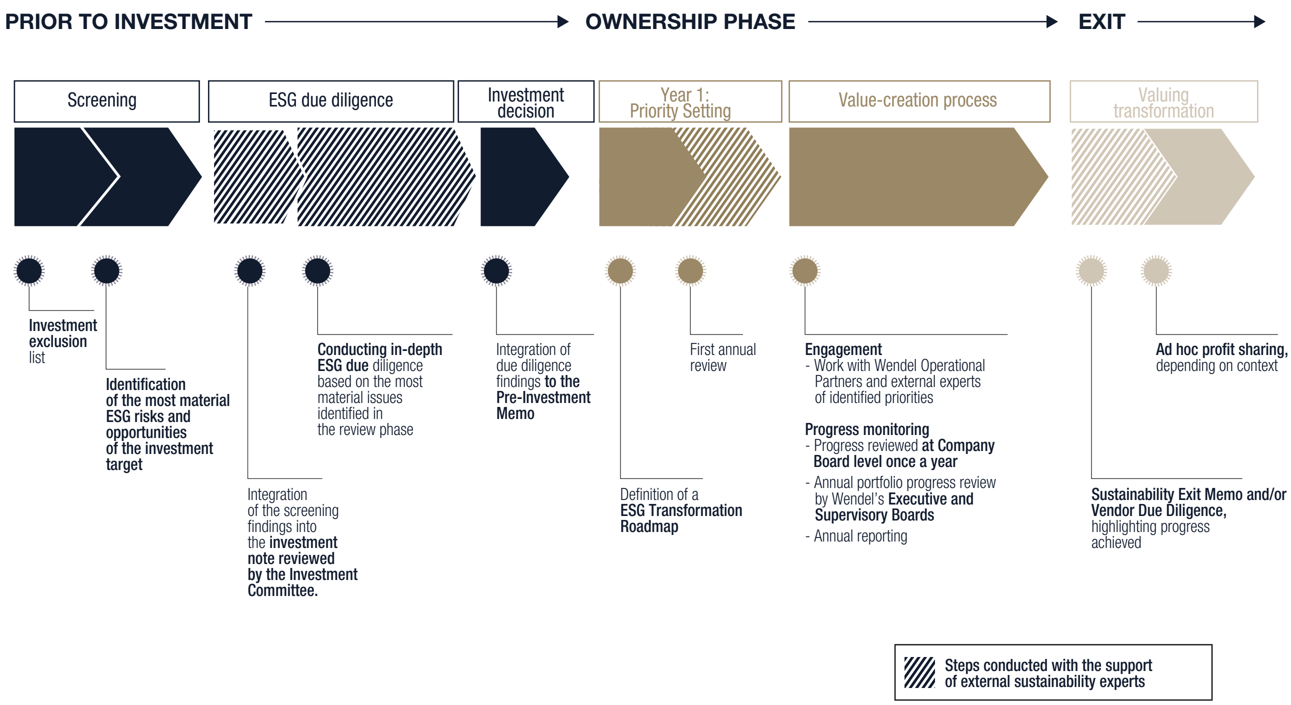
Risk description
By investing for the long term, Wendel is committed to working with entrepreneurial teams to build sustainable leaders. Wendel believes it is essential for the companies in which it invests to take into account extra-financial issues, both in terms of the risks they may involve and the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

Wendel makes sure that management in its portfolio companies takes the appropriate measures to prevent and/or mitigate extra-financial risks and seize every opportunity to create value over the long term. For Wendel, this is a matter of strengthening its positive impact – in strict compliance with its role as a shareholder and with rules of governance – on the companies in its portfolio by encouraging them to take ever greater account of extra-financial issues.

Policies and results

At the beginning of 2020, Wendel defined a responsible investment procedure that it applies and enriches as investment opportunities arise, and integrates the study of risks and opportunities throughout the life cycle of its investments, in particular.

The main stages of this process are summarized in the following diagram:



- prior to investment: all investment opportunities are systematically examined with regard to i) a defined exclusion list and ii) due diligence of the ESG issues identified as priorities; During this phase, particular attention is paid to the consideration of the four priority ESG themes: (i) climate change, (ii) diversity and gender (iii) consumer and employee health and safety (iv) development of sustainable products and services;
- during the holding period: any new controlled company entering the Company's portfolio receives initial awareness-raising training on ESG topics, as well as a review of its ESG maturity by an external service provider. Based on the findings of this study, an ESG roadmap is drawn up within 18 months of its acquisition. This roadmap systematically includes the four priority ESG themes defined by Wendel (see below).

  Investment teams at Wendel and portfolio companies' management teams are also held accountable for progress against this roadmap with an alignment of variable compensation with ESG performance criteria.

  Since 2021, Wendel has also committed to conducting an analysis of the risks and opportunities related to accelerating climate change in its controlled companies. This analysis will also be conducted in newly acquired companies;
- at exit: the transformation achieved within the Company will be highlighted and showcased through an exit memo. When circumstances allow it, Wendel ensures wherever possible, that it associates the teams of the divested company with the value created.

Exclusion policy

For fiscal year 2021, Wendel has updated its Investment Exclusion Policy, which applies to all new investments[1]. This policy was approved by the Wendel Executive Board on November 9, 2021. The exclusion policy will be reviewed each year.

(1) The excluded sectors in bold are sectors that were added to the list in 2021.

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

1. tobacco;
2. pornography;
3. controversial weapons, as defined by the following treaties:
   - the Treaty on the Non-proliferation of Nuclear Weapons (1968),
   - the Biological Weapons Convention (1975),
   - the Chemical Weapons Convention (1997),
   - the Ottawa Treaty (1997) on antipersonnel mines,
   - the Convention on Cluster Munitions (2008);
4. **firearms;**
5. gambling facilities or products;
6. coal mining and coal-based power generation;
7. narcotics;
8. **fur;**
9. **asbestos.**

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

In 2021, in order to deepen the responsible investment approach and place it at the heart of the investment activity, Wendel has undertaken the following actions:

- integration of ESG due diligence with strategic and commercial due diligence, in order to highlight the issues of value creation and/or destruction;
- strengthened collaboration with the Operating Partners to ensure rigorous monitoring of the commitments of each controlled portfolio company at all levels, from the Board of Directors to operational management;
- training of investment teams in the various ESG workstreams undertaken by our operating subsidiaries (updating the ESG roadmap, establishing a climate risk analysis, etc.).

All of the above actions led to the following results in 2021:

	2021	2020
Number of investment team members trained in ESG work to be undertaken in portfolio companies	100%	N/A
Percentage of investment opportunities reviewed under the Group's exclusion policy	100%	100%
Percentage of investment opportunities studied that have undergone due diligence covering ESG risks and opportunities	100%	100%

Supporting the implementation of ambitious strategic roadmaps

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries but does ensure, mainly through close communication with their management and the Boards of Directors, that these companies gradually integrate ESG issues in their risk management and strategies. The controlled companies are already subject to numerous national regulations, and this dialogue is carried out in compliance with local laws.

In 2021, 100% of Wendel's controlled portfolio companies had a strategic ESG roadmap. This roadmap systematically includes the four priority ESG themes defined by Wendel.

Priority themes defined by Wendel

Equality
and diversity

Climate

Health and safety
of employees
and consumers

Sustainable
and/or eco-designed
products
and services

Wendel closely monitors the quality of the roadmaps drawn up by its operating subsidiaries and any progress made on them. Rigorous monitoring of ESG performance is carried out through:

- frequent exchanges with the sustainable development teams of portfolio companies. These exchanges include the Operating Partners;
- a structured review of the progress made towards the objectives set out in the roadmap, as determined by the Board of Directors and/or the Audit Committee of the controlled company.

In addition, the level of progress achieved by portfolio companies is reported to the Supervisory Board, Wendel's Executive Board, and the members of the ESG Steering Committee.

Wendel's management and the management teams of the portfolio companies are also held accountable for progress against this roadmap with an alignment of variable compensation with performance.

Thus, in fiscal 2021, 100% of the top management of the controlled portfolio companies had a portion of their variable compensation tied to ESG criteria. In addition, the stock option plan for the Executive Board for the year 2021, which constitutes 15% of the total compensation for the members of the Executive Board, increases the exposure of the Chairman of the Executive Board's total compensation to the Group's ESG performance to 19.2% for the year.

	2021	2020
% of the management teams of controlled portfolio companies whose variable compensation is aligned with the ESG performance of their Company	100%	80%
% of the Chairman of the Executive Board's total compensation contingent on the Group's ESG performance	19.2%	*Only variable portion indexed to ESG*
% of Wendel teams whose variable compensation is contingent on ESG performance criteria	23%	22%

Constantly improving the quality of extra-financial information on Wendel and its portfolio companies

Wendel's responsible investor approach also covers its ability to rigorously measure the extra-financial performance of its business and that of its companies. Wendel is attentive to the quality of the extra-financial information it collects and communicates to all of its internal and external stakeholders, in particular to the financial community (shareholders, investors, analysts, etc.). The attention paid to the quality of extra-financial information makes it possible to:

- address the most material ESG topics for the Group;
- improve the readability for all stakeholders of Wendel's extra-financial performance with regard to the wide range of international ESG reporting standards;
- allow investors to form an opinion on the Wendel Group's ESG strategy.

In 2021, Wendel won the Transparency Award and was nominated for the award for the quality of extra-financial information. This distinction rewards the efforts already made and those that are continuing, in order to align extra-financial information with the highest standards of disclosure and reporting. The table below summarizes the standards adopted or in the process of being adopted by 2023:

Standard or reporting exercise Status in 2021	State of progress in 2021
Global reporting Initiative 4	Standard complied with in the Group's Extra-Financial Performance Declaration
United Nations Principles for Responsible Investment (PRI)	Voluntary reporting in 2021 – note available in 2022
United Nations Global Compact – Communication on Progress (COP)	Reporting in 2022
Task Force on Climate-related Financial Disclosures (TCFD)	See Climate Plan chapter – Built on TCFD recommendations

In 2021, Wendel strengthened its program of meetings and exchanges with institutional and individual investors on the subject of ESG, by participating in dedicated conferences or by directly soliciting its committed investors on these issues. A total of ten meetings were organized. Once again this year, the Group participated in an event on ESG organized by the French Society of Financial Analysts (SFAF).

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

The extra-financial scores and ratings received by Wendel in 2021 are presented in section 4.1.6.

Promoting operational excellence and ESG innovation within the portfolio to generate sustainable growth

Wendel is deeply convinced that sustainability issues create value. In this regard, the Company closely monitors the ESG performance of its controlled companies, in particular with respect to each of Wendel's four ESG priorities.

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

1. **Mitigating climate change**
   - **Emissions generated by the Wendel Group and its non-controlled subsidiaries amounted to 2,269,787 teq CO_2, compared to 1,581,988 teq CO_2 in 2020**. This increase is due to the following changes: Tarkett was included in the scope of non-controlled assets, Cromology left the scope of controlled assets, and CPI calculated its carbon footprint.
   - On the consolidated investment portfolio on a like-for-like basis between 2020 and 2021, i.e. excluding Cromology and the holding company Wendel S.E., **emissions generated rose marginally to 1,614,917 teq CO_2 in 2021 from 1,586,781 teq CO_2 in 2020.**

Emissions generated by Wendel in 2021

(in teqCO_2)	Gross emissions of the consolidated investment portfolio[1]	Wendel Group (Wendel SE and portfolio of weighted consolidated investments[2]	Non-controlled weighted assets[3]	Wendel Group and Non-Controlled Assets	Wendel Group - 2020 Fiscal Year[4]
Scope 1	202,174	105,692	22,082	127,774	104,477
Scope 2	235,993	122,407	19,445	141,852	125,183
Scope 3	2,438,683	1,393,165	626,259	2,000,161	1,352,328
TOTAL	**2,876,850**	**1,621,264**	**645,523**	**2,269,787**	**1,581,988**

(1) Sum of emissions generated by Bureau Veritas, Constantia Flexibles, Stahl and CPI, not weighted by the shareholding rate as of 12/31/2021.
(2) Weighting by the shareholding rate as of 12/31/2021 for portfolio companies.
(3) Information available for Tarkett only. Information not available for IHS Towers and assets invested via Wendel Lab.
(4) Information not available for non-controlled assets in 2020 (IHS Towers and assets invested via Wendel Lab).

- 100% of controlled companies in the portfolio have defined commitments to reduce their emissions, and 75% of them have committed to implementing a target compatible with the emissions reduction trajectory established via the Paris Agreement and validated by the Science-based target initiative (SBTi).

2. **Employee health and safety**

- The average frequency rate of workplace accidents in the portfolio of consolidated companies was 1.14, slightly up over the fiscal year compared to 2020 (1.08). The average severity rate is nevertheless down (0.03 in 2021 compared to 0.04 in 2020).
- 100% of controlled companies have implemented a continuous improvement process for health and safety in the workplace.

3. **Promotion of diversity and gender parity**

- Wendel advocates an exemplary approach and strives to increase the proportion of women in director positions. This ratio stood at 26% in 2021. The average percentage of women in the governance bodies of portfolio companies is rising, standing at 26% in 2021 compared to 23% in 2020. The average percentage of women in management positions within the Group's entities fell slightly from 24% in 2020 to 23% in 2021.
- In terms of gender diversity, 100% of companies have implemented gender-related objectives in their roadmap.

4. **Innovation and eco-design**

The share of products and services with added environmental and/or social value offered by portfolio companies amounted to 54% of Wendel's consolidated net sales in 2021. This ratio is based either on the ratio of eligibility for taxonomy in relation to the net sales of the company concerned (for Stahl), or on the net sales ratios of the consolidated companies that correspond to products and services contributing to environmental or social objectives other than climate change mitigation and adaptation (the only environmental objectives currently covered by the European green taxonomy – see chapter 4.1.9).

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

- Bureau Veritas' "Green Line" certification services offering, which represents 52% of its sales. The associated share of net sales has been estimated on the basis of this sales ratio;
- Constantia Flexibles' recyclable flexible packaging offering, which represented an estimated 55% of its net sales in 2020[1];
- Stahl's products eligible for the European environmental taxonomy, which represented 57% of the company's net sales in 2021. These eligible products are products whose composition (high water content and low solvent content) results in a significant reduction in CO_2 emissions generated over the life cycle of the product;[2]
- the entire CPI training offer, which is to reduce violent behavior and improve personal safety in the workplace.

(1) The ratios relating to the recyclability of Constantia Flexibles' solutions are only available for the previous fiscal year (2020).
(2) Life cycle analyses carried out by Stahl measure only the emissions generated from the beginning to the end of the production process. Given the end use of the product, it is considered that most of the emissions are generated during the manufacturing process.

In order to measure the effective contribution of its companies to a universal objective of sustainable growth, Wendel uses the United Nations Sustainable Development Goals (SDGs) framework to qualify the sustainability challenges that its activity enables it to meet. This reference framework is also used by controlled companies within the portfolio.

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

- **4.4** **by 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship;**
- **5.5** **ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life;**
- **8.3** **promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized companies, 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.**

In 2021, all companies have included an explicit reference to the SDG framework in their ESG roadmap and have selected the sustainability objectives to which they are committed to contribute through responsible conduct of their business.

4.1.8 Climate Plan

Wendel recognizes the urgency of the fight against climate change and the need to take into account the potential risks and opportunities it generates in its strategic planning and operational management.

In full compliance with its role as a shareholder, in 2021 Wendel assisted its controlled companies in conducting an analysis of the risks and opportunities of climate change to which each of these companies could be exposed. The objective of this approach is to identify risks with severe economic repercussions, and to anticipate the necessary changes so that these companies retain all their resilience and competitiveness in a low-carbon society.

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

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

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

The conclusions of the analysis conducted enabled Wendel to establish:

(i) its alignment with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD);

(ii) a table of transition risks and physical risks to which Wendel and its controlled portfolio companies are exposed;

(iii) a short- and medium-term action plan to improve the climate resilience of the Company and its portfolio.

This diagnostic phase is the first step in a four-year climate plan, on which Wendel is committed to sharing its progress annually.

The successful implementation of this climate plan is a condition for the 2021-2024 stock option plan for the Executive Board and for all employees of Wendel SE concerned.

Wendel's alignment with the TCFD recommendations

TCFD pillar	TCFD recommendations	Wendel positioning
Climate governance	Description of the roles of Management and the Board of Directors in monitoring and managing risks and opportunities related to climate change.	**The responsibility for managing the effects of climate change is borne at all levels of the Company.** A criterion related to the management of climate change conditions the variable compensation of the Executive Board, as well as the stock option plan for all employees of the Company. (See paragraph *Options granted in respect of fiscal year 2021* in Section 2.2.2.2). The Supervisory Board receives dedicated presentations on ESG progress observed within the controlled portfolio, including efforts to reduce emissions. In 2021, all CEOs of controlled portfolio companies had a portion of their variable compensation tied to a climate-related objective. The achievement of this objective is recorded by the Board of Directors of the controlled company. Wendel's ESG team regularly monitors the process of measuring and reducing the emissions of Wendel SE and its controlled companies.
Corporate strategy	Identification of risks and opportunities related to climate change in the short, medium and long term, and their impacts on the organization's activities, strategy and financial management. Alignment of the company's strategy with a low-carbon trajectory.	Wendel's approach as a long-term investor, strongly oriented towards value creation through ESG leverage, demonstrates that sustainability issues are at the heart of its strategy. Climate change management is positioned as one of the four ESG priorities established by the Company. Today, 100% of the controlled portfolio companies have defined low-carbon products and services: ■ Green Line segment on energy efficiency and low-carbon transition proposed by Bureau Veritas; ■ Constantia Flexibles' offer of recyclable packaging; ■ development of products containing renewable carbon by Stahl; ■ digitalization of CPI's training courses.
Risk management	Description of the process of identifying and managing climate-related risks, and integrating them into the company's overall risk management process.	The risk factors to which Wendel is exposed, as presented in chapter 3, mention ESG and climate risks, demonstrating that these are integrated and prioritized in the Company's overall risk management. In addition, the risk analysis conducted in 2021 ensures compliance with TCFD standards (see risk table below) and has been presented to the Director of Internal Control of Wendel SE. The financial estimate of impacts will be calculated on the basis of the climate plans established by the portfolio companies.
Measurement and objectives	Having indicators to measure the organization's performance with respect to its climate commitments, in particular information on the organization's carbon footprint across all its scopes, and setting reduction targets.	100% of the controlled portfolio companies offer a complete and public measurement of their carbon footprint, according to the GHG Protocol standards, and all of these companies, with the exception of Stahl, have a reduction target covering all their Scopes 1, 2 and 3. Today,75% of the controlled portfolio companies, representing nearly all consolidated revenue in 2021, have publicly committed to defining a reduction target approved by the Science-Based Target initiative. Wendel's objective is to support its entire controlled portfolio in this process, and to establish a reduction target at Group level.

Exposure to physical hazards and transition risks

The risk analysis prepared in 2021 is based on the classification table of climate risks and opportunities as defined by the TCFD for transition risks. For physical hazards, the physical hazard modeling is based on RCP 8.5 weather scenario data for 2030 and 2050.

The table below summarizes the main risks and opportunities identified during this diagnostic phase. It includes, where relevant, the risks arising from the Bureau Veritas Climate Plan as published in the Company's 2020 Universal Registration Document.

Transition risks and opportunities				
Transition risk/opportunity	**Risk/opportunity category as presented in the TCFD classification**	**Description**	**Exposure level**	**Measures in place or recommended**
Transition risk	Carbon price increase.	Estimates from the International Energy Agency anticipate a 250% increase in the price per ton of carbon by 2050, assuming a low-carbon transition[(1)]. With the exception of Constantia Flexibles, no other company in the portfolio has facilities subject to the emissions trading scheme. This increase will have mainly indirect effects in the value chain of the portfolio companies (transport, energy, raw materials, etc.).	****	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. Vigilance with regard to the applicability of emissions trading systems (size of facilities, choice of geographical location, etc.).
Transition risk	Stricter regulations on emissions generated.	Recent examples related to the European environmental taxonomy and the future European Fit for 55 package demonstrate the strongly evolving nature of the regulations related to low-carbon alignment and emissions reduction. These new regulations generate direct costs (internal and external resources mobilized to verify compliance) as well as indirect costs over the long term (operational transformation necessary for compliance).	**	As a listed company, Wendel monitors changes in European and international regulations on climate impact reduction. It also encourages the controlled companies to respect the best standards in terms of reducing their emissions (*e.g.* reduction trajectory currently awaiting approval from the SBTi for Bureau Veritas and Stahl, and already established for Constantia Flexibles). 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.).
Transition risk and opportunity	Change in raw material costs.	The energy transition will require a rapid increase in renewable energy production capacity. In this respect, certain metals such as aluminum, which is essential for the manufacture of wind turbines, will face significant supply pressures. This metal represents around 35% of the raw materials used by Constantia. 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 energy in their total consumption.	***	Securing multiple and diversified supply chains. Reflection within the internal production lines in order to optimize the quantities of product used. Participation in the improvement of recycling capacities in order to promote the reuse of certain raw materials.

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

Transition risks and opportunities				
Transition risk/opportunity	**Risk/opportunity category as presented in the TCFD classification**	**Description**	**Exposure level**	**Measures in place or recommended**
Transition opportunity	Substitution of existing products and services in favor of low-carbon solutions.	The transition to a low-carbon economy will require 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. The main example in the portfolio to date is the leather treatment products developed by Stahl, which are based on petrochemical components.	***	Wendel encourages its portfolio companies to constantly monitor emerging trends and the risks of substitution in their respective products. For example, in 2021, Stahl's water-based (as opposed to solvent-based) solutions already accounted for 57% of the company's net sales. This composition is a low-carbon alternative to existing solutions, reducing emissions over the life of the product. Furthermore, as a founding member of the Renewable Carbon Initiative, Stahl was quick to anticipate the transition to renewable carbon solutions. Stahl is working to increase the proportion of products in its portfolio that meet these criteria.
Transition opportunity	Changes in consumer expectations.	The transition to a carbon society will transform the needs and consumption habits of society as a whole. While some products may be abandoned, new needs may emerge. The main examples within the Wendel portfolio are: ▪ the gradual shift to recyclable flexible packaging solutions as deployed by Constantia Flexibles, in order to limit life cycle emissions from single-use plastics; ▪ the management and support of trauma related to natural disasters or severe weather events. CPI, leader in the management of violent behavior, will be increasingly in demand due to the increase in severe weather events; ▪ the development of needs related to corporate social responsibility, eco-efficiency, emissions reduction and climate change adaptation, as expressed by Bureau Veritas group customers.	**	Constantia Flexibles is committed to providing recyclable solutions wherever possible and continues to improve its technical and operational capabilities to accelerate the adoption of such solutions by its customers. CPI is already involved in the management of people who have survived severe climate events, training customer first aid and hospital organizations Lastly, 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.).

Physical hazards and opportunities – moderate or severe risks
At the Wendel Group level, 9 of the Stahl and Constantia Flexibles sites have been identified as sites that are vulnerable to potentially moderate or severe physical hazards by 2050. The Bureau Veritas Climate Plan does not present the number of sites subject to moderate or severe physical risks but nevertheless establishes that these physical risks could have a total financial impact of up to €170 million by 2050[1]. No moderate or severe hazard sites have been identified for Wendel SE and CPI. The identification of hazard sites is based exclusively on the RCP 8.5 weather scenario projections to 2050. This process does not therefore include the existence of protection measures put in place by the Company or by third parties (such as the local authority where the Company is located, for example). This assessment of the real and actual hazards on the most vulnerable sites must be established in 2022.

(1) For more information, see Chapter 2.4 - Climate Plan in the Bureau Veritas 2020 Universal Registration Document.

Climate action plan

Following the diagnosis, Wendel has identified the following actions to be implemented in the short and medium term:

- in 2022, all controlled portfolio companies must have a plan approved by their Board of Directors to address the vulnerabilities identified in the analysis;
- companies exposed to physical weather hazards are encouraged to check their insurance and risk coverage arrangements to ensure that the weather hazards to which they may be exposed are included in the protection they have in place. Companies are also invited to better estimate their actual exposure to the identified risks, particularly with regard to the systems already in place;
- efforts to reduce greenhouse gas emissions must be continued and strengthened, establishing, whenever possible, a reduction target in line with a global warming trajectory below 1.5°C.

4.1.9 European Green Taxonomy

Pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investment, Wendel has prepared a report on its income, capital expenditure (CapEx) and operating expenses (OpEx) eligible for alignment with the requirements of the European environmental taxonomy.

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

- climate change mitigation;
- adaptation to climate change;
- sustainable use and protection of aquatic and marine resources;
- the transition to a circular economy;
- pollution prevention and reduction;
- protection and restoration of biodiversity and ecosystems.

To date, only the delegated act on climate change mitigation and adaptation has been adopted (objectives 1 and 2).

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

4.1.9.1 Presentation of taxonomy eligibility ratios

The table below presents the eligibility ratios for the consolidated portfolio companies, as well as the value for the Wendel Group. All values presented in the tables below are for the year 2021.

Economic activity	Unit	Bureau Veritas	Constantia Flexibles	CPI	Stahl	Total
Net sales						
Net sales eligible for taxonomy	In millions of euros	184.8	0	0	470.6	655.5
Total net sales	In millions of euros	4,981	1,603.4	88.3	831.3	7 503.9
Share of net sales eligible for taxonomy	**%**	**3.7%**	**0%**	**0%**	**56,6%**	**8,7%**
Total Capex						
Share of CapEx eligible for taxonomy	In millions of euros	103.8	8.8	0	1.4	114.1
Total Capex	In millions of euros	259.9	92	1	22.9	375.8
Share of CapEx eligible for taxonomy	**%**	**39.9%**	**9.6%**	**0%**	**6.1%**	**30.4%**
OpEx						
OpEx eligible for taxonomy	In millions of euros	48.8	12.2	0	0	61
Total OpEx	In millions of euros	159.5	30.3	0.2	11	201
Share of OpEx eligible for taxonomy	**%**	**30.6%**	**40.3%**	**0%**	**0%**	**30.3%**

Eligibility for taxonomy in consolidated net sales

Economic activities	Net sales (in millions of euros)	Proportion of net sales (in %)
A. BUSINESS ACTIVITIES ELIGIBLE FOR TAXONOMY		
3.6. Production of other low-carbon technologies	470.6	6.3%
6.14. Rail transport infrastructure	20.9	0.3%
6.15. Infrastructure for low-carbon transportation and public transport infrastructure	6.2	0.1%
7.3. Installation, maintenance and repair of energy efficiency equipment	85.3	1.1%
7.6. Installation, maintenance and repair of renewable energy technologies	41.9	0.6%
9.3. Professional services related to the energy performance of buildings	30.6	0.4%
Net sales eligible for taxonomy (A)	**655.5**	**8.7%**
B. BUSINESS ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		
Net sales not eligible for taxonomy (B)	**6,848.4**	**91.3%**
TOTAL (A + B)	**7,503.9**	**100%**

During fiscal year 2021, the eligibility rate of Group net sales for taxonomy was 8.7%.

The business activities of Group entities eligible for the first two objectives of the taxonomy are as follows:

- Bureau Veritas: Five types of services offered by Bureau Veritas are considered eligible: (i) inspection and monitoring of works for electrified rail transport infrastructure and stations, (ii) accredited energy audits and assessment of the energy performance of buildings, (iii) initial and in-service inspections of electric vehicle charging stations (iv) Energy savings certificates issued in France, and (v) inspections of equipment for the production of renewable energy;
- Stahl: within the Stahl product portfolio, certain products offer, due to their composition (water and solvent content) a significantly lower than market standard carbon footprint over the life cycle of the product. They are therefore considered to be low-carbon technologies, making it possible to reduce greenhouse gas emissions throughout the value chain.

Eligibility for taxonomy in consolidated CapEx

Business activities	CapEx (in millions of euros)	Proportion of CapEx (in %)
A. BUSINESS ACTIVITIES ELIGIBLE FOR TAXONOMY		
3.6. Production of other low-carbon technologies	1.4	0.4%
4.1. Electricity generation using solar photovoltaic technology	0.2	0.04%
4.25. Heat/cold production from waste heat	0.4	0.1%
6.5. Transport by motorcycles, passenger cars and light vehicles	41.2	11%
7.7. Acquisition, holding and construction of new buildings	65.4	17.4%
7.2. Renovation of existing buildings	1.2	0.3%
7.3. Installation, maintenance and repair of energy efficiency equipment	3.1	0.8%
8.1. Data processing, hosting and related activities	1.0	0.3%
CapEx eligible for taxonomy (A)	**114.1**	**30.4%**
B. BUSINESS ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		
CapEx not eligible for taxonomy (B)	**261.7**	**69.6%**
TOTAL (A + B)	**375.8**	**100%**

The capital expenditure taxonomy (CapEx) eligibility rate was 30.4% in 2021.

The main eligible capital expenditure included in this ratio breaks down as follows:

- Bureau Veritas: Eligible capital expenditure concerns new leases for its offices, laboratories and company vehicles;
- Stahl: The capital expenditure considered eligible by Stahl are investments relating to the production facilities of its low-carbon technologies. Capital expenditure related to the purchase of products and services in sectors eligible for taxonomy has not been assessed and has been excluded from the numerator;
- Constantia Flexibles: Although no eligible activity has been identified within Constantia Flexibles' net sales, certain capital expenditure incurred by the company is eligible, in particular capital expenditure for solar panel equipment and solvent recovery systems for energy recovery, for the construction and renovation of production sites, and for the equipment of the company's fleet of vehicles.

Eligibility for taxonomy in consolidated OpEx

Business activities	OpEx (in millions of euros)	Proportion of OpEx (in %)
A. BUSINESS ACTIVITIES ELIGIBLE FOR TAXONOMY		
3.4. Battery production	0.6	0.3%
4.5. Electricity production from hydraulic energy	0.1	0.04%
4.18. Combined heat and power from geothermal energy	0.2	0.1%
4.25. Heat/cold production from waste heat	0.9	0.5%
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	5.1	2.5%
7.2. Renovation of existing buildings	1.5	0.7%
7.3. Installation, maintenance and repair of energy efficiency equipment	0.4	0.2%
7.6. Installation, maintenance and repair of renewable energy technologies	6.5	3.2%
8.1. Data processing, hosting and related activities	3.5	1.7%
9.3. Professional services related to the energy performance of buildings	42.3	21%
OpEx eligible for taxonomy (A)	**61**	**30.3%**
B. BUSINESS ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		
OpEx not eligible for taxonomy (B)	**140**	**69.7%**
TOTAL (A + B)	**201**	**100%**

The operating expenses taxonomy (OpEx) eligibility rate was 30.3% in 2021. The main eligible operating expenses included in this ratio break down as follows:

- Bureau Veritas: Eligible operating expenses are expenses related to the Group's short-term rents (offices, laboratories and vehicles), as well as research and development expenses;
- Constantia Flexibles: Eligible operating expenses are related to the maintenance of the company's fleet of vehicles and other equipment eligible for taxonomy indicated in the capital expenditure, and the renovation of operated buildings;
- Stahl has not identified any operating expenses eligible for taxonomy in fiscal year 2021.

CPI has not identified any activity or expenditure eligible for the European taxonomy in 2021.

4.1.9.2 Accounting policy

The reporting methodology presented below concerns Stahl, Cflex and CPI. The methodology relating to the ratios calculated by Bureau Veritas published in the Bureau Veritas group's extra-financial performance declaration.

The financial information used was collected at the level of each company in the consolidated scope. Within each company, an in-depth analysis made it possible to identify the revenue, capital expenditure (CapEx) and operating expenditure (OpEx) eligible for the European taxonomy. Company subsidiaries and/or sites have reviewed the list of activities eligible for climate change adaptation and mitigation objectives. Where appropriate, the subsidiaries and/or sites have provided the Group with the corresponding revenue, CapEx and OpEx figures. This assessment was carried out jointly by the finance and ESG departments, at the subsidiary level as well as at the site level when relevant. A detailed review was carried out at Group level to ensure consistency of methodologies and data between subsidiaries and sites, and to avoid double counting of the same expense.

The indicator relating to OpEx covers non-capitalized expenses related to research and development, building renovation measures, short-term leases, maintenance and repairs and any direct expenditure for the upkeep of property, plant & equipment.

The numerator does not include CapEx expenditures and OpEx related to individually sustainable measures within the meaning of taxonomy for Stahl, as they are not available for the year 2021. These amounts are not significant.

This exercise has been carried out in accordance with IFRS and US GAAP accounting standards as indicated in the First Delegated Acts on Sustainable Activities. Bureau Veritas, Stahl and Constantia Flexibles are subject to IFRS and Crisis Prevention Institute (CPI) to US GAAP.

In order to calculate net sales, capital expenditures (CapEx) and operating expenses (OpEx), Wendel has referred to Regulation (EU) 2002/852 and the associated delegated acts.

None of Wendel's companies has implemented a CapEx plan in relation to taxonomy.

To avoid double counting, data was collected at site or subsidiary level, depending on the Company, and a review was carried out at the level of each company in the consolidated scope. The data was then consolidated at Wendel Group level and consistency reviews were carried out.

As the accounting systems of the consolidated companies are strictly separate, there is no double accounting at the level of the Wendel Group. Reciprocal account transactions are considered immaterial.

Activities that contribute to both the climate change adaptation and mitigation objectives have been counted once in the numerator of the consolidated KPIs related to revenue, CapEx and OpEx covering both objectives of the Regulation.

As the taxonomic ratios were provided for the first time in 2021, no qualitative or quantitative information on changes in these ratios (net sales, CapEx and OpEx) is available. Changes will be presented from fiscal year 2022.

The Wendel Group has not issued any bonds or economically sustainable debt securities for the purpose of financing activities identified as complying with the taxonomy.

4.1.10 Wendel's 2023 ESG roadmap: fostering excellence and commitment

I. Fostering excellence and commitment

Uphold the highest governance, ethics, environmental and operational management standards

Commitments		2023 targets	KPIs	2020 values	2021 values	Comments and reporting methodology
GOVERNANCE & ETHICS	Ensure that Wendel employees have the best tools and culture to work in an ethical manner by providing annual training and by supporting the deployment of robust compliance programs.	100% of employees signed the Code of Ethics during the current year.	% of employees having signed the Wendel Code of Ethics.	94%	99%	
		100% of employees follow Wendel's annual Business Ethics training course.	% of employees having followed Wendel's annual Business Ethics training course.	98%	99%	
		Review and strengthen the Code of Ethics annually at Executive Board level to ensure that compliance with the highest standards.	Annual review of the Code of Ethics at the Executive Board level [Yes/No].	Yes	Yes	
		Ensuring that the robustness of our anti-corruption program is assessed annually.	Annual audit of Wendel's Anti-corruption Program [Yes/No].	No	Yes	Implementation of the Wendel Protect tool in 2020 – audit conducted in 2021.
SOCIAL & ENVIRONMENT	Carefully selecting and collaborating with our suppliers to ensure they meet our ESG standards.	Deploy a Responsible Procurement approach.	% of suppliers with a third-party ESG label.	27%		Program implemented in 2022. First assessment carried out in 2021 based on suppliers employed in 2020.
			% of suppliers with a "responsible purchasing" approach.	51%		
ENVIRONMENT	Minimizing our direct environmental impact and our carbon footprint by making eco-efficiency a priority in the decision-making process.	Carrying out annual carbon reporting.	Direct GHG emissions (scopes 1 & 2) (tons of CO_2 eq.).	130	128	
			Indirect GHG emissions (Scope 3) (tons of CO_2 eq).	2,978	6,219	
			CO_2 eq emissions intensity scopes 1 + 2 + 3 per employee (tons of CO_2 eq/employee).	38	75	
		Reducing our carbon footprint by sourcing 100% renewable energy for Wendel offices worldwide.	% of renewable energies in Wendel's energy consumption.	21%	26%	Renewable energy/Total energy consumed (electricity, gas, district heating) Across all three offices.
		Reducing our carbon footprint by: ■ offsetting all GHG emissions that cannot be avoided or reduced further; ■ offsetting travel-related carbon emissions.	GHG emissions offset (tons of CO_2 eq).	Program launched in 2021.	400	
			% of emissions offset.	Program launched in 2021.	6%	This concerns Scope 1 and 2.
		Promoting circular solutions and minimizing office waste going to landfill.	% of employees covered by recycling systems.	100%	100%	Across all three offices.
			Total volume of waste recycled per employee (tons).	0.08	0.06	Scope: Paris, Luxembourg. Not available for New York.
		Deploying a plan to reduce the use of paper across all offices.	% change in paper used.	-67%	+11%	2020 value recalculated for the three offices (only available for the Paris office in 2020).

Commitments		2023 targets	KPIs	2020 values	2021 values	Comments and reporting methodology
Foster employability, inclusion, wellbeing, and engagement through concrete actions						
GOVERNANCE	Nurturing diversity and inclusion to expand the teams' perspectives and skills range.	Adding ESG as a key mission of the Wendel Supervisory Board and Wendel Governance and Sustainable Development Committee.	Number of meetings of Wendel Governance and Sustainable Development Committee dealing with ESG related matters.	3	3	
			Number of ESG Steering Committee Meetings.	4	7	
		Maintaining or achieving gender balance, defined as maintaining a percentage of females within the workforce of between 30 and 60%: ■ among all Wendel employees;	% of women among all employees.	54%	57%	
			Gender equality index result.	55/100	53/100	
		■ among employees in management positions. Among Executive Board and/or Investment Committee and/or Management Committee;	% of women in management positions.	37%	42%	
			% of women in investment teams.	37%	42%	
			% of women on the Executive Board.	0%	0%	
			% of women on the Investment Committee.	33%	29%	
			% of women on the Management Committee.	45.5%	40%	
			% of women on the Coordination Committee.	26%	21%	
		■ at Supervisory Board level.	% of women on Supervisory Board.	45%	50%	
		Initiatives aimed at sparking conversations and inspiring change.	Number of initiatives to strengthen diversity and non-discrimination.	7	5	
		Conducting an annual review of progress on diversity.	Number of Equal Opportunity Reviews conducted annually by Wendel's governance bodies (Committees, Executive Board, Supervisory Board).	10	20	
			Review of salary differences M/F over the year [yes/no].	Yes	Yes	
			Review of promotion systems & appointment over the year [yes/no].	Yes	Yes	
			Review of M/F hiring rates over the year [yes/no].	Yes	Yes	

Commitments		2023 targets	KPIs	2020 values	2021 values	Comments and reporting methodology
SOCIAL	Equipping our teams with lasting professional skills by providing all Wendel employees with a personalized career development plan and professional mentorship.	100% of employees have formalized a skills development plan.	Number of employees with a skills development plan.	85	84	
			% of employees with a skills development plan.	100%	100%	
		100% of employees receiving non-mandatory training each year, in line with their career development plan objectives.	% of employees trained (non-mandatory training).	98%	99%	
			Number of hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives).	2,514	2,483	
			Hours of non-mandatory training (soft skills or technical, in alignment with employee career development objectives).	29.5	29.5	
		100% of employees receive mandatory training to acquire general or technical skills essential to their performance at Wendel.	Number of hours of mandatory training (*e.g.* annual business ethics training, etc.).	455	371	Compliance training hours and mandatory HR training hours.
			Hours of mandatory training (*e.g.* annual business ethics training, etc.).	5.4	4.4	
		Conducting quality-of-life-at-work surveys every two years, starting in April 2020.	Survey on quality of life at work [Yes/No].	Yes	Yes	
			Participation rate in the survey on the quality of life at work of employees (%).	60%	81%	
		Formalize and deploy employee wellbeing at work action plans addressing survey findings.	Number of employee well-being initiatives in place.	6	9	
SOCIAL & ENVIRONMENT	Enabling our teams to contribute to causes aligned with Wendel's values	Offering the opportunity to contribute one day per employee per year to non-profit organizations operating in communities where Wendel is present.	Hours of volunteer work performed by Wendel employees during working hours (per year).	Deployed in early 2021.	8 am (first launch in 2021).	
		Establish long-term partnerships with at least two organizations.	Number of long-term [> 2 years] partnerships formalized with non-profits [with localization].	3	2	
			Amounts (in euros) paid to different community/ philanthropic projects.	€881.8 thousand	€834.3 thousand	

II: Building sustainable businesses

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

Commitments		2023 targets	KPIs	2020 values	2021 values	Representativity (% of consolidated revenue)	Reporting methodology
GOVERNANCE	Screening all potential investments using an up-to-date exclusion list reflecting Wendel's values as an investor.	100% of investment opportunities reviewed using Wendel's exclusion list and identification of the most material ESG risks and opportunities.	% of investment opportunities screened through Wendel's exclusion list.	100%	100%	-	
			% of investment opportunities reviewed through identification of material ESG risks and opportunities.	100%	100%	-	
		Annual review of Wendel's exclusion list and business model resilience test criteria at Investment Committee and Supervisory Board levels.	Annual review of the exclusion list by Investment Committee and Supervisory Board (Yes/No).	No as imple-mentation started in early 2020.	Yes	-	
	Conducting ESG due diligence for all potential investments to confirm that the investment thesis is aligned with long-term trends, as well as full, in-depth ESG and compliance assessments on all new investments.	100% of ESG investment opportunities assessed.	% of investment opportunities having undergone in-depth ESG and compliance due diligence.	100%	100%	-	
	Defining precise ESG roadmaps for all portfolio companies.	100% of controlled portfolio companies having formalized an ESG transformation roadmap aligned with their global strategy.	% of controlled portfolio companies with an ESG roadmap.	100%	100%	100%	
		100% of portfolio companies' progress *vis-à-vis* this roadmap is reviewed at Company Board level once a year.	% of controlled portfolio companies for which progress *vis-à-vis* this roadmap is reviewed at Company Board level for each company annually.	80%	100%	100%	
			% of controlled portfolio companies that have had a committee or Board of Directors review an ESG topic.	80%	100%	100%	
		The progress of all controlled companies in the portfolio with respect to their ESG roadmap is reviewed each year by Wendel's Executive Board.	% of ESG transformation roadmaps reviewed each year by Wendel's Executive Board.	80%	100%	100%	
		The progress of all controlled companies in the portfolio with respect to their ESG roadmap is reviewed each year by Wendel's Supervisory Board.	ESG roadmaps reviewed each year by Wendel's Governance and Sustainable Development Committee and/or Supervisory Board.	Yes	Yes	-	

Commitments		2023 targets	KPIs	2020 values	2021 values	Representativity (% of consolidated revenue)	Reporting methodology
GOVERNANCE	Hold Wendel & portfolio companies management teams accountable for progress made against ESG transformation roadmaps.	100% of portfolio companies' Executive Management teams' variable compensation is partially conditional on progress *vis-à-vis* their ESG transformation roadmaps.	% of CEOs in the controlled portfolio whose variable compensation is contingent on progress on their ESG roadmaps.	80%	100%	100%	
		Wendel's Executive Board's variable compensation is partially conditional on overall portfolio companies' progress *vis-à-vis* their ESG transformation roadmaps (including climate change and gender equality).	% of total compensation of the Executive Board contingent on progress on ESG issues.	Only variable portion indexed to ESG	19.2%	-	
		100% of the variable compensation of Wendel's management teams is partially contingent on the progress made by all controlled portfolio companies on their ESG roadmaps.	A variable portion of the Coordination Committee's remuneration is contingent upon the progress of all portfolio companies on their ESG transformation roadmaps [yes/no].	Yes	Yes	-	
	Continuously improving the quality of extra-financial portfolio-level information disclosure.	Progressively align Wendel's annual extra-financial reporting with international standards, such as the TaskForce of Climate Disclosure (TCFD) reporting framework.	Annual PRI score.		1st voluntary participation in 2021 – Score available in 2022.	-	
			Alignment with TCFD [Yes/No] Communication on progress (COP) of the United Nations Global Compact KPIs.	No	Yes See 4.1.9 Climate Plan.	-	
ENVIRONMENT & SOCIAL	Assess and address the portfolio companies' exposure to transition and physical climate risks.	100% of the portfolio companies have completed their carbon footprint assessment and are committed to reducing their emissions.	% of portfolio companies monitoring their carbon footprint.	60%	100%	100%	Disposal of Cromology and realization of CPI's carbon footprint assessment. A carbon footprint is considered to be monitored if the Company calculates at least its Scope 1 and 2 on an annual basis.
			% of controlled portfolio companies calculating their Scopes 1 and 2 carbon emissions.	80%	100%	100%	Realization of CPI's carbon footprint assessment.
			% of controlled portfolio companies that have estimated their scope 3 carbon emissions.	60%	100%	100%	Disposal of Cromology and realization of CPI's carbon footprint assessment.
			CO_2 eq. emissions of scopes 1+2 (k CO_2 eq.).	104	128	100%	Total weighted by Wendel's share in each controlled asset.
			CO_2 eq. emissions of scopes 2 (k CO_2 eq.).	125	142	100%	
			Total scopes 3 CO_2 eq. emissions (kT CO_2 eq.) of the portfolio.	1,364	1,993	100%	Completion of the CPI carbon assessment for 2021

Commitments		2023 targets	KPIs	2020 values	2021 values	Representativity (% of consolidated revenue)	Reporting methodology
ENVIRONMENT & SOCIAL	Assess and address the portfolio companies' exposure to transition and physical climate risks.	100% of the portfolio companies have completed their carbon footprint assessment and are committed to reducing their emissions.	Total scopes 1, 2 and 3 CO_2 eq. emissions (kT CO_2 eq.) of the portfolio of controlled assets.	1,578,880	1,614,917	100%	Total weighted by Wendel's share in each controlled asset. Companies concerned: Bureau Veritas, Stahl, Constantia Flexibles and CPI (available only for 2021).
			% of controlled portfolio companies with a reduction target in place.	60%	100%	100%	Disposal of Cromology and definition of a reduction target for CPI.
			% of controlled portfolio companies committed to submitting their reduction target to the Science-Based Target Initiative (SBTi).	60%	75%	100%	All controlled companies with the exception of CPI.
		100% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities	% of portfolio companies have assessed their exposure to physical and transition climate change risks and opportunities [Yes/No].	-	100%	100%	
			% of controlled portfolio companies using renewable energy for more than 10% of their energy consumption.	40%	50%	100%	Disposal of Cromology. The companies concerned are Stahl and Constantia Flexibles.
			% of renewable energy among portfolio companies.	36%	36%	100%	
			% of controlled portfolio companies with identified climate change risk resilience plans.		Risk analysis finalized in 2021. The action plans will be implemented in 2022.	-	
	Promote operational excellence & ESG-driven innovation across the portfolio companies.	100% of controlled portfolio companies have implemented actions to improve their eco-efficiency and environmental management.	% of controlled portfolio companies that have an environmental management system (in particular *via* ISO 14001 certification) for all or part of their activities.	80%	75%	100%	All companies except CPI. Disposal of Cromology.
		100% of controlled companies in the portfolio that have adopted a continuous improvement approach to health and safety in the workplace.	Lost-time accident frequency rate (per 1,000,000 hours worked)	1.08	1.14	100%	Calculated on the basis of theoretical hours worked by employees, except for Constantia Flexibles, which takes into account employees and temporary workers.

Commitments		2023 targets	KPIs	2020 values	2021 values	Representativity (% of consolidated revenue)	Reporting methodology
ENVIRONMENT & SOCIAL	Promote operational excellence & ESG-driven innovation across the portfolio companies.	100% of controlled portfolio companies have adopted a continuous improvement approach to health and safety in the workplace.	Workplace accident severity rate (per 1,000 hours worked).	0.04	0.03	100%	
			% of controlled companies in the portfolio that have implemented a continuous improvement approach in terms of health and safety in the workplace	80%	100%	100%	Sale of Cromology and formalization of an ESG strategy by CPI that includes health and safety
			% of controlled companies in the portfolio that have implemented a continuous improvement approach in terms of health and safety in the workplace	80%	100%	100%	Sale of Cromology and formalization of an ESG strategy by CPI that includes health and safety
			% of controlled portfolio companies with a health and safety management system (in particular OHSAS 18001/ISO 45001) for all or part of their scope of activity.	80%	75%	100%	Disposal of Cromology. All companies except CPI.
			% of controlled portfolio companies that organize health and safety training.	100%	100%	100%	
		100% of controlled portfolio companies are committed to improving gender balance in their workforce.	% of controlled portfolio companies are committed to improving gender balance in their workforce.	80%	100%	100%	
			% of women in the total headcount.	29%	29%	100%	
			% of women in management positions.	24%	23%	100%	
			% of women in shareholder governance bodies (Board of Directors or Supervisory Board as appropriate).	23%	26%	100%	
			% of women in operational governance bodies (Management Committee or Executive Committee as appropriate).	22%	21%	100%	
		100% of controlled portfolio companies have identified priorities for offering sustainable products and services and have defined related action plans.	% of controlled portfolio companies. have identified priorities for offering sustainable products and services and have defined related action plans.	100%	100%	100%	
			% of net sales associated with sustainable products and services.	28%	54%	100% (68% for 2020)	% of net sales used to calculate the ratio in 2021: Bureau Veritas: 52% – estimate based on the % of sales associated with the Green Line service offering Constantia Flexibles: 55% – estimate based on 2020 sales Stahl: 57% CPI: 100%

4.2 Wendel's subsidiaries, reviewed by an independent third-party body

4.2.1 Bureau Veritas

4.2.1.1 Bureau Veritas' mission statement

Since 1828, Bureau Veritas has acted as a trust maker between companies, governments and society. The company is the independent, impartial guarantor of its clients' word.

Identity

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the group has close to 80,000 employees located in nearly 1,600 offices and laboratories across the globe. Bureau Veritas helps its clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.

Bureau Veritas is a Business to Business to Society service company that contributes to positively transforming the world we live in. Bureau Veritas works closely with its clients to address the critical challenges they face and to link these to the emerging aspirations of society. The company plays a pivotal role in building and protecting companies' reputations, supporting them as they forge the foundations of trust that is built to last.

Manifesto

Trust is the very foundation upon which relationships between citizens, public authorities, and companies are built. In today's fast-changing world, this essential link is no longer a given.

Citizens and consumers are seeking out verified and verifiable information on how companies develop, produce and supply their goods and services. Decision makers across all organizations face the challenge of proving their CSR commitments in order to remain competitive and sustainable.

Bureau Veritas' work enables organizations to operate and innovate safely and perform better. Thanks to its unrivaled expertise, technical knowledge and worldwide presence, Bureau Veritas supports its clients by managing quality, safety, health and sustainability risks, to the benefit of society as a whole.

As a Business to Business to Society company, Bureau Veritas believes that today more than ever, trust depends on evidence of responsible progress.

Bureau Veritas brings more to the table than testing, inspection and certification. The work it does goes beyond verifying compliance and has a much wider impact.

The company plays a pivotal role in building and protecting companies' reputations, supporting them as they forge the foundations of a trust that is built to last.

Bureau Veritas' mission: Shaping a World of Trust by ensuring responsible progress.

Vision

A Business to Business to Society company

Bureau Veritas' employees serve its clients and are inspired by society; they make Bureau Veritas a Business to Business to Society service company that contributes to positively transforming the world we live in.

Mission

Shaping a World of Trust by ensuring responsible progress.

4.2.1.2 CSR commitment

Bureau Veritas' commitment to Corporate Social Responsibility (CSR) issues reflects its wish to play its part in efforts that each company and citizen should make to address social and environmental challenges. Going further than compliance with CSR regulations, Bureau Veritas seeks above all to meet the needs of its clients and employees, as well as end-consumers and all its stakeholders.

Owing to the nature of its services, Bureau Veritas has a direct and indirect impact on CSR issues:

- directly, in each of its businesses, entities, subsidiaries and regions;
- indirectly, by offering a broad range of services aimed at improving its clients' impact on health and safety, security, environment and sustainability.

The group firmly believes that its actions in this respect are helping to prepare for the future in the best interests of its stakeholders.

This view is echoed in the commitment to CSR made by the Chairman of Bureau Veritas' Board of Directors and the Group's Chief Executive Officer, as set out below.

BUREAU VERITAS' CORPORATE SOCIAL RESPONSIBILITY COMMITMENT

Bureau Veritas operates according to a sustainable development model that combines financial performance with Corporate Social Responsibility.

At Bureau Veritas, sustainability issues have been at the heart of our business for almost 200 years, through our expertise in health, safety, quality and environmental protection. Our raison d'être: ***Shaping a World of Trust by ensuring responsible progress.***

Committed to helping its customers with these issues, Bureau Veritas seeks to be consistent and lead the way on sustainability by being particularly demanding with regard to its own impact on the planet and its inhabitants.

Our CSR commitment is aligned with our mission: ***Shaping a Better World***. At Bureau Veritas, we take a holistic approach to corporate responsibility by focusing equally on the climate emergency as well as on issues of inclusion, diversity, fairness and good governance.

In 2021, we embarked on four major initiatives to accelerate our CSR strategy:

- **Strengthening our governance** o enable us to act more effectively in deploying and managing our global action plan;
- **Renewing our environmental commitment,** to protect biodiversity and fight against climate change by joining the Act4nature and Science Based Targets (SBTi) initiatives;
- **Accelerating the deployment of the BV Green Line,** a series of services and solutions to support our customers in implementing, measuring and achieving their sustainable development objectives. Thanks to our expertise, companies make their ESG initiatives traceable, visible and reliable, so that their impact can be demonstrated in a measurable way;
- **Renewing our support for the hydrogen industry** by participating in several committees aimed at establishing safety regulations for production, transport and storage.

Bureau Veritas made its debut on the Euronext CAC 40 ESG index in 2021 in recognition of its sustainability commitment and performance.

As a «Business to Business to Society» company, Bureau Veritas is committed to its customers and inspired by major societal issues: it supports the United Nations Sustainable Development Goals and the principles of the Global Compact.

Our nearly-80,000 employees remain fully committed to further improving the Group's footprint, particularly by protecting the environment, preserving biodiversity, defending human rights, acting ethically, improving safety and protecting health.

Aldo Cardoso

Chairman of the Board of Directors

Didier Michaud-Daniel

Chief Executive Officer

Further details on the Group's Environment, Social, Governance (ESG) commitments and policies can be found on the CSR pages of the Bureau Veritas website by clicking on the following link: https://group.bureauveritas.com/group/shaping-better-world/statements-policies.

4.2.1.3 Bureau Veritas' CSR strategy

Bureau Veritas' sustainable development strategy is built on two key pillars:

- Bureau Veritas' ESG services offering addressing needs emerging from clients' environmental and social transitions;
- corporate social and environmental responsibility, which is reflected in Bureau Veritas' implementation of sustainable policies to meet stakeholder expectations.
  - Through its mission and commitment, Bureau Veritas is "Shaping a World of Trust". The Group's sustainable development strategy is fully integrated into this objective, with the aim of "Shaping a Better World". It is built upon three strategic axes:
  - "Shaping a Better Workplace",
  - "Shaping a Better Environment",
  - "Shaping Better Business Practices".

The strategy focuses on five of the UN's Sustainable Development Goals (SDGs) and is based on three sustainability pillars: "Social & Human capital", "Natural capital" and "Governance". The CSR strategy addresses 20 priority subjects, as presented below.

Social & Human capital	
3 GOOD HEALTH AND WELL-BEING	Occupational health and safety
	Human rights
	Access to quality essential healthcare services
	Employee volunteering services
5 GENDER EQUALITY	Equal remuneration for women and men
	Diversity and equal opportunity
	Workplace harassment
	Proportion of women in leadership and other positions
8 DECENT WORK AND ECONOMIC GROWTH	Employment
	Non-discrimination
	Capacity building
	Availability of skilled workforce
Natural capital	
13 CLIMATE ACTION	Energy efficiency
	GHG emissions
	Risks and opportunities due to climate change
Governance	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Effective, accountable and transparent governance
	Anti-corruption
	Product and quality compliance
	Client privacy & cybersecurity
	Responsible sourcing & supplier ethics

4.2.1.4 Bureau Veritas' key achievements in 2021

2021 marked the first year of a new strategic cycle for 2021-2025. The table below sets out the 19 key indicators in Bureau Veritas' strategic plan for sustainable development.

Since 2020 was heavily disrupted by the health crisis, comparisons are made with respect to 2019.

Indicator	2021 results	2020 results	2019 results	Change 2020 vs. 2021 & 2019 vs. 2021	
Social capital					
Total Accident Rate (TAR)	0.27	0.26	0.38		
Lost Time Rate (LTR)	0.19	0.17	0.23		
ISO 45001 certification rate(1)	92%	87%	86%		
Number of human rights infringements	0	0	0		
Human capital					
Women in executive management roles (EC-II)	26.5%	27.5%	24.4%		
Women in senior management roles (EC-III)	21.5%	19.8%	19.5%		
Overall proportion of women	30%	30%	30%		
Gender pay equity ratio, excluding management	0.95	1.00	1.02		
Number of training hours per employee	29.9	23.9	19.0		
Percentage of employees who received a performance review	55%	N/A	31.4%		
Percentage of employees who received a career development review	19%	N/A	N/A		
Employee engagement rate	70%	69%	64%		
Natural capital					
Annual CO_2 emissions per employee (tons)(2)	2.49	2.44	2.85		
ISO 14001 certification rate(1)	89%	83%	76%		
Governance					
Proportion of employees trained to the Code of Ethics(3)	95.8%	98.5%	97.1%		
Number of Code of Ethics infringements	59	57	N/A		
ISO 9001 certification rate(1)	92%	91%	87%		
Net promoter score (NPS)	49.9%	48.3%	43.9%		
Percentage of acceptance of the BPCC	60%	53%	N/A		

(1) Percentage of the global headcount belonging to certified entities.
(2) Net CO_2 emissions corresponding to Scopes 1, 2 and 3 for business travel.
(3) Non-comparable data. The calculation method was extended in 2021 to cover the percentage of employees trained in 2021 regardless of seniority, instead of being limited to new employees recruited during the year.

In 2021, six major initiatives were launched to step up the Group's sustainable development program:

- publication of new policies on **sustainable procurement** and **carbon footprint reduction**;
- renewed commitment to **biodiversity protection**;
- rollout of the **Clarity** solution for managing the CSR program and tracking CSR indicators;
- calculation of a **sustainable development index** for each operating group;
- first reporting in line with the European **Taxonomy** Regulation;
- improvements to the **reliability of strategic indicators**.

Bureau Veritas has pushed ahead with endeavors on being **a fairer, more inclusive company,** on improving **employee safety,** and on reducing its impact on **the environment**.

4.2.1.5 The BV Green Line of services and solutions

Sustainability, along with CSR and ESG matters, have become key growth drivers and trust catalysts for all economic players. Beyond their financial performance and ability to innovate, companies are now valued for and judged on their positive impact on people and the planet.

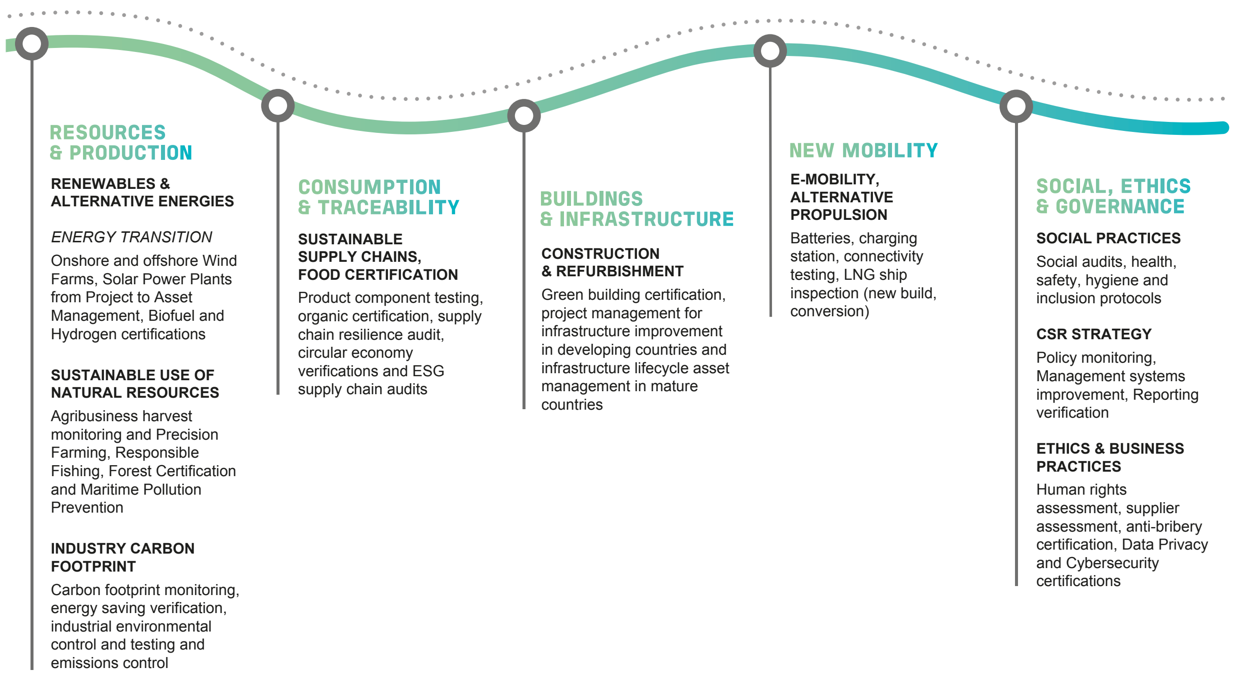
Through its Green Line of services and solutions, Bureau Veritas empowers organizations – both private and public – to implement, measure and achieve their sustainability objectives, reliably and transparently.

In this way, Bureau Veritas helps its clients meet the challenges of product and service quality, health and safety, environmental protection and social responsibility, all along the value chain, in their selection of resources and during production. Bureau Veritas offers its expertise throughout the supply chain, from raw materials sourcing to product use, ensuring fair, responsible sourcing with full traceability. Bureau Veritas provides full support for its Building & Infrastructure clients throughout all project phases: planning, design, construction, operation, and refurbishment. Bureau Veritas plays a vital support role in the field of New Mobility, by providing battery testing services, as well as a comprehensive range of services for electric vehicle charging stations.

Bureau Veritas strives to accompany all clients in delivering their sustainability strategy, and meet the expectations of their employees and stakeholders.

Bureau Veritas helps its clients make their ESG initiatives traceable, visible and reliable, so that their impact can be measurably demonstrated. By promoting transparency, Bureau Veritas helps them protect their brands and their reputations.

The Bureau Veritas Green Line has five main focuses:



Action plan

The action plan to develop the CSR offer includes the following objectives:

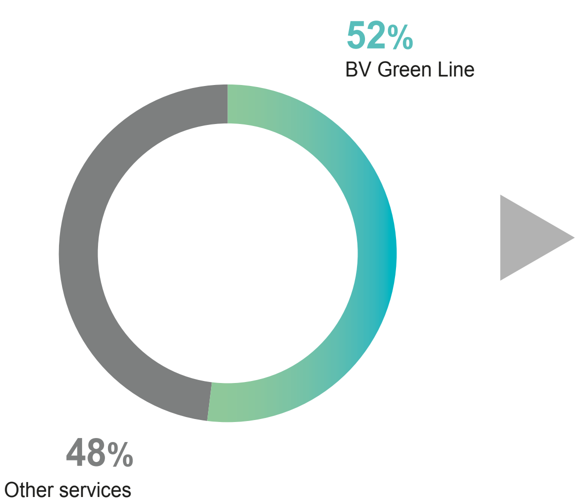
- develop service offerings that meet market needs for environmental, energy and social transitions;
- provide training about the Group's CSR services to client-facing employees;
- present the CSR offering to the Group's main clients;
- set up a reporting system for determining and monitoring the proportion of revenue generated by these services.

Indicators

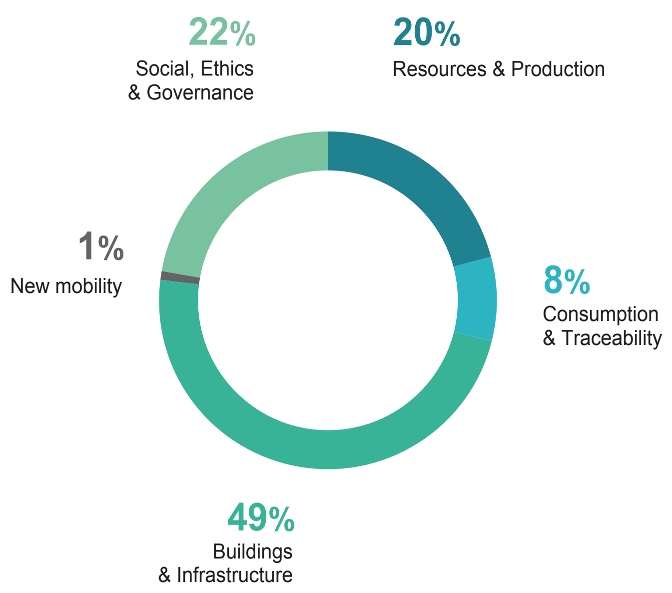
The performance indicator used to monitor this activity is sales and growth in sales.

In 2021, Green Line sales accounted for 52.1% of Bureau Veritas' total sales.

BREAKDOWN OF GROUP SALES (FY 2021)



BREAKDOWN OF BV GREEN LINE SALES BY TYPE OF SERVICES



4.2.1.6 Bureau Veritas' 2021 ESG ratings

Bureau Veritas' ratings all improved significantly in 2021.

Three major recognition achievements came through in 2021:

- entry into the CAC 40 ESG index;
- top ranking in the DJSI professional services category;
- EcoVadis Platinum label.

EURONEXT	**Bureau Veritas joins the CAC 40 ESG index**
S&P Global / Dow Jones Sustainability Indexes	**Ranked Gold Class** in the Sustainability Yearbook 2022 **Listed in the "Europe" and "World"** indexes **Ranked 1st** in the Professional Services category with **85/100**
MSCI	**Rated AA** Industry adjusted score: **8.5**
ecovadis Platinum 2021	**Rated Platinum** with **78/100** – Top 1%
CDP	**Rated B,** above sector average (C)
V.E	**Rated Advanced** with **66/100** **Ranked #4/103** in the Business Support Services sector
SUSTAINALYTICS	**Rated low risk with 13.9** **Ranked #3** in the "Research and Consulting" category
EthiFinance / Gaïa	**Rated 89/100**
Corporate ESG Performance Prime ISS ESG	**Prime status** and **rated C+**
FTSE4Good	**Bureau Veritas recognized as a constituent of the FTSE4Good Index Series**

VALUE CREATION MODEL

OUR PURPOSE

OUR VISION

Our employees serve our clients and are inspired by society; they make Bureau Veritas a Business to Business to Society service company that contributes to positively transforming the world we live in.

5 MACRO TRENDS

- Demographic growth and rapid urbanization
- International trade and supply chain management: disruption and restructuring
- New technologies and accelerating digitalization
- Increasing focus on sustainability and CSR
- Healthcare and hygiene in the spotlight

1 STRATEGIC AMBITION FOR 2025

Capturing the maximum value from existing businesses as well as in businesses adjacent to our core activity and leading sustainability in the TIC sector.

3 VALUE DRIVERS

SCALE

Scale up by getting the maximum value out of existing products and services

EXPAND

Make the right choices regarding growth opportunities in selected key markets

LEAD

Leverage technological advances to drive the evolution of the TIC sector

OUR ENABLERS

The Bureau Veritas brand acts as a guarantor for the seeds of trust we are sowing between companies, governments and consumers. The business is supported by our enablers.

PEOPLE AND CULTURE

Invest in human capital, live by our common values and create a culture of commitment to services

- **79,700** employees
- Qualified, highly-trained and trusted personnel
- **154** nationalities
- An inclusive and international culture
- A business that puts its clients at the heart of its culture
- A global network of sub-contractors

ORGANIZATION AND GOVERNANCE

Sharing the values and the 2025 Strategic Direction

- A long-standing controlling shareholder and a diversified free float
- A robust and balanced financial model with a long-term vision
- **€1,707** million in equity
- A network of almost **140** countries
- Nearly **1,600** offices and laboratories
- **3,500** accreditations, agreements and authorizations
- A strong sustainability commitment

INNOVATION AND DIGITAL

Using digital tools to improve and extend TIC services

- Innovative services and solutions to accompany sustainable development strategies, with trust and transparency
- More than **190** years of brand experience in economic and society transitions
- Numerous alliances and partnerships with leading players
- Group-wide digital transformation

OUR MISSION

Shaping a World of Trust by ensuring responsible progress. Thanks to our unrivaled expertise, technical knowledge and worlwide presence, we support our clients by managing quality, safety and sustainability risks, to the benefit of society as a whole.

OUR SERVICES

CREATING TRUST

SERVICES

Verification of conformity with regulations or self-imposed standards

- International standards
- Regulations
- Voluntary standards

SOLUTIONS

Technical assistance and regulatory support services

BV GREEN LINE

A cross-functional offer of services and solutions **to support the implementation of sustainable strategies** that are credible, measurable and legitimate.

OUR END MARKETS

- Buildings & Infrastructure
- Agri-Food and Commodities
- Industry
- Consumer Products
- Marine & Offshore
- Certification

OUR RESULTS

FINANCIAL PERFORMANCE

- **9.4%** increase in organic growth
- **16.1%** of adjusted operating margin
- **98.6%** cash conversion rate

ESG LEADERSHIP

- **0.27** total accident rate
- **2.49** metric tons of CO_2 emissions per employee per year
- **26.5%** of women in leadership positions
- **29.9** hours of training per employee
- **95.8%** of employees trained in the Code of Ethics

SHARED VALUE AND STAKEHOLDER IMPACTS

€5.0 BILLION

IN REVENUE

52% of the Group's sales in 2021 were for services stemming from BV Green Line

CLIENTS

- Development of our activities: **€115** million in net investment
- Improved risk management
- Simplified business exchanges
- Increased performance

SUPPLIERS AND SUB-CONTRACTORS

€**1.4** billion in purchases of goods, services and engagements

EMPLOYEES

€**2.0** billion in wages, salaries and bonuses

STATE

€**244** million in taxes

SHAREHOLDERS

€**0.53** dividend per share(1)

SOCIETY

Trust in quality, health and safety, and sustainability

(1) Proposed dividend subject to Shareholders' Meeting approval on June 24, 2022.

4.2.2 Constantia Flexibles

4.2.2.1 Presentation of the company's activity

Founded by Herbert Turnauer in the 1960s, the Constantia Flexibles Group, headquartered in Vienna, produces flexible packaging, primarily for the food and pharmaceutical industries. The Wendel Group is the majority shareholder of Constantia Flexibles, with a ~61% equity holding. Other shareholders are the Arepo Foundation, with a ~27% holding, and Maxburg Capital Partners, with ~11%.

Constantia Flexibles is the world's third largest producer of flexible packaging, with sales of roughly €1.6 billion in 2021. The Group generated 66% of total turnover in Europe, 17% in the Americas, 6% in the Middle East, Africa, Australia and 11% in Asia. Based on the guiding principle of "People, Passion, Packaging", some 8,551 employees located in 19 countries – including headquarters and other offices – produce tailor-made packaging solutions at 37 production sites. Moreover, Constantia Flexibles has successfully developed its activity outside Europe and, over the last years, has become a global leader in flexible packaging. Constantia Flexibles' innovative products, with their focus on preservation, promotion and protection, attract and convince global players and local market leaders of the food- and pharma-industries the same way.

The product variety manufactured at Constantia Flexibles' operating locations is based on patented aluminum- and plastic-foils. The company is the global market-leader in die-cut lids for dairy products, flexible packaging of confectionery products and deep-drawn aluminum-containers for food and pet food. Moreover, Constantia Flexibles is also a global leader for blister- and coldform-foils supplied to the pharma-industry.

Constantia Flexibles works with the following goal in mind:

"We envision a world in which packaging provides people with the highest benefit at the lowest impact on the environment."

By the very nature of its business activity, respect for the environment is one of Constantia Flexibles' main CSR commitments. The company pays particular attention to continual improvements in the consumption of raw materials, which are essentially aluminum, plastics, paper, and chemicals like inks and solvents. As early as 2018, Constantia Flexibles pledged to increase the percentage of recyclable solutions in its packaging products and set an absolute Greenhouse Gas (GHG) emission reduction target approved by the Science Based Target initiative (SBTi). Constantia Flexibles closely monitors the possible impact of its products on the environment, in particular by performing life cycle assessments.

The opening of a newly built production facility in India in 2019, 100% dedicated to produce the recyclable product-family "EcoLam", which is based on monopolymer laminates from Polyethylene (PE), bookmarks in particular one of the milestones of Constantia Flexibles' way of business to grow by following the vision and mission and in particular its commitment to developing all packaging to be recyclable.

Constantia Flexibles prioritizes the health and safety of everybody who works with and for Constantia Flexibles and takes proactive measures to achieve its vision of "Zero Loss – No Damage" which is underpinned by the duty to create and maintain a safe and sustainable work environment.

Constantia Flexibles

SHAREHOLDER GOVERNANCE

SHAREHOLDERS - WENDEL (61%), AREPO FOUNDATION (27%), MAXBURG CAPITAL PARTNERS (11%)

SUPERVISORY BOARD: **8** members; **25%** of independent

2021 REVENUE

€1.6 bn

VISION

We envision a world in which packaging provides people with the highest benefit at the lowest impact on the environment.

MISSION

We rethink packaging every day to make a positive, sustainable and meaningful contribution to our customers and the environment.

We are driven by passion and our aspiration for know-how and competence to make people's lives healthier, better and safer.

VALUES

PEOPLE,
PASSION,
PACKAGING

ENVIRONMENTAL PERFORMANCE

TARGETS

Science Based Target: GHG-emissions reduction (scope 1, 2, 3)

24% by 2030
49% by 2050
(reference year 2015)

2021 PERFORMANCE

51%
of packaging sold is recyclable*

-19%
reduction of GHG -emissions (scope 1, 2(1), 3(2))
(1) Scope 2 location based.
(2) Peer-reviewed Scope 3 value 2020.

CDP Climate Score 2021: **A**

EcoVadis Score 2021 **Gold Level**

* 2020 value. The 2021 value is estimated at 54%. Signatory of the New Plastics Economy Global initiative, which aims to make 100% of packaging recyclable by 2025.

RESOURCES

HUMAN CAPITAL

~8,551 employees
- 58% Europe
- 25% Asia
- 11% America
- 6% Middle East, Africa & Australia

INTELLECTUAL CAPITAL

57 active patent families

PROCUREMENT

Main raw materials	Aluminium	Plastic	Chemicals (inks & solvents)	Paper
Share in supplies (per volume purchased)	~35%	~37%	~22%	~6%
Supplier country	Europe , China, Russia, Turkey	Europe, India, Mexico, Turkey	Europe, India, Mexico, Turkey	Europe, India, South Africa

USE OF RESOURCES

Integrated production: Material sourcing, Rolling → Lacquering, Lamination, Extrusion → Printing, Cutting → Finishing, Customer Service

OUTPUT

PRODUCTS

CONSUMER MARKET
- Confectionery foil
- Die-cut lidding
- Alu-container systems

PHARMA MARKET
- Blister lidding foils
- Coldform foils

REVENUE BREAKDOWN

- 66% Europe
- 17% America
- 11% Asia
- 6% Middle East, Africa, Australia

~75% in CONSUMER-Division
~25% in PHARMA-Division

OPERATIONAL GOVERNANCE

MANAGEMENT BOARD AND EXECUTIVE BOARD

10 members

- 46 issued (split into Foil: 21, Film: 20, Paper: 3 and 2 general patent families),
- 16 in application-status (split into Foil: 7, Film: 3, Paper: 4 and 2 general patent families).

R&D

5 research centers (Consumer, Pharma)

90 experts

CERTIFICATIONS / MANAGEMENT SYSTEMS

100% of production sites hold a Quality Management certificate (e.g. ISO 9001)

12 production plants **certified on ISO 14001**

6 production plants **certified on ISO 45001**

Additional certificates like **British Retail Standard** (BRC) or **ISO 15378**

PRODUCTION

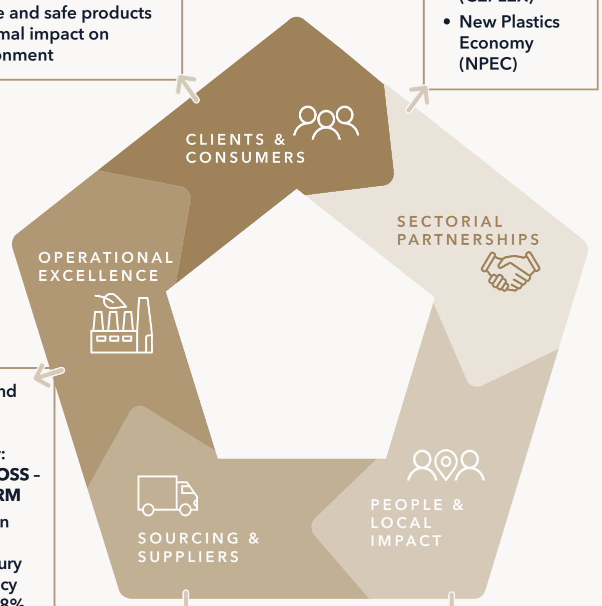
37 manufacturing sites IN **16** countries

#3 GLOBALLY*

#2 IN EUROPE*

* Source of position: Comparison of turnover of flexible packaging compared to other manufacturers´ annual statements.

Value creation for External Stakeholders



Innovative and safe products with minimal impact on the environment

- A Circular Economy for Flexible Packaging (CEFLEX)
- New Plastics Economy (NPEC)

- Vision and goal for Health & Safety: **ZERO LOSS - NO HARM**
- Evolution of Lost Time Injury Frequency Rate: -58% from 2018 to 2021

- Aluminium Stewardship Initiative (ASI)
- Forest Stewardship Council (FSC)

- Local initiatives towards communities: START Austria, cooking at VinziRast, donations

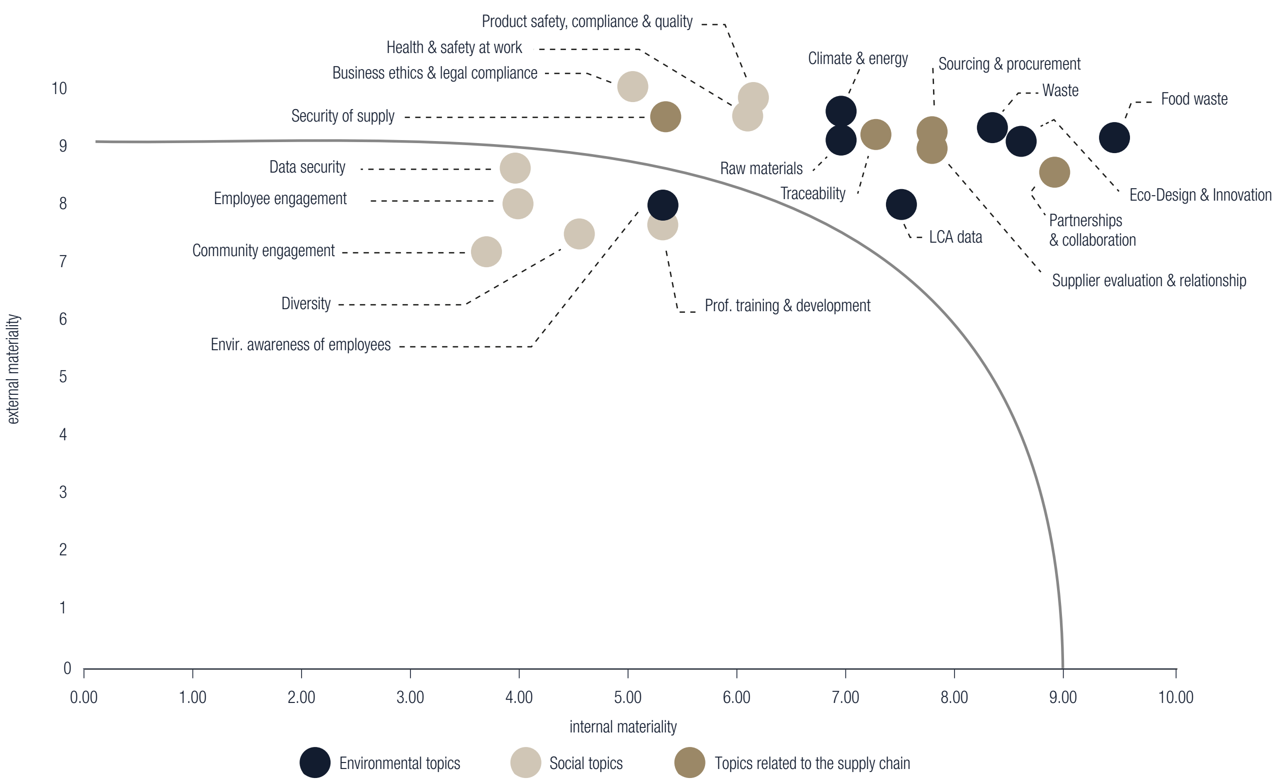
4.2.2.2 Materiality matrix

In accordance with the Global Reporting Initiative (GRI) Constantia Flexibles assesses the materiality of its ESG issues. Constantia Flexibles combined an internal impact assessment with a broad stakeholder analysis in accordance with the AA1000 Stakeholder Engagement Standard. Stakeholders were requested to share their view (external materiality) on Constantia Flexibles' sustainability topics (internal materiality) and to rate Constantia Flexibles' engagement in these areas using an online questionnaire developed together with specialized external experts.

The result of this assessment shows that Constantia Flexibles' internal view on the materiality of the company's sustainability topics is largely in line with the external assessment by its stakeholders. Many remarks and stakeholder expectations stressed topics with regard to eco-design, recyclability, barrier function, environmental impact of packaging materials and the communication of features to the broad public. Regarding Constantia Flexibles' engagement, topics such as product safety and compliance, business ethics, packaging and design, traceability as well as health and safety at work were rated as high, demonstrating the company's areas of strength.

Constantia Flexibles is working on all topics by concentrating its efforts on the priority areas and will continue to focus on these areas to further pursue an intensive dialogue with its stakeholders.

Constantia Flexibles materiality matrix



4.2.2.3 Overview of main risks

Constantia Flexibles has defined the following material risks as being key for sustainable extra-financial performance correlated with economic performance. The following main risks are based on the comprehensive assessment of materiality and on the established internal risk and opportunity management system.

Overview of Constantia Flexibles main extra-financial risks, policies and KPIs

CSR Topics	Extra-financial risk	Description	Mitigation policies and actions	KPIs	Related paragraph
HEALTH & SAFETY (Wendel priority)	Hazardous working conditions	Several manufacturing processes (technology, machinery) and hazardous substances (*e.g.* solvents, inks) used to produce flexible packaging have the potential to harm people's health & safety.	Group Policy for HSSE plus annexure "Group HSSE Policy" stating its vision of ZERO LOSS-NO DAMAGE Other underlying Group standards for Health & Safety HSSE-related aspects to be considered in continuous improvement process-schemes (CIP) at plant level	Lost Time Injuries Frequency Rate (LTIFR) Number of occupational diseases	4.2.2.6.2.4
	Consumer H&S	Delivery of products that may endanger the health of end customers in the market; *i.e.* foreign body contamination, food law defect in the product, gross quality defects, etc. Associated risk of loss of reputation, high financial losses due to recall of products from the market, loss of customers, as well as legal problems from liabilities such as product liability, etc.	Register of regulatory requirements and further internal regulations on food safety/food defense plan (incl. HACCP) and for GMP and hygiene-aspects in production. Third-party certified management systems for quality and product safety (*i.e.* ISO 9001, BRC Packaging etc.) to evidence compliance to GMP regulations in its plants	% of production sites holding at least one product safety and quality related certification % of hygiene critical customer complaints	4.2.2.6.2.5
ESG PERFORMANCE OF PRODUCTS (Wendel priority)	Increasing demand and regulation for sustainable packaging	Current and emerging regulations regarding packaging and the circular economy could potentially restrict the products that are sold, the way in which they are manufactured or the fees/permits that clients have to pay for them.	Active collaboration in supply chain spanning initiatives and projects (*e.g.* New Plastics Economy, CEFLEX, Stop Waste Save Food Initiative, Sustainable Packaging Coalition, UN Save Food Initiative, European Commission's PEF initiative) Signatory to the New Plastics Economy Global Commitment Opening of Ecoflex Ahmedabad in 2019, the first plant on the planet designed to produce recyclable flexible packaging only. Life Cycle Assessments (LCA) are conducted with a peer-reviewed LCA-meta-model	Recyclability of product portfolio (%)	4.2.2.6.1.2

CSR Topics	Extra-financial risk	Description	Mitigation policies and actions	KPIs	Related paragraph
ENVIRONMENT	Climate change	The global increase of Greenhouse Gas (GHG) emissions from human activities is a significant driver of global warming, having severe and costly consequences for ecosystems and communities.	Sustainability Policy in place. Measurement and reporting of direct and indirect GHG emissions (Scope 1, 2 & 3) of all plants worldwide Absolute and relative GHG-emissions reduction targets in place Plant certifications (ISO 14001 and ISO 50001)	Renewable electricity (% total electricity consumption)	4.2.2.6.1.1
				GHG intensity – Scope 1 & 2. (ktCO_2 eq/Mio.m^2 produced)	
				Total absolute emissions (1+2+3) - (kt CO_2 eq)	
	Air pollution	Constantia Flexibles is aware of the risk of air pollution and the impact of volatile organic compounds (VOC) emissions on the environment. These emissions originate in plants through the use of solvents.	Sustainability Policy in place Regenerative Thermal Oxidizers installed in several plants	VOC emissions intensity (t/Mio.m^2 produced)	4.2.2.6.1.4
				Consumer division	
				Pharma division	
LABOR	Shortage of skilled workers	Motivated and well-trained employees are key to the success of Constantia Flexibles. However, finding skilled workers, especially on shopfloor level, is becoming increasingly difficult and in some areas is a major issue. Thus, Constantia Flexibles is facing the risk of non-availability of qualified employees and consequently the risk of not filling crucial positions, whether at blue collar, specialist or management level.	Group Policy in place that provides framework for harmonized personnel management activities in order to avoid/overcome the situation of talent shortage	Hire rate	4.2.2.6.2.1
				Turnover rate	
	Lack of training and development activities	As Constantia Flexibles is a global player on the packaging market, personnel development is key to sustainable success. Insufficient training and development activities can lead to a decrease in motivation, resulting in high attrition and low performance, increased recruiting/replacement costs and loss of competitive advantage.	Group Training Policy in place that governs minimum requirements, roles and responsibilities as well as documentation, evaluation and reporting requirements at a global level	Training hours per FTE (Full-time Equivalent)	4.2.2.6.2.3
				Share of employees trained for at least one day	
SUPPLY CHAIN	Environmental, social and ethical risks in raw material sourcing	Risks in relation to Constantia Flexibles' raw material sourcing (aluminum, plastics, paper, and chemicals like inks and solvents).	Supplier Code of Conduct in place. Ethical Sourcing Policy in place Aluminium Stewardship Initiative certification of Constantia Teich Supplier audits and CSR evaluations	Number of suppliers audits carried out	4.2.2.6.1.3
				CSR questionnaire coverage of suppliers (in Scope 3 emissions and procurement spend)	

4.2.2.4 Highlights 2021

Constantia Flexibles understands the value of initiatives that support the sustainable improvement of its products and of required manufacturing processes as an opportunity for value creation fueled by relationships with key stakeholders based on operational excellence.

Initiatives which go far beyond legal requirements underpin its global commitment to achieve its bold ambition of providing superior solutions of flexible packaging that improve people's daily lives and respect society and the environment.

The highlights in terms of sustainable development in 2021 are as follows:

- Environment:
  - in alignment with the TCFD, Constantia Flexibles has performed a Climate Change Risk and Opportunity Assessment, verifying the Company's transitional and physical risks due to climate change as well as preparing necessary mitigation initiatives and next actions;
  - Constantia Flexibles becomes part of the prestigious CDP A-List, achieving Leadership level in the fight against climate change for a fourth consecutive year. This rating has been awarded for the above average scores the Company obtained in relation to climate change reporting and climate protection efforts. In addition, Constantia Flexibles has been identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the 2021 Supplier Engagement Leaderboard by CDP;
  - for the fourth time in a row, Constantia Flexibles has been awarded the EcoVadis gold medal in recognition of its CSR achievements. This result places Constantia Flexibles among the top 1% of companies assessed by EcoVadis in this industry on their respect for the environment, human rights and labor law, ethics, and responsible purchasing;
  - the Group's largest plant, Constantia Teich, located in Austria, successfully renewed its Aluminium Stewardship Initiative's Performance Standard certificate three years after the first certification;
  - Constantia Flexibles belongs to the "50 Sustainability & Climate Leaders" initiative, uniting global pioneers of different industries supported by the United Nations and Bloomberg. In occasion of COP26 the Company participated at the Vision2045 conference in Edinburgh, discussing with top decision makers its sustainability strategy and climate targets;
  - Constantia Flexibles is part of the HolyGrail 2.0 initiative, a pilot project with the objective to prove the viability of digital watermarking technologies for accurate sorting and consequently higher-quality recycling in the EU. This year saw the successful completion of Phase 2 semi-industrial tests for a first detection sorting prototype with Phase 3 industrial tests to come in 2022;
  - Constantia Flexibles continues to successfully advance its Ecolutions product range. The company receives Letters of Compatibility for EcoLam Family as well as a TÜV Austria *OK Compost* certification for its product EcoPressoLid. Constantia Flexibles also successfully recycles internal production scrap from EcoLam into new film and regranulates production waste from Perpetua at Aimplas;
  - this year, the Company published its ESG roadmap, detailing its ESG Commitments and outlining its main focus areas in the fields of environment, society, and governance;
  - in order to educate all of its employees on its sustainability ambition and strategy, the Group rolled out an internal training covering ESG issues, its ESG roadmap and its more sustainable product range, Ecolutions.
- Health & Safety:
  - 2020 has seen the development and roll out of a Global HSSE audit program with a recognized external provider. The aim of this program is to establish a global standard for HSSE and a best practice sharing platform;
  - Constantia Flexibles manages the Covid-19 pandemic with Group- and local crisis teams. Highest standards of even more stringent hygiene-equipment and rules including required information and training campaigns to employees and leased personnel as well as for contractors and visitors still ensure to minimize the spread of the virus;
  - in 2020, the topics of Fire Safety, Machinery Safety and Behavioral Safety, were set as the top-priorities.

- Social:
  - START Austria – Constantia Flexibles is supporting "START" students in Austria. Young people from countries such as Afghanistan or Syria, are encouraged and supported to get the maximum out of their talents. This is achieved, notably by language support and training;
  - the team of the Constantia Teich plant in Austria is supporting a long-term initiative where underprivileged children from local schools obtain financial support for extracurricular activities such as English lessons and sports activities, also, donating money to organizations which help mentally ill people to reintegrate in to society;
  - in Africa, the team at Constantia Flexibles' Afripack sites donated towards feeding school children who have no meals at home or are undernourished and also donation in support to Muthande Society for the Aged, site has been a long standing supporter of this NGO. MUSA is focused on issues affecting the elderly in the community; their social, physical, economic and emotional needs;
  - the team at Constantia Flexibles' Vietnam plant donated Coronavirus (Covid-19) support for communities with Sponsor high flow heated respiratory humidifier. Medical device donated in District 4 Hospital & Sponsored another patient monitor for University Medical Center, Ho Chi Minh City.

4.2.2.5 Protection of health and safety and business continuity in the context of Covid-19

Constantia Flexibles as a global manufacturer and system-relevant supplier of essential flexible packaging for food and pharmaceutical industries elaborated stringent preventive measures contributing to the highest standards of behavior and hygiene.

The measures also include the Group-wide dissemination of internal information and training material for all teams, hired personnel as well as for contractors essentially working on site and also for visitors to defeat the virus. These awareness-campaigns contribute to the people's health and safety throughout the Group and ensure the continuing production of flexible packaging within the system-relevant supply-chain.

From the start of the pandemic, local crisis teams have been monitoring the relevant development of infections within their region and have been reporting the occurrence of infections from their site to the Group Crisis Team. Monitoring these numbers allowed this team to publish detailed reviews and implement business-continuity management plans (BCM) adapted to the health context.

The Executive Management Team has been informed on an on-going basis about the status of suspicious cases and also of positively tested infections within Constantia Flexibles to decide on further adoptions of existing measures.

As part of the actions to preserve the health and safety of the people as described above, Constantia Flexibles strongly recommended teleworking to all those who were able to do so. Thus, the employees of the Vienna headquarters have made extensive use of it. Constantia has accompanied this process by allowing, for example reasonable IT-equipment like additional screens for laptop-users to be taken home.

Due to the successful rollout of the IT-strategy at Constantia Flexibles, certain upgrades and extensions allowed collaborative work to continue with good connectivity and high availability – with an option to share securely stored data. The upgrade to Microsoft 365 including features like the internet-meeting tool Teams and the shift to Cloud-based solutions for data-storage have accelerated the digital setup within the Group, which contributed to the successful shift to home office technology-wise.

The health context allowed Constantia to accelerate health and safety, IT deployment, and to test the effectiveness of its global business continuity plans. Economically and socially, the pandemic has highlighted the central role of players such as Constantia Flexibles in the food and pharmaceutical supply chain. The Group has demonstrated its reliability and ability to meet customers' needs in an unprecedented context.

4.2.2.6 ESG Approach and Roadmap

Constantia Flexibles is rethinking packaging every day to make a positive, sustainable, and significant contribution to its customers with the least negative environmental impact while respecting its teams' health and safety. The ESG roadmap below presents the main commitments of Constantia Flexibles and the key indicators to measure its performance. The following chapters explore each of these topics in greater depth. As part of the extra-financial performance statement (EFPS), other extra-financial indicators and risks, not included in the roadmap, are also published in this document.

ESG governance

While the Group Sustainability Team takes the lead on the development of the ESG Roadmap and the implementation of initiatives, all Constantia Flexibles employees are committed to implementing the strategy. The EVP Corporate Strategy and Business Improvement is in charge of sustainability topics at Constantia Flexibles while the Board of Directors also oversees ESG issues.

ESG Roadmap

	Theme	Commitment	Targets	KPIs	2020	2021	Unit
ENVIRONMENT	Climate Change: GHG emissions	We are committed to minimize our impact on the environment and to continuously improve our sustainability performance, especially in relation to greenhouse gas (GHG) emissions.	We commit to reduce absolute scope 1, 2 and 3 greenhouse gas emissions 24% by 2030 and 49% by 2050 from a 2015 base-year (approved by the Science Based Targets initiative).	GHG-emissions Scope 1, 2 (market based), 3	1,646[(1)]	1,639[(1)]	kt CO_2e
ENVIRONMENT	Circular Economy: Recyclability of products	We aim to design our products based on sustainability criteria – applying a holistic life cycle approach – and to meet the challenges of the circular economy.	We pledge that 100% of our packaging will be recyclable by 2025.	Recyclability of product portfolio	51*	51*	%
ENVIRONMENT	Sustainability and collaboration along the value chain	We commit to consider social and environmental responsibility, as well as fair and ethical business principles throughout the supply chain.	We strive to continuously increase the number of suppliers audited, covering ESG topics.	Number of supplier audits	20	30	
			We commit to continuously train our procurement personnel on sustainable procurement issues.	% of strategic buyers across all locations who have received training on sustainable procurement	90	88	%
SOCIAL	Health & Safety at work	We promote the constant development of health & safety at work with the aim of continuous and sustainable improvement of the work environment.	We strive for achieving our goal of "ZERO LOSS – NO HARM"	Lost Time Injury Frequency Rate (LTIFR)	2.6	2.8	
				Number of occupational diseases	0	0	
SOCIAL	Health & Safety of consumers: safe products	We consider legal compliance and safety of our products to be a top priority and commit to keeping the highest standards with regards to product safety and quality.	We strive for all production sites having at least one relevant product safety or quality certification.	% of production sites with at least one certification in relation to product safety and quality	100	100	%
SOCIAL	Diversity & equal opportunity	Our employees make the difference, therefore we foster diversity at the workplace: Constantia Flexibles is made up of people of various origins, cultures, religious affiliations, genders and ages.	We target to be a company where female employees are supported to advance their careers at any managerial level. The goal is to develop our female employees's leadership skills as well as to increase our focus on hiring female employees in management positions.	% of female managers in top management (Constantia Grade 1-6)	9.8	9.5	%
SOCIAL	Talent attraction, development and retention	Motivated and well-trained employees are key to our success. We commit to continuously support the development of our workforce.	We target to increase the number of employees being trained for at least one day p.a. to reach a broad coverage across all employee groups.	% of employees trained for min 1 day	49.36	68.1	%
GOVERNANCE	Business ethics	We commit to fair, ethical and sustainable principles of action and conduct throughout the group and our supply chain, as stated in the Code of Conduct and Code of Conduct for Suppliers.	We commit to continuously audit our plants on business ethics issues.	Internal corruption risk assessment conducted	yes	yes	yes / no
			We commit to continuously train our employee on Code-of-Conduct (including Anti-Bribery and Competition Law striving for at least 80% of employees trained each year.	% of employees trained at least once per year	49.4	73.4	%
			We commit to continuously perform compliance checks on our business partners.	Business partner compliance check conducted	yes	yes	yes / no

(1) Scope 3 not available for 2021, the value measured in 2020 is indicated.

*2020 value indicated for 2021 as the 2021 value is not available. This is estimated at 54%.

4.2.2.6.1 Environment

4.2.2.6.1.1 Climate change (including the monitoring of Greenhouse Gas (GHG) emissions)

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
The global increase of Greenhouse Gas (GHG) emissions from human activities is a significant driver of global warming, having severe and costly consequences for ecosystems and communities	Sustainability Policy in place Measurement and reporting of direct and indirect GHG emissions (Scope 1, 2 & 3) of all plants worldwide	Renewable electricity (% total electricity consumption)	50%	50.5%
	Absolute and relative GHG- emissions reduction targets in place	GHG intensity – Scope 1 & 2 ($ktCO_2$ eq/Mio.m^2 produced)	0.056	0.054
	Plant certifications (ISO 14001 and ISO 50001)	Total absolute emissions (1+2[(1)]+3) – (kt CO_2 eq)	1,646[(2)]	1,639[(3)]

(1) Scope 2 location based.
(2) Changed retrospectively with peer-reviewed 2020 Scope 3 value.
(3) Peer-reviewed Scope 3 value of 2020.

The global increase of Greenhouse Gas (GHG) emissions from human activities is a significant driver of global warming, having very severe consequences for ecosystems and communities.

Constantia Flexibles is committed to prevent potential and minimize existing negative impacts on the environment:

- Constantia Flexibles strives to continuously improve the environmental performance of its operations regarding raw materials, emissions, energy and waste;
- Constantia Flexibles aims to design its products based on sustainability criteria – applying a holistic life cycle approach – and to meet the challenges of the circular economy;
- Constantia Flexibles seeks collaboration to reduce environmental impacts along the value chain.

Relevant policies (such as the Sustainability Policy and its annex) are in place and applied throughout the Company, making environmental sustainability an integral part of all entrepreneurial activities. Furthermore, plants accounting for more than half of Constantia Flexibles' output hold certification of their environmental or energy management systems (ISO 14001 or ISO 50001).

Among other tasks relating to corporate responsibility, Constantia Flexibles collects and monitors key data on its internal performance throughout the Group. The Company has been measuring its direct and indirect emissions (Scope 1 and Scope 2) since 2005 and is quantifying the indirect emissions (Scope 3) coming from value chain activities. Direct and indirect Greenhouse Gas (GHG) emissions are generated by Constantia Flexibles' plants by production processes consuming electricity, gas, steam and hot water, as well as indirectly by purchased goods and services and fuel-and energy related activities.

Energy

Constantia Flexibles had a total energy consumption of 608,282 MWh in 2021, which is a 1.9% increase compared to 2020. The table below shows the split of energy consumption by source.

Energy source	[%]
Electricity	46.75%
Natural gas	42.37%
LPG	3.16%
Steam	3.60%
Hot water	0.81%
Fuel oils (Diesel, Petrol)	2.99%
Heating oil	0.04%

In 2021, 17 plants had technologies for the recovery of solvents and/or for the avoidance of solvent emissions in place (13 plants were using RTOs, 13 plants had the possibility to recover solvents at their facilities). In addition, Constantia Flexibles works for a continuous improvement related to energy efficiency, for example through the heat recovery from RTOs at some plants. The amount of energy recovered from RTOs (*e.g.* through a thermal oil system) is not included in the energy reporting.

Corporate value chain accounting

Constantia Flexibles measures and reports Greenhouse Gas (GHG) emissions according to the internationally recognized Greenhouse Gas Protocol and is verified annually by an external consultant for its Scope 1, Scope 2 and Scope 3 calculation methodology.

The table below shows the overall Scope 1, 2 and 3 GHG emissions of Constantia Flexibles for 2021 and 2020. Total Scope 1 & Scope 2 emissions decreased by 0.6% compared to the previous year.

	2020	2021	Variation [%]
Scope 1 (kt CO_2 eq)	118.76	119.32	+0.5%
Scope 2 (kt CO_2 eq)	146.49	144.12	-1.6%
GHG intensity (Scope 1+2) (in kt CO_2 eq/Mio.m^2 produced)	0.056	0.054	-3.7%
Scope 3 (kt CO_2 eq)	1,375.68(1)	1,375.68(2)	-

(1) Changed retrospectively due to updated emission factors after 2020 publication.
(2) Peer-reviewed Scope 3 value (raw materials & fuel and energy related activities) of 2020. As Constantia Flexibles is a respondent to the CDP (Carbon Disclosure Project), Scope 3-emissions data are externally audited and published on the CDP platform on an annual basis. As this process takes place in the second quarter of each year, the Scope 3 value for 2021 is not published yet in this document. However, it can be observed that there was no significant change in Scope 3 emissions from 2019 to 2020.

Constantia Flexibles accounts the corporate Scope 1 and 2 emissions with a professional software tool which supports the Group-wide data collection and emission calculation. The application of this software tool ensures structured and transparent data collection for all production sites located in countries around the world.

More than half of the company's emissions are occurring as a result of the electricity consumption (Scope 2). To address these emissions, Constantia Flexibles continuously increases the purchase of electricity coming from renewable resources. In 2016 Constantia Flexibles has taken the step to switch to green electricity (produced 100% from renewable resources – backed by certificates) in several plants, already covering 51% of the total electricity consumption in 2021, which supports the company to reach its absolute greenhouse gas emission reduction target.

Most of the remaining emissions occur due to the solvent and natural gas consumption, which are Scope 1 emissions. For this reason, Constantia Flexibles is reducing its Scope 1 emissions by using more solvent free inks and water based lacquers.

In addition to the assessment of direct and indirect emissions occurring due to the activities of the Constantia Flexibles Group, the indirect emissions caused by processes up- and downstream of the supply chain (Scope 3 emissions) are evaluated. Following a first analysis of Scope 3 emission sources, Constantia Flexibles set up an evaluation method on a Group-wide scale for significant emissions sources. The result was that purchased goods used to manufacture Constantia Flexibles' products are the most important element of Scope 3 emissions of the company. Aluminum and plastic raw material purchases represent almost 80% of the company's Scope 3 emissions (as measured in 2020).

Material Scope 3 emissions are tracked for each of Constantia Flexibles' plants since 2015. This enables the Group to identify and analyze hotspots to initiate projects in direct contact with its suppliers, such as the Aluminium Stewardship Initiative, to decrease its Scope 3 emissions deriving from purchased raw materials.

Constantia Flexibles pays particular attention to continuous improvements in the consumption of raw materials – which are essentially aluminum, plastics, paper, and chemicals like inks and solvents – *e.g.* by actively engaging with key suppliers on carbon emissions. Potential environmental impacts on the level of product sustainability are made quantifiable through comprehensive investigations (for example by conducting life cycle assessments).

Greenhouse gas (GHG) emission reduction objectives

Constantia Flexibles had set a company-wide spanning goal of a 40% reduction in Greenhouse Gas (GHG) emissions by 2023 (Scope 1 and 2 emissions per square meter produced, setting 2005 as reference year).

In 2017, Constantia Flexibles strengthened its commitment with a new Group-wide absolute greenhouse gas emissions reduction target approved by the Science Based Targets initiative (SBTi) in 2018(1).

(1) The Science Based Targets initiative is a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.

Constantia Flexibles is thus committed to reduce absolute Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions by 24% until 2030 and 49% by 2050 from a 2015 base-year. Targets adopted by companies to reduce GHG emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures. Setting this ambitious target demonstrates to customers and other stakeholders Constantia Flexibles' dedication to play its part in international efforts to limit global temperature rise and to continuously improve sustainability performance across the value chain.

The table below shows the progress of Constantia Flexibles' absolute and relative targets:

Indicator	2015 baseline CO_2 eq kt	2020 Performance	2021 performance[1]	2030 objective
Reducing absolute GHG emissions by 24% until 2030 and 49% until 2050 (Scope 1, 2 and 3)	1,974	1,646	1,639[1]	-24%

(1) Peer-reviewed Scope 3 value (raw materials & fuel and energy related activities) of 2020. As Constantia Flexibles is a respondent to the CDP (Carbon Disclosure Project), Scope 3-emissions data are externally audited and published on the CDP platform on an annual basis. As this process takes place in the second quarter of each year, the Scope 3 value for 2021 is not published yet in this document. However, it can be observed that there was no significant change in Scope 3 emissions from 2019 to 2020.

Indicator	2005 baseline CO_2 eq kt/Mio.m^2	2020 Performance	2021 performance	2023 objective
Reducing GHG emissions by 40% until 2023 (Scope 1 and 2 per m^2 produced output)	0.08	0.06	0.05	-40%

Constantia Flexibles revised its environmental policy to a more comprehensive sustainability policy, including an annex which details actions and measures in place to meet the Group's commitments. Both documents are available on Constantia Flexibles' website. This sustainability policy clearly outlines Constantia Flexibles' core values and targets to employees and external stakeholders. In addition, the Group's Code of Conduct and Supplier Code of Conduct were updated in 2019, including more comprehensive clauses on environment and responsible sourcing. Constantia Flexibles has also formalized and published a Responsible Sourcing Policy in 2020, outlining the expectations the company has towards suppliers in regards to human rights, labor rights and environment.

Constantia Flexibles shares key environmental data throughout the supply chain and collaborates with selected platforms/projects, such as CDP (Carbon Disclosure Project) and EcoVadis. In 2021, Constantia Flexibles was among those companies that made it onto the CDP A-List (Climate Change Leadership level), being awarded with exceptional scores for the company's climate change reporting and climate protection efforts making Constantia Flexibles one of 200 high-performing companies out of over ten thousand scored. Constantia Flexibles has been identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the 2021 Supplier Engagement Leader Board by CDP. CDP evaluates strategies, goals, and actual reductions in emissions annually, along with the transparency and verification of reported data. These above average scores demonstrate Constantia Flexibles' high level of environmental stewardship, and the company's actions and approaches in managing climate change.

The company is also well-rated by EcoVadis, an organization, which aims at improving environmental and social practices of companies by leveraging global supply chains. In 2021, Constantia Flexibles received the gold CSR recognition level of EcoVadis for the fourth time in a row, placing the company among the top 1% of all suppliers evaluated by EcoVadis in this industry.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:

4.2.2.6.1.2 Circular economy

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
Current and emerging regulations regarding packaging and the circular economy	Active collaboration in supply chain spanning initiatives and projects (*e.g.* New Plastics Economy, CEFLEX, Stop Waste Save Food Initiative, Sustainable Packaging Coalition, UN Save Food Initiative, European Commission's PEF initiative) Signatory to the New Plastics Economy Global Commitment Opening of Ecoflex Ahmedabad in 2019, the first plant on the planet designed to produce recyclable flexible packaging only (EcoLam product family) Life Cycle Assessments (LCA) are conducted with a peer-reviewed LCA-meta-model	Recyclability of product portfolio (%)	51%	51% Based on the 2020 value (1)

(1) 2021 evaluation still in progress at date of publication, however estimated at 54%.

Recyclability

Packaging plays an essential role as it protects valuable content throughout the supply chain and enables a proper and safe delivery to the end-consumer. **Flexible packaging is designed to minimize the use of packaging materials since it generally requires fewer resources to manufacture than rigid packaging solutions. It plays only a minor part of a product's total environmental footprint over its life cycle but a major role in its preservation.**

It is therefore fundamental to ensure that packaging is being collected and recycled and does not end up in landfills or the environment. Products must therefore be compatible with existing collection, sorting and recycling infrastructures and processes in order to increase the circularity of packaging.

As a global flexible packaging producer for the consumer and pharma industry and a company being committed to sustainability from the very beginning, Constantia Flexibles recognizes the importance of supporting the development towards a circular economy for plastics.

In 2018, Constantia Flexibles signed the New Plastics Economy Global Commitment alongside 400 companies (including several of the largest global players in the packaging and consumer goods sector), committing to 100% of packaging being recyclable by 2025. Aware that the ability to achieve this target does not depend entirely on the packaging industry, but also on the speed and selections of consumer goods and pharmaceutical industry players, as well as evolving regulations, Constantia Flexibles plays an active role in the transformation by pushing the existing recyclable packaging solutions, filling technological gaps with new solutions under the aegis of EcoLutions and systematically integrating the recyclability criterion into the assessment of potential new acquisitions. The share of recyclable products sold by Constantia Flexibles in 2021, including the latest acquisition, is estimated at 54% by volume (compared to a published figure of 51% in 2020).

All future product innovations will focus on the implementation of design guidelines to develop specifications which are recyclable – in practice and on a commercial scale.

Furthermore, the circularity of packaging is becoming increasingly important, given that the European Union calls for a greater reduction in the use of resources, the reuse of products, significantly higher recycling rates and the use of recycled materials as a secondary raw material within the framework of the European Circular Economy Package.

Constantia Flexibles thus continuously evaluates the recyclability status of its product portfolio. The company has developed a comprehensive recyclability guidance document in 2019 that is continuously adapted to most recent regulations and guidelines. This document gives information on flexible packaging recycling, the regulatory context, the packaging recycling market, available sorting technologies and common design criteria for recyclable packaging. Based on these criteria, Constantia Flexibles completes a detailed assessment of its entire product portfolio to identify non-recyclable structures and is in the process of developing a roadmap to address each of these. **Currently** (data available only for year N-1, *i.e.* 2020), **about 51% of the product portfolio is recyclable (% recyclable output [m^2] of sold output [m^2] in 2020). This recyclability rate is estimated at 54% for 2021.**

Ecolutions

To meet the challenge of a circular economy, without compromising on functional requirements, Constantia Flexibles launched the more sustainable packaging product range "Ecolutions" in 2018. Ecolutions meets sustainability requests of customers and legal requirements with a clear focus on recyclability while maintaining all the properties required to protect the packaged products. Constantia Flexibles made extensive investments in recent years in state-of-the-art technology for designing recyclable structures and strives to transform all non-recyclable products into recyclable structures. With various products offered (*e.g.* EcoLam, EcoCover, EcoPouch, EcoTainerAlu) Constantia Flexibles has entered into a new era of packaging and has created recyclable product families along existing recycling pathways for various substrates and formats.

Value chain spanning initiatives

Constantia Flexibles believes that working side-by-side, businesses and governments can tackle sustainability issues at its source and is, therefore, an active member of several value chain spanning initiatives.

It thus joined the New Plastics Economy initiative led by the Ellen MacArthur Foundation that seeks to build a system in which plastic never becomes waste or pollution. The ambitious vision underlying the initiative unites many of the world's largest packaging producers, brands, retailers, recyclers, governments, and NGOs. The initiative focuses on three actions required to make the Foundation's vision a reality and create a circular economy for plastics: first, eliminate problematic and unnecessary plastic items, second, innovate to ensure that the plastics needed are reusable, recyclable, or compostable and third, circulate all plastic items used to keep them in the economy and out of the environment.

As a founding member of the CEFLEX project (A Circular Economy for Flexible Packaging), Constantia Flexibles intensively works on further enhancing the performance of flexible packaging in the circular economy by advancing better system design solutions *via* collaboration. CEFLEX is the collaborative project of a European consortium of companies and associations representing the entire value chain of flexible packaging. Project goals set for 2020 and 2025 include the development of robust design guidelines for both flexible packaging and the infrastructure to collect, sort and recycle them. CEFLEX stakeholders are working together in seven workstreams to identify and develop the best solutions: 1. Design guidelines, 2. Understand the European flexible packaging market, 3. Identify and develop sustainable end markets for secondary materials, 4. Develop a sustainable business case, 5. Proof of principle in a pilot region, 6. Facilitating technologies, 7. Communication. Constantia Flexibles is an active member in six of these working groups and continuously works on increasing the recyclability of flexible packaging.

Contribution to the life span of packaged products

Constantia Flexibles collaborates with stakeholders along the whole supply chain raising the awareness that without the protection that packaging provides for products during their lifetime, the targeted provision of goods would be impossible. Within the industry research project "Stop Waste-Save Food", Constantia Flexibles, together with other stakeholders, investigated how food packaging and processing solutions can contribute to improved product quality, product protection and increased shelf-life and, thereby, reduce food waste. The results of this work include a guidance document which was presented in 2020. Moreover, Constantia Flexibles is working to reduce food waste as a member of the UN Save Food Initiative. The Save Food Initiative was introduced in 2011 to put the issue of the fight against food losses onto the global political and economic agenda.

As the global population continues to rise, it is imperative to find ways to reduce food waste (whether due to food being thrown away or allowed to spoil) and packaging solutions have an important role to play in ensuring sustainability.

To proactively address risks driven by regulatory change, Constantia Flexibles concerns itself intensively with the topic of sustainability at the association level as a participant in international task forces. In addition to being a permanent member and chair of Flexible Packaging Europe's Sustainability Committee, Constantia Flexibles participates in the European Aluminium Foil Association's Foil Sustainability Action Group, working constantly toward making its voice heard in terms of current affairs, initiating projects and encouraging intercompany cooperation in defense of common interests.

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

Constantia Flexibles also takes an active interest in legislation regarding the European Commission's initiative on the development of Product Environmental Footprint Category Rules (PEFCR). Constantia Flexibles is helping to map the entire value chain for the purposes of these studies, allowing the categories of environmental impact put forward by the European Commission to be reviewed and evaluated.

Life Cycle Assessments

Support for its internal (*e.g.* sales and product management teams) and external stakeholders is another of Constantia Flexibles' key endeavors. The life cycle assessment (LCA) studies led by Constantia Flexibles are fundamental to the improvement of its ecological footprint. Life cycle assessments at Constantia Flexibles have been conducted since mid-2015 *via* a semi-automated approach, in order to meet the range of inquiries from customers which come up in the course of life cycle design. This peer-reviewed innovative LCA-meta-model enables Constantia Flexibles to provide information on the environmental footprint of products through the incorporation of production processes, raw material input, waste handling possibilities and country specific settings.

By being able to make credible claims on product sustainability, Constantia Flexibles will be seen as a reliable partner for its customers, facing transparency expectations from end consumers and legislators. In addition, there is the possibility to gain a competitive advantage and to discover potential cost savings through product optimization.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goal:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

4.2.2.6.1.3 Sustainability along the value chain

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
Risks in relation with Constantia Flexibles' raw material sourcing (aluminum, plastics, paper, and chemicals like inks and solvents)	Supplier Code of Conduct in place Responsible Sourcing Local policies in place	Number of suppliers audits carried out	20	30
	Aluminium Stewardship Initiative certification of C. Teich Supplier audits and CSR evaluation	CSR questionnaire coverage of suppliers	20	30

In addition to the actions undertaken to limit the impact of its manufacturing process on the environment, Constantia Flexibles also strives to responsibly source and select suppliers that take into account the environmental and social impact of the materials they offer (aluminum, plastic, paper, chemicals such as inks and solvents, etc.). Constantia is also a member of several professional associations that strive to improve transparency and measure the environmental footprint of the various materials used.

Constantia Flexibles sees sustained collaboration throughout the value chain (*e.g.* in order to implement responsible sourcing certifications) as an important component of a comprehensive approach to sustainability. Constantia Flexibles is a founding member of the Aluminium Stewardship Initiative (ASI), which was established to promote sustainability performance and transparency across the entire aluminum value chain. Introduced by several businesses, ASI, as a non-profit initiative, aims to mobilize a broad base of players in the value chain toward implementing responsible business ethics and environmental and social performance practices and toward establishing corresponding standards. In 2018, Constantia Flexibles' largest plant, Constantia Teich has become the first aluminum foil roller and packaging converter and the first European company to be certified according to ASI's Performance Standard for environmental, social and governance performance. This certificate was successfully renewed in 2021. Furthermore, in 2020, Constantia Teich received the official certification for ASI's Chain of Custody Standard, which complements the ASI Performance Standard and sets out requirements for the creation of a Chain of Custody for CoC material, including ASI aluminum. ASI Certification of the Teich facility signifies that Constantia Flexibles' practices meet the industry's highest standards. **Aluminum makes up approximately a third (35%) of the company's raw materials and Constantia Flexibles sources over 90% of it in Europe.**

Within the CEFLEX and NPEC (New Plastics Economy) projects, Constantia Flexibles intensively works together with the whole value chain on further enhancing the performance of flexible packaging in the circular economy (see section 4.2.2.6.1 - "Circular Economy".).

The "Code of Conduct for Suppliers and Subcontractors" published on its website, defines the basic requirements that Constantia Flexibles places on its suppliers of goods and services and subcontractors concerning their responsibility towards their stakeholders and the environment. The principles described in this Code of Conduct are based, to a large extent, on the principles of the Universal Declaration of Human Rights of the United Nations, on the Conventions of the International Labour Organization (ILO), and on the UN Conventions on the Elimination of all Forms of Discrimination against Women and on the Rights of the Child. The fair trade practices, integrity *vis-à-vis* all stakeholders and environmental protection are also part of the Supplier Code of Conduct. Based on the values described in this Code of Conduct, Constantia Flexibles strives for a close partnership with its suppliers and subcontractors with the aim of jointly creating added value for all stakeholders (*e.g.* through business to business R&D projects in particular). In 2019, the Code of Conduct was updated in order to reflect the importance of sustainability in the written principles. The Supplier Code of Conduct is part of the purchasing conditions set by Constantia Flexibles.

In 2020 Constantia Flexibles additionally introduced a Responsible Sourcing Policy (published on its website). The policy outlines its expectations towards suppliers in regard to corporate responsibility. It follows the principles of the United Nations Global Compact and selected UN Sustainable Development Goals.

Due to the Covid-19 pandemic, Constantia Flexibles performed 30 virtual supplier audits in 2021. Suppliers were chosen based on various risk considerations with a focus on strategic suppliers.

In 2018, a comprehensive supplier sustainability assessment was carried out together with an external consultant. This had helped to understand the maturity level of suppliers and evaluate improvement potential. The questionnaire was sent out to all main suppliers, covering more than 80% of Scope 3 emissions and procurement spend. Since 2020, the sustainability and ESG performance evaluation of suppliers has been included into Constantia Flexibles' general supplier audit.

Going forward, the Company has decided to ensure a higher level of efficiency and objectiveness for its supplier sustainability assessments. To this end, Constantia Flexibles has extended its Sedex membership, allowing its Procurement Team to monitor the ESG performance of its suppliers through the support of an external platform.

Group Procurement has finalized its structured sustainable sourcing concept and started implementation. The supplier portfolio is being assessed across ESG risk factors driven by country and industry. Mitigating activities will be focused on high-risk suppliers firstly. Training of procurement personnel has started during various meeting and text formats and will be continued in 2022.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:

4.2.2.6.1.4 Air pollution

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
Constantia Flexibles is aware of the risk of air pollution and the impact of volatile organic compounds (VOCs) emissions on the environment. These emissions are originated in plants from the usage of solvents	Sustainability Policy in place Regenerative Thermal Oxidizers installed in several plants	VOC emissions intensity (ton/Mio.m^2 produced)		
		Consumer division	3.46	3.41
		Pharma division	2.89	2.69

Constantia Flexibles is aware of the risk of air pollution and the impact of volatile organic compound (VOC) emissions on the environment. These emissions originate in plants from the usage of solvents. Since Constantia Flexibles is acting in accordance with applicable laws on volatile organic compound (VOC) emissions, this topic is mainly a compliance topic and no additional policy is required for this risk. However, the Sustainability Policy also covers topics such as technologies and reducing emissions and is applied throughout the company.

Constantia Flexibles works for a continuous improvement related to VOC emissions. Some of the approaches are:

- solvent recovery;
- Regenerative Thermal Oxidizers (RTO);
- organic solvent-free technologies.

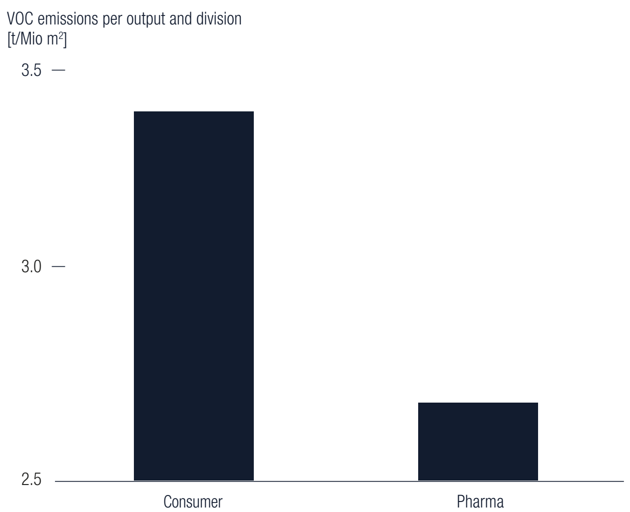
In this context the company has installed RTO facilities in several plants, consequently reducing VOC emissions. In 2021, 17 plants had technologies for the recovery of solvents and/or for the avoidance of solvent emissions in place (13 plants were using RTOs, 13 plants had the possibility to recover solvents at their facilities).

Constantia Flexibles also aims to decrease the overall solvent consumption (and emissions thereof), *e.g.* by investing in new solvent-free printing technologies in several plants. Some plants have, therefore, been able to eliminate solvent use completely.

Furthermore, Constantia Flexibles is actively working on increasing the use of water-based inks and investing in R&D of water-based printing technologies.

The following graph shows the breakdown of VOC emissions per product output and division. Absolute VOC emissions increased 1.2%, while VOC emissions per output decreased by 1.9% compared to 2020.

VOC emissions per output and division in 2021 [t/Mio m^2]

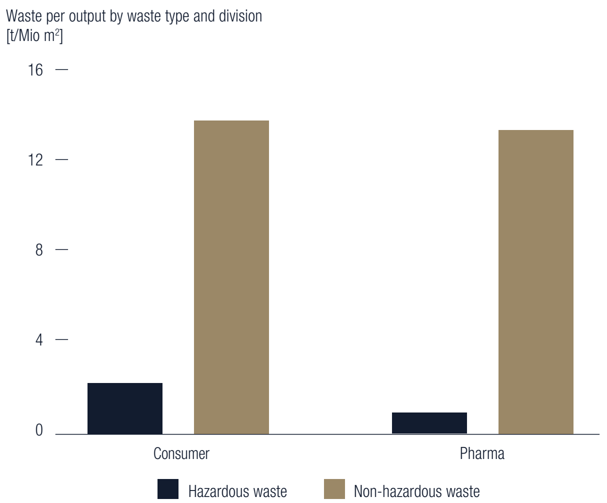


4.2.2.6.1.5 Additional environmental indicators not related to main risks (voluntary)

Waste management

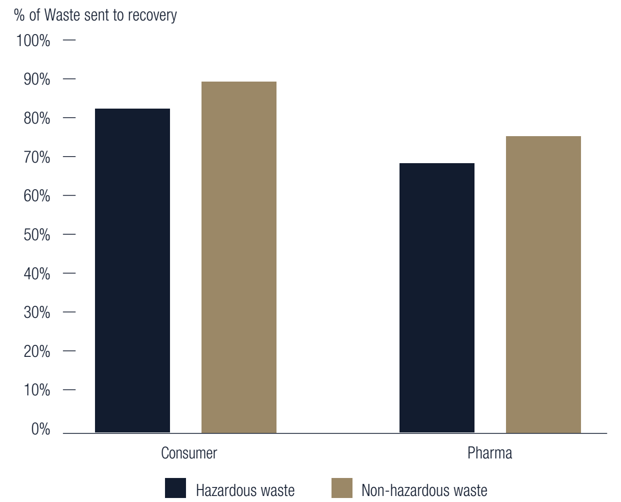
Constantia Flexibles continuously monitors the achievement of implemented waste targets with waste management plans on plant level. The total amount of waste at Constantia Flexibles' sites was 71,691t in 2021, which is a 1.7% increase compared to 2020. The graphic below shows Constantia Flexibles' waste production intensity ratio by division and category of waste in 2021.

Waste per output by waste type and division in 2021



In 2021, Constantia Flexibles sent 82% of the hazardous waste and 89% of the non-hazardous waste to recovery (recycling, composting and incineration with energy recovery). Compared to the previous year the recovery rates slightly diminished – in 2020 84% of the hazardous waste and 89% of the non-hazardous waste was sent to recovery. The chart below shows the breakdown of waste sent to recovery by waste type and division.

Waste sent to recovery 2021 [%]



4.2.2.6.2 Social

4.2.2.6.2.1 Fight against shortage of skilled labor workers

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
Motivated and well-trained employees are key to success for Constantia Flexibles. However, finding skilled labor workers, especially on shopfloor level, becomes more and more difficult and in some areas is even a major issue. Thus, Constantia Flexibles is facing the risk of non-availability of qualified employees and the risk of non-filling crucial positions, at blue collar, specialist or management level	Introduction of a policy that provides framework for harmonized personnel management activities in order to avoid/overcome the situation of talent shortage	Hire rate	14.7	18.1
		Turnover rate	16.8	19.2

Group HR strategy at Constantia Flexibles is aligned to achieve our Vision 2025 Group Strategy. Some of the main aspects of it includes giving purpose through meaningful activities especially towards ESG oriented environment while fostering agility leads to developing expert capabilities. Empowered and accountable leadership ensure strong focused approach towards delivering performance. Another strong pillar of the Group HR strategy includes step towards digitalization of HR organization along with its processes and tools which will deal with the labor force and further develop skills.

Motivated and well-trained employees are key to success for Constantia Flexibles. However, it is becoming increasingly difficult to find skilled labor workers, especially on shopfloor level.

The number of employees (HC) at the end of the fiscal year 2021 was 8,551 with the majority (78%) of employees working in Constantia Flexibles Consumer division. Overall, the total number of employees stayed quite stable, when comparing 2020 to the previous year.

Headcount split per division at year-end 2020 and 2021

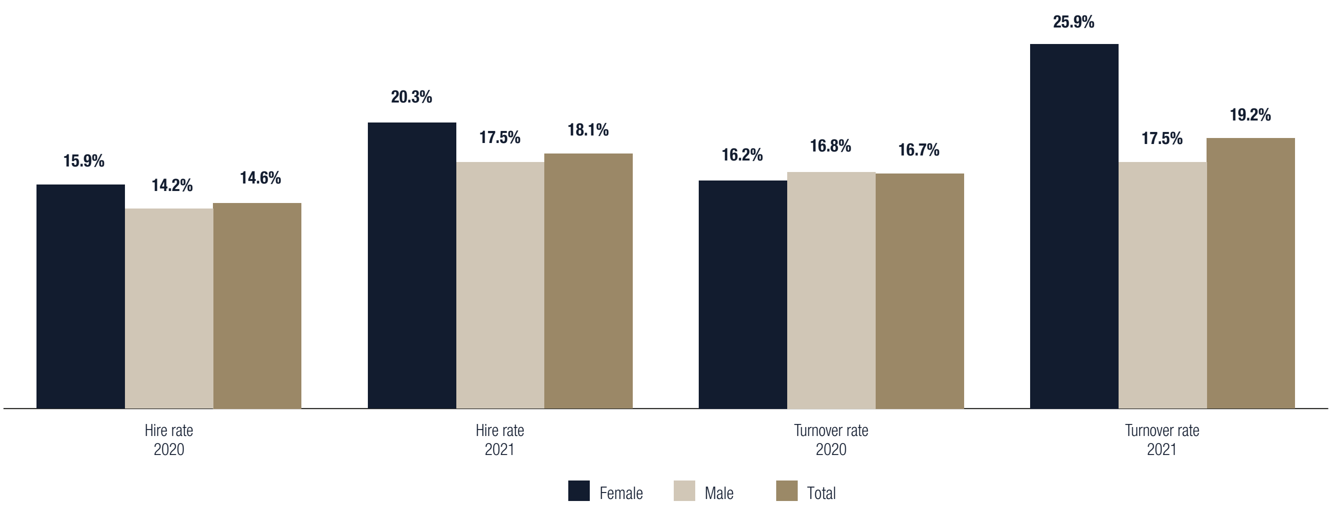
	2020		2021	
Division	**Headcount**	**Headcount** (in %)	**Headcount**	**Headcount** (in %)
Consumer	6,482	78.30%	6,773	79.21%
Pharma	1,413	17.10%	1,376	16.09%
HQ	380	4.60%	402	4.70%
TOTAL	**8,275**	**100%**	**8,551**	**100%**

The risk of a lack of skilled labor workers is monitored by tracking the hire and turnover rate in Constantia Flexibles on a monthly basis. In 2021, a total of 359 female and 1,190 male employees was hired in Constantia Flexibles entities. In the previous year Constantia Flexibles hired a total of 1,207 employees. During the reporting period, 1,644 employees left Constantia Flexibles, whereas in the previous reporting period 1,380 employees left the company. In total, the hire rate for Constantia Flexibles in 2021 sums up to 18.1%, whereas the turnover rate amounts to 19.2%. In 2020, the hire rate was 14.6% and the turnover rate was 16.7%.

From 2021 onwards, the trainees/interns/apprentices are also included as a part of hiring and turnover count. This rate corresponds to the number of hires divided by the number of employees at the end of the period. The turnover rate corresponds to the number of employees who left the Group during the year compared to the number of employees hired.

All sites were impacted by the Covid-19 pandemic, resulting in discrepancies between 2020 and 2021 for these two ratios.

Hire and turnover rate by gender



Constantia Flexibles undertook to formalize a policy to address the risk of skilled labor shortages at Group level which was published in 2021. Considering the current situation, this risk is diminishing. Keeping a coherent global approach, internal workshops were conducted to gather the inputs from Group HR specialists and local HR managers during the process of finalization of the policy. Though Constantia Flexibles has identified and implemented the local as well as global initiatives (see below and others, *e.g.* succession management plans for key positions) to address this risk.

Constantia Flexibles is fostering employee transfers within the Group and supporting the development of employees. Job postings are published on the intranet and shared within the company's HR community. For improving the recruiting process for both Constantia Flexibles HR staff and external applicants, the web-based GRS (Global Recruitment Solution) has been successfully implemented for all European and South African sites. Furthermore, Constantia Flexibles continues to develop and expand its Global Recruitment Solution at all group sites.

This tool supports Employer Branding, ensures the compliance of the company with the data protection regulations and promotes the internal movement and development of people. It also helps to publish vacant positions online and to set up a global talent pool.

The training of the company's talent at a local level is the strong focus on apprentice- and traineeships, especially in Austrian and German Constantia Flexibles sites. At year-end 2021, a total of 125 apprentices/interns/trainees were employed at Constantia Flexibles.

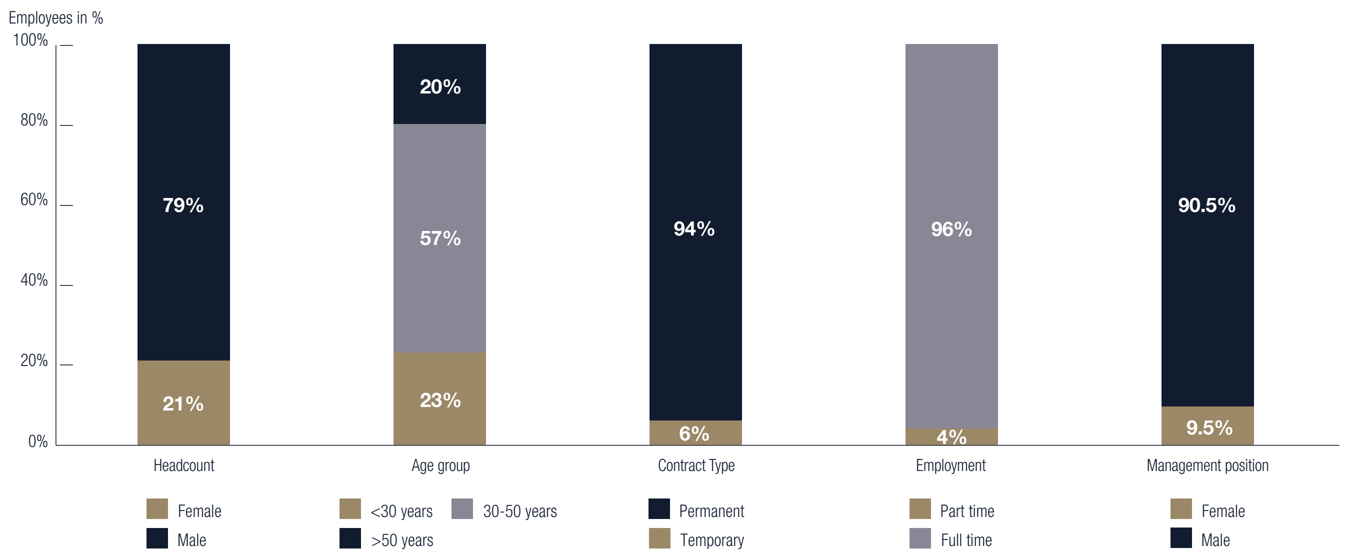
4.2.2.6.2.2 Promoting diversity and equal opportunities

At Constantia Flexibles, employees are a key success factor, which is why the company encourages diversity in the workplace.

The Constantia Flexibles group is made up of people of various origins, cultures, religious affiliations, genders and ages. This diversity promotes a range of competencies and experiences, which contribute to the lasting competitiveness of the company.

The group encourages women to advance their careers at all levels of the organization's management. The aim of the company is to develop the leadership skills of its employees and focus on recruiting female staff.

Breakdown of employees by gender, age group, contract type, employment type and management positions 2021



57% of Constantia Flexibles' employees are 30-50 years old. Its workforce is 21% female and 79% male. 96% of the employees of Constantia Flexibles are full-time employees and 94% have permanent employment contracts. Compared to 2020, there is almost no variation in these proportions. By comparison, in 2020, 55% out of all Constantia Flexibles' employees were between 30 and 50 years old, 22% of the total headcount were female and 78% were male employees. 95% of all employments were full-time and 94% of all employees had a permanent employment contract. 9.5% of total management positions in Constantia Flexibles are female.

Lastly, in 2021, around 1.88% of Constantia Flexibles' workforce are employees with disabilities.

Constantia Flexibles is an equal opportunity employer with all employment decisions made without regard to race, color, religion, sex, sexual orientation, gender identity, age, disability, national origin, and citizenship status.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:

4.2.2.6.2.3 Talent attraction, development and retention

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
As Constantia Flexibles is a global player on the packaging market, personnel development is key to sustainable success	Group Training Policy on minimum requirements, roles and responsibilities as well as documentation, evaluation and reporting requirements on a global level	Training hours per FTE (Full-time Equivalent)	14.5	16.5
Missing trainings and development activities can lead to a decrease of motivation, resulting in high attrition and low performance, increased recruiting/replacement costs and loss of competitive advantage		Share of employees trained for minimum one day	49.4%	68.1%

As Constantia Flexibles is a global player on the packaging market, personnel development is key to sustainable success. Missing trainings and development activities can lead to a decrease of motivation, resulting in high attrition and low performance, increased recruiting/replacement costs and loss of competitive advantage.

To mitigate this risk, Constantia Flexibles offers a wide range of development and training activities, based on a skills framework which was given an overhaul in September 2021, tailored for the group. This new framework must also serve as a development focus for all employees. The updates notably concerned "safety and environmental awareness". All employees are trained using the new skills model and all HR processes will be updated accordingly.

Constantia continued to increase the number of training courses for middle and senior management. In 2021, most training and development courses were offered online.

As a global company, Constantia Flexibles has recognized the importance of bringing its employees – especially the newcomers – on board. In 2021, the company further improved its Onboarding Program by transforming it into one global digital event – which allowed our new employees from across the globe to meet and learn more about the company.

Constantia Flexibles refreshes its range of training with focus on communication, efficiency at work and leadership skills to support employees in their career development and employability on an annual basis. The structured annual talks for all employees along with succession planning at senior managerial level are also integrated in the training plan.

To support these efforts the Constantia University, a dynamic and interactive web-based learning management system was updated with a new version to offer further functionalities. The Constantia University integrates new learning pathways, utilizing online training opportunities, video-based learning materials as well as virtual training. In 2021, Constantia also offered several self-paced programs that were created by internal trainers on strategic topics with a main focus on the company's Sustainability Strategy. Due to the pandemic and the effects thereof, Constantia notably decided to create "Lead with Care": a new training initiative to support its managers on how they can approach mental health issues at the workplace as taking care of people is key for the company.

The Constantia University is also the platform for the ongoing development initiatives such as "Annual Global Training Toolbox" and "Constantia Flexibles Sales Academy". These initiatives aim to train Constantia Flexibles employees on the Constantia Flexibles Leadership and Sales approach as well as on further internal and external tools. Moreover, additional development initiatives such as "Finance Academy" are offered.

On top of the abovementioned initiatives that are managed by group Organizational and People Development, local training is conducted at the plant level. These plans are customized according to needs and include for example language training, individual development plans and – among others – regular health and safety, hygiene and technical trainings for employees working in production areas.

To enhance employer attractiveness a new Global Employer Brand was launched by Constantia Flexibles in May 2021 focusing on improving the company's image and value proposition to support attracting and motivating future and current employees. For this Constantia Flexibles has included elements of its corporate mission and brand strategy (for Consumer and Pharma as well as group) and created one brand model. Employer branding is an essential step on the way to success in attracting and fostering retention for internal and external talents. Several activities have been already organized in all the plants in order to cascade it to all employees. In 2022, Constantia Flexibles will reinforce its Employer Brand by sharing best practices observed and the company's achievements and by being more active on social media.

The following table shows the most relevant KPIs (Key Performance Indicators) that allows Constantia Flexibles to track the development of training initiatives on a global level:

	Total number of annual training hours	Average annual training hours per FTE	Number of employees trained for min. one day	Share of employees trained for min. one day
2020	112,361	14.45	4,046	49.4%
2021	131,977	16.5	5,723	68.11

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:

4.2.2.6.2.4 Health & safety at work

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
Several manufacturing processes (technology, machinery) and hazardous substances (*e.g.* solvents, inks) used to produce flexible packaging have the potential to harm people's health & safety	Group Policy for HSSE plus annexure "group HSSE Policy" stating its vision of ZERO LOSS-NO DAMAGE Other underlying group standards for health & safety HSSE-related aspects to be considered in continuous improvement process-schemes (CIP) at the plant level	Lost Time Injuries Frequency Rate (LTIFR)	2.6	2.8
		Number of occupational diseases	0	0

Constantia Flexibles applies best practices in its operations and rigorous security practices for machinery and other production-equipment. However, inherent operational risks related to the occupational health and safety of all people are understood to be properly managed as, for example, solvents and inks used to be printed on film and foils are flammable liquids with the potential to harm people and the environment. The successful and sustainable implementation of appropriate measures to address this risk is ensured throughout Constantia Flexibles with the respective educated personnel in safety, engineering and operations.

Still, the safety of people at work could be put at risk by certain factors. Reducing or even eliminating the risk of non-compliance with procedures or not following the trained work-instructions is achieved by sufficient and completed instruction-trainings and Safety Walks performed by the local management. Such awareness-raising and transfer of knowledge to employees and leased personnel/temporary workers exposed to those risks contribute to the improvements achieved within the last years. Constantia Flexibles takes also into account the risks at work related to distraction and psychological and physical stress. As a logic consequence, the broad range of counter-measures and tools have been prolonged especially for operations-personnel on the shop floor with appropriate behavioral-based trainings and awareness-campaigns.

Thus, the Corporate Risk & Opportunity Management-tool considers H&S-related risks based on the group HSSE Policy (Health, Safety, Security and Environment), which has been established and rolled out within the last three years. Also considering major potentials harming people like undesired weather conditions like floods for manufacturing premises close to rivers, several types of counter-measures to mitigate the risks got described by applying the internationally accepted guiding principle of eliminating these risks in best case rather than only minimizing them.

For ensuring constant improvements related to safety at workplaces, Constantia Flexibles has increased the focus of investments in new machines, additional equipment like for lifting or hoisting of material to feed machines and also for the reduction of risks related to workplace ergonomics, *e.g.* by exposure to solvents and their vapors, facing noise (> 80 dB(A)) or repetitive motion which finally could result in occupational diseases by long-term exposures of work-force. Long-term impact like cases of occupational disease – authorized by competent authorities locally – needs to be reported to the respective group-function. Those reporting-requirements are clearly set group-wide as indicator for determining the effectiveness of implemented measures in the long run. Thus, globally no case of occupational disease occurred during 2020.

Constantia Flexibles compiles several data and figures from all global production sites at group-level for deeper analysis of potential correlations between accidents occurred and their specific circumstances and results. Those figures – handed in on monthly basis according the scope of reporting to group HSSE – are subsequently summarized, verified and checked. These reports reflect the safety performance per division and the cascaded figures of divisional clusters on monthly basis. Moreover, sharing those key learnings from certain lost time injuries or so-called high-potential incidents occurred, for which corrective and preventive measures are described, ensure to minimize the risk of potential re-occurrence at other similar workplaces in Constantia Flexibles group. Learnings from such events are seen as being crucial for avoiding injury to other people and get immediately translated into preventive measures rather than to wait for corrective measures would be required.

Subsequently, the acceleration of engagement and contribution expected from local personnel is steered by the local plant-management teams, as they are tasked with taking on-site measures demonstrating their personal leadership skills. Effective examples carried out are, for example, chairing safety meetings, undertaking safety walks at the shop-floor and by discussing the latest incidents occurred in meetings.

Constantia Flexibles collects *via* a centralized tool the kind of initiatives for health and safety on an annual basis. Those initiatives accordingly selected on production site's needs go beyond legal requirements and contribute to the safety of personnel as well as to improve the status of people's health. Any individual idea could be posted to participate in the existing continuous improvement process (CIP) and management consults with the experts to decide upon budgets to be released for the successful implementation of the proposal. Although the group's production plants had to focus onto the effective implementation of group requirements and measures against the Covid-19 pandemic, the number of such safety-initiatives throughout Constantia Flexibles globally could have been increased to six on average per operating plant.

Certain kinds of resources to be spent, for example like trainings, workplace-introductions as well as purchase of additional equipment or machinery-upgrades contribute to the sustainable improvement of the safety performance of Constantia Flexibles. Although the "return on investment" could hardly be directly measured, the further reduction of the Lost Time Injuries Frequency Rate (LTIFR) as shown below underpins the effectiveness of this approach.

Key areas of the group's HSSE policy are as follows:

- create a supportive culture that requires visible leadership with clear accountability where everyone is empowered to contribute to changes for improvement;
- train employees, partners and contractors to understand and adhere to the Constantia Flexibles HSSE requirements and to enable everybody to take responsibility at all levels of the organization;
- actively engage in establishing specific goals and measure progress to meet the commitment to improve HSSE performance continuously;
- comply with all relevant legislation, standards and internal regulations wherever the company operates;
- promote employee sharing and learning through open communication regarding observed performance and use this opportunity to implement continuous improvement and to identify best practices;
- entify, mitigate or eliminate risks by involving all employees and staff representatives.

Constantia Flexibles' vision for HSSE

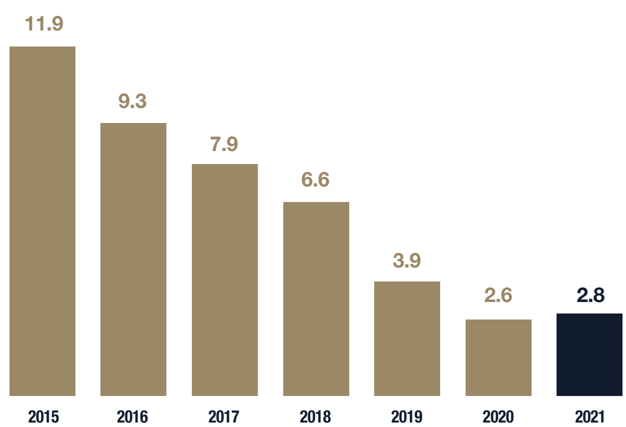
Constantia Flexibles

We believe in our vision of

ZERO LOSS - NO HARM

as key priority!

Lost Time Injuries Frequency Rate (per one million hours worked)



Why Constantia Flexibles tracks the Lost Time Injuries Frequency Rate

Constantia Flexibles' duty to create and maintain a safe and sustainable work environment for everybody who works with and for this international company is stated in the group HSSE Policy, which is signed by the CEO. The reporting of performance in terms of Lost Time Injuries (LTI) includes all people exposed to the hazards attached to operations, employees or external contributors: Thus, the Lost Time Injuries Frequency Rate represents the number of accidents resulting in at least one full day off-work due to the injuries the person suffered per one million hours worked, which includes employees and leased personnel/temporary workers.

2021 performance

The Lost Time Injuries Frequency Rate (LTIFR) is monitored within the group on monthly base. This benchmark indicator is independent of any sector and allows benchmarks against major customers as well as against competitors, who are also reflected in the industry-specific safety benchmark of the interest-group named FPE – Flexible Packaging Europe, Brussels(1). With significant efforts, Constantia Flexibles has held a strong HSSE position, regardless of the challenges placed on people resource due to the pandemic whilst reducing the severity of overall events. These steps strengthen its reputation within the sector and locally as preferred employer for taking care of people's health & safety.

Occupational health and safety data	2020	2021
Number of Lost Time Injuries	**45**	**46**
Severity rate(1)	0.09	0.07
Consumer division	41	41
Pharma division	4	5
Offices	0	0
Lost Time Injuries Frequency Rate (LTIFR)(2)	2.6	2.8
Consumer division	2.9	2.9
Pharma division	1.6	2.1
Offices	0.0	0

*(1) Severity rate = number of lost days/total hours worked*1,000.*
(2) LTIFR = number of Lost Time Injuries (LTI) per one million hours worked.

(1) Frequency rate of FPE Safety Benchmark 2019 (19 participating companies) as latest available annual figure: 8.89.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goals:

4.2.2.6.2.5 Health & safety of consumers: safe products

Extra-financial risk description	Mitigation policies and actions	KPIs	2020	2021
Delivery of products that may endanger the health of end customers in the market; *i.e.* foreign body contamination, food law defect in the product, gross quality defects, etc.	Register of regulatory requirements and further internal regulations on food safety/food defense plan (incl. HACCP) and for GMP and hygiene-aspects in production	% of production sites holding at least one product safety and quality-related certification	100%	100%
Associated risk of loss of reputation, high financial losses due to recall of products from the market, loss of customers, as well as legal problems from liabilities such as product liability, etc.	Third- party certified management systems for quality and product safety (*i.e.* ISO 9001, BRC Packaging etc.) to evidence compliance to GMP regulations in the plants	% of hygiene critical customer complaints		2.63%

Constantia Flexibles develops innovative packaging solutions to satisfy the need of end-customers' health and safety for the company's direct clients (food- and pharma-industry). Constantia Flexibles chose to be innovative to include long-term tendencies in its offer such as Urbanization, Health, Premium Products and Sustainability. Constantia Flexibles recognizes and proposes additional functionalities to improve packaging by meeting customer's needs.

Constantia Flexibles implemented the following internal procedures and policies:

- register of regulatory requirements and further internal regulations;
- group quality & product safety policy;
- migration & compliance testing;
- product safety related risk assessment covering all relevant processes of production facilities (HARM or HACCP risk management concept);
- certified standards for quality and product safety (*e.g.* ISO 9001, FSSC 22000, BRC, etc.).

In addition to the company's efforts to offer customers innovative solutions, Constantia Flexibles considers the legal compliance of its products to be a top priority. Constantia Flexibles guarantees this by constantly following the developments of legal requirements that apply to its flexible packaging products. To ensure consumer health and safety, Constantia Flexibles complies with all food and pharma packaging regulations applicable in the respective jurisdictions in which it has a presence. In the two competence centers of the group, analytical Research & Development experts are supported by state of the art analytics and laboratory tests to investigate the safety and compliance of products and set harmonized requirements and procedures to ensure compliance. In particular, these tests related to the supplementation of chemical-analytical capacity with a focus on food contact laws and regulations (*e.g.* migration & compliance testing) can be performed in-house or as requested by the respective regulation or by the food-processing customer at accredited laboratories. After final approval (by the customer) and confirmed acceptance tests, these products are manufactured following industry standards for GMP (Good Manufacturing Practices) and other standards according to the respective needs. These standards are certified by accredited certification agencies and cover quality as well as product safety requirements.

Constantia Flexibles also implemented far more detailed global policies to ensure the appropriate setup and monitoring of local-/plant-related internal processes beside certificates for Quality Management (*i.e.* ISO 9001) available for each manufacturing plant. In a systematic approach using HACCP-assessments (hazard analysis and critical control points), Constantia Flexibles preventively manages food safety-aspects from biological, chemical, physical hazards and more recently radiological hazards in production processes which may cause an impact to the end consumers' health and safety *via* the finished product. The results of these assessments are used to design quality control activities to secure manufacturing of a safe and high-quality product. Quality control systems follow a three-pillar model: sampling and testing in quality control laboratories, in-line operating measurement and sorting equipment, worker self-inspections/in-process controls of operators. Non-conforming products/waste can be identified, sorted out and counter-measures can be defined. Besides that all obligatory preventive programs like processes in place, training, maintenance of equipment help to keep high standards in all operations.

All internal obligations were implemented throughout all plants and are regularly monitored as well as internally audited regarding their effectiveness based on an annual internal quality audit plan.

In 2019, Constantia Flexibles launched its new pharma brand campaign "Let's Save Lives Today", that includes an online brand book and a company video providing useful first aid tips. Constantia Flexibles' clients in the pharmaceutical industry invest considerable resources in developing products to safeguard their customers' health and well-being. Constantia Flexibles works closely with them – as partners – to ensure that product quality is not impaired on the way to the patient – therefore protecting the integrity of the medicine that helps save patients' lives. As proliferation of counterfeit drugs is a growing problem worldwide, Constantia Flexibles is tackling this issue head-on with its "Stop Fake Drugs" public awareness campaign and anti-counterfeiting packaging solutions. Anti-fraud elements such as security graphics, holograms and high-level special effects such as security pigments and inks all produce complex optical markers that are extremely difficult to reproduce. Applied properly, they effectively protect people and brands from irreparable damage.

Constantia Flexibles meets the requirements of creating a balance between child safety and easy of access for seniors by developing a child resistant blister lidding foil. Constantia Child Resistant is available in four different applications: Peel & Push, Peelable, Bend & Tear, and Push Through. All four options provide comprehensive protection against moisture, oxygen, and light. They can be customized to meet country-specific regulations.

Beside the stringent fulfillment of regulatory and preventive obligations, Constantia Flexibles has a sizeable number of patents and patent applications, illustrating its strong competitive technological status to ensure and protect consumer health and safety.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goal:

4.2.2.6.3 Governance

Anti-Corruption and Compliance Program implemented at Constantia Flexibles

A Compliance department, consisting of a compliance officer and their deputy was established in 2013 at the headquarters of Constantia Flexibles in Vienna and extended with a junior compliance expert in 2021. They are responsible for all compliance matters in the group. Due to the decentralized structure of Constantia Flexibles, at each production site, administration personnel were entrusted with certain duties to help implement and ensure the effectiveness of the company's compliance program. The Head of Finance – in accordance with the internal organizational structure – is responsible for all local affairs under all compliance policies and acts as preferential contract person for any kind of inquiry or the granting of approval unless the contrary is explicitly stated.

Constantia Flexibles' compliance framework consists of the following key elements.

Code of Conduct (and Supplier Code of Conduct)

The Constantia Flexibles Code of Conduct is a code intended to emphasize the interest of Constantia Flexibles and its employees (and suppliers) in implementing its social responsibility and fair, ethical and sustainable principles of action and conduct. The Code of Conduct provides a framework for action applicable to all employees and suppliers, and supplements in a fundamental manner the other compliance rules of Constantia Flexibles. According to the Code of Conduct, each employee will be held responsible for ensuring that his/her behavior in a business context complies with this Code of Conduct. Violations of the Code of Conduct may have employment/contractual consequences and may also, depending on the circumstances of the case, trigger criminal or civil liability. The principles constitute basic standards intended to prevent situations that could call into question the sense of responsibility and the integrity of the Constantia Flexibles group and its employees.

Anti-Corruption and Compliance Policy/Whistleblowing Hotline

Constantia Flexibles strictly prohibits engaging in bribery or any other form of corruption and applies a zero tolerance policy in this area. The Compliance department therefore drafted and released an Anti-Corruption and Compliance Policy, explaining what constitutes corruption and setting out the standards of Constantia Flexibles in complying with applicable anti-corruption laws wherever it operates and identifies legal and compliance personnel from whom certain approvals must be obtained and with whom questions about this policy may be raised. The policy is intended to serve as a basis for all business relationships.

The Constantia Flexibles Anti-Corruption and Compliance Policy provides a mandatory due diligence procedure with respect to consultants and agents ("Handelsvertreter") of Constantia Flexibles and future employees of the company. The policy also addresses the avoidance of conflicts of interest and implemented the company's whistleblowing system (Whistleblowing Hotline), which – again due to the decentralized structure of Constantia Flexibles – is outsourced at a Vienna based law firm. The policy also provides for an approval procedure regarding the giving/accepting of gifts or other benefits by Constantia Flexibles' employees and to do sponsoring.

Through the Anti-Corruption and Compliance Policy a Third-Party Due Diligence Procedure is introduced according to which, all new business partners of Constantia Flexibles (*inter alia* customers, suppliers, agents, consultant, M&A targets, etc.), need to go through a mandatory third-party due diligence process in order to help mitigate Constantia Flexibles corruption risk exposure.

Antitrust Policy

Constantia Flexibles fully recognizes the principle of free and fair competition and commits itself to comply with all relevant antitrust provisions applicable in the jurisdictions the group is active in. This commitment is also expected from the group's business partners. Constantia Flexibles pursues a zero-tolerance policy with respect to anti-competitive practices. Therefore the Compliance department drafted and released the Constantia Flexibles Antitrust Policy, which shall ensure compliance with the relevant competition law provisions. The policy sets out the rules of conduct applicable to the first and second pillar of competition law (prohibition of cartels and abuse of dominant position) as well as the legal consequences if said rules are broken. The policy also provides for a Guidance Paper for "Dawn Raids" by competition authorities.

Deterrent Sanctions Policy

Constantia Flexibles has a zero tolerance policy when it comes to violations of its policies and procedures, in particular its Code of Conduct, its Anti-Corruption Policy and its Antitrust Policy. Also employees are expected to comply with the relevant law, any generally recognized customs that conform thereto and its internal policies and procedures. In particular, business partners must be treated fairly and contracts must be adhered to.

The Constantia Flexibles Deterrent Sanctions Policy provides a framework for sanctions applicable to all employees of the company – no matter their status or job title – should they violate the Constantia Flexibles' policies and procedures.

According to this policy, non-compliance with the abovementioned can result in disciplinary consequences for the violating employee, such as:

- additional mandatory compliance trainings;
- formal warning;
- four-eye meeting/personal discussions with the CEO;
- termination of employment/in severe cases immediate dismissal;
- possible revocation of bonus payments.

Sanctions and Trade Controls Compliance Policy

This policy provides for the principle that Constantia Flexibles will not sell any goods or services directly or indirectly through sales agents, distributors or other third parties, to sanctioned persons, entities, countries, or otherwise engage in business activities that would be prohibited under European Union or United States sanctions. It is Constantia Flexibles' policy to end any business relationships which would be prohibited under applicable sanctions.

This policy further states that it is the responsibility of each employee of Constantia Flexibles to understand and follow the principles of this policy – a due diligence procedure however was not established by this policy.

Gifts and Benefits Register Procedure

This procedure sets out the process to be followed across all Constantia Flexibles operations for the registration and approval of all gifts and hospitalities (including business meals) that are offered or received by Constantia Flexibles employees, management personnel, representatives or other associated persons. It will ensure transparency and provide assurance that any gifts, donations and hospitality offered or received are reasonable, do not improperly influence a business outcome, or otherwise result in an improper advantage in order that the requirements set out in Constantia Flexibles Code of Conduct and Anti-Corruption and Compliance Policy are met.

Online trainings

For the employee ethics and compliance training, Constantia Flexibles decided to do this mainly online, *via* an external compliance training provider. The in-person training of 150 top employees is completed once a year at Constantia Flexibles' Sales Conference.

The current Constantia Flexibles training schedule provides the following trainings:

- Code of Conduct online training for all employees with e-mail addresses once a year (content of the trainings changes, focus of the training varies each time);
- special anti-bribery online training once a year for all employees in exposed positions such as Sales, Procurement, M&A and Executive Management (content of the trainings changes, focus of the training varies each time);
- special anti-trust online training once a year for all employees in exposed positions such as Sales, Procurement, M&A and Executive Management (content of the trainings changes, focus of the training varies each time);
- face to face trainings for management personnel once a year;
- in cooperation with the HR department, general compliance trainings (face to face) in the course of the Constantia Flexibles welcome workshop twice a year;
- face to face trainings at the plants *via* Heads of Finance, where online training is not possible due to lack of computer/internet access (*e.g.* Vietnam, India, etc.);
- new employees of Constantia Flexibles are trained in accordance with their position, within only a few months after their employment start.

The topics and associated commitments and actions in this section are supporting the following UN Sustainable Development Goal:

4.2.2.7 Duty of care – Vigilance plan

4.2.2.7.1 Risk mapping

In line with the requirements of the French law n° 2017-399 on March 27, 2017, Constantia Flexibles group has included in its vigilance approach the risks of serious violations with regard to the following topics:

- human rights and fundamental freedoms;
- harm to the health and safety of people (covering Constantia Flexibles' personnel and end-consumers);
- harm to the environment.

In order to perform proper risk-assessments on these topics a specific workgroup was established consisting of representatives from the following departments on group level of Constantia Flexibles: Human Resources, Sustainability, HSSE (Health, Safety, Security & Environment) and Procurement. This team got supported as well by group Controlling and the compliance officer of Constantia Flexibles group.

Beside the fact that Constantia Flexibles performs twice a year a risk run to identify new risks as well as to review listed risks and opportunities with a bottom-up approach (from the operating plants to the group level), the risk map for this vigilance plan is based on the risks inherent to the manufacturing of flexible packaging sector.

Risks related to Constantia Flexibles' own operations

The detailed identification, analysis and assessment of risks was built up on the related countries where Constantia Flexibles operates its own production facilities. These countries are related to the region "EU-countries", where 18 of all Constantia Flexibles' production-units are located whereas the group operates another 19 plants in countries outside the European Union like Russian Federation (2), Vietnam (1), India (11), South Africa (3), the United States (1) and Mexico (1) (the risk rating for each country comes from the databases of organizations such as ILO, etc.).

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

Constantia Flexibles understands the health and safety of people, who work with and for it, as well as the protection of its end-consumers' health and safety as an essential and integrated part of its daily business and success. Therefore, the risks of "occupational injuries and fatalities", "occupational toxics and hazards" were aggregated to the same level like the potential of "industrial (major) accidents" for all locations.

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

Risks related to the environment

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

Direct and indirect Greenhouse Gas (GHG) emissions are generated by production processes consuming electricity, gas, fuels, steam and hot water, as well as by upstream and downstream value chain activities, such as purchased goods and services and fuel- and energy-related activities.

Among other tasks relating to corporate sustainability, Constantia Flexibles collects and monitors key data on its internal performance throughout the group. Constantia Flexibles accounts the corporate Scope 1 and 2 emissions with a professional software tool which supports the data collection and emission calculation. The application of this software tool ensures structured and transparent data collection for all of the group's production sites located in countries around the world. Constantia Flexibles measures and reports the emissions according to the internationally recognized Greenhouse Gas Protocol and is verified by an external consultant for its Scope 1, Scope 2 and Scope 3 calculation methodology. To promote opportunities for reduction of emissions, Constantia Flexibles has set group-wide Greenhouse Gas (GHG) emission reduction goals, see section 4.2.2.7.2 "Regular assessment procedures and mitigation measures".

Constantia Flexibles is aware of the risk of air pollution and the impact of VOC emissions on the environment. These emissions are originated in plants from the usage of solvents. In this context, the company has installed Regenerative Thermal Oxidizers (RTO) in several plants and aims to decrease the overall solvent consumption, see section 4.2.2.7.2 "Regular assessment procedures and mitigation measures".

During the risk-assessment to fulfill the requirements for the duty of care framework it was as well identified that the potential risk categories of raw materials/resource depletion, water scarcity and land/ecosystem/biodiversity destruction can be considered as very low.

Risks related to human rights and fundamental freedoms

Constantia Flexibles, being a manufacturer of flexible packaging by operating in 19 countries worldwide, clearly commits to the compliance with internationally recognized human rights. Constantia Flexibles assessed the related residual risks in the following categories:

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

These topics were clearly identified as a priority due to the company's multi-country business. Following the group's organization, countries at risk on the above risks are mainly all beyond the borders of the European Union.

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

Furthermore, Constantia Flexibles has a zero-tolerance approach to modern slavery which includes various forms like slavery, servitude, forced and compulsory labor and human trafficking, all of which are identified to deprive a person's liberty by another in order to exploit them for personal or commercial gain.

Due to this specific risk in several countries, the group is committed to acting ethically and with integrity in all its business dealings and relationships by implementing and enforcing effective systems and controls to eliminate potential breaches in its supply chain.

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

Risks related to Constantia Flexibles' purchasing

Constantia Flexibles conducted the identification of risks related to its tier 1 suppliers for the scope of purchase categories in several stages.

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

The second stage of the mapping process involved ranking the CSR risks – split again into main parts named "Human rights and fundamental freedoms", "Health and safety" and "Environment" – and linking and assessing the respective risk to each of the countries from where the suppliers produce the required goods and raw materials.

For this assessment, several internationally recognized and independent data-sources were used like Human Rights Watch (www.hrw.org), the International Labor Organization (www.ilo.org), the Environmental Performance Index provided by the collaboration of Yale and Columbia University (https://epi.yale.edu).

Steered by group Procurement, Constantia Flexibles monitors the main suppliers of raw materials on their extra-financial performance by standardized forms. As part of supplier-selection a self-evaluation form to be filled by the potential supplier addresses core topics related to environmental, social and ethical risks that may arise from their manufacturing and is based on the Code of Conduct of Constantia Flexibles. Further supplier audits performed by Constantia Flexibles at the supplier production facility follow a standardized set of questions to ensure the adherence to the required standard.

4.2.2.7.2 Regular assessment procedures and mitigation measures

Risks related to Constantia Flexibles' own operations

Constantia Flexibles implemented group wide its Risk and Opportunity Framework with the related policy and setup in 2017. This framework with a bottom-up approach ensures the consistent reporting of risks and opportunities from the plant-level (including each manufacturing unit) by using a group-wide standardized risk catalogue. On group level, the data of the assessed risks are compiled twice a year to the group Risk Map by the group Risk Controller.

Then the process requires that the reported data needs to be reviewed by the respective group functions, prior to their integration in the group Risk Map.

Therefore, this process considers certain risks which need to be dealt with by the group's Human Resources, Sustainability/Environment and Health and Safety departments. Core business-risks from all operating sites (plants) globally will also be collected, assessed and reviewed.

The analysis of those risks considers appropriate mitigation measures and their potential effects at current stage and subsequently describe the level of residual risk.

Constantia Flexibles creates ownership by naming risk-owners, which are those who are responsible for implementing the specified mitigation actions. This includes respective risk-ownership on group as well as on plant-level.

Constantia Flexibles holds a "Risk Committee" meeting and also a "Safety Committee meeting". The "Audit Committee" (meeting as part of the Supervisory Board), examines all the aspects of internal audit covering financial processes, statutory audits, etc. The social risks or degradation of human rights (working hours, data privacy, labor conditions, etc.), health and safety (accident reports, sick-leave/workers compensation), environment (waste management, potential areas of pollution, etc.) are also handled by the Audit Committee. Constantia Flexibles experts from other group functions are consulted each time, as necessary.

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

Constantia Flexibles puts safety as first priority especially at the manufacturing sites, where people who work for and with Constantia Flexibles are exposed to the hazards attached to its operations. Therefore, with regard to the protection of individuals Constantia Flexibles does not distinguish prevention and rules for workplace safety into the people's contracts (employees, leased personnel/temporary workers, contractors). Moreover, the constant development of creating and maintaining safe and sustainable working conditions are supported by:

- group standards like group HSSE Policy and underlying HSSE standards applicable for all subsidiaries;
- group reporting process for accidents including standardized templates;
- defined Group Terms & Definitions which underpin the need of common understanding and set of performance-figures throughout all countries where Constantia Flexibles operates, regardless of the individual or national requirements;
- minimum set of HSSE-related topics integrated into site-visits/audits performed by HSSE and group Internal Audit.

For all Constantia Flexibles group standards set as group-wide procedures an internal document control system provides the latest version on the Constantia Flexibles Intranet pages. Beside this data base, ongoing trainings have to be attended online by all management functions about core business policies, for example the Code of Conduct.

Further group departments such as Operations Development as part of the Global Operations-department ensure the constant implementation of technical improvements considering technical safety beside efficiency and operational excellence (for example, in the field of fire protection).

Risks related to the environment

Constantia Flexibles has a comprehensive sustainability policy in place, which includes an annex that details actions and measures implemented to work on the company's commitments and core targets. Furthermore, the Code of Conduct and Supplier Code of Conduct include clauses on environment and responsible sourcing, reflecting and outlining the importance of sustainability in the company's written principles to internal and external stakeholders.

To promote opportunities for a reduction of emissions, Constantia Flexibles has set a company-wide spanning goal of a 40% reduction in Greenhouse Gas (GHG) emissions by 2023 (Scope 1 and 2 emissions per square meter produced, setting 2005 as reference year). Furthermore, in 2017 Constantia Flexibles developed a group-wide absolute emissions reduction target, which was approved by the Science Based Targets initiative in 2018. Constantia Flexibles commits to reduce absolute Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions 24% by 2030 and 49% by 2050 from a 2015 reference year.

As more than half of the Scope 1 and 2 emissions are occurring as a result of electricity consumption (Scope 2), Constantia Flexibles is in close contact with its electricity suppliers with the aim to increase the share of purchased electricity coming from renewable resources. To mitigate the risk of Air Pollution, Constantia Flexibles has installed Regenerative Thermal Oxidizers (RTO) in several plants, consequently reducing the VOC emissions. Moreover, Constantia Flexibles also aims to decrease the overall solvent consumption in several plants by investing in new solvent-free printing technologies.

In addition to the assessment of direct and indirect emissions occurring due to the activities of the Constantia Flexibles group, the indirect emissions caused by processes up and downstream of the supply chain (Scope 3 emissions) are evaluated. Purchased goods used to manufacture Constantia Flexibles' products represent the most important element of Scope 3 emissions of the company. Constantia Flexibles therefore sees collaboration throughout the value chain (*i.e.* in order to implement responsible sourcing certifications) as an important component of a comprehensive approach to sustainability.

Constantia Flexibles is thus a founding member of initiatives such as the "Aluminium Stewardship Initiative" (ASI), which works towards responsible production, sourcing and stewardship of aluminum, following a comprehensive value chain approach. Constantia Teich, as the biggest production plant within the group and located in Austria, has become the first aluminum foil roller and packaging converter and the first European company to be certified according to ASI's Performance Standard for environmental, social and governance performance. In addition, Constantia Teich received the ASI Chain of Custody Certification in 2020. ASI Certification of the Constantia Teich facility signifies that Constantia Flexibles' practices meet the industry's highest standards.

Constantia Flexibles is also a founding member of Ceflex (A Circular Economy for Flexible Packaging). As part of this project, Constantia Flexibles intensively works on further enhancing the performance of flexible packaging in the circular economy. Ceflex is the collaborative project of a European consortium of companies and associations representing the entire value chain of flexible packaging. Project goals set for 2020 and 2025 include the development of robust design guidelines for both flexible packaging and the infrastructure to collect, sort and recycle them.

As an additional mitigation action, the group joined the New Plastics Economy see section 4.2.2.6.1 - Circular Economy, an ambitious initiative led by the Ellen MacArthur Foundation, which brings together key stakeholders to rethink and redesign the future of plastics. Constantia Flexibles is an active member participating in several pioneer projects, which gives the opportunity to accelerate the fulfillment of market and customer needs.

Risks related to human rights and fundamental freedoms

The biggest part of risk categories relates to this chapter and could impact people working with and for Constantia Flexibles at all organizational levels and in the manufacturing sites in all countries where the group operates.

The sub-categories for which the country-related risks were assessed are built up as follows:

1. forced labor;
2. child labor;
3. non respect of freedom of association and collective bargaining (incl. the right to join and form unions and to strike);
4. non equal opportunities and discrimination;
5. non respect of indigenous population rights;
6. non respect of international labor standards on migrant workers;
7. risk of withholding identification documents;
8. non respect of data privacy;
9. excessive working hours;
10. unfair wages;
11. inadequate social benefits and social security;
12. harassment and abuse/disciplinary practices.

Due to established regulations and deployed standards, all countries belonging to the European Union could be rated less high for their inherent risks of above stated topics.

The final assessment then reflecting the analysis at the company level resulted in a higher risk in categories 3, 6 and 8 compared to the risks listed above.

Nevertheless, Constantia Flexibles implemented group-wide internal standards and built up specific reporting lines of key performance indicators, which are compiled at group level.

As one of the key documents, the Code of Conduct covers most of the topics within the whole group. However, during the assessments performed for the duty of care framework, potential further improvements were identified with regard to the minimum standards about excessive working hours, and unequal salaries.

Risks related to Constantia Flexibles' purchasing

For fulfilling the duty of care requirements and for describing the several kinds of assessment procedures, Constantia Flexibles identified following implemented fields of activities and procedures. All purchase categories were summarized to be classified commonly as "industrial manufacturing" (B2B only):

- the potential risks related to "Human Rights and Fundamental freedoms", "Health and Safety" as well as "Environment" are effectively covered by the CSR-related purchasing charter named "Supplier Code of Conduct", for which Constantia Flexibles requires all suppliers to adhere to in principle;
- integration of mandatory minimum requirements of CSR terms and conditions included in the contracts and purchase orders; furthermore, group Procurement performs supplier audits at their production sites and request them to fill a self-assessment form named "preaudit questionnaire".

4.2.2.7.3 Alert mechanism

In the year 2008 Constantia Flexibles implemented a whistleblower hotline. It is outsourced to a dedicated service provider which deals as first point of contact for all incoming e-mails and calls. The law service provider is held to strict confidentiality obligations and able to answer in most languages spoken within the Constantia Flexibles group and its affiliates worldwide. Every alert is then forwarded (depending on the whistleblower's request) to Constantia Flexibles' Compliance Team.

This system in place aims to encourage employees and leased personnel/temporary workers to report any concerns regarding unethical behavior or any human rights violations or environmental damage.

Covering as well the French law "Sapin 2" on corruption and anti-bribery aspects, Constantia Flexibles provides a description of this whistleblowing system made available through the intranet. *Via* the "Ethical Sourcing Policy", which is available on the corporate website and contains contact details for whistleblowing, Constantia Flexibles ensures this information is available to external stakeholders.

4.2.2.7.4 Monitoring system of implemented measures and assessment of their effectiveness

Constantia Flexibles implemented several systems and standardized their monitoring throughout all operating facilities.

Trainings and awareness-raising campaigns were identified by Constantia Flexibles as useful tools. For example, with regard to the document seen as a basement for the "duty of care" framework, which is the Code of Conduct, Constantia Flexibles provides annual web-based trainings about the requirements including a (anonymous) test which needs to be passed with at least 80% correct answers to finish successfully the online-training session.

For ensuring the effectiveness of Constantia Flexibles duty of care framework, some group functions introduced specific measures:

- group Procurement conducts supplier audits on site based on defined criteria and performs recurring internal risk assessments on the defined purchase categories (aluminum, chemicals, films), etc.;
- the group Sustainability Team collects and monitors all key environmental indicators for Constantia Flexibles and tracks the performance throughout the group;
- the group wide consolidation platform used as database provides and includes consistency checks and requests to upload evidence documents for reported data from the operating units;
- the group Human Resources department as well as other disciplines like HSSE benefit from the participation of several operating units in Sedex, which is one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries. Third-party auditing companies perform so-called Smeta (Sedex Members Ethical Trade Audit) at the production sites on behalf of Sedex, which are set up as four pillar audits covering labor standards, health and safety, business ethics and the environment;

- the group HSSE department implements group standards to fulfill the targeted management system based on the Constantia Flexibles vision of ZERO LOSS – NO DAMAGE. Moreover, the group wide KPIs-set to be monitored on monthly basis include as well the opportunity of sharing lessons learned *via* events (accidents like Lost Time Injuries (LTI)), detailed audits on site and cross-checks with observations and findings identified by the group Internal Audit department on site. This department provides an internal self-assessment matrix which needs to be filled by the operating units and performs frequent site visit as part of the activities for ensuring internal compliance to the standards of Constantia Flexibles, which is the Code of Conduct and its elements considering human rights, health and safety and environmental aspects.

Auditing against the required standards performed by independent parties ensures for Constantia Flexibles to close the cycle and constantly learn. These audits performed for Sedex, necessary for obtaining any certificate based on ISO standards or for other customer-related packaging-requirements like BRC (British Retail Consortium) give Constantia Flexibles the opportunity to continuously improve globally while ensuring the reliability of its duty of care framework.

4.2.2.8 Reporting scope & methodology

The reporting scope considers all legal entities including 37 production sites in 16 countries and several office-based locations (*e.g.* headquarters, sales offices, holding locations) worldwide which were part of the Constantia Flexibles group in 2021. In 2021, one new plant was acquired, Propak in Turkey, and one of the production sites of Constantia ColorCap in Poland was closed.

Correspondingly, all legal entities and office-locations of the Constantia Flexibles group were considered for the Human Resources-related data and information, including Propak acquired in 2021 in Turkey and Creative Polypack Limited Hyderabad in India (for the year 2021).

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

For environmental KPI only plants that are part of the environmental reporting for the full year are considered. This includes 35 production facilities in 16 countries (office locations are not considered). The newly acquired Propak and Hyderabad are excluded from environmental KPI.

Social

Employment

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

The employee turnover rate is calculated by counting employees (headcount) who left the group during the year in reference to the number of employees (headcount) employed at the end of the year, multiplied by 100.

Trainees/interns/apprentices are now included in both hires and turnover calculations

Health and Safety

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

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

Environment

Energy

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

Scopes 1, 2 and 3

The CO_2 emissions' calculation is based on Scope 1, Scope 2 and Scope 3 as defined by the Greenhouse Gas Protocol Initiative (Corporate Value Chain Accounting and Reporting Standard). The standard provides requirements and guidance for companies and other organizations to prepare and publicly report a Greenhouse Gas (GHG) -emissions inventory. Scope 1 emissions include direct emissions by the company's facilities and vehicles. Scope 2 emissions include all indirect emissions due to purchased electricity, steam, heating and cooling for the company's own use. Constantia Flexibles' Scope 3 emissions include indirect emissions due to upstream purchased goods and services as well as fuel and energy related activities. Purchased goods includes all raw materials, the main materials are aluminum and plastic.

VOC emissions

The evaluation of VOC emissions is based on the French *Guide d'élaboration d'un plan de gestion des solvants* – Revision no. 1 and is calculated as follows:

- VOC total emissions: I1 (solvents consumption) – O5 (eliminated/bound solvents) – O6 (solvents in collected waste) – O7 (solvents in products sold) – O8 (recovered and sold solvents).

Waste generation and disposal methods

The data on waste generation were defined according to GRI (Global Reporting Initiative) and collected in a mass unit:

- hazardous waste, as defined by national legislation at the point of generation;
- non-hazardous waste: all other forms of solid or liquid waste that are not considered as hazardous waste by national legislation at point of generation. Wastewater discharged into sewers is not included;
- waste sent to recovery: waste which was handed over to an external contractor who has ensured that the waste was recycled, composted or incinerated with energy recovery.

Recyclability of product portfolio

Recyclability of product portfolio is calculated using the following formula: Recyclability of product portfolio (%) = Recyclable output [m^2]/sold output [m^2].

4.2.3 Crisis Prevention Institute

4.2.3.1 Company presentation

The Crisis Prevention Institute (CPI) is the world's leading training provider in crisis prevention and aggressive behavior management. The company teaches non-violent verbal intervention and body language techniques to anticipate and respond to hostile behavior in an effective and safe manner. Included within CPI's philosophy of Care, Welfare, Safety, and Security is CPI's societal responsibility to better integrate the dimensions of equity, health and safety, eco-management, environmental protection and social impact into its activities. Since CPI was founded in 1980, the company has played an increasingly active role in advocating for underserved populations and drastically reducing workplace violence.

For the first time in 2021, under Wendel's impetus, CPI implemented an ESG strategy with indicators. This value-added strategy allows CPI to remain at the forefront of the industry.

CPI's ESG mission, carried out in 2022, is: "Making CPI and its customers more resilient given current societal challenges". Today, under Wendel's guidance, CPI has been able to extend its commitment beyond external impact (such as reducing restraints and seclusions, reducing violence against women, minimizing the use of psychotropic drugs, etc.). The company now has an internal social responsibility policy minimizing its carbon footprint, improving equity throughout its staff, and formalizing strict business ethics. The Institute discloses progress updates at each Management Meeting.

CPI™

2021 REVENUE

$104.3m

VISION

Empowering professionals to improve their care and service to the individuals they serve.

MISSION

We teach the world that by combining the right skills with dignity and respect, you create wellbeing throughout the workplace and beyond.

VALUES

Every person possesses an intrinsic dignity and deserves the best care possible.

We fulfill our promise to customers by providing premium services and value at each customer interaction.

Growth is in our DNA.

SHAREHOLDER GOVERNANCE

SHAREHOLDERS - WENDEL 96,6%, CPI MANAGEMENT (2.2%), CPI LENDERS (1.2%)

BOARD OF DIRECTORS

4 members · **25%** of independent · **25%** of women

OPERATIONAL GOVERNANCE

EXECUTIVE LEADERSHIP TEAM

9 members · **55%** of women

RESOURCES

HUMAN CAPITAL

311 EMPLOYEES

Nationalities
- 73% in US
- 22% in Europe
- 5% in Australia

Distribution
- 57% female
- 43% male

INTELLECTUAL CAPITAL

11 SPECIALIZED TRAINING PROGRAMS OWNED BY CPI*

- Creator and owner of the "Blue Card" Certification (industry global standard)
- eLearning Learning Management Solution (CPI Honeybee)

* All CPI programs.

PROCUREMENT

Main purchases
- Training event venues
- Workbooks and delivery services
- Software, cloud storage
- Other products and services

6 main suppliers, mostly American and UK

USE OF RESOURCES

SITES

3 office sites in the US (HQ in Milwaukee, IT office in Gurnee IL, DCS division office in Charlotte NC)

1 warehouse in the US (Milwaukee)

1 HQ site in Australia (Sydney)

3 offices in the UK (Sale, Newcastle under Lyme, Kings Langley)

TRAINING CAPACITY AND MAJOR END MARKETS

CPI's Global Professionals Instructors have trained 100,000+ Certified Instructors (teachers, nurses), over the past 40 years, on the following topics:

OUTPUT

SERVICES & CUSTOMERS

- Diversified set of customers world-wide (nurses offices, schools, hospitals, nursing homes, retailers, etc.)
- Certified Instructors train c. 1.2m Learners (co-workers of the Certified Instructor) per annum
- Over 15m professionals trained over the past 40 years

REVENUE BREAKDOWN

Revenue breakdown by location:
- 80% in the US
- 8% in Canada
- 9% in the UK/Europe
- 3% in Australia/NZ/Asia

CERTIFICATIONS
/ MANAGEMENT SYSTEMS

- **IACET certification in North America** (grants CEU credits to customers)
- **BILD / RRN in the UK** (authorization to train professionals who work with people with neurodegenerative diseases and physical disabilities)
- **Extensive governmental approvals to grant physical intervention training**

R&D

- Dedicated team in US and UK with 4 program introductions annually
- eLearning development capability, launching 6 programs annually

- Non-violent crisis intervention (NCI) in the Health and Education sectors
- Dementia Care Specialist training (DCS) in the long term care and assisted living marketplaces

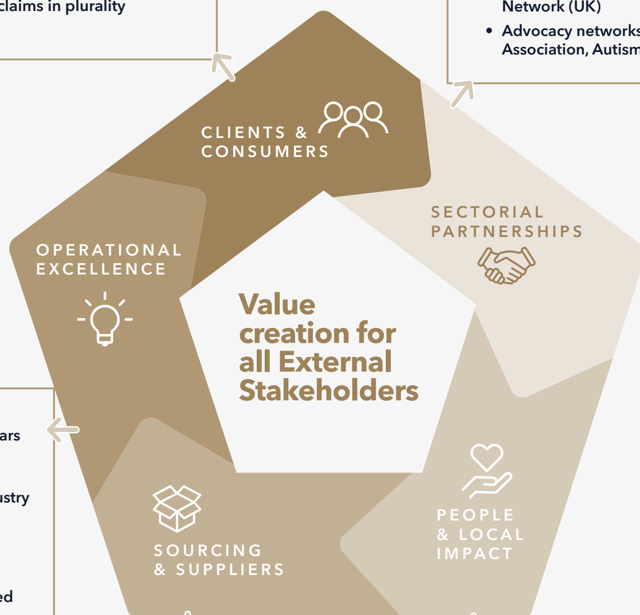
Revenue breakdown by end market:

- c. 45% in Education
- c.35% in Healthcare/Mental Health
- c. 20% in Social Services, Retail, Security & Law Enforcement

- In 2021, 84% of staff trained is confident in addressing crisis moments, leading to reduction of conflict and violence in the workplace
- In 2019, 50% reduction in use of seclusions in 2/3 of schools
- In 2019, over 20% reduction in workers' compensation claims in plurality of customers

Partnerships with

- Leading medical companies
- Schools, training centers
- ISA Association of Learning Providers (US)
- RRN Restraint Reduction Network (UK)
- Advocacy networks (Alzheimer's Association, Autism Speaks)



- Leading world authority, ~40 years reputation
- "Blue Card" certification (industry gold standard)
- Favourable regulations in all 50 states with 22 regulations passed between 2015 and 2020

Main suppliers are local American and UK suppliers with demonstrated excellence in cyber security and environmental standards

- Yearly training scholarships to non-profits
- Six charity challenges each year, sourced by employees and partially funded by CPI

ENVIRONMENTAL PERFORMANCE

Objective

- Acceleration of eLearning and digital booklets

Year on year increase in eLearning revenue

- 2019: +32%
- 2020: +103%
- 2021: +99%

4.2.3.2 Overview of main risks

In 2021, CPI continued to formalize its ESG risk mitigation policy related to its activity, to define priority themes and to implement measurement indicators. In 2021, CPI focused on ethics and cybersecurity with dedicated training as well as on the company's resilience in a context of health crisis. This was a cross-functional effort including CPI's international division, Corporate Human Resources, Operations, Legal, and Finance.

The risks in the following sections reflect those that contain the greatest potential impact to CPI's activity and brand reputation.

Topic & Risk		Risk description	Mitigation actions	KPIs	Paragraph
HEALTH & SAFETY	Health and safety of employees	Remote working could increase the risk of employee burnouts and stress.	■ Health and incident monitoring ■ CPI Employee handbook sign-off by all employees	Hours of absenteeism Long Term Injuries frequency rate (LTIFR) Health and safety Incidents	4.2.3.4.2
SOCIAL	Training	As a professional services firm CPI's quality relies on the internal staff. The impacts of poorly trained staff would be: ■ Poor Certified Instructor (CI) and Learner training quality; ■ Pricing degradation due to lost premium positioning; ■ Cybersecurity risk if staff are not trained in best practices.	■ Comprehensive training program for all staff ■ Attendance tracking in all mandatory training	Total number of employees passing mandatory training Number of hours of mandatory training Number of Cyber Incidents	4.2.3.4.2
	Discrimination and equal treatment	One of CPIs core values is the respect for individual dignity. The Company endeavors to cultivate an employee work environment, free from discrimination and inequity;non-compliance with this principle would affect hiring and brand positioning. Potential impacts include: ■ demotivation of employees; ■ negative public relations; ■ increased litigation.	■ Yearly updates (with acknowledgment by staff) on the CPI Employee handbook ■ Compliance with the US Equal Employment Opportunity Commission (EEOC) for equivalent standards outside the US job postings (be they sourced internally or externally)	Breakdown of staff by gender (Group scope) and job category Number of departures	4.2.3.4.2
	Local employment and development	Negative public relations and lack of diverse insights The impacts would be: ■ loss of hiring attractiveness loss of diversity of points of view;; ■ loss of opportunities for development of local communities.	■ Ensure CPI office locations are on bus and train lines for a maximum 30-minute commute from each marginalized zip/post code within a 10-mile radius and allow people from all walks of life , social and other backgrounds to work at CPI ■ Maintain and promote philanthropic involvement	100% of locations comply with commitment on accessibility with public transportation	4.2.3.4.2

Topic & Risk		Risk description	Mitigation actions	KPIs	Paragraph
ENVIRONMENT	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.	■ Carbon footprint monitoring ■ Mandatory remote work day/week; ■ Implementing virtual training to reduce air travel and hotel days ■ Use LED light bulbs	Total CO_2 emissions CO_2 emissions per employee Number of flights purchased Virtual training programs launched % of CPI's m^2 using LEDs	4.2.3.4.3
	Raw material consumption, efficiency, and supply	CPI's produces 900,000 training booklets each year and 20,000 catalogs that are direct mailed to customers. The impacts would be: ■ significant raw material consumption; ■ delivery/consumption/ shipping costs	Partnering with vendors to minimize page count each year.	Catalog page count reduction (compared to previous year). Variation of number of air shipments (compared to prior year)	4.2.3.4.3
SOCIETAL	Corruption & bribery	CPI performs little business where corruption and bribery are possible; CPI maintains audited approved segregation of duties and open transactions/contracting (*via* online contracting and DocuSign). The impact would be significant but CPI considers this risk less likely.	Full training on anti-bribery and corruption (ABC).	Number of CPI staff trained and passed on ABC Number of lawsuits against CPI Number of lost contracts due to ethics	4.2.3.4.4
ESG PERFORMANCE OF PRODUCTS AND SERVICES	ESG performance of products and services	Lack of competence in hostile behavior management training can increase risk of injury of staff or patient. The impact would be: ■ image and/or reputational issues if CPI cannot prove training was carried out as instructed; ■ potential exposure for involvement in litigation.	■ Regulating authorities certifying the quality of training ■ Verification scheme to guarantee confidence in training delivery for future Certified Instructors ■ External acknowledgments of CPI's quality training	Total number of active Certified Instructors	4.2.3.4.2

4.2.3.3 ESG governance

CPI's CEO is responsible for the performance and definition of the ESG strategy. The CPI's Chief Financial Officer, General Counsel, and Vice-President of Human Resources also contribute to the Company's overall ESG performance through their respective fields. This overall team is 50% female, 50% male.

CPI's leaders have all signed the "CPI Leadership Pledge", which formalizes the Company's behavioral standards of highest ethics, equity, open and honest communications and service to all stakeholders. This naturally fits with CPI's ESG goals being presented and discussed at each Executive Committee of the Company.

4.2.3.4 CPI's ESG Strategy

4.2.3.4.1 Unveiling CPI's ESG Roadmap

In 2021 and following its first reporting exercise, CPI has structured its first ESG Roadmap. This fulsome exercise is multi-year in form and will include regular communications with CPI's suppliers, and customers, in line with the Company's mission to make customers' workplaces safer and more caring.

ESG priority	KPI	2020	2021	2024 Objective
Mitigating and adapting to climate change	CO_2 footprint/employee	Not available	8teqCO_2/employee	5teqCO_2/employee
Limiting our resource consumption	% increase in digital revenue (year on year)	203%; Covid-19 impacted	141%; Covid-19 impacted	25% per year
Limiting our resource consumption	% decrease in catalog page count	Reference year	-5%	-5% per year
Limiting our resource consumption	Number of air shipments avoided (reduced express spend)	14%; Covid-19 impacted	12.8%	5% per year
Nurturing a safe, diverse, and fulfilling work environment	% women as CPI executives and Board directors	38%	46%	45%-50%
Nurturing a safe, diverse, and fulfilling work environment	% participation in CPI's wellness program	Not available	Not available - launched in 2022	100%
Nurturing a safe, diverse, and fulfilling work environment	Lost Time Injuries frequency rate	1.56	1.64	0
Providing innovative training solutions for safer societies	Number of Certified Instructors/ number of learners	35,000/945,000	36,000/1,400,000	40,000/ over 1,400,000
Providing innovative training solutions for safer societies	Net Promoter Score (NPS)	Not available	70	50
Providing innovative training solutions for safer societies	% of Certified Instructors confident in managing aggression	84%	84%	85%
Supporting our local communities	All offices within 6 miles of underprivileged areas	100%	100%	100%
Supporting our local communities	Number of volunteer hours paid by CPI	Not available	Not available - launched in 2022	800
Upholding highest standards for data privacy	Number of GDPR breaches	0	0	0
Upholding highest standards for data privacy	% CPI staff with cyber security training	98%	100%	100%
Strengthening business ethics	% CPI staff with training in ethics	100%	100%	100%
Strengthening business ethics	Number of disputes due to ethical violations	0	0	0

4.2.3.4.2 Social commitments

Developing a safe, diverse, and fulfilling work environment:

Promoting a diverse workforce

SOCIAL	Discrimination and equal treatment	One of CPIs core values is respect for individual dignity. The Company strives to cultivate an employee work environment, free from discrimination and inequity; non-compliance with this principle would affect hiring and brand positioning. Potential impacts include: ■ demotivation of employees ■ negative public relations; ■ increased litigation.	■ Yearly updates and acknowledgment by staff of the CPI Employee handbook ■ Compliance with the US Equal Employment Opportunity Commission (EEOC) for equivalent standards outside the US job postings (be they sourced internally or externally)	■ Breakdown of staff by gender (Group scope) and job category ■ Number of departures
	■ Local employment and development	Negative impacts would be: ■ loss of hiring attractiveness; ■ loss of diversity of points of view and loss of opportunity to develop local communities.	■ Ensure CPI office locations are on bus and train lines for a maximum 30-minute commute from each marginalized zip/post code within a 10-mile radius and allow people from all walks of life to work at CPI ■ Maintain and promote philanthropic involvement	■ 100% of locations comply with commitment on accessibility with public transportation

As of December 2021, CPI counts a total of 311 employees. The Group has employees staff in six countries, with the following geographical presence:

Country	12/31/2021	12/31/2020
North America (US and Canada)	228	226
Rest of World (UK, France, Australia and New Zealand)	83	82
TOTAL	**311**	**308**

In 2021, CPI's headcount is up slightly as the company pivots to more virtual training/skills development programs. CPI has also increased the use of digital tools for its sales activity.

The number of hires and departures in 2021 is the following:

	12/31/2021	12/31/2020
Hires	89	46
Departures	86	64
EMPLOYEE DEPARTURE RATE (IN ABSOLUTE VALUE)	**28**	**20**

CPI promotes a strong culture of diversity and fairness. Having proven that a diverse workforce multiplies success, it is CPI's ongoing goal to promote and enrich this diversity among its employees, its customers and within its local communities.

All CPI employees must adhere to the company's diversity commitment, including by signing the CPI Employee handbook. This handbook reiterates CPI's commitment to combating all forms of discrimination. The values embodied in the handbook are common to all the countries in which the Company operates. Only the references to the applicable local and national law and regulations differ. In 2021, the handbook was updated. In the first quarter of each year, all CPI employees must confirm online that they have read the new edition. In the US, CPI is in full compliance with the Equal Employment Opportunity Commission (EEOC). CPI also facilitates working condition requests/accommodations to ensure consistent and fair treatment of all candidates and employees, in accordance with the US law on people with disabilities..

CPI encourages all genders to apply, and ensure short listed interviews include a diverse slate of candidates.

At 12/31/2021, the company gender split was as follows:

Gender split	Male	Female
As of 12/31/2021	43%	57%
As of 12/31/2020	41%	59%

CPI is attentive to gender parity among CPI executives and Board directors. The feminization rate in these roles reaches 46% in 2021. CPI's objective is to maintain this rate between 45 and 50%.

CPI has a wide variety of job categories and associated income levels. This diversity is testament to the Company's ability to provide opportunities to people of all backgrounds and educational levels. The diversity of positions is balanced and breaks down as follows:

	Professionals	Sales	Managers	Admin	Executives
As of 12/31/2021	39%	18%	22%	18%	3%
As of 12/31/2020	37%	20%	19%	17%	7%

To support its efforts in welcoming people from all social backgrounds and origins, without any form of discrimination, CPI also measures the number of CVs addressed by underrepresented minorities in North American[(1)] operations, and the percentage of candidates shortlisted. In 2021, the percentage of shortlisted candidates from underrepresented minorities was 69%.

Promoting health and safety at work

HEALTH & SAFETY	Health & safety of employees	Remote working could increase the risk of employee burnouts and stress.	■ Health and safety incident monitoring ■ CPI Employee handbook sign-off by all employees	Hours of planned absenteeism Long Term Injuries frequency rate (LTIFR) Health and safety incidents	4.2.3.4.1

The quality of the working environment for CPI employees is a top priority. To deal with the various changes in the organization of work related to the pandemic, CPI arranged the widespread roll-out of training for all employee categories in order to support the introduction of 20% working from home for all employees in 2020, and continued this arrangement in 2021.

Because working from home may increase the risk of isolation and/or stress, CPI's value of health and safety also instituted modules/meetings around remote working methods and performance management, and virtual meeting best practices. As a result of these initiatives, CPI recorded zero remote working incidents in 2021.

Overall, CPI staff has managed to face the challenge of the pandemic well, with 100% of staff returning to offices by July 2021 on a four day in office/one day remote schedule. This resilience and flexibility have served CPI well given the volatility in community shutdowns throughout 2021 due to Delta and Omicron strains.

(1) In compliance with applicable local laws and regulations (US).

And thanks to its internal experience with the management of the Covid-19 crisis, CPI recognized that social distancing and mask mandates could provoke violent and anxiety-provoking reactions. For this reason the company has continued to develop training module for businesses and organizations to train their employees in defusing these crisis situations by teaching them to manage conflicts related to wearing a mask and socially distancing themselves.

Beyond the immediate management of the Covid-19 impacts on its staff's well-being, CPI continues to closely monitor – in particular through the indicators below – the health and safety of its employees:

	12/31/2021	12/31/2020	12/31/2019
Number of Health & Safety incidents (with or without time off)	3	5	8
Number of Lost Time Injuries	1	1	1
Long Term Injuries frequency rate	1.64	1.56	1.51
Severity rate	0.030	0.030	0.003

Moreover, the number of hours lost to planned absenteeism among CPI's staff worldwide represents 22,809 hours, less than 5% of the total number of hours worked for staff within that scope.

Providing innovative training solutions for safer societies

Ensuring the highest level of service quality

SOCIAL	Training	As a professional services firm, CPI's quality relies on its internal staff. The impacts of poorly trained staff would be: ▪ poor CI and Learner training quality; ▪ pricing degradation due to lost premium positioning; ▪ cybersecurity risk if staff are not trained in best practices.	▪ Comprehensive training program for all staff ▪ Attendance tracking in all mandatory training	Number of cyber incidents	4.2.3.4.1

ESG PERFORMANCE OF PRODUCTS AND SERVICES	ESG performance of products and services	Lack of competence in hostile behavior management training can increase risk of injury of staff or patients The impact would be: ▪ reputational and/or reliability issues if CPI is unable to prove that training was carried out as instructed; ▪ potential exposure for involvement in litigation.	▪ Regulating authorities certifying the quality of training ▪ Verification scheme to guarantee confidence in training delivery for future Certified Instructors ▪ External acknowledgments of CPI's quality training	Total number of active Certified Instructors

CPI must provide approved, training programs to customers around the world highly adapted to their expectations and needs. Regulating authorities include ministries of Health, Education departments in the countries where the company is located, and Auditors such as the Joint Commission (US), Australian Skills and Quality Authority (ASQA, Australia) and the Restraint Reduction Network/BILD (UK). Additionally, given the pandemic, CPI had to pivot quickly and ensure customers could receive certification training remotely, and accordingly have them train their co-workers remotely as well. Every Certified Instructor, when trained by CPI, should be able to competently train their own staff on these critical skills. To verify the quality of this transmission of skills, CPI has undertaken the following actions:

1. comprehensive review and testing of Certified Instructor candidates, including frequent physical intervention assessments to be performed by the trainers; and

2. open discussion about the risks related to the control of escalating situations of violence, and organization of a question-and-answer session for trained staff.

This verification schema allows the Certified Instructors to gain confidence in training others and provides a necessary knowledge base for them to answer questions from their respective teams. This confidence then translates into more effective trainers and ability to be "active" trainers within the CPI ecosystem for a longer time.

As a US leader in providing training, it is important that regulating authorities perceive CPI as a premium provider. CPI continues to engage with the proper authorities to demonstrate the quality of its training. In 2021, the Center for Medicare and Medicaid Services (CMS) in the United States again cited CPI's training as an example of best practices to manage crisis situations in the public hospital system and prevent the risk of litigation. The US Department of Justice (DoJ) has listed CPI among the best trainers in terms of managing aggressive behavior for a school involved in a dispute.

CPI's two core end markets, healthcare and education, are suffering greatly from the effects of the pandemic. CPI increased communications with these players throughout the year, with:

- online training options to upgrade their certifications;
- training strategies, plans and locations that comply with health standards, including the use of personal protective equipment and the organization of exercises in compliance with physical distancing measures.

In addition, the CPI Human Resources teams formalized a training plan incorporating modules on working from home, cybersecurity (see also section 4.2.3.4.3) and anti-corruption. This plan provides for automated reporting and a catch-up process for unfulfilled tasks or failures to pass the training provided. Maintaining the internal training program in a virtual format allows each employee to remain up to date in the skills required to perform their activity.

CPI's dedication to safe, accessible and tailored training delivered the following results in 2021:

	12/31/2021	12/31/2020	12/31/2019
Total number of active Certified Instructors (including newly certified above)	35,954	35,032	39,034
Total number of employees who passed mandated training	311	316	N/A
Number of hours incurred for mandated training	7,306	3,610	N/A
Number of cyber incidents	305	13	N/A

Creating positive impacts in the face of current societal challenges

It is critically important to CPI that customers can confidently manage life's daily crisis moments in their workplaces. All attendees complete a satisfaction survey, which enables CPI to track the relevance, and impact, of the training for customers' staff. The Group also monitors the effectiveness and outcomes among their clients, setting the following KPIs:

- CPI wishes that at least 80% of customers achieve positive outcomes (such as control of the constraints encountered during crisis management) as a result of training – 89% achieve outcomes ranging from moderate to highly positive about this type of crisis;
- CPI wishes that at least 80% of customers are effective and reactive in deploying learned strategies and skills – 90% rate themselves rate themselves as moderately to highly effective;
- CPI expects at least 80% of customers are confident in addressing crisis moments in their workplace – 84% of customers declare that they are confident in addressing these crisis moments.[1]

To best manage the myriad of customer testimonials and outcome tracking, CPI uses third party vendors to host this data and provide statistically significant outcomes:

- Techvalidate.com: this repository, owned by SurveyMonkey, queries CPI customers and works with them to develop testimonies that can be reported, utilized in print, or even through phone calls as reference checks. Hundreds of testimonials have been generated over the past five years;
- Grandview Group: the metrics noted in the paragraph above were derived from the quarterly survey of Certified Instructors. Each quarter, Grandview will present a common question list to hundreds of CPI's CI's to track their outcomes with regard to positive outcomes, effectiveness and self-confidence.

(1) The 2020 data has been readjusted.

Contributing to local communities

As an Institute, CPI seeks ways to positively contribute to all communities. This approach contributes to the company's local brand and aligns CPI's actions with the guiding principles of creating more care, welfare, safety and security world-wide.

In order to be fully embedded in the communities where its offices are located and welcome employees from all areas of that local environment, CPI has taken the commitment to have 100% of its offices located in areas accessible through public transportation. 100% of its offices are compliant with this commitment in 2021

Each year, the Judith Schubert scholarship is awarded in December to a prospective organization that is unable to afford CPI training. In 2021, Burns Recovered (Missouri) received the award.This organization offers support services for burn survivors through camping and retreat experiences. In France, CPI has provided free training in defusing violent behavior to associations and community organizations.

CPI will also be launching in 2022 a skills-based sponsorship program open for all North-American employees, allowing employees to donate their time at the service of charitable action in their local community. CPI will be tracking the volunteer hours worked by its staff.

4.2.3.4.3 Environmental commitments

Contributing to the climate change mitigation efforts

ENVIRONMENT	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	■ Carbon footprint monitoring ■ Mandatory remote work day/week	Total carbon footprint Carbon footprint by employee Number of flights purchased
			■ Implementing virtual training to reduce air travel and hotel days ■ Use LED light bulbs	Virtual training programs launched % m^2 of CPI space using LED

CPI views a myriad of climate change policy responses and voluntary approaches in the coming decade as essential. With regards to climate change, CPI goals are the following:

- measure and minimize CPI's carbon footprint;
- actively work with partners and customers to enlist their support in responsible management principles;
- define, and track, business risks and opportunities if the average world temperature rises by 2 degrees Celsius by 2030.

CPI's carbon footprint

CPI is aware of the climate emergency and the importance of the role of businesses coming together to mitigate greenhouse gas emissions. CPI has incorporated the fight against climate change into its ESG Roadmap. The Company has taken the initiative to measure and disclose its carbon footprint every year, in order to identify the main sources of greenhouse gas emissions within its activity and define appropriate initiatives to cut down carbon emissions.

The calculation methodology and reporting format presented below follow the GHG Protocol. The emissions calculated include all locations of the CPI Group (in the United States, Canada, the United Kingdom, Europe, Australia and New Zealand). Raw data has been collected from January to September with estimates added to cover the end of year period. The emission factors used for carbon footprint calculation come from the Ademe Carbon Base, national databases from organizations such as the department for Environment, Food and Rural affairs (DEFRA), the GHG protocol as well as the emission information coming from CPI's main workbook supplier. All the data collected of the selected items have been collected at worldwide level and have therefore a coverage rate of 100%.

The table below shows the results of the carbon footprint calculations conducted over fiscal year 2021 emissions. Historical data cannot be shown as this measurement exercise is conducted for the first time.

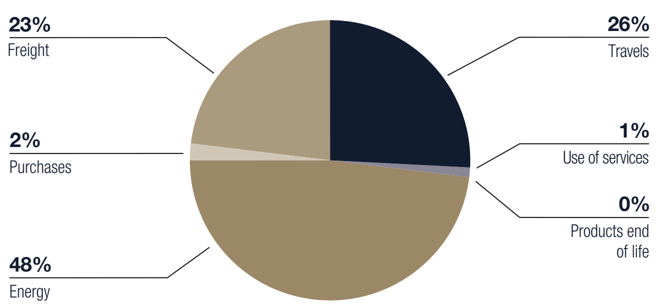
Emissions categories	tCO_2e
Scope 1	0*
Scope 2	1,049
Scope 3	1,354
Intensity of 1,2 and 3 emissions, per employee (tCO_2e/employee)	8

* *Scope 1 is null as CPI does not have any direct consumption of fuel and data relating to any refrigerant gas leakages was not available.*

Scope 3 are indirect emissions from sources not controlled by the Company but arising from its activities. CPI's Scope 3 stands at 1,354 tCO_2e and it includes upstream emission items and downstream emission items. The upstream emission items are the purchases of workbook & online storage, Group business travels, employees' commuting, leased building and the freight from the suppliers to the warehouse. The downstream emission items are the trainers' business travels, the freight from the warehouse to the clients, the end of life of workbooks and the electricity usage for online training.

In line with the GHG Protocol methodology, Scope 1+2 include emissions related to energy consumption, refrigerant leaks and fuel consumption. Scope 2 emissions correspond to CPI's electricity consumption which stands at 1,049 tCO_2e.

GHG emission, by category (% of total emissions)



CPI's carbon footprint is estimated at 2,403 tCO_2e for 2021, representing 8 tCO_2e per employee. The main sources of carbon emissions are energy consumption, travel and freight.

Energy consumption represents 48% of CPI's total carbon footprint, the largest contributor in 2021. It should be noted that energy consumption has been estimated on the basis of the surface area of offices and that the actual consumption is likely to be lower than the estimate thanks to the measures put in place, in particular LED lighting. This consumption could be further reduced through the installation of sensors where possible.

Travel currently constitutes 26% of CPI carbon emissions, as CPI instructors travel mostly by plane. Employee commuting is also covered in emissions related, as company employees come to the office using cars. This analysis shed light on potential areas for improvement such as:

- optimizing trainers' business travels by delivering as much training in the same area;
- promoting more eco-friendly means of transport for employees (carpooling, biking, public transportation).

Moreover, the use of services only represents 1% of the total carbon footprint of CPI, corresponding to approximately 72,000 hours of online trainings. Another approach to decreasing the company's carbon footprint would be to resort to online trainings instead of a physical setting whenever applicable.

The second most-contributing item of CPI's indirect emissions is the freight of training material. Almost all the carbon emissions related to logistics are linked to the transportation of workbooks from the warehouses to the customers (downstream freight). Moreover, the production of workbooks represents over 90% of total emissions related to purchasing, while cloud and online storage online represent 9% of these emissions. Encouraging the download of training materials would therefore be an effective manner to reduce Scope 3 emissions.

Implementation of reducing measures:

- reducing energy consumption: CPI is committed to a process of limiting energy consumption in order to reduce its environmental impact. Therefore, the North-American offices have set two initiatives with direct impact on energy consumption and providing baseline measures for tracking in future years:
  - use of LED (light-emitting diodes) lighting office-wide to minimize energy usage and provide lumen coverage. In 2021, 100% of the CPI head office (North America), i.e. a surface area of approximately 5,400 m^2 was compliant with this environmental approach. This represents 87% of total office space worldwide,
  - installation of auto "off" features in all overhead lighting (North America).
- travel: Given strategies initiated to minimize travel in 2021, CPI began measuring the number of flights. During the year, 1,812 flights were purchased. This tracking phase will allow CPI to determine a reduction strategy for the years to come;
- remote work: The remote work scheme put in place in 2020 (and continued in 2021) reduced the number of commute miles by 20%, therefore decreasing emissions linked with employee home-work commuting;
- developing digital training: In 2021, CPI launched two virtual training programs (on autism and trauma), therefore reducing emissions linked to participants commute;

Reducing energy consumption and raw material consumption

ENVIRONMENT	Raw material consumption, efficiency and supply	CPI produces approximately 900,000 workbooks each year and 20,000 catalogs that are direct mailed to customers. The impacts would be: ■ significant raw material consumption; ■ delivery costs/consumption (routing *via* UPS).	Partnering with vendors to minimize page count each year	Catalog page count reduction Variation of number of air shipments (compared to previous year)

CPI also developed new practices to reduce raw material consumption used in the manufacture of its training materials, which also indirectly impacts its carbon footprint. CPI has been working with all workbook and catalog vendors to ensure they follow robust environmental management standards. In addition, CPI has instituted internal practices that seek to address the level of emissions indirectly caused by its learning materials production (transport) and therefore incentivizes the use of e-learning to minimize workbook use. The company attentively assesses catalog pages to minimize page count. Thanks to this approach, the page count per catalog was reduced by 5% in 2021 compared to last year and the number of air shipments was reduced by almost 13%

	12/31/2021	12/31/2020
Page count per catalog	15	16
Number of air shipments (*vs.* previous year)	2,508	2,877

4.2.3.4.4 Governance commitments

Limiting bribery and anti-corruption

CPI is absolutely committed to adhering to the strictest ethical standards and avoiding potential bribery situations. For 25 years CPI has maintained a global presence and ensured executives and trainers are capable of meeting their duties without being involved in bribery or corruption. In 2020 CPI enveloped this corruption risk awareness training to its internal training program for employees.

SOCIETAL	Corruption & bribery	CPI performs little business in areas where corruption and bribery are possible; CPI maintains audited approved segregation of duties and open transactions/contracting (*via* on-line contracting and DocuSign). The impact would be major but CPI considers this risk unlikely.	Full training on anti-bribery and corruption (ABC)	Number of CPI staff trained and passed on ABC Number of lawsuits against CPI Number of lost contracts due to ethics

Anti-bribery is at the heart of the mandatory training plan developed by both the Legal and HR teams. Thanks to the roll-out of the mandatory anti-corruption training 100% of all "at risk" team members are aware and trained. As a result of this training and the policies in place, CPI has not been party to a lawsuit and has not lost a contract due to ethics. This training became mandatory in 2022 and will be conducted annually.

Digital data protection

As all CPI companies are exposed to cybersecurity risks, CPI has dedicated one-third of its IT expenditure to addressing this risk.

Additional information around pandemic resilience

CPI employees are critical to the successful implementation of the Company's mission. This is why the institute will continue to invest to ensure safe, clean work environments to address their anxiety and stress. In 2021, investments included:

- laptops, WiFi, and VPN access to enable CPI staff to work "anywhere";
- frequent CEO interactive broadcasts to provide transparency on CPI's response to the pandemic and answer any question posed;
- increased cleaning frequency and deployed best practice sanitizing stations throughout offices;
- deployed personal protective equipment for all traveling staff as well as enhanced testing;
- enhanced workstations with structural two-meter distancing, plexiglass, and 20% reduction in floor capacity density.

Finally, to better serve customers, CPI remains extremely active with various governmental entities around the world to ensure customers had access to training provided by the Company. This included gaining status as an "Essential" provider in March 2020 and then leveraging that throughout 2021 in working with border authorities to ensure safe passage of CPI trainers to customers and gaining approval from local authorities to hold training in public venues for customers.

4.2.3.5 Vigilance Plan

Introduction

As required per the French Law No.2017-399 of March 27, 2017 relating to the duty of care, Crisis Prevention Institute (CPI) has drawn up a Vigilance Plan. This first Vigilance Plan was validated in 2021 and will be updated every year by the CEO, the VP HR and the Chief Compliance Officer, who meet on a quarterly basis.

This aims at reducing the risks relating to health and safety, the environment and human rights and fundamental freedom, within the subsidiaries but also in the upstream and downstream supply chain.

This plan covers a risk mapping, a description of the procedures to evaluate such risks, the actions to mitigate them and the alert mechanism enabling employees and other stakeholders to raise a concern. Also, this plan includes the monitoring of these actions. All these elements are presented below.

Risk mapping

The following stakeholders have been integrated in the risk mapping: Tier-1 suppliers, subsidiaries in United Kingdom and Australia, employees, and clients.

The risk mapping is conducted annually and consists in identifying and ranking the main risks for each stakeholder. This evaluation is based on criteria such as the geographical location of each stakeholder, its industry, and its weight within CPI's value chain. International frameworks such as Global Risk Profile and SASB are used as a basis for the criteria evaluation.

The main risks identified within the subsidiaries are:

- the risk relating to the environment, such as the emissions of greenhouse gas emissions;
- the risk of insufficient health and safety of employees;
- the risk relating to the non-respect of human rights and principles of the International Labour Organization, and to discrimination.

The main risks identified for the upstream supply chain are:

- the risk of insufficient health and safety and to non-respect of human rights and principles of the International Labour Organization, and to discrimination for the suppliers' employees;
- the risk of lack of personal data security among online storage suppliers;
- the risks relating to the environment, such as the raw material consumption.

The main risks identified for the downstream supply chain are:

- the risk relating to the health and safety of people trained directly by CPI.

Evaluation procedures

The risks within the subsidiaries are evaluated through:

- internal audit, conducted by Wendel Finance and Audit Team, on a yearly basis, on anti-bribery training, Code of Ethics inclusion in acknowledged Employee handbooks, and whistleblower practices, for all legal entities;
- internal evaluation questionnaire covering cybersecurity risks which is completed at site level on a yearly basis.

The risks relating to the downstream supply chain are assessed through surveys sent to the every participant who completes a CPI training program. These surveys are administrated through SurveyMonkey and the responses are reviewed by CPI every week. Trainers have the opportunity to report any incident or risk relating to the clients during meetings organized at regional level on a weekly basis.

The implement of evaluation procedures for the Tier-1 suppliers will be taken into consideration.

Actions to mitigate risks

To reduce the risks, CPI implemented the following procedures:

- integration of a Diversity and Anti-discrimination Policy and a Safety in the Workplace Policy in the Employee handbook, which is signed by all employees at their arrival and which is subject to an annual review of acknowledgment;
- addition of sustainability criteria in the tender documents for all suppliers and for all entities of the Group. with the exception of Australia. This formalizes the sustainability standards required by CPI for purchases in the US and the UK; Australian operations will be covered as well in 2022 going forward.
- integration of risks relating to human rights and diversity, in all subsidiaries;
- training on health and safety offered to key employees, in all subsidiaries;
- certifications such as IACET, CQC, BILD/RNN, and ASQA, obtained by CPI at country level. Each CPI entity has at least one of the listed certifications. They cover issues relating to human rights and health and safety.

Alert mechanisms

In 2020, CPI implemented a whistleblowing system enabling employees and other individuals to anonymously report a concern to a reporting office, by sending an email to whistleblower@crisisprevention.com. This aims at identifying suspected illegal or unethical conduct or practices or violations of CPI's policies. This alert mechanism is referenced in the Employee handbook and is available on the website of the company. The alert is received and processed by the Chief Compliance Officer and, if needed, by an external legal partner.

In 2021, the Group did not receive any alert through the whistleblowing mechanism.

System to monitor implemented measures

The risk mapping and the implementation of the Vigilance Plan relies on the CEO, the Vice-President of Human Resources and the Chief Compliance Officer who meet on a quarterly basis.

Key performance indicators (KPIs) are monitored internally and reported to the Audit Committee and/or to the Board on a yearly basis, to evaluate efficiency of mitigating actions. The KPIs are the following:

- 100% of entities covered by the internal audit over the year;
- 100% of sites covered by the internal evaluation questionnaire over the year;
- 100% of employees that signed the Employee handbook at year-end;

- 100% of tenders documents includes a sustainability criteria;
- 100% of CPI entities covered by at least one multi-year certification (IACET, BILD/RNN, ASQA) at year-end;
- 100% of "at risk" employees trained on anti-bribery and anti-corruption practices over the year.

4.2.3.6 Reporting methodology

Organizational scope

Unless otherwise stated, all data in this document is provided at the World scope (USA, Europe and Australia). Information is first reported at country level before being consolidated.

Human resources and Health & Safety information is reported on internally on monthly basis. Other types of information (operations, service quality) are reported on annually.

Historical data not available at the time of reporting is identified by the mention N/A.

Data sources

All CPI data used in this document has been reported in a dedicated ESG reporting tool (Reporting 21). Based on a reporting protocol approved by the CEO in 2020, this reporting tool provides a clear definition and/or calculation method for all indicators to be completed, available for all contributors.

The source of the data reported within Reporting 21 varies, depending on the type of indicators:

- human resources indicators: information is sourced from CPI's human resources information systems, whether internal or externalized;
- health & safety indicators: information is sourced from CPI's human resources information systems, internal incident reports or compensation reports, or tracked notifications to the Human Resources Team;
- service & quality indicators: information is sourced from customer surveys or CPI's customer relationship management database;
- operations and environmental information are completed directly in Reporting 21.

Indicators – methodological notes

Human resources data

- CPI's total headcount at year-end includes part-time workers and temporary workers who are on the company payroll. The headcount excludes temporary workers when paid by an external agency, as well as interns.
- The different headcount breakdowns (by gender, EEOC, country, age) are presented in section 2.3.5.1.
- Hires: number of employees that joined CPI during the year, reported in physical headcount. Interns are excluded.
- Voluntary departures cover resignations. Interns are excluded.
- Involuntary departures cover motives such as misconducts, performance issues, reorganizations. Interns are excluded.
- Total departures cover both voluntary and involuntary departures.
- Mandated training covers all training organized by the HR, IT or Legal departments, and role-based training. It excludes onboarding trainings and mentoring. Training hours of employees who left the companies but were trained during the period are included.
- The percentage of employee passing mandated training is calculated using the following formula: Number of employees passing mandated training/Number of employees at the end of the year in physical headcount.
- The hours incurred for mandated training/employee is calculated using the following formula: Number of mandated training hours/Average number of employees in physical headcount.
- % of women at the Board is calculated using the following formula: Number of women at the Board at the end of the reporting period/Total number of members of the Board at the end of the reporting period.
- Underprivileged area refers to:
  - in the US, a zip code that has a median income less than $20,000 USD (*e.g.* 53205);
  - in the UK, a post code (area of deprivation) that has median less than 28,500 GBP (*e.g.*, Wythenshawe Park);
  - in Australia, a post code that has median less than $45,200 AUD (2144 Auburn, NSW).
- The share of office located within a 10-mile radius of an underprivileged area is calculated using the following formula: Number of offices located within a 10-mile radius of an underprivileged area and accessible by bus and train/Total number of offices.

- For North America, the total absenteeism hours consist of fixed number of hours given to employees based on their years of service and include vacation and personal/sick time off. It excludes bank holidays. For Europe and Australia, absenteeism hours include sickness leaves only.
- The formula used to calculate the theoretical hours worked is the following: FTE at the end of the year* Number of working days during the year * Number of hours contractually worked a day by FTE.
- Hours of planned absenteeism per employee ratio is calculated using the following formula: Hours of absenteeism/Number of employees at the end of the year in physical headcount.

Health & safety data

- Lost Time Injuries refer to injuries that led to lost working days. The day where the injury happens is not counted but as soon as one day is missed it is counted as an incident with Lost Time Injury. This definition is applicable to permanent and non-permanent employees and includes commuting accidents when the transportation has been organized by the company. This excludes injuries of temporary workers, contractors and subcontractors, commuting accidents when the transportation is not organized by the company This does not include either the near accidents and work accidents without lost days, nor fatal accidents. Relapses are counted as one accident.
- The formula used to calculate the Lost Time Injury frequency rate is the following: 1,000,000 * Number of Lost-Time incidents/Total number of theoretical hours worked.
- Health and safety incidents refer to the number of incidents.
- The formula used to calculate the severity rate is the following: 1,000* Number of Lost days by employees/Number of theoretical hours worked by employees over the year.

Environmental data

- Scope 1 GHG emissions are defined as direct emissions from CPI's owned or controlled sources.
- Scope 2 GHG emissions covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by CPI. Refrigerant fluids are excluded.
- Scope 3 GHG emissions includes the indirect emissions relating to purchases (the production of workbooks, the online and cloud storage), assets (the leased buildings), freight (the transport of the workbooks from the suppliers to the warehouse and from the warehouse to the customers), travels (the business travels of CPI employees, the employee commuting), use of products and services (the end of life of workbooks and the energy consumption linked to online trainings).
- The formula used to calculate the GHG emissions for Scope 1, 2 per FTE is the following: (GHG emissions Scope 1 + GHG emissions Scope 2)/FTE at the end of the year.
- The formula used to calculate the GHG emissions for Scope 3 per FTE is the following: GHG emissions Scope 3/FTE at the end of the year.
- The formula used to calculate the percentage of revenue from digital training is the following: revenue from digital training (in USD)/Total revenue (in USD).
- The catalog page count intensity is based on information provided by the external providers in charge of catalog printing. The catalog page count reduction (compared to previous year) is calculated using the following formula: (Total number of catalog pages per catalog printed over the year – Total number of catalog pages per catalog printed over the previous year)/Total number of catalog pages per catalog printed over the previous year.
- The number of air shipments is provided by CPI's warehouse staff who track conversion from air shipments to ground. Additionally, CPI tracks cases where customers order online training materials instead of hard copy workbooks. These cases are reported monthly in the operations reports. The number of air shipments avoided (compared to previous year) is calculated using the following formula: Total number of air shipments over the previous year - Total number of air shipments over the year.
- The percentage of workspaces using LED lightening bulbs is monitored by building owners and calculated using the following formula: Square meters of office space converted to LED lights/Total square meters of office space.

Societal

- Training on ethics consists of courses that provide employees with instructions on how to deal with ethical dilemmas when they occur and improve their overall ethical conduct. The formula used to calculate the percentage of CPI staff trained and passed on ethics is the following: Number of employees trained and passed on ethics/Total number of employees at year-end in physical headcount.
- Lawsuit is defined as a claim or dispute brought to a law court for adjudication.
- Lost contracts due to ethics are monitored through the software "Dynamics CRM", recording reasons for lost contracts.

- The cybersecurity training involves a base set of modules (Email Security, Email Protection Tools, Ransomware and Spear Phishing Threats) along with a set of monthly training modules providing a spectrum of topics including but not limited to: work from home, phishing, business email compromise and department-specific training. The formula used to calculate the% of CPI staff trained on cybersecurity is the following: Number of employees trained on cybersecurity/Total number of employees at year-end in physical headcount.
- A cybersecurity or cyber incident is defined as a violation or imminent threat of violation of computer security policies, acceptable use policies, or standard security practices that jeopardize the confidentiality, integrity, or availability of information resources or operations. These incidents are reported and monitored by the Service Desk through alerts from AMP antivirus and Proofpoint Targeted Attack Protection.

ESG performance of products and services

- Certified Instructors (CI) are 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 train at least four times in any 24-month period.
- The Net Promoter Score® (NPS) is a tool which measures the customer experience. The data used for this report is the yearly average NPS®. It is based on a satisfaction survey sent to every participant who completes a CPI program. The survey is currently administered *via* SurveyMonkey. The questionnaire includes the following question: "How likely is it that you would recommend <program name> to a friend or colleague?". At year-end, the following indicators are consolidated for all programs:
  - response rate;
  - recommendation rate.
- The share of Certified Instructors confident in managing aggression refers to the number of Certified Instructors who responded positively to the following question after a training: "Are you more confident in your abilities to manage crisis moments?", divided by the total number of Certified Instructors surveyed. This is monitored through a survey carried out on Techvalidate addressed to a sample of certified instructors.

4.2.4 Stahl

4.2.4.1 Presentation of the company's activity

Stahl is the world leader in sustainable coatings for a wide variety of flexible substrates. Its registered headquarters is in Europe (The Netherlands). Stahl specializes in providing products and services to manufacturers of leather, coated fabrics, textiles and other materials used in the automotive, garment, footwear, luxury bags and home furnishing consumer segments. Stahl uses two primary brands (Stahl and PielColor) to promote its products and services, and there are several product trademarks used in the portfolio *e.g.*: PolyMatte®, Permacure®, Stahl NuVera®, Stahl Ympact®, Stahl EasyWhite Tan®, Stahl BeTan®, Densodrin® Catalix®, DryFast, Stahl EVO, Stahl Relca® Bio, PielColor Magic Line.

Stahl manufactures its portfolio of products either at its manufacturing sites around the world or at outsourced locations *via* service or supply agreements. Stahl's suppliers are generally large multinational chemical companies.

Stahl's customers are manufacturers of flexible materials like leather, coated fabrics, textiles and bio-substrates. The company also supplies coatings and resins to shoe factories and paint & coatings manufacturers. Stahl's customers range from large corporations to medium and small sized operations. Smaller customers are typically handled by Stahl's significant network of agents and distributors around the world.

As of December 31, 2021, Stahl operated 11 manufacturing sites and 37 application laboratories in 22 countries around the world, employing 1,821 people. The countries where Stahl does most business are, in alphabetical order, Argentina, Bangladesh, Brazil, China, Colombia, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, Pakistan, Singapore, Spain, Turkey and the USA. As a supplier of chemical products and related services, Stahl considers the health and safety of its employees to be its primary responsibility.

The Stahl ESG Roadmap to 2030 is a list of commitments and targets for 2023 and 2030. It was introduced in 2020 and formally communicated to Stahl employees *via* a globally broadcast webinar in 2021, with the CEO, Maarten Heijbroek, featured as a guest speaker. The ESG team tracks progress on the ESG Roadmap to 2030 with the Wendel ESG team, on a quarterly basis.

Stahl is aligned to the UN Global Compact, the world's largest corporate sustainability initiative, and reports on its guiding principles annually since 2011. The 10 principles of the UN GC are included in the Stahl Code of Conduct for business partners. With this commitment, Stahl has confirmed the alignment of its strategy and operations to the universal principles of human rights, labor rights, the environment and anti-corruption. Stahl also reports on its progress with the 17 UN Sustainable Development Goals (SDGs) in its annual ESG report and ESG roadmap with targets for 2023 and 2030.

Stahl's key activities linked to the UN SDGs are as follows:

- SDG 7 and 13 – Affordable and Clean Energy and Climate Action: Stahl's CO_2 emissions targets have been updated in its published ESG Roadmap to 2030 and are aligned with the goal to limit global temperature increase to 1.5 °C. In 2021 Stahl has focused on actions for climate resilience, adaption and mitigation. The replacement of fossil fuel raw materials with renewable carbon alternatives, as well as the use of energy efficient technologies at its sites, is a focus for the company;
- SDG 3 – Good Health and Well-being: Stahl has committed to initiatives that will eliminate restricted substances from the supply chain, like the Zero Discharge of Hazardous Chemicals program, of which the company is a member since 2016. In 2021, Stahl confirmed the highest (Level 3) ZDHC Gateway compliance for 1,800 of its portfolio products;
- SDG 4 – Quality Education: Stahl Campus® was established to promote good practices throughout the supply chain (see the section on Education & Training). Stahl also actively promotes the safe handling of chemicals and conducts seminars and webinars on ESG topics, targeting all stakeholders in the supply chain;
- SDG 5 – Gender Equality: Stahl's Diversity and Inclusion Policy was communicated in 2018. In 2020 Stahl published its ESG Roadmap to 2030, in which gender and diversity targets are defined;
- SDG 6 – Clean Water and Sanitation: The company has successfully introduced effluent-reducing technologies to the value chain, like Proviera® – Probiotics for Leather™, Stahl EVO and Stahl BeTan as well as water-reducing technologies like Easy White Tan®. The Public Private Partnerships launched in Kanpur, India, and Ethiopia are driven by a strong desire to reduce water pollution in the markets that the company serves;
- SDG 1 – No Poverty: In addition to local community philanthropy, Stahl is involved in sustainable development projects. As an example, a Public Private Partnership between Stahl and NGOs Solidaridad and PUM was launched in 2017, in Kanpur, India. The five-year project, which will conclude in 2022, has focused on reducing water pollution and improving the lives of people living and working in the Kanpur leather cluster, which is threatened by environmental pollution;
- SDG 8 – Decent Work and Economic Growth: The Public Private Partnership (PPP) in Kanpur, India, is one example of Stahl's commitment to SDG 8. The (EU funded) PPP project for the Ethiopian leather industry is another. Both are focused on reducing pollution and directly linked to securing sustainable economic development;
- SDG 10 – Reduced Inequalities: Stahl's Code of Conduct was set up in 2014 and the Stahl Diversity and Inclusion Policy was set up in 2018. e-Training courses were conducted and completed by all employees in 2021 on diversity, and anti-corruption.

stahl

SHAREHOLDER GOVERNANCE

SHAREHOLDERS - WENDEL 67.5%, BASF 16.3%, CLARIANT 14.8% AND OTHER 1.4%

BOARD OF DIRECTORS:

11 members (Stahl, Wendel, BASF, independent members)

27% of independent

18% of women

OPERATIONAL GOVERNANCE

LEADERSHIP TEAM

8 members

2021 REVENUE

€831m

VISION

To be a catalyst for positive change

MISSION

"If it can be imagined, it can be created."

VALUES

- Cooperation
- Responsibility
- Initiative
- Imagination

INTERNAL RESOURCES

HUMAN CAPITAL

~1,800 EMPLOYEES

75% men / 25% women

59 nationalities in 22 countries

- 51% EMEA
- 21% Asia-Pacific
- 14% India and Pakistan
- 14% North and South America

INTELLECTUAL CAPITAL

28% OF R&D IS ESG DRIVEN

- 14,6 training hours per FTE on average
- >1,000 people from 131 organizations attended Stahl Campus modules in 2021
- 74 active patent families*

* including patent applications.

PROCUREMENT

80% of our raw material spend and 44% of transport suppliers (in spend) is covered by EcoVadis

Stahl gold medal by EcoVadis

USE OF RESOURCES

PRODUCTION

11 manufacturing sites

9 Centers of Excellence

37 Application laboratories

TRAINING

4 CAMPUS LOCATIONS

DISTRIBUTION

34 sales support offices

OUTPUT

PRODUCTS

- Leather Chemicals
- Coatings
- Polymers

MARKETS

Main sectors

- Automotive
- Footwear, Apparel & Accessories

Others

- Architectural & Interior Design
- Industrial Applications
- Leisure & Lifestyle
- Home Furnishing

R & D

11 research centers

~100 R&D specialists & experts

CERTIFICATIONS
/ MANAGEMENT SYSTEMS

93%
of production volume come from sites certified ISO 14001 and 99,8% from ISO 9001

ESG roadmap

A 10-YEAR PLAN IS PRESENTED IN THE ESG ROADMAP.
TARGETS ARE ESTABLISHED FOR 2023 AND 2030.

E ENVIRONMENT	S SOCIAL	G GOVERNANCE
TARGETS FOR 2023 AND 2030		
• Climate change & circularity • Water • Stahl products • Raw materials	• Health and safety • Human capital • Human Rights • Societal commitment	• Ethical behavior • Diversity in leadership • CSR incentives • Supply chain
2021 PERFORMANCE		
• Reduction CO2 intensity (tCO2e/ton produced) (2021 vs 2020) - 16% Scopes 1 & 2 emissions - 6% Indirect Scope 3 emissions • Climate resilience and adaption • 1631 products listed at ZDHC Gateway Level 3 conformance (highest conformance level) • All Europeans site 100% renewable electricity • 38% of all energy globally is renewable	• Employee survey 92% participation with follow up focus meeting where the improvement areas where discussed • Human rights policy introduced • New CEO: In july 2021, Maarten Heijbroek became Stahl's CEO • The Annual Performance Review Appraisal was successfully completed within the Employee Engagement Platform	• EcoVadis gold medal • 80% of direct suppliers rated by EcoVadis (based on spend) • More women in highest governance body (Board of directors: 18% (versus 11% in 2020) • 25% women in the workforce • 25% women in supervisory positions

Global Initiatives & NGOs

- United Nations (UN) Global Compact, Reporting on 17 UN SDGS
- UNIDO, Solidaridad
- International universities

Other sectorial initiatives

- ZDHC (Zero Discharge of Hazardous Chemicals), Bluesign, ChemIQ
- Leather Working Group
- Renewable Carbon
- TEWEGA (German association of specialty chemicals for textile and leather treatment)

1 NO POVERTY · 3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 6 CLEAN WATER AND SANITATION · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES · 13 CLIMATE ACTION

4.2.4.2 Materiality

Topics that matter

Stahl reports regularly on ESG in order to assess the precise progress made on its ESG activities and KPIs. To ensure that it reports on topics that are material for the company, Stahl uses a materiality analysis to give insight into the priorities of its stakeholders. Stahl's materiality analysis outcome is aligned to the risks presented in the Extra-Financial Performance Statement (EFPS). In 2021 a series of independent interviews were arranged with key Stahl shareholders about materiality, including shareholders, clients, brands, suppliers and external influencers.

Materiality

Stahl's approach to reporting and materiality is based on recognized, internationally agreed guidelines, like the Global Reporting Initiative (GRI). This approach also ensures that the full scope of activities are taken into account, from operations and supply chain to interactions with suppliers, customers, consumers, shareholders, government and NGOs.

Stahl material topics

ESG pillar	Material topics	Material subtopics
Environmental topics	Climate change	Adaption & mitigation
		Greenhouse gas emissions
		Energy
	Resource depletion	Materials
		Water
		Waste
	Innovation	
Social topics	Occupational health and safety	Stahl staff H&S
		Customers' staff H&S
	Training and education	
	Diversity and inclusion	
	Human rights	
	Local communities	
Governance topics	Regulation	
	Anti-corruption	
	Ethics	

4.2.4.3 Table overview of identified risks & mitigation policies in place

ESG risk mapping for Extra-Financial Performance Statement (EFPS)

Stahl performs an annual review of its risk assessment and control policies in accordance with the requirements of the EFPS on environmental, social, human rights and corruption risks resulting from its activities. This review covers the risks linked to its employees, suppliers, and to its supply chain. Stahl has adopted due diligence policies covering health, safety, environment and human rights that mitigate the risks identified in this review.

Stahl's risk analysis is cross-checked with two types of organizations, used as reference sources:

- independent standards: MSCI (Morgan Stanley Capital International) and SASB (Sustainability Accounting Standards Board);
- companies comparable to Stahl in terms of sector of activity, operating in several countries, and reporting on their CSR risks and materiality method.

The seven risks identified (as stated in the table below) with the highest gross risk level[1] are presented below. The table presents a short summary of the risks and the policies implemented by Stahl to mitigate those risks identified. Key Performance Indicators (KPIs) to monitor the policies and results corresponding to these indicators for 2021 are also presented.

Area	Paragraph	CSR risk[1]	Risk description	Maturity	Gross risk	Mitigation policies and actions	Residual risk	Key Performance Indicators	2020	2021	2-year trend
HEALTH & SAFETY	4.2.4.6.2	(1) Occupational health and safety	Chemical industry: occupational health and safety risks, including: ■ chemical contact or exposure to substances hazardous to health; ■ risk of chronic (serious) illness linked to chemical exposure; ■ slips, trips and falls; ■ serious and fatal accidents.	Short term	High	SHE policy Training R20 (Road-To-Zero) Program Zero tolerance policy Stature platform HR policy support Covid-19 policies	Low	Total Reported Injuries Frequency Rate (TFTAD)	4.549	8.545	↗
								Lost Time Injuries Frequency Rate (TF)	0.840	1.375	↗
								Severity Rate of Accidents (LTISR)	0.003	0.045	↗
								Fatal accidents	0	0	-
ESG PERFORMANCE OF PRODUCTS	4.2.4.6	(2) Increasing demand and regulation for sustainable chemical products	Products not aligned with demand from brands, NGOs and consumers Customers polluting soil using chemicals Unavailability of chemical raw materials due to regulation related to environmental or human health	Short term	Medium	Regulatory watch & product stewardship Industry governance and initiatives (like ZDHC) Chemical compliance initiatives by Stahl Climate change action (phase out fossil fuel chemistry) Environmental impact assessment	Low	ZDHC Gateway Chemical Conformance			
								■ number of products listed at ZDHC Gateway Level 3 conformance	1,217	1,613	↗
								■ total sales revenue of products listed at ZDHC Gateway Level 3 conformance		520 m	New
								ZDHC level 3 products as a% of the total portfolio sales (*i.e.*: for the garment/footwear/bags/fashion segment)		63%	New
								Renewable feedstocks in the Stahl global portfolio			
								■ number of products containing > 5% renewable content		226	New
								■ annual sales revenue of products containing > 5% renewable content		50 m	New

(1) Gross risks are the risks for similar companies and activities (that impact both the company and the external stakeholders) in the same geographic area, without the effects of mitigation. Stahl explains how it manages and mitigates these risks in each chapter of this report. Note: Because of the nature its activities (leather chemicals, coatings and polymers), Stahl believes that some identified risks do not represent a critical extra-financial risk for Stahl and do not need to be developed further in this report. These less critical risks are: fight against food insecurity; respect of animal welfare; responsible, fair and sustainable food production.

Area	Para-graph	CSR risk(1)	Risk description	Maturity	Gross risk	Mitigation policies and actions	Resi-dual risk	Key Performance Indicators	2020	2021	2-year trend
ESG PERFOR-MANCE OF PRO DUCTS	4.2.4.6	(2) Increasing demand and regulation for sustainable chemical products	Products not aligned with demand from brands, NGOs and consumers Customers polluting soil using Stahl chemicals Unavailability of chemical raw materials due to regulation related to environmental or human health	Short term	Medium	Regulatory watch & product stewardship Industry governance and initiatives (like ZDHC) Chemical compliance initiatives by Stahl Climate change action (phase out fossil fuel chemistry) Environmental impact assessment	Low	■ % of annual sales revenue of products containing > 5% renewable content		7%	New
								Life Cycle Assessments (LCA)			
								■ number of Stahl products for which complete LCA data is available		50	New
								■ annual sales revenue of products for which complete LCA data is available		56 m	New
								■ % of annual sales revenue of products for which complete LCA data is available		7%	New
						R&D		Research and development			
								Share of ESG -focused R&D projects (% of total projects)	18%	28%	↗
ENVI-RONMENT	4.2.4.6.1	(3) Lowering Greenhouse Gas (GHG) emissions that contribute to climate change	Stahl recognizes that reductions in global CO_2 emissions will be required in order to achieve the goals outlined in the Paris Climate Accord established in 2015	Long term	Medium	Reduce CO_2 emissions Energy reduction Focus on energy self-sufficiency	Low	Share of renewable energy	34%	38%	↗
								Energy intensity (TJ consumed/ton produced)	0.00184	0.00156	↘
								CO_2 emissions intensity - Scopes 1 & 2 (t1.5/ton produced)	0.1098	0.0928	↘
								CO_2 emissions - Scope 3 (millions of tCO_2e)	485,461	576,456	↘
		(4) Impact on water resources	Risk of insufficient water for the process and water supply cuts from local network	Long term	Medium	Water management	Low	Water intensity (m^3 consumed/ton produced)	1.505	1.323	↘
		(5) Hazardous waste management	Risk of significant increases in hazardous waste generated at Stahl sites and inadequate management of their end-of-life	Medium term	Low	Waste reduction	Low	Waste water send to external treatment (tons)	12,452	15,245	↘
						Circularity		Waste intensity	0.062	0.060	↘
								Provision for land pollution (in millions of euros)	0.64	1.04	↗

Area	Paragraph	CSR risk[1]	Risk description	Maturity	Gross risk	Mitigation policies and actions	Residual risk	Key Performance Indicators	2020	2021	2-year trend
SOCIAL	4.2.4.6.2	(6) Attracting and retaining talent	Risk of losing qualified and talented employees from the company. Risk of not attracting qualified and talented employees to the company, especially Millennials and Gen Z workers	Short term	Medium	HR strategy, onboarding of new employees, gender parity policy Corporate communication strategy, social media (Instagram, LinkedIn), webinars and public communication New leaders in key positions Employee Engagement Platform, Succession planning, performance monitoring and training	Low	Turnover rate – resignations only	3.32%	4.08%	↗
								Social dialogue - Instagram and LinkedIn subscribers (in thousands of subscribers)		44	New
								Training hours per FTE	14.71	14.58	-
								Absenteeism rate	1.87%	2.35%	↗
								Percentage of women in supervisory positions (% of total supervisory positions)	24%	25%	↗
GOVERNANCE	4.2.4.6.3	(7) Corruption and bribery	Risk of corruption, bribery, modern slavery in Stahl's supply chain	Short term	Low	Code of Conduct Corruption and bribery training Grievance and alert mechanism	Low	Percentage of employees trained on these subjects – Compliance training	98.55%	95.86%	↘
								Percentage of employees trained on these subjects – training sessions on company policies	New employees	97.57%	New
								Whistleblowing – Number of cases treated	100% (1 case)	100% (7 cases)	-
						External risk assessment and rating (EcoVadis)	Low	% of direct purchases (raw materials) made from suppliers assessed by EcoVadis	67%	80%	↗
								% spend of transport suppliers assessed by EcoVadis	-	44%	New

External macro ESG risks

Stahl also identified ESG macro-risks related to external trends:

- climate change;
- environmental impact assessment;
- chemical compliance.

Climate change: a resilience plan for prevention, reduction and adaption

Climate change mitigation has become a critical strategic objective for the company. To align itself with the goals of limiting global temperature increase to 1.5 °C above pre-industrial levels, as established in the Paris Climate Agreement, Stahl has committed to continue to reduce direct & indirect GHG emissions (Scope 1 and 2 emissions) and to establish a Scope 3 emissions reduction target during 2022 aligned to the 1.5 °C global average temperature rise limit.

Stahl's Climate Resilience and Adaption Plan identifies the capacity to adapt to the direct and indirect impacts of climate change on the company, and outlines plans to take action on climate change and align the company to the 1.5 °C global temperature increase in the Paris Climate Agreement (2015). The plan takes into account the (a) transition risks, and (b) physical risks that apply to the company, and describes the actions required to prepare for the effects of climate change, and to limit the company's contribution to further global warming.

By integrating climate resilience into the Stahl strategy in this way, the company believes it can secure a better future and be a positive force for climate action in the industry.

Preventing climate change – Renewable feedstock

By enabling renewable feedstock solutions and decoupling growth from fossil-carbon-based resource consumption, the company believes that progressive de-fossilization of the chemical industry must be achieved.

Renewable carbon describes resources that have not been extracted from the earth's surface (geosphere), like bio-mass based materials, carbon capture or recycled plastics. Stahl is one of the 11 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 de-fossilization of the chemical industry. The 11 pioneer companies on the Core Advisory Board are Beiersdorf (Germany), Cosun Beet Company (Netherlands), Covestro (Germany), Henkel (Germany), LanzaTech (USA), Lenzing (Austria), Neste (Finland), SHV Energy (Netherlands), Stahl (Netherlands), Unilever (UK) and UPM (Finland).

Environmental impact assessment

Life Cycle Assessment (LCA) methodology measures the impact of a product on the environment, and expresses it in recognizable impact data and language (*e.g.* the impact on climate change, ozone depletion, toxicity, land use). The principle is that in order to reduce the environmental impact of a product, that impact first needs to be measured in a standardized way with a standardized methodology. In 2021 the company achieved EPD certification for LCA data collection of the Stahl Italy facility, and achieved its target of publishing LCA data for 50 of its strategic products. In 2022 LCA data collection for its products will be ramped up in order to achieve its ESG Roadmap target.

Chemical compliance

28% of Stahl's basic chemical research projects are aimed at eliminating unwanted substances from the supply chain and developing replacement products as necessary. The company has set specific targets for the conformance of its portfolio with the ZDHC MRSL in its Stahl ESG Roadmap to 2030. ZDHC is an initiative in the garment, footwear and accessories industry (the initiative does not include automotive industry). In 2021, 1,613 products (63% of the total revenue) were certified to Level 3 of the ZDHC MRSL version 2.0, a significant achievement for the company. Level 3 certification – which includes extensive product testing and on-site audits – underlines Stahl's commitment to using responsible chemistry to reduce the environmental impact of the supply chain and contribute to driving positive change in the industry.

Stahl's ZDHC commitment

In 2011 a group of major apparel and footwear brands and retailers made a shared commitment to help lead the clothing industry towards zero discharge of hazardous chemicals by 2020. Stahl made a commitment to the ZDHC (Zero Discharge of Hazardous Chemicals) program to eliminate the substances listed on its Manufacturing Restricted Substances List (MRSL) and in 2016 became a Value Chain Affiliate. The company is active in several task teams and sub groups within the ZDHC, representing the industry and advocating more responsible chemistry.

In 2021 Stahl's Michael Costello, Group Director ESG, was elected as a Board member of the ZDHC Foundation.

4.2.4.4 ESG highlights 2021

- **Health & Safety:** Total Reported Injuries (TRI) Frequency Rate remained stable during 2021 at the same level achieved in 2020. However, in terms of Lost Time Incidents (LTI) frequency rate and severity rate, a long-term injury that took place in January lead the values to higher levels than 2020, due to the 12-month rolling average, these values are expected to decrease, if no other injuries take place, starting in January 2022. In 2021 a safety culture survey was conducted with the help of an external specialists company, amongst all employees with a 96,7% response rate.
- **New CEO:** In July 2021, Maarten Heijbroek became Stahl's CEO, replacing Huub van Beijeren who retired after 13 years at the helm.
- **EcoVadis:** Stahl was awarded EcoVadis Gold rating, placing it within the top 5% of companies assessed by EcoVadis.
- **Climate change mitigation:** Stahl drafted its first Climate Resilience and Adaption Plan, which outlines the targets and plans to take action on climate change and align the company to the 1.5 °C global temperature rise limit established in the Paris Climate Agreement (2015). Stahl was present at the COP26 in Glasgow and announced its Scope 3 GHG emissions plans there.

- **ESG communication:** With travelling restricted in many regions for part of the year, the company continued its program of interviews, presentations, webinars and social media events on topics of sustainable development and compliance. Helping its partners and stakeholders achieve their goals by sharing its ESG experience is inspiring Stahl to go further with its own ambitions.
- **Economic performance:** Trading volumes rebounded strongly in 2021, continuing the trend from the last quarter of 2020. However, supply chain constraints and scarcity of raw materials dominated commercial activity for much of the year.
- **ESG performance:** Higher production volumes for much of the year reflected the improvement in trading volumes. Environmental KPIs like water, energy and waste improved *versus* 2020 (measured as intensity, per tons produced). Business travel CO_2 emissions increased *vs* 2020 but still remain well below historical (2019) levels in absolute terms due to the continued travel restrictions related to the pandemic.
- **ESG performance – products:**
- Stahl achieved Level 3 status in the ZDHC Gateway compliance module for 1,613 products in its portfolio. In 2022 the company plans to certify 200 more products from its portfolio to the Gateway conformance portal.
- Stahl's research into non-fossil fuel technology continued in 2021 with the release of its renewable carbon-based product portfolio Stahl Ympact™. This complements the Stahl NuVera® and Stahl Relca®Bio ranges released in 2020.
- **Social:**
- Stahl implemented an Employee Engagement Platform (EEP) in 2019 to encourage employee participation and foster commitment to the company culture. In 2021 a survey was launched within this platform, in which 95% of employees participated. The results of the survey were communicated to the management and action is being taken on relevant issues raised by them.
- In 2021 the Annual Performance Review Appraisal was successfully completed within the Employee Engagement Platform. This is the second year that this formalized approach to annual performance appraisals has been applied to all employees.

4.2.4.5 Stahl governance

Stahl Board of Directors

The Board of Directors of Stahl meets at least five times a year and may hold additional meetings to discuss any matters relevant to the company, including financial results. ESG is a standing item on the Board of Directors' agenda. This Board members are representatives of its shareholders (Wendel, BASF), two independent members, as well as the Chief Executive Officer and the Chief Financial Officer of Stahl.

Maarten Heijbroek	Stahl (CEO)
Frank Sonnemans	Stahl (CFO)
Félicie Thion de la Chaume	Wendel Group
Claude Ehlinger	Wendel Group
Piet van der Slikke	IMCD
Etienne Boris	Independent
Wolfgang Frank Hagen	BASF
Huub van Beijeren	Independent
Xavier Lemonnier	Wendel Group
Caroline Bertin Delacour	Wendel Group
David Varet	Wendel Group

Stahl Leadership Team

Stahl's Leadership team meets monthly and determines the implementation of company strategy, including ESG topics. The team is comprised of the CEO, CFO, COO, CIO, HR, R&D Director and the business managers for Leather Chemicals and Performance Coatings units respectively.

In July 2021 the new Chief Executive Officer, Maarten Heijbroek, replaced Huub van Beijeren, who retired. ESG is represented by the Chief Innovation Officer, John Fletcher, on the Stahl Leadership team. In 2021 the Group Human Resources Director joined the team.

Stahl has agreed gender balance targets for the leadership team, for 2023 and 2030.

The Stahl Leadership Team reviewed and approved the Stahl ESG Roadmap to 2030 and the seven risks that structure Stahl's EFPS.

Executive Control Group

A wider governance body, the Executive Control Group includes the Stahl Leadership Team members, local site managers, regional general managers, executives from the strategic business units, Marketing, Communications, HR, ESG, IT, Legal & Compliance, Finance, Internal Audit and SHE. The Executive Control Group meets quarterly and reviews performance and decides on tactics for the upcoming business cycles. An update on all ESG activities is also presented at these quarterly meetings.

ESG governance

At the corporate level, ESG (Environment, Social & Governance) is represented by the Chief Innovation Officer in Stahl's leadership team.

The ESG team continuously engages with finance, legal counsel, sales teams, product managers, researchers, product stewardship and operations staff to monitor the implementation of its strategy and to discuss progress on new initiatives related to ESG performance. The ESG team meets on a quarterly basis with the Wendel ESG team, to review progress on the targets established in the Stahl ESG Roadmap to 2030.

Two new members were added to the ESG team in 2021, focused on Life Cycle Assessment and Supply Chain Transparency. The current team is composed of:

- group ESG Director;
- ESG Performance Manager;
- Environmental Impact Manager ;
- Supply Chain Transparency Manager;
- Life Cycle Assessment Manager;
- Stahl Campus managers.

4.2.4.6 Strategy & the ESG Roadmap: Stahl as a catalyst for positive change

Stahl strategy

Stahl aims to embrace new technologies to create solutions that meet the demands of our changing world. At the same time, the company will continue to make a commitment to human rights, inclusion and diversity, and to the safety of its people.

Stahl has identified four areas of strategic importance:

- **digital transformation:** Stahl has initiated a ten-year digital transformation strategy: the internet of things, artificial intelligence, e-commerce and block chain. This transformation will be a determining factor in terms of how the company works with customers, supply chain, investors and its own employees;
- **open innovation:** Open innovation is the process of collaborating with external individuals, teams and organizations on the development of a project or to reach a shared goal. Stahl will focus on areas where it can make a positive impact; renewable feedstocks, water quality, and advanced functional chemistry;
- r**enewable feedstock:** The single biggest contribution the chemical industry can make to mitigating climate change is to replace fossil fuels in its raw materials. For Stahl this means replacing solvents and other fossil fuel feedstock based raw materials in its products;
- **sustainable development:** Chemicals can drive the development of low-carbon, zero-pollution, energy and resource-efficient technologies, materials, and products. Stahl sees its responsibility to participate in sustainable development not only as a duty to society and the environment but as an opportunity to do well by doing good.

ESG Roadmap to 2030

Given Stahl's commitment to being a catalyst for positive change and its emphasis on tracking and assessing its ESG performance, the company established a roadmap in 2020. The Stahl ESG roadmap is a list of commitments and targets, for 2023 and 2030, supported by Key Performance Indicators (KPIs). These targets are linked to the corresponding United Nations Sustainable Development Goal in each case.

In 2021 webinars were organized for all Stahl employees to explain the goal, the content and their role in achieving the targets.

2021 update: ESG performance of Stahl products

Stahl dedicates a significant portion of its chemical research activities on projects designed to improve the environmental footprint of its products, like reducing carbon footprint, eliminating unwanted substances, replacing fossil-fuel raw materials with renewables, or converting solvent-based products to water-based and solid alternatives. In 2021, 28% of Stahl's global R&D projects were focused on these topics.

As a direct result of years of research into responsible chemistry and the elimination of potentially unwanted substances, Stahl has achieved Level 3 status in the ZDHC Gateway MRSL conformance module for 1,613 chemicals in its portfolio. This compliance milestone will be extended to certify 200 more products in 2022 aligning itself with the commitments in the ESG Roadmap to 2030.

Stahl's intensive research into the replacement of fossil fuels in its chemicals was showcased in 2021 with the release of the Stahl Ympact™ portfolio of leather chemicals. This follows the release of two renewable carbon-based portfolios in the coatings and polymers segments in 2020: Stahl NuVera® and Stahl Relca®Bio.

CSR risk	Description	Mitigation policies and actions	KPIs	2021	2020
Increasing demand and regulation for sustainable chemical products	Products not aligned to the requirements of brands, NGOs & consumers Customers causing environmental contamination with Stahl's chemicals Unavailability of chemical raw materials due to regulation related to the environment or human health	Regulatory watch & product stewardship Industry governance and initiatives (like ZDHC) Stahl's responsible chemistry policy ESG driven R&D projects	ZDHC level 3 compliant products (number of products in the ZDHC gateway, highest compliance level)	1,613	1,217
			Share of ESG driven R&D projects (% total projects)	28%	18%

4.2.4.6.1 ESG performance: environment

CSR risk	Description	Mitigation policies and actions	KPIs	2021	2020
Lowering Greenhouse Gas (GHG) emissions that contribute to climate change	Stahl recognizes that reductions in global CO_2 emissions will be required in order to achieve the goals outlined in the Paris Climate Agreement established in 2015	■ CO_2 reduction strategy ■ Reducing CO_2 emissions (targets) ■ Calculation of the full carbon footprint (Scope 1, 2 and 3) ■ Renewable carbon ■ Open innovation ■ Energy reduction ■ Green energy sourcing ■ Focus on energy self-sufficiency (technology investments) ■ Climate Resilience and Adaption Plan ■ Environmental training	Share of renewable energy	38%	34%
			Energy intensity (TJ consumed/ton produced)	0.00156	0.00184
			CO_2 intensity Scopes 1 & 2 (tCO_2e/ton produced)	0.0928	0.1098

Climate change mitigation

United Nations (https://www.un.org/en/global-issues/climate-change):

- the concentration of GHGs in the earth's atmosphere is directly linked to the average global temperature on Earth;
- the concentration has been rising steadily, and mean global temperatures along with it, since the time of the Industrial Revolution;
- the most abundant GHG, accounting for about two-thirds of GHGs, carbon dioxide (CO_2), is largely the product of burning fossil fuels.

Climate change mitigation has become a critical strategic objective for the company.

To align itself with the goals of limiting global temperature increase to 1.5 °C above pre-industrial levels, as established in the Paris Climate Agreement, Stahl has committed to continue to reduce direct & indirect GHG emissions (Scope 1 and 2 emissions) and to establish a Scope 3 emissions target aligned to the Science Based Targets Initiative (SBTi). These targets will be communicated during 2022.

Transition towards a net zero global economy in 2050

Stahl's Climate Resilience and Adaption Plan identifies the capacity to adapt to the direct and indirect impacts of climate change on the company, and outlines plans to take action on climate change and align the company to the 1.5 °C global temperature increase in the Paris Climate Agreement (2015). This document lays out the company's plans for the transition risks (towards a net zero global carbon economy) and physical risks that apply to the company, and actions to prepare for the impact of climate change, and to limit the company's contribution to further global warming. By integrating climate resilience into company strategy in this way, Stahl believes it can secure a better future and be a positive force for climate action in our industry.

Target Scope 1 & 2 GHGs: Scope 1 & 2 emissions are the direct (Scope 1) and indirect (Scope 2) emissions linked to activities such as manufacturing of Stahl products at Stahl manufacturing sites, laboratory operations, company vehicles and electricity sourcing. Between 2015 and 2020 Stahl reduced its absolute direct (Scope 1 & 2) GHG emissions by 37%. The company has established a new target for direct emissions (articulated in its ESG roadmap to 2030): a 2% annual reduction between 2020 and 2030 (2019 base year). This can be achieved in different ways (sourcing from green electricity networks, installing solar panels, energy efficient equipment).

Target Scope 3 (indirect) GHGs: Scope 3 emissions are all indirect emissions (not included in Scope 1 and 2) that occur in the value chain of the reporting company, including upstream and downstream emissions. In 2017 Stahl set up a calculation tool together with an external consultant and calculated the relevant categories according to the GHG Protocol Corporate Value Chain Accounting and Reporting Standard. This assessment was established to understand the full value chain impact of its activities and will help to focus efforts on significant sources of Greenhouse Gas (GHG) emissions. Stahl updates the relevant categories and their estimated CO_2 emissions periodically. In 2021 the methodology was reviewed and updated with internal experts and external consultants.

Stahl has committed to establish an emissions target aligned to the 1.5 °C global average temperature rise limit established in the Paris Climate Agreement, *i.e.*: Scope 1, Scope 2 and Scope 3 targets. This target will be communicated during 2022.

2021 Climate mitigation highlights

- The Stahl ESG Roadmap to 2030 was formally introduced to all employees (*via* a live webinar with Q&A) and to external stakeholders, including targets related to climate change.
- A Climate Resilience and Adaption Plan was drafted and approved by the Stahl Board.
- The share of renewable carbon in Stahl's commercial portfolio began.
- External validation and verification of Stahl's Life Cycle Assessment (LCA) data model was achieved.
- Strategic sessions took place with the Stahl's Open Innovation Team to help facilitate low carbon technologies, such as the BIO-NIPU project (polyurethane without the use of traditional isocyanates) and renewable carbon (from biomass, carbon capture or recycled plastics for instance).
- Hot spot analysis of the main Scope 3 emissions categories (purchased goods and services) intensified, to identify and measure the impact of initiatives related to chemical raw materials.
- Training was performed on GHG emissions and LCA methodology for internal departments and for external stakeholders (customers, brands, students).

Outlook: CO_2 reduction projects 2022 (highlights)

- Update Scope 1 and 2 calculation emission factors.
- Review of Scope 3 organizational boundaries, categories and methodology.
- Establish a CO_2 impact model that allows the company to calculate the impact of low carbon technologies on its total carbon footprint.
- Target setting for total GHG emissions, aligned with the 1.5 °C global average temperature rise limit.
- Installation of self-generating electricity installations (solar & wind power) at selected sites.

Stahl's total carbon footprint

Greenhouse gas emissions are categorized into three groups or "Scopes" by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain, which are defined in 15 categories.

Scope 1 (direct)	Scope 2 (indirect)	Scope 3 (indirect)
Fuel combustion	Purchased electricity, heat and steam	Cat 1: Purchased goods and services
Company vehicles		Cat 2: Capital goods
		Cat 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
		Cat 4: Upstream transportation and distribution
		Cat 5: Waste generated in operations (going out)
		Cat 9: Downstream transportation and distribution
		Cat 12: End-of-life treatment of sold products

How and what is calculated, is explained in the chapter reporting scope & methodological precisions in the section "Guidelines on calculation and reporting of indirect Scope 3 CO_2 emissions".

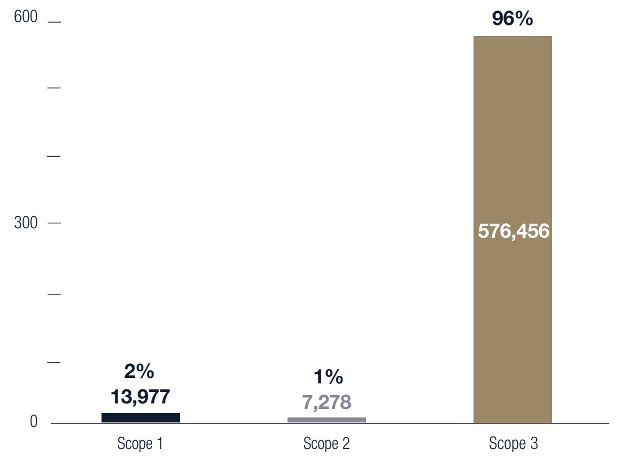
GHG emissions reduction

In 2015, Stahl set itself a five-year goal of reducing its CO_2 emissions (Scope 1 and 2) as per the Paris Climate Agreement within the United Nations Framework Convention on Climate Change (UNFCCC). By the end of 2020 the company had achieved a 37% reduction in absolute CO_2 emissions. The reduction was driven by sourcing green energy at its European sites, investment in energy-saving technology at its manufacturing sites, and the significant reduction in business travel in 2020.

In 2019, solar panels were installed at the Stahl manufacturing site in Portão, Brazil. This solar energy investment resulted in a significant drop in CO_2 emissions at the site in 2020, and already represents half of the site's electricity requirement.

Stahl has set a target of three sites (out of 11 total) using on-site renewable sources (minimum 20% of total energy) by 2023, and six sites by 2030.

Absolute direct and indirect CO_2 emissions (tCO_2e) in 2021



GHG emissions Scope 1 and Scope 2

	2021	2020
Scope 1: absolute direct GHG emission (tCO_2e)	13,977	13,858
Scope 2: absolute indirect GHG emission (tCO_2e)	7,278	6,064
CO_2 emission Scope 1+2 (tCO_2e)	21,255	19,922
Total production volume (in metric tons)	229,533	181,453
CO_2 intensity*	0.0928	0.1098

* *Intensity is related to production volumes (CO_2 emission/production volume).*

Scope 3 CO_2 emissions (indirect)

	2021	2020	2019
Scope 3: estimation of absolute indirect emission sources (tCO_2e)	576,456	485,461	529,849
Scope 3 intensity (Scope 3 absolute emissions/production volume)	2.511	2.675	2.546

In previous reports, CO_2 emissions were presented in $kgCO_2eq$. This year the reporting unit has been changed to metric tons (tCO_2e), to allow easier benchmarking.

Scope 3 CO_2 emissions per category

	2021	2020
Cat 1: Purchased goods and services	63%	56%
Cat 12: End-of-life treatment of sold products	23%	27%
Cat 4: Upstream transportation and distribution	9%	11%
Other (*e.g.* capital goods, downstream transport and distribution)	5%	6%

Purchased goods and services (63% in 2021) continues to be the largest category. An increase in production volumes is directly linked to purchased raw materials. Higher production volumes would require more raw materials, which results in higher CO_2 emissions.

Category 12 "end-of-life treatment of sold products" (23% in 2021) remains the second largest sources of Scope 3 emissions in 2021 (23% in 2021), although updated information on this category is not readily available, and remains an estimation based on best assumptions. New information is not available to Stahl to review this category annually.

Measures to reduce Scope 3 GHG emissions are:

- selecting chemical raw materials with a lower CO_2 footprint;
- developing alternatives with renewable feedstock raw materials;
- placing water based and renewable feedstock products in the market, and promoting them proactively.

Transportation of purchased goods is the third largest source of Scope 3 emissions (Cat. 4), accounting for 9% of emissions in 2021. Based on the assumptions in the calculation of transport emissions (done in 2017), the major part of these emissions is air and road transport. Reducing these emissions could be achieved by:

- choosing a different mode of transportation. Road transport emits 10 times more CO_2 emissions than marine transport. Air freight emits 100 times more emissions than marine;
- promoting transportation with cleaner vehicles and limiting the transportation of small quantities of goods. Stahl has consolidated its distributor network significantly, meaning larger shipments to a smaller number of destinations.

In 2022 Stahl will review all 15 categories as per the GHG protocol, which the help of an external consultant. It is likely that more products and services will be added to category 1 (for example, outsourced production and products for resale, which is likely to be a significant increase in CO_2 emissions and employee commuting). This comprehensive review will serve as a good base to set a target for Scope 3.

Energy consumption: switching to renewable energy

Stahl's energy consumption is the sum of electricity, gas, oil, steam, renewable briquettes and high speed diesel, consumed at its manufacturing sites. Energy is reported as the total energy consumed in TJ and per production volume: the energy intensity. Stahl has established a goal for self-generated energy at its manufacturing sites, as per the Stahl ESG Roadmap.

In 2021, absolute energy consumption was higher than 2020 because of higher production volumes at Stahl's manufacturing sites. Energy consumption per metric tons produced (intensity) in 2021 was lower than in 2020.

Energy consumption

	2021	2020
Energy (TJ)	359	334
Share of renewable energy	38%	34%
Total production volume (in metric tons)	229,533	181,453
Energy intensity (TJ)*	**0.00157**	**0.00184**

* *Intensity is related to production volumes (energy consumption/production volume).*

Water

CSR risk	Description	Mitigation policies and actions	KPIs	2021	2020
Impact on water resources	Risk of insufficient water for the process and water supply cuts from local network	Water management	Water intensity (m^3 consumed/ton produced)	1.323	1.505

Water consumption

Stahl dedicates significant resources to researching the reduction of water use, the introduction of water-based products, improving the quality of water effluents and reducing water pollution in the value chain. Stahl's water consumption is linked to:

- commercial products using water-based technology (where water replaces petrochemical-based vehicles as a solvent);
- manufacturing sites (cleaning tanks, pipes and for processing, heating & cooling), laboratories and offices.

Stahl uses water from municipalities (public water) and ground water. Stahl consumed more water in 2021 because of higher production volumes. Water consumed per metric tons produced (intensity) was nevertheless lower in 2021 *vs*. 2020.

Total water consumption

	2021	2020
Water consumption (m^3)	303,599	273,045
Total production volume (metric tons)	229,533	181,453
Water intensity*	**1.323**	**1.505**

* *Intensity is related to production volumes (water consumption/production volume).*

Water use at the Palazzolo site (Italy)

To help the community maintain a low level of groundwater, the (cooling) water at the manufacturing site in Italy (Palazzolo) is temporarily taken (*i.e.* not consumed) from a ground well, completely separated from production and is discharged into the adjacent river (Seveso). This specific use of water is approved by and follows the strict guidelines set by local authorities.

	2021	2020
Other water use (m^3)	409,882	373,958

Waste

CSR risk	Description	Mitigation policies and actions	KPIs	2021	2020
Hazardous waste management	Risk of significant increases in hazardous waste generated at Stahl sites and inadequate management of their end-of-life	Waste reduction	Wastewater sent to external treatment (ton)	15,245	12,452
		Waste management strategies	Waste intensity	0.060	0.062

Stahl policy is to reduce the impact of its operations and products on the environment by preventing pollution through waste management strategies that promote waste minimization, re-use, recovery and recycling, as appropriate. Avoiding waste generation and finding useful outlets for it when possible are an important part of this policy.

Stahl reports its hazardous waste and non-hazardous waste generation. Hazardous waste originates from chemical waste from products, raw materials, process installations (*e.g.* sludge from wastewater treatment), laboratories and used packaging. Non-hazardous waste relates to the non-chemical waste, such as glass, paper, wood, plastic, domestic and demolition waste.

	2021	2020
Hazardous waste (metric tons)	12,222	9,920
Non-hazardous waste (metric tons)	1,576	1,397
Total waste (metric tons)	13,798	11,317
Total production volume (metric tons)	229,533	181,453
Waste (total) intensity*	**0.060**	**0.062**

* *Intensity is related to production volumes (total waste consumption/production volume).*

Wastewater

Most of Stahl's manufacturing sites have on-site wastewater treatment installations. In the cases where there is no on-site installation, wastewater is collected by a third party and reported as hazardous waste. The quantity of waste increased in 2021 *vs.* 2020 due to higher production volumes.

	2021	2020
Wastewater sent to external treatment (metric tons)*	15,245	12,452

* *Waalwijk (Netherlands), Calhoun (USA) and Toluca (Mexico).*

Environmental provisions

Stahl's environmental provision for land pollution in 2021 was €1,04 million.

4.2.4.6.2 ESG performance: social

Human Resources (HR) – Enhancing company attractiveness, maximizing employee engagement

Attractiveness & talent retention

Risk	Risk Description	Mitigation policies and actions	KPIs	2021	2020
Attractiveness & talent retention	Risk of losing qualified and talented employees from the company Risk of not attracting qualified and talented employees to the company	HR Strategy Succession Planning – new leaders in key positions Employee Engagement Platform (EEP), performance review & training Stahl values and DNA, shared with employees	Voluntary staff turnover rate – resignations only	4.082%	3.32%
			Training hours per employee (FTE)	14.58	14.71

Human Resources strategy

The world saw, again, changes and shifts in perspective and priorities in 2021. The coronavirus pandemic has disrupted organizations and forced Human Resources departments to think differently about their role in ensuring effective business continuity.

In 2021 the HR team created more permanent remote work options that allow employees the flexibility of working away from the office. At the same time, given the importance of social coherence to company performance, Stahl employees were also encouraged to work at the premises on chosen days. The result was a hybrid model of smart working where employees and supervisors agree on where worktime is spent.

In spite of difficult circumstances and with a sharp focus on supporting the recovery in market demand, the Stahl HR team took the opportunity to consolidate the HR products and processes released over the last four years (*e.g.* Easy Learning Space, HRMS, E-Learning contents) and to launch a worldwide "People Experience Survey".

A new HR strategy was defined in 2021, based on the following pillars:

1) Company and Business Strategy;
2) the ESG Roadmap;
3) the digital transformation journey;
4) compliance;
5) People Experience Survey.

Stahl People Experience Survey

A global survey was launched in Q2 2021 on employee engagement. Its main objectives were to improve the employee experience, boost employee engagement by measuring key indicators (company attractiveness, recruiting, onboarding, development, retention and separation), and to provide insights for the new Stahl HR strategy. An external partner was appointed for the survey execution to ensure confidentiality and reliable benchmarking. Ten topics were selected:

1) Agility and Innovation;
2) Confidence in the future;
3) Culture and Values;
4) Diversity/Inclusiveness culture;
5) Employee Experience;
6) Engagement;
7) Line Management Effectiveness;
8) Management Team Effectiveness;
9) Performance Enablement;
10) Strategic Focus.

Considering it was Stahl's first such global Engagement Survey, the level of employee participation was high, with a response rate of 92% and an engagement index above the benchmark that sets the average engagement rate at 78%. All surveyed topics reported encouraging results, and the company received top scores in "Confidence in the future" and in "Line Management Effectiveness" when compared to global benchmarks. "Diversity and Inclusiveness" also scored above the global benchmark and the overall consensus was positive, especially on the fairness of treatment (83%).

Stahl has also identified some areas of improvement based on the survey results. To address these areas, focus groups were established either by gender and generation (global focus group) or by geography (local focus group). All these focus groups are led by HR staff to ensure a shared outcome and a diverse composition of participants. The final result, a list of local and global actions, was discussed and approved during Leadership Team meetings in order to set priorities for the coming two years. The goal is to launch another employee survey in 2023.

New leaders in key positions

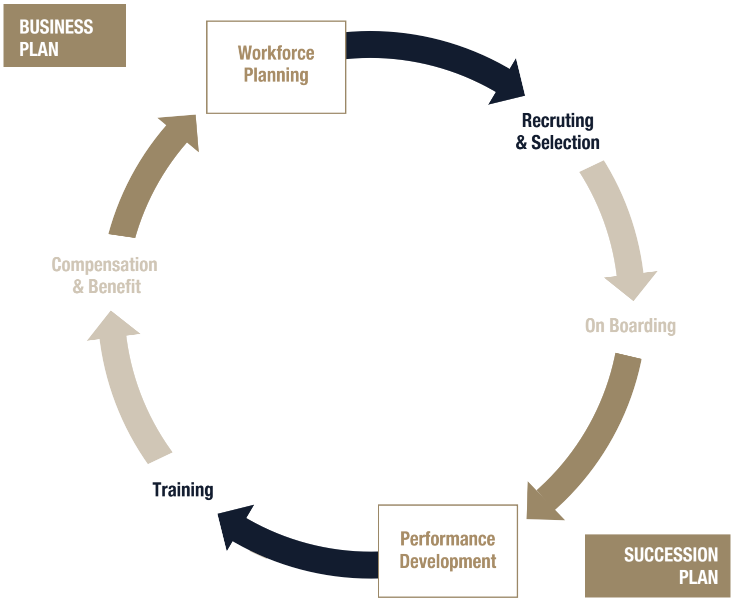
Succession planning is an important process at Stahl. Several actions have been completed in order to ensure business continuity and company leadership, while maintaining the Stahl culture and values as pillars.

This has also allowed for changes to be made to the current organization in order to meet the future business strategy requirements and to streamline the organizational structure.

The appointment of the new Stahl CEO, Maarten Heijbroek, was a notable highlight of 2021. Maarten Heijbroek replaced Huub van Beijeren, who retired after 13 years at the helm of the company.

Performance development

Stahl continued its performance development process in 2021. The purpose is to identify rough diamonds, pillars and the Group's driving forces, to foster the definition of individualized personal development paths and refill the succession plan pipeline.



Transferring knowledge and information within the company - towards a global HR approach with a one-stop shop for employees

In order to enable further growth, and to limit the administrative burden, the company continued the streamlining of HR processes in 2021. The strategy was to move from a local towards a global approach taking into account best practices. The first step of creating a single HR team with one common goal and global HR processes was completed.

Technology was essential to Stahl's workplace harmony in 2021, especially given the challenges that the pandemic brought. The company took the opportunity to normalize the digital solutions introduced in 2020, bringing teams together and facilitating seamless business operations while travel restrictions remained in place.

The "employee corner" is a place where HR can manage processes and employees can find all necessary corporate information, and it was further developed in 2021 to enable easy access to the mandatory and or optional e-learning courses for employees.

Employment

The total number of FTEs (Full-time Equivalents) at year-end 2021 was 1,800 which is an increase of 30 FTEs compared to the end of 2020. The increase is linked to the additional employees required in operations to address the increased demand, and additional R&D employees to establish a permanent team focused on open innovation.

The breakdown of FTE's (Full-time equivalent) as of December 31, 2021 and the change compared to the prior year-end per region is as follows:

Region	12/31/2021	12/31/2020	Change
EMEA	913.5	888.8	24.7
Asia-Pacific	373.6	367.0	6.6
India and Pakistan	258.0	256.0	2
North and South America	255.0	258.7	-3.7
TOTAL	**1,800.1**	**1,770.5**	**29.6**

Employee workforce statistics for 2021 at a glance

Permanent contracts	90.23% of Stahl's employees
Workforce gender balance	25% female 75% male
Total number of employees (headcount)	1,821 (*vs.* 1,790 in 2020)
Departures (dismissals, resignations, etc.)	161.7
Hires	195.5
Voluntary staff turnover rate	4.08% (*vs.* 3.32% in 2020)
Absenteeism rate	2.35% (*vs.* 1.87% in 2020)
Training hours (per FTE)	14.58 hours (*vs.* 14.71 hours in 2020)

Working organization

Stahl operates a complex international organization in order to effectively serve its diverse customer base. Stahl has 11 manufacturing sites, 11 R&D labs, 34 application labs, 34 sales offices and 9 Centers of Excellence. Working practices differ by region. Most Stahl units have a 5 days working week, with the exception of employees in India, who also work on Saturday mornings. Working hours and incidents are recorded, depending on the site, by either electronic or manual systems.

All Stahl units report absenteeism (which includes absences for sickness and work accidents) as required by local legislation and in a way that can be reported at the corporate level. The global absenteeism rate in 2021 was 2.35%, *versus* 1.87% in 2020.

Labor relations

Given the international nature of Stahl and the relatively small dimension of the local units, there are four collective agreements in place. Salary levels and other means of compensation depend on the individual countries. They are centrally coordinated, to ensure Stahl remains competitive in the respective markets. Some employees in the company, mainly in management and sales, benefit from a bonus scheme based on annual qualitative and quantitative objectives, including ESG. This bonus scheme is coordinated centrally to ensure proper alignment and consistence with local practices.

Compensation

Total compensation, excluding bonuses, paid in 2021 was €112 million, 8.74% higher 2020.

Training and education

The HR team is committed to offering training opportunities to improve employee skills.

The company was able to return to some face-to-face training in 2021, but still not at pre-pandemic levels. The e-learning catalogue of courses on offer was significant in 2021, including training on compliance subjects and the further development of soft skills, but also cyber security training, bribery & corruption.

In 2021 HR hosted several webinars aimed at communicating Stahl's strategic pillars and the ESG Roadmap to 2030. These were well attended and well received, and will be followed up with more in 2022.

Training hours

The indicator of total hours of training is tracked locally by each Stahl unit and it is consolidated at Group level. The number of training hours received per employee in 2021 was 14.58 hours per Full-time equivalent (FTE) compared to 14.71 hours per FTE in 2020.

Equality, diversity & inclusion

In 2021, Stahl communicated its diversity policy on social media. The company's approach to human rights and vigilance was also covered in a broadcast: https://www.stahl.com/strategy/sustainable-development/policies-statements-reports/gri-diversity-equal-opportunity

Stahl's Diversity and Inclusion Policy, published on www.Stahl.com, expresses the company's commitment to embedding equality, diversity and inclusion across the organization. Equal treatment is at the heart of the organization and Stahl believes this will produce a more innovative and responsive organization. Stahl also believes that there is much more to diversity than age, gender, race and cultural background. A diverse workplace includes people who can offer a range of different viewpoints and ideas.

Consistent with its strategy of growing our leadership talent, diversity and inclusion principles are embedded within its core leadership development programs to encourage managers to demonstrate them as part of their leadership behavior. Stahl also builds cultural intelligence and equality into its performance reviews, as well as its hiring and talent identification process. Stahl's Diversity and Inclusion Policy for the Group applies to the whole company, including the leadership team and the Board.

Whilst the occupancy of females in supervisory positions is 25% (the same as the overall percentage of females in the company), the percentage of females can vary significantly between departments, depending on the nature of the activities. Certain departments in Stahl have a predominantly male workforce. In production operations (listed as "supply chain" in the tables) there are significantly more males than females, due to in part to the physical nature of the job of manufacturing chemicals, which can mean manipulating heavy loads, machinery and tooling. In these areas of production only a very limited number of employees are female. In Stahl's leather chemical sales division there is also a predominance of male workers, partly because the Stahl business model encourages its technicians to work closely with customers at their factory locations around the world (*i.e.*: tanneries). This was historically a physically demanding and sometimes dirty activity, and the job also required extensive international travel for weeks at a time, conditions which have proven difficult to attract more women. This is changing as society changes, but the legacy of male occupancy remains. In other Stahl departments, gender balance is consistent and close to parity: excluding employees from operations and the leather chemicals sales division, 41% of workers are female.

A good indicator for equal treatment is the percentage of women in supervisory positions, which is 25% (same as our 25% in total workforce). Stahl tracks the ratio of female/male employees (25% female and 75% male in 2021, see table below – Headcount) and the number of female employees in supervisory positions (employees with direct reports and/or holding a management position). In 2021 there were 96 women in supervisory positions, which is 25% of total supervisory positions (see table below – Supervisory positions).

% of female and male representation headcount in 2021

Business unit	Total	% Female	% Male
Executive Management	37	46%	54%
Corporate functions (including ESG)	17	53%	47%
Business demand	24	75%	25%
Finance & IT	145	44%	56%
Human Resources	27	85%	15%
Business unit Leather Chemicals	400	13%	87%
Business unit Performance Coatings & Polymers	158	25%	75%
R&D and Technical Application	111	38%	62%
Supply chain (incl. Production/Operations, Procurement and Customer service)	902	21%	79%
TOTAL	**1,821**	**25%**	**75%**

% of female and male representation in Supervisory positions in 2021

Business unit	Total	% Female	% Male
Executive Management	13	23%	77%
Corporate functions (including ESG)	8	38%	63%
Business demand	11	82%	18%
Finance & IT	37	35%	65%
Human Resources	15	80%	20%
Business unit Leather Chemicals	92	15%	85%
Business unit Performance Coatings & Polymers	55	15%	85%
R&D and Technical Application	21	24%	76%
Supply chain (incl. Production/Operations, Procurement and Customer service)	132	22%	78%
TOTAL	**384**	**25%**	**75%**

Whistleblower policy and mechanism (for internal and external stakeholders)
"Whistleblowing" means that one can confidentially report (a suspicion of) behavior that is in conflict with the Code of Conduct of Stahl. Such behavior includes – but is not limited to – criminal or unethical acts. In its policy document, "Stahl Parent B.V. Whistleblower Rules", Stahl explains the importance and mechanism of its whistleblower policy. These whistleblower rules are rules related to (proven or suspected) irregularities applicable to employees of Stahl Parent B.V. as well as to its affiliated companies and to anyone outside the company. These rules are available for all employees on the employee corner of the internal HR platform. In 2021 also a Whistleblower Management Policy was implemented, that describes who is responsible for handling the case and how, when external investigation is necessary and how to communicate.

Stahl employees are encouraged to report the suspicion of irregularities and the Board of Directors of Stahl considers it important that employees adequately and safely report (suspicions of) irregularities at Stahl. The Board of Directors of Stahl explicitly confirms that the position of Stahl employees who have in good faith reported a (suspected) irregularity in accordance with the whistleblower rules of Stahl shall not be affected in any way as a result of making the report.

Stahl's Whistleblower policy is available on the website. An e-mail address (whistleblower@stahl.com) is also communicated on the website for those outside the company.

Safety & Health – addressing occupational safety risks

CSR risk	Description	Mitigation policies and actions	KPIs	2021	2020
Occupational health and safety	Chemical industry: Risks related to occupational health and safety, including: ■ chemical contact or exposure to hazardous substances for health; ■ risk of chronic (serious) illness linked to chemical exposure; ■ slip, trip and fall; ■ fatal and serious incidents.	SHE policy Training R20 (Road-To-Zero) Program Zero Tolerance Policy Stature platform Support for HR policies Covid-19 policies	TRI Frequency rate	8.545	4.549
			Lost Time Injuries Frequency Rate	1.375	0.840
			Severity rate of accidents	0.045	0.003
			Fatal accidents	0	0

The risk of accidents and illnesses related occupational safety have been identified by Stahl as a gross risk. All its activities, policies and training are aimed at creating a true safety culture and mitigating the following risks:

- chemical contact or exposure to hazardous substances;
- risk of chronic (serious) illness linked to chemical exposure;
- slips, trips and falls;
- accidents with irreversible consequences.

Stahl believes that the protection of the health and safety of people and the preservation of the environment will always be its highest priority and that this mindset (and policy) is rooted in the employee culture. Stahl's focus with respect to SHE & Process safety management is on enforcing knowledge and responsibility in decision making. A Behavioral Safety Program started in 2018 and continued to be implemented every year since then. The program is known as R20 (Road-To-Zero).

This campaign emphasizes that

- a safety culture is not achieved by the big efforts of a small group, rather by the smaller efforts of a large group;
- a true safety culture defines an attitude to life, at the workplace and at home;
- the consequences of injuries in the workplace affect people's lives at home.

To underline the strategic and critical importance of a common behavior on safety, a Zero Tolerance safety policy was established. The policy is continuously being reviewed and updated. In 2021 an OCDI (Organization Culture Diagnostic Instrument) was performed globally, the first simultaneous and global action in the R20 program. The results were made available in December, and they will help and contribute to define and support the actions that within the R20 program will be done in 2022.

Health & Safety principles

The key principles of Stahl's Health and Safety Policy are:

- a strong safety culture involving the whole organization;
- safety, health and environment as the top priority;
- safety is more important than a short-term result;
- implementing best industrial practices in addition to compliance to all legal requirements;
- knowledge as the basis of all decisions. Stahl will require that employees are trained in the skills necessary to carry out their duties and make decisions ensuring safety.

Safety culture pillars

Stahl's safety culture is based on four pillars: Processes, Assets, Operations, Behavior.

Safety ultimately relies on human factors, given that any facility, building, equipment or process is conceived, designed, built, installed, operated, maintained and finally dismantled by humans. The responsibility for decisions and actions taken along that life cycle therefore lie with the decision makers or their successors.

SHE governance: everyone is responsible for safety

Each Stahl site has a dedicated SHE Manager responsible for ensuring that the organization is pursuing best practices. Being a SHE Manager does not mean responsibility for SHE: the responsibility is distributed throughout the organization and there is no job or position without a degree responsibility for SHE. The SHE Manager reports to the Local Manager and has the direct support of the Global SHE&PS Manager.

Several directives, rules, methodologies and tools were released or updated in 2021. All of them are available in a SharePoint page conceived as the main SHE & Process Safety backbone system for Stahl. This page contains all relevant documents in a broadly accessible way to all Stahl employees. Information and reports are no longer distributed by mail: they are introduced in the SharePoint and a mail is sent to inform that they are available. Finally, sub-pages are available to store information and constitute a common working platform for projects both global and local.

Reporting criteria

Global safety performance and related KPIs are reported and monitored monthly and annually. The company tracks progress on safety indicators and reports different categories of injuries and incidents including Lost Time Injuries (LTI), first aid, medical treatment and irreversible injuries. Each month it reports injuries, incidents, audits, training, engineering projects and other prevention methods both internally and externally. The safety reporting procedure is defined by Stahl policy on SHE&PS, in which KPIs, criteria and reporting tools are defined.

In 2021 Stahl continued reporting on the new criteria introduced in 2020, shifting from incidence rates to frequency rates in injury KPIs. This alignment was based on recommendations from the 2019 audit. Commuting accidents are now excluded from injury KPIs due to the nature of the commuting activity, and to ensure that KPIs are representative of operational and work safety at the Stahl managed sites, however, a KPI on traffic accidents frequency rate has been defined and is reported monthly.

As a policy, KPIs are continuously reviewed and challenged to align them with best practices and also because as safety culture changes, KPIs need to be adapted. Final target is to implement leading KPIs on safety on top of lagging KPIs.

A systematic reporting system was put in place in order to analyze key factors on reported events and allow management to identify trends and take decisions based upon objective criteria. Historical data, trends and KPIs can be traced back to 2012. This ensures traceability of KPIs even if new ones are introduced.

The Stahl Hazard Identification and Risk Assessment Methodology (SHIRAM), rolled out in 2020, has become Stahl's standard methodology for risk assessment. This methodology is designed to fit Stahl's operations and processes, and to integrate best practices for risk assessment and management.

ARA platform

In 2021 the former Stature Platform was replaced by the ARA Platform, both from Sphera – the first based on local server installation, the second a cloud-based platform. Besides the SHIRAM, other methodologies are being implemented in this platform.

All studies are managed through this platform. Hence, studies are always available to all relevant parties in its latest version and information can easily be shared between sites. The development is foreseen to continue and intensify in 2022 introducing new templates and services and providing a clear reference within the digitalization landscape of Stahl.

Response to Covid-19

Since the onset of the pandemic in January 2020, a crisis team has been tracking and measuring the situation in the countries where Stahl operates. Weekly meetings with the Corona Operations Team (COT) were established and updates were reported to management at the end of each week.

In spite of a steady easing of restrictions in 2021, the Covid-19 situation is still being tracked by the Global SHE & Process Safety Team.

4.2.4.6.3 ESG performance: governance

Human rights, modern slavery, corruption, bribery

CSR risk	Description	Mitigation policies and actions	KPIs	2021	2020
Corruption and bribery	Risk of corruption, bribery, modern slavery in Stahl's supply chain	Code of Conduct Due diligence questionnaire External risk assessment and rating (EcoVadis)	Share of employees trained on these subjects – Compliance training	95.9%	98.5%
	Risk of corruption, bribery, modern slavery in Stahl's own operations		Share of employees trained on these subjects – Corporate policies course	97.57%	New employees
			Whistleblowing – Number of cases treated	100% (7 cases)	100% (1 case)
			% of direct purchasing spend represented by EcoVadis assessed suppliers	80%	67%
			% of spend of transport suppliers represented by EcoVadis assessed suppliers	44%	New

Stahl's Code of Conduct ensures that human rights and the environment are respected by those parties with whom we do business. Related to this, a Whistleblower Policy is in place with clear rules that allow employees to report suspicious behavior that could be in conflict with the Code of Conduct, with the necessary protection guarantee for the whistleblower in question.

Stahl runs mandatory e-learning training programs, for all employees, focused on human rights and prevention of corruption and modern slavery in which special attention is given to awareness and red flags that can indicate non-compliant behavior in the company or in the supply chain.

The company has established specific targets in its ESG Roadmap to 2030 for its top suppliers' EcoVadis ratings. 80% of Stahl's total (2021) spend on raw materials was supplied by EcoVadis rated suppliers (the EcoVadis system is explained in the chapter "Ethical procurement"). 44% of Stahl's spending in transport suppliers is covered by EcoVadis rated suppliers.

Stahl has published accounting procedures for anti-corruption for all Stahl locations around the world. This document covers best practices to be adopted for prevention and detection of corruption with regard to finance and payments.

Sapin 2 Law

The Stahl Group is committed to ensuring that the activities of the Stahl Group and its employees are conducted in accordance the French "Sapin 2" Law.

The measures implemented by Stahl are:

1. signing of the Code of Conduct: Stahl employees and relevant business partners need to sign the Stahl Code of Conduct, which includes specific anti-corruption rules;
2. internal whistleblowing system: Stahl has a whistleblower policy which allows employees to report suspicious behavior that could conflict with the Stahl Code of Conduct, while offering the necessary guaranteed protection to the person in question. Reports can be filed through the publicly available whistleblower@stahl.com e-mail address;
3. corruption risk mapping: Each year, Stahl performs a corruption risk mapping exercise, performed through interviews with the management of Stahl by the Stahl Group Tax & Legal Manager;

4. third party due diligence procedures: Stahl performs a business partner due diligence with regard to the relevant business partners, through a risk based approached. This enables Stahl to detect possible "red flags";
5. internal or external accounting control procedures: Stahl has several accounting procedures, including a specific accounting procedure on anti-corruption;
6. training program: Stahl employees need to follow mandatory annual anti-corruption e-learning training;
7. a disciplinary procedure: Stahl has disciplinary rules, which can be invoked if Stahl employees do not comply with the applicable laws, regulations and Stahl compliance policies;
8. an internal monitoring and assessment system: Stahl implemented an internal monitoring and assessment system.

Ethical procurement

Highlights 2021 and outlook 2022

- During 2021 Stahl increased the coverage of its EcoVadis assessed suppliers. 80% of raw material spend and 44% of transport suppliers (in spend) is covered by EcoVadis.
- For 2022 Stahl intends to conduct site visits to its most critical suppliers and suppliers with a low score on the EcoVadis ranking.
- All commercial procurement staff received trainings on sustainable procurement and environmental topics and will continue to train themselves next year.
- 2021 has been marked by many force majeure in the chemical industry, caused largely by the Texas, USA frost in February, regional Covid outbreaks impacting logistics around ports, and the measures in China during Q4 related to the implementation of China's Energy Policy and preparations for the Winter Olympics in Beijing in 2022. Despite the outages in the industry Stahl's supply base proved to be robust enough to meet the company's demand by and large.
- The Q4 increase in energy prices is hitting Stahl's operations directly, and certainly also indirectly through its supply chain. Gas & electrical power are key cost contributors to the chemical industry. Cost increases will be passed on in this supply chain sometimes as energy surcharges or directly in the purchase prices.

Ethical procurement strategy

- Stahl selects the best possible suppliers using commercial criteria (quality, price, availability, volume, etc.) as well as ESG performance (LCA data availability, renewable carbon content, ZDHC MRSL compliance) and ethical requirements, like Code of Conduct compliance, due diligence questionnaire completion, the EcoVadis principles and rating, geographical risk, type of raw material & provenance.
- Stahl applies a Business Partner Due Diligence Procedure through a risk-based approach to its new and existing business partners, such as distributors, agents, suppliers and consultants. With the Due Diligence Procedure, the compliance-relevant behavior and the integrity of the (potential) business partner of Stahl is monitored, and this procedure will assist Stahl's employees in establishing and maintaining a commercial relationship with reliable and ethical business partners.
- Through the EcoVadis CSR ratings platform, Stahl collects valuable insight into the performance and risks of its suppliers in four areas:

1. environment;
2. labor & Human rights;
3. ethics; and
4. sustainable procurement.

EcoVadis provides a holistic sustainability ratings service for companies, delivered *via* a global cloud-based SaaS platform. Each company is rated on the material issues pertaining to the company's size, location and industry. These evidence-based assessments are refined into easy-to-read scorecards, providing zero to one hundred (0-100) scores, and medals (bronze, silver, gold), when applicable.

Additionally, the scorecards provide guidance on strengths and improvement areas, which the rated companies may use to focus their sustainability efforts and develop corrective action plans to improve their sustainability performance.

EcoVadis Gold medal

Stahl has established EcoVadis ratings targets for its suppliers. These targets are part of the ESG Roadmap for 2023 and 2030 and progress is monitored continuously. By the end of 2021, Stahl's EcoVadis-rated suppliers represented 80% of the company's direct purchasing spend on raw materials.

In 2021 Stahl achieved EcoVadis Gold rating, a significant achievement and a recognition of its commitment to transparency and continuous improvement of its ESG performance. With this Gold rating, the company is ranked among the top 5% of peers evaluated by EcoVadis.

Industry governance

- In 2021, Stahl's Michael Costello was elected to the Board of Directors of the ZDHC Foundation. The Board consists of eight brands (including Burberry, Inditex, Puma, Adidas, Levi), one textile manufacturer and two chemical suppliers (currently Huntsman and Stahl). The Zero Discharge of Hazardous Chemicals (ZDHC) foundation is one of the most influential non-profit groups in the textile and leather supply chains. Stahl has been an active member of ZDHC since 2016, and sits on several task team and subgroups focused on enabling the elimination of unwanted substances from the fashion supply chain.
- The company is proactively involved in industry ESG advocacy groups, like the Renewable Carbon Initiative, which Stahl joined in 2020 as a founding core Advisory Board member. The goal of the RCI initiative is to create awareness around renewable feedstocks and de-fossilization in the chemical industry.
- Stahl was an Executive Committee member of the Leather Working Group (LWG) from 2017-2021. LWG is a multi-stakeholder association with a mission to raise the bar of environmental stewardship through its audit protocol.

Sustainable development

- The five-year Public Private Partnership (PPP) between Stahl, Solidaridad, and PUM, launched in 2017 in Kanpur, India (see SDGs), will be concluded in 2022. A summary report will be issued about the work implemented.
- The PPP in Ethiopia, with several partners and NGOs, was concluded in December 2021. The project was focused on pollution reduction in the tanning sector. Stahl's contribution to this project was training and implementation of cleaner technologies, including Stahl Campus® training on relevant modules. A final report will be issued in 2022.
- The project initiated in Bangladesh by three key members of the Tegewa Group of chemical suppliers and the Dutch NGO Solidaridad, continued to make progress in 2021. The project is focused on practical ways to improve the safe handling of chemicals in the leather manufacturing cluster of Savar, in Dhaka, and on the well-being of factory workers in the cluster. A detailed training campaign began on the ground in 2021, and several webinars were broadcast to complement increasing awareness.
- A four-year public private partnership project was started in 2021 the Kolkata region of India, with Solidaridad, linked to the promotion of responsible chemistry in the new leather manufacturing industrial zone.

External education and training (Stahl Campus®)

Stahl is committed to filling the talent gap observed in some of the markets that the company serves by actively seeking ways to educate and train university students, NGOs, brands, suppliers, distributors, customers and other stakeholders in the supply chain. Stahl Campus® is the global knowledge center established by Stahl to achieve this. It started in 2014 in Waalwijk (Netherlands) and was then extended to León (Mexico) in 2015, Guangzhou (China) in 2016, and Kanpur (India) in 2019. The goal of Stahl Campus® is to promote good practices and transparency throughout the supply chain by hosting trainees in Stahl's state-of-the-art laboratories to strengthen their knowledge of chemistry and materials science *via* theoretical and practical training modules. Stahl Campus® is a key element of the company's strategy of promoting transparency throughout the supply chain.

In 2021, more than 2,000 people from 150 organizations attended Stahl Campus® training courses around the world. This included both on-site training courses, and on-line trainings and webinars.

Notably in 2021, the Automotive Leather Finishing Post Graduate Certificate course was finalized after the postponement in 2020. Held for the second time in Stahl Campus® Mexico the six-week course (three x two-week modules held over the academic year) developed in collaboration with the University of Northampton (UK), in which students receive a Post Graduate Certificate upon completion. A third PG course is planned for October 2022, and the company is investigating an equivalent European based course in parallel.

4.2.4.7 Duty of care

Duty of care

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

Vigilance Team

In 2019 Stahl established a Vigilance Team. Two members were added to the team since then, which now includes Operations (COO), Human Resources (Group Director), Legal & Compliance (Manager), Finance (CFO), ESG (Environment Social & Governance Group Director and Manager) and Risk Management (Manager). The Vigilance Team meets each quarter to monitor the effectiveness of the Vigilance Plan and to monitor progress on EFPS and Sapin 2.

Vigilance Plan

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

The Vigilance Plan focuses on the following three risks:

Identifying the main risks associated with Stahl's activities; appropriate prevention, mitigation and action on monitoring; and effectiveness measures.

1) **Risks linked to human rights and the societal impact of Stahl's activities, *e.g.* forced labor, freedom of association, modern slavery, discrimination, diversity and inclusion**

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

Mitigation examples:

- Code of Conduct: The Stahl Employee Code of Conduct has chapters on modern slavery, conflicts of interest, business practices, data and IP protection, financial reporting and also outlines the whistleblower rules. Stahl has a CoC for business partners (updated in 2020 with UN Global Compact 10 principles). Suppliers are evaluated using the external independent EcoVadis rating system. The Business Partner Code of Conduct is a standard part of contracts with third parties. Both Codes of Conduct are discussed at the monthly Management Team and Quarterly Meetings with Executive Control Group;
- whistleblowing: The Stahl Whistleblower Policy allows anyone (employees and people outside the company) to report suspicious behavior, by e-mail or phone, that could be in conflict with the Code of Conduct, with the necessary protection guarantee for the whistleblower in question. The policy is updated in 2021. In 2021 also a Whistleblower Management Policy was implemented;
- training: To ensure that employees understand the issues of modern slavery, diversity, discrimination, equal treatment, sexual harassment etc., with regard to their own behavior and that of business partners, a regular corporate training on the issues is recommended. Stahl has completed different levels of online training on these topics. Training hours are reported in the annual Stahl ESG report;
- 2021 Human rights policy published for employees;
- 2021 Introduction of three new Diversity trainings;
- 2021: First Stahl People Experience Survey conducted;
- create, encourage and promote an open culture (*e.g.* employee engagement survey, webinars, trainings, employee newsletter, etc.).

Monitoring the policies and activities in place and measuring their effectiveness:

- whistleblower cases are reported annually;
- cases of corruption/bribery/harassment/non compliance are reported annually in the Stahl Corporate Compliance report;
- the CoC covers non-compliance of third parties;
- EcoVadis is used to track and monitor performance with suppliers and their suppliers;
- letter of representation, signed by local Stahl managers each year, will include CoC related risks;
- percentage of employees trained on company policies, including the Human Rights Policy;
- 2021: First Stahl People Experience Survey conducted (anonymously by an external company), 92% of all employees participated, focus groups formed on the improvement areas;
- 2021: ESG roadmap KPIs.

2) **Risks linked to the health and safety of Stahl's employees & contractors, including accidents, injuries, illness, exposure to chemicals.**

Gross risk: The risks in this category range from injuries to employees from slips or falls, to more significant accidents involving chemical spills, machinery operations or exposure to dangerous substances. These are well known in the (heavily regulated) chemical industry and Stahl holds itself to the highest health and safety standards in this respect.

Mitigation:

- strict legislation: Stahl is audited by external organizations, including governmental bodies (like ISO) on a regular basis. Stahl's policy is to adopt the highest regulatory standards and apply them throughout its operations globally;
- effective SHE policies with clear rules, guidelines and KPIs. Stahl has a zero tolerance policy towards unsafe acts;
- auditing and reporting on safety and health, including accidents and incidents. This is done monthly and annually by Stahl;

- training: courses on chemicals management and handling of flammable materials;
- identify and take action on safety and health risks at customers who use our chemicals;
- create, encourage and promote an open culture (by *e.g.* employee engagement survey, webinars, trainings, employee newsletter, etc.);
- 2021: safety culture survey amongst all employees (96,7% response rate).

Monitoring the policies/activities in place and assessing their effectiveness:

- Stahl reports on accidents, incidents, frequency rates and chemical spills each month in its SHE report, which is communicated throughout the company and to its shareholders;
- incidents, accidents and close calls are closely tracked, monitored and action is taken based on data;
- the effectiveness of Stahl policies (like R20) is assessed by measuring safety and spills performance at each site, taking action in the cases where the data is trending the wrong way;
- Stahl is involved with selected projects with NGOs and government on training workers who use its chemicals. *E.g.*: the safe handling of chemicals project in Bangladesh, where training statistics and improvement in incident rates will be tracked;
- ESG Roadmap to 2030: all sites ISO 45001 certified (replaces OHSAS 18001).

3) **Risks linked to the protection of the environment, *e.g.* air & water pollution, water consumption, waste management, restricted chemical substances, climate change, biodiversity, local community impact.**

Gross risk: These risks are linked to unplanned releases to the environment of hazardous materials from Stahl sites, as well as the risks linked to the environmental stewardship practices of Stahl customers in the supply chain, who use Stahl products in their manufacturing operations.

Mitigation:

- alignment to the 17 UN Sustainable Development Goals;
- effective SHE policies, *e.g.*: covering the risks linked to spills or releases into the environment, a dedicated spill team who are trained on a regular basis;
- regular reporting of spills, releases, incidents, emissions, waste and other environmental KPIs;
- climate change resilience plan – how the company adapts to climate change events;
- active involvement in environmental stewardship projects in the supply chain;
- ESG long term targets (Roadmap) for climate change (CO_2);
- create, encourage and promote an open culture (*e.g.* employee engagement survey, webinars, trainings, employee newsletter, etc.);
- Stahl also takes into account potential safety and health risks for customers who use its chemicals, and this also requires action for mitigation. Many of its customers work in environments which are not as highly regulated as the chemical industry. Stahl has taken action, either alone or in conjunction with other peer companies and non-governmental organizations, to train users in these cases on (1) the safe use of chemicals, (2) the correct use of personal protective equipment, and (3) communicating clear rules on exposure prevention for potentially harmful chemicals. In addition to this, Stahl itself regularly hosts seminars around the world, for example in India, Pakistan and Bangladesh, which are attended by large groups of customers, which focus on safety, health, environmental stewardship and sustainability in general;
- 2021: ISO 14000 certification: 93.2% of manufacturing sites are certified (based on production volume), all sites certified by 2030 on ISO 9001 (quality), ISO 14001 (environment), ISO 45001 (OHS) and ISO 50001 (energy).

Monitoring the policies/activities in place and assessing their effectiveness:

- environmental KPIs are reported quarterly and communicated throughout the organization;
- environmental KPIs are reviewed continuously;
- global targets for some environmental KPIs exist (*e.g.* CO_2) but not for others (water, energy, waste). This is being investigated as part of the Stahl ESG Roadmap, for 2023 and 2030.

4.2.4.8 Reporting scope & methodological precisions

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 below:

	Site	2021	2020	2019	2018	2017	2016	2015
1	Brazil, Portão	Y	Y	Y	Y	Y	Y	Y
2	China, Suzhou	Y	Y	Y	Y	Y	Y	Y
3	France, Graulhet	Y	Y	Y	Y	Y	-	-
4	Germany, Leinfelden	Y	Y	Y	Y	Y	Y	Y
5	India, Kanchipuram	Y	Y	Y	Y	Y	Y	Y
6	Italy, Palazzolo	Y	Y	Y	Y	Y	Y	Y
7	Mexico, Toluca	Y	Y	Y	Y	Y	Y	Y
8	Netherlands, Waalwijk	Y	Y	Y	Y	Y	Y	Y
9	Singapore, Singapore	Y	Y	Y	Y	Y	Y	Y
10	Spain, Parets	Y	Y	Y	Y	Y	Y	Y
11	USA, Calhoun	Y	Y	Y	Y	Y	-	-
	India, Ranipet*		-	Y, until & including June	Y	Y	Y	Y
	Spain, Hospitalet		-	Y, until and including June	Y	Y, from October onwards	-	-
	USA, Peabody*		-	-	-	Y, until and including Sept.	Y	Y

Y = Yes, full year and – = not reported.

* *Ranipet and Peabody are not manufacturing sites. Hospitalet was sold (2021).*

Social indicators

Total workforce

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

Safety indicators

Population considered

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

- contractor specific: A contractor present at Stahl only for specific projects or work;
- contractor usual: 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 work contract with Stahl.

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

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

The reasons for these criteria are summarized as follows:

- injuries (injuries KPIs): when a "specific contractor" is at Stahl, it means that he or she is at Stahl only for specific tasks for a short time, not on a regular basis. If there is an injury to a specific contractor, it is reported, investigated, managed and the necessary actions taken, but it is not included in the Stahl injury KPI calculation. These injuries are entered into the management system in terms of permits, coordination of activities and supervision. Though specific contractor behavior is their own responsibility, if Stahl identifies a contractor misbehaving in terms of safety, the company will prohibit that person from working at Stahl for a defined period of time or permanently;
- some contractors work at Stahl on a regular basis (in certain cases daily). For this reason, they are more involved with Stahl and, in a sense, operating under its management system and criteria. If one of these "usual contractors" gets hurt in an incident, the incident is reported and included in the company's injury KPI calculation;
- in terms of lost time (LTI KPIs), contractors are defined as workers from an external company with which Stahl has a service contract. If any such contractor is injured, the service company provides a replacement the next day, ensuring that the service is not interrupted. Therefore, the service company may report lost time, but contractors are not (neither specific nor usual) included in Stahl's 'number of days lost' KPI.

Recorded and reported events

As mentioned before, the internal reporting system of Stahl focusses on ensuring that all safety-related events are reported, from this data, and according to KPIs definition, calculations are done.

In case new KPIs are introduced or current ones reviewed, traceability is ensured as all recorded events are consistent with reporting criteria.

Total Reported Injuries frequency rate

The Total Reported Injuries (TRI) frequency rate is calculated on the basis of the number of total recorded number of injuries in the last 12 months over the total number of worked hours and referenced to a base of 1,000,000 hours.

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 12 months over the total number of worked hours and referenced to a base of 1,000,000 hours.

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

Severity rate

The severity rate is the number of lost working days due to injuries in the last 12 months over the total number of worked hours and referenced to a base of 1,000 hours.

Environmental indicators

Energy

The energy consumption includes all energy sources consumed by the Stahl production 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 production sites.

Water

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

Waste

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

Furthermore, Stahl reports wastewater that is sent to an external treatment center. This data only relates to the sites in Waalwijk, Calhoun and Toluca. The other manufacturing sites have their own wastewater treatment plant.

Consolidation and internal controls

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

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

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

Guidelines on calculation and reporting of indirect Scope 3 CO_2 emissions

Reporting framework

GHG Protocol Corporate Value Chain (Scope 3) Accounting and reporting Standard

The Greenhouse Gas Protocol (GHG Protocol) is a multi-stakeholder partnership of businesses, nongovernmental organizations (NGOs), governments, and others convened by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Launched in 1998, the mission of the GHG Protocol is to develop internationally accepted greenhouse gas (GHG) accounting and reporting standards and tools, and to promote their adoption in order to achieve a low emissions economy worldwide.

Reporting units and including of GHGs

For each Scope 3 category, total emissions of GHGs (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6) are reported in metric tons of CO_2 equivalent (CO_2e), excluding biogenic CO_2 emissions and independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.

Accounting and reporting principles

The GHG Protocol requires companies to follow five principles in their reporting:

1. relevance: ensure it appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external;
2. completeness: account for and report on all GHG emission sources and activities within the chosen inventory boundary; disclose and justify any specific exclusions;
3. consistency: use consistent methodologies to allow for meaningful comparisons of emissions over time, and transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series;
4. transparency: address all relevant issues in a factual and coherent manner, based on a clear audit trail; disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used;
5. accuracy: ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

1. Relevance

Before calculating (in 2017), it was already assumed (based on expert judgement and competitors) that category 1 would be the largest category. Indeed the calculation model showed that category 1 is the major contributor to CO_2e emissions. To make sure the calculated categories reflect the GHG emissions of the company, Stahl places an emphasis on data quality and availability of its largest category: category 1 purchased goods and services. Understandably the major contributor in this category are the raw materials that Stahl buys from the chemical industry. It buys from large international chemical companies who are increasingly able to provide LCA data, including carbon footprint data on the raw materials that Stahl buys from them. Other categories in category 1 are excluded from calculation and reduction strategies, as they have a very small impact on the total footprint.

The table below shows the estimated impact of category 1 based on purchased goods and services in 2021 (based on spend in euros).

Cat.	Category	Category details	Scope	% of total
1	Purchased goods and services	Raw materials	**Included**	72.7% (2020 data)
		Water	**Included**	
		Packaging	**Included**	
		Maintenance contracts	Excluded	2.2% (under review 2022)
		Office supplies	Excluded	0.4% (under review 2022)
		Other services	Excluded	1.8% (under review 2022)

2. Completeness

Screening to prioritize data collection: The Scope 3 standard recommends that companies identify which Scope 3 activities are expected to have the most significant GHG emissions, offer the most significant GHG reduction opportunities, and are most relevant to the company's business goals. Companies should begin by conducting a screening process, using less specific data, to determine the size of GHG emissions in each of the 15 categories. Then each category can be examined to determine whether to further refine its emission estimates.

Scoping the 15 emission categories (in- and exclusion)

In order to select (include or exclude from calculating) Scope 3 emissions categories that are relevant to Stahl, Stahl and Royal HaskoningDHV selected those categories (out of the 15) in 2018 and 2021. The Scope 3 emission sources were rated on relevance based on the following criteria:

Criterion	Description
Influence	The influence a reporting company has on reducing the emissions of a category. Since the end goal of reporting is to reduce emissions, influence is the most used criterion to assess whether to include a category or not. Even if a company does not have (much) influence, it can still be relevant to report on a category based on other criteria.
Size	The size of a group of products or services contribute significantly to the total expected Scope 3 emissions. This criterion can be assessed on absolute volume of products as well as by material type.
Risk	The product or service constitutes a risk for the company. The risk can be, for example, financial, regulatory, supply chain related, litigation related or reputational.
Stakeholders	Products or services important to key stakeholders of the company.
Outsourcing	Activities that are being outsourced to other companies. This also includes activities that have been performed in-house previously or are being performed in-house by competitors.
Sector guidance	The company identifies activities as relevant sector-specific guidance.
Other	The company is free to add any other criteria for determining relevant activities. A well-known criterion is the availability of data.

The table below shows the inclusion and exclusion of categories. The second table shows the reason for exclusion:

Table: inclusion and exclusion per category and methodology

Cat.	Category	Category details	Scope	Methodology or Reason for exclusion
1	Purchased goods and services	Raw materials	Included	All purchased raw materials are included: ■ for the top 30 raw materials, CO_2 emissions have been calculated by multiplying the quantity of the raw material with a relevant emission factor (from supplier or ecoinvent). Quantities have been estimated by multiplying the share of each top 30 raw material in the total material use with the total material use; ■ on a more detailed level, an analysis has been conducted of the CO_2 emissions of the top 15 material groups. 12 of these 15 groups are already (partly) represented in the top 30 raw materials. For these 12 groups it was calculated which amount of raw materials are not already accounted for in the top 30 raw materials. Emissions for these (unaccounted) quantities of the top 15 groups have been estimated using an average emission factor (per group), based on an average factors used for the top 30 emissions. For the remaining three groups, a general emission factor has been selected; ■ for the remaining material groups, the emissions are calculated by applying an average emission factor (including the emission factor for demineralized water) based on the already quantified emissions.
		Water	Included	Included in the raw materials purchased
		Packaging	Included	All purchased packaging is included. ■ Top 10 types of packaging used (in pieces) + ■ Remaining packaging (as % of total weight)
		Maintenance contracts	Excluded	Represents 2% or less of the total spend on goods and services (2021: 2%). Under review 2022.
		Office supplies	Excluded	Represents less than 5% of the total spend on goods and services (2021: 0.4%). Under review 2022.
		Other services	Excluded	Represents less than 5% of the total spend on goods and services (2021: 2-5%). Under review 2022.

Cat.	Category	Category details	Scope	Methodology or Reason for exclusion
2	Capital goods	Facilities (plant, office, lab)	Excluded	Data on realized new facilities in 2016 not available. Under review 2022.
		Vehicles	Included	Although estimated to be not significant (compared to the amount of new facilities and equipment purchased yearly), data is available so this source is included.
		Equipment	Included	Other chemical companies show substantial emissions in this category.
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Neighbor sprinklers	Excluded	Minor energy use compared to *e.g.* raw materials. Under review 2022.
		Partner exclusively producing for Stahl	Excluded	Minor energy use compared to *e.g.* raw materials. Under review 2022.
		Manufacturing	Excluded	Included in category 1.1 (PFRs). Under review 2022.
		Electricity & fossil fuel use	Included	Although estimated to be not significant, data is available, so the category was included.
4	Upstream transportation and distribution	Transport from Tier 1 suppliers to Stahl (not owned or controlled).	Included	Available transport data for Waalwijk, including information about weight, destination, type of transport (internal/external, paid for by Stahl or not) and mode of transport, has been extended to include estimations for travelled distance per destination. ■ Distances by truck have been estimated using Google Maps; distance by plane has been estimated by using http://www.worldatlas.com/travelaids/flight_distance.htm. Distance by ship has been estimated using distance by plane and multiplying that distance by 1.25 to correct for non linea recta shipping movements. ■ Based on this, tkm1 per modality and per type of transportation have been calculated. Destinations for which the distances were not specified, have been estimated by the share in the total trips of which the distance was known. ■ Intercompany trips were adjusted for by a correction factor of 50%, as they consist of both outbound and inbound transports. ■ Extrapolation from Waalwijk data to global data has been done based on the amounts (kg) shipped from Waalwijk *versus* amounts shipped globally. Under review 2022.
		Transport paid for by Stahl	Included	Under review 2022.
5	Waste generated in operations (going out)	Hazardous waste: solid and liquid	Included	Data available. This can be influenced by Stahl as more efficient production can reduce waste. Under review 2022.
		Non-hazardous waste: solid and liquid	Included	
6	Business travel	Taxi	Excluded	No data available, estimated to have a very low impact (taxi is used by employees mainly to get to the airport, when possible trains are encouraged). Under review 2022.
		Airplane (short < 700 km, medium, long > 2,500 km)	Included	Air travel – flights (tons) ■ Leg distance < 700 km ■ Leg distance 700-2,500 km ■ Leg distance > 2,500 km Private cars (tons) used for business purposes, per fuel type: gasoline, diesel, LPG, fuel type unknown, hybrid diesel, hybrid gasoline, electric and ethanol (sugar cane)

Cat.	Category	Category details	Scope	Methodology or Reason for exclusion
7	Employee commuting	Personal cars	Excluded	No data available, estimated to have a very low impact. Under review 2022.
		Public transport	Excluded	No data available, estimated to have a very low impact. Under review 2022.
8	Upstream leased assets	Machines leased by suppliers	Excluded	Not applicable
		Buildings	Excluded	Not applicable (hired buildings are included in Scope 1 and 2)
9	Downstream transportation and distribution	Transport to customers (not paid for by Stahl)	Included	Relatively small emissions, but some data available.
10	Processing of sold products	Application technique: roller coating	Excluded	Possibly significant emissions but no reliable data available.
		Application technique: spraying	Excluded	Possibly significant emissions but no reliable data available.
		Wet-end products for chemical treatment	Excluded	Too diverse treatment processes – difficult to quantify or estimate. three out of four competitors for whom Scope 3 emissions were analyzed do not report cat. 10 emissions as they are very difficult to quantify.
11	Use of sold products	CO_2 emissions when customers use and/or maintain Stahl products	Excluded	Stahl chemicals are not burnt as are fossil fuels and do not release significant quantities of greenhouse gasses during use or application. Therefore this category is not applicable. Other chemical companies do report on this scope, but unlike Stahl's products theirs are burnt or release greenhouse gas emissions such as methane, during application.
12	End-of-life treatment of sold products	End-of-life emissions of end products	Included	Very conservative estimation. End-of-life emissions from sold finished goods have been estimated by assuming a carbon content of 80% and the assumption that all (100%) finished goods (*i.e.* coatings on leather) will be incinerated at the end of the product lifecycle. Uncertainty is estimated to be in the order of 25% percent of total emissions from end-of-life treatment of sold products. Under review 2022.
13	Downstream leased assets	Machines leased by customers	Excluded	Minor and incidental (same for other chemical companies)
14	Franchises	Activities owned by Stahl through franchising	Excluded	Not applicable for Stahl (no franchises)
15	Investments	Activities owned by Stahl through investments	Excluded	Not applicable for Stahl (no major external investments)

3. Consistency

- Emission factors for the main category 1 are extracted from a LCA software tool (SimaPro). ESG team will track and update the emission factor annually or are updated based on supplier data (if they meet the LCA criteria).
- Every year (at least once a year) emission factors are reviewed internally (SimaPro) and when needed or desired externally (for example by Royal Haskoning, Avieco, Ernst&Young and Deloitte).
- Stahl aligns as much as possible its approach with LCA and LCI (which is compliant to ISO 14040 and 14044) for our Scope 3 calculation.

4. Transparency

Transparency relates to the degree to which information on the processes, procedures, assumptions and limitations of the GHG inventory are disclosed in a clear, factual, neutral, and understandable manner based on clear documentation (*i.e.*, an audit trail). By disclosing its "Calculation and reporting methodology of indirect Scope 3 CO_2 emissions guidelines", Stahl provides its calculation method and presents the data included therein. The results of its calculations are also communicated externally, *e.g.* in the Wendel Universal registration document and Stahl's ESG report every year.

5. Accuracy
Quantification of Scope 3 emissions may go into any degree of detail. *E.g.* it is possible to calculate the CO_2-emissions associated with a single bolt or screw in a production facility. Though such a level of detail is possible, it is not necessarily of value-add to the results of the Scope 3 emission calculations. This means that it is of great importance to focus the scope of the calculation and to select the most relevant emission sources.

Uncertainties
Aligned with the GHG Protocol, the reporting methods for certain CO_2 indicators for Scope 3 emissions may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data. For CO_2e emissions from Scopes 1, 2 and 3, there are uncertainties due to the intrinsic uncertainties from emission factors. Increasingly using LCA data for conversion factors will make these data more accurate. Stahl reports Scope 3 emission in a range of 30 million CO_2e, since indirect emissions are an estimated calculation as per the GHG protocol.

The source of its emission factors for Scope 1, 2 and 3 are:

- oil: IPCC, guidelines for National Greenhouse Gas Inventories, volume 2;
- gas: IPCC, guidelines for National Greenhouse Gas Inventories, volume 2;
- steam: emission Factors for Greenhouse Gas Inventories;
- electricity: Ecometrica (2011) electricity-specific emission factors for grid electricity;
- Scope 3 raw materials: SimaPro/Ecoinvent 3.6, Method: IPCC 2013 GWP 100a V1.03/Greenhouse Gas Protocol V1.02;
- Scope 3 fuel- and energy-related activities: DEFRA factors 2017;
- Scope 3 transport: SimaPro/Ecoinvent 3.6, Method: IPCC 2013 GWP 100a;
- Scope 3 waste: SimaPro/Ecoinvent 3.6, Method: IPCC 2013 GWP 100a;
- Scope 3 end of life: expert judgement.

4.3 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31, 2021

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Wendel SE (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from the headquarters of the Company or its portfolio companies.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

The Executive Board is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of eight people between November 2021 and March 2022 and took a total of eighteen weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around thirty interviews with people responsible for preparing the Statement.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1]; for certain information, our work was carried out on the consolidating entity, while for other information, our work was carried out on a selection of entities;
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;

(1) *Qualitative information at Wendel level: Update of the policy on the prevention of the corruption and follow-up on Wendel protect implementation, Assessment and management of portfolio companies' exposure to physical and transition climate risks (alignment with TCFD), Integration of ESG throughout the Investment Cycle, Evolution of the ESG roadmap. Qualitative information at the level of Stahl, Constantia Flexibles and CPI: Policies and measures implemented to improve health and safety of employees at work, Policies and measures implemented to prevent climate change, Measures implemented to promote a better gender balance on the workforce, Priorities identified for offering sustainable products and services and related action plans defined.*

- For the key performance indicators and other quantitative outcomes[1] that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities and sites[2] and covered:
    - for Stahl, between 5% and 13% of selected information for this subsidiary;
    - for Constantia Flexibles, between 1% and 6% of selected information for this subsidiary;
    - for CPI, 100% of selected information for this subsidiary;
    - for Wendel SE, 100% of selected information for this subsidiary.
- We have been informed of the work and the conclusion of Bureau Veritas' independent third party.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 17, 2022

One of the Statutory Auditors,

DELOITTE & ASSOCIÉS

Mansour Belhiba	Julien Rivals
Partner	Partner, Sustainability Services

(1) Quantitative information at Wendel level: Headcount (by gender and category), Hires, Departures, Percentage of women among employees in management position and at Supervisory Board level, Energy consumption, Direct GHG emissions (scopes 1+2+3), CO2 eq emissions intensity scopes 1+2+3 per employee. Consolidated quantitative information at Wendel level: Percentage of the Investment Opportunities screened with the Exclusion List, Percentage of the Investment Opportunities subject to the ESG Due Diligence, Percentage of controlled portfolio companies with an ESG roadmap, Percentage of CEOs in the controlled portfolio whose variable compensation is contingent on progress on their ESG roadmaps, Percentage of controlled portfolio companies for which a carbon footprint assessment has been realized, Percentage of controlled portfolio companies calculating their carbon emissions in scopes 1 and 2, Percentage of controlled portfolio companies having estimated their scope 3 carbon emissions, CO2 eq emissions of scopes 1+2, Percentage of portfolio companies that have assessed their exposure to physical and transition climate change risks and opportunities, Percentage of controlled portfolio companies using renewable energy for more than 10% of their energy consumption, Percentage of controlled portfolio companies that have an environmental management system (in particular via ISO 14001 certification) for all or part of their activities, Percentage of controlled portfolio companies have adopted a continuous improvement approach to health and safety in the workplace, Lost-time accident frequency rate (per 1,000,000 hours worked), Workplace accident severity rate (per 1,000 hours worked), Percentage of controlled portfolio companies with a health and safety management system (in particular OHSAS 18001/ISO 45001) for all or part of their scope of activity, Percentage of controlled portfolio companies committed to improving gender balance in their workforce, Percentage of women in the total headcount, Percentage of women in management positions, % of women in shareholder governance bodies (Board of Directors or Supervisory Board as appropriate), Percentage of % of women in operational governance bodies (Management Committee or Executive Committee as appropriate), Percentage of controlled portfolio companies. have identified priorities for offering sustainable products and services and have defined related action plans, Percentage of consolidated revenue related to products and services with environmental and/or social added value.

(2) Wendel SE, Stahl : Leinfelden (Allemagne), Constantia Flexibles : C-Teich (Poland), CPI

5

COMMENTS ON FISCAL YEAR 2021

5.1 Analysis of the consolidated financial statements

5.1.1 Consolidated income statement – accounting presentation

The Wendel Group consolidates:

- fully consolidated: the holding companies and subsidiaries over which Wendel exercises exclusive control: Bureau Veritas (certification and verification services), Constantia Flexibles (flexible packaging), Cromology (production and distribution of paints), Stahl (coatings layers and surface treatments for flexible materials) and CPI (Training Services);
- using the equity method: companies in which Wendel has significant influence or joint control, namely IHS: until the date of the IPO when the Group lost its significant influence over this investment (telecommunications infrastructure), and Tarkett (innovative flooring and sports surfaces solutions).

The contribution of companies sold or held for sale are presented, in accordance with IFRS, in a separate line of the income statement entitled "Net income from discontinued operations and operations held for sale" for each year presented. Accordingly, the income statement item "net income from discontinued operations or held for sale" mainly represents Cromology's contribution.

In millions of euros	2021	2020	2019
Net sales	7,503.9	6,831.7	8,110.5
Operating income	807.6	262.4	725.7
Net financial expense	-156.4	-221.4	-268.0
Income taxes	-232.0	-115.6	-249.1
Net income (loss) from equity-method investments	919.5	-63.3	-78.2
NET INCOME BEFORE INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE	**1,338.6**	**-137.8**	**130.3**
Net income from discontinued operations and operations held for sale	37.7	-93.1	495.3
NET INCOME	**1,376.4**	**-231.0**	**625.6**
Net income – non-controlling interests	329.5	33.1	225.8
NET INCOME, GROUP SHARE	**1,046.9**	**-264.1**	**399.7**

Consolidated net sales

In millions of euros	2021	2020	Change	Organic growth(1)
Bureau Veritas	4,981.1	4,601.0	8.3%	9.4%
Constantia Flexibles	1,603.4	1,505.3	6.5%	4.2%
Stahl	831.3	669.4	24.2%	25.4%
CPI	88.2	56.0	57.6%	58.8%
Consolidated net sales(2)	**7,503.9**	**6,831.7**	**9.8%**	**10.2%**

(1) Organic revenue growth is calculated at Group level and for each activity, based on a constant scope of consolidation and exchange rates over comparable periods. At constant scope of consolidation, data are restated for the impact of changes in the scope of consolidation over a 12-month period. At constant exchange rates, data for the current year are restated using exchange rates for the previous year.

(2) Comparable sales for fiscal year 2021 represent €6,831.7 million, compared with €7,459.2 million reported in 2020. The difference (€627.6 million) corresponds to Cromology's sales, classified as assets held for sale. In accordance with IFRS 5, the contribution of this company has been reclassified as "Net income from discontinued operations or operations held for sale".

5.1.2 Consolidated income statement – economic presentation

The consolidated income statement reflects the aggregate earnings of the various equity investments held by Wendel. These are either fully consolidated or accounted for by the equity method.

As such, the accounting presentation of the income statement does not allow for a direct, in-depth analysis. For this reason, Wendel regularly provides an income statement prepared on an economic basis. The definition of economic presentation and a conversion from the accounting presentation to the economic presentation are included in note 8 to the consolidated financial statements, entitled "Segment information".

In millions of euros	2021	2020	2019
Bureau Veritas	509.2	302.8	477.7
Stahl	113.9	78.3	94.3
Constantia Flexibles	50.9	49.5	44.2
Cromology	52.4	15.6	-19.2
CPI	7.8	-2.6	
IHS (equity method)	27.7	-5.3	-60.9
Tarkett (equity method)	3.0	-	-
Allied Universal (equity method)	-	-	58.5
Dividend from Saint-Gobain	-	-	4.1
Tsebo	-	-7.6	-9.2
Total contribution from Group companies	**765.0**	**430.7**	**589.5**
of which Group share	*367.4*	*191.5*	*233.6*
Operating expenses, Management fees and taxes	-62.7	-55.1	-68.3
Amortization, provisions and stock-option expenses	-11.1	-9.7	-4.4
Total operating expenses	**-73.8**	**-64.8**	**-72.7**
Total financial expenses	**-37.5**	**-49.4**	**-67.9**
Net income from operations	**653.7**	**316.4**	**449.7**
of which Group share	*256.2*	*77.3*	*85.4*
Non-recurring income	**833.9**	**-376.5**	**321.0**
Impact of goodwill allocation	**-111.2**	**-171.0**	**-145.1**
Total net income	**1,376.4**	**-231.0**	**625.6**
Net income – non-controlling interests	329.5	33.1	225.8
NET INCOME, GROUP SHARE	**1,046.9**	**-264.1**	**399.7**

5.1.3 Business overview

Wendel Group's consolidated sales totaled €7,504 million, up 9.8% overall and up 10.2% organically, thanks to the strong rebound following COVID-19 which affected the Group in 2020.

The overall contribution of Group companies to net income from operations amounted to €653.7 million and has more than doubled compared to 2020 (+106.5%), as all portfolio companies have registered strong increases in their earnings, with Bureau Veritas being the largest contributor, as it benefited from a very strong recovery after the COVID-19 lockdowns in 2020.

Financial expenses, operating expenses and taxes totaled €111.3 million, down 2.5% from the €114.2 million reported in 2020. As in the previous year, financial expenses have continued to decrease, and were down 24.0% in 2021 as a result of the unwinding of cross currency swaps in March 2021 which generated savings of €25 million of yearly financial expenses to Wendel over 2021 and 2022, partially offset by the increase in operating expenses under the effect of a strong bidding activity.

Non-recurring income came in at €846.3 million, compared to a loss of €105.7 million in 2020. This change is largely due to the accounting treatment of the deconsolidation of IHS Towers following its IPO.

As a result, consolidated net income reached €1,376.4 million (€-231.0 million loss in 2020) and net income Group share €1,046.9 million (€-264.1 million loss in 2020).

2021 activity for each of the Group's shareholdings is provided in Part 1.4 of this document.

Highlights 2021

Wendel partners with the Deconinck family to acquire shares of Tarkett and to support the growth of the company

As part of its 2021-24 investment strategy, Wendel has teamed up with the Deconinck family to form Tarkett Participation, which will support Tarkett's growth. This investment was accompanied by an offer to acquire Tarkett shares. According to the terms of the partnership, Wendel will hold up to 30% of Tarkett Participation, alongside the Deconinck family. The Deconinck family will maintain a controlling stake in the company. On October 26, 2021, Tarkett Participation announced that it held, directly or indirectly, 90.41% of Tarkett's share capital (compared with 86.27% following the close of the simplified tender offer on July 9, 2021). Minority shareholders of Tarkett now hold less than 10% of share capital and voting rights. Tarkett Participation could contemplate a potential squeeze-out procedure, in accordance with the regulation, but this is not on the table at this time. Tarkett Participation is a company controlled by the Deconinck family, alongside Wendel. Wendel has invested a total of €222 million for a total stake of 25.9% of Tarkett Participation's capital, representing a 23.4% ownership of Tarkett. Josselin de Roquemaurel, Wendel's Executive Vice-President and Managing Director of Wendel, joined Tarkett S.A.'s Supervisory Board as an Observer on July 29, 2021.

The disposal of Cromology generated €896 million in proceeds for Wendel

In November 2021, Wendel signed an agreement with DuluxGroup to sell Cromology.

The entire stake in Cromology was sold to DuluxGroup on January 20, 2022 for an enterprise value of €1,262 million and net proceeds of €896 million for Wendel. This amount represents approximately 1.6 times Wendel's total investment in the Materis Group since 2006.

IHS IPO

In October 2021, IHS Towers was listed on the New York Stock Exchange.

Post listing, Wendel does not have any significant influence over IHS, as no Wendel employee sits on the Supervisory Board and the shareholders' agreement has been updated for the public status of IHS. As per IFRS, from an accounting perspective, the listing of IHS has been treated as an "exit" from the equity method investment, generating a €913 million capital gain (corresponding to the difference between the IPO value and the net book value in Wendel's financial statements), despite Wendel not having sold any share of IHS. As a result, IHS Towers has been accounted for as a financial asset at fair value since the IPO, with changes in value being booked in equity. Following the share price drop between the IPO and December 31, 2021, a loss of €357 million has been booked in equity.

Strong financial structure

- Gross debt as of the end of December 2021 stood at €1,619 million, with a net cash position of €650 million resulting in a net debt of €969 million. LTV ratio was 10.3%. Pro forma the disposal of Cromology and the ACAMS transaction, net debt would stand at €378 million and LTV would have stood at 4.3%, as of December 2021.
- Total liquidity of €1.4 billion as of December 31, 2021, including €650 million of cash and a €750 million committed credit facility (fully undrawn). Pro forma the issuance of €300 million in January 2022, the disposal of Cromology, the ACAMS acquisition and the early repayment in whole of the bond maturing in October 2024, total liquidity would stand at c. €1.8 billion.

- Improvement of debt maturity and cost following two bond issues benefiting from favorable market conditions:
  - successful placement of €300 million ten-year bonds at 1.0% coupon on May 26, 2021. Proceeds from this offering were used for the early and full repayment, on July 1, 2021, of bonds otherwise maturing in April 2023;
  - successful issue of €300 million 12-year bonds at 1.375% coupon on January 16, 2022;
  - on March 18, Wendel announced it is exercising the make-whole redemption of the bonds maturing in October 2024 with outstanding principal of €500 million (ISIN FR0012199156) and bearing interest at 2.750% at a price determined in accordance with the terms and conditions of the bonds. This initiative will further optimize the cost and the maturity of Wendel's debt. Pro forma the issuance of €300 million in January 2022 and of this repurchase, Wendel average maturity would be extended to 7.2 years and its average weighted cost of debt lowered to 1.7%.
- Investment grade corporate ratings: Moody's Baa2 with stable outlook/ S&P BBB with stable outlook.
- ESG targets now embedded in the financial terms of the undrawn €750 million syndicated credit.

5.1.4 Consolidated balance sheet

The following table shows the principal changes that took place in the consolidated balance sheet in 2021. For the purposes of this analysis and to clarify the readability of aggregates, certain line items of a similar nature have been combined for their net value. Accordingly, financial debt is presented net of Wendel's pledged cash and cash equivalents and short-term financial investments. Financial assets and liabilities are also presented net of these items.

ASSETS (in millions of euros)	12/31/2021	12/31/2020	12/31/2019
Goodwill, net	3,511	3,489	4,112
Intangible assets and property, plant & equipment	2,629	2,801	3,060
Property, plant and equipment under operating leases	428	530	537
Equity-method investments	216	225	294
Net working capital requirements	412	356	627
Net assets and operations held for sale	342	8	40
TOTAL	**7,538**	**7,410**	**8,670**

LIABILITIES (in millions of euros)	12/31/2021	12/31/2020	12/31/2019
Shareholders' equity – Group share	2,601	2,004	2,423
Non-controlling interests	1,587	1,284	1,393
Provisions	378	460	461
Net financial debt	2,950	2,779	3,546
Operating lease liabilities	472	583	591
Net financial assets and liabilities	-630	111	57
Net deferred tax liabilities	179	190	200
TOTAL	**7,538**	**7,410**	**8,670**

5.1.5 Breakdown of principal changes in the consolidated balance sheet

GOODWILL AS AT 12/31/2020	**3,489**
Changes in scope of consolidation	57
Reclassification under "Operations held for sale"	-177
Currency fluctuations and other	142
GOODWILL AS AT 12/31/2021	**3,511**

INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS AT 12/31/2020	**2,801**
Investments	258
Divestments	-11
Depreciation/Amortization and provisions recognized during the year	-386
Reclassification under "Operations held for sale"	-236
Changes in scope	141
Currency fluctuations and other	62
INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS AT 12/31/2021	**2,629**

EQUITY-METHOD INVESTMENTS AS AT 12/31/2020	**225**
Net income for the year:	
■ *IHS*	*922*
■ *Tarkett*	*-3*
Changes in scope:	
■ *IHS*	*-1,154*
■ *Tarkett*	*213*
Currency fluctuations and other	12
EQUITY-METHOD INVESTMENTS AS AT 12/31/2021	**216**

ASSETS AND LIABILITIES HELD FOR SALE AS AT 12/31/2020	**8**
Reclassification of Cromology under "Operations held for sale"	337
Currency fluctuations and other	-3
ASSETS AND LIABILITIES HELD FOR SALE AS AT 12/31/2021	**342**

CONSOLIDATED SHAREHOLDERS' EQUITY – GROUP SHARE – AS AT 12/31/2020	**2,004**
Net income for the year	1,047
Items of comprehensive income	-364
Dividend paid by Wendel	-127
Net share buybacks	-25
Currency translation reserves	102
Share-based payments	21
Other	-57
CONSOLIDATED SHAREHOLDERS' EQUITY – GROUP SHARE – AS AT 12/31/2021	**2,601**

NET FINANCIAL ASSETS AND LIABILITIES AS AT 12/31/2020	**-111**
Minority puts and liabilities related to liquidity commitments	-54
Minority puts in operating subsidiaries	-53
Accounting at fair value of IHS shares	785
Change in fair value of Wendel Lab's portfolio	41
Cash pledged by Constantia Flexibles	83
Unwinding of Wendel's cross currency swap	-65
Currency fluctuations and other	3
NET FINANCIAL ASSETS AND LIABILITIES AS AT 12/31/2021	**630**

In millions of euros	Wendel & holding companies	Subsidiaries	Total Group
NET FINANCIAL DEBT AS AT 12/31/2020	**546**	**2,816**	**3,362**
Main cash flows of Wendel and its holding companies:			
"Recurring" operating expenses, management fees, and tax	74		
"Recurring" financial costs (excluding accounting effects) of Wendel and its holding companies	38		
Dividends paid to minority interests	127		
Acquisition of Tarkett	225		
Main cash flows of subsidiaries			
Net cash flow from operating activities		-1,482	
Net finance costs		113	
Net cash flows related to taxes		270	
Net acquisition of property, plant & equipment and intangible assets		233	
Dividends paid to minority interests		118	
Other cash flows			
Net buybacks of treasury shares	25	-24	
Unwinding of Wendel's cross currency swap	-40		
Pledged cash from operating subsidiaries		83	
Impact of changes in the scope of consolidation[(1)]		247	
Other	-32	86	
NET FINANCIAL DEBT AS AT 12/31/2021	**962**	**2,460**	**3,422**

(1) *This item includes the reclassified cash from Cromology at the date of its reclassification under operations held for sale for €77 million, the acquisition price of Propak by Constantia Flexibles for €122 million and the effects of acquisitions and sales during the fiscal year of Bureau Veritas for €47 million.*

5.2 Analysis of the parent company financial statements

5.2.1 Income statement

In millions of euros	2021	2020	2019
Income from investments in subsidiaries and associates	263	200	5,239
Other financial income and expenses	16	-55	-64
FINANCIAL INCOME	**279**	**145**	**5,175**
Operating income	-31	-27	-35
NET INCOME BEFORE EXCEPTIONAL ITEMS AND TAX	**248**	**118**	**5,139**
Exceptional items	422	-144	-3,276
Income taxes	0	0	3
NET INCOME	**669**	**-27**	**1,866**

Income before exceptional items and tax was €248 million in 2021 compared with €118 million in 2020. The increase compared to the previous year corresponds essentially to an increase in interim dividends received from subsidiaries €263 million in 2021 compared to €200 million in 2020 for Wendel Luxembourg, EUFOR and Oranje-Nassau Groep[1].

The increase in financial income is mainly due to the €39.5 million income from the settlement of currency hedging swaps in 2021.

At December 31, 2021, non-recurring income of €422 million mainly comprises changes in impairment on assets related to subsidiaries, as well as an exceptional expense of €8 million resulting from the early redemption of the 2023 maturity bond.

(1) Wholly-owned subsidiaries.

5.2.2 Balance sheet

ASSETS (in millions of euros)	12/31/2021	12/31/2020	12/31/2019
Property, plant & equipment	1	1	-
Intangible assets	1	2	2
Non-current financial assets	7,933	7,464	7,611
Net intra-Group receivables	575	67	27
Net WCR	-10	2	-7
Cash and marketable securities	684	1,105	1,172
Treasury instruments	-	65	14
Redemption premium	7	2	3
TOTAL	**9,188**	**8,707**	**8,823**

LIABILITIES (in millions of euros)	12/31/2021	12/31/2020	12/31/2019
Equity	7,537	6,992	7,139
Provisions	30	28	47
Financial debt	1,619	1,620	1,619
Redemption premium	2	2	3
Valuation differences on treasury instruments	-	65	14
TOTAL	**9,188**	**8,707**	**8,823**

The €469 million change in non-current financial assets at December 31, 2021 is mainly due to the impact of changes in impairments on Wendel treasury shares and investments, as Wendel Luxembourg indirectly holds the portfolio of unlisted assets, Oranje-Nassau Groep and Eufor, which holds the stake in Bureau Veritas.

The change in net receivables from subsidiaries of €507.8 million is mainly due to the following factors:

- the financing of Wendel Luxembourg for the €224 million investment in Tarkett Participation;
- distributions received from Wendel Luxembourg, Oranje-Nassau Groep and Eufor, which were paid in current account for €263 million;
- the €57 million Bureau Veritas dividend received by Eufor, the proceeds of which were loaned to the Company by current account.

The change in cash and cash equivalents of -€421 million over the 2021 fiscal year is mainly due to:

- the financing of Wendel Luxembourg for the €224 million investment in Tarkett Participation;
- the €57 million Bureau Veritas dividend loaned by Eufor through the current account;
- the Wendel dividend paid in 2021 for an amount of €126.6 million;
- the buyback of Wendel shares for €24.8 million; and
- the cost of debt and operating expenses.

Shareholders' equity totaled €7,537 million as of December 31, 2021 vs. €6,992 million as of December 31, 2020. The change during the year derived primarily from the following factors:

- net income for the period of €669 million;
- a cash dividend paid on 2021 earnings of €126,6 million (€2.90 per share); and
- the capital increase for a total amount of €2,3 million.

5.3 Net asset value (NAV)

5.3.1 NAV as of December 31, 2021

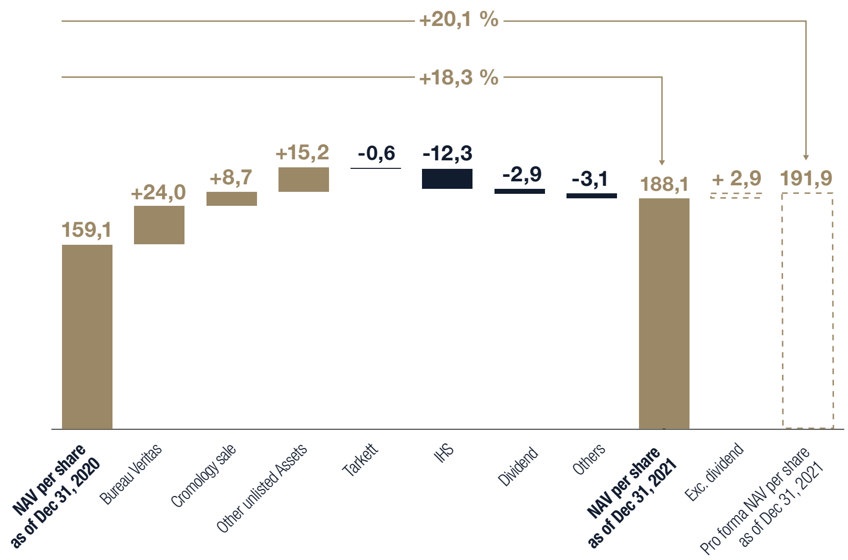
NAV as at December 31, 2021, December 31, 2020 and December 31, 2019 break down as follows:

In millions of euros			12/31/2021	12/31/2020	12/31/2019
Listed equity investments	**Number of shares**	**Share price**(1)	5,559	3,600	3,776
■ Bureau Veritas	160.8/160.8/160.8 million	€28.7/€22.4/€23.5	4,616	3,599	3,775
■ IHS	63.0 million	$13.5	748	-	-
■ Tarkett		€18.6	195	-	-
Investment in unlisted assets(2)			3,732	3,910	4,026
Other assets and liabilities of Wendel and holding companies(3)			97	74	101
Net cash position & financial assets(4)			650	1,079	1,142
GROSS ASSET VALUE			**10,038**	**8,662**	**9,044**
Wendel bond debt			-1,619	-1,548	-1,615
NET ASSET VALUE			**8,419**	**7,114**	**7,429**
Of which net debt			- 969	- 468	- 473
Number of shares			44,747,943	44,719,119	44,682,308
NET ASSET VALUE PER SHARE			**€ 188.1**	**€ 159.1**	**€ 166.3**
Average of 20 most recent Wendel share prices			€102.3	€97.9	€120.8
PREMIUM (DISCOUNT) ON NAV			**-45.6%**	**-38.5%**	**-27.3%**

(1) Last 20 trading days average as of December 31, 2021, December 31, 2020 and December 31, 2019.
(2) Investments in non-publicly traded companies (Cromology, Stahl, IHS as of December 31, 2020 and 2019, Constantia Flexibles, CPI, indirect investments and debt). Aggregates retained for the calculation exclude the impact of IFRS 16.
(3) Of which 1,116,456 treasury shares as of December 31, 2021, 900,665 treasury shares as of December 31, 2020 and 908,950 as of December 31, 2019.
(4) Cash position and financial assets of Wendel & holdings. As of December 31, 2021, this comprises €0.4 billion of cash and cash equivalents and €0.3 billion short term financial investment.

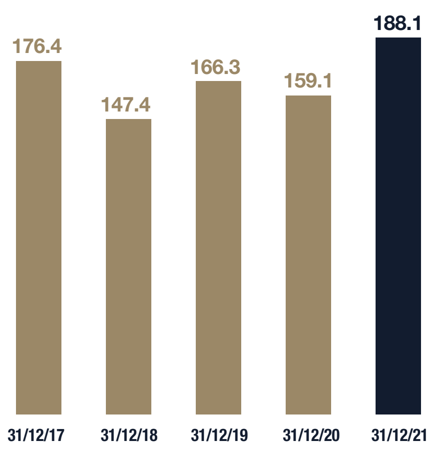
If co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. These elements are taken into account in the calculation of the NAV. See page 374.

Change in NAV in 2021



As a reminder, Net Asset Value is a short-term valuation of the Group's assets. It does not take into account any control premiums, illiquidity or initial public offering discounts; similarly, aggregates used in the valuation of unlisted assets are not adjusted from potential additional costs arising from a stock market listing. According to the methodology, the samples of the listed are reviewed at least once a year when when required for relevance purpose.

NAV per share in euros



5.3.1.1 NAV publication dates and publication-related verification

The annual schedule of NAV publication dates is available in advance on Wendel's website at the following address: http://www.wendelgroup.com.

At each NAV publication date, the Statutory Auditors verify that the methodology used for calculating net asset value complies with the Group's methodology and confirm consistency with accounting data.

The Audit Committee reviews each published NAV and compares Wendel's valuation of unlisted investments with one performed by an independent expert.

5.3.1.2 Presentation of NAV

Presentation format (publication at the level of detail indicated)	Comments
Equity investments valuation date	
+ Listed investments, including:	
■ Bureau Veritas	Average closing price over 20 trading days
+ Unlisted investments	*Unlisted investments are valued using the method described below.*
+ Other assets and liabilities of Wendel and holding companies	*Includes Wendel shares held in treasury*
Cash and marketable securities	*Pledged & unpledged cash of Wendel and holding companies*
Wendel's bond debt and syndicated credit line	*Face value + accrued interest*
Net Asset Value	
Number of Wendel shares	
NAV/share	
Average of 20 most recent Wendel share prices	
Premium (discount) on NAV	

NAV is a short-term valuation of the Group's assets. It does not take into account any control premiums, illiquidity or initial public offering discounts; similarly, aggregates used in the valuation of unlisted assets are not adjusted from potential additional costs arising from a stock market listing.

5.3.1.2.1 Listed equity investments

Listed investments are valued on the basis of the average closing price of the 20 trading days prior to the valuation date.

5.3.1.2.2 Valuation of unlisted investments

Valuation following an acquisition

New, unlisted investments are valued through a weighted average of the current year multiples implied by the deal and valuation by listed peer-Group multiples (cf. next section of the methodology) over a period of 18 months.

On the first NAV following the acquisition valuation is weighted at 100% on acquisition multiples and 0% on listed peer-Group multiples.

The weight of the acquisition multiples linearly decreases to 0% over 18 months. The weight of the listed peer-Group multiples linearly increases to 100% over 18 months.

Valuation by listed peer-Group multiples

The preferred method for valuing unlisted investments is comparison with the multiples of comparable listed companies.

The value of shareholders' equity of the companies in Wendel's portfolio is determined as their enterprise value minus net financial debt of investments (gross face value of debt plus pensions booked in balance sheet less cash) appearing in the most recent financial statements.

If net debt exceeds enterprise value, the value of shareholders' equity remains at zero if the debt is without recourse to Wendel.

Wendel's percentage ownership is determined by the features of the equity instruments held by Wendel, non-controlling interests and co-investor managers, if any (see note 4 "Participation of managers in Group investments" to the consolidated financial statements).

Enterprise value is obtained by multiplying measures of each company's earnings by stock-market multiples of similar listed companies.

The measures of earnings most often used in the calculation are recurring EBITDA (earnings before interest, taxes, depreciation and amortization) and recurring EBIT (before goodwill). The choice of earnings measures used can be adjusted depending on the sector in which the subsidiary operates or its business model. In this case, Wendel publishes an explanation of the adjustment. The enterprise value corresponds to the average of the values calculated using EBITDA and EBIT of two reference periods: the previous year and the budget (or budget update) for the current year. For NAV as of December 31, the budget for the new year being available, the calculation is based on the latest estimate for the year just ended (or the actual if available) and the budget for the new year. Stock-market multiples of comparable companies are obtained by dividing their enterprise value by their realized or expected EBITDA or EBIT for the reference periods, or in the case of fiscal years that are different from the calendar year, the closest fiscal year.

Enterprise value of the comparable companies is obtained by adding market capitalization (the average closing price over the last 20 trading days) and net financial debt (gross face value of debt plus pensions booked in balance sheet less cash) at the same (or similar) date as that applied to the net debt of the company being valued.

Comparable listed companies are chosen based on independent data and studies, information available from Wendel's subsidiaries, and research carried out by Wendel's investment team. Certain peer-Group companies can be more heavily weighted if their characteristics are closer to those of the company being valued than are those of the other companies in the sample.

The peer Group remains stable over time. It is adjusted when a company is no longer comparable (in which case it is removed from the peer Group) or when a company is newly considered as belonging to the peer Group for the investment being valued.

Non-representative multiples are excluded from the peer Group, such as occur during takeover offers or any other exceptional circumstance affecting the measures of income or the share price, or when reliable information is missing.

The data, analyses, forecasts or consensus values used are based on information available as of the date of the NAV calculation. If actual data is available when the calculation is made, then it is preferred. For portfolio companies as for peers, EBITDA, EBIT and net debt figures used are adjusted for significant acquisitions or asset sales.

Significant non-controlling interests in portfolio companies are excluded from the portion of equity value attributed to the Group.

Valuation by transaction multiples

Transaction multiples may be used when the transaction involves a company whose profile and business are like those of the company being valued. In this case, reliable information must be available on the transaction, in sufficient and explicit details, so that there is minimum ambiguity on the transaction implied multiples. In some cases, the multiple used to value an investment will be an average, either straight or weighted, of the peer Group multiple and the transaction multiple. If used, the transaction multiple is applied for a period of six months.

Other methods

If a valuation by peer-Group comparison is not relevant, other methods may be used. Depending on the nature of the business, the characteristics of the asset and market practices. These include expert appraisals, valuation by discounted future cash flows, sum of the parts, and other methods.

Purchase offers

Purchase offers received for unlisted investments may be considered if they are firm, fully financed, and have minimal conditionality and as well as a high probability of being accepted. In this case, Wendel uses the average either straight or weighted of the internal valuation and the purchase price offered.

Relative weight can be based on the specific terms of the offer. The price of a purchase offer is applied for a period equal to that of the said offer extended by two months after the expiry date of the offer. A purchase offer is considered if received prior to the date of the Executive Board approval of the NAV.

Price of dilutive or accretive capital transactions

To the extent justified by the circumstances, the price of a capital transactions that have a significant dilutive or accretive effect, overall or on certain shareholders, can be used to value the entire related investment. In that case, the methodology employed is the same as for recent investments made by Wendel (cf. "valuation following an acquisition" section of this methodology).

The principle of valuation at the price paid is not applied in the event Wendel, or any other shareholder, exercises an option to acquire shares or subscribe to a capital increase at an exercise price set on the basis of a situation that predates the exercise.

Investments in funds

Investments in funds are valued at the last valuation received from the General Partner.

5.3.1.3 Cash and cash equivalents

Cash of Wendel and its holding companies includes available cash at the valuation date (including liquid financial investments) and pledged cash.

5.3.1.4 Financial debt

Financial debt (Wendel's bond debt and syndicated loan outstanding) is valued at its face value plus accrued interest.

For the purposes of the calculation, financial debt is valued at face value, which is not affected by changes in interest rates or credit quality. Accordingly, interest-rate swaps are not valued at their market value, as the swaps are treated as part of the debt.

5.3.1.5 Other NAV components

Current assets and liabilities are considered at their net book value or their market value, depending on their nature, *i.e.* at face value, less any impairment, in the case of receivables, and at market value in the case of derivatives, with the exception of interest-rate swaps. Real estate is valued on the basis of appraisals carried out at regular intervals.

Shares held in treasury and earmarked for sale upon the exercise of stock options are valued at the lower of the strike price of the options or the average price of the shares over the last 20 trading days. Shares held to cover performance share plans are valued at zero. Other shares held in treasury are valued at the average price over the last 20 trading days. A liability is considered for subscription stock option plans when the stock price exceeds the strike price.

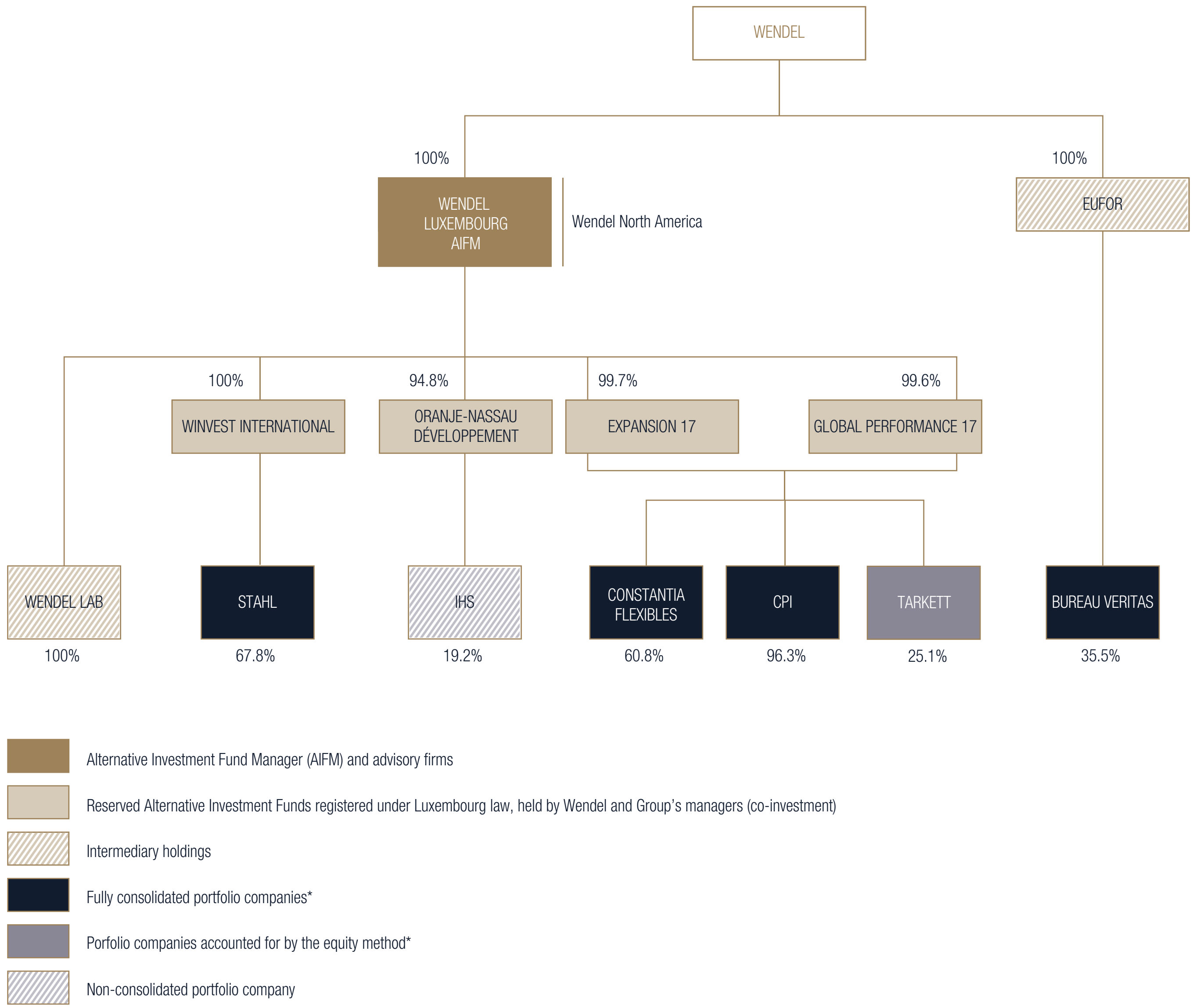
As NAV is a short-term valuation of the Group's assets, Wendel's future operating expenses do not enter into the calculation. Similarly, future tax effects are not included so long as the sale price of an investment and the form of the sale (in particular the tax consequences) are not both known and certain.

The number of Wendel shares taken into account in the calculation of NAV per share is the total number of shares composing Wendel's equity at the valuation date.

Assets and liabilities denominated in a foreign currency are converted at the exchange rate prevailing on the date of the NAV calculation. If several exchange rates exist, the exchange rate used in the consolidated financial statements is applied.

Some aspects of the method described above may be amended if such a change produces a more faithful valuation. Any such changes would be announced by Wendel.

5.4 Simplified chart as of December 31, 2021



** Percentage of interest net of treasury shares*

6 CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

6.1 Balance sheet – Statement of consolidated financial position

Assets

In millions of euros	Note	12/31/2021	12/31/2020
Goodwill, net	8 and 9	3,510.6	3,488.6
Intangible assets, net	8 and 10	1,536.4	1,692.3
Property, plant & equipment, net	8 and 11	1,092.4	1,109.0
Property, plant and equipment under operating leases	8 and 11	428.0	530.5
Non-current financial assets	8 and 15	1,184.8	320.8
Pledged cash and cash equivalents	8 and 14	0.5	0.4
Equity-method investments	8 and 12	215.8	225.2
Deferred tax assets	8 and 24	167.5	206.6
NON-CURRENT ASSETS		**8,136.0**	**7,573.4**
Assets and operations held for sale	**19**	**834.0**	**8.3**
Inventories	8	480.7	416.4
Trade receivables	8 and 13	1,519.5	1,375.3
Contract assets (net)	8	307.9	232.1
Other current assets	8	305.7	327.5
Current income tax assets	8	52.8	61.0
Other current financial assets	8 and 15	314.6	311.9
Cash and cash equivalents	8 and 14	2,231.8	2,900.3
CURRENT ASSETS		**5,213.1**	**5,624.6**
TOTAL ASSETS		**14,183.1**	**13,206.3**

The notes to the financial statements are an integral part of the consolidated statements.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the investment in the Cromology Group has been reclassified as "Assets and liabilities of discontinued operations or held for sale" as of September 30, 2021. See notes 4 "Changes in scope of consolidation" and 19 "Discontinued operations and operations held for sale".

Liabilities

In millions of euros	Note	12/31/2021	12/31/2020
Share capital		179.0	178.9
Share premiums		57.5	55.3
Retained earnings & other reserves		1,317.9	2,033.6
Net income for the period – Group share		1,046.9	-264.1
SHAREHOLDERS' EQUITY – GROUP SHARE		**2,601.4**	**2,003.7**
Non-controlling interests		1,587.5	1,283.8
TOTAL SHAREHOLDERS' EQUITY	**16**	**4,188.9**	**3,287.5**
Provisions	8 and 17	372.7	453.4
Financial debt	8 and 18	5,261.8	5,312.9
Operating lease liabilities	8 and 18	353.6	448.4
Other non-current financial liabilities	8 and 15	364.7	283.9
Deferred tax liabilities	8 and 24	346.8	396.7
TOTAL NON-CURRENT LIABILITIES		**6,699.6**	**6,895.3**
Liabilities held for sale	**19**	**491.6**	**-**
Provisions	8 and 17	5.1	6.1
Financial debt	8 and 18	201.3	646.8
Operating lease liabilities	8 and 18	118.2	134.4
Other current financial liabilities	8 and 15	223.8	179.5
Trade payables	8	1,012.1	862.0
Contract liabilities (net)	8	33.6	27.6
Other current liabilities	8	1,090.2	1,025.5
Current income tax assets	8	119.0	141.6
TOTAL CURRENT LIABILITIES		**2,803.2**	**3,023.6**
TOTAL EQUITY AND LIABILITIES		**14,183.1**	**13,206.3**

The notes to the financial statements are an integral part of the consolidated statements.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the investment in the Cromology Group has been reclassified as "Assets and liabilities of discontinued operations or held for sale" as of September 30, 2021. See notes 4 "Changes in scope of consolidation" and 19 "Discontinued operations and operations held for sale".

6.2 Consolidated income statement

In millions of euros	Note	2021	2020
Net sales	8 and 20	7,503.9	6,831.7
Other income from operations		9.6	6.2
Operating expenses		-6,708.7	-6,358.1
Gains/losses on divestments		4.3	-28.2
Asset impairment		-0.7	-170.5
Other income and expense		-0.8	-18.6
Operating income	**8 and 21**	**807.6**	**262.4**
Income from cash and cash equivalents		8.2	9.1
Finance costs, gross		-174.0	-231.8
Finance costs, net	**8 and 22**	**-165.8**	**-222.7**
Other financial income and expenses	8 and 23	9.4	1.3
Tax expense	8 and 24	-232.0	-115.6
Net income (loss) from equity-method investments	8 and 25	919.5	-63.3
Net income before income from discontinued operations and operations held for sale		**1,338.6**	**-137.8**
Net income from discontinued operations and operations held for sale	19	37.7	-93.1
NET INCOME		**1,376.4**	**-231.0**
Net income – non-controlling interests		329.5	33.1
NET INCOME – GROUP SHARE		**1,046.9**	**-264.1**

In euros	Note	2021	2020
Basic earnings per share	26	23.93	-6.03
Diluted earnings per share	26	23.78	-6.07
Basic earnings per share from continuing operations	26	23.11	-5.24
Diluted earnings per share from continuing operations	26	22.97	-5.28
Basic earnings per share from discontinued operations	26	0.81	-0.79
Diluted earnings per share from discontinued operations	26	0.81	-0.79

The notes to the financial statements are an integral part of the consolidated statements.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the contribution of Cromology to 2021 and 2020 net income has been reclassified to a single line in the income statement: "Net income from discontinued operations and operations held for sale". See notes 4 "Changes in scope of consolidation" and 19 "Discontinued operations and operations held for sale".

6.3 Statement of comprehensive income

In millions of euros	2021 Gross Amounts	2021 Tax effect	2021 Net Amounts	2020 Gross Amounts	2020 Tax effect	2020 Net Amounts
Items recyclable in net income						
Currency translation reserves[1]	198.4	-	198.4	-282.8	-	-282.8
Gains and losses on derivatives qualifying as hedges[2]	-3.6	-4.1	-7.7	67.9	0.6	68.5
Transfer to income statement of income previously recorded as equity[3]	-14.9	4.3	-10.5	-10.4	-	-10.4
Items non-recyclable in net income						
Gains and losses on financial assets through other comprehensive income[4]	-356.9	-	-356.9	-	-	-
Actuarial gains and losses	21.2	-4.3	16.9	-11.5	2.4	-9.1
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	**-155.8**	**-4.1**	**-159.7**	**-236.8**	**3.0**	**-233.8**
Net income for the period (B)			1,376.4			-231.0
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A) + (B)			**1,216.7**			**-464.8**
Attributable to:						
■ Wendel shareholders			784.6			-339.9
■ Non-controlling interests			432.1			-124.9

(1) In 2021, this item includes the contribution of Bureau Veritas for €128.8 million.
(2) In 2021, this item includes a €-19.3 million change in the fair value of the cross-currency swap set up at Wendel SE (see note 7-5.1 "Currency risk – Wendel") and €+14.3 million in the fair value of operating derivatives at Constantia Flexibles.
(3) In 2021, this item includes a €-14.8 million impact of the recycling of operating derivatives at Constantia Flexibles.
(4) This item includes the change in fair value of IHS shares between the date of deconsolidation and December 31, 2021 (see note 4 "Changes in scope of consolidation").

The notes to the financial statements are an integral part of the consolidated statements.

6.4 Statement of changes in shareholders' equity

In millions of euros	Number of out-standing shares	Share capital	Share premiums	Treasury shares	Retained earnings & other	Cumulative translation adjustment	Group share	Non-controlling interests	Total share-holders' equity
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2019	**43,773,358**	**178.7**	**53.3**	**-546.0**	**2,935.3**	**-198.1**	**2,423.1**	**1,392.5**	**3,815.6**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	50.4	-126.3	-75.9	-157.9	-233.8
Net income for the period (B)					-264.1		-264.1	33.1	-231.0
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A) + (B)(1)		**-**	**-**	**-**	**-213.6**	**-126.3**	**-339.9**	**-124.8**	**-464.8**
Dividends paid(2)					-122.6		-122.6	-18.4	-141.0
Movements in treasury shares	8,285	-		1.0			1.0		1.0
Company savings plan	36,811	0.2	2.0				2.2		2.2
Share-based payments					21.1		21.1	15.3	36.4
Changes in scope of consolidation					-1.3	-	-1.3	-2.1	-3.4
Other					19.9		19.9	21.4	41.3
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2020	**43,818,454**	**178.9**	**55.2**	**-545.1**	**2,638.8**	**-324.4**	**2,003.7**	**1,283.8**	**3,287.5**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-363.8	101.5	-262.3	102.6	-159.7
Net income for the period (B)					1,046.9		1,046.9	329.5	1,376.4
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A) + (B)(1)		**-**	**-**	**-**	**683.1**	**101.5**	**784.6**	**432.1**	**1,216.7**
Dividends paid(2)					-126.6		-126.6	-118.1	-244.7
Movements in treasury shares	-215,791	-		-24.7			-24.7		-24.7
Capital increase(3)	28,824	0.1	2.2				2.3		2.3
Share-based payments					21.1		21.1	17.0	38.1
Changes in scope of consolidation					10.6	-11.8	-1.2	45.4	44.2
Other(4)					-57.8		-57.8	-72.8	-130.5
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2021	**43,631,487**	**179.0**	**57.5**	**-569.7**	**3,169.3**	**-234.7**	**2,601.4**	**1,587.5**	**4,188.9**

(1) See the "Statement of comprehensive income".
(2) The dividend paid by Wendel in 2021 is €2.9 per share, for a total of €126.6 million. In 2020, Wendel paid a dividend of €2.8 per share, for a total of €122.6 million.
(3) See note 16 "Equity".
(4) Other variations notably include the impact of changes in value of minority puts.

The notes to the financial statements are an integral part of the consolidated statements.

6.5 Consolidated cash-flow statement

In millions of euros	Note	2021	2020
Net income		1,376.4	-231.0
Share of net income/loss from equity-method investments		-919.6	63.4
Net income from discontinued operations and operations held for sale		-1.0	103.4
Depreciation, amortization, provisions and other non-cash items		558.7	849.3
Investment, financing and tax results		402.9	394.5
Cash flow from consolidated companies before tax		**1,417.5**	**1,179.6**
Change in working capital requirement related to operating activities		6.2	219.0
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX	**8**	**1,423.7**	**1,398.6**
Acquisition of property, plant & equipment and intangible assets	27	-249.2	-219.3
Disposal of property, plant & equipment and intangible assets	28	18.7	14.6
Acquisition of equity investments	29	-400.3	-1.8
Disposal of equity investments	30	1.6	191.0
Impact of changes in scope of consolidation and of operations held for sale	19 and 31	-72.6	-26.8
Dividends received from equity-method investments and unconsolidated companies		0.4	0.2
Changes in other financial assets and liabilities and other	32	-45.8	32.7
Change in working capital requirements related to investment activities		-3.7	-10.9
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX	**8**	**-751.0**	**-20.2**
Capital increase		2.3	2.2
Contribution of non-controlling shareholders		21.1	2.1
Movements in treasury shares		**-0.5**	**6.4**
▪ Wendel		-24.7	1.0
▪ Subsidiaries		24.2	5.5
Dividends paid by Wendel		-126.6	-122.6
Dividends paid to non-controlling shareholders of subsidiaries		-118.1	-18.4
New borrowings	33	1,082.5	1,045.9
Repayment of borrowings	33	-1,547.3	-1,402.5
Repayment of lease liabilities and interest	33	-152.3	-158.8
Net finance costs		-156.3	-212.8
Other financial income/expense	34	-75.0	-19.7
Change in working capital requirements related to financing activities		-18.8	-0.9
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX	**8**	**-1,089.0**	**-879.1**
Current tax expense		-262.5	-200.0
Change in tax assets and liabilities (excl. deferred taxes)		-5.3	-2.2
NET CASH FLOWS RELATED TO TAXES	**8**	**-267.8**	**-202.2**
Effect of currency fluctuations		15.6	-37.5
NET CHANGE IN CASH AND CASH EQUIVALENTS		**-668.5**	**259.5**
Cash and cash equivalents at the beginning of the period		2,900.8	2,641.3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**14**	**2,232.2**	**2,900.8**

The notes to the financial statements are an integral part of the consolidated statements.

The principal components of the consolidated cash flow statement are detailed in notes 27 *et seq.*

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are shown in note 14 "Cash and cash equivalents".

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the cash flows of companies disposed of are maintained in each of the cash flow categories until the date on which these companies are classified as "Discontinued operations or operations held for sale". The cash and cash equivalents of the Cromology Group at the date of reclassification were recorded on the line "Impact of changes in scope of consolidation and operations held for sale".

6.6 General principles

Wendel is a European company with an Executive Board and a Supervisory Board, governed by European and French laws and regulations that are, or will be, in force. The Company is registered in the Paris Trade and Company Register (*Registre du commerce et des sociétés*) under number 572 174 035. Its head office is located at 89 rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

As of December 31, 2021, the Wendel Group was primarily comprised of:

- fully consolidated operating companies: Bureau Veritas (35.5% net of treasury shares), Constantia Flexibles (60.8%), Cromology (94.8%, see note 4 "Changes in scope of consolidation"), Stahl (67.8%), and CPI (96.3%);
- an operating company accounted for under the equity method: Tarkett (25.1%), IHS is no longer accounted for under the equity method, see note 4 "Changes in scope of consolidation";
- Wendel and its fully consolidated holding companies.

The consolidated financial statements of the Wendel Group cover the 12-month fiscal year from January 1 to December 31, 2021 and are expressed in millions of euros. They include:

- balance sheet (statement of financial position);
- income statement and the statement of comprehensive income;
- statement of changes in shareholders' equity;
- cash flow statement; and
- notes to the financial statements.

Each accounting item in these financial statements includes the contribution of all of the Group's fully consolidated companies. However, each of Wendel's subsidiary companies is managed independently under the responsibility of its own executive management. It is therefore important to analyze subsidiaries' individual performance using relevant aggregate accounting data for their respective business activities. Aggregate data for each fully-consolidated subsidiary are presented in note 8 "Segment information", which shows the contribution of each subsidiary to the income statement, balance sheet, and cash flow statement. Aggregate accounting data for equity-method investments are set out in note 12 "Equity-method investments". An analysis of the Group's overall performance by business activity is provided in note 8 "Segment information", which details recurring net income by business activity and non-recurring net income. There is no financial recourse between the different operating subsidiaries or from the operating subsidiaries to Wendel or its holding companies (see note 7-2.2 "Liquidity risk of operating subsidiaries"). The debt positions of the fully-consolidated subsidiaries, and of Wendel and its holding companies, are presented individually in note 7-2.1 "Managing the liquidity risk of Wendel and its holding companies".

These financial statements were finalized by Wendel's Executive Board on March 9, 2022 and will be submitted for shareholders' approval at the Shareholders' Meeting.

6.7 Notes to the financial statements

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the fiscal year ended December 31, 2021 have been prepared in accordance with IFRS (International Financial reporting Standards) principles and methods as adopted by the European Union on December 31, 2021, in accordance with Regulation No. 1606/2002 of the European Council and the European Parliament pertaining to the application of international accounting standards, adopted on July 19, 2002.

The consolidated financial statements for the period ended December 31, 2021 have been prepared using the same accounting methods as those used for the fiscal year ended December 31, 2020, with the exception of the new amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures" on the reform of the benchmark interest rates that were in effect from January 1, 2021 and which had no material impact on the consolidated financial statements.

The new standards, amendments or mandatory IFRIC interpretations for periods starting from January 1, 2022 have not been early applied as of December 31, 2021.

The accounting principles are available from the European Commission's website:

https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en

Note 1-1 Method of consolidation

The companies over which Wendel has exclusive control are fully consolidated. Companies over which Wendel has significant influence or joint control have been accounted for using the equity method. Net income of acquired subsidiaries is consolidated from their acquisition date, while net income of divested subsidiaries is consolidated up to their divestment date or closest reporting date.

Note 1-2 Financial statements used for consolidation

Wendel's consolidated financial statements have been prepared on the basis of:

- the consolidated financial statements for the year ended December 31, 2021 of Bureau Veritas, Constantia Flexibles, Cromology, Stahl, CPI and Tarkett;
- the financial statements of IHS until September 30, 2021, the effective date of its deconsolidation; and
- for all other companies, their individual financial statements for the 12-month fiscal year ended December 31, 2021.

Financial information relating to these subsidiaries and associates has been prepared in accordance with IFRS recognition and measurement rules.

Significant changes in the Group's scope of consolidation for fiscal year 2021 are presented in note 4 "Changes in scope of consolidation". The main subsidiaries consolidated as of December 31, 2021 are presented in note 39 "List of principal consolidated companies".

Note 1-3 Business combinations

IFRS 3 "Business combinations", and IAS 27 "Consolidated and separate financial statements", revised, applicable since January 1, 2010, affect the accounting for transactions that lead to the taking of control, or partial sales that lead to a loss of control:

- specifically: ancillary transaction costs are recognized in operating income for the period; price adjustments are initially recognized at their fair value, and future fluctuations in their value are recognized in operating income;
- when control is obtained, non-controlling interests are recognized either in proportion to their share in the fair value of the assets and liabilities of the acquired entity, or at their fair value. A proportion of goodwill is also allocated to non-controlling interests at that time. This choice is made on a case-by-case basis for each acquisition;
- purchases and sales of shares in controlled companies that do not lead to the assumption or loss of control are recognized as transfers between the Group share of consolidated shareholders' equity and the share held by non-controlling interests. There is no impact on profit or loss;
- non-controlling interests may become negative because since net income or loss of a subsidiary is allocated between the Group share and the non-controlling interests' share, according to their respective equity interests; and
- in the event of a takeover of an entity in which the Group already holds an interest, the transaction is analyzed as a dual transaction: on the one hand, as a divestment from the entire investment previously held with recognition of the gain on consolidated investments, and on the other hand, as an acquisition of all the shares with recognition of goodwill on the entire investment. In the event of a partial divestment with loss of control (but with a non-controlling investment retained) the transaction breaks down into a divestment and an acquisition: divesting from the entire investment with a calculation of a consolidated investment gain plus the acquisition of a non-controlling interest which is then recorded at its fair value.

Note 1-4 Commitments to purchase non-controlling interests of consolidated subsidiaries

When the Group has made firm or conditional commitments to non-controlling shareholders in consolidated subsidiaries to buy their stakes, a financial liability is recognized in an amount corresponding to the estimated present value of the purchase price.

As of December 31, 2021, in the absence of any specific IFRS guidance, this financial liability was offset:

- firstly, by eliminating the book value of the corresponding non-controlling interests; and
- secondly, by reducing the Group share of shareholders' equity as follows: the difference between the estimated value of the purchase commitment and the carrying amount of non-controlling interests is deducted from the Group share of retained earnings and other reserves. This balance is adjusted at the end of each accounting period to reflect changes in the estimated exercise price of the purchase commitments and the carrying amount of the non-controlling interests.

This has no impact on the consolidated income statement, barring subsequent changes to standards and interpretations.

Note 1-5 Inter-Group asset sales and transfers

Gains and losses on the sale or transfer of assets between consolidated companies have been eliminated from income and the assets have been maintained at their initial value, except in the event of losses deemed permanent, for which an impairment charge is recognized on the income statement.

Note 1-6 Conversion of the financial statements of foreign companies whose functional currency is not the euro

Wendel presents its financial statements in euros.

The balance sheets of foreign companies whose functional currency is not the euro have been converted into euros at the exchange rate prevailing at the closing date, and their income statements converted at the average exchange rate for the fiscal year or consolidation period. The discrepancy between the opening and closing balance sheets, as well as that resulting from the application of these exchange rates are carried in consolidated reserves under "translation adjustments" until the assets and liabilities and all the foreign currency operations related to them are sold or liquidated. In this case currency translation differences are written back either on the income statement if the operation leads to a loss of control, or directly as a change in shareholders' equity in the case of a change in non-controlling interests without a loss of control.

The principal exchange rates used in the consolidated financial statements are as follows:

	Closing rate		Average rate	
	2021	2020	2021	2020
€/$	1.1326	1.2271	1.1829	1.1396

Note 1-7 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in such financial statements. These estimates and assumptions are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the balance sheet date, as well as on information available on the date the accounts were finalized. They are established on the basis of the past experience of the management of the Group or its subsidiaries and various other factors deemed reasonable (such as market data or the work of an independent appraiser, etc.) and are reviewed on a regular basis. The uncertainty has complicated forecasting, and actual amounts could therefore be different from the forecasts.

Estimates and assessments made in order to prepare these financial statements concern in particular, for the most significant elements, goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes, derivatives, valuation of purchase commitments of non-controlling interests, and the treatment of co-investments.

Note 1-8 Measurement rules

Note 1-8.1 Goodwill

Goodwill represents the difference between the cost of acquiring a company and the Group's share of the fair value of its net assets, liabilities, and identifiable contingent liabilities on the date of acquisition. The identifiable assets and liabilities of the acquired company that meet the IFRS recognition criteria are recognized at their fair value at the date of the acquisition. Adjustments in the fair values of assets and liabilities acquired as part of business combinations and initially recognized on the basis of temporary values (because of ongoing appraisals or outstanding additional analyses) are recognized as retroactive goodwill adjustments if they occur within 12 months after the acquisition date. Thereafter, such adjustments are recognized directly on the income statement unless they are made in correction of errors. The revised version of IFRS 3 "Business combinations" provides that goodwill may be applied to non-controlling interests, if the Group so chooses. Goodwill is presented, where applicable, net of any cumulative recognized loss in value.

Goodwill is not amortized, but is instead tested for impairment at least once per year, on December 31, or more frequently if there is any indication that it may be impaired. Indications of impairment may include a significant or prolonged decline in the share price of a listed company, a shortfall in net income compared with the budget or a deterioration in the sector environment in which a company operates. For impairment tests, goodwill is broken down by Cash-Generating Units (CGU). Each operating subsidiary (Bureau Veritas, Constantia Flexibles, Cromology, Stahl and CPI) corresponds to a CGU. Goodwill impairment losses are recognized on the income statement under "Impairment of assets" and cannot be reversed.

Whenever an operating subsidiary identifies an impairment loss on a CGU recognized within its scope of consolidation (and not recognized at the level of the Wendel Group), this loss is maintained at the level of Wendel's consolidation, with this being the case even if the analysis conducted by Wendel on the subsidiary's goodwill does not show any impairment. This stance has been taken to allow Wendel to recognize unrealized losses as soon as they appear, as they would inevitably be recognized anyway if the subsidiary were to sell the CGU showing such losses.

Goodwill pertaining to equity-method investments is included in the carrying amount of these companies and therefore not presented separately (IAS 28 "Investments in Associates and Joint Ventures", s.23). It is therefore not subject to a separate impairment test, as the value of equity-method investments is subject to a separate test, goodwill included. Hence, as regards equity-method shareholdings, in the event of an improvement in their value justifying an impairment writeback, the portion of the impairment pertaining to goodwill is also written back. Impairment losses and the gain or loss on divestments and dilution are recognized in the income statement under "Net income (loss) from equity-method investments".

Impairment tests on goodwill and equity-method investments are described in notes 9 "Goodwill" and 12 "Equity-method investments".

Note 1-8.2 Intangible assets

1. Brands of the Bureau Veritas, Cromology and CPI Groups

These brands have been valued using the relief-from-royalty approach, which consists in discounting to perpetuity royalty cash flows determined at a theoretical rate based on revenue generated by the brands. The brands are considered as having an indefinite useful life as there is no foreseeable time limit on their potential to generate cash flow. They are therefore not amortized but are tested for impairment on an annual basis.

The brands of the Bureau Veritas Group's subsidiaries have been amortized over a period of 5-15 years. Only those brands identified at the Wendel Group level when Wendel acquired control of Bureau Veritas are considered to have an indefinite life.

2. Contracts and customer relationships of the Bureau Veritas, Constantia Flexibles, Cromology, Stahl and CPI Groups

The valuation of these contracts and customer relationships equals the margin expected to be generated over the residual lives of contracts in force at the date Wendel assumed control, taking into account contract renewal rates where such renewals are considered probable based on historical statistical data. These contracts and customer relationships are amortized over the period used for the calculation of each contract category (from five to 23 years, depending on the contract and subsidiary).

Note 1-8.3 Other property, plant & equipment

The cost of developing software intended for internal use and other development costs have been capitalized when it is likely that these expenditures will generate future economic benefits. These costs are then amortized over the asset's estimated useful life.

Note 1-8.4 Property, plant & equipment

Property, plant & equipment are recognized at their historical cost, determined at the time of acquisition of these assets or at fair value in the event of a business combination. Historical cost includes all costs directly attributable to the acquisition or construction of the assets concerned, in particular borrowing costs that are directly attributable to the acquisition or production of the property, plant & equipment during the accounting period prior to being brought into service.

Property, plant & equipment other than land and investment properties are depreciated on a straight-line basis over a period corresponding to their probable useful life. The depreciation basis for property, plant & equipment is its historical cost less the residual value, *i.e.* the value expected at the end of the asset's useful life, after allowing for any divestment costs.

The useful life duration utilized for buildings is from ten to 50 years; and, from three to ten years, for industrial facilities as well as for equipment and tooling.

Note 1-8.5 Leases

For lessees, the application of IFRS 16 "Leases" results in the recognition of leases in the balance sheet through an asset (representing the right to use the underlying asset during the lease term) and a corresponding liability (representing the obligation to pay fixed rents). The new standard eliminates the distinction between operating leases and finance leases.

In accordance with the simplification provided for in IFRS 16, the Group has applied the new standard to leases identified in accordance with the definition of the previous standards IAS 17 and IFRIC 4, without reassessing the qualification of contracts in progress at January 1, 2019.

The lease liability is the present value of remaining lease payments. Future payments were discounted on the basis of the marginal debt ratios of the subsidiaries according to the residual term of their contracts.

The Group opted for the exemption offered by IFRS 16 for short-term and low-value leases (assets with a unit value of less than €5,000). Rents on these leases are therefore still recognized as operating expenses.

In assessing the lease term, the Group has taken the non-cancellable period of each contract and any extension option that the Group is reasonably certain to exercise and any termination option that the Group is reasonably certain not to exercise.

Note 1-8.6 Impairment of property, plant and equipment and intangible assets

In accordance with IAS 36 "Impairment of assets", the value in use of property, plant & equipment, and intangible assets is tested when there is an indication of impairment. These tests are performed either when there is an indication of a loss of value, or once a year for assets having indefinite useful lives, which in Wendel's case is limited to goodwill and brands. Impairment losses are recognized on the income statement under "Impairment of assets".

Note 1-8.7 Financial assets and liabilities

Financial assets include investments in unconsolidated companies, operating receivables, debt securities, marketable securities, derivatives, and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives, operating liabilities, and certain liquidity commitments on the Group's shares held by certain co-shareholders (see note 35-5 "Shareholder agreements and co-investment mechanisms").

In accordance with the principles of IFRS 9 "Financial Instruments", financial assets are recognized and measured either at fair value through profit or loss, at fair value through other comprehensive income or at amortized cost. The classification and measurement are based on the characteristics of the instrument and the management objective for which the relevant assets were acquired.

1. Financial assets at fair value through profit or loss

Equity instruments held for trading purposes or for which the Group has elected not to use the "fair value through other comprehensive income" classification are measured at fair value through profit or loss.

2. Financial assets at fair value through other comprehensive income

IFRS 9 permits the irrevocable election at initial recognition to present changes in the fair value of an equity instrument not held for trading through other comprehensive income. The choice is made for each individual instrument and for each new acquisition depending on the Group's management intention.

Equity instruments recognized in this account include strategic and non-strategic investments.

At initial recognition, these assets are measured at fair value, which generally corresponds to their acquisition. At closing dates, for publicly traded instruments, the fair value is determined based on the share price on the closing date. For unlisted securities, fair value is measured using valuation models based primarily on the most recent market transactions, discounted dividend or cash flow streams, or the value of net assets.

Unrealized gains and losses on these financial assets are recognized directly in equity until the financial asset is sold or cashed in, at which time the accumulated gain or loss is transferred to consolidation reserves and is not reclassified in the income statement. Dividends from such investments are recognized in profit or loss unless the dividend clearly represents the recovery of a portion of the investment cost.

3. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if they are held solely with a view to collecting contractual cash flows serving to repay principal and meet interest payments on the outstanding principal.

They consist of loans and receivables related to investments, deposits and guarantees, trade receivables and other current receivables. These financial assets are shown in the balance sheet under "Non-current financial assets", "Trade receivables" and "Other current financial assets". They are initially recognized at fair value and then at amortized cost calculated using the effective interest rate method. Net gains and losses on loans and receivables correspond to interest income and provisions.

4. Financial liabilities

With the exception of derivative instruments and financial liabilities relating to liquidity commitments on the Group's shares held by certain co-shareholders (see note 35-5 "Shareholder agreements and co-investment mechanisms"), all borrowings and other financial liabilities are stated at amortized cost using the effective interest rate method.

5. Derivatives

Derivatives are measured at fair value. Gains and losses arising from changes in the fair value of derivatives are recognized in the income statement, apart from certain exceptions set out below.

Derivatives can be designated as hedges of fair value, future cash flow or net investment value:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to shifts in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from a present or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset shifts in foreign exchange rates, interest rates and commodity prices;
- hedges of net investments in operations in a foreign market help offset fluctuations in value due to translation into the reporting currency used by the parent company in its consolidated financial statements. Financial debt denominated in the operating currency of the hedged investment can be designated as an investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

- the hedging relationship is clearly defined and documented at the inception; and if
- the effectiveness of the hedging relationship can be demonstrated from the outset and throughout its term.

The use of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value in the balance sheet. Changes in the fair value of the hedged item are recognized on the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent that the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated as, and qualify for, cash flow hedges is recognized directly in shareholders' equity. The gain or loss from the ineffective portion is recognized on the income statement. Amounts accumulated in shareholders' equity are passed through the income statement in the same periods as the corresponding hedged items, or are written back against the acquisition cost of the assets in which the financial risk related to the acquisition price was hedged; and
- in a similar way to cash flow hedges, changes in the fair value of the derivative financial instrument are recognized net of tax in other comprehensive income for the effective portion attributable to the hedged currency risk and in profit or loss for the ineffective portion of the derivative. Cumulative gains and losses in shareholders' equity are recognized on the income statement when the foreign business is sold.

Derivatives are measured using the Group's mathematical models, as well as by independent appraisers, and/or the Group's counterparties.

Note 1-8.8 Methods of measuring the fair value of financial instruments

In accordance with the amendment to IFRS 7 "Financial Instruments: Disclosures" (March 2009), the tables in note 15 "Financial assets and liabilities" present the Group's assets and liabilities that are measured at fair value, based on their method of measurement. These methods are defined as follows:

- level 1: unadjusted, listed prices of identical instruments on an active market;
- level 2: observable data other than the listed prices referred to in level 1, either directly (such as a price), or indirectly (calculated from another price); and
- level 3: fair values that are not determined on the basis of observable market data.

During fiscal year 2021, there were no transfers between levels 1 and 2, or transfers to or from level 3, of fair value measurements of financial instruments.

Note 1-8.9 Inventories

Inventories have been stated at the lower of cost or net realizable value. Production cost includes the costs of raw materials, direct labor, and any operating costs that can reasonably be associated with production.

Note 1-8.10 Cash and cash equivalents and pledged cash and cash equivalents

Cash is comprised of cash at banks.

In accordance with IAS 7 "Statement of cash flows", cash equivalents are short-term, highly liquid investments that are readily convertible into a known amount of cash, subject to an insignificant risk of a change in value and intended to cope with short-term cash needs. Cash equivalents include euro-denominated, money-market mutual funds and deposit accounts with initial maturities less than or equal to three months. They are measured at their fair value at the balance sheet date.

Pledged cash and cash equivalents are presented as non-current assets, as they are not immediately available.

Note 1-8.11 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized when the Group has an obligation with respect to a third party as a result of a past event for which it is probable or certain that there will be an outflow of resources to that third party, without at least an equivalent inflow from that third party. Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed, formal plan.

Provisions are discounted on the basis of the estimated duration of the obligation. The impact of this discounting is recalculated at each balance sheet date, and the related adjustment is recognized on the income statement under "Other financial income and expense".

Note 1-8.12 Provisions for employee benefits

Defined-contribution plans: contributions are recognized as operating expenses.

Defined-benefit plans: the present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the projected unit credit method. The obligation is determined at each balance sheet date taking into account the age of the Company's employees, their length of service, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments. The funding provision corresponds to the difference between the total obligation as set out above and any assets invested with insurance companies to cover these obligations.

Actuarial gains and losses are recorded under shareholders' equity as soon as they are recognized.

Note 1-8.13 Deferred taxes

In accordance with IAS 12 "Income taxes", deferred taxes are recognized for timing differences between the carrying amounts of assets and liabilities and their tax base.

Tax-loss carryforwards are recognized as deferred tax assets when it is likely that they can be offset against tax on future earnings or when they can be offset by deferred tax liabilities of an equal or higher amount. In application of this principle, no tax-loss carryforwards of the Wendel tax Group were recognized as assets on the balance sheet.

Regarding subsidiaries and equity-method investments, a deferred tax liability is recognized for all timing differences between the carrying amount of the related shares and their tax base, unless:

- the Group is able to control the date of the reversal of the timing difference; and
- it is probable that the timing difference will not reverse itself in the foreseeable future.

Deferred taxes are recorded using the liability method. According to this method the assets and liabilities of deferred taxes are recognized according to their estimated future tax impact resulting from discrepancies between the book value of the assets and liabilities existing in the consolidated financial statements and their respective tax base. Deferred tax assets and liabilities are valued by applying the tax rate that will be in effect during the year in which temporary differences are expected to be recovered or settled. The effect of any change in tax rates on deferred tax assets and liabilities is recognized in income for the period in which the rate changes apply.

Note 1-8.14 Treasury shares

All treasury shares held by the Group are stated at their acquisition cost as a deduction from shareholders' equity. Proceeds from any sales of treasury shares are credited directly to shareholders' equity. Divestment gains or losses therefore have no impact on income for the fiscal year.

Note 1-8.15 Assets and operations held for sale and discontinued operations

Assets, group of assets held for sale, or discontinued operations are classified as such if their carrying amount will be recovered mainly through a sale transaction rather than through continued use, and when its sale is highly probable. Depreciation on these assets ceases when the asset has been classified as held for sale, and a provision is recognized if the asset's residual carrying amount exceeds its likely realizable value, reduced for selling costs.

Assets and liabilities of these businesses are presented on a separate line in the balance sheet of the current fiscal year, and the net income or loss they generate is presented on a separate line in the income statement (including fiscal years presented for comparison). Net income or loss from discontinued operations includes, where applicable, any divestment gains or losses or any impairment losses recognized for the business.

Note 1-8.16 Revenue recognition

The recognition of revenue from contracts with customers reflects both the percentage of completion of the performance obligations corresponding to the transfer to a customer of control of a good or service and the amount that reflects the sum that the entity expects to receive as consideration for those goods or services.

At the Bureau Veritas Group, most contracts are short-term. For these contracts, Bureau Veritas recognizes income when the service has been provided to the customer. For other contracts, Bureau Veritas uses the percentage-of-completion method to determine the amount to be recognized under revenue during a given period, insofar as the income from contracts can be reliably determined. The percentage of completion is determined for each contract by reference to the costs incurred at the balance sheet date, compared to the total estimated costs to execute the entire contract. The increment of this percentage, applied to the total forecast income from the contract, represents the profit margin recognized in the period. In the event of a forecast negative margin, provisions are recognized immediately for the entire contract.

Note 1-8.17 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. Receivables and payables in foreign currencies are translated into euros at the exchange rate prevailing at the balance sheet date. Exchange differences resulting from the translation of receivables and payables in currencies other than euros are recognized on the income statement under "Other financial income and expense".

In the event of hedges of a net investment in a foreign business (see above, "Derivatives"), the portion of the gain or loss on a hedging instrument covering a net investment in a foreign business that is considered to be an effective hedge is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement.

Note 1-8.18 Stock subscription and stock purchase option plans

In accordance with IFRS 2 "Share-based payments", the Group recognizes an expense corresponding to the fair value of employee stock subscription options, purchase options, bonus shares, and performance shares at the grant date, with the corresponding offsetting entry being recognized under consolidated shareholders' equity. The expense is spread out over the options' vesting period.

In 2021, as in previous fiscal years, the fair value of Wendel's plans was valued by an independent appraiser.

Note 1-8.19 Accounting treatment of mechanisms for the participation of management teams in the Group's investments

The co-investment mechanisms described in note 6 "Participation of managers in Group investments" take the form of ownership by managers of various financial instruments, such as ordinary shares, index-based or preferred shares, warrants, etc.

These investments are redeemed upon divestment or an IPO, or after a predetermined period of time. At this time, any investment gains which might arise are shared on the basis of whether or not Wendel's annual performance and cumulative profitability objectives have been met.

These investments are measured and accounted for based on the manner in which they will be redeemed, either as equity instruments under a divestment or an IPO, or in cash as part of Wendel's liquidity commitment, after a predetermined period has elapsed.

Until the settlement method is not definitive, the investments are accounted for based on the settlement method determined as most likely.

When it is estimated the investments are most likely to be redeemed as equity instruments, the managers' initial investment is accounted for as non-controlling interests in proportion to their share of the total investment. On redemption, the dilution created by the sharing of the investments' value reduces the Group's capital gain. When the beneficiaries invest less than the fair value of the instruments subscribed or acquired, the initial benefit is recognized as an expense in the income statement.

When the investments are most likely to be redeemed in cash, under Wendel's repurchase commitments after the expiration of a predetermined period, the initial investment is recognized as debt. This debt is later restated at its fair value until payment is made. The change in fair value is recognized on the income statement. When the investment is redeemed, the debt is paid off in cash. In addition, these co-investors are not considered minority shareholders from an accounting standpoint. Rather, their investment is consolidated in the Group's net income and consolidated reserves.

The most likely redemption method is determined at each balance sheet date, until the investments are redeemed. Should the most likely method change, the effects of the change are recognized in advance on the income statement. Hence, if the most likely redemption method were to be changed to cash, the amount recognized on the income statement at the time of the change would be the fully revalued amount of the instruments at that date.

Wendel believes that for the main co-investments in place in the Group at December 31, 2021, the most likely outcome will be a sale of the relevant investments or an initial public offering of these investments. Liquidity commitments under minority puts and co-investments, as well as the corresponding amounts recorded in financial liabilities, are set out in note 35-5 "Shareholder agreements and co-investment mechanisms".

Note 1-9 Presentation rules

Note 1-9.1 Presentation of the balance sheet

An asset is classified as current when it meets any of the four following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realized within 12 months after the balance sheet closing date; or
- it is cash or cash equivalent asset carrying no restriction on exchange or use in settlement of a liability for at least 12 months after the balance sheet date.

When the asset is in a pledged cash or cash equivalent account, the amount is recognized under non-current assets.

A liability is classified as current when it meets any of the four following criteria:

- it is expected to be settled in the Group's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- the liability is due to be settled within 12 months after the balance sheet date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 1-9.2 Presentation of the income statement

"Operating income" includes income and expenses not resulting from financial activities, equity-method investments, discontinued activities, operations held for sale, and corresponding to income tax.

Financial income and expenses include "Finance costs, net" and "Other financial income and expense", which include gains and losses on disposals of financial assets, impairment losses on financial assets, dividends paid by unconsolidated associates, changes in the fair value of "Financial assets at fair value through profit or loss", the impact of discounting receivables, liabilities or provisions, and foreign exchange differences.

Note 1-9.3 Taxes: CVAE treatment

According to Wendel's analysis, the CVAE tax on value added meets the definition of an income tax, as defined in IAS 12.2 "Income taxes". IFRS Interpretations Committee has effectively specified that in order to be included in the scope of IAS 12, a tax must be based on a net amount of income and expenses and this amount may be different from net accounting income. Wendel finds that the CVAE has the characteristics indicated in this conclusion, inasmuch as the value added constitutes the intermediate level of profit systematically used, in accordance with French tax rules, to determine the amount due under the CVAE.

The CVAE tax is therefore presented in the "Tax expense" line.

Note 1-9.4 Earnings per share

Basic earnings per share are calculated by dividing the Group's share of net income for the year by the average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the Group's share of net income by the average number of shares outstanding during the year, adjusted according to the "treasury stock" method. According to that method, it is assumed that the cash received from the exercise of dilutive instruments will be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact. Dilutive instruments issued by subsidiaries are also included in determining the Group share of net income.

If the income statement presents income from divested businesses separately, earnings per share from continuing and discontinued operations are also presented separately.

NOTE 2 Context of the 2021 closing

Note 2-1 Effects of the Covid-19 pandemic on the financial statements at December 31, 2021

Fiscal year 2021 marks a partial return to a normal activity and in this context, the closing of the accounts did not require a revision of usual assumptions and estimates, unlike fiscal year 2020 during which the Covid-19 pandemic led the Group to recognize exceptional impairments.

Note 2-2 Cyber-attack suffered by Bureau Veritas

On November 22, 2021, Bureau Veritas announced that its cybersecurity system had detected a cyber-attack on Saturday, November 20, 2021. In response, all of the Group's cybersecurity procedures were immediately activated. As a preventive measure, the decision was made to temporarily put servers and data of this Group offline, in order to protect both customers and the company. These operations generated an outage or a partial slowdown of the services and customer interfaces.

On December 2, 2021, Bureau Veritas announced that, thanks to the preventive and emergency measures taken through its cybersecurity systems, all of the Group's activities were able to continue operating. As of December 2, more than 80% of Bureau Veritas' operations were running at a normal level, while some of the Group's geographic areas continued to see their IT systems run at a slower pace.

Bureau Veritas teams, along with leading IT experts, were fully mobilized and did everything possible to ensure business continuity and minimize the impact on the Group's customers, employees and partners. Bureau Veritas also contacted the competent authorities and triggered its cybersecurity insurance policies.

Bureau Veritas considers that all its operations have been operating at a normal level since the beginning of 2022. Nevertheless, there are still incident response costs in early 2022.

Overall, Bureau Veritas estimates the impact of the cyber-attack to be approximately €25 million on the Group's revenue in 2021.

NOTE 3 Consideration of climate-related risks

As a responsible company, Wendel has made important commitments to ensure that its internal operations are consistent with its values and the ESG objectives set within its portfolio of companies. The Group promotes honest and transparent governance and business ethics, is committed to a stimulating and inclusive work environment, and remains attentive to its environmental and climate footprint.

The Group's current exposure to the consequences of climate change is limited. Consequently, at this stage, the impacts of climate change on the financial statements are not significant. The short-term effects have been integrated into the strategic plans of the Group's operating subsidiaries, on the basis of which the impairment tests of intangible assets with indefinite useful lives are performed. The long-term effects of these changes are not quantifiable at this stage.

NOTE 4 Changes in scope

Note 4-1 Changes in scope for fiscal year 2021

The scope of consolidation of Wendel Group is set out in note 39 "List of principal consolidated companies as of December 31, 2021".

1. Investment in Tarkett

In May 2021, Wendel joined forces with the Deconinck family to form Tarkett Participation, whose purpose is to hold a majority stake in Tarkett. The Deconinck family, the controlling shareholder of this group, thus contributed all of its majority stake (exclusive control) in Tarkett. This group specializes in floor coverings and sports surfaces. It employs more than 12,000 people at 33 production sites. Its consolidated revenue and adjusted EBITDA amounted to €2,792.1 million and €229.0 million respectively in 2021.

Tarkett Participation initiated a takeover bid for Tarkett that closed in July 2021. Following this offer, Wendel's investment in Tarkett Participation amounted to €224 million, representing 25.2% of Tarkett Participation's share capital at the end of 2021. The Deconinck family retains a majority stake and exclusive control in Tarkett Participation, which owns 90.4% of Tarkett.

From an accounting point of view, Wendel's stake in Tarkett Participation is accounted for using the equity method as from July 2021, since the percentage of ownership of the Group in this company exceeds the 20% threshold for presuming significant influence specified in IAS 28. This presumption is reinforced by the appointment of two Wendel directors out of six to the Supervisory Board of Tarkett Participation.

The table below sets out the terms and conditions for the allocation of the price paid by Wendel on the date on which significant influence was acquired:

In millions of euros	Provisional acquisition price allocation (QP Wendel) 25,22%	Provisional acquisition price allocation at 100%
Brands	82.7	364.0
Customer relationships (amortized over 19 years)	50.3	221.1
Patent (amortized over ten years)	10.0	44.1
Inventories and work-in-progress (fully written back during the period)	5.5	24.4
Deferred taxes related to these revaluations	-41.6	-183.0
Share of other assets and liabilities acquired	-55.6	
Net assets acquired	**51.3**	
Goodwill	162.0	
Book value of the investment acquired	**213.3**	

In accordance with IFRS, this allocation is provisional and may be finalized within 12 months of the acquisition.

Prior to the acquisition of significant influence, the investment was recognized in the consolidated financial statements as financial assets at fair value through profit or loss. The book value of the investment at the date of acquisition of significant influence was €213 million and included the effects of the change in fair value recorded up to that date for an amount of €3.3 million.

2. IHS IPO

When IHS was listed on the New York Stock Exchange in October 2021, the Group retained its entire stake. Its holding increased from 21.4% to 19.2% of the share capital and from 25.6% to 22.9% of the voting rights. Concomitantly to the IPO, the methods of governance of IHS and the rights of its preexistent shareholders (including Wendel) have changed significantly. Since the IPO, Wendel may appoint only one director to the Board, who can participate in only one of the Board's four committees (Health, Safety and Environment Committee). In addition, the Group has lost any further capacity of influence it previously had under the terms of the previous shareholders' agreement. Indeed, most of the decisions taken by IHS are now made by its Board of Directors and not by its shareholders as before. In addition, Wendel can no longer have access to the information presented and discussed at the IHS Board, as the regulations adopted by IHS limit any communication between Wendel and its representative in the Board to public information. Lastly, Wendel will not have access to the IHS financial statements until they are publicly disclosed, the timing of which is not necessarily compatible with the preparation of the Wendel Group's consolidated financial statements.

Considering these changes, Wendel has reviewed its assessment of its presumed significant influence in IHS in accordance with the various criteria established by IFRS, particularly in the context of the new governance. Wendel no longer has the ability to exercise significant influence over the Board's decisions despite the presence of a director appointed by Wendel.

As a result, IHS no longer meets the criteria for equity accounting (as defined by IAS 28 "Investments in Associates") as of the date of the IPO. Thus, IHS was accounted for using the equity method only until September 30, 2021, which is the earliest accounting date following the IPO. The impact of accounting for IHS using the equity method until October 14, 2021 would not be material. IHS is now a strategic investment recognized as a financial asset at fair value, the change in which is recorded in other comprehensive income in accordance with IFRS 9 "Financial Instruments" and the Group's accounting principles.

From an accounting point of view, this loss of significant influence is considered as a disposal of the equity-accounted investment and an acquisition of a new financial asset, even though no IHS shares were sold or purchased by the Wendel Group in this transaction. The divestment result and the entry value of this new financial asset are based on the IPO price ($21.0 per IHS share). The IHS IPO therefore resulted in an accounting gain of €913 million recorded in net income from equity-method investments. The post-IPO change in fair value was recognized in other items of comprehensive income for €-357 million, corresponding to the difference between the IPO price and the closing price for the year ($14.1 per IHS share).

3. Disposal of Cromology

In November 2021, Wendel signed an agreement with DuluxGroup to sell Cromology.

The sale of the entire Cromology stake to DuluxGroup took place on January 20, 2022 for an enterprise value of €1,262 million and net proceeds from the sale of €896 million for Wendel. This amount represents approximately 1.6 times Wendel's total investment in the Materis Group since 2006.

Wendel considers that the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" have been met as of September 2021, when first offers of acquisition of Cromology have been received by Wendel.

At December 31, 2021, considering the signing of a promise to sell in November 2021, the amounts reclassified as assets and liabilities held for sale related to Cromology were €828.4 million and €491.4 million respectively. Similarly, the contribution of this investment to the 2020 and 2021 results is presented on the line "Net income from operations held for sale". Depreciation on non-current assets was stopped at the date of reclassification. The sale value being higher than the book value, no value adjustment was recognized. The net gain on disposal will be recognized in 2022 for an amount of approximately €580 million. The impact of the management's co-investment in this investment will be recognized at the same time.

Note 4-2 Changes in scope of consolidation of subsidiaries and associates

1. Change in the scope of consolidation of the Bureau Veritas Group

In 2021, the Group made the following main acquisitions:

- 60% of Secura BV, a Dutch company specializing in cybersecurity services;
- 70% of Bradley, a US company specializing in construction management services for the renewable energy sector; and
- 80% of Prescience Corporation, an American company offering project management and construction management services in the field of Transportation Infrastructure.

Bureau Veritas' investments related to acquisitions realized in 2021 totaled €55.6 million and generated provisional goodwill of €33.4 million.

2. Changes in scope of consolidation of the Constantia Flexibles Group

In 2021, Constantia Flexibles acquired 100% of Propak in Turkey. This company is one of the European leaders in the packaging industry for the snacks market, generating annual revenue of around €75 million. This acquisition represents an investment of €122 million and generates provisional goodwill of €23.5 million.

Note 4-3 Changes in scope 2020

The principal changes in scope during 2020 were as follows:

- the transfer of Wendel's entire stake in Tsebo; and
- the sale of the 21% stake in Allied Universal for $203.2 million.

NOTE 5 Related parties

The Wendel Group's related parties are:

- Tarkett, which is accounted for by the equity method;
- the members of Wendel's Executive Board and Supervisory Board; and
- Wendel-Participations, which is the Group's control structure.

Note 5-1 Members of the Supervisory Board and Executive Board

Total compensation awarded by the Wendel Group, for fiscal year 2021, to André François-Poncet, Chairman of the Executive Board and to David Darmon, member of the Executive Board amounted to €4,333.9 thousand.

The value of the options and performance shares granted to them during the 2021 fiscal year amounted to €4,170 thousand at the grant date.

Compensation paid to members of the Supervisory Board in fiscal year 2021 was €1,219 thousand, including €1,124 thousand by Wendel SE (i) in consideration of service by members of the Supervisory Board, (ii) as compensation of the Chairman of the Supervisory Board and (iii) as compensation of the lead independent member of the Supervisory Board, and €95 thousand paid to certain members of the Supervisory Board by Wendel-Participations SE for serving on its Board of Directors. These amounts do not include the salaries of the employee representatives on Wendel's Supervisory Board, who do not receive Wendel SE director's fees.

As of December 31, 2021, the commitments made by the Company to André François-Poncet in the event of his removal from office not on grounds of failure, corresponded to a benefit paid, if performance conditions are met, equal to 18 months' average monthly compensation determined as follows: the sum of (i) his fixed average monthly compensation at the time of departure, and (ii) one-12th of his variable compensation actually paid in respect of the last fiscal year preceding the departure.

As of December 31, 2021, the commitments made by the Company to Executive Board member David Darmon, in the event of his departure, were as follows (provided performance conditions are met):

- in the event of termination of the term of office not on grounds of failure, benefits equal to 18 months of his fixed average monthly compensation at the time of his departure;
- in the event of termination of the employment contract, the legal and contractual indemnities due under the said employment contract, it being specified that the total amount of the indemnities paid to David Darmon (in respect of the corporate office and the employment contract) may not exceed 18 months of his average monthly compensation determined as follows: the sum of (i) his fixed average monthly compensation at the time of his departure, and (ii) one-12th of his variable compensation actually paid in respect of the last fiscal year preceding the departure.

In accordance with Wendel's policy of associating managers with the Group's investments, the members of the Executive Board take part in the co-investment mechanisms described in note 6.1 "Participation of managers in Group investments".

Note 5-2 Wendel-Participations

Wendel-Participations SE is owned by around 1,200 Wendel family individuals and legal entities. Wendel-Participations investors together held a 39.29% stake in Wendel SE as of December 31, 2021, representing 51.41% of theoretical voting rights and 52.27% of the exercisable voting rights as of that date.

There are no other economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a service delivery agreement entered into for the implementation of the provisions of the Sapin 2 Law on the prevention of corruption and for the implementation of CBCR reporting;
- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "WENDEL Investissement" brand;
- a service agreement for administrative assistance; and
- an agreement to lease premises by Wendel to Wendel-Participations.

NOTE 6 Participation of managers in Group investments

The accounting principles applied to co-investment mechanisms are described in note 1-8.19 "Accounting treatment of mechanisms for the participation of management teams in the Group's investments".

Note 6-1 Participation of managers in Group investments

To give its managers a stake in the Group's value creation, Wendel has set up co-investment programs to allow them to invest their personal funds in the same assets in which the Group invests. This gives managers a personal stake in the risks and rewards of these investments. Several programs co-exist, depending on the date of Wendel's initial investment. Certain rules are common to all programs:

i) the amount of the co-investment is no more than 0.6% of the amount invested by Wendel and the managers; the co-investments correspond to the disbursements made by each manager and are concurrent with the Wendel investments;

ii) if a liquidity event (as defined in paragraph iii) below) occurs, the managers have, depending on the particular case, either the same rights and obligations as the Wendel Group in relation to the capital gain or loss incurred (*pari passu* co-investment), or different rights (carried interest) and obligations (accelerated co-investment). In the latter case, if Wendel achieves a predefined return, the managers have the right to a greater share of the gain than their shareholding;

iii) a liquidity event is defined, per the different programs, as a full divestment of a portfolio company, a change in control, or divestment of more than 50% of the shares held by the Wendel Group, or the listing of the Company concerned on a stock exchange. The liquidity extended to co-investors may be either the total amount or an amount proportional to the investment sold or placed on the market;

iv) in the absence of a liquidity event before the end of the co-investment program (six to twelve years after the initial investment), a cash payout is offered to co-investors, in one or more tranches. The valuation of the portfolio company is systematically performed by an internationally renowned independent expert, and managers' rights and obligations are calculated in accordance with the rules set out in paragraph ii) above;

v) the rights of co-investors vest gradually over a period of several years; in the event of the departure of a co-investor, and under the terms of joint purchase and sale agreements, the Wendel Group has the option or the obligation of buying back its rights not yet definitively acquired at their original value and, in certain cases, the co-investor has the option or the obligation to sell their rights definitively acquired under predefined financial conditions;

vi) co-investments are made in euros. In the case of foreign currency investments, the euro exchange rate is adjusted to that applying on the day of the capital increase of the funds, taking into account any exchange rate hedges.

2011-2012 program

Co-investments related to acquisitions made by Wendel between 2011 and 2012 (and to potential subsequent reinvestments made by Wendel in these companies) are therefore governed by the principles set out at the beginning of this note and by the following specific rules:

i) 30% of the amount invested by the co-investors is invested under the same terms and conditions as Wendel (*pari passu* co-investment);

ii) the remaining 70% confer a right, if a liquidity event occurs, to 7% of the capital gain (carried interest), provided that Wendel has obtained a minimum return of 7% *per annum* and a cumulative return of 40% on its investment; otherwise, the co-investors lose any right to a capital gain, as well as the amount invested, on this fraction of co-investment;

(iii) if the company concerned is not sold outright or floated on the stock exchange, the co-investors have a one-third liquidity claim based on the value established by an independent appraisal at the end of a period of eight years from the date of the initial investment by the Wendel Group: any capital gain is then recognized on one-third of the sums invested by the co-investors; the same applies after ten years, and then 12 years, if no sale or floatation of the company occurs in the meantime;

iv) the rights of co-investors vest gradually over a period of four years, in five tranches of 20% *per annum*, of which 20% at the investment date.

In 2021, the only co-investment still in force in application of these principles was the one made in IHS, through the Luxembourg fund Oranje-Nassau Développement SCA FIAR, In application of the principle referred to in III) above, a first liquidity deadline occurred on March 31, 2021, on the eighth anniversary of the initial investment, on one third of the co-investment. On the basis of the independent multi-criteria valuation, the minimum return was reached and the share of the capital gain accruing to the co-investors amounted to approximately €20 million, of which €2,187,335.35 for Mr. David Darmon, member of the Executive Board. This liquidity was paid in 2021.

The other two thirds of the co-investment were the subject of a liquidity event at the time of the IHS IPO in October 2021. As Wendel did not sell any shares in this transaction, any capital gain will be calculated on the basis of the average market price of its shares over a period of six months following the IPO. At the closing date, this average is not yet known, but it is likely that the minimum return will not be reached and that the co-investors, including Mr. David Darmon, will make a loss on the last two thirds of their co-investment.

2013-2017 program

The co-investment mechanism was amended in 2013, on the initiative of the Supervisory Board, in order to introduce a pooled share and, in certain cases, to raise the Group's minimum return condition. These amendments were established for the four years of the Executive Board's term. Co-investments related to acquisitions made by Wendel in new companies between April 2013 and April 2017 (and to any subsequent reinvestments made by the Wendel Group in the companies concerned) are therefore governed by the principles set out at the beginning of this note and by the following specific rules:

i) 35% of the amount co-invested gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return is at least 10% *per annum* (carried interest deal by deal); if this return is not achieved, the co-investors lose any right to a gain on 35% of their investment, as well as 35% of the amount invested; a three-stage payment determined by an expert is offered to co-investors eight, ten and 12 years after Wendel's initial investment in the absence of a total sale or IPO (see 2011-12 program, point iii);

ii) 35% of the amount co-invested gives the right to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return, calculated for all of these investments as a whole, is at least 7% *per annum* (pooled carried interest); if this return is not achieved, the co-investors lose any right to a gain on 35% of their investment, as well as 35% of the amount invested; in the absence of a total sale or IPO, the pooled potential capital gain will be allocated equally on September, 30 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);

iii) the remaining 30% is co-invested *pari passu* with Wendel, 15% on a deal-by-deal basis, and 15% on a pooled basis;

iv) as the co-investors freely agreed to participate in the 2013-2017 co-investment program for a certain proportion of total co-investments, they are required to invest at this level in all of the investments of the period with respect to the pooled portion (carried interest and *pari passu*); failing which, the co-investor concerned loses all of his/her rights to the pooled capital gain for the non-invested portion and his/her previous investment, except for cases of force majeure where the co-investor will simply be diluted;

v) co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis (carried interest and *pari passu*), without obligation;

vi) the rights of co-investors vest gradually over a period of four years, in five tranches of 20% *per annum*, of which 20% at the investment date; it should be noted that, for pooled carried interest rights, the term is calculated from the first investment of the period.

In addition, the share of the Executive Board's co-investment has been fixed at one-third of the total co-investment, comprising 60% and 40%, respectively, from the former Chairman and the former member of the Executive Board.

In accordance with these principles, Wendel's managers have invested in a personal capacity along with the Group in Saham, Nippon Oil Pump, CSP Technologies, Constantia Flexibles, Allied Universal and Tsebo. These co-investments are held through two reserved alternative investment funds (FIAR). The first fund, Expansion 17 SCA FIAR, is the structure used for co-investments on a deal-by-deal basis and is divided into as many sub-funds as investments. The second fund, Global Performance 17 SCA FIAR, is used for pooled co-investments, which are Grouped into a single sub-fund for all investments for the period 2013-2017.

The deal-by-deal co-investments in Saham, Nippon Oil Pump, CSP Technologies, Allied Universal and Tsebo were liquidated following the disposals of these companies between 2018 and 2020. During fiscal year 2021, residual amounts of €0.4 million and €0.2 million respectively due in respect of the deal-by-deal co-investments in CSP Technologies and Allied Universal were paid to the co-investors, of which €38,595.22 was paid to Mr. David Darmon, a member of the Executive Board, in respect of CSP Technologies (Mr. Darmon had already divested from Allied Universal but received €18,092.45 during fiscal year 2021 related to a price adjustment). With regard to Tsebo, the co-investors suffered a loss of €0.3 million, including €25,919.00 for Mr. David Darmon, member of the Executive Board. The only co-investment in deal per deal still in force at the closing date is the one made in Constantia Flexibles.

With regard to pooled co-investments in these companies:

- the *pari passu* portion has been liquidated as part of the disposals; and
- the carried interest portion will be liquidated at the end of the program and based on all of the investments made in these companies.

2018-2021 program

In the absence of any investment made after April 2017, and on the occasion of the arrival of a new Chairman of the Executive Board on January 1, 2018, a new co-investment program was defined for investments made in new companies between 2018 and April 2021 (and for any subsequent reinvestments made by the Wendel Group in the companies concerned). The program is governed by the principles set out in the preamble to this Note and by the following special rules:

i) in the event of a liquidity event affecting one of the companies acquired during the period, 20% of the total amount co-invested gives entitlement to 2% of the capital gain generated on each of the investments for the period, provided that the return on investment is at least 8% (carried deal by deal);

ii) in the event of a liquidity event affecting the last of the companies acquired during the period, 80% of the total amount co-invested gives entitlement to 8% of the capital gain calculated on all investments made during the period, provided that Wendel's return, calculated on all these investments, is at least 7% (pooled carried);

iii) in the event of a liquidity event, the co-investors are also entitled, *pari passu* with Wendel, to the repayment of their contributions and, if the minimum return is not reached, their share of any capital gain;

iv) in the absence of an event giving rise to total liquidity, the co-investors have liquidity for the balance in three tranches of one-third each as at December 31, 2026, 2028 and 2030; at each maturity date, the valuation is carried out, if the investment is listed, on the basis of an average of the share price of its shares, and if not, on the basis of an independent appraisal;

v) as the co-investors freely agreed to participate in the 2018-2021 co-investment program in a certain proportion of total co-investments, they are required to invest at this level in all of the investments of the period with respect to the pooled portion (carried interest and *pari passu*); failing which, the co-investor concerned could lose all of his/her rights to the pooled capital gain for the non-invested portion and 20% of his/her previous investment, except for cases of force majeure where the co-investor will simply be diluted;

vi) co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis, without obligation;

vii) the rights of co-investors vest gradually over a minimum period of five years, in five tranches of 20% *per annum*, *i.e.* 20% on each anniversary of the investment; it being specified that (a) for the pooled carried interest rights, the term is calculated from the first investment of the period and (b) that the term is extended by one year if the co-investor leaves Wendel for a competitor company.

The Executive Board's share of co-investment in this program is 10.7% (4% for Mr. André François-Poncet and 6.7% for Mr. David Darmon). The breakdown of the Executive Board's co-investment is 90% pooled and 10% deal by deal.

In application of these principles, the members of the Executive Board have invested in a personal capacity alongside the Group and other Wendel managers in the company Crisis Prevention Institute (CPI) in December 2019 and November 2020.

In 2021, co-investors in the Group, which do not include Mr. André François-Poncet or Mr. David Darmon, had the opportunity to increase their exposure to the 2018-2021 Program by acquiring carried units for an amount of €0.7 million at the initial value of the investment in CPI (which was higher than the net asset value prior to the transaction).

The difference between the fair value of the managers' co-investments and their subscription price amounts to €3.6 million. In accordance with Group accounting principles, this amount is recognized in the income statement over the vesting period.

2021-2025 program

Upon renewal of the Executive Board for a further four-year term of office, a new co-investment program has been defined for investments made in new companies between April 2021 and April 2025 (and for later re-investments made by the Wendel Group in these companies).

This program is governed by the following principles, which were approved by the Company's Shareholders' Meeting on June 29, 2021 based on the special report of the Statutory Auditors on regulated related-party agreements:

i) the amount of the co-investment, *i.e.* the disbursements made by the co-investors from their own funds, stands at 0.6% of the amount invested;

ii) if a liquidity event (as defined in v) hereof) occurs affecting one of the companies initially acquired during the period, the co-investors are entitled to the repayment of their contributions *pari passu* with Wendel and (a) if the minimum return is reached, to the share of the capital gain referred to in iii) or iv) herebelow or (b) if that return is not achieved, their share of any capital gain *pari passu* with Wendel;

iii) if a liquidity event (as defined in v hereof) occurs affecting one of the companies initially acquired during the period, 50% of the co-invested amount gives entitlement to 5% of any capital gain realized (carried deal by deal), on the condition that the annual return on the investment is at least 8% until the fifth anniversary of the initial investment; past five years, the annual return is decreased by 0.75% per year for the next five years and then remains constant; in the event of an annual return greater than 15%, the capital gain rate is raised from 5% to 6%;

iv) if a liquidity event (as defined in v) hereof) occurs affecting the companies acquired during the period, 50% of the overall co-invested amount gives entitlement to 5% of any capital gain calculated on all of the companies initially acquired during the period (pooled carried interest), on the condition that the annual return calculated on all of these investments is at least 7% until the fifth anniversary of the initial investment in the program; past five years, the annual return is decreased by 0.75% per year for the next four years and then remains constant; in the event of an overall annual return greater than 15%, the capital gain rate is raised from 5% to 6%;

v) a liquidity event is defined as (a) a change in control, or divestment of more than 50% of the shares held by the Wendel Group of a company in the portfolio, giving rise to full liquidity on the basis of the transaction price, or (b) the IPO of the Company, which gives entitlement to liquidity proportional to the investment sold on the basis of the IPO price. Exceptionally, for the deal-by-deal portion of the co-investment, co-investors may opt for full liquidity;

vi) in the absence of a full liquidity event, liquidity for the remaining investment will be granted to co-investors in three, one-third tranches, at December 31, 2028, 2030 and 2032; this liquidity may be deferred from one tranche to another within certain limits; the valuation is calculated at each due date (a) if the issuer is listed, on the basis of the average market price of these securities and (b) if the issuer is not listed, on the basis of an independent expert appraisal;

vii) as the co-investors agreed to participate in the 2021-2024 co-investment program for a certain proportion of total co-investments, they are required to invest at this level in all of the investments of the period with respect to the pooled portion; failing which, the co-investor concerned may lose all of his/her rights to the pooled capital gain for the non-invested portion and 20% of his/her previous investment, except for cases of force majeure where the co-investor will simply be diluted;

viii) co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis, without obligation;

ix) the rights of co-investors vest gradually over a minimum period of five years, in five tranches of 20% *per annum*, *i.e.* 20% on each anniversary of the investment; it being specified that (a) for the pooled carried interest rights, the term is calculated from the first investment of the period and (b) that the term is extended by one year if the co-investor leaves Wendel for a competitor company.

The Executive Board's share of the investment was revised upward upon renewal of the term of the Executive Board, in accordance with a benchmark study performed by an external consultant. It is now 16%, *i.e.* 8% for each Executive Board member. The breakdown of the Executive Board's co-investment between the deal-by-deal portion and the pooled portion has also changed, and is carried out equally on this program.

In application of these principles, the co-investors have personally invested alongside the Group in Tarkett in July and December 2021 an amount of €0.9 million. In this context, André François-Poncet and David Darmon, Chairman and member of the Executive Board, have co-invested €107,884.40 each.

The difference between the fair value of the managers' co-investments and its subscription price amounts to €5.8 million In accordance with Group accounting principles, this amount is recognized in the income statement over the vesting period.

2021 unwinding

In 2021, for all the co-investment programs, the co-investors have received or have a right to receive a total amount of approximately €21.5 million distributed as follows:

- €20.7 million on co-investments unwound under the deal-by-deal portion (see above "2011-2012 program" and "2013-2017 Program");
- €0.8 million corresponding to the purchase price of co-investments not yet unwound belonging to co-investors who have left the Group.

Note 6-2 Participation of subsidiaries' managers in the performance of their companies

Various mechanisms exist in Wendel Group subsidiaries (Bureau Veritas, Constantia Flexibles, Stahl, CPI, IHS, and Tarkett) to allow senior managers to participate in the performance of each entity.

The policy of involving the management teams is based, depending on the case, on plans for the allocation of stock options and/or performance shares, or on co-investment systems whereby the managers of these various subsidiaries have co-invested significant amounts alongside Wendel. These investments present a risk for the co-investors/managers in that they run the risk of losing all or part of the significant sums they have invested, depending on the value of the investment at maturity.

These co-investment mechanisms are generally composed in part of a *pari passu* investment, which gives a return profile identical to that achieved by Wendel, and in part of a ratchet investment, which offers a gain profile differentiated according to performance criteria such as the Internal Rate of Return (IRR) or the multiple realized by Wendel on its investment. Accordingly, for this part, co-investor managers only receive a higher return than Wendel when Wendel has obtained a predefined return.

These co-investment mechanisms and the sharing of risk between Wendel and the manager co-investors are represented by a variety of financial instruments held by Wendel and the manager co-investors. These instruments include ordinary shares, index-based or preferential shares, fixed-rate bonds etc. The ratchet portions may also be structured as bonus systems linked to the relevant entity's performance, or to the profitability of the investment made in the entity.

These investments mature either when a liquidity event occurs (divestment or IPO) or, if no such event takes place, at a specific point in time (depending on the Company, between six and 12 years after the initial investment by Wendel).

Note 6-3 Impact of co-investment mechanisms for Wendel

As of December 31, 2021, the impact of these co-investment mechanisms would reduce Wendel's shareholdings in the investments concerned from 0% to 2%. This calculation is based on the value of the stakes calculated for the Group's Net Asset Value as of December 31, 2021.

NOTE 7 Financial risk management

Note 7-1 Equity market risk

Note 7-1.1 Value of investments

The Wendel Group's assets are mainly investments in which Wendel has control or significant influence. These assets are listed (Bureau Veritas, IHS and Tarkett) or unlisted (Constantia Flexibles, Cromology – sold in January 2022 post-closing, Stahl and CPI).

The value of these investments is based mainly on:

- their economic and financial performance;
- their prospects for business development and profitability;
- their ability to identify risks and opportunities in their environment; and
- changes in the equity markets, directly for listed companies and indirectly for unlisted companies, whose valuations are influenced by market parameters.

Beyond these market parameters, growth in Wendel's Net Asset Value (NAV, aggregate defined in the annual financial report) depends on its managers' capacity to select, buy, develop and then resell companies able to distinguish themselves as leaders in their sectors.

Wendel makes its decisions on the basis of its investment teams' expertise and in-depth strategic, accounting/financial, legal, tax, compliance and ESG (Environment, Social, Governance) analyses. These processes identify the operating, competitive, financial, legal and ESG opportunities and threats likely to have an impact on the value of an investment.

Wendel monitors and analyzes each company's operating and financial performance and the risks to which they are subject, alongside the managers of the companies, during regular in-depth Operational Review meetings or meetings of these companies' governance entities. In addition, knowledge sharing with the management team makes it possible to develop true sectoral expertise and thus to prepare an analysis of future prospects at regular intervals. This regular review also enables Wendel to better analyze developments in each investment and play its role of shareholder.

Wendel's company-specific approach is supplemented at the Group level through an overall analysis of the distribution of Wendel's subsidiaries' businesses and investments by economic activity, in order to ensure sufficient diversification, not only sectorally, but also from the point of view of their competitive positioning and of the resilience of the companies to a deterioration in the economic climate.

Nevertheless, there is a risk that the subsidiary's economic results will not meet Wendel's expectations.

Moreover, the financial structure and levels of debt of certain operating subsidiaries (CPI, IHS Tarkett) increase the risk to the value of these operating subsidiaries. While leverage makes high Internal Rates of Return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in economic activity or of an external event which is unfavorable for markets, by restricting the access of the companies in question to liquidity and by subjecting them to the risk that financial covenants will trigger accelerated maturity of their financial debt (see note 7-2 "Managing liquidity risk"). Moreover, the 2009 financial crisis has shown that banks' own difficulties (*e.g.* access to liquidity, prudential ratios) could make refinancing the debt of these companies more difficult. To prevent and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. An in-depth analysis of these sensitivities was carried out at the start of the Covid-19 crisis across the Group and these analyzes remain closely monitored. Moreover, Wendel and its subsidiaries are in close contact with the lenders of these companies, in order to more effectively manage the restrictions on these financing agreements.

The value of investments is therefore subject to the risk that their economic and financial performance and their development and profitability prospects may be affected by difficulties related to their organization, their financial structure, their exposure to currencies, their sector of activity, the global economic environment and/or risks as sudden and violent as a cyber-attack, a geopolitical crisis (see note 38-4 "Exposure to the war in Ukraine") or a global epidemic crisis. The value of investments is also subject to financial market risk and equity market risk in particular. However, Wendel is a long-term shareholder with no short-term demands on the value of its assets at a specific point in time, even though it monitors NAV trends very closely.

Note 7-1.2 Equity market risk

As of December 31, 2021, equity market risk related chiefly to:

- consolidated and equity-method shares, whose "recoverable values" used for impairment tests are based on market parameters, including, and depending on the case, the discount rate used in calculating "value in use" or the market price used in calculating "fair value" (see impairment tests in note 9 "Goodwill" and note 12 "Equity-method investments");
- the investment in IHS recorded in non-current financial assets at fair value, *i.e.* at the stock market price (see note 4 "Changes in scope of consolidation" and note 15 "Financial assets and liabilities"); changes in this value are recorded in other comprehensive income in accordance with Group accounting principles. At December 31, 2021, the value was €785 million, after a loss of €357 million recognized in other comprehensive income corresponding to the change in fair value between the date of the IPO, when the investment was reclassified as a financial asset, and the year-end. Excluding the change in the value of the US dollar (the company's quoted currency), a +/-5% change in the share price would lead to an impact of +/€-39 million in other comprehensive income;
- investments by Wendel Lab, whose total value was €136.6 million at December 31, 2021. They are recognized at fair value, with changes recognized through profit or loss; A +/-5% variation in their value would therefore result in an impact of approximately +/-€7 million in net financial expense (see note 15 "Financial assets and liabilities");
- minority buy-out commitments (minority puts) and liquidity commitments of co-investments granted by Wendel and its holding companies, which are recognized as financial liabilities. Their value is based on the fair value of the relevant investment, or, in other cases, determined by a contractual formula based on a fixed multiple of operating margin less net debt. As of December 31, 2021, the total of these financial liabilities was €315 million, including the minority put granted by Stahl on BASF's interest in that company (see note 15 "Financial assets and liabilities"). When the buy-out price is based on fair value, it is most often estimated using the calculation method used for net asset value (as described in the Group's annual financial report), *i.e.* the application of peer multiples to the operating margin of the relevant investments in order to estimate the enterprise value, allowing the value of equity to be calculated once debt has been deducted. In the event of a 5% increase in the operating margins of the stakes in question, the total amount of the minority buy-out commitments and liquidity commitments for the co-investments granted by Wendel and its holding companies and the buy-out commitment granted by Stahl to BASF would increase by around €23 million. This change would mainly be recognized in consolidated reserves. Other Group operating subsidiaries also granted minority puts (see note 15 "Financial assets and liabilities");
- the Wendel syndicated loan covenants, which are based on ratios of financial debt to the value of assets, are described in note 7-2.4 "Financing agreements and covenants of Wendel and its holding companies". At December 31, 2021, this facility was not drawn and Wendel was in compliance with these covenants; and
- the degree of financial leverage of Wendel and its holding companies (*i.e.* net debt/assets), a key indicator of the cost of bond and bank financing, which Wendel may seek to access. This indicator is also tracked by the Moody's and Standard & Poor's rating agencies, which Wendel has retained to rate its financial structure and bonds. Since the end of 2018, this ratio has been at a low level, enabling the Group to consider making new investments and dealing with the uncertainties related to the crisis caused by Covid-19 while maintaining a solid financial structure.

Note 7-2 Liquidity risk

Note 7-2.1 Liquidity risk of Wendel and the holding companies

Wendel's cash requirements relate to investments (including the commitments described in note 35 "Off-balance sheet commitments", in particular the minority put options and the commitments of Wendel Lab, as well as the commitment of investment in Acams signed in January 2022 after the closing date and described in note 38 "Post-balance sheet events"), debt servicing, overheads, treasury share buybacks and dividends paid. These needs are covered by cash and short-term financial investments, asset turnover, bank and bond financing, and dividends received from subsidiaries and associates.

As regards asset rotation, certain agreements, notably shareholder agreements, may temporarily limit Wendel's ability to dispose of certain of its assets; at December 31, 2021, the main asset subject to this type of constraint is the investment in IHS, which is subject to a lock-up clause following its initial public offering (see note 35-5 "Shareholder agreements and co-investment mechanisms"). An unfavorable environment for the equity market (public or private) or a minority shareholder position without shareholder agreement preventing the initiation of a sale or IPO process may also limit the Group's ability to sell the assets concerned.

Access to financing may be limited by the items described in the "Managing debt" section of this Note.

Lastly, operating subsidiary dividends may be limited by their operating and financial position (see note 7-2.2 “Liquidity risk of operating subsidiaries”) and by the documentation of their borrowings (see note 7-2.5 “Financial debt of operating subsidiaries, documentation and covenants”). In addition, a minority shareholder position does not make it possible to decide on a dividend without the agreement of the other shareholders.

1. Cash position and short-term financial investments

As of December 31, 2021, the cash and short-term financial investments of Wendel and its holding companies (excluding operating subsidiaries) amounted to €650 million and consisted mainly of €132.2 million in euro money market funds, €281.3 million in financial institution funds and €236.9 million in bank accounts and deposits denominated chiefly in euros.

2. Monitoring cash and short-term financial investments

Every month cash & equivalents (including short-term financial investments) and cash flow are displayed on a chart detailing the changes during the month and the month-end position. This chart is presented to the Executive Board on a monthly basis. It also details the various cash and short-term financial investment vehicles utilized, as well as counterparty information. Finally, another chart indicating the expected cash flows over the coming months and years is prepared on a regular basis and used to determine the maturity and amount of financing requirements according to different scenarios.

Cash investment vehicles consist of short-term bank deposits and low-volatility, money-market mutual funds (classified under “cash and cash equivalents”) and funds managed by financial institutions (classified under “other financial assets”). These investments are valued daily (or in some cases weekly). Amounts allocated to more volatile funds, potentially generating higher returns, represent an insignificant portion of cash and short-term financial investments. In choosing the various types of investments, Wendel takes into account the compatibility of their term with its debt repayment obligations and those of its holding companies.

3. Financial maturities and debt

In May 2021, Wendel issued a new bond of €300 million maturing in June 2031 with a coupon of 1%. The proceeds of this issue were used to repay the entire April 2023 bond of €300 million. These two transactions enabled Wendel to extend the average maturity of its bond debt. As of December 31, 2021, the nominal value of bond debts amounted to €1,600 million.

In January 2022 (post-closing), a new €300 million bond maturing in January 2034 with a coupon of 1.375% was issued. On the closing date, the bonds mature between October 2024 and January 2034, with an average maturity of six years.

Wendel also has an undrawn €750 million syndicated loan maturing in October 2024. Wendel was in compliance with its financial covenants as of December 31, 2021. In 2021, its margin level has been indexed by Wendel to the achievement of ESG targets; should these targets not be met there would be no impact on the availability of this line; however, if those targets were to be met, the margin would be reduced. This undrawn line of credit notably gives Wendel enough flexibility to take advantage of investment opportunities.

At the closing date for the consolidated financial statements, Wendel’s long-term rating from Standard & Poor’s was BBB “stable” outlook, and the short-term rating A-2. Similarly, Moody’s has assigned Wendel a rating of Baa2 “stable” outlook with a short-term rating of P-2.

4. Managing debt

To manage debt maturities, Wendel must find the necessary resources to cover the repayment of its financial obligations at their maturity. These resources can derive from available cash, asset rotation or new financing. This latter resource may be limited by:

- the availability of bank and bond lending sources, which has been restricted by financial market volatility, banks’ access to liquidity, and pressure from financial institution regulators;
- the level of financial leverage of Wendel and its holding companies (*i.e.* net debt/assets ratio), which is a key credit risk indicator tracked by Wendel’s lenders and by the financial rating agencies, which rate Wendel’s financial structure. Similarly, the syndicated loan is subject to financial covenants based primarily on the market value of Wendel’s assets and the amount of net debt (see note 7-2.4 “Description of the financing agreements and covenants of Wendel and its holding companies”). Leverage depends in particular on asset values and is therefore subject to equity market risk (see note 7-1 “Equity market risk”). It also depends on investments and divestments, which increase and decrease, respectively. It should be noted that in this regard, the Group has granted buyback commitments described in note 35-5 “Shareholder agreements and co-investment mechanisms”, the exercise of which would have similar effects on financial leverage to that of an investment; and
- a potential financial rating downgrade for Wendel from the financial rating agencies.

To manage refinancing risk, Wendel seeks to align the maturities of its bond and bank financing with its long-term investor outlook. Wendel therefore secures medium to long-term financing and extends existing maturities when market conditions allow and when Wendel management deems it necessary to do so. Investment decisions are made taking into account their impact on the financial leverage (net debt-to-asset ratio).

Note 7-2.2 Liquidity risk of operating subsidiaries

1. Managing the liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

Cash and debt levels of the operating subsidiaries are reported regularly to Wendel. Forecasts of bank covenant compliance for the coming year and over the lifetime of the business plan are prepared annually and any time an event occurs that could have a material impact on the covenants. These forecasts and calculations of covenant compliance are reviewed regularly by Wendel.

2. Management of the liquidity risk of Wendel's operating subsidiaries

The financial debts of the operating subsidiaries are without recourse to Wendel. Thus, the liquidity risk of these subsidiaries only affects Wendel when Wendel decides or accepts it. Wendel has no legal obligation to support operating subsidiaries experiencing cash flow difficulties. Similarly, subsidiaries are not bound by any mutual support undertakings. As a result, Wendel's liquidity would only be affected if it decided to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries and new investments.

In the context of the economic crisis triggered by Covid-19, Wendel and its operating subsidiaries have examined their liquidity position and any constraints connected to their financial covenants. As of the closing date of the 2021 financial statements, Wendel does not expect to re-invest in its subsidiaries to provide them with financial support.

Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity *via* the amount of dividends they pay to Wendel. Accordingly, Bureau Veritas did not pay a dividend in 2020 given the context of the Covid-19 crisis. The amount paid by this company in July 2021 was €0.36 per share and the amount proposed for approval by the Shareholders' Meeting in June 2022 is €0.53 compared to €0.56 per share in 2019 before the Covid-19 crisis. Similarly, changes in the economic and financial position of investments have an impact on their value; however, this value is taken into account in calculating Wendel's financial leverage (see note 7-1.2 "Equity market risk").

Note 7-2.3 Wendel's liquidity outlook

Wendel's next significant financial deadline is the €500 million bond, due to be redeemed in October 2024. Wendel's liquidity risk over the 12 months following the reporting date is therefore low given its high level of cash and short-term financial investments and its €750 million fully-undrawn syndicated credit line.

Note 7-2.4 Financing agreements and covenants of Wendel and its holding companies

1. Bonds issued by Wendel – Documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

2. Wendel's syndicated loan – documentation and covenants (undrawn as of December 31, 2021)

The syndicated loan has financial covenants associated with it, based primarily on the market value of Wendel's assets and on the amount of its net debt.

Wendel's net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions. The net debt taken into account corresponds to Wendel bonds and the syndicated loan, when drawn, reduced by cash.

Net debt of the Group subsidiaries is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and the financial holding companies compared to the gross revalued value of assets after unrealized taxes (excluding cash) must not exceed 50%; and
- the ratio of:
  - the unsecured gross debt of Wendel and its financial holding companies plus their off-balance-sheet commitments that are akin to unsecured debt, less their available cash (not pledged or in escrow), to
  - the amount of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow);

  must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated loan line. As of December 31, 2021 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

Note 7-2.5 Financial debt of operating subsidiaries – Documentation and covenants

1. Bureau Veritas' financial debt

This debt is without recourse to Wendel.

As of December 31, 2021, Bureau Veritas' gross financial debt amounted to €2,474.1 million (excluding financial liabilities related to the application of IFRS 16) and its cash balance to €1,420.7 million. At the end of 2021, Bureau Veritas also had a confirmed undrawn credit line of €600 million.

Certain financing of the Bureau Veritas Group is subject to compliance with contractually defined ratios applicable to the test periods of December 31 and June 30.

In June 2020, Bureau Veritas had obtained a waiver from its banking partners and US Private Placement investors for the relaxation of these banking ratios for the June 30, 2020, December 31, 2020 and June 30, 2021 tests. In May 2021, Bureau Veritas withdrew early from the amendment negotiated with US Private Placement investors to revert to the initial bank ratios.

As of December 31, 2021, all these commitments were met. These commitments can be summarized as follows:

- the first ratio is defined as the ratio of the adjusted net financial debt and the adjusted consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions) for the last 12 months of any acquired entity, and must be less than 3.5. As of December 31, 2021, this ratio was 1.10; and
- the second ratio represents the consolidated EBITDA (earnings before interest, taxes, depreciation, amortization and provisions) adjusted for the last 12 months of any acquired entity for net financial expenses, and must be greater than 5.5. As of December 31, 2021, this ratio was 16.33.

2. Constantia Flexibles' financial debt

This debt is without recourse to Wendel.

At December 31, 2021, the nominal amount of Constantia Flexibles' gross financial debt was €705.3 million (including accrued interest and excluding issuance costs and financial liabilities related to the application of IFRS 16), and its cash balance at €204.7 million (to this cash is added €137.5 million in deposits given as collateral to certain lenders and which are classified as financial assets).

At the end of 2021, Constantia Flexibles had a revolving credit facility of €125 million maturing in October 2022, it was undrawn and available. This loan was subject to the following financial covenant: the ratio of net financial debt to EBITDA over the last 12 months had to be less than 3.75 (this threshold could be temporarily raised to 4.5 in the event of acquisitions). This covenant was met at the end of 2021 with a ratio of 1.8.

The revolving credit facility mentioned above was refinanced in February 2022 (post-closing). The new loan amounts to €200 million with a maturity in February 2027. Its financial covenant only applies in the event of a drawdown: the ratio of net financial debt to EBITDA over the last twelve months must then be less than 4.00 (this threshold may be temporarily increased to 4.50 following acquisitions).

As of December 31, 2021, deconsolidating factoring amounted to €143.3 million.

The documentation related to Constantia Flexibles' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders. The loan agreements also provide for cross-default clauses between Constantia Flexibles' borrowings above a certain threshold.

3. Stahl's financial debt

This debt is without recourse to Wendel.

As of December 31, 2021, Stahl's gross bank debt was €388.7 million (including accrued interest, and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was €227.5 million. The revolving credit facility of €27.0 million is undrawn and available.

The ratio of consolidated net debt to LTM EBITDA (gross operating income over the past 12 months) must be less than or equal to 3.5 at December 31, 2021. This covenant has been met, with a ratio of 0.80 at the end of 2021.

The documentation related to Stahl's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

4. CPI's financial debt

This debt is without recourse to Wendel.

As December 31, 2021, the nominal amount of CPI's gross financial debt was $326.2 million (including accrued interest and excluding issue costs and financial liabilities related to the application of IFRS 16). Its cash balance was $7.6 million. CPI has repaid $20 million of revolving credit in 2021, and only $3 million remains drawn on a total of $30 million.

As of December 31, 2021, the ratio of net financial debt to recurring EBITDA for the last 12 months (defined according to the banking contract) was 6.00. This is lower than the maximum leverage of 10.50 required by the lenders (the maximum limit will be gradually reduced to 8 in December 2025).

The documentation related to CPI's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, dissolutions, asset divestments, granting col lateral, acquisitions, additional debt, payment of dividends, share buybacks or changes in ownership structure are prohibited, restricted or require prior approval of the lenders.

Note 7-3 Interest rate risk

As of December 31, 2021, the exposure of the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.1		1.4
Cash and short-term financial investments	-0.3		-2.2
Impact of derivatives	0.2	0.4	-0.6
INTEREST-RATE EXPOSURE	**4.0**	**0.4**	**-1.4**
	134%	13%	-46%

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2021 during which they will hedge interest rate risk.

A +100 basis point change in the interest rates on which the interest rate exposure of the consolidated Group is indexed would have an impact of around €+15.5 million on net finance income before tax over the 12 months after December 31, 2021, based on net financial debt as of December 31, 2021, interest rates on that date, and the maturities of existing interest rate hedging derivatives. This positive impact on a rate increase is the effect of a very significant Group cash position (exposed to floating rates) and a number of financing measures incorporating floor rates that make them insensitive to part of the rate increase.

Note 7-4 Credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk and the receivables for which a risk of non-payment exists are subject to write-down. As of the closing date, owing to the Group's geographical and sector diversification, there was no significant concentration of credit risk in trade receivables.

The cash and financial investments of Wendel SE and its holding companies are placed essentially with top-ranking financial institutions. Given the total amount of cash and short-term financial investments held as of December 31, 2021, significant amounts may be invested with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 7-5 Currency risk

Note 7-5.1 Wendel

Most of Group investments operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, notably the US dollar. As of December 31, 2021, the operating subsidiaries with the greatest exposure to the US dollar or whose reporting currency is the US dollar are Bureau Veritas, Constantia Flexibles, CPI and Stahl.

At the beginning of March 2021, the €800 million eurodollar cross currency swap hedge was unwound and Wendel received €39.5 million. The amounts accumulated in hedging reserves since the inception of this instrument will be recycled to the income statement when the hedged assets are disposed of.

Note 7-5.2 Bureau Veritas

Due to the international nature of its activities, the Bureau Veritas Group is exposed to currency risk arising from the use of several foreign currencies even though natural hedges may exist due to the fact that many of the entities where services are supplied locally have corresponding costs and revenues.

Currency risk from operations

For Bureau Veritas activities in local markets, costs and revenues are mainly expressed in local currency. For activities related to global markets, a portion of revenue is denominated in US dollars.

The share of US dollar-denominated consolidated revenue in 2021 in countries with a functional currency other than the US dollar or currencies correlated to the US dollar was 7%.

Accordingly, a 1% variation in the value of the US dollar against all currencies would have an impact of 0.07% on Bureau Veritas' consolidated revenue.

Conversion risk

Since the presentation currency of the financial statements is the euro, Bureau Veritas must convert into euros the income and expenses in currencies other than the euro when preparing the financial statements. This conversion is carried out at the average rate for the period. As a result, changes in the exchange rate of the euro against other currencies affect the amount of the items concerned in the consolidated financial statements, even if their value remains unchanged in their original currency.

In 2021, over 70% of the Group's revenue was the result of the consolidation of the financial statements of entities with a functional currency other than the euro:

- 17.4% of revenue come from entities whose functional currency is the US dollar or a correlated currency (including the Hong Kong dollar);
- 12.6% of revenue comes from entities where the functional currency is the Chinese yuan renminbi;
- 4.4% of revenue comes from entities where the functional currency is the Australian dollar;
- 3.9% of revenue comes from entities where the functional currency is the Canadian dollar;
- 3.5% of revenue come from entities where the functional currency is the pound sterling;
- 2.5% of revenue comes from entities where the functional currency is the Brazilian real.

No other currency represents more than 4% of revenue.

Accordingly, a 1% fluctuation of the euro against the US dollar and the currencies correlated to it would have had an impact of 0.174% on Bureau Veritas' 2021 consolidated revenue. The impact on operating income for 2021 would be 0.160%.

Note 7-5.3 Constantia Flexibles

In 2021, 35% of Constantia Flexibles' revenue was generated in currencies other than the euro, including 11% in US dollars. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-1.2% on Constantia Flexibles' operating income before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), *i.e.* an impact in the order of +/-€2.3 million.

Note 7-5.4 Stahl

In 2021, 57% of Stahl's revenue is in currencies other than the euro, including 32% in US dollars, 13% in Chinese yuan, 5% in Indian rupees and 3% in Brazilian reals. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-5% on Stahl's 2021 operating income before impairment and amortization (excluding goodwill allocation and non-recurring expenses), or +/-€8 million.

In addition, Stahl has financial debt of €389 million, the majority of which is denominated in US dollars ($434 million, or €384.6 million) and carried by a company with the euro as its functional currency. Therefore, a +/-5% fluctuation in the US dollar's value against the euro would result in the recognition of a currency impact of about +/-€19 million in net finance income/expenses.

Note 7-5.5 CPI

CPI operates chiefly in the United States and its functional currency is US dollars. In 2021, 20% of CPI's revenue was generated in currencies other than the US dollar, including 9% in Canadian dollars, 7% in sterling, 2% in euros, and 2% in Australian dollars. A +/-5% change in the value of these currencies against the US dollar would have had an impact of around +/-1.3% on EBITDA for the period (excluding goodwill allocation and non-recurring expenses), *i.e.* an impact of +/-€0.6 million. In addition, a change of this kind in the value of the dollar against the euro would have an impact in the order of +/-€1.7 million on the EBITDA generated by this investment, expressed in euros in Wendel's consolidated accounts.

Note 7-6 Commodity risk

The Group investments most exposed to the risk of changes in commodity prices are Stahl and Constantia Flexibles.

Stahl's raw material purchases represented approximately €420 million in 2021, reflecting a 20% increase in raw material and packaging costs (adjusted for the volume effect). A 10% increase in the price of the commodities used by Stahl would have led to a theoretical increase in the cost of these raw materials of around €42 million on a full-year basis. In addition, the increase in ocean freight costs had an impact on the Group of €7 million. The volatility of raw material prices and the continued increase in ocean freight costs have led Stahl to raise its selling prices in 2021. Stahl nevertheless considers that, circumstances permitting, continuing a short-term increase in the sales price of its products would offset the overall effect of such raw material price increases.

Constantia Flexibles purchased around €962 million of commodities in 2021. A 10% increase in the price of the raw materials used by Constantia Flexibles would have led to a theoretical increase in the cost of these raw materials of around €96 million on a full-year basis. Constantia Flexibles has a policy of protecting itself against fluctuations in aluminum prices through hedging contracts. In 2021, raw material prices increased significantly, which the Group believes it has offset by the increase in sales prices.

NOTE 8 Segment information

The business sectors correspond to the shareholdings:

- Bureau Veritas – certification and verification;
- Constantia Flexibles – flexible packaging;
- Cromology – paint manufacturing and distribution reclassified under IFRS 5 "Operations held for sale" (see note 4 "Changes in scope of consolidation");
- Stahl – high-performance coatings and leather-finishing products;
- Crisis Prevention Institute (CPI) – Training services;
- IHS – equity method and deconsolidated in 2021 (see note 4 "Changes in scope of consolidation") – mobile telecommunications infrastructures in Africa, Middle East and Latin America; and
- Tarkett – equity method – flooring and sports surfaces.

The analysis of the income statement by business sector is split between net income from operations, non-recurring items and effects related to goodwill.

In accordance with the recommendations of the various accounting standard setters, the costs incurred by the pandemic have not been specifically restated in the income statement and are presented in operating income from ordinary activities.

Net income from operations

Net income from operating segments is the Group's "recurring" income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, as defined below:

- income from equity investments is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Constantia Flexibles, Cromology, Stahl and CPI) and Wendel's share in the net income of equity investments recognized using the equity method (IHS for a part of the period and Tarkett) before non-recurring items and effects related to goodwill allocations;
- the net income of holding companies incorporates the general and administrative expenses of Wendel and its holding companies, the cost of the net debt put in place to finance Wendel and its holding companies, and the tax expense and income connected with these items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

"Non-recurring income" includes, for the entire scope of consolidation, the net after-tax amounts not linked to the operating or ordinary activities of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- restructuring costs considered exceptional;
- exceptional legal disputes, notably those that are not linked to operating activities;
- changes in "fair value";
- impairment losses on assets, and in particular on the value of goodwill;
- currency impact on financial liabilities;
- financial restructuring expenses and the income and expenses related to extinguishing debt; and
- any other significant item unconnected with the Group's recurring operations.

Impact of goodwill allocation

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of the acquisition (or from changes in allocation within 12 months of the transaction). The affected items are primarily:

- inventories and work-in-progress;
- property, plant & equipment;
- intangible assets, including brands and contracts; and
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (because the accounting entries relate to the companies' acquisition prices and not their business activities).

Note 8-1 Income statement by business segment for 2021

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	CPI	Equity associates		Wendel & holding companies	Total Group
						IHS	Tarkett		
Net income from operations									
Net sales	**4,981.1**	**1,603.4**	**-**	**831.3**	**88.2**				**7,503.9**
EBITDA[(1)]	**N/A**	**201.0**	**-**	**179.9**	**43.6**				
Adjusted operating income[(1)]	**801.8**	**82.1**	**-**	**153.2**	**35.7**				**1,072.8**
Other recurring operating items		2.0	-	1.5	0.4				
Operating income	**801.8**	**84.1**	**-**	**154.7**	**36.1**			**-73.8**	**1,002.9**
Finance costs, net	-73.6	-14.0	-	-14.6	-24.4			-33.7	-160.4
Other financial income and expenses	0.4	-1.7	-	14.3	-0.2			-3.9	8.9
Tax expense	-219.3	-17.5	-	-40.4	-3.8			-	-281.0
Share in net income of equity-method investments	-	-	-	-	-	27.7	3.0	-	30.7
Net income from discontinued operations and operations held for sale	-	-	52.4	-	-			-	52.4
RECURRING NET INCOME FROM OPERATIONS	**509.2**	**50.9**	**52.4**	**113.9**	**7.8**	**27.7**	**3.0**	**-111.3**	**653.7**
Recurring net income from operations – Non-controlling interests	337.9	20.2	2.7	36.5	0.3	-	-	-	397.5
RECURRING NET INCOME FROM OPERATIONS – GROUP SHARE	**171.4**	**30.8**	**49.7**	**77.4**	**7.5**	**27.7**	**3.0**	**-111.3**	**256.2**
Non-recurring income									
Operating income	-83.0	-50.7	-	-23.2	-18.4			-18.0[(2)]	-193.2
Net financial expense	-	-2.5	-	-30.6[(5)]	-			24.5[(3)]	-8.6
Tax expense	20.0	12.9	-	13.7	6.0			-	52.6
Share in net income of equity-method investments	-	-	-	-	-	-18.8	-5.9	913.5[(4)]	888.9
Net income from discontinued operations and operations held for sale	-	-	-17.5	0.6	-			-	-16.9
NON-RECURRING NET INCOME	**-63.0**	**-40.3**	**-17.5**	**-39.5**	**-12.3**	**-18.8**	**-5.9**	**920.0**	**722.6**
of which:									
▪ Nonrecurring items	-12.0	-8.6	-17.5	-24.2	-0.1	-10.9	-0.5	920.0	846.3
▪ Impact of goodwill allocation	-47.3	-31.0	-	-15.3	-12.3	-	-5.4	-	-111.2
▪ Asset impairment	-3.8	-0.7	-	-	-	-7.9	-	-	-12.4
Non-recurring net income – non-controlling interests	-41.7	-15.8	-0.9	-12.7	-0.5		-	3.5	-68.0
NON-RECURRING NET INCOME – GROUP SHARE	**-21.3**	**-24.5**	**-16.6**	**-26.9**	**-11.9**	**-18.8**	**-5.9**	**916.4**	**790.6**
CONSOLIDATED NET INCOME	**446.2**	**10.6**	**34.9**	**74.4**	**-4.6**	**8.9**	**-2.9**	**808.8**	**1,376.4**
Consolidated net income – non-controlling interests	296.1	4.4	1.8	23.8	-0.2	-	-	3.5	329.5
CONSOLIDATED NET INCOME – GROUP SHARE	**150.1**	**6.3**	**33.1**	**50.6**	**-4.4**	**8.9**	**-2.9**	**805.2**	**1,046.9**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This item includes the impact of liquidity linked to IHS co-investment mechanisms for an amount of €-8.8 million (see note 6 "Participation of managers in Group investments").
(3) This item includes the impact of the positive change in fair value and the disposal of Wendel Lab's financial assets net of tax for €44.5 million. It also includes the early redemption premium of the 2023 bond for €-8 million (see paragraph "Financial maturities and debt" in note 7-2.1 "Liquidity risk of Wendel and its holding companies") as well as the change in fair value related to foreign exchange hedges implemented by Wendel for €-6 million (see note 7-5.1 "Currency risk – Wendel").
(4) This item includes the impact of the deconsolidation result of IHS (see note 4 "Changes in scope of consolidation").
(5) This item includes the foreign exchange impact for the period of €-32 million.

Note 8-2 Income statement by business segment for 2020

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	Tsebo	CPI	Equity associates IHS	Wendel & holding companies	Total Group
Net income from operations									
Net sales	**4,601.0**	**1,505.3**		**669.4**	**-**	**56.0**			**6,831.7**
EBITDA[(1)]	**N/A**	**183.3**		**152.3**	**-**	**22.9**			
Adjusted operating income[(1)]	**615.0**	**79.4**		**124.4**	**-1.4**	**15.8**			**833.2**
Other recurring operating items		2.0		1.5	0.7	0.4			
Operating income	**615.0**	**81.4**		**125.9**	**-0.7**	**16.2**		**-63.7**	**774.1**
Finance costs, net	-105.6	-16.9		-18.2	-	-25.7		-33.5	-199.9
Other financial income and expenses	-32.2	-3.6		-1.5	-0.7	-0.5		-15.9	-54.4
Tax expense	-174.7	-11.4		-27.9	-	7.4		-1.1	-207.7
Share in net income of equity-method investments	0.1	-		-	-	-	-5.3	-	-5.2
Net income from discontinued operations and operations held for sale	-	-	15.6	-	-6.2	-		-	9.4
RECURRING NET INCOME FROM OPERATIONS	**302.8**	**49.5**	**15.6**	**78.3**	**-7.6**	**-2.6**	**-5.3**	**-114.2**	**316.4**
Recurring net income from operations – non-controlling interests	200.7	18.3	0.7	25.1	-5.5	-0.1	-	-0.1	239.2
RECURRING NET INCOME FROM OPERATIONS – GROUP SHARE	**102.1**	**31.2**	**14.9**	**53.2**	**-2.1**	**-2.5**	**-5.3**	**-114.2**	**77.3**
Non-recurring income									
Operating income	-207.7	-126.0		-23.6	-	-135.1		-18.6[(2)]	-511.1
Net financial expense	-	-2.6		26.7[(4)]	-	-		8.6[(3)]	32.7
Tax expense	43.9	23.7		-0.5	-	24.6		-	91.7
Share in net income of equity-method investments	-	-0.1		-	-	-	-58.0[(5)]	-	-58.1
Net income from discontinued operations and operations held for sale	-	-	-7.6	1.0	-95.1	-		-1.0	-102.6
NON-RECURRING NET INCOME	**-163.8**	**-105.0**	**-7.6**	**3.6**	**-95.1**	**-110.5**	**-58.0**	**-11.1**	**-547.4**
of which:									
▪ Nonrecurring items	-33.2	-21.6	-7.6	19.1	-	-1.7	-52.8	-11.1	-108.9
▪ Impact of goodwill allocation	-104.0	-29.6		-15.5	-	-21.4		-	-170.6
▪ Asset impairment	-26.6	-53.9		-	-95.1	-87.3	-5.2	-	-268.0
Non-recurring net income – non-controlling interests	-106.6	-40.6	-0.4	1.2	-55.2	-4.3	-0.2	-	-206.1
NON-RECURRING NET INCOME – GROUP SHARE	**-57.2**	**-64.5**	**-7.2**	**2.5**	**-39.9**	**-106.1**	**-57.9**	**-11.1**	**-341.4**
CONSOLIDATED NET INCOME	**138.9**	**-55.5**	**8.0**	**81.9**	**-102.7**	**-113.0**	**-63.3**	**-125.3**	**-231.0**
Consolidated net income – non-controlling interests	94.1	-22.3	0.4	26.3	-60.7	-4.4	-0.2	-0.1	33.1
CONSOLIDATED NET INCOME – GROUP SHARE	**44.8**	**-33.2**	**7.7**	**55.6**	**-42.0**	**-108.6**	**-63.1**	**-125.2**	**-264.1**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This item included the net proceeds from the unwinding of the guarantee relating to the financing of an investor in Tsebo and the impact of cash linked to co-investment mechanisms in the amount of €-20 million.
(3) This item included the foreign exchange impact for the period for €+3.2 million and the change in the fair value of Wendel Lab's financial assets for €+3.1 million.
(4) This item included the foreign exchange impact for the period of €+31.9 million.
(5) This item included the exchange rate impact for the period of €-71.4 million and the fair value of derivatives for €+20.4 million.

Note 8-3 Balance sheet by operating segment as of December 31, 2021

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	CPI	Tarkett	Wendel & holding companies	Total Group
Goodwill, net	2,451.1	483.5	-	131.5	444.5	-	-	3,510.6
Intangible assets, net	600.0	429.0	-	217.6	289.2	-	0.6	1,536.4
Property, plant & equipment, net	364.3	592.6	-	124.2	2.9	-	8.4	1,092.4
Property, plant and equipment under operating leases	376.3	34.7	-	13.0	3.1	-	0.9	428.0
Non-current financial assets	106.6	146.2	-	2.1	0.2	-	929.8	1,184.8
Pledged cash and cash equivalents	-	-	-	-	-	-	0.5	0.5
Equity-method investments	0.8	-	-	-	-	215.0	-	215.8
Deferred tax assets	128.5	21.4	-	17.6	-	-	-	167.5
Non-current assets	**4,027.6**	**1,707.4**	**-**	**506.0**	**739.9**	**215.0**	**940.1**	**8,136.0**
Assets and operations held for sale	**-**	**3.3**	**828.4**	**2.3**	**-**	**-**	**-**	**834.0**
Inventories	57.6	277.3	-	144.9	0.9	-	-	480.7
Trade receivables	1,194.6	160.6	-	154.4	9.9	-	0.1	1,519.5
Contract assets (net)	307.9	-	-	-	-	-	-	307.9
Other current assets	251.9	30.2	-	18.9	1.3	-	3.4	305.7
Current income tax assets	33.3	13.5	-	4.8	1.0	-	0.2	52.8
Other current financial assets	28.3	3.9	-	0.2	-	-	282.2	314.6
Cash and cash equivalents	1,420.7	204.7	-	227.5	6.7	-	372.2	2,231.8
Current assets	3,294.4	690.2	-	550.6	19.8	-	658.1	5,213.1
TOTAL ASSETS								**14,183.1**
Shareholders' equity – Group share								2,601.4
Non-controlling interests								1,587.5
Total shareholders' equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,188.9**
Provisions	266.1	67.8	-	25.1	-	-	13.8	372.7
Financial debt	2,362.0	685.8	-	340.5	278.6	-	1,595.0	5,261.8
Operating lease liabilities	307.5	29.7	-	12.7	2.7	-	1.0	353.6
Other non-current financial liabilities	126.3	26.4	-	-	28.0	-	184.1	364.7
Deferred tax liabilities	138.8	120.6	-	32.6	50.9	-	4.0	346.8
Total non-current liabilities	**3,200.6**	**930.2**	**-**	**410.8**	**360.1**	**-**	**1,797.9**	**6,699.6**
Liabilities held for sale	**-**	**-**	**491.4**	**0.1**	**-**	**-**	**-**	**491.6**
Provisions	-	4.1	-	0.6	0.3	-	-	5.1
Financial debt	112.1	18.5	-	46.9	4.5	-	19.4	201.3
Operating lease liabilities	107.6	7.4	-	2.2	0.9	-	-	118.2
Other current financial liabilities	75.6	3.8	-	142.2	-	-	2.2	223.8
Trade payables	532.3	357.4	-	94.7	2.0	-	25.7	1,012.1
Contract liabilities (net)	24.9	8.8	-	-	-	-	-	33.6
Other current liabilities	941.8	68.1	-	53.4	6.6	-	20.5	1,090.2
Current income tax assets	101.8	12.6	-	4.5	0.1	-	-	119.0
Total current liabilities	**1,896.0**	**480.6**	**-**	**344.5**	**14.3**	**-**	**67.7**	**2,803.2**
TOTAL EQUITY AND LIABILITIES								**14,183.1**

Note 8-4 Balance sheet by operating segment as of December 31, 2020

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	CPI	IHS	Wendel & holding companies	Total Group
Goodwill, net	2,314.9	458.8	177.0	127.7	410.3	-	-	3,488.6
Intangible assets, net	624.8	383.0	169.7	229.0	284.8	-	0.9	1,692.3
Property, plant & equipment, net	348.8	564.4	59.5	124.0	2.7	-	9.6	1,109.0
Property, plant and equipment under operating leases	375.7	28.6	106.7	14.3	3.6	-	1.6	530.5
Non-current financial assets	104.8	69.7	8.6	3.3	0.2	-	134.2	320.8
Pledged cash and cash equivalents	-	-	-	-	-	-	0.4	0.4
Equity-method investments	0.9	0.2	0.1	-	-	224.1	-	225.2
Deferred tax assets	136.7	22.4	29.1	18.5	-	-	-	206.6
Non-current assets	**3,906.5**	**1,527.2**	**550.7**	**516.8**	**701.5**	**224.1**	**146.7**	**7,573.4**
Assets and operations held for sale	**-**	**-**	**-**	**8.3**	**-**	**-**	**-**	**8.3**
Inventories	41.8	211.3	68.9	93.9	0.6	-	-	416.4
Trade receivables	1,055.2	123.3	48.7	142.6	5.4	-	0.2	1,375.3
Contract assets (net)	232.1	-	-	-	-	-	-	232.1
Other current assets	235.7	29.9	43.0	13.1	1.3	-	4.6	327.5
Current income tax assets	46.1	8.7	-	1.9	2.4	-	1.9	61.0
Other current financial assets	23.7	7.4	-	0.1	-	-	280.7	311.9
Cash and cash equivalents	1,594.5	164.5	168.0	163.7	10.7	-	798.9	2,900.3
Current assets	**3,229.1**	**545.1**	**328.5**	**415.3**	**20.3**	**-**	**1,086.3**	**5,624.6**
TOTAL ASSETS								**13,206.3**
Shareholders' equity – Group share								2,003.7
Non-controlling interests								1,283.8
Total shareholders' equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,287.5**
Provisions	290.2	70.9	46.1	29.8	-	-	16.5	453.4
Financial debt	2,376.2	539.0	187.1	357.8	256.1	-	1,596.7	5,312.9
Operating lease liabilities	320.4	25.0	84.5	13.8	3.0	-	1.6	448.4
Other non-current financial liabilities	91.4	10.8	-	-	18.8	-	162.9	283.9
Deferred tax liabilities	135.4	114.4	53.3	37.4	56.0	-	0.1	396.7
Total non-current liabilities	**3,213.6**	**760.1**	**371.0**	**438.9**	**333.9**	**-**	**1,777.8**	**6,895.3**
Liabilities held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions	-	3.4	2.4	0.1	0.2	-	-	6.1
Financial debt	550.5	13.3	3.2	32.2	20.6	-	27.1	646.8
Operating lease liabilities	99.3	6.1	25.8	2.3	0.9	-	-	134.4
Other current financial liabilities	57.6	2.0	-	105.2	-	-	14.7	179.5
Trade payables	453.2	230.8	97.6	72.5	1.4	-	6.5	862.0
Contract liabilities (net)	18.3	9.3	-	-	-	-	-	27.6
Other current liabilities	813.0	69.0	85.3	36.4	2.4	-	19.4	1,025.5
Current income tax assets	125.8	8.2	-	7.6	-	-	-	141.6
Total current liabilities	**2,117.7**	**342.0**	**214.4**	**256.3**	**25.5**	**-**	**67.8**	**3,023.6**
TOTAL EQUITY AND LIABILITIES								**13,206.3**

Note 8-5 Cash flow statement by business segment for 2021

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	CPI	Wendel & holding companies	Total Group
Net cash flows from operating activities, excluding tax	993.8	223.4	58.5	162.2	44.2	-58.3	1,423.7
Net cash flows from investing activities, excluding tax	-171.6	-212.1	-91.0	-14.0	-1.0	-261.4	-751.0
Net cash flows from financing activities, excluding tax	-799.2	43.5	-131.6	-49.1	-43.0	-109.5	-1,089.0
Net cash flows related to taxes	-207.9	-16.2	-4.0	-37.0	-4.8	2.0	-267.8

Note 8-6 Cash flow statement by business segment for 2020

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	Tsebo	CPI	Wendel & holding companies	Total Group
Net cash flows from operating activities, excluding tax	975.6	173.5	146.5	138.7	-	26.6	-62.2	1,398.6
Net cash flows from investing activities, excluding tax	-99.7	-95.8	-12.5	-19.4	-26.5	-0.9	234.4	-20.2
Net cash flows from financing activities, excluding tax	-558.8	-2.8	-46.3	-83.6	-	-15.7	-172.0	-879.1
Net cash flows related to taxes	-171.2	-9.6	-6.9	-9.7	-	-1.6	-3.1	-202.2

6.8 Notes on the balance sheet

The accounting principles applied to the aggregates on the balance sheet are described in note 1-9.1 "Presentation of the balance sheet".

NOTE 9 Goodwill

The accounting principles applied to goodwill are described in note 1-8.1 "Goodwill".

	12/31/2021		
In millions of euros	Gross amount	Impairment	Net amount
Bureau Veritas	2,595.6	-144.5	2,451.1
Constantia Flexibles	492.6	-9.1	483.5
Stahl	131.5	-	131.5
CPI	469.2	-24.7	444.5
TOTAL	**3,688.8**	**-178.3**	**3,510.6**

	12/31/2020		
In millions of euros	Gross amount	Impairment	Net amount
Bureau Veritas	2,457.9	-143.0	2,314.9
Constantia Flexibles	467.4	-8.5	458.8
Cromology	403.9	-227.0	177.0
Stahl	127.7	-	127.7
CPI	433.1	-22.8	410.3
TOTAL	**3,890.0**	**-401.3**	**3,488.6**

The principal changes during the year were as follows:

In millions of euros	2021	2020
Net amount at beginning of period	3,488.6	4,112.0
Changes in scope(1)	56.7	1.4
Reclassification under "Operations held for sale"(2)	-177.1	-97.6
Impact of changes in currency translation adjustments and other	142.3	-187.7
Goodwill allocation of CPI	-	-306.3
Impairment for the period	-	-33.2
NET AMOUNT AT END OF PERIOD	**3,510.6**	**3,488.6**

(1) This item includes goodwill generated by the acquisitions of Bureau Veritas and Constantia Flexibles (see note 4 "Changes in scope of consolidation").
(2) In 2021, Cromology's contribution was recognized in "Assets and operations held for sale", see note 19 "Discontinued operations or operations held for sale".

Note 9-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each CGU (Cash Generating Unit) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year on December 31 (see the Accounting principles section, Note 1-8.1 “Goodwill”). The Group’s CGUs are fully consolidated investments at December 31, 2021: Bureau Veritas, Constantia Flexibles, Stahl and CPI.

The tests described below are based on Wendel’s assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date on which the financial statements were finalized on the positions existing at December 31, 2021. Forecasts are inherently uncertain and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-December 2021 closing date.

The war in Ukraine is a post-closing event, so its consequences are not taken into account.

The tests are performed in accordance with IAS 36 “Impairment of assets”. They consist in comparing the carrying value of subsidiaries and associates with their recovery value (the highest between value the fair value and the value in use).

Equity interests performed impairment tests on their own CGUs. The only loss concerns Constantia Flexibles, which recognized an impairment on the assets of its Indian and German divisions of around €1 million. In accordance with the Group’s accounting principles, these losses have been maintained in Wendel’s consolidated financial statements.

As regards Bureau Veritas, which is listed, the book value at the end of 2021 (€6 per share, *i.e.* €965 million for the shares held) remains well below the fair value (closing stock market price: €29.2 per share, *i.e.* €4,693 million for the shares held). The use of the value in use is therefore not necessary and no impairment is recognized.

For the tests performed by Wendel on unlisted investments, the values in use determined by Wendel for these tests are based on discounted future cash flows. The business plans used were prepared by Wendel on the basis of those drawn up by the subsidiaries and using the latest information available on the underlying markets. For each of the subsidiaries, the value of Wendel’s share in the capital is compared to the book value.

No losses were recognized by Wendel in addition to those already recognized by the equity investments on their own CGUs.

The description of the tests carried by Wendel on its unlisted investments is as follows:

	Stahl	Constantia Flexibles	CPI
Net Book value before test (Group Share)	251	570	379
Impairment	-	-	-
Net Book value after test (Group Share)	251	570	379
Business Plan length (years)	5 years	5 years	5 years
Discount rate			
rate at 12/31/2021	9.0%	7.5%	9.0%
rate at 12/31/2020	9.0%	7.5%	9.0%
impact on central case value in case of a 0.5% increase	-	-	-
impact on central case value in case of a 0.5% decrease	-	-	-
threshold at which value becomes inferior to the Net Book Value	29.3%	9.3%	10.1%
Perpetual growth			
rate at 12/31/2021	+2.0%	+1.5%	+3.0%
rate at 12/31/2020	+2.0%	+2.0%	+3.0%
impact on central case value in case of a 0.5% increase	-	-	-
impact on central case value in case of a 0.5% decrease	-	-	-
threshold at which value becomes inferior to the Net Book Value	-83.0%	-0.8%	+1.6%
Impact on central case value in case of a 1.0% decrease in operational margin	-	-	-

CPI

The business plan is identical to that used by CPI for its own impairment tests. It assumes a catch-up of the acquisition business plan from the end of 2023 and double-digit revenue growth until 2026.

Stahl

The business plan used for this test assumes a gradual recovery of the activity and a return to a historical margin level in line with the historical average in 2023, followed by a gradual gain in EBITDA margin of 2.5 points between 2023 and 2026.

Constantia Flexibles

The business plan used for this test assumes stable growth of sales of 2.5% per year until 2026. The EBITDA margin gradually increases to its historical level as a percentage of sales in 2025 and capital expenditure is gradually reduced to regain a normative level in 2026.

NOTE 10 Intangible assets

The accounting principles applied to intangible assets are described in notes 1-8.2 "Intangible assets", 1-8.3 "Other intangible assets" and 1-8.6 "Impairment of property, plant & equipment and intangible assets".

The details by subsidiary are presented in note 8 "Segment information".

Intangible assets excluding rights of use consist of:

	12/31/2021							
In millions of euros	Opening	Acquisitions	Sale	Depreciation, amortization and impairment	Changes in scope	Impact of currency translation adjustments and other	Changes due to operations held for sale(1)	Closing
Software	31.8	6.7	-	-14.4	0.1	8.6	-11.2	21.4
Concessions, patents and similar rights	89.3	1.1	-	-8.1	-	7.5	-	89.8
Leasehold rights	0.6	-	-	-0.1	-	-	-	0.5
Customer relationships	934.5	-	-0.2	-128.0	118.8	36.4	-	961.4
Brands	448.8	-	-	-1.9	-	7.9	-149.4	305.3
Property, plant and equipment in progress	22.3	20.1	-	-	-0.1	-21.9	-1.7	18.8
Other property, plant & equipment	165.0	16.9	-0.1	-34.3	-	-1.6	-6.9	139.1
TOTAL	**1,692.3**	**44.8**	**-0.3**	**-186.8**	**118.8**	**36.9**	**-169.2**	**1,536.4**
of which gross	**3,777.1**							**3,679.0**
of which depreciation and amortization	**-2,084.9**							**-2,142.6**

(1) In 2021, these amounts correspond to the reclassification of Cromology's intangible assets as activities held for sale.

	12/31/2020							
In millions of euros	Opening	Acquisitions	Sale	Depreciation, amortization and impairment	Changes in scope	Impact of currency translation adjustments and other	Changes due to operations held for sale	Closing
Software	32.5	6.0	-0.1	-17.3	-	10.7	-	31.8
Concessions, patents and similar rights	12.9	1.3	-0.1	-28.2	-	103.4	-	89.3
Leasehold rights	0.7	0.1	-	-0.1	-	-0.1	-	0.6
Customer relationships	1,122.7	-	-5.8	-268.8	1.7	129.1	-44.4	934.5
Brands	394.7	-	-	-24.1	-	105.8	-27.6	448.8
Property, plant and equipment in progress	30.8	21.4	-	-	-0.1	-29.8	-	22.3
Other property, plant & equipment	174.7	23.3	-6.8	-38.9	0.3	12.5	-	165.0
TOTAL	**1,769.0**	**52.1**	**-12.9**	**-377.3**	**1.9**	**331.6**	**-72.0**	**1,692.3**
of which gross	**3,620.0**							**3,777.1**
of which depreciation and amortization	**-1,851.0**							**-2,084.9**

NOTE 11 Property, plant & equipment

The accounting principles applied to property, plant & equipment are described in notes 1-8.4 "Property, plant & equipment" and 1-8.6 "Impairment of property, plant & equipment and intangible assets".

The details by subsidiary are presented in note 8 "Segment information".

Property, plant & equipment excluding rights of use consist of:

	12/31/2021							
In millions of euros	Opening	Acquisitions[(1)]	Sale	Depreciation, amortization and impairment	Changes in scope	Impact of currency translation adjustments and other	Changes due to operations held for sale[(2)]	Closing
Land	97.6	2.1	-1.1	-0.1	-0.4	1.0	-9.8	89.4
Buildings	263.7	8.4	-1.8	-17.3	3.2	16.9	-13.6	259.4
Plant, equipment, and tooling	600.9	89.5	-4.5	-146.7	15.1	65.9	-15.9	604.2
Property, plant and equipment in progress	54.4	87.5	-0.1	-	-	-70.4	-7.8	63.6
Other property, plant & equipment	92.5	26.0	-2.8	-35.3	4.6	10.3	-19.4	75.8
TOTAL	**1,109.0**	**213.5**	**-10.3**	**-199.4**	**22.5**	**23.7**	**-66.5**	**1,092.4**
of which gross	**2,890.3**							**2,734.2**
of which depreciation and amortization	**-1,781.3**							**-1,641.8**

(1) In 2021, the acquisitions concern mainly Bureau Veritas for €97.8 million and Constantia Flexibles for €86.1 million.
(2) In 2021, these amounts correspond to the reclassification of Cromology's intangible assets as activities held for sale.

	12/31/2020							
In millions of euros	Opening	Acquisitions[(1)]	Sale	Depreciation, amortization and impairment	Changes in scope	Impact of currency translation adjustments and other	Changes due to operations held for sale	Closing
Land	102.2	1.9	-0.7	-2.0	-	-2.9	-0.8	97.6
Buildings	289.1	5.0	-4.9	-26.1	0.2	0.9	-0.6	263.7
Plant, equipment, and tooling	713.8	76.1	-22.2	-177.0	-0.2	14.7	-4.4	600.9
Property, plant and equipment in progress	63.5	64.9	-0.7	-	-0.1	-73.1	-0.2	54.4
Other property, plant & equipment	122.8	18.7	-2.8	-39.0	0.1	2.0	-9.4	92.5
TOTAL	**1,291.3**	**166.6**	**-31.3**	**-244.1**	**0.1**	**-58.3**	**-15.4**	**1,109.0**
of which gross	**3,019.8**							**2,890.3**
of which depreciation and amortization	**-1,728.5**							**-1,781.3**

(1) In 2020, the acquisitions concern mainly Bureau Veritas for €69.6 million and Constantia Flexibles for €77.8 million.

The rights of use arising from the application of IFRS 16 consist of:

	12/31/2021		
In millions of euros	Gross amount	Amortization and provision	Net amount
Buildings	560.2	-229.7	330.5
Plant, equipment, and tooling	2.5	-1.3	1.2
Other property, plant & equipment	171.5	-75.2	96.3
TOTAL	**734.1**	**-306.1**	**428.0**

	12/31/2020		
In millions of euros	Gross amount	Amortization and provision	Net amount
Buildings	629.2	-198.3	430.8
Plant, equipment, and tooling	3.4	-1.7	1.8
Other property, plant & equipment	155.1	-57.2	97.9
TOTAL	**787.7**	**- 257.2**	**530.5**

NOTE 12 Equity-method investments

The accounting principles applied to equity-method investments are described in note 1-1 “Methods of consolidation”.

In millions of euros	12/31/2021	12/31/2020
IHS	-	224.1
Tarkett	215.0	-
Investments of Bureau Veritas	0.8	0.9
Investments of Constantia Flexibles	-	0.2
Investments of Cromology	-	0.1
TOTAL EQUITY-METHOD INVESTMENTS	**215.8**	**225.2**

The change in equity-method investments breaks down as follows:

In millions of euros	2021
Amount at beginning of the period	**225.2**
Share in net income for the period	
IHS[1]	922.3
Tarkett[2]	-2.9
Dividends for the period	-0.1
Impact of changes in currency translation adjustments	11.8
Consequences of changes in scope of consolidation[3]	-941.1
Other	0.6
AMOUNT AT END OF PERIOD	**215.8**

(1) *This item includes the €901 million result of the deconsolidation of IHS, the recycling of translation reserves for €12 million, and the net income for the year for €10 million (see note 4 "Changes in scope of consolidation").*
(2) *See note 4 "Changes in scope of consolidation".*
(3) *This item includes the value of IHS at the date of deconsolidation for €-1,142 million, the recycling of translation reserves for this investment for €-12 million and the acquisition price of Tarkett for €213.3 million.*

Note 12-1 Additional information on Tarkett

The main Tarkett Participation accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity).

In millions of euros	12/31/2021
Carrying values at 100%	
Total non-current assets	1,359.3
Total current assets	1,120.9
Acquisition adjustment (Wendel)	441.0
TOTAL ASSETS	**2,921.2**
Non-controlling interests	80.9
Total non-current liabilities	1,193.6
Total current liabilities	791.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,066.1**
including cash and cash equivalents	*249.0*
including financial debt	*1,074.2*

Income items correspond to the aggregates at 100% of Tarkett Participation and to the period between the date of the equity method and the end of the fiscal year (six months). They are also restated for goodwill allocations recognized at the Wendel consolidation level.

In millions of euros	2021
Net sales	1,530.9
Operating income	6.6
Net financial expense	-27.4
Net income, Group share	-11.8

Note 12-2 Impairment tests on equity-method investments

The review of Tarkett's latest business plan did not reveal any indication of impairment as of December 31, 2021. As a result, no impairment test was performed on this investment.

The consequences of the war in Ukraine are not taken into account as it is a post-closing event.

NOTE 13 Customers

	12/31/2021			12/31/2020
In millions of euros	Gross amount	Impairment	Net amount	Net amount
Bureau Veritas	1,270.8	-76.3	1,194.6	1,055.2
Constantia Flexibles	164.3	-3.7	160.6	123.3
Cromology	-	-	-	48.7
Stahl	161.3	-6.9	154.4	142.6
CPI	10.1	-0.2	9.9	5.4
Holding companies & others	0.3	-0.2	0.1	0.2
TOTAL ACCOUNTS RECEIVABLE	**1,606.7**	**-87.2**	**1,519.5**	**1,375.3**

Overdue trade receivables and related receivables which are not subject to any provision for impairment represent, for the most significant subsidiaries:

- Bureau Veritas: a total of €258.6 million at December 31, 2021 compared to €311.5 million at December 31, 2020, of which respectively €64.7 million and €82.3 million past due for more than three months;
- Constantia Flexibles: a total of €19.1 million at December 31, 2021 compared to €19.2 million at December 31, 2020, of which respectively €1.7 million and €1.3 million past due for more than three months; and
- Stahl: a total of €14.2 million at December 31, 2021 compared to €13.2 million at December 31, 2020, of which respectively €0.4 million and €0.9 million past due for more than three months.

NOTE 14 Cash and cash equivalents

The accounting principles applied to cash and cash equivalents are described in note 1-8.10 "Cash and cash equivalents pledged and unpledged".

In millions of euros	12/31/2021	12/31/2020
Cash and cash equivalents accounts of Wendel and holding companies pledged as collateral classified as non-current assets	0.5	0.4
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as currents assets	372.2	799.0
Cash and cash equivalents of Wendel and its holding companies(1)	**372.7**	**799.4**
Bureau Veritas	1,420.7	1,594.5
Constantia Flexibles	204.7	164.5
Cromology	-	168.0
Stahl	227.5	163.7
CPI	6.7	10.7
Total cash and cash equivalents from investments	**1,859.6**	**2,101.4**
TOTAL CASH AND CASH EQUIVALENTS	**2,232.2**	**2,900.8**
of which non-current assets	***0.5***	***0.4***
of which current assets	***2,231.8***	***2,900.3***

(1) To this cash was added €281.3 million of short-term financial investments at December 31, 2021 and €279.9 million at December 31, 2020 (see note 7-2.1 "Liquidity risk of Wendel and its holding companies"), recorded in other current financial assets.

NOTE 15 Financial assets and liabilities (excluding financial debt and operating receivables and payables)

The accounting principles applied to financial assets and liabilities are described in notes 1-8.7 "Financial assets and liabilities" and 1-8.8 "Methods of measuring the fair value of financial instruments".

Note 15-1 Financial assets

In millions of euros	FV method	Level	12/31/2021	12/31/2020
Pledged cash and cash equivalents of Wendel and holding companies	Income statement(1)	1	0.5	0.4
Unpledged cash and cash equivalents of Wendel and holding companies	Income statement(1)	1	372.2	799.0
Wendel's short-term financial investments	Income statement(1)	1	281.3	279.1
Cash and short-term financial investments of Wendel and holding companies			**654.0**	**1,078.5**
Cash and cash equivalents of subsidiaries	Income statement(1)	1 and 3	1,859.6	2,101.4
Financial assets at fair value through equity – A	Equity(2)	1	786.2	2.2
Financial assets at fair value through profit and loss – B	Income statement(1)	3	145.1	70.3
Deposits and guarantees	Amortized cost	N/A	90.5	97.6
Derivatives – C	Income statement(1) and Equity(2)	see C	8.7	79.4
Other – D			187.5	104.0
TOTAL			**3,731.6**	**3,533.4**
of which non-current financial assets, including pledged cash and cash equivalents			***1,185.3***	***321.2***
of which current financial assets, including cash and cash equivalents			***2,546.4***	***3,212.2***

(1) Change in fair value through profit or loss.
(2) Change in fair value through equity.

Note 15-2 Financial liabilities

In millions of euros	FV method	Level	12/31/2021	12/31/2020
Derivatives – C	Income statement(1) and Equity(2)		6.5	8.0
Minority puts, earn-outs and other financial liabilities of subsidiaries – E	Income statement(1) and Equity(2)	3	395.7	277.8
Minority puts, earn-outs and other financial liabilities of Wendel and holding companies – F	Income statement(1) and Equity(2)	3	186.2	177.6
TOTAL			**588.5**	**463.4**
of which non-current financial liabilities			***364.7***	***283.9***
of which current financial liabilities			***223.8***	***179.5***

(1) Change in fair value through profit or loss.
(2) Change in fair value through equity.

Note 15-3 Details of financial assets and liabilities

A – As of December 31, 2021, this item includes the fair value of IHS for an amount of €785.1 million.

B – At December 31, 2021, this item mainly included the fair value of Wendel Lab for €136.6 million.

C – Derivatives: at December 31, 2021, the change in this item is due to the unwinding of Wendel's foreign exchange hedging (see note 7-5.1 "Currency risk – Wendel").

D – This item includes the cash of Constantia Flexibles pledged with its lenders for €137.5 million.

E – Minority puts, earn-outs and other financial liabilities of subsidiaries: at December 31, 2021, this amount corresponds in particular to Bureau Veritas for €199.1 million and to Stahl for €142.2 million (including the minority put granted to BASF – see note 35-5 "Shareholder agreements and co-investment mechanisms").

F – Minority puts, earn-outs and other financial liabilities of Wendel and holding companies: at December 31, 2021, this amount mainly reflected minority puts granted to the Turnauer Foundation on 50% of its investment in Constantia Flexibles. It also includes liabilities for certain liquidities granted as part of co-investments. See note 35-5 "Shareholder agreements and co-investment mechanisms".

NOTE 16 Equity

Note 16-1 Total number of shares and treasury shares

The accounting principles applied to treasury shares are described in note 1-8.14 "Treasury shares".

	Par value	Total number of shares	Treasury shares	Number of outstanding shares
As of 12/31/2020	€4	44,719,119	900,665	43,818,454
As of 12/31/2021	€4	44,747,943	1,116,456	43,631,487

The increase of 28,824 shares comprising the 2021 share capital is explained by subscriptions by Group employees to the Company savings plan for a total amount of €2.3 million.

The number of treasury shares held under the liquidity contract was 57,724 at December 31, 2021 (54,974 treasury shares at December 31, 2020).

As of December 31, 2021, Wendel held 1,058,732 of its shares in treasury outside of the context of the liquidity contract (845,691 as of December 31, 2020).

In total, treasury shares represented 2.49% of share capital as at December 31, 2021.

Note 16-2 Non-controlling interests

In millions of euros	% interest of non-controlling interests as of December 31, 2021	12/31/2021	12/31/2020
Bureau Veritas Group	64.5%	1,262.9	980.2
Constantia Flexibles Group	39.2%	245.2	241.1
Cromology Group	5.2%	18.1	14.4
Stahl Group	32.2%	48.3	39.1
CPI Group	4.0%	4.1	4.1
Other		8.9	5.0
TOTAL		**1,587.5**	**1,283.8**

NOTE 17 Provisions

The accounting principles applied to provisions are described in note 1-8.11 "Provisions" and note 1-8.12 "Provisions for employee benefits".

In millions of euros	12/31/2021	12/31/2020
Provisions for risks and contingencies	99.1	130.5
Employee benefits	278.6	329.0
TOTAL	**377.7**	**459.5**
of which non-current	*372.7*	*453.4*
of which current	*5.1*	*6.1*

Note 17-1 Provisions for risks and contingencies

In millions of euros	12/31/2021							
	Opening	Additions	Reversals: used	Reversals: unused	Impact of discounting	Changes in scope	Currency translation adjustments, reclassifi-cations and other	Closing
Bureau Veritas								
Disputes and litigation	39.8	10.5	-7.1	-5.1	1.5	-	0.1	39.8
Other	52.7	13.3	-11.8	-14.8	-	0.1	1.0	40.5
Cromology	18.1	18.3	-6.0	-3.2	-	-	-27.2	-
Stahl	1.0	0.5	-	-	-	-	-	1.6
Constantia Flexibles	3.4	1.0	-0.2	-	-	-	-	4.2
Wendel & holding companies	15.4	0.8	-0.3	-2.9	-	-	-	13.1
TOTAL	**130.5**	**44.5**	**-25.4**	**-26.0**	**1.5**	**0.1**	**-26.0**	**99.1**
of which current	*6.1*							*5.1*

In millions of euros	12/31/2020							
	Opening	Additions	Reversals: used	Reversals: unused	Impact of discounting	Changes in scope	Currency translation adjustments, reclassifi-cations and other	Closing
Bureau Veritas								
Disputes and litigation	36.3	12.5	-3.2	-4.8	-0.6	-	-0.4	39.8
Other	35.9	27.5	-5.1	-3.4	-	-	-2.1	52.7
Cromology	20.4	5.6	-5.6	-2.3	-	-	-	18.1
Stahl	1.2	-	-0.2	-	-	-	-	1.0
Constantia Flexibles	1.3	2.2	-0.1	-	-	-	-	3.4
Wendel & holding companies	41.0	2.0	-27.1	-0.7	-	-	0.3	15.4
TOTAL	**136.2**	**49.8**	**-41.3**	**-11.2**	**-0.6**	**-**	**-2.3**	**130.5**
of which current	*5.1*							*6.1*

Note 17-1.1 Provisions for risks and contingencies of Bureau Veritas

1. Proceedings, administrative, judicial and arbitration investigations

In the normal course of its business, Bureau Veritas is involved in a significant number of legal proceedings aimed in particular at invoking its professional civil liability. While Bureau Veritas pays the greatest attention to risk control and the quality of its services, some of those services can give rise to claims and result in financial penalties.

Provisions may be recognized for any expenses that may arise from these disputes. The amount recognized in provisions is the best estimate of the expenditure required to settle the obligation, discounted at the reporting date. The costs that this Group may be required to incur may exceed the amount of provisions for litigation due to numerous factors, notably the uncertain nature of the outcome of litigation.

2. Disputes related to the construction of a hotel and commercial complex in Turkey

Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi ("BVG") and the Turkish company Aymet are parties to a dispute before the Commercial Court of Ankara concerning the construction of a hotel and commercial complex for which they entered into a contract in 2003.

As things stand, the outcome of this dispute remains uncertain although BVG' lawyers are optimistic about the appeal decision. Based on the provisions recorded by Bureau Veritas, and based on the information known to date, Bureau Veritas considers, after taking into account the opinions of its lawyers, that this incident will not have a significant adverse impact on its consolidated financial statements.

3. Uncertain tax positions

Bureau Veritas SA and some of its subsidiaries are being audited or have received proposals for adjustments that have led to discussions with the relevant local authorities at the litigation or pre-litigation stage.

At the current stage of progress of the dossiers under way and on the basis of the information known to date, Bureau Veritas considers that these risks, controls or adjustments have given rise to the appropriate amount of uncertain tax positions recorded in its financial statements.

There are no other government, administrative, legal or arbitration proceedings or investigations (including any proceedings of which Bureau Veritas is aware that are pending or with which the Group is threatened) that may have, or have had, during the previous six months, significant effects on the financial position or profitability of Bureau Veritas.

4. Other provisions for risks and contingencies

They include provisions for restructuring (€9.1 million as of December 31, 2021), provisions for losses on completion (€3.8 million as of December 31, 2021), and other provisions totaling €27.6 million as of December 31, 2021.

Note 17-1.2 Tax risk of Stahl's Indian subsidiary

Stahl's Indian subsidiary was subject to a tax reassessment involving duties and penalties of around €17 million. This reassessment has been contested by Stahl, which considers that its position should prevail in the litigation and has made no provision for the corresponding risk.

Note 17-1.3 Provisions for risks and contingencies of Wendel and its holding companies

The principal disputes, claims and risks identified for Wendel and its holding companies are as follows:

- environmental risk concerning potential costs related to the rehabilitation of land which belonged to a Group subsidiary whose operations were discontinued in 1967;
- labor disputes for which a provision has been made; and
- various legal proceedings brought by former Wendel executives as a result of the unwinding of a mechanism for associating them with the Group's performance, for which no provision has been made.

Note 17-2 Employee benefits

The breakdown by subsidiary was as follows:

In millions of euros	12/31/2021	12/31/2020
Bureau Veritas	185.8	197.7
Constantia Flexibles	67.7	70.8
Cromology	-	30.4
Stahl	24.1	28.9
Wendel & holding companies	1.0	1.3
TOTAL	**278.6**	**329.0**

The change in provisions for employee benefits break down as follows for 2021:

In millions of euros	12/31/2021 Opening	Cost of Services rendered	gains and losses Actuarial	Benefits paid	Financial costs	Effect Exchange rate other	Closing
Commitments							
Defined-benefit plans	293.6	6.1	-15.9	-9.2	1.6	-11.5	264.6
Retirement bonuses	167.8	12.7	-6.4	-10.3	0.8	-48.5	116.1
Other	55.1	6.9	-1.0	-4.7	-0.9	-2.5	52.9
TOTAL	**516.5**	**25.7**	**-23.2**	**-24.3**	**1.4**	**-62.6**	**433.6**

In millions of euros	12/31/2021 Opening	Returns Assets	Contributions paid by the employer	gains and losses Actuarial	Amounts used	Effect Exchange rate other	Closing
Partially-funded plan assets							
Defined-benefit plans	167.0	1.4	2.7	-1.4	-1.3	-12.4	156.1
Retirement bonuses	11.6	-0.0	-	-0.5	1.0	-12.1	-
Fair value of plan assets	8.8	-0.0	-	-0.1	0.5	-9.1	-
TOTAL	**187.5**	**1.3**	**2.7**	**-2.0**	**0.2**	**-33.6**	**156.1**

The change in provisions for employee benefits break down as follows for 2020:

In millions of euros	12/31/2020 Opening	Cost of Services rendered	Actuarial gains and losses	Benefits paid	Financial costs	Curtailments and settlements	Effect Exchange rate other	Closing
Commitments								
Defined-benefit plans	280.9	5.8	14.9	-10.7	4.3	0.1	-1.6	293.6
Retirement bonuses	172.0	10.4	-2.3	-13.2	1.5	1.9	-2.5	167.8
Other	55.2	3.6	0.8	-4.8	1.2	0.4	-1.4	55.1
TOTAL	**508.1**	**19.7**	**13.4**	**-28.7**	**7.0**	**2.4**	**-5.5**	**516.5**

In millions of euros	12/31/2020 Opening	Returns Assets	Contributions paid by the employer	gains and losses Actuarial	Amounts used	Effect Exchange rate other	Closing
Partially-funded plan assets							
Defined-benefit plans	163.2	1.6	6.8	0.7	-3.9	-1.3	167.0
Retirement bonuses	11.4	0.0	-	0.8	-0.6	-	11.6
Fair value of plan assets	8.5	0.1	-	0.3	-0.5	0.4	8.8
TOTAL	**183.1**	**1.7**	**6.8**	**1.7**	**-5.0**	**-0.9**	**187.5**

Liabilities on defined-benefit plans break down as follows:

In millions of euros	12/31/2021	12/31/2020
Unfunded liabilities	272.0	362.7
Partially or fully-funded liabilities	161.6	153.8
TOTAL	**433.6**	**516.5**

Defined-benefit plan assets break down as follows:

In millions of euros	12/31/2021	12/31/2020
Equity instruments	23%	19%
Debt instruments	16%	17%
Cash and other	61%	64%

Expenses recognized on the income statement break down as follows:

In millions of euros	12/31/2021	12/31/2020
Service costs during the year	21.2	17.2
Interest costs	1.2	6.3
Expected return on plan assets	-1.4	-1.6
Past service costs	0.1	0.1
Actuarial gains and losses	1.8	5.1
Impact of plan curtailments or settlements	0.5	-19.0
TOTAL	**23.4**	**8.2**

1. Commitment characteristics and actuarial assumptions applied at Bureau Veritas

Employee benefits at Bureau Veritas included the following defined-benefit plans:

- pension plans, most of which have been closed for several years. Pension plans are generally unfunded, with the exception of a very limited number of plans financed by contributions paid to insurance companies and valued on the basis of periodic actuarial calculations;
- retirement bonuses; and
- long-service awards.

France is the main contributor to the Pension Plans and other Long-Term Employee Benefits item.

The main actuarial assumptions used to calculate these commitments are as follows: discount rate of 1.08%, average salary increase rate of 2%.

2. Commitment characteristics and actuarial assumptions applied at Constantia Flexibles

Employee benefits for Constantia Flexibles in Germany, Austria, France, Mexico, Turkey, Russia and Spain concern the following defined-benefit plans:

- retirement plans, funded or unfunded;
- retirement bonuses; and
- long-service awards.

The main actuarial assumptions used are discount rates between 0.8% and 0.9%, salary increase rates, included between 0.02% and 5.5%, inflation rates between 0.02% and 4.0% and a rate of return on assets of between 0.9% and 7.7%.

3. Commitment characteristics and actuarial assumptions applied at Stahl

Stahl employee benefits in Germany, Italy, the Netherlands, Mexico, the United Kingdom, the United States, India, France, Brazil, Thailand, Indonesia and Switzerland concern the following defined-benefit plans:

- partially-funded retirement plans;
- retirement bonuses; and
- long-service awards.

The main actuarial assumptions were as follows: discount rate of 1.4%, inflation rate of 1.79%, salary increase rate of 0.7%, and return on assets of 1.4%.

4. Wendel's commitments

In 1947, the company "Les Petits-Fils de François de Wendel" (now Wendel) set up a supplementary pension plan for all employees, regardless of their category, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of this compensation. The pension plan provides for a payout of 60% to a surviving spouse on the date of the employee's retirement and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group from the guaranteed amount. In 2005, the Company has been transferring the assets necessary to service pension benefits to an insurance company, which makes payments to the beneficiaries.

NOTE 18 Financial debt

Principal changes in 2021 are described in note 7-2 "Managing liquidity risk".

In millions of euros	Currency	Coupon rate	Effective interest rate[1]	Maturity	Repayment	Total lines	12/31/2021	12/31/2020
Wendel & holding companies								
2023 bonds	€	1.000%	1.103%	04-2023	at maturity		-	300.0
2024 bonds	€	2.750%	2.686%	10-2024	at maturity		500.0	500.0
2026 bonds	€	1.375%	1.452%	04-2026	at maturity		300.0	300.0
2027 bonds	€	2.500%	2.576%	02-2027	at maturity		500.0	500.0
2031 bonds	€	1.000%	1.110%	06-2031	at maturity		300.0	-
Syndicated loan	€	Euribor + margin		10-2024	revolving	€750 million	-	-
Amortized cost of bonds and of the syndicated loan and deferred issuance costs							-5.0	-3.3
Other borrowings and accrued interest							19.4	27.1
Bureau Veritas								
2021 bonds	€	3.125%		01-2021	at maturity			500.0
2023 bonds	€	1.250%		09-2023	at maturity		500.0	500.0
2025 bonds	€	1.875%		01-2025	at maturity		500.0	500.0
2026 bonds	€	2.000%		09-2026	at maturity		200.0	200.0
2027 bonds	€	1.125%		01-2027	at maturity		500.0	500.0
Liquidity credit line						€628 million	-	-
Borrowings and debts - fixed rate							760.7	713.6
Borrowings and debts - floating rate							13.3	13.1

In millions of euros	Currency	Coupon rate	Effective interest rate[1]	Maturity	Repayment	Total lines	12/31/2021	12/31/2020
Constantia Flexibles								
Bank borrowings	€		Euribor + margin	04-2022	at maturity		-	126.0
Bank borrowings	€		Euribor + margin	03, 04 and 10/2022	at maturity			308.0
Bank borrowings	€	floating rate		03-2022	at maturity		-	47.0
Revolving credit facility	€		Euribor + margin	10-2022	at maturity	€125 million	-	-
Bank borrowings (EUR, RUB, INR, CNY)							684.5	59.4
Other borrowings and accrued interest							17.9	8.9
Finance lease liabilities							2.9	3.8
Deferred issuance costs							-1.1	-0.8
Cromology								
Bank borrowings	€	Euribor + margin		08-2021	at maturity		-	186.4
Other borrowings and accrued interest							-	9.2
Finance lease liabilities							-	0.4
Revolving credit facility	€	Euribor + margin		03-2024	at maturity	€59 million	-	-
Deferred issuance costs							-	-5.7
Stahl								
Bank borrowings	$	Libor + margin		09-2023		amortizable	90.4	114.4
Bank borrowings	$	Libor + margin		12-2023		amortizable	292.8	270.2
Revolving credit facility	€					€27 million	-	-
Bank borrowings	INR	floating rate		2022		amortizable	5.5	7.8
Deferred issuance costs							-1.3	-2.4
CPI								
Bank borrowings	$	Libor + margin		10-2026		amortizable	285.3	263.5
Revolving credit facility	$	Libor + margin		12-2025	at maturity	$30 million	2.6	18.7
Deferred issuance costs							-4.8	-5.5
TOTAL							**5,463.1**	**5,959.7**
of which non-current portion							***5,261.8***	***5,312.9***
of which current portion							***201.3***	***646.8***

(1) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issuance fees. For bonds that were issued in several stages, the effective interest rate corresponds to the weighted average of the par value issued.

Note 18-1 Operating lease liabilities

The accounting principles applied to operating lease liabilities are described in section Note 1-8.5 "Leases".

Liabilities related to operating leases are broken down among the Group's subsidiaries as follows:

In millions of euros	12/31/2021	12/31/2020
Bureau Veritas	415.1	419.7
Constantia Flexibles	37.1	31.1
Cromology	-	110.4
Stahl	15.0	16.2
CPI	3.6	3.8
Wendel & holding companies	1.0	1.6
TOTAL	**471.7**	**582.8**
of which non-current portion	*353.6*	*448.4*
of which current portion	*118.2*	*134.4*

Note 18-2 Maturity of financial debt (excluding operating lease liabilities)

In millions of euros	Less than one year	Between one and five years	Over five years	Total
Wendel & holding companies				
■ notional amount	-	-800.0	-800.0	-1,600.0
■ interest(1)	-34.4	-103.8	-27.5	-165.7
Operating subsidiaries				
■ notional amount	-183.0	-2,503.9	-1,166.2	-3,853.1
■ interest(1)	-94.7	-276.4	-49.3	-420.4
TOTAL	**-312.2**	**-3,684.1**	**-2,043.0**	**-6,039.3**

(1) Interest is calculated on the basis of the yield curve prevailing on December 31, 2021. Interest on debt and interest rate hedges does not reflect interest earned on invested cash.

Note 18-3 Market value of gross financial debt

The fair value of bond debt is the market price on December 31, 2021.

In millions of euros	12/31/2021	12/31/2020
Wendel & holding companies	1,720.1	1,764.0
Operating subsidiaries	3,932.6	4,394.1
TOTAL	**5,652.7**	**6,158.1**

NOTE 19 Discontinued operations and operations held for sale

The accounting principles applied to discontinued or held for sale operations are described in note 1-8.15 "Assets and operations held for sale and discontinued operations".

Net income from discontinued operations and operations held for sale:

In millions of euros	2021	2020
Cromology[(1)]	36.7	8.0
Stahl	0.6	1.0
Tsebo	-	-101.3
Allied Universal Lux	-	-0.9
TOTAL	**37.7**	**-93.1**

(1) In 2021, this amount is composed of the net income for the year (after cancellation of depreciation in accordance with IFRS 5 "Discontinued operations and operations held for sale"). Depreciation was stopped from the date of reclassification as held for sale, which had a net positive impact of €+8.4 million.

Assets and liabilities held for sale recorded in the balance sheet at December 31, 2021 correspond mainly to Cromology's assets and liabilities.

6.9 Notes on the income statement

The accounting principles applied to the aggregates on the income statement are described in note 1-9.2 “Presentation of the income statement”.

NOTE 20 Revenue

The accounting principles applied to revenue are described in note 1-8.16 “Revenue recognition”.

In millions of euros	2021	2020
Bureau Veritas	4,981.1	4,601.0
Constantia Flexibles	1,603.4	1,505.3
Stahl	831.3	669.4
CPI	88.2	56.0
TOTAL	**7,503.9**	**6,831.7**

Consolidated revenue break down as follows:

In millions of euros	2021	2020
Sales of goods	2,497.1	2,166.8
Sales of services	5,006.8	4,664.9
TOTAL	**7,503.9**	**6,831.7**

NOTE 21 Operating income

In millions of euros	2021	2020
Bureau Veritas	718.8	407.4
Constantia Flexibles	33.4	-44.6
Stahl	131.5	102.3
CPI	17.7	-118.9
Wendel & holding companies	-93.8	-83.7
TOTAL	**807.6**	**262.4**

Note 21-1 R&D costs recognized as expenses

In millions of euros	12/31/2021	12/31/2020
CPI	0.2	0.3
Constantia Flexibles	12.8	8.1
Stahl	-2.1	-1.1
TOTAL	**10.9**	**7.3**

Note 21-2 Average number of employees at consolidated companies

In millions of euros	12/31/2021	12/31/2020
Bureau Veritas	79,704	74,930
Constantia Flexibles	8,383	7,878
Stahl	1,785	1,799
CPI	311	325
Wendel & holding companies	83	95
TOTAL	**90,266**	**85,027**

NOTE 22 Finance costs, net

In millions of euros	2021	2020
Income from cash and cash equivalents[(1)]	**8.2**	**9.1**
Finance costs, gross		
Interest expense	-145.5	-202.4
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-9.5	-9.1
Interest expense on operating leases	-19.0	-20.2
Total finance costs, gross	**-174.0**	**-231.8**
TOTAL	**-165.8**	**-222.7**

(1) This item includes a negative amount of €0.9 million for Wendel and its holding companies, to which is added €9.1 million from returns on investments of subsidiaries, representing a total income of €8.2 million in 2021 (€9.1 million in 2020).

NOTE 23 Other financial income and expenses

In millions of euros	2021	2020
Dividends received from unconsolidated companies	0.3	0.3
Income on interest rate, currency and equity derivatives[1]	37.3	-0.3
Net currency exchange gains/losses	-12.5	9.7
Impact of discounting	-1.5	0.6
Other	-14.2	-9.0
TOTAL	**9.4**	**1.3**

(1) This item includes Wendel Lab and Accolade for €48.4 million.

NOTE 24 Income taxes

The accounting principles applied to deferred taxes are described in note 1-8.13 “Deferred taxes”.

In millions of euros	2021	2020
Current income tax assets	-259.1	-193.0
Deferred taxes	27.1	77.4
TOTAL	**-232.0**	**-115.6**

The portion of the Tax on the Added Value of Companies (CVAE) is recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French National Accounting Council) of January 14, 2010.

Deferred taxes recognized in the balance sheet result from temporary differences between the carrying amount and tax bases of assets and liabilities on the balance sheet and break down as follows:

In millions of euros	2021	2020
Origin of deferred taxes		
Post-employment benefits	71.2	74.5
Intangible assets	-362.9	-300.7
Goodwill allocation of CPI		-90.4
Recognized tax-loss carryforwards	52.2	66.3
Other items	60.2	60.2
TOTAL	**-179.3**	**-190.1**
of which deferred tax assets	***167.5***	***206.6***
of which deferred tax liabilities	***346.8***	***396.7***

Uncapitalized tax losses amounted to €4,278 million for the Group as a whole, of which €3,716 million for Wendel and its holding companies.

In millions of euros	2021	2020
Amount at beginning of the period	**-190.1**	**-199.6**
Income and expenses recognized in the income statement(1)	27.1	73.2
Income and expenses recognized in other comprehensive income	-3.0	-0.8
Income and expenses recognized in reserves	0.5	0.2
Reclassification under operations held for sale(2)	26.4	18.3
Allocation of CPI goodwill	-	-93.8
Changes in scope of consolidation	-27.9	-0.6
Currency translation adjustments and other	-12.2	13.0
AMOUNT AT END OF PERIOD	**-179.3**	**-190.1**

(1) The deferred tax expense for 2021 was restated for the Cromology expense, which was reclassified under operations held for sale.
(2) This item includes the reclassification of Cromology's deferred tax assets and liabilities as operations held for sale.

The difference between the theoretical tax based on the standard rate of 27.37% applicable in France and the actual income tax expense of Wendel, its holding companies and its operating subsidiaries breaks down as follows:

In millions of euros	Wendel & holding companies	Operating subsidiaries	Total
Income before tax expense, net income from equity-method subsidiaries, and net income from discontinued operations and operations held for sale	-101.3	752.6	651.2
Theoretical amount of tax expense calculated on the basis of a rate of -27.37%	**27.7**	**-206.0**	**-178.2**
Impact of:			
Uncapitalized tax losses of Wendel/holding companies and transactions subject to reduced tax rates at the holding company level	-31.4		
Uncapitalized tax losses at the operating subsidiary level		9.4	
Reduced tax rates and foreign tax rates at the operating subsidiary level		27.4	
Permanent differences		-41.0	
CVAE tax paid by operating subsidiaries		-7.7	
Tax on dividends received from consolidated subsidiaries		-13.7	
Other		3.2	
ACTUAL TAX EXPENSE	**-3.6**	**-228.4**	**-232.0**

NOTE 25 Net income (loss) from equity-method investments

In millions of euros	2021	2020
IHS[1]	922.3	-63.3
Tarkett	-2.9	-
Other companies	-	0.3
TOTAL	**919.5**	**-63.3**

(1) *This item includes the €901 million result of the deconsolidation of IHS, the recycling of translation reserves for €11 million, and the net income for the year for €10 million (see note 4 "Changes in scope of consolidation").*

NOTE 26 Earnings per share

The accounting principles applied to earnings per share are described in note 1-9.4 "Earnings per share".

In euros and millions of euros	2021	2020
Net income – Group share	1,046.9	-264.1
Impact of dilutive instruments on subsidiaries	-2.9	-1.5
Diluted net income	**1,044.0**	**-265.6**
Average number of shares, net of treasury shares	43,752,806	43,768,173
Potential dilution due to Wendel stock options[1]	144,352	-
Diluted number of shares	**43,897,158**	**43,768,173**
Basic earnings per share (in euros)	23.93	-6.03
Diluted earnings per share (in euros)	23.78	-6.07
Basic earnings per share from continuing operations (in euros)	23.11	-5.24
Diluted earnings per share from continuing operations (in euros)	22.97	-5.28
Basic earnings per share from discontinued operations (in euros)	0.81	-0.79
Diluted earnings per share from discontinued operations (in euros)	0.81	-0.79

(1) *In accordance with the treasury stock method: it is assumed that the cash received from the exercise of dilutive instruments will be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact.*

6.10 Notes on changes in cash position

NOTE 27 Acquisition of property, plant & equipment and intangible assets

In millions of euros	2021	2020
By Bureau Veritas	122.3	100.4
By Constantia Flexibles	92.0	86.3
By Cromology	11.8	12.7
By Stahl	21.8	18.0
By CPI	1.0	0.9
By Wendel and holding companies	0.3	1.0
TOTAL	**249.2**	**219.3**

NOTE 28 Disposal of property, plant & equipment and intangible assets

Disposal of property, plant & equipment and intangible assets includes mainly Bureau Veritas and Stahl disposals amounting to €6.4 million and €7.9 million respectively.

NOTE 29 Acquisition of equity investments

In millions of euros	2021	2020
By Bureau Veritas	53.6	1.7
By Constantia Flexibles	122.0	-
By Stahl	-	0.1
By Wendel & holding companies[1]	224.7	-
TOTAL	**400.3**	**1.8**

(1) In 2021, this item includes the investment in Tarkett (see note 4 "Changes in scope of consolidation").

NOTE 30 Disposal of equity investments

In 2020, this item mainly included the disposal of the remaining stake in Allied Universal for $203.2 million.

NOTE 31 Impact of changes in scope of consolidation and of operations held for sale

In 2021, this item mainly corresponded to Cromology's cash and cash equivalents reclassified as discontinued operations or operations held for sale.

In 2020, this item mainly corresponded to Tsebo's cash and cash equivalents reclassified as discontinued operations or operations held for sale.

NOTE 32 Changes in other financial assets and liabilities

In 2021, the amount is mainly due to:

- the acquisitions and disposals by Wendel Lab of their portfolio assets for €-18.9 million;
- the payment by Wendel of cash under the first third of the automatic liquidity of IHS (see note 6-2 "Impact of co-investment mechanisms for Wendel") for €-20.5 million; and
- the financial assets and liabilities of Bureau Veritas €-2.6 million.

In 2020, the amount is mainly explained by the change in loans and receivables from capitalization funds at Wendel SE for €77.5 million, by the settlement of the guaranty related to the funding of Tsebo's investor B-BEEE for €19 million and by the change in financial assets and liabilities of Bureau Veritas.

NOTE 33 Net change in borrowings and other financial liabilities

Details of financial debt are shown in note 18 "Financial debt".

In millions of euros	2021	2020
New borrowings by:		
Bureau Veritas	48.8	786.6
Constantia Flexibles	733.6	178.4
Cromology	0.1	59.9
CPI	-	21.1
Wendel & holding companies	300.0	-
	1,082.5	**1,045.9**
Borrowings repaid by(1):		
Bureau Veritas	626.1	1,242.6
Constantia Flexibles	592.0	153.7
Cromology	123.6	88.8
Stahl	36.9	61.5
CPI	20.3	12.9
Wendel & holding companies	300.7	1.8
	1,699.5	**1,561.3**
TOTAL	**-617.1**	**-515.4**

(1) *Loan repayments include repayments of lease liabilities.*

NOTE 34 Other financial income/expense

In 2021, other financial income/expense corresponds mainly to the disbursements of puts held by non-controlling interests, the receipt of €39.5 million in connection with the unwinding of Wendel's cross-currency swap (see note 7-5.1 "Wendel's currency risk"), and Constantia Flexibles' cash collateral pledged to its lenders for €-81.5 million.

In 2020, other financial income/expense corresponded mainly to the disbursements of puts held by non-controlling interests.

6.11 Other notes

NOTE 35 Off-balance-sheet commitments

As of December 31, 2021, no commitment was likely to have a significant impact on the Group's financial position, other than those mentioned.

Note 35-1 Collateral and other security given in connection with financing

In millions of euros	12/31/2021	12/31/2020
Pledge by Constantia Flexibles Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Constantia Flexibles Group.	702.4	549.4
Pledge by Cromology Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Cromology Group.	-	196.0
Pledge by Stahl Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl Group.	388.6	392.4
Pledge by CPI Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the CPI Group.	288.0	282.2
TOTAL	**1,379.0**	**1,420.0**

Note 35-2 Guarantees given and received in connection with asset acquisitions

1. Guarantees given as part of asset sales

In connection with the disposals of Cromology, Parcours, PlaYce and Tsebo, as well as of the time of the entry of BASF into the share capital of Stahl, the Group issued the usual statements and guarantees (fundamental guarantees in terms of existence, capacity, ownership of securities and, on occasion, specific guarantees on operational issues) within the limits of certain ceilings and for variable durations depending on the guarantees concerned. Only the statements and guarantees issued for ALD in connection with the sale of the Parcours Group gave rise to a claim or payment. There are no outstanding claims in respect of other guarantees granted.

2. Guarantees received in connection with asset acquisitions

When BASF acquired a stake in Stahl, the Group benefited from the usual statements and guarantees within certain limits and for variable claim periods depending on the guarantees concerned, some of which may still be called upon. There are no outstanding claims in respect of these guarantees received.

Note 35-3 Off-balance-sheet commitments given and received related to operating activities

In millions of euros	12/31/2021	12/31/2020
Market counter-guarantees and other commitments given		
by Bureau Veritas(1)	393.3	391.6
by Constantia	-	2.4
by Cromology	-	17.1
by Stahl	6.3	3.2
TOTAL COMMITMENTS GIVEN	**399.6**	**414.3**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantee.

Note 35-4 Subscription commitments

As of December 31, 2021, the Group (Wendel Lab and Accolade) is committed to investing approximately €123.5 million in private equity funds, including €88 million already called.

Note 35-5 Shareholder agreements and co-investment mechanisms

The Wendel Group is party to a number of agreements governing its relationships with its co-investors, whether co-investors in its subsidiaries or holding companies (Constantia Flexibles, Crisis Prevention Institute, IHS, Stahl and Tarkett) or managers (or former managers) of subsidiaries, relating to mechanisms aimed at aligning their interests with their respective companies' performance (Constantia Flexibles, Crisis Prevention Institute, Stahl and Tarkett).

These agreements contain various clauses related to:

- Corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights and rights of first refusal, ban on selling to certain individuals);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO; and
- non-competition and priority commitments involving acquisition opportunities.

The Constantia Flexibles and Stahl shareholder agreements also contain the following terms:

- for Constantia Flexibles, the H. Turnauer Foundation, of the founding family of Constantia Flexibles, has the option to request, between 2020 and 2023, that an IPO or a share buyback process by refinancing of the Group be launched, aiming at ensuring the priority liquidity of its stake. In the absence of liquidity at the end of this process, the Wendel Group granted the H. Turnauer Foundation a put option at market value on half of its initial investment, payable in two tranches in cash or in Wendel shares, at the Wendel Group's discretion. As of December 31, 2021, this right was not exercised by the H. Turnauer Foundation. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts; and
- for Stahl, BASF, a minority shareholder, benefits from liquidity commitments granted by Stahl and counter-guaranteed by the Wendel Group in an amount determined on the basis of a predefined margin multiple. As of December 31, 2021, this liquidity has not been exercised by BASF. This commitment has been recognized in financial liabilities in accordance with accounting principles applicable to minority puts.

In addition, in connection with the initial public offering of IHS shares on October 14, 2021, the Wendel Group has entered into (i) a six-month lock-up agreement with the introducing banks, and (ii) a shareholders' agreement with its co-shareholders and IHS authorizing the sale of shares on the market in tranches of 20% for successive six-month periods until the 30th month following the IPO.

With respect to Tarkett, the shareholders' agreement includes an undertaking by the Wendel Group not to sell Tarkett Participation shares during the first years of its investment, subject to the usual exceptions.

The agreements with the management teams (managers or former managers) of subsidiaries (Constantia Flexibles, Crisis Prevention Institute, Stahl and Tarkett) also contain provisions relative to:

- the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period (between the 6th anniversary and 12th anniversary of the completion of the joint investment, depending on the agreement in question); and/or
- the handling of executive departures (commitment to sell shares in the event of the departure of an executive from a subsidiary and/or commitment to buy shares in certain specific cases).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 6-1 "Participation of subsidiaries' managers in the performance of their companies" to the 2021 consolidated financial statements.

As part of the liquidity commitments under these agreements, in the absence of a liquidity event (divestment or IPO) before certain predetermined dates, the Wendel Group (depending on the situation, Wendel's holding companies or the subsidiaries themselves) can be required to buy back or guarantee the buyback of the shares held by subsidiary managers (or former managers) in Constantia Flexibles, Crisis Prevention Institute, Stahl and Tarkett. The value retained in the context of these liquidity commitments corresponds to the market value determined by the parties, depending on the case, by applying a predetermined method or by an independent expert.

Liquidity mechanisms will also be provided to Wendel managers with exposure, in connection with co-investment mechanisms, to Constantia Flexibles, Crisis Prevention Institute and IHS (see note 6.1 "Participation of Wendel's managers in Group investments" to the 2021 consolidated financial statements).

As of December 31, 2021, based on the value of the investments included in the Net Asset Value or, where appropriate, on the basis of the price formulas or appraisals provided for in these agreements, the value of the portion of the *pari passu* investments made under the same risk and return conditions as Wendel by all the co-investing managers of investments or Wendel benefiting from liquidity rights granted by the fully consolidated companies was €35 million. The value of the portion of non-*pari passu* investments of co-investing managers of subsidiaries and managers of Wendel was €53 million. These amounts do not include any unpaid amounts owing to the co-investors on the investments sold or automatic liquidities.

In accordance with Group accounting principles, a portion of these amounts is recognized as a liability of €20.9 million. The accounting principles applicable to co-investments are described in note 1-8.19 "Accounting treatment of mechanisms for the participation of management teams in Group investments" of the 2021 consolidated financial statements.

With regard to non-controlling interests granted to joint shareholders, an overall amount of €315 million is recognized in financial liabilities for the put granted by Wendel and its holding companies to the H. Turnauer Foundation on its stake in Constantia Flexibles, as well as the put granted by Stahl to BASF.

Co-investment and liquidity commitment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

Note 35-6 Other agreements concluded by the Wendel Group for its financing and acquisition or divestment transactions

Subordinated (*mezzanine* and *second lien*) lenders to Stahl who waived their claims as creditors during the 2010 restructuring in exchange for a minority interest in the share capital (representing only 0.5% of the capital at December 31, 2021) notably received a right to the capital gain exercisable only upon the total or partial divestment of the Wendel Group's stake in Stahl. This right is exercisable by Stahl's mezzanine and second lien shareholders in the event of the divestment by the Wendel Group if Wendel's overall return is more than 2.5 times greater than its 2010 reinvestment. It is equivalent to the allocation of one to two bonus shares per share held by these former subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, as the exercise of this right depends on the Wendel Group's decision to divest.

As part of the syndication with Maxburg of a minority investment in the Constantia Flexibles Group, the Wendel Group enjoys a right to receive an additional amount on the portion transferred in this manner subject to the achievement by Maxburg of minimum profitability thresholds over the duration of its investment in Constantia Flexibles in case of divestment. This right is recognized within financial assets whose change in value is recognized on the income statement.

NOTE 36 Stock options, bonus shares and performance shares

The accounting principles applied to stock options, bonus shares and performance shares are described in note 1-8.18 "Stock subscription and stock purchase option plans".

The total expense related to allocation of stock options or other share-based compensation for FY 2021 was €34.8 million compared to €30.9 million in 2020.

In millions of euros	2021	2020
Stock options at Wendel	3.1	2.2
Grant of bonus shares at Wendel	6.3	6.3
Stock options at Bureau Veritas	2.7	2.3
Grant of bonus shares at Bureau Veritas	22.7	20.1
TOTAL	**34.8**	**30.9**

Pursuant to the authorization given by shareholders at their June 29, 2021 Shareholders' Meeting, options giving the right to subscribe to 131,795 shares were allocated on July 30, 2021 with a strike price of €110.97 and a ten-year life. These options have the following features:

- a service condition: four years from the granting of the options, it being specified that subject to the performance condition described below, 50% of the options may be exercised in the event of departure at the end of a period of two years, 75% of the options in the event of departure at the end of a period of three years and 100% of the options in the event of departure at the end of a period of four years;
- a performance condition: the options will be exercised by each beneficiary subject to the fulfillment of the following performance condition:
  - 25% of the options will be exercisable if, on the first anniversary of the grant date, all companies controlled by Wendel have prepared a climate risk analysis,
  - 25% of the options will be exercisable if, on the second anniversary of the grant date, at least half of the companies controlled by Wendel have defined and approved a corrective action plan to address the identified climate risks,
  - 25% of the options will be exercisable if, on the third anniversary of the grant date, all companies controlled by Wendel have defined and approved a corrective action plan to address the identified climate risks, and
  - 25% of the options will be exercisable if, on the fourth anniversary of the grant date, all companies controlled by Wendel have implemented priority corrective actions as defined in their action plans and presented the first results to the relevant corporate bodies of these corrective actions.

In 2021, these options were valued using a Monte-Carlo model, with the following main calculation assumptions: expected rate of return of 2.5%, expected central volatility of 28%. These options were valued by an independent expert at €19.0 per option. The expense has been spread over the options' vesting period.

Pursuant to the authorization granted by the Shareholders' Meeting of June 29, 2021, bonus shares with the following characteristics were also allocated on July 30, 2021:

- a service condition: four years from the granting of the shares, it being specified that subject to the achievement of the performance conditions described below, 50% of the performance shares may be acquired in the event of departure at the end of a period of two years, 75% of the performance shares in the event of departure at the end of a period of three years and 100% of the performance shares in the event of departure at the end of a period of four years;
- three performance conditions, assessed over a period of four years:
  - for 25% of the allocation, a performance condition linked to the absolute performance of Wendel's annualized Total Shareholder Return,
  - for 50% of the allocation, a performance condition linked to the relative performance of Wendel's annualized Total Shareholder Return measured against that of the CACMid60 index, and
  - for 25% of the allocation, a performance condition relating to the change in the dividend paid by Wendel.

These performance shares were valued using a Monte-Carlo model, with the following main calculation assumptions: expected rate of return of 2.5%, expected return on equity of 8.1%. The value of these performance shares has been estimated at €77.6 per performance share by an independent expert. The expense has been spread over the options' vesting period.

Pursuant to the authorization granted by the Shareholders' Meeting of June 29, 2021, bonus shares with the characteristics described below were also allocated on July 30, 2021:

- a service condition: four years from the granting of the shares;
- a performance condition assessed over a period of four years:
  - 25% of the allocation will vest if the dividend paid in 2022 is greater than or equal to the dividend paid in 2021,
  - 25% of the allocation will vest if the dividend paid in 2023 is greater than or equal to the dividend paid in 2022,
  - 25% of the allocation will vest if the dividend paid in 2024 is greater than or equal to the dividend paid in 2023, and
  - 25% of the allocation will vest if the dividend paid in 2025 is greater than or equal to the dividend paid in 2024.

These performance shares were valued using a Monte-Carlo model, with the following main calculation assumptions: expected rate of return of 2.5%, expected return on equity of 8.1%. The value of these performance shares has been estimated at €106.3 per performance share by an independent expert. The expense has been spread over the options' vesting period.

The instruments granted and not exercised or vested were as follows:

Stock-options	Number of options outstanding as of 12/31/2020	Options granted in 2021	Options canceled in 2021	Options exercised in 2021	Number of options outstanding as of 12/31/2021	Exercise price (in euros)	Average exercise price (in euros)	Average residual life	Number of exercisable options
Stock purchase options	610,561		-1,000	-71,518	538,043	from 54.93 to 134.43	113.14	5.08	433,564
Stock subscription options	270,342	131,795	-6,296	-	395,841	from 82.05 to 110.97	91.68	8.83	-
TOTAL	**880,903**	**131,795**	**-7,296**	**-71,518**	**933,884**				

Performance shares	Shares awarded as at 12/31/2020	Awards during the fiscal years	Definitive awards	Cancellations	Shares awarded as at 12/31/2021	Grant date	Vesting date
Plan 10-1	106,313			-106,313	-	07/06/2018	07/06/2021
Plan 11-1	77,386			-854	76,532	07/08/2019	07/08/2022
Plan 11-2	61,140			-4,892	56,248	07/08/2019	07/10/2023
Plan 12-1	84,341			-1,098	83,243	08/05/2020	08/05/2023
Plan 12-2	54,953			-6,670	48,283	08/05/2020	08/05/2024
Plan 13-1		73,021			73,021	07/30/2021	07/29/2025
Plan 13-2		46,411			46,411	07/30/2021	08/05/2024
TOTAL	**384,133**	**119,432**	**-**	**-119,827**	**383,738**		

NOTE 37 Fees paid by the Group to the Statutory Auditors and members of their networks

In thousands of euros	Services performed in 2021 by:		Services performed in 2020 by:	
	Deloitte Audit and entities of the Deloitte and Associates network	Ernst & Young Audit and EY network entities	Deloitte Audit and entities of the Deloitte and Associates network	Ernst & Young Audit and EY network entities
Certification, review of parent company financial statements				
▪ for Wendel SE	663	689	741	680
▪ for its subsidiaries	2,805	2,935	2,833	2,957
Sub-total	**3,468**	**3,624**	**3,574**	**3,637**
Services other than certification of financial statements				
▪ for Wendel SE	394	146	324	170
▪ for its subsidiaries	477	968	254	820
Sub-total	**871**	**1,114**	**578**	**990**
TOTAL	**4,339**	**4,738**	**4,152**	**4,627**

Services rendered during the year other than the Statutory Auditors' verification of the financial statements of Wendel SE and the companies over which the latter exercises control are related, for Ernst&Young Audit and its network, to tax services, to certifications, to due-diligence and to agreed procedures and for Deloitte, to certifications, to procedures in the context of the consolidated declaration of extra-financial performance, to legal and tax services, to due diligence and to agreed procedures.

NOTE 38 Subsequent events

Note 38-1 Acquisition of Acams

On January 24, 2022, Wendel announced that it had signed an agreement with Colibri, a Gridiron Capital company, for the acquisition of the Financial Services segment of Adtalem Global Education INC. As part of this transaction, Wendel will acquire Acams (Association of Certified Anti-Money Laundering Specialists), while Colibri will acquire Becker Professional Education and OnCourse Learning.

As part of this transaction, Acams is valued at approximately $500 million. Wendel will invest up to approximately $355 million in equity and will hold approximately 99% of the Company's share capital. The finalization of this transaction is expected to take place in March 2022 subject to compliance with the usual conditions and obtaining regulatory authorizations.

Over the last twelve months to the end of September 2021, Acams generated revenue of $83 million and $18 million in unaudited EBITDA, estimated on an independent operational management basis, and calculated using Wendel's usual methodology.

Note 38-2 New bond issue

In January 2022, a new €300 million bond maturing in January 2034 with a coupon of 1.375% was issued. See note 7-2.1 "Liquidity risk of Wendel and its holding companies".

Note 38-3 Disposal of Cromology

On January 20, 2022, Wendel completed the sale of the Cromology Group to DuluxGroup (see note 4 "Changes in scope of consolidation").

Note 38-4 Exposure to the war in Ukraine

Wendel is paying close attention to the evolution of the situation in Ukraine and its potential consequences, as the most material financial impact, among other things, could come from an increase of our companies' cost structures, raw materials prices, supply chain and wages inflation, if these are not passed on sufficiently quickly in sales prices, as our companies were able to do in 2021.

Wendel direct economical exposure to Russia and Ukraine is limited at c.1%. The security of local employees who can be exposed to the conflict is a key priority.

Please find below the Group direct exposure to Russia and Ukraine through its companies:

- for Bureau Veritas: sales realized in these countries represent less than 1% of the total revenue;
- for Constantia Flexibles: sales realized in these countries represent less than 5% of the total revenue;
- for Stahl: sales realized in these countries represent around 1% of the total revenue; and
- for Tarkett (equity method): sales realized in these countries represent around 10% of the total revenue.

NOTE 39 List of main consolidated companies as of December 31, 2021

Method of consolidation	% interest net of treasury shares	Company name	Country	Business segment
FC	**100.0**	**Wendel**	**France**	**Management of shareholdings**
FC	100.0	Coba	France	Management of shareholdings
FC	100.0	Eufor	France	Management of shareholdings
FC	100.0	Sofiservice	France	Management of shareholdings
FC	100.0	Waldggen	France	Management of shareholdings
FC	99.6	Africa Telecom Towers	Luxembourg	Management of shareholdings
FC	100.0	Constantia Coinvestco GP	Luxembourg	Services
FC	99.7	Expansion 17	Luxembourg	Management of shareholdings
FC	100.0	Wendel Lab	Luxembourg	Management of shareholdings
FC	99.6	Global Performance 17	Luxembourg	Management of shareholdings
FC	100.0	Ireggen	Luxembourg	Management of shareholdings
FC	100.0	Karggen	Luxembourg	Management of shareholdings
FC	99.6	Oranje-Nassau Développement SA SICAR	Luxembourg	Management of shareholdings
FC	100.0	Oranje-Nassau Développement NOP	Luxembourg	Management of shareholdings
FC	100.0	Oranje-Nassau GP	Luxembourg	Services
FC	100.0	Wendel Luxembourg(1)	Luxembourg	Management of shareholdings
FC	100.0	Winvest International SA SICAR	Luxembourg	Management of shareholdings
FC	100.0	Oranje-Nassau Groep	Netherlands	Management of shareholdings
FC	100.0	NOP Europe	Belgium	Management of shareholdings
FC	100.0	Wendel North America	United States	Services
FC	100.0	Wendel London	United Kingdom	Services
FC	100.0	Wendel Africa	Morocco	Services
FC	100.0	Wendel Singapore	Singapore	Services
FC	99.5	Accolade	United States	Investment fund
FC	**35.5**	**Bureau Veritas and its subsidiaries**	**France**	**Certification and verification services**
FC	**60.8**	**Constantia Flexibles and its subsidiaries**	**Austria**	**Flexible packaging**
FC	**67.8**	**Stahl and its subsidiaries**	**Netherlands**	**High-performance coatings and leather-finishing products**
FC	**96.3**	**CPI and its subsidiaries**	**United States**	**Training services**
E	**25.1**	**Tarkett**	**France**	**Innovative flooring and sports surface solutions**

(1) In 2021, Trief Corporation absorbed Winvest Conseil and changed its company name to become Wendel Luxembourg.

FC: Full Consolidation. Wendel exercises exclusive control over these companies.
E: Companies accounted for by the equity method. Wendel exercises significant influence over or joint control of these companies.

The complete list of consolidated companies and companies with an ownership interest is available on the Group's official website at the following address: https://www.wendelgroup.com/en/investors/regulated-information/.

6.12 Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2021

To the Wendel Shareholders' meeting

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Wendel for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1st, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Accounting treatment of acquisition and divestment of portfolio companies

Risk identified	Our response
As part of its investment activity, Wendel regularly acquires and sells subsidiaries and portfolio companies. The main transactions undertaken by Wendel in 2021 are as follows: ■ In May 2021, Wendel signed an agreement with the Deconinck family to form Tarkett Participation, the purpose of which is to hold a majority stake in Tarkett. Tarkett Participation initiated a takeover bid for Tarkett which closed in July 2021. Following this offer, Wendel's investment in Tarkett Participation amounts to €224 million and represents 25.2% of the capital of Tarkett Participation at the end of 2021. Tarkett Participation holds 90,4% of Tarkett at December 31, 2021. From an accounting point of view, Wendel's stake in Tarkett Participation was accounted for using the equity method from July 2021 for an initial value of €213 million given the significant influence exercised by Wendel. ■ In November 2021, Wendel signed an SPA with DuluxGroup to sell its share in Cromology and reclassified Cromology contribution as a "Assets and Liabilities held for sale" in the consolidated balance sheet, and under "Net income from operations discontinued or held for sale" in the consolidated income statement. On January 20, 2022, Wendel finalized the sale of Cromology Group to DuluxGroup. These transactions are described in Notes 4-1, 12 and 19 to the consolidated financial statements. We considered the recognition and presentation of the investment in Tarkett to be a key audit matter given the material amount of the operation and the judgment required to assess the significant influence. Also, we deemed the classification of Cromology as a "Assets and Liabilities held for sale" to be a key audit matter as it is a significant operation of the year.	We held discussions with the Finance department, the investment teams and the Legal department in order to gain an understanding of the transactions, and the main agreements with the stakeholders. We obtained and evaluated whether the main legal documents and analyses carried out by Wendel or its advisors in relation to these transactions, such as share purchase agreements, details of cash flows and commitments granted, had been properly reflected in the consolidated financial statements. Regarding the investment in Tarkett, we have: ■ examined the influence of Wendel over Tarkett Participation and over Tarkett, with regard to IAS 28 and the application of the equity method; ■ regarding the preliminary purchase price allocation of Tarkett, with the assistance of our valuation specialists, we have: ▪ analyzed the work performed by management to identify and measure the assets and liabilities acquired; ▪ assessed the appropriateness of the valuation methods used for the main intangible asset categories with regard to commonly used practices; ▪ analyzed the consistency of the valuation inputs compared to external sources; ▪ assessed the reasonableness of the amortization periods used for the intangible assets identified in light of the estimated useful lives of those assets. Regarding the divestment of Cromology, we have: ■ assessed the criteria for classification as "Assets and Liabilities held for sale" and "Net income from operations discontinued or held for sale"; ■ controlled that the presentation in the consolidated financial statements is compliant with IFRS 5. For both transactions, we also assessed the appropriateness of the disclosures provided in Notes 4-1, 12 and 19 to the consolidated financial statements.

Measurement of goodwill

Risk identified	Our response
As of December 31, 2021, the Goodwill net book value amounts to € 3 511 million, i.e. 25% of the total balance sheet. Goodwill is broken down by Cash Generating Units (CGUs) corresponding to each operating subsidiary (Bureau Veritas, Constantia Flexibles, Stahl and CPI). An impairment loss is recognized if the recoverable amount of goodwill as determined during the impairment test carried out annually or when a trigger for impairment is identified, on each CGU or group of CGUs falls below its carrying amount. In addition, when an impairment loss is recognized by the operating subsidiary on one of its CGU or group of CGUs, this loss is maintained in Wendel's consolidated financial statements, as described in Note 1-8.1 to the consolidated financial statements. As described in Note 9 to the consolidated financial statements, as a result of the impairment tests performed by the management of Wendel and/or its subsidiaries, no impairment of goodwill was recognized for the year ended December 31, 2021. We determined the measurement of goodwill is a key audit matter due to its significance in the Group's financial statements and because determining its recoverable amount, usually on the basis of discounted future cash flow forecasts, taking into account the current economic situation deteriorated by the Covid-19 crisis, requires management to exercise a high degree of judgment and estimation.	We examined the process implemented by the management of Wendel and that of the operating subsidiaries to carry out impairment tests. With the assistance, when appropriate, of the subsidiaries' auditors and the support from our valuation specialist, we examined the goodwill impairment tests carried out by Wendel and its operating subsidiaries. We adjusted the extent of our work to take into account the level of impairment risk of the CGUs or groups of CGUs. ■ For the CGUs or groups of CGUs presenting an impairment risk, our work consisted in: ▪ Assessing the compliance of the methodology applied by Wendel and its subsidiaries with applicable accounting standards; ▪ Examining the projected cash flows in relation to the economic and financial environment in which the CGUs or groups of CGUs operate, taking into account the global crisis environment related to the COVID-19 pandemic; ▪ Assessing the quality of the process used to determine the projections by analyzing the reasons for any differences between past forecasts and actual outcomes; ▪ Assessing the consistency of the long-term growth rates used with available market analyses and the operating margin rate used in terminal year with the margin rates of actual and forecasted flows; ▪ Assessing the different components of the discount rates used; ▪ Verifying the sensitivity of the calculation of the recoverable amount of the CGUs or groups of CGUs to changes in the main assumptions used (long-term growth rate, margin rate used in the terminal year and discount rate). ■ For the other CGUs or groups of CGUs, our work consisted in holding discussions with the management of Wendel and/or the operating subsidiary to assess the reasonableness of the cash flows and key assumptions used (long-term growth rate, operating margin used in terminal year and discount rates); We also assessed the appropriateness of the disclosures provided in Notes 1-8.1 and 9 to the consolidated financial statements, in particular those related to the sensitivity analysis carried out by Wendel's management.

Accounting treatment of IHS contribution

Risk identified	Our response
Wendel group did not sell any share of IHS in the Initial Private Offering of this group that occurred on the New York Stock Exchange in October 2021. Nevertheless, following this transaction, the terms of governance of IHS and Wendel's rights as a shareholder have changed significantly, as described in note 4-1 of the consolidated financial statements. In view of these changes, Wendel reviewed its judgment regarding its significant influence in IHS and concluded that it no longer has the factual possibility of exercising a significant influence on the decisions of the Board of this entity. According to IAS 28 "Investments in Associates", from the date of IPO the group ceased to use the equity-method given the loss of significant influence over IHS. From September 30, 2021, its participation is accounted for as a financial asset at fair value changes recorded in other comprehensive income in accordance with IFRS9 "Financial instruments" and the Group's accounting principles. As described in note 4-1 of the consolidated financial statements, the accounting gain on disposal recognized in 2021 in Net income from equity-method investments amounts to €913 million. The change in fair value after the IPO is recognized in other comprehensive income for -€357 million. As of December 31, 2021, IHS shares are valued at €785,1 million in Wendel's consolidated financial statements. We deemed the accounting treatment of IHS contribution to be a key audit matter as it is material to the financial statements and requires judgment to assess the loss of significant influence of Wendel group over IHS.	We held discussions with the Finance department, the investment teams and the Legal department in order to gain an understanding of the operation and the main agreements (including the new shareholders agreement). We evaluated the analysis performed by Wendel on ■ the loss of significant influence exercised over IHS with regard to the principles and criteria provided for by the IFRS standards; ■ the accounting treatment carried out, due to the loss of significant influence and its impact on the accounts. We also assessed the appropriateness of the disclosures provided in Note 4-1 "Changes in consolidation perimeter in 2021" section 2 "IHS IPO" to the consolidated financial statements

Accounting treatment of mechanisms for the participation of management teams in the Group's investments

Risk identified	Our response
As described in Note 6 to the consolidated financial statements, Wendel has set up co-investment mechanisms to allow its managers and managers of subsidiaries (Constantia Flexibles, Stahl, IHS, CPI and Tarkett) to invest their personal funds in assets in which the Group invests. In the event of a divestment or an IPO, the managers receive a share of the capital gain or may lose their investment under pre-determined conditions. Several years after the initial investment, in the absence of a divestment or an IPO, Wendel is committed to buy back the share invested by the managers in order to ensure liquidity. The accounting treatment of these mechanisms is based on their settlement method. Until the settlement method is not definitive, the investments are accounted for based on the settlement method determined as most likely. This accounting treatment is described in Note 1-8.19 to the consolidated financial statements. As described in Note 35-5 to the consolidated financial statements, the commitments to buy back the share invested by managers of Wendel and subsidiaries disclosed as off-balance sheet commitments amount to 35 M€ for "pari passu" investments with the same profile of risk and return as Wendel, and amount to 53 M€ for non "pari passu" investments as of December 31, 2021. These amounts do not include any unpaid amounts owing to the co-investors on the investments sold or automatic liquidities. A part of these amounts is recognized as financial liabilities for 21 M€. We deemed the accounting treatment of mechanisms for the participation of management teams in the Group's investments to be a key audit matter because: ■ The accounting treatment of these mechanisms is complex; ■ The recognition or not of a liability reflecting the commitment to buy back the share invested by the managers at their fair value requires a high degree of judgment from management; ■ These investments are made by managers, some of whom are related parties.	We held discussions with Wendel's management to gain an understanding of the co-investment mechanisms put in place by Wendel and its operating subsidiaries, and of the accounting process. For each co-investment mechanism identified, we obtained the main legal documents and analyzed the conformity of the accounting treatment applied by Wendel with the Group's accounting policies, as set out in Note 1-8.19 to the consolidated financial statements. For the co-investment mechanisms for which the most likely redemption is a disposal or an IPO, we assessed the reasoning underlying management's decision not to recognize a liability, by taking into account the redemption of previous co-investments. In this case, we paid particular attention to the co-investment mechanisms for which the liquidity commitment granted by Wendel to its managers will end soon, by determining in particular through our consultation of the minutes of meeting of the governing bodies (Executive Board and Supervisory Board), whether a disposal or an IPO is in progress. Otherwise, we verified that a liability has been recognized. We also assessed the appropriateness of the disclosures provided with respect to off-balance sheet commitments set out in Note 35-5 to the consolidated financial statements and those concerning transactions with related parties set out in Note 5.1 and controlled that the value of the commitments to buy back the amounts invested by the managers was determined according to the measurement method described in Note 35-5

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Executive Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Executive Board's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Wendel by the annual general meeting held on 16 May 2019 for Deloitte & Associés and on 15 November 1988 for ERNST & YOUNG Audit.

As at 31 December 2021, Deloitte & Associés and ERNST & YOUNG Audit were in the third year and thirty-fourth year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 17, 2022

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES
Mansour Belhiba

ERNST & YOUNG Audit
Jacques Pierres

7

PARENT COMPANY FINANCIAL STATEMENTS

7.1 Balance sheet as of December 31, 2021

Assets

In thousands of euros		12/31/2021 Gross amounts	12/31/2021 Amortization or impairment	12/31/2021 Net amounts	12/31/2020 Net amounts
Non-current assets					
Intangible assets and property, plant & equipment		**18,746**	**16,779**	**1,967**	**2,446**
Non-current financial assets(1)					
Investments in subsidiaries and associates	Note 1	10,852,116	2,986,468	7,865,648	7,425,363
Other long-term investments		34	-	34	34
Treasury shares	Note 2	74,303	7,393	66,911	37,760
Loans and other non-current financial assets		788	0	788	723
		10,927,240	2,993,860	7,933,380	7,463,880
TOTAL		**10,945,986**	**3,010,639**	**7,935,347**	**7,466,326**
Current assets					
Trade receivables(2)		1,004	-	1,004	15,221
Other receivables(2)	Note 3	600,427	-	600,427	149,116
Financial instruments	Note 9	0	-	0	64,863
Marketable securities	Note 4	588,697	-	588,697	856,531
Treasury shares	Note 4	56,502	-	56,502	59,049
Cash		38,998	-	38,998	189,737
Prepaid expenses		690	-	690	675
TOTAL		**1,286,319**	**-**	**1,286,319**	**1,335,192**
Translation adjustment		189	-	189	4
Deferred expenses		3,831	-	3,831	3,557
Original issue discounts		2,994	-	2,994	2,147
TOTAL ASSETS		**12,239,319**	**3,010,639**	**9,228,680**	**8,807,225**

(1) O/w at less than one year. 0
(2) O/w which at more than one year. 0

Liabilities

In thousands of euros		12/31/2021	12/31/2020
Equity			
Share capital		178,992	178,876
Share premiums issue of merger and contributions		57,534	55,340
Legal reserves		20,224	20,224
Regulated reserves		101,870	101,870
Other reserves		2,250,000	2,250,000
Retained earnings		4,258,961	4,412,136
Net income for the year		**669,270**	**-26,613**
TOTAL	NOTE 5	7,536,851	6,991,833
Provisions for risks and contingencies	**Note 6**	**29,772**	**28,482**
Financial debt(1)	Note 7	1,644,003	1,699,023
Other current liabilities	Note 8	16,070	20,614
TOTAL(2)		1,660,073	1,719,637
Issue premiums on borrowings		1,795	2,409
Valuation differences on treasury instruments	Note 9	189	64,863
TOTAL EQUITY AND LIABILITIES		**9,228,680**	**8,807,225**

(1) O/w short-term bank borrowings		*-*	*-*
(2) O/w less than one year		*160,073*	*119,637*
O/w more than one year		*1,500,000*	*1,600,000*

7.2 Income statement

In thousands of euros		2021	2020
Income from investments in subsidiaries and associates and long-term equity portfolio	Note 11	**263,000**	**200,000**
Other financial income and expenses	Note 12		
Income			
■ Income from loans and invested cash		41,784	4,575
■ Reversals of Provisions		13,347	1,170
Expenses			
■ Interest and similar expenses		38,648	52,721
■ Depreciation, amortization and provisions		767	7,873
FINANCIAL INCOME		**278,716**	**145,150**
Operating income	Note 13		
Other income		16,799	15,601
Provisions reversed and expenses transferred		1,500	17
Operating expenses			
Purchases and external services		17,807	15,412
Taxes and equivalent		3,047	2,443
Wages and salaries	Note 14	16,767	13,616
Social security costs		6,991	7,758
Depreciation & amortization and deferred expenses		3,553	2,759
Miscellaneous expenses		1,124	1,107
OPERATING INCOME		**-30,991**	**-27,477**
NET INCOME BEFORE EXCEPTIONAL ITEMS AND TAX		**247,725**	**117,673**
Exceptional income			
On operating transactions		4	7,370
On capital transactions		-4	318
Reversals of provisions		497,526	60,933
Exceptional expenses			
On operating transactions		8,173	28,763
On capital transactions			-
Additions to provisions		67,832	184,177
EXCEPTIONAL ITEMS	Note 15	**421,521**	**-144,318**
INCOME TAXES	Note 16	**24**	**32**
NET INCOME (LOSS)		**669,270**	**-26,613**

7.3 Cash flow statement

In thousands of euros		2021	2020
Cash flows from operating activities, excluding tax			
Net income		669,270	-26,613
Depreciation, amortization, provisions and other non-cash items		-438,720	132,701
Gains/losses on divestments		4	-318
Financial income and expense		-266,136	-125,168
Taxes		-24	-32
Cash flows from operating activities before net finance costs and tax		**-35,606**	**-19,431**
Change in working capital requirement related to operating activities		19,031	-10,517
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX		**-16,575**	**-29,948**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets		-235	-945
Disposal of property, plant & equipment and intangible assets		11	541
Acquisition of equity investments	Note 1	-	0
Disposal of equity investments	Note 1	-	0
Changes in other financial assets and liabilities and other		-65	-144
Dividends received	Note 11	263,000	200,000
Change in working capital requirements related to investment activities		-	0
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX		**262,712**	**199,453**
Cash flows from financing activities, excluding tax			
Capital increase	Note 5	2,310	2,216
Treasury share buybacks and cancellations	Note 2	-24,802	869
Dividends paid	Note 5	-126,562	-122,609
New borrowings	Note 7	300,000	0
Repayment of borrowings	Note 7	-300,000	0
Net change in intragroup assets and liabilities		-508,380	-39,092
Net finance costs		-36,260	-55,484
Other financial income/expense	Note 15	35,928	-19,982
Change in working capital requirements related to financing activities		-7,335	2,641
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX		**-665,100**	**-231,442**
Income taxes	Note 16	24	32
Change in tax assets and liabilities		358	0
NET CASH FLOWS RELATED TO TAXES		**382**	**32**
Effect of currency fluctuations		-	-
CHANGE IN CASH AND CASH EQUIVALENTS		**-418,582**	**-61,905**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD(1)		**1,046,268**	**1,108,173**
CASH AND CASH EQUIVALENTS AT END OF PERIOD(1)		**627,695**	**1,046,268**

(1) Cash and cash equivalents included marketable securities (excluding Wendel treasury shares), cash, and bank borrowings.

7.4 Notes to the parent company financial statements

7.4.1 Highlights of the year

Dividends received from subsidiaries

The Company received dividends of €263 million from:

- WENDEL Luxembourg (wholly-owned subsidiary): €150 million;
- EUFOR (wholly-owned subsidiary): €57 million; and
- Oranje-Nassau Groep (wholly-owned subsidiary): €56 million.

These dividends were paid by current accounts.

Capital and dividend paid

At their Annual General Meeting of June 29, 2021, shareholders approved the payment of a cash dividend of €2.90 per share. The total amount of the dividend paid thus amounted to €129.7 million.

Wendel sold 72,518 of its own shares during the fiscal year for a total of €6.21 million in connection with the exercise of options and the grant of performance shares to employees.

Excluding the liquidity contract, the Company purchased 285,559 Wendel shares in 2021 at an average price of €107.84 per share.

As of December 31, 2021 the Company held 1,116,456 Wendel shares, including 637,167 held as long-term investments, 421,565 as marketable securities and 57,724 held under the liquidity contract.

Lastly, the capital increases reserved for employees amounted to €2.3 million and corresponded to 28,824 shares.

Financing

In May 2021, Wendel issued a new bond of €300 million maturing in June 2031 with a coupon of 1%. The proceeds of this issue were used to prepay the entire loan amount in April 2023 of €300 million. The €8 million premium paid for this early repayment was recognized in exceptional income. These two transactions enabled Wendel to extend the average maturity of its bond debt. As of December 31, 2021, the nominal value of bond debts amounted to €1,600 million.

In addition, foreign exchange derivatives (cross-currency swaps) were settled in March 2021 and a premium of €39.5 million was received and recognized in financial income.

Intragroup assets and liabilities

The increase in net receivables from subsidiaries amounting to €507.8 million is mainly due to the following:

- the financing of Wendel Luxembourg for the investment of €224 million in Tarkett Participation;
- distributions received from Wendel Luxembourg, Oranje-Nassau Groep and Eufor which were paid in current account for €263 million (see above); and
- the Bureau Veritas dividend of €57 million received by Eufor, the proceeds of which were loaned by current account to the Company.

Impairment of equity investments

At the end of the 2021 financial year, the shares of Wendel SE's direct subsidiaries were tested for impairment. They were carried out by taking into account the valuation of the Group's portfolio of investments established according to the Group's Net Asset Value calculation method (this method is described in the Annual Financial report). This results in the following impairment adjustments:

- the total reversal of the impairment of €189.7 million on the shares in EUFOR, which holds the Group's stake in Bureau Veritas; this reversal is linked to the increase in the share price of this stake;
- a reversal of the impairment on WENDEL Luxembourg shares for an amount of €305.4 million this reversal is due to changes in the value of the Group's portfolio of unlisted investments, which is held indirectly by this subsidiary; and
- a depreciation of the Oranje-Nassau Groep shares of €54.8 million recognized following the distribution of a similar amount made by this subsidiary.

These annual financial statements were finalized by Wendel SE's Executive Board on March 9, 2022.

7.4.2 Accounting principles

The balance sheet and income statement have been prepared in accordance with the accounting standards prescribed by the French chart of accounts in effect, applying the same exceptions as in previous years.

The two exceptions to the policies set out in the French chart of accounts are as follows:

- substitution of "Net financial income" as the sub-total representing the Company's activity for "Operating income", as defined by the chart of accounts;
- recognition of all capital transactions on assets other than marketable securities in "Exceptional items". Regarding marketable securities, changes in provisions for impairment and gains and losses on disposal are recognized in "Net financial income".

The valuation methods applied remain unchanged compared to those of prior years.

The gross value of items included in non-current assets corresponds to their acquisition cost or the cost at which they were contributed to the Company, excluding ancillary costs.

Use of estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on an appreciation of the facts and circumstances existing at the balance sheet date, as well as on information available as of the date the accounts were finalized. They are based on the Executive Board's past experience and various other factors deemed reasonable (market data and expert valuations, etc.), and are reviewed on a regular basis. The uncertainty has complicated forecasting, and actual amounts could therefore be different from the forecasts. The most significant estimates used in preparing these financial statements concern mainly investments in subsidiaries and associates and the recoverability of receivables.

Operating subsidiaries

The initial value of investments in subsidiaries and associates is their acquisition cost. Internal indicators of loss in value are reviewed annually for each investment. In the event of an indication of loss in value, valuations are updated. The valuation method used depends on the type of business (operating or holding company) and can be based on the ownership share of the net book value of the entity or of the net asset value after revaluation. In this case, the valuation can be based on a variety of methods, including discounted future cash flows, a multiple of sales or income, external transactions on similar companies, stock market values, etc. When the carrying value falls below net book value, an impairment loss is recognized on the difference.

Loans and receivables

Loans and receivables are valued at face value. An impairment loss is recognized if there is a probability of non-recovery. Loans and receivables related to investments are written down if the net asset value of the subsidiary concerned (or the net book value if it is deemed representative of the recoverable value) becomes negative.

Issue and redemption premiums, and debt issuance costs

Issue and redemption premiums are generally amortized using the effective interest method over the term of the corresponding loan. Debt issuance costs are spread over the term of the loan in accordance with the preferential method recommended by CRC Regulation No. 99-02.

Interest rate derivatives

Financial gains and losses arising on interest rate swaps are recognized in the profit and loss account when realized. A provision for losses is recognized when the value of the swaps is negative and when the swaps do not qualify as hedging instruments.

Currency derivatives

Wendel SE applies the ANC regulation 2015-05 of 2-7-2015 on forward financial instruments and hedging transactions, applicable from January 1, 2017. The rules provide for the recognition at fair value of "isolated open positions" that are not hedged. Derivatives must be recognized at their fair value as "treasury instruments" on the balance sheet in order to show the Company's position. Changes in the value of these derivatives are recognized against prepayment and accruals accounts on the balance sheet "Valuation differences on treasury instruments – assets or liabilities". There is no impact on net income.

When the value of these instruments is negative, a provision for risks and contingencies is recognized for this negative amount.

Marketable securities

Marketable securities are measured using the "first-in, first-out" method. A provision for impairment is recognized if the net book value of the securities is greater than market value.

Accounting for transactions in foreign currencies

Receivables and payables denominated in foreign currencies are converted into euros at the year-end exchange rate. Currency translation differences on items that have not been hedged for exchange rate risks are recognized as currency translation adjustments within assets or liabilities. A provision is made for unrealized foreign exchange losses.

Provisions for pensions

Obligations related to retirement bonuses and defined-benefit pension schemes are determined at each balance sheet date taking into account the age of the Company's employees, their length of service and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method. A provision is recognized for the portion of the obligation that is not covered by plan assets.

7.4.3 Notes on the balance sheet

(In thousands of euros)

NOTE 1 Investments in subsidiaries and associates

	% Interest		Net amounts	Acquisitions and Subscription	Divestments and Merger	Change of Provisions	Net amounts
In thousands of euros	12/31/2020	12/31/2021	12/31/2020				12/31/2021
French associates							
Sofiservice	100.00	100.00	23				23
Eufor	100.00	100.00	3,599,062			189,735(1)	3,788,797
Coba	100.00	100.00	15				15
Winvest 16	100.00	100.00	-				-
Non-French associates							
WENDEL Luxembourg	100.00	100.00	3,754,883			305,362	4,060,245
Oranje-Nassau Groep	100.00	100.00	71,381			-54,811	16,570
		TOTAL	**7,425,362**	**-**	**-**	**440,286**	**7,865,648**

(1) As of December 31, 2021, the Company analyzed the value of investments in subsidiaries and associates on the basis of their net asset value. This analysis led the Company to write back the impairment on Eufor shares (entity holding the Group's stake in Bureau Veritas) for €189,735 thousand, and the impairment on WENDEL Luxembourg shares (entity holding the Group's unlisted portfolio) in the amount of €305,362 thousand. In addition, an impairment on Oranje-Nassau Groep shares of €54.8 million was recognized following a distribution of a similar amount made by this subsidiary.

NOTE 2 Treasury shares

In thousands of euros	% Interest 12/31/2020	% Interest 12/31/2021	Net amounts 12/31/2020	Acquisitions	Divestments	Transfer account	Change of Provisions	Net amounts 12/31/2021
Wendel shares	0.86%	0.86%	37,760	27,348[(1)]			1,802[(2)]	66,910
TOTAL			**37,760**	**27,348**	**-**	**-**	**1,802**	**66,910**

(1) The Company acquired a quantity of 250,938 shares for a total amount of €27,348 thousand to be allocated to the cancellation of shares.
(2) At December 31, 2021, the Company held 637,167 treasury shares for a net book value of €66,910 thousand. These shares were valued in accordance with accounting principles on the basis of the average of the last 20 stock market prices for December 2021 (€102.30 per share). This analysis led to the reversal of the provision for €1,802 thousand.

As of December 31, 2021, Wendel SE held 1,116,456 treasury shares (900,665 treasury shares as of December 31, 2020).

These treasury shares are allocated:

- in the amount of 379,965 shares, to potential acquisition activity and were classified as non-current financial assets (379,965 as of December 31, 2020);
- in the amount of 257,202 shares, to capital reduction operations, they are classified as financial assets;
- in the amount of421,565 shares, to cover grants under stock-option plans. They were classified as marketable securities within current assets (see note 4 “Marketable securities”); and
- in the amount of 57,724 shares, held under the liquidity contract. They were classified as marketable securities within current assets (see note 4 “Marketable securities”).

NOTE 3 Other receivables

In thousands of euros	12/31/2021 Gross amounts	12/31/2021 Impairment	12/31/2021 Net amounts	12/31/2020 Gros amounts	12/31/2020 Impairment	12/31/2020 Net amounts
Tax and employee social security receivables	1,033		1,033	1,840	-	1,840
Loans and advances connected with investments in subsidiaries and associates[(1)]	599,394		599,394	146,260	-	146,260
Other[(2)]				1,016		1,016
TOTAL	**600,427**	**0**	**600,427**	**149,116**	**-**	**149,116**
Of which related companies	*599,610*			*146,260*		
Of which accrued income	*0*			*2,479*		

(1) These receivables correspond to advances granted to holding companies contributing to the holding of the Group’s various investments.
(2) In 2020, this amount corresponded to the Cross Currency SWAPS which were settled in 2021.

NOTE 4 Marketable securities

	12/31/2021		12/31/2020	
In thousands of euros	Net book value	Market values	Net book value	Market values
Wendel shares (excluding liquidity contract)[1]				
Shares allocated to stock-option plans[2]	47,056	40,784	53,794	44,968
Shares allocated to performance share plans[3]	3,448	3,649	-	-
SUB-TOTAL	**50,503**	**44,433**	**53,794**	**44,968**
Money-market mutual funds and deposits	307,357	307,357	576,658	576,658
Diversified funds, equities or bonds			-	-
Funds managed by financial institutions	281,341	281,341	279,873	279,873
Liquidity contract				
Wendel shares[4]	5,999	6,084	5,254	5,380
SUB-TOTAL	**594,697**	**594,781**	**861,785**	**861,911**
TOTAL	**645,200**	**639,214**	**915,579**	**906,878**

(1) *Number of Wendel shares held as of December 31, 2021: 421,565.*
Number of Wendel shares held as of December 31, 2020: 459,462.
(see note 2 "Treasury shares").

(2) *Shares held for the exercise of purchase-type stock options granted under stock-option plans. The net book value of these shares is the acquisition price of the securities. Any negative difference arising between the book value and the exercise price of the purchase options is provisioned in proportion to the rights acquired within "Provisions for risks and contingencies". At December 31, 2021, this provision amounted to €7,511 thousand.*

(3) *Shares allocated to the exercise of allocations granted under the performance share plan programs. In accordance with accounting standards, the loss related to the vesting of performance shares is provisioned in proportion to the extent to which they have vested. The value of the shares awarded valued at the rate at December 31, 2021 was recognized under "Provision for contingencies and charges". This provision amounts to €16,533 thousand.*

(4) *Number of Wendel shares held as of December 31, 2021: 57,724.*
Number of Wendel shares held as of December 31, 2020: 54,974.
(see note 2 "Treasury shares").

NOTE 5 Changes in shareholders' equity

In thousands of euros

Number of shares		Share capital (nominal €4)	Share premiums issuance merger and contributions	Legal reserve	Regulated reserves	Other reserves & Retained to new	Output net of the year	Total shareholders' equity
44,682,308	**Balance as of 12/31/2019 before appropriation**	**178,729**	**53,271**	**20,224**	**101,870**	**4,918,852**	**1,865,893**	**7,138,839**
	Appropriation of 2019 income					1,865,893	-1,865,893	-
	Dividend					-122,609		-122,609
	Capital increase							
36,811	■ Company Savings Plan	147	2,069					2,216
	■ Exercises of options							0
	2020 income						-26,613	-26,613
44,719,119	**Balance as of 12/31/2020 before appropriation**	**178,876**	**55,339**	**20,224**	**101,870**	**6,662,137**	**-26,613**	**6,991,833**
	Appropriation of 2020 income					-26,613(1)	26,613	-
	Dividend					-126,562(3)		-126,562
	Capital increase							
28,824	■ Company Savings Plan	115(2)	2,194					2,310
	■ Exercises of options							0
	2021 income						669,270	669,270
44,747,943	**Balance as of 12/31/2021 before appropriation**	**178,991**	**57,534**	**20,224**	**101,870**	**6,508,961**	**669,270**	**7,536,851**

(1) The retained earnings approved at the Shareholders' Meeting of June 29, 2021 was reduced by the amount of the result for 2020, i.e. €26.6 million.
(2) The share capital was increased by €115 thousand as a result of the two Company Savings Plans during the financial year 2021.
(3) A dividend of €2.90 per share was paid in 2021.

NOTE 6 Provisions for risks and contingencies

In thousands of euros	12/31/2021	12/31/2020
Provision for pensions and post-employment benefits	995	1,068
Other risks and contingencies	28,776	27,415
TOTAL	**29,772**	**28,483**

In thousands of euros		12/31/2020	Allocations of Fiscal year	Reversals during the year used	Reversals during the year unused	12/31/2021
Provision for pensions and post-employment benefits		1,068		72		996
Provision for allocation of performance shares and purchase options	Note 4	21,822	11,791	9,594		24,019
Other risks and contingencies		5,593	1,701	372	2,165	4,757
	TOTAL	**28,483**	**13,492**	**10,038**	**2,165**	**29,772**
		Operating income	1,701	72	-	
		Net financial expense	11,791	9,594	-	
		Exceptional items	0	372	2,165	
			13,492	**10,038**	**2,165**	

The principal disputes, claims and risks identified for Wendel and its holding companies are as follows:

- labor disputes for which a provision has been made; and
- the legal actions brought by Wendel managers as a result of the unwinding of a mechanism for participating in the Group's performance were concluded either by the withdrawal or rejection of their claims or a stay pending decisions in other individual cases. No provision has been set aside.

NOTE 7 Financial debt

In thousands of euros	12/31/2021	12/31/2020
1.00% 2023 bonds	-	300,000
2.75% 2024 bonds	500,000	500,000
2.50% 2027 bonds	500,000	500,000
1.375% 2026 bonds	300,000	300,000
1% 2031 bonds	300,000	-
Syndicated loan (Euribor + Marge)(1)	-	-
Accrued interest	19,177	19,526
SUB-TOTAL	**1,619,177**	**1,619,526**
Borrowings connected with investments in subsidiaries and associates(2)	24,826	79,497
TOTAL	**1,644,003**	**1,699,023**
Of which: less than one year	*44,003*	*99,023*
1 to 5 years	*1,300,000*	*800,000*
more than 5 years	*300,000*	*800,000*
accruals	*19,177*	*19,526*

(1) The Company did not use its syndicated credit line in 2021 (see note 17).
(2) These are current accounts of Group entities, mainly vis-à-vis its subsidiary Oranje-Nassau Groep for an amount of €16.4 million.

NOTE 8 Other current liabilities

In thousands of euros		12/31/2021	12/31/2020
Sourcing & suppliers(1)		3,630	3,171
Tax and employee social security liabilities		12,203	8,719
Treasury instruments		-	-
Accrued interest on interest rate derivatives	Note 9	237	8,301
Other			423
TOTAL		**16,070**	**20,614**
Of which related companies		*0*	*189*

(1) The breakdown of trade payables by maturity (pursuant to Article 441-6-1 of the French Commercial Code) was as follows:

	At 12/31/2021	At 12/31/2020
• payment within 30 days:	-16	228
• payment in more than 30 days:		89
• invoices not received:	3,646	2,854

NOTE 9 Financial instruments

	12/31/2021		12/31/2020	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Cross currency swaps (CCS)				
Accrued interest not yet due			1,011	8,301
Provision for risks & contingencies			-	-
Cash instruments – CCS			64,863	-
Differences in val. on Treasury instruments			-	64,863
Forward currency sale				
Cash instruments – MTM				

In early March 2021, the cross-currency swaps were unwound. As such, the Company received an amount of €39.5 million recognized in financial income.

NOTE 10 Off-balance-sheet commitments

There were no off-balance-sheet commitments granted by Wendel SE at December 31, 2021.

7.4.4 Notes to the income statement

NOTE 11 Income from investments in subsidiaries and associates and long-term equity portfolio

(in thousands of euros) **Dividends from**	**2021**	**2020**
Oranje-Nassau Groep	56,000	0
WENDEL Luxembourg	150,000	200,000
EUFOR	57,000	0
TOTAL	**263,000**	**200,000**
Of which interim dividend:	*57,000*	*200,000*

NOTE 12 Other financial income and expenses

(in thousands of euros) **Income**	**2021**	**2020**
Other interest and similar income(1)	41,783	4,562
Foreign exchange gain	2	12
Reversals of provisions(2)	12,733	563
Amortization related to bond issue premiums	614	608
TOTAL	**55,131**	**5,745**
Of which related companies	*787*	*70*

(in thousands of euros) **Expenses**	**2021**	**2020**
Interest on bonds	33,618	33,401
Other interest and similar expenses(3)	4,991	19,281
Foreign exchange loss	39	39
Additions to provisions	-	7,387
Amortization of bond redemption premiums	767	486
TOTAL	**39,415**	**60,595**
Of which related companies	*262*	*322*

(1) This is mainly an income of €39,550.3 thousand resulting from the settlement of cross currency swaps.
(2) This is essentially a reversal of the risk provision on stock options granted under stock option programs.
(3) This item includes a cross -currency swap interest expense of €2,868.9 thousand.

NOTE 13 Operating income

In thousands of euros	2021	2020
Property rental	81	54
Services invoiced to subsidiaries	16,226	14,938
Other income	492	609
Transfer of expenses	1,500	17
Reversals of provisions	0	0
TOTAL	**18,299**	**15,617**
Of which related companies	*15,621*	*15,245*

NOTE 14 Compensation and headcount

See note 18 for a description of the compensation the Company allocated to the members of the Executive and Supervisory Boards.

Average staff numbers	2021	2020
■ Managers	56	52
■ Non-executive employees	6	7
TOTAL	**62**	**59**

NOTE 15 Exceptional items

In thousands of euros	Exceptional income			Exceptional expenses			Balances fiscal year 2021
	Management Operations	Divestments Gains	Reversals from Provisions	Management Operations	Divestment Losses	Additions to Provisions	
Property, plant & equipment	**-**	**-4**	**-**	**-**	**-**	**-**	**-4**
Non-current financial assets							
Other exceptional transactions	**4**	**0**	**497,526**	**8,173**	**0**	**67,832**	**421,525**
■ Provision for impairment of securities	-	-	497,526	-	-	67,832	429,694
■ Early repayment of bond 04/2023		-		8,173	-	-	-8,173
■ Other	4	-	-	-	-	-	4
TOTAL	**4**	**-4**	**497,526**	**8,173**	**0**	**67,832**	**421,521**

At December 31, 2021, exceptional items of €421,521 thousand mainly include:

- changes in impairment on equity investments (see note 1); and
- an exceptional expense of €8,173 thousand resulting from the early repayment of the obligation due in 2023.

NOTE 16 Income tax

Income tax breaks down as follows:

In thousands of euros	2021
Taxable base at a rate of	**27.37%**
On 2021 income before exceptional items	247,725
On 2021 exceptional items	421,521
	669,246
Addbacks/deductions related to tax consolidation	-689,408
	- 20,162
Deduction of losses carried forward	-
Taxable income of the tax consolidation Group	**- 20,162**
Corresponding tax	
Tax consolidation income	216
Tax consolidation expense	-192
INCOME TAX RECOGNIZED IN THE INCOME STATEMENT	**24**

The Company has opted for tax consolidation status, as defined in Articles 223 A-U of the French General Tax Code. According to the tax consolidation agreements between Wendel and the other companies in the tax Group, each company contributes to the tax of the Group by paying Wendel the amount it would have paid had it been taxed on a stand-alone basis (*i.e.* without tax consolidation).

This mechanism produced a tax income for Wendel SE equal to the difference between the tax payable and the amount received from subsidiaries. The members of the Wendel tax consolidation Group in 2021 were: the parent company Wendel SE and Sofiservice, Coba, Eufor, Waldggen and Winvest 16.

As of December 31, 2021, there is a tax consolidation profit from the subsidiary Eufor for an amount of €215.7 thousand.

NOTE 17 Liquidity and debt situation

At December 31, 2021, gross debt consisted of bonds for a total amount of €1,600 million.

In January 2022 (post-closing), a new €300 million bond maturing in January 2034 with a coupon of 1.375% was issued. Thus, at the date of closing of the financial statements, the maturities of the bonds are spread out between October 2024 and February 2034 and the average maturity is six years.

Wendel also has an undrawn €750 million syndicated loan maturing in October 2024. Wendel was in compliance with its financial covenants as of December 31, 2021. This undrawn line of credit notably gives Wendel enough flexibility to take advantage of investment opportunities.

At the date of the closing of the financial statements, Wendel's long-term rating from Standard & Poor's was BBB "stable" outlook, and the short-term rating A-2. Similarly, Moody's has assigned Wendel a rating of Baa2 "stable" outlook with a short-term rating of P-2.

Wendel's next significant financial deadline is the €500 million bond, due to be redeemed in October 2024. Wendel's liquidity risk over the 12 months following the reporting date is therefore low given its high level of cash and short-term financial investments and its €750 million fully-undrawn syndicated credit line.

Bonds issued by Wendel – Documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

Wendel's syndicated loan – Documentation and covenants (undrawn as of December 31, 2021)

The syndicated loan has financial covenants associated with it, based primarily on the market value of Wendel's assets and on the amount of its net debt.

Wendel's net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions. The net debt taken into account corresponds to Wendel bonds and the syndicated loan, when drawn, reduced by cash.

Net debt of the Group subsidiaries is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and the financial holding companies compared to the gross revalued value of assets after unrealized taxes (excluding cash) must not exceed 50%;
- the ratio of:
  - the unsecured gross debt of Wendel and its financial holding companies plus their off-balance-sheet commitments that are akin to unsecured debt, less their available cash (not pledged or in escrow), to
  - the amount of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow),

  must not exceed one.

These ratios are tested half-yearly when there are drawdowns under the syndicated loan line. As of December 31, 2021 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

NOTE 18 Related parties

Related parties are Wendel-Participations and the members of the Supervisory Board and the Executive Board.

Members of the Supervisory Board and Executive Board

Total compensation awarded by the Wendel Group, for fiscal year 2021, to André François-Poncet, Chairman of the Executive Board and to David Darmon, member of the Executive Board amounted to €4,333.9 thousand.

The value of the options and performance shares granted to them during the 2021 fiscal year amounted to €2,883 thousand at the grant date.

Compensation paid to members of the Supervisory Board in fiscal year 2021 was €1,219 thousand, including €1,124 thousand by Wendel SE (i) in consideration of service by members of the Supervisory Board, (ii) as compensation of the Chairman of the Supervisory Board and (iii) as compensation of the lead independent member of the Supervisory Board, and €95 thousand paid to certain members of the Supervisory Board by Wendel-Participations SE for serving on its Board of Directors. These amounts do not include the salary of the employee representative on Wendel's Supervisory Board, who does not receive Wendel SE director's fees.

At December 31, 2021, the commitments made by the Company to André François-Poncet, in the event of his removal from office not on grounds of failure, corresponded to an indemnity - paid subject to the fulfillment of performance conditions – equal to 18 months of his average monthly compensation, determined as follows: the sum of (i) his average fixed monthly compensation at the time of his departure, and (ii) one-twelfth of his variable compensation actually paid in respect of the last fiscal year preceding the departure.

As of December 31, 2021, the commitments made by the Company to Executive Board member David Darmon, in the event of his departure, were as follows (provided performance conditions are met):

- in the event his position is terminated (not on grounds of failure), a payment equal to the gross fixed monthly compensation times the number of months of service on the Executive Board, in no case to exceed 18 months of fixed compensation; and
- in the event his employment contract is terminated, the payments due by law and agreement under said employment contract, with the provision that the total payments made to David Darmon for his service as a corporate officer and under his employment contract may not exceed 18 months of fixed and variable compensation.

In accordance with Wendel's policy of associating managers with the Group's investments, the members of the Executive Board take part in the co-investment mechanisms described in note 6-1 of the consolidated financial statements, "Participation of managers in Group investments".

Wendel-Participations

Wendel-Participations SE is owned by around 1,200 Wendel family individuals and legal entities. Wendel-Participations investors together held a 39.31% stake in Wendel SE as of December 31, 2021, representing 51.72% of theoretical voting rights and 52.42% of the exercisable voting rights as of that date.

There are no other economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a service delivery agreement entered into for the implementation of the provisions of the Sapin 2 Law on the prevention of corruption and for the implementation of CBCR reporting;
- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "WENDEL Investissement" brand;
- a service agreement for administrative assistance; and
- an agreement to lease premises by Wendel to Wendel-Participations.

NOTE 19 Subsequent events

In January 2022 (post-closing), a new €300 million bond maturing in January 2034 with a coupon of 1.375% was issued.

Securities portfolio

In thousands of euros	Number of securities held	Operating subsidiaries in %	Gross value inventory
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES			
Subsidiaries (over 50% owned)			
a) French			
Sofiservice	8,500	100.0%	354
Eufor	2,029,196	100.0%	3,788,797
b) Foreign			
WENDEL Luxembourg	82,561	100.0%	6,824,593
Oranje-Nassau Groep	1,943,117	100.0%	238,320
Other subsidiaries and associates			
Securities of French companies	2,500	100.0%	53
Securities of French companies	10	100.0%	0
			10,852,116
OTHER LONG-TERM INVESTMENTS			
Other French equities	-	-	34

Subsidiaries and associated companies

In thousands of euros	Share capital	Other shareholder's equity including income	% Share capital held	Gross carrying amount of securities held	Net carrying amount of securities held	Loans and advances granted	Guarantees and endorsements given	Revenue from last fiscal year	Results from last fiscal year	Dividends received during the year
DETAILED INFORMATION (on subsidiaries and associates whose gross carrying value is greater than 1% of the share capital of Wendel)										
French										
Eufor	2,030	426,117	100.0%	3,788,797	3,788,797	-	-	-	57,917	57,000
Non-French										
WENDEL Luxembourg(1)	825,610	2,141,677	100.0%	6,824,592	4,060,245	599,393	-	41,160	331,068	150,000
Oranje-Nassau Groep(1)	8,744	62,637	100.0%	238,320	16,570	-	-	-	116	56,000
GENERAL INFORMATION										
French subsidiaries				407	38					
Non-French subsidiaries				-	-					
French associates				-	-					
Non-French associates				-	-					

(1) Consolidated data.

Results of the last five fiscal years

Results of the last five fiscal years

Nature of disclosures	2017 fiscal year	2018 fiscal year	2019 fiscal year	2020 fiscal year	2021 fiscal year
1. SHARE CAPITAL AT THE YEAR-END					
Share capital[1]	185,013	185,123	178,729	178,876	178,991
Number of existing ordinary shares	46,253,210	46,280,641	44,682,308	44,719,119	44,747,943
Maximum number of shares that could be issued:					
■ through the exercise of options	29,326	20,950	0	0	0
2. OPERATIONS AND INCOME FOR THE FISCAL YEAR[1]					
Sales (excluding taxes)	13,828	12,718	15,661	15,601	16,799
Income from investments in subsidiaries and associates	260,005	500,006	5,238,799	200,000	263,000
Income before tax, depreciation, amortization and provisions	104,149	375,979	5,117,755	106,044	229,026
Income tax[4]	-11,900	-2,505	-2,885	-32	-24
Net income	116,893	340,383	1,865,893	-26,613	669,270[3]
Distributed earnings[2]	122,571	129,586	125,110	129,685	134,244[3]
of which interim dividends	-	-	-	-	-
3. EARNINGS PER SHARE (in euros)					
Income after tax but before depreciation, amortization and provisions	2.51	8.18	114.60	2.37	5.12
Net income	2.53	7.35	41.76	-0.60	14.96
Net dividend	2.65	2.80	2.80	2.90	3.00
of which interim dividends	-	-	-	-	-
4. EMPLOYEE DATA					
Average staff numbers	55	53	54	59	62
Total payroll[1]	16,810	12,183	18,630	13,616	16,767
Employee benefits paid during the year (social security, social welfare, etc.)[1]	8,295	8,743	9,402	7,758	6,991

(1) In thousands of euros.
(2) Including treasury shares.
(3) Ordinary dividend of €3 (subject to approval by the Shareholders' Meeting of June 16, 2022).
(4) Negative amounts represent income for the Company.

7.5 Statutory auditors' report on the financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2021

To the annual general meeting of Wendel,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Wendel for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1st, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments in subsidiaries and associates, and loans and advances connected with investments

Risk identified

As of 31 December 2021, investments in subsidiaries and associates, and loans and advances connected with investments, recorded in the balance sheet for a net carrying amount of 7,865 M€ and 599 M€ respectively, represent 92% of the company's total balance sheet. Investments in subsidiaries and associates are recorded at their acquisition cost and loans and advances connected with investments are recorded at their nominal amount, as described in the "Subsidiaries and associates" and "Loans and Receivables" sections of the note "Accounting Principles" to the financial statements. They are depreciated if their recoverable amount is lower than their carrying amount at the closing date.

The valuation methods used to determine the inventory value depend on the type of activity of the entities and may be based on the share of equity or the share of revalued net assets, the determination of which can be based on various methods (discounted future cash flows, multiples of sales or margins, external valuations compared to transactions in similar companies, stock market values).

Reversal of impairment of respectively 190 M€ and 305 M€ has been recognized for Eufor and Wendel Luxembourg for the year ended December 31, 2021, while an additional impairment of 55 M€ has been recognized for ONG, as described in note 1 to the financial statements.

We considered that the valuation of investments in subsidiaries and associates, and loans and advances connected with investments, constitutes a key audit matter due to the materiality of these items in the company's financial statements, and because the determination of their recoverable amount requires the use of assumptions, judgments and estimates, that take into account the current economic situation deteriorated by the Covid-19 crisis.

Our response

To assess the estimate of the recoverable amount of the investments in subsidiaries and associates, our work primarily consisted in:

- assessing, on the basis of the information provided to us, whether the valuation method applied used had been justified by the management;
- testing the arithmetic accuracy of the recoverable value calculations used by the company, in particular when the valuation is based on the share of equity.
- corroborate the average share price used for valuations based on the valuation of listed securities, from external sources;
- for companies indirectly detained, whose inventory value is determined using a multiples method
  - assessing the relevance of the margin multiples used by management
  - evaluating the consistency of the estimates with those used for the impairment tests performed on the goodwill in the company's consolidated financial statements, in particular concerning the budget assumptions for companies whose valuation is based on the Group's share of net asset value, taking into account of the impact of the crisis linked to the pandemic of Covid-19;
- assess the appropriateness of the information mentioned in Note 1 of the appendix to the annual accounts

For the valuation of loans and advances connected with investments, we examined the impairment test on the basis of the valuations used within the framework of impairment testing investments in subsidiaries and associates.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

We attest that the non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the management report, it being specified that, in accordance with Article L.823-10 of this code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on corporate governance

We attest that the Supervisory Directors' report on corporate governance sets out the information required by Article L. 225-37-4, L.22-10-9 and L. 22-10-10 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chairman of the Executive Board, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Wendel by your annual general meeting held on November 15th, 1988 for ERNST & YOUNG Audit and on May 16th, 2019 for Deloitte & Associés.

As at December 31, 2021, ERNST & YOUNG Audit and Deloitte & Associés were in the 34th year and 3rd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 17 march 2022

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES
Mansour Belhiba

ERNST & YOUNG Audit
Jacques Pierres

8

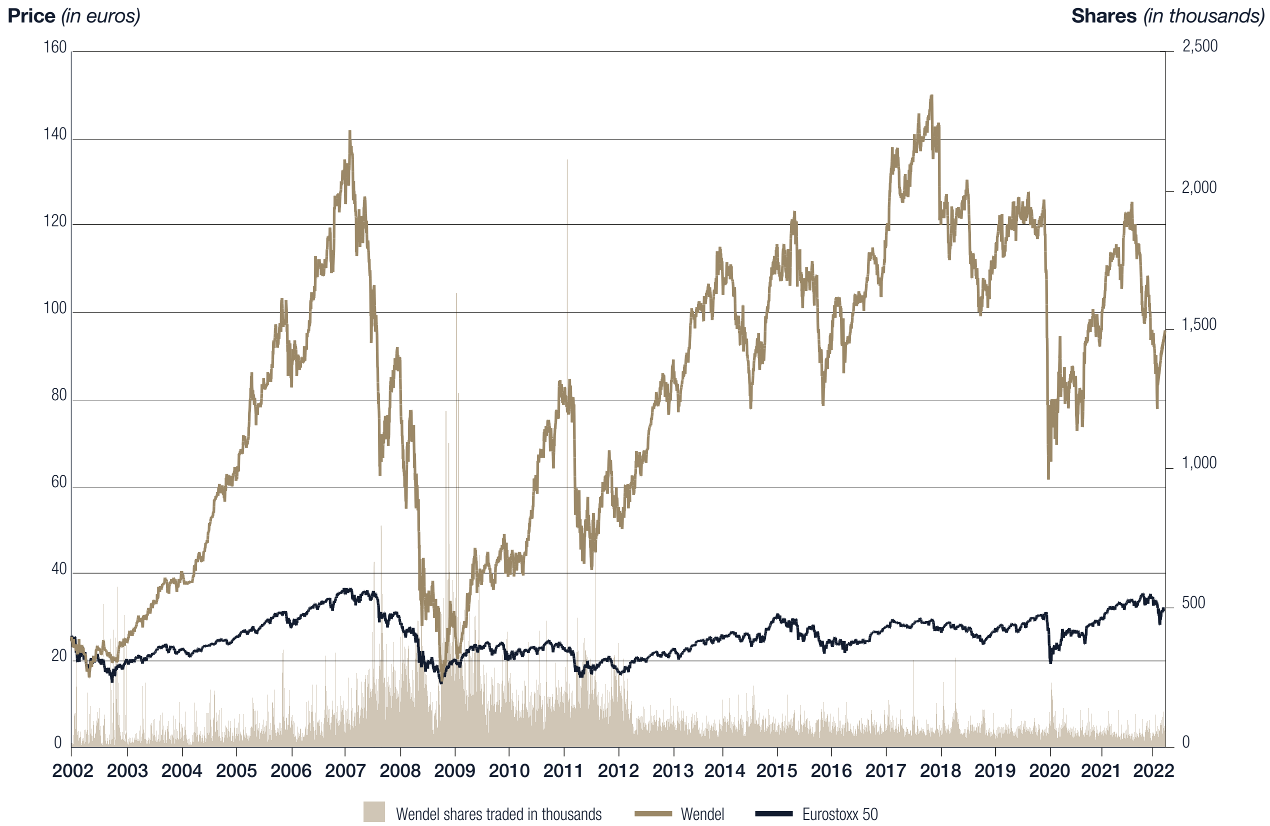
SHARE CAPITAL AND SHAREHOLDERS

8.1 Wendel share performance and dividend

8.1.1 Market data

Change in Euro Stoxx 50 and Wendel share price rebased to compare with the Wendel share price on June 13, 2002. Source: FactSet.

Comparison of total shareholder return for Wendel and the Euro Stoxx 50, since the CGIP/Marine-Wendel merger



Reinvested dividend performance from 06/13/2002 to 03/31/2022	Total returns for the period	Annualized return over the period
Wendel	471.0%	9.2%
Euro Stoxx 50	153.6%	4.8%

Source: FactSet.

Share references

Listing market: EUROLIST SRD, Compartment A (Blue Chips)

ISIN code: FR0000121204 Bloomberg code: MF FP

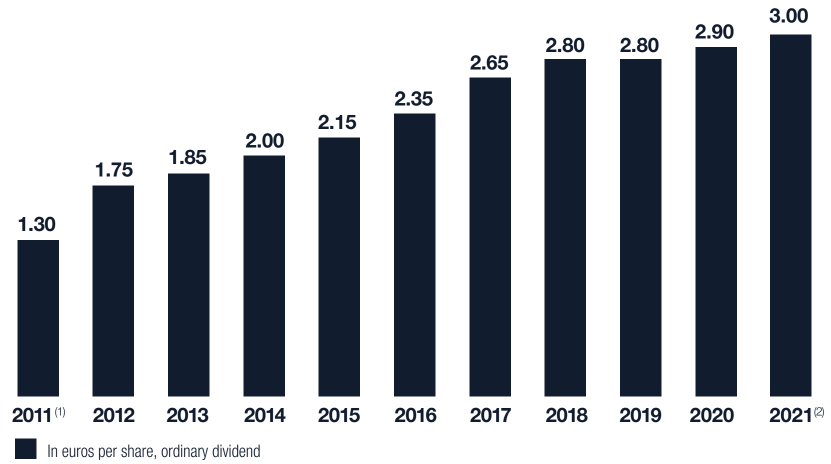
Reuters code: MWDP. PA Mnémonique: MF

Indices: CAC AllShares, CAC Mid 60, Euronext 150, SBF120, STOXX® Europe, EURO STOXX®, STOXX® Europe Private Equity 20, STOXX® Europe 600, LPX 50, EN Family Business, MSCI World & Europe & EAFE ESG Leaders, DJSI Europe, DJSI World.

Quota: 1 share/PEA: Eligible/SRD: Eligible/par value: €4/Number of shares outstanding: 44,747,943 as of December 31, 2021.

8.1.2 Dividend

Ordinary dividend, in euros per share.



(1) The 2011 ordinary dividend included an exceptional distribution of one Legrand share for every 50 Wendel shares held.
(2) Wendel is proposing a dividend of €3.0 per share for the 2021 fiscal year, up 3.4% compared to 2020 and representing a dividend yield of 2.85% based on Wendel's share price as of December 31, 2021. This is subject to the approval of the Shareholders' Meeting to be held on June 16, 2022. The dividend will be paid in cash on June 22, 2022. The ex-dividend date will be on June 20, 2022.

8.1.3 2021 share buyback program

The Shareholders' Meeting of June 29, 2021 (18th resolution) authorized a program for the Company to buy back its own shares up to a number of shares representing 10% of the number of shares comprising the share capital at the time of said buybacks, for a period of 14 months. The maximum repurchase price under this authorization is €250.

The Executive Board is thus authorized to repurchase the number of shares representing a maximum of 10% of the share capital, which was, at the dates the authorization was granted, 4,471,911 shares.

During the 2021 fiscal year, Wendel acquired its own shares as follows (for more details, refer to section 8.3.8):

- under the liquidity contract, Oddo Corporate Finance purchased 366,478 shares on behalf of Wendel;
- 34,621 shares were acquired and allocated to cover the stock option and performance share plans;
- 250,938 shares were acquired and allocated for the purpose of a capital reduction (to be carried out subsequently).

8.1.4 Equity market

Date	Average closing price 1 month	Intraday high	Intraday low	Average daily trading volume
January 2019	106.45	109,70	101.40	5,052,861
February 2019	106.38	111.80	101.70	5,229,453
March 2019	111.96	115.00	108.30	4,966,473
April 2019	118.56	123.70	113.20	6,453,983
May 2019	118.30	123.90	111,70	6,737,238
June 2019	118.18	122.50	112.30	7,556,355
July 2019	122.38	126.80	119.40	5,224,724
August 2019	122.80	127,50	116.90	7,526,692
September 2019	124.55	128.70	119,90	7,383,212
October 2019	123.72	128.00	120,60	6,696,576
November 2019	124.63	129.40	118.50	7,985,085
December 2019	120.85	123.80	117.40	5,874,475
January 2020	120.87	124.10	116.70	5,802,707
February 2020	122.53	127,50	109.40	6,969,435
March 2020	83.58	113,40	54.80	10,282,142
April 2020	76.18	84.70	66.30	4,196,291
May 2020	77.78	87.85	69.10	5,318,390
June 2020	86.49	97.85	79.60	5,985,498
July 2020	82.77	89.10	78.00	4,113,426
August 2020	85.73	89.50	78.10	4,192,320
September 2020	81.37	89.25	72.05	4,421,434
October 2020	80.27	84.25	73.10	4,065,783
November 2020	89.58	96.35	74.40	5,568,231
December 2020	97.55	100.30	93,15	4,609,473
January 2021	99.14	102.40	93,15	5,082,152
February 2021	96.69	101.30	91.75	4,636,629
March 2021	101.58	107.50	95.40	6,441,884
April 2021	110.26	112.40	105.40	5,475,699
May 2021	113.66	116.00	110.30	4,975,919
June 2021	115.20	117.20	111.60	4,303,136
July 2021	111.34	121.30	105.50	5,016,321
August 2021	122.17	124.80	117.90	4,455,062
September 2021	122.30	127.50	118.50	5,037,227
October 2021	117,50	122.60	112.70	5,169,460
November 2021	111.66	117.20	100.60	5,197,206
December 2021	102.15	107.40	97.75	5,138,612
January 2022	101.96	110.00	93.10	5,055,195
February 2022	92.64	98.10	84.20	4,845,107
March 2022	88.85	96.20	75.60	6,097,554

Source: Euronext.

8.2 Financial communication policy

The Investor Relations department acts as an interface between the Group and the equity and bond investors. It aims to provide a clear view on the Group's results and strategy through its financial communications. Wendel has put in place a number of initiatives to keep informed its shareholders, bondholders, French and international investors and its financial analysts. Wendel means to offer to all these market participants a clear, comprehensive and transparent information in real time to enable them to get a better understanding of the Group's strategy, its positioning, the latest news of its portfolio companies and its medium-term objectives.

8.2.1 A constant and in-depth dialogue with the market

- Every year, the Investor Relations department organizes a number of events intended for analysts and institutional investors, to which journalists specializing in the industry are invited: an analysts' conference on the day of annual results publication, an "Investor Day", conference calls for the half-year results and other ad hoc events *in case* of strategic transactions such as acquisitions. The presentations are broadcast live on the website www.wendelgroup.com. All of the information presented is made available on the website on the day of publication and webcasts are available for one year.
- Since the unprecedented pandemic situation in 2020, Wendel has adapted its communication actions with the market to allow continuity in the flow of information and exchanges with market players. No financial communication events were canceled, and all were replaced by remote events.
- To take into account the significant need to monitor activity in the troubled times of the pandemic, Wendel organized an additional conference call during the Trading Update of the first quarter and the third quarter.
- Like every year, in December 2021, Wendel held its Investor Day, the aim of which is to enable stakeholders to meet and get to know the unlisted companies in its portfolio and to brief on Wendel's investment strategy. The 2021 edition, which is entirely digital in the most interactive and condensed format possible, was an opportunity for the executives of Constantia Flexibles, Tarkett, Crisis Prevention Institute and Stahl to present their main strategic focuses to the market.
- Since 2009, Wendel has implemented a financial communication policy aimed at its bond investors who benefit from the same policy of roadshows and events as equity investors, through the organization of "credit updates".
- Over the last six years, the Group has also strengthened its process of dialogue with its equity investors and proxy advisors on matters of governance, through targeted events held in conjunction with the General Secretary. Since 2019, Jacqueline Tammenoms Bakker, Chairwoman of the Governance Committee, has also chaired these events.
- As initiated in 2020, the Financial Communication department organized and participated in financial communication events focused on ESG. Accompanied by the Sustainable Development and Communication department, it participated in two conferences dedicated to ESG investors and was the first French issuer to hold an ESG thematic conference organized with the French Society of Financial Analysts (SFAF).
- Throughout the year, the Investor Relations department holds numerous events with institutional investors. As such, in 2021, members of the Executive Board and the Chief Financial Officer, supported by the Investor Relations team, held 16 equity and credit roadshows and took part in 11 brokers conferences in the main global financial markets. In total, nearly 269 meetings with equity and bond investors took place with investors from 17 different countries, mostly in France, the United Kingdom, the United States and Germany.

8.2.2 A dedicated policy for individual shareholders

In 2021, the Wendel Group pursued its communications policy dedicated to the over 25,000 individual shareholders who represent 20.4% of its capital.

Wendel's Shareholders Advisory Committee was created in 2009, and it met three times in 2021, by video conference due to the sanitary context. Composed of nine members, the committee's role is to obtain feedback from individual shareholders on the media used to communicate with them: letters to shareholders, the website, social media and the management report. In this second year of the health crisis, the CCAW continued to help us adapt our various communication tools and prepare our remote events such as the 2021 Shareholders' Meeting, thus helping us to best meet the expectations of our shareholders.

8.2.3 Information on the website

Wendel provides the financial community and its shareholders with a regularly updated Investors and a specific Individual Shareholders section on its website www.wendelgroup.com. It includes, in particular:

- financial presentations and press releases ("Results" section). All public presentations are streamed live on the Company's website and available to view for one year;
- the most recent Net Asset Value (NAV) published and the methodology used ("Net Asset Value" section);
- the Universal Registration Document and Half-Year financial report;
- information on bondholders ("Credit investors" section);
- information for individual shareholders ("Individual shareholders" section);
- information on the Annual General Meeting ("Annual General Meetings" section).

8.2.4 2022 calendar

Trading update Q1 2021 and NAV – Publication of NAV as of March 31, 2022 (pre-market release)	04/28/2022
Shareholders' Meeting	06/16/2022
H1 2022 results – Publication of NAV as of June 30, 2022	07/29/2022
Publication of the consolidated condensed half year financial statements (before stock market opening)	08/03/2022
Trading update Q3 2021 and NAV – Presentation of NAV for September 30, 2022 (before market)	10/28/2022
2022 Investor Day	12/01/2022

8.2.5 Contacts

Wendel

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E-mail: communication@wendelgroup.com

Tel.: +33 (0)1 42 85 30 00

Institutional investors and financial analysts

Olivier Allot, Director of Financial Communication and Data Intelligence

E-mail: o.allot@wendelgroup.com

Lucile Roch, Deputy Head of Financial Communication

E-mail: l.roch@wendelgroup.com

Individual shareholders

Toll-free number (from a landline in France): 0 800 897 067

Christine Anglade Pirzadeh, Director of Communications and Sustainable Development

E-mail: c.angladepirzadeh@wendelgroup.com

8.2.6 Documents available to shareholders and the public

In accordance with applicable law, the Company's by-laws, minutes of General Meetings and certain other Company reports, as well as historical financial information and other documents, may be consulted at the Company's registered office, at 89 rue Taitbout, 75009 Paris (France).

Pursuant to Article 19 of EU regulation 2017/1129 of the European Parliament and of the Council dated June 14, 2019, the following information is incorporated by reference in this Universal Registration Document:

- the key figures on page 32 as well as the consolidated financial statements and corresponding audit report on pages 321-394 of the 2019 Registration Document filed with the AMF on April 16, 2020, under number D. 20-0296.
- the key figures on page 32 as well as the consolidated financial statements and corresponding audit report on pages 337-409 of the 2021 Universal Registration Document filed with the AMF on April 15, 2021 under number D. 21-0311.

The unincluded parts of these documents either do not apply to investors or are covered in a section of this Universal Registration Document.

In addition, all financial news and all information documents published by Wendel are accessible on the Company's website: www.wendelgroup.com.

Main press releases published by the Company in 2021 and in early 2022:

03/22/2022: Wendel launches its endowment fund, Wendel Cares

03/18/2022: 2021 Full-Year Results

03/11/2022: Wendel completes the acquisition of ACAMS, the world's largest membership organization dedicated to fighting financial crime

02/16/2022: Sébastien Metzger appointed General Counsel M&A and Finance of Wendel

01/24/2022: Wendel to acquire ACAMS (Association of Certified Anti-Money Laundering Specialists), the world's largest membership organization dedicated to fighting financial crime

01/21/2022: Sale of Cromology was completed

01/13/2022: Successful issue of a €300 million 12-year bond issue bearing interest at 1.375%

01/13/2022: Launch of a €300 million 12-year bond issue

01/13/2022 : Wendel steps up the development of the Wendel Lab and names Jérôme Michiels, its Executive Vice-President, to head it

12/02/2021: Wendel's 20th annual Investor Day

11/17/2021: Wendel improves score in the Dow Jones Sustainability (DJSI) World and Europe indices

10/28/2021: Q3 2021 Trading update

10/20/2021: Wendel grants exclusivity to DuluxGroup for the sale of Cromology

10/07/2021: Wendel wins the Grand Prix de la Transparence 2021 in all categories

09/17/2021: Information about IHS Holding Limited

09/07/2021: Availability of the 2021 half-year consolidated financial statements

07/29/2021: H1 2021 Trading update

06/09/2021: David Varet joins Wendel as an Operating Partner

05/26/2021: Successful issue of €300 million 10-year bond issue bearing interest at 1.000%

05/26/2021: Wendel extends its bond debt maturities

05/17/2021: Wendel: Shareholders' Meeting set for June 29, 2021

05/13/2021: Q1 2021 Trading update – Additional information about IHS Towers

04/30/2021: Constantia Flexibles announces the acquisition of Propak in Turkey

04/28/2021: Q1 Trading update

04/23/2021: Wendel partners with the Deconinck family to acquire the shares of Tarkett and to support the growth of the company

03/31/2021: Wendel integrates ESG targets into the financial terms of its undrawn €750 million syndicated credit facility

03/18/2021: 2020 Full-Year Results

03/11/2021: Maarten Heijbroek appointed CEO of Stahl

01/18/2021: Wendel announces promotion of Harper Mates to Managing Director

8.3 Information on the share capital

8.3.1 Principal shareholders

As of December 31, 2021, the share capital was composed of 44,747,943 shares with a par value of €4 each, benefiting from 67,897,938 theoretical voting rights and 66,781,482 exercisable voting rights. Double voting rights are granted to fully paid-up shares which have been registered in the same shareholder's name for at least two years, regardless of the shareholder's country of citizenship. As of that date, 23,149,995 shares had double voting rights.

To the best of the Company's knowledge, the main shareholders as of December 31, 2021, were as follows:

	% of share capital
Wendel-Participations SE and related parties[(1)]	39.3 %
Institutional investors outside France	33.4 %
Individual shareholders	20.4 %
Institutional investors in France	3.5 %
Treasury shares	2.5 %
Employees and members of the Executive Board	1.0 %

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

To the best of the Company's knowledge:

- no shareholder, other than Wendel-Participations SE, owns more than 5% of the Company's share capital;
- the members of the Supervisory Board and the Executive Board hold or represent 1.04% of the share capital and 1.26% of the theoretical voting rights (including the Wendel shares held indirectly by the members of the Executive Board *via* the FCPE Wendel mutual fund).

There are no securities or other rights representing liabilities of the Company, convertible bonds, exchangeable bonds and/or bonds redeemable in shares that give or could give access to the capital except for stock options (subscription or purchase) and future performance share plans.

There are no shares that do not represent capital, such as founder shares or voting rights certificates.

8.3.2 Controlling legal entities or individuals

Wendel-Participations SE

Presentation

Wendel-Participations SE is a holding company that holds Wendel shares. Wendel-Participations SE is owned by around 1,200 Wendel family individuals and legal entities. The purpose of Wendel-Participations SE is to:

- invest and manage its own funds and acquire (or sell) participating interests;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities, rights to intangible or tangible property, and engage in any type of short, medium or long-term capital transactions;
- take part in any investments in collective investment funds, whether movable or immovable;
- create, coordinate and manage all commercial or civil companies;
- preserve the proprietary and non-proprietary interests of the Wendel family, as well as the Wendel name or trademark and the logos associated with this name and trademark, which may not be used otherwise than by the Company without the express authorization of its Board of Directors;
- any actions aimed at promoting or strengthening family cohesion;
- services or advisory services in the field of wealth management solely for the Company's shareholders and in compliance with applicable laws; and
- generally, any commercial, industrial, financial, investment or real estate operations directly or indirectly related, in whole or in part, to the above-mentioned activities.

Wendel's control structure

As of December 31, 2021, Wendel-Participations SE (and related parties) had a controlling interest in Wendel with 39.29% of its share capital, 51.41% of its theoretical voting rights, and 52.27% of its exercisable voting rights.

The following measures ensure that control by Wendel-Participations SE over the Company is exercised appropriately:

- management and oversight are separated through a two-tiered structure, with an Executive Board and a Supervisory Board;
- presence of 40% of independent members on the Supervisory Board (excluding members representing employees);
- appointment of a Lead Member of the Supervisory Board;
- chair of the Supervisory Board Committees are independent members of the Board;
- any transaction in excess of €100 million and any decision binding the Company or its subsidiaries over a long period of time are subject to prior authorization by the Supervisory Board.

Economic and financial ties with Wendel

There are no significant economic and financial relationships between Wendel-Participations SE and Wendel other than those related to the holding of the shares (dividends) and the following agreements (described in section 9.1.1 of the Universal Registration Document in the Statutory Auditors' special report):

- a memorandum of understanding on the use of the name "Wendel" as well as a license agreement on the trademark "Wendel", modified by amendments dated October 25, 2013, December 8, 2015, March 21, 2018, February 18, 2020, September 17, 2020, February 12, 2021, and February 9, 2022;
- an administrative assistance agreement modified by an amendment dated February 12, 2021;
- an agreement to rent premises, modified by an amendment dated February 12, 2021;
- a service agreement under which Wendel provides services to Wendel-Participations SE in the fight against corruption (the so-called "Sapin II" law) and country-by-country tax reporting ("CBCR"), modified by an amendment dated December 1, 2020.

8.3.3 Significant changes in share ownership and voting rights in the last three years

	Situation as of 12.31.2021		Situation as of 12.31.2020		Situation as of 12.31.2019	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Wendel-Participations SE[1]	39.3%	52.3%	39.3%	52.4%	39.1%	52.2%
First Eagle	4.3%	2.9%	4.5%	3.0%	4.5%	3.0%
Treasury shares (registered shares)	2.3%	-	1.9%	-	1.9%	-
Group Savings Plan	0.8%	0.9%	0.7%	0.9%	0.7%	0.9%
Other shareholders (institutional and individual)	53.4%	44.0%	53.7%	43.9%	53.9%	44.0%
of which individual shareholders	*20.4%*	*21.3%*	*18.8%*	*20.4%*	*19.3%*	*20.4%*
TOTAL SHARES AND EXERCISABLE VOTING RIGHTS	**44,747,943**	**66,781,482**	**44,719,119**	**66,590,781**	**44,682,308**	**66,928,737**

Voting rights are calculated based on the exercisable voting rights as of that date.

(1) In accordance with Article L. 233-10 of the French Commercial Code, the data include Wendel-Participations SE, its Chairwoman, Priscilla de Moustier and Société privée d'investissement mobiliers (SPIM).

In February 2022, a study was performed, as is done every year, to identify the shareholders of Wendel as of December 31, 2021.

There was relatively little change during the year in Wendel's shareholder breakdown, with a slight decrease in French institutional investors (3.5% *vs.* 4.4% as of December 31, 2020), and stable foreign institutional investors (33.4% *vs.* 33.3% as of December 31, 2020). The number of individual shareholders increased to at 25,398, with their stake in the share capital rising to 20.4% from 18.8% the previous year.

8.3.4 Changes in share capital in the last five years

Date of change in capital	Type of transaction	Change in number of shares	Number of shares comprising the capital	Nominal value (in euros)	Change in share capital (in euros)	Amount of share capital (in euros)	Change in share premiums (in euros)	Amount of share and merger premiums
Situation as of December 31, 2017			**46,253,210**	**4**		**185,012,840**		**48,651,868**
	Exercises of subscription options	7,276	46,260,486	4	29,104	185,041,944	462,026	49,113,895
	Issue of shares reserved for employees	20,155	46,280,641	4	80,620	185,122,564	1,826,446	50,940,341
Situation as of December 31, 2018			**46,280,641**	**4**		**185,122,564**		**50,940,341**
	Exercises of subscription options	20,950	46,301,591	4	83,800	185,206,364	313,412	51,253,753
	Issue of shares reserved for employees	26,055	46,327,646	4	104,220	185,310,584	2,017,178	53,270,931
	Cancellation of shares	-1,645,338	44,682,308	4	- 6,581,352	178,729,232	-	53,270,931
Situation as of December 31, 2019			**44,682,308**	**4**		**178,729,232**		**53,270,931**
	Exercises of subscription options	-	-	-	-	-	-	-
	Share issue reserved for the FCPE Wendel mutual fund	36,811	44,719,119	4	147,244	178,876,476	2,068,778	55,339,709
	Cancellation of shares	-	-	-	-	-	-	-
Situation as of December 31, 2020			**44,719,119**	**4**		**178,876,476**		**55,339,709**
	Exercises of subscription options	-	-	-	-	-	-	-
	Share issue reserved for the FCPE Wendel mutual fund	28,824	44,747,943	4	115,296	178,991,772	2,194,496	57,534,205
	Cancellation of shares	-	-	-	-	-	-	-
Situation as of December 31, 2021			**44,747,943**	**4**		**178,991,772**		**57,534,205**

8.3.5 Ownership threshold disclosures

Since the publication of the 2020 Universal Registration Document, no ownership threshold disclosures have been published by the AMF.

8.3.6 Pledging of issuer's shares

To the best of the Company's knowledge, 68,856 registered Wendel shares (in either pure or administered form) were pledged as collateral as of December 31, 2021.

8.3.7 Financial authorizations

8.3.7.1 Existing financial authorizations and use thereof

As of December 31, 2021, the following financial authorizations were in effect:

Authorization	AGM date (resolution No.)	Period and expiration date	Authorized nominal amount or% of share capital	Amount used as of 12/31/2021
A. Issue of shares or other securities giving access to the capital				
■ With preferential subscription rights	07/02/2020 17th resolution	26 months 09/02/2022	40% of share capital	-
■ By way of a public offering, with waiver of preferential subscription rights	07/02/2020 18th resolution	26 months 09/02/2022	10% of the capital	-
■ By way of a private placement, with waiver of preferential subscription rights	07/02/2020 19th resolution	26 months 09/02/2022	10% of the capital	-
■ Pricing in the event of a public offering or a private placement	07/02/2020 20th resolution	26 months 09/02/2022	-	-
■ Greenshoe option	07/02/2020 21st resolution	26 months 09/02/2022	15% of the initial issue	-
■ As consideration for securities (contributions in kind)	07/02/2020 22nd resolution	26 months 09/02/2022	10% of the capital	-
■ Through a public exchange offer	07/02/2020 23rd resolution	26 months 09/02/2022	10% of the capital	-
■ Capitalization of reserves	07/02/2020 24th resolution	26 months 09/02/2022	50% of share capital	-
■ Overall authorized ceiling	07/02/2020 25th resolution	26 months 09/02/2022	Overall ceiling: 100% of share capital (17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th resolutions) Sub-ceiling: 10% of share capital (18th, 19th, 20th, 21st, 22nd, 23rd resolutions)	-
B. Authorization of share buyback program and share cancellations				
■ Share buybacks	06/29/2021 18th resolution	14 months 08/29/2022	10% of the capital max. price: €250 per share	1.46% of the capital (652,037 shares)
■ Cancellation of shares	07/02/2020 16th resolution	26 months 09/02/2022	10% of share capital per 24-month period	-
C. Employee shareholding				
■ Group Savings Plan	06/29/2021 19th resolution	14 months 08/29/2022	€150,000	€115,296 (28,824 shares)
■ Stock options (subscription and/or purchase)	06/29/2021 20th resolution	14 months 08/29/2022	1% of share capital (common ceiling for options and performance shares)	0.295% of share capital (131,795 options)
■ Free shares	06/29/2021 21st resolution	14 months 08/29/2022	1% of share capital (common ceiling for options and performance shares)	0.267% of share capital (119,432 shares)

8.3.7.2 Financial authorizations proposed to the Shareholders' Meeting of June 16, 2022

Authorization	AGM date (resolution No.)	Period and expiration date	Authorized nominal amount or% of share capital
A. Issue of shares or other securities giving access to the capital			
■ With preferential subscription rights	06/16/2022 17th resolution	26 months 08/16/2024	40% of share capital
■ By way of a public offering, with waiver of preferential subscription rights	06/16/2022 18th resolution	26 months 08/16/2024	10% of the capital
■ By way of a private placement, with waiver of preferential subscription rights	06/16/2022 19th resolution	26 months 08/16/2024	10% of the capital
■ Pricing in the event of a public offering or a private placement	06/16/2022 20th resolution	26 months 08/16/2024	-
■ Greenshoe option	06/16/2022 21st resolution	26 months 08/16/2024	15% of the initial issue
■ As consideration for securities (contributions in kind)	06/16/2022 22nd resolution	26 months 08/16/2024	10% of the capital
■ Through a public exchange offer	06/16/2022 23rd resolution	26 months 08/16/2024	10% of the capital
■ Capitalization of reserves	06/16/2022 24th resolution	26 months 08/16/2024	50% of share capital
■ Overall authorized ceiling	06/16/2022 25th resolution	26 months 08/16/2024	Overall cap: 100% of the share capital (17th, 18th, 19th, 20th, 21st, 22nd, 23rd and 24th) resolutions) Sub-cap: 10% of the share capital (18th, 19th, 20th, 21st, 22nd and 23rd resolutions)
B. Authorization of share buyback program and share cancellations			
■ Share buybacks	06/16/2022 15th resolution	14 months 08/16/2023	10% of the capital max. price: €250 per share
■ Cancellation of shares	06/16/2022 16th resolution	26 months 08/16/2024	10% of share capital per 24-month period
C. Employee shareholding			
■ Group Savings Plan	06/16/2022 26th resolution	14 months 08/16/2023	€150,000
■ Stock options (subscription and/or purchase)	06/16/2022 27th resolution	14 months 08/16/2023	1% of share capital (common ceiling for options and performance shares)
■ Free shares	06/16/2022 28th resolution	14 months 08/16/2023	1% of share capital (common ceiling for options and performance shares)

The resolutions submitted for the approval of the Shareholders' Meeting of June 16, 2022, will cancel and replace, up to the amounts not used at that date, the previous authorizations and delegations having the same purpose.

8.3.8 Share buyback

8.3.8.1 Legal framework

The Shareholders' Meeting of June 29, 2021 (18th resolution) authorized a program for the Company to buy back its own shares up to a number of shares representing 10% of the number of shares comprising the share capital at the time of said buybacks, for a period of 14 months. The maximum repurchase price under this authorization is €250.

The Executive Board is thus authorized to repurchase the number of shares representing a maximum of 10% of the share capital, which was, at the dates the authorization was granted, 4,471,911 shares.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program were as follows:

- to enable an investment service provider to make transactions on a secondary market or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the AMF;
- to implement stock purchase option plans as defined in Articles L. 225-177 *et seq.* of the French Commercial Code;
- to allocate bonus shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to deliver shares for the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to retain them pending a delivery of shares (as an exchange, payment or other consideration) in the context of external growth, mergers, spin-offs or asset contributions, subject to prior authorization by the Supervisory Board;
- to allocate or sell shares as part of the Group's profit-sharing program and any Group Savings Plan as provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code;
- to cancel all or part of the shares thus purchased, subject to the prior authorization of the Supervisory Board, in the context of the authorization of the Shareholders' Meeting.

This program could also allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force, or by any market practice that may be admitted by the AMF, in such a case, the Company would inform its shareholders by means of a press release.

8.3.8.2 Liquidity contract

Under the liquidity contract, between January 4, 2021 and December 31, 2021, Oddo BHF:

- purchased on Wendel's behalf 366,478 shares for a total value of €40,338,672 and an average unit value of €110.07;
- sold on Wendel's behalf 363,728 shares for a total value of €40,203,267 and an average unit value of €110.53.

As of December 31, 2021, the resources appearing in the liquidity account entrusted by the Company to Oddo BHF were as follows:

- 57,724 shares;
- €3,952,422.09.

8.3.8.3 Implementation of stock option and performance share plans

From January 1, 2021, to December 31, 2021:

- 34,621 shares were vested and allocated to cover stock option and performance share plans. These shares were acquired for a gross value of €3,447,559.18 and an average unit value of €99.58;
- 72,518 treasury shares were awarded as part of the exercise of stock options, for a gross value of €6,211,701.69 and an average unit price of €85.66.

8.3.8.4 Delivery of shares in the context of acquisitions, mergers, spin-offs or asset contributions

Shares acquired between January 1, 2021, and December 31, 2021, have not been allocated to this objective.

8.3.8.5 Cancellation of shares

From January 1, 2021, to December 31, 2021:

- Wendel did not reduce its share capital by canceling shares;
- 250,938 shares were acquired and allocated for the purpose of a capital reduction (to be carried out subsequently). These shares were acquired for a gross value of €27,347,972.67 and an average unit value of €108.98.

8.3.8.6 Summary of transactions on shares held by the Company at December 31, 2021

The Company has not repurchased or sold shares for any purposes authorized under the program other than those detailed in section 8.3.8.1 above.

Wendel did not make use of any derivative instruments in the context of this share buyback program.

In the 24 months preceding December 31, 2021, Wendel did not cancel any shares.

As of December 31, 2021, the Company held 1,116,456 of its own treasury shares, *i.e.* 2.49% of the capital.

Summary of the Company's transactions on its own shares from January 1 to December 31, 2021

	Cumulative gross amounts in 2021	
	Purchases	**Sales/Transfers**
Number of shares	652,037	436,246
Average maximum maturity	-	-
Average transaction price	€109.10	€106.40
Average exercise price	-	-
AMOUNTS	**€71,134,204.78**	**€46,414,969.40**

Open positions as of December 31, 2021

Open long positions			Open short positions		
Calls purchased	Puts issued	Forward purchases	Calls issued	Puts purchased	Forward sales
-	-	-	-	-	-
-	-	-	-	-	-

8.3.8.7 Description of the share buyback program submitted for approval to the Shareholders' Meeting of June 16, 2022

Wendel will continue to repurchase shares in 2022.

The 15th resolution to be submitted to the June 16, 2022, Shareholders' Meeting requests shareholders to approve a new share buyback program in accordance with Article L. 22-10-62 of the French Commercial Code, Title IV of Book II of the AMF General Regulations, European Regulation No. 596/2014 of the European Parliament and of the Council on market abuse and Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016, on conditions applicable to buyback programs and stabilization measures.

Under this program, shares can be bought for any of the following purposes:

- to enable an investment service provider to make transactions on a secondary market or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the AMF;
- to implement stock purchase option plans as defined in Articles L. 22-10-56 *et seq.* of the French Commercial Code;
- to allocate bonus shares pursuant to Articles L. 22-10-59 *et seq.* of the French Commercial Code;
- to deliver shares on the occasion of the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to retain them pending a delivery of shares (as an exchange, payment or other consideration) in the context of external growth, mergers, spin-offs or asset contributions, subject to prior authorization by the Supervisory Board;
- to allocate or sell shares as part of the Group's profit-sharing program and any Group Savings Plan as provided for by law, in particular Articles L. 3332-1 *et seq*. of the French Labor Code;
- to cancel all or part of the shares thus purchased, subject to the prior authorization of the Supervisory Board, in the context of the authorization of the Shareholders' Meeting;
- the purpose of this program would also be to enable the Company to operate for any other purpose that is authorized or that may be authorized by the laws and regulations in force or by any market practice that may be admitted by the AMF. In such an event, the Company would inform shareholders *via* a press release.

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed 10% of the share capital at the time of the buyback. For informational purposes, as of December 31, 2021, this authorization represented 4,474,794 shares, or a maximum theoretical investment of €1,118,698,500 based on the maximum buyback price of €250 per share (excluding trading fees).

Pursuant to Article L. 225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10% of share capital. As of December 31, 2021, the number of Wendel shares held by the Company was 1,116,456. In light of the shares already held in the treasury, the Company would be able to repurchase 3,358,338 shares, or 7.50% of the share capital, for a maximum amount of €839,584,500, based on the maximum unit purchase price of €250. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization will be valid for a period of 14 months from the June 16, 2022, Shareholders' Meeting, *i.e.*, until August 16, 2023.

8.3.9 Transactions on Company securities by corporate officers

Summary of transactions on Company shares, pursuant to Article L. 621-18-2 of the French Monetary and Financial Code, carried out by persons with executive responsibilities[1] during 2021 and having been the subject of a declaration:

Name and function	Type of financial instrument	Type of transaction	Number of shares
André François-Poncet, Chairman of the Executive Board	FCPE shares "Relais n° 2 WENDEL 2021"	Subscription	38,415
David Darmon, member of the Executive Board	Options	Exercise	17,000
	Shares	Sale	17,000
	Shares	Purchase	23,000
	FCPE shares "Relais n° 2 WENDEL 2021"	Subscription	23,049
Nicolas ver Hulst, Chairman of the Supervisory Board	Shares	Purchase	405
Sophie Tomasi Parise, member of Supervisory Board representing employees	FCPE shares "Relais n° 2 WENDEL 2021"	Subscription	1,534,899

(1) *Including transactions carried out by persons closely related to them within the meaning of European Regulation No. 596/2014 on market abuse.*

8.3.10 Shareholders' agreements

8.3.10.1 Commitments relating to Wendel's share capital

The Company was informed of the conclusion between Wendel-Participations SE, Société d'investissement privée mobiliers (SPIM) and certain individual shareholders of two-year lock-up agreements entered into pursuant to Article 787 B of the French General Tax Code ("Pacte Dutreil"). These commitments, dated December 12, 2019 and December 7, 2020, respectively for 35.39% and 36.14% of the share capital at these different dates, were ongoing as at December 31, 2021.

In addition to a commitment to hold shares for a certain period, these commitments also grant a right of first refusal to Wendel-Participations SE and SPIM. The shareholders involved in these obligations are not considered to be acting in concert.

As required by Articles 787 B of the French General Tax Code and L. 233-11 of the French Commercial Code, these agreements have been reported to the AMF.

Other retention obligations relating to Wendel shares are listed in section 2.1.8.1, paragraph "Restriction on the sale of Wendel shares by Supervisory and Executive Board members".

8.3.10.2 Shareholder agreements and governance agreements entered into by the Wendel Group

The Wendel Group is party to a number of agreements governing its relationships with its co-investors, whether co-investors in its subsidiaries or holding companies (Constantia Flexibles, Crisis Prevention Institute, IHS, Stahl and Tarkett) or managers (or former managers) of subsidiaries, relating to mechanisms aimed at aligning their interests with their respective companies' performance (Constantia Flexibles, Crisis Prevention Institute, Stahl and Tarkett). These agreements contain various clauses related to:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights and rights of first refusal, ban on selling to certain individuals);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO; and
- non-competition and priority commitments involving acquisition opportunities.

The Constantia Flexibles and Stahl shareholder agreements also contain the following terms:

- for Constantia Flexibles, the H. Turnauer Foundation, of the founding family of Constantia Flexibles, has the option to request, between 2020 and March 2023, that an IPO or a share buyback process by refinancing of the Group be launched, aiming at ensuring the priority liquidity of its stake. In the absence of liquidity at the end of this process, the Wendel Group granted the H. Turnauer Foundation a put option at market value on half of its initial investment, payable in two tranches in cash or in Wendel shares, at the Wendel Group's discretion. As of December 31, 2021, this right was not exercised by the H. Turnauer Foundation. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts; and
- for Stahl, BASF, a minority shareholder, benefits from liquidity commitments up to the beginning of May 2022 granted by Stahl and counter-guaranteed by the Wendel Group in an amount determined on the basis of a predefined margin multiple. As of December 31, 2021, this liquidity has not been exercised by BASF. This commitment has been recognized in financial liabilities in accordance with accounting principles applicable to minority puts.

In addition, in connection with the initial public offering of IHS shares on October 14, 2021, the Wendel Group has entered into (i) a six-month lock-up agreement with the introducing banks, and (ii) a shareholders' agreement with its co-shareholders and IHS governing the sale of shares on the market in tranches of 20% for successive six-month periods until the 30th month following the IPO.

With respect to Tarkett, the shareholders' agreement includes an undertaking by the Wendel Group not to sell Tarkett Participation shares during the first years of its investment, subject to the usual exceptions.

The agreements with the management teams (managers or former managers) of subsidiaries (Constantia Flexibles, Crisis Prevention Institute, Stahl and Tarkett) also contain provisions relative to:

- the right to monetize their coinvestment in successive tranches, in the absence of a sale or IPO beyond a certain period (between the 6th anniversary and 12th anniversary of the completion of the joint investment, depending on the agreement in question); and
- the handling of executive departures (commitment to sell shares in the event of the departure of an executive from a subsidiary and/or commitment to buy shares in certain specific cases).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 6-2 to the 2021 consolidated financial statements relating to the "Participation of subsidiaries' managers in the performance of their companies".

As part of the liquidity commitments under these agreements, in the absence of a liquidity event (divestment or IPO) before certain predetermined dates, the Wendel Group (depending on the situation, Wendel's holding companies or the subsidiaries themselves) can be required to buy back or guarantee the buyback of the shares held by subsidiary managers (or former managers) in Constantia Flexibles, Crisis Prevention Institute, Stahl and Tarkett. The value applied to these liquidity commitments is the market value determined by the parties, depending on the case, by applying a predetermined method or an independent appraiser.

Liquidity mechanisms will also be provided to Wendel managers with exposure, in connection with co-investment mechanisms, to Constantia Flexibles, Crisis Prevention Institute, IHS and Tarkett (see note 6-1 "Participation of Wendel's managers in Group investments" to the 2021 consolidated financial statements.

As of December 31, 2021, based on the value of the investments included in the Net Asset Value or, where appropriate, on the basis of the price formulas or appraisals provided for in these agreements, the value of the portion of the pari passu i*nvestments* made under the same risk and return conditions as Wendel by all the co-investing managers of investments or Wendel benefiting from liquidity rights granted by the fully consolidated companies was €35 million. The value of the portion of non pari passu i*nvestments* of co-investing managers of subsidiaries and managers of Wendel was €53 million. These amounts do not include any unpaid amounts owing to the co-investors on the investments sold or automatic liquidities.

In accordance with Group accounting principles, a portion of these amounts is recognized as a liability of €20.9 million. The accounting principles applicable to co-investments are described in note 1-8.19 "Accounting treatment of mechanisms for the participation of management teams in the Group's investments".

With regard to non-controlling interests granted to joint shareholders, an overall amount of €315 million is recognized in financial liabilities for the put granted by Wendel and its holding companies to the H. Turnauer Foundation on its stake in Constantia Flexibles, as well as the put granted by Stahl to BASF.

Co-investment and liquidity commitment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

8.3.11 Factors likely to have an impact in the event of a takeover bid

Pursuant to Article L. 22-10-11 of the French Commercial Code, to the best of the Company's knowledge, the items that might have an impact in the event of a takeover bid are as follows:

- as of December 31, 2021, Wendel-Participations SE (and related parties) held 39.29% of the share capital, 51.41% of the theoretical voting rights and 52.27% of the exercisable voting rights of Wendel SE;
- a public offer must be filed for the listed subsidiary of a target issuer pursuant to Article L. 433-3, III of the French Monetary and Financial Code; as of December 31, 2021, Wendel held 35.48% of the share capital and 51.63% of the theoretical voting rights of Bureau Veritas, which is listed on Euronext Paris and constitutes one of its key assets;
- agreements authorizing the Company and its international locations to use the last name "Wendel" and the "Wendel" trademark: these agreements contain a termination clause in the event that Wendel-Participations SE's interest in the Company falls below 33.34% of the share capital for one hundred twenty consecutive days (see section 9.1.1, "Statutory Auditor's special report on related-party agreements and commitments with related third parties");
- the granting of double voting rights to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder (see section 8.4.4.3 "Voting rights and acquisition of double voting rights");
- change-of-control clauses in bond indentures and certain loan agreements of Wendel and its subsidiaries (see "Liquidity" in note 7.2 to the consolidated financial statements (section 6.7 of the Universal Registration Document));
- right of first refusal: the share-retention commitments of certain shareholders grant a right of first refusal to Wendel-Participations SE or SPIM (see section 8.3.10 "Shareholders' agreements" above);
- appointment of members of the Executive Board: members of the Executive Board are appointed by the Supervisory Board, of which 40% are independent members and 60% are members of the Wendel family (excluding members representing the employees);
- changes to the by-laws: prior authorization from the Supervisory Board required to amend the by-laws;
- statutory ownership threshold disclosures: threshold crossings must be declared every 2% of share capital and voting rights held.

8.4 Information on the Company and principal by-laws

8.4.1 General information

Company name

Wendel

Registered office

89, rue Taitbout, 75009 Paris – France

Telephone: +33 1 42 85 30 00; fax: +33 1 42 80 68 67

Website: www.wendelgroup.com

Please note that the information on the website is not part of this Universal Registration Document.

Official registration

The Company is registered in the Paris Company Register (*Registre du commerce et des sociétés*) under number 572 174 035; its APE code is 7010Z.

Date founded and duration

The Company was formed on December 4, 1871, for a period of 99 years, subsequently extended to July 1, 2064, barring a new extension or early dissolution.

LEI code (legal entity identifier)

969500M98ZMIZYJD5O34

Legal structure and applicable legislation

Wendel is a European company with an Executive Board and a Supervisory Board since July 2015, pursuant to a decision of the Shareholders' Meeting of June 5, 2015. It is governed by European and French legislative and regulatory provisions that are or will be in force.

Fiscal year

The fiscal year runs for 12 months, beginning on January 1 of each year.

Access to legal documents and regulated information

Legal documents relating to the Company may be viewed at the registered office. Ongoing and periodic regulated information may be viewed on the Company's website, at www.wendelgroup.com, under the heading "Regulated information".

8.4.2 Main by-laws provisions

Wendel's by-laws may be viewed on the Company's website, at www.wendelgroup.com, under the heading "Regulated information".

8.4.2.1 Purpose of the Company

Pursuant to Article 3 of the by-laws, the Company has the following purpose, in all countries, directly or indirectly:

- equity holdings in industrial, commercial and financial companies of any nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, partnerships or otherwise; any disposals, exchanges or other operations concerning these shares, ownership rights or equity interests;
- the purchase, rental and operation of any equipment;
- the holding, acquisition, sale and commercial use of any processes, patents, or patent licenses;
- the acquisition, operation, sale or exchange of any real estate or real estate rights; and
- generally, any commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities or to all similar or connected activities.

8.4.2.2 Appropriation of net income

Article 27 of the by-laws provides for the following:

I. at least 5% of net income for each year, less any losses carried forward from prior years, is credited to the legal reserve until such time as the legal reserve represents one-tenth of share capital, as well as any amount credited to reserves pursuant to applicable legislation.

   Distributable earnings include net income for the year plus any unappropriated retained earnings carried forward from prior years.

   Of this amount, shareholders may decide in their Shareholders' Meeting to deduct, on the recommendation of the Executive Board:

   - the amounts they consider should be allocated to any special reserve account,
   - the sum required to serve a revenue on shares based on the amount of paid-up, non-repaid capital within the limit of 5% per year,
   - the amounts they consider should be allocated to the general reserve or to share capital repayment;

II. any remaining balance is distributed to shareholders, less the sum allocated to retained earnings;

III. on the condition that all earnings available for distribution have been allocated in the form of dividends and on the recommendation of the Executive Board, shareholders at their Ordinary General Meeting may allocate any amounts transferred from the share premium account;

IV. as an exception to the provisions of the present article, funds may be allocated to the special employee profit-sharing reserve under the terms and conditions set by law;

V. dividends are paid in the form and at the times determined by shareholders at their Ordinary General Meeting or by the Executive Board with the authorization of shareholders at their Ordinary General Meeting in accordance with applicable legislation. The Executive Board may decide to distribute an interim dividend before the approval of the financial statements for the year in accordance with applicable legislation.

   On the recommendations of the Executive Board, the shareholders, convened in their Shareholders' Meeting to approve the year's financial statements, may offer each shareholder the choice to receive payment of all or a part of the distributed dividend (or interim dividend) in cash or in shares, under the terms and conditions defined by applicable legislation;

VI. the shareholders at their Ordinary General Meeting may also decide to distribute earnings, reserves or share premium amounts in kind, in particular by distributing marketable securities from among the assets on the balance-sheet of the Company, with or without a cash option. The Shareholders' Meeting may decide that the rights comprising fractional shares will not be negotiable or transferable, notwithstanding the provisions of Article 11. III of the by-laws. In the event marketable securities are distributed from among the assets on the balance-sheet of the Company, the shareholders may decide that, if the amount of the dividend does not correspond to a whole number of securities, the shareholder will receive the whole number of securities immediately below plus a cash payment for the balance.

In accordance with current legislation, dividends not claimed within five years from the date on which they were to be paid are forfeited and the amounts paid over to the State.

8.4.2.3 Provisions of the by-laws applicable to members of the Executive Board

See section 2.1.5 "The Executive Board and its operations".

8.4.2.4 Provisions of the by-laws applicable to members of the Supervisory Board

See section 2.1.1 "The Supervisory Board and its operations".

8.4.2.5 Ownership thresholds that must be reported to the Company

In accordance with Article L. 233-7 of the French Commercial Code and Article 28 of the by-laws, any individual or corporate shareholder, acting alone or in concert with other shareholders, who comes to own a number of shares or voting rights representing more than 2% of the share capital or voting rights, or any multiple thereof, is required to so inform the Company within four trading days of crossing this threshold.

The same disclosure requirements apply when the number of shares or voting rights held is reduced to below the 2% threshold or any multiple thereof.

Failure to comply with the above requirements is sanctioned, as prescribed by law, by the deprivation of voting rights for those shares exceeding the fraction that should have been disclosed, for all Shareholders' Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. This sanction is applicable at the request (recorded in the minutes of the Shareholders' Meeting) of one or more shareholders holding at least 2% of the number of shares or voting rights.

8.4.3 Principal new investments and acquisitions of controlling interests

Wendel's investment activities generate a certain turnover in its portfolio. Over the past three years, its principal investments and divestments have been as follows:

In 2019: since January sale of the majority of Saint-Gobain shares for a total amount of €468 million; sale of Wendel's stake in PlaYce to CFAO for a proceeds of €32.2 million in February 2019; reinvestment of €125 million in Cromology when its debt was renegotiated in May 2019; sale of 79% of Wendel's interest in Allied Universal for a net profit of $721 million in December 2019; capital injection in Tsebo amounting to $17.7 million to strengthen its financial structure; acquisition of Crisis Prevention Institute for an equity investment of $569 million in December 2019.

In 2020: sale of the balance of Wendel's stake in Allied Universal for additional income from the sale of approximately $196 million (before price adjustment) in April 2020 and delivery by Wendel and the shareholders of Tsebo of their shares to the investment units of the Company's senior creditors as part of a consensual transaction completed in December 2020.

In 2021 and early 2022: buyback of Tarkett shares in partnership with the Deconinck family for a total amount invested by Wendel of €221.7 million in 2021, IHS listing on the New York Stock Exchange finalized in October 2021, sale of Cromology to Dulux Group for a net liquidity of €896 million completed in January 2022, and acquisition of ACAMS (Association of Certified Anti-Money Laundering Specialists) for an amount invested by Wendel of approximately $338 million, finalized in March 2022.

The Company's 2021 activities are detailed in Chapter 1 and in the changes in consolidation scope detailed in the notes to the consolidated financial statements presented in Chapter 6.

Press releases on Wendel's transactions are posted on its website, at www.wendelgroup.com, under the heading "Regulated information".

As of the date of the Universal Registration Document, no other investment plans are sufficiently far advanced for Wendel's management to have made any firm commitments.

8.4.4 How to take part in the Shareholders' Meeting

All shareholders have the right to participate in Shareholders' Meetings under the conditions set down by the law.

8.4.4.1 Invitation to attend Shareholders' Meetings

Article 25 I of the by-laws provides for the following:

Shareholders' Meetings are convened and held as prescribed by European regulations and French laws in force that are applicable to a European company.

They are held at the Company's registered office, or at another location, as indicated in the invitation to the meeting.

8.4.4.2 Attendance at meetings

Article 25 II and III of the by-laws also foresees the following:

Any shareholder whose shares are registered in an account in the manner and at the date set by the applicable legal and regulatory provisions may participate in the Shareholders' Meetings on proof of his or her qualification and identity.

All shareholders meeting the required conditions have the right to participate in Shareholders' Meetings personally or by proxy, or to vote by mail. Voting forms are not counted unless they are received at the address indicated in the notice of meeting no later than the third business day preceding the date of the meeting, notwithstanding any earlier deadline set by the Executive Board.

In accordance with applicable law, the Executive Board may organize shareholder participation and voting *via* videoconferencing or other telecommunication systems that enable shareholder identification, including electronic systems. Shareholders who participate in Shareholders' Meetings through videoconferencing or such other system are deemed present for the purposes of calculating the quorum and the majority.

Any proxies or votes submitted using an electronic method prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, are considered to be irrevocable and enforceable, it being specified that in the event of the sale of shares prior to the date and time set by legal and regulatory provisions in force, the Company shall accordingly invalidate or amend, as applicable, the proxies or votes cast prior to that date and that time.

Moreover, in accordance with the provisions of Article R. 22-10-28 of the French Commercial Code, the right to participate in the Company's Shareholders' Meetings is justified by the registration of shares in the name of the shareholder or of the intermediary registered on his or her behalf on the second business day preceding the meeting, at midnight, Paris time:

- for holders of registered shares: in the registered securities accounts held by the Company;
- for holders of bearer shares: in the bearer securities accounts of the authorized financial intermediary pursuant to the regulations in force.

8.4.4.3 Voting rights and acquisition of double voting rights

Article 25 IV of the by-laws provides that the voting rights attached to the shares are proportional to the capital they represent; however, a double voting right is allocated to fully paid-up shares for which it has been proven that they have been registered in the name of the same shareholder for at least two years.

Article L. 225-123 of the French Commercial Code provides that in the event of a capital increase through the capitalization of reserves, profits or issue premiums, double voting rights may be conferred, upon their issue, to the registered shares allocated free of charge to a shareholder in respect of old shares for which he or she has this right.

Article L. 225-124 of the French Commercial Code specifies that any share converted to bearer form or transferred into ownership loses its double voting rights; nevertheless, the transfer as a result of inheritance, liquidation of common property between spouses or *inter vivos* donation to a spouse or relative in the inheritance line does not lose the acquired right and does not interrupt the periods referred to above. The same terms apply in the event of a transfer resulting from the merger or demerger of a corporate shareholder.

Identifiable bearer shares

Article 9 of the by-laws allows shares to be held in registered or bearer form at the shareholder's discretion.

The Company has the right to request identification of the holders of shares carrying current or future voting rights at its Shareholders' Meetings and the number of shares so held, in accordance with legislation in force.

The conversion of registered shares into bearer shares, and *vice versa*, shall take place in accordance with the legislation in force.

Modification of shareholder rights

In the absence of specific provisions in the by-laws, any change in the rights attached to shares is subject to legislation in force.

9 SHAREHOLDERS' MEETING OF JUNE 16, 2022

9.1 Statutory Auditors' reports

9.1.1 Statutory Auditors' report on related-party agreements

(Annual General Meeting held to approve the financial statements for the year ended 31 December 2021)

This is a free translation into English of the statutory auditors' special report on related-party agreements issued in the French language and is provided solely for the convenience of English speaking readers. This report on related-party agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Annual General Meeting of Wendel,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-58 of the French Commercial Code of the continuation of the implementation, during the year ended 31 December 2021, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

Agreements authorized and concluded during the year ended 31 December 2021

In accordance with Article L. 225-88 of the French Commercial Code, we have been notified of the following related-party agreements which received prior authorization from your Supervisory Board.

With André François-Poncet and David Darmon, members of the Executive Board, and with Sophie Tomasi Parise and Harper Mates, members of the Supervisory Board representing employees

1) Sale and purchase undertakings with Wendel Luxembourg

Following the co-investment principles for the period 2021-2025 approved by the Annual General Meeting of 29 June 2021, and subject to the prior authorization of the Supervisory Committee granted on 17 March 2021, André François-Poncet and David Darmon, members of the Executive Board, and Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing employees, concluded sale and purchase undertakings in July 2021 with Wendel Luxembourg, a wholly-owned Wendel subsidiary, relating to their co-investments for the period 2021-2025 through the reserved alternative investment funds (FIAR), Global Performance 17 SCA et Expansion 17 SCA.

The purpose of these undertakings is to settle the outcome of their co-investments in the event of their departure from the Wendel Group before the occurrence of liquidity events affecting the companies in which they have co-invested through the aforementioned funds.

2) Co-investment in Tarkett

In April 2021, Wendel partnered with the Deconinck family to buy back Tarkett securities. Wendel's investment was completed between July and December 2021.

During its meeting of 21 April 2021, the Supervisory Board authorized co-investments in Tarkett by André François-Poncet and David Darmon, members of the Executive Board, and Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing employees.

As part of the initial co-investment that took place in July 2021: André François-Poncet and David Darmon respectively invested €100.2k, Harper Mates invested €50.1k, and Sophie Tomasi Parise invested €3.7k. As part of the supplementary co-investment that took place in December 2021: André François-Poncet and David Darmon respectively invested €7.6k, Harper Mates invested €3.8k, and Sophie Tomasi Parise invested €0.2k.

These co-investments were carried out in compliance with the rules applicable in this respect for the period 2021-2025 described in Note 6-1 to the 2021 consolidated financial statements. They were conducted through the Tarkett compartment of the Expansion 17 SCA FIAR fund for the deal by deal portion (50%) and through the Millésime III compartment of the Global Performance 17 SCA FIAR fund for the pooled portion (50%).

The Supervisory Board assessed that it was in the Company's best interest to encourage, through these co-investments, the implementation of the strategic plan and talent retention in a competitive environment.

With Harper Mates, member of the Supervisory Board

<u>1) Supplementary co-investment in CPI</u>

In December 2021, Harper Mates, member of the Supervisory Board representing employees, reinvested €67k in Crisis Prevention Institute (CPI) in accordance with the 2018-2021 co-investment principles described in Note 6-1 to the 2021 consolidated financial statements.

This supplementary investment was authorized by the Supervisory Board on 1 December 2021. The Supervisory Board assessed that it was in Harper Mates' best interest to increase her co-investment, as this instrument promotes value creation in CPI and talent retention in a competitive environment.

With members of the Supervisory Board

<u>1) Letters of guarantee</u>

In connection with the IPO in the United States of IHS Holding Limited, the Supervisory Board authorized the signing of a letter of guarantee with each Supervisory Board member. Pursuant to these letters, where there are differences in the terms and conditions and limits of applicable insurance policies, Wendel bears the defense costs and financial consequences resulting from any claims relating to or arising from this transaction that may fall on members of the Supervisory Board.

The Supervisory Board considered that it was in the Company's best interest to bear these defense costs and financial consequence as the civil liability insurance policies taken out by the Group could be unavailable or insufficient for Board members in the framework of an IPO in the United States.

The IHS IPO took place in October 2021 and the letters of guarantee, authorized by the Supervisory Board on 16 September 2020, were signed on 1 December 2021.

With the members of the Executive Board

<u>1) Letters of guarantee – amendment</u>

On 18 March 2020, a letter of guarantee was signed between Wendel and André François-Poncet and David Darmon, respectively.

Under this letter of guarantee dated 18 March 2020, Wendel assumes, in accordance with the terms and limits of the applicable insurance policies, the defense costs and the financial consequences resulting from claims related to the corporate offices, as the case may be, of the Chairman of the Executive Board or member of the Executive Board of Wendel, as well as to the corporate offices they hold within one or more entities of the Wendel Group. The guarantee is subject to various conditions and provides for several exclusions from its application, in particular in the event of willful misconduct, unlawful personal benefit or criminal sanction.

An amendment to the 18 March 2020 letters of guarantee between Wendel and André François-Poncet and David Darmon, previously authorized by the Supervisory Board and approved by the 2020 Annual General Meeting, was signed in 2021. This amendment added two cases under which Wendel would bear the defense costs and financial consequences that could fall on, as the case may be, the Chairman of the Executive Board or the member of the Executive Board, resulting from claims relating to their terms of office within Wendel Group entities.

The Supervisory Board considered that it was in the Company's best interest to add these cases so that the members of the Executive Board may smoothly conduct their duties in the interests of Wendel, without concern for any risk of negative personal repercussions.

The amendment to the letters of guarantee was authorized by the Supervisory Board on 1 December 2021 and signed on that date.

Agreements authorized and concluded since the year-end

We have been informed of the following agreements authorized and concluded since the year-end, previously authorized by your Supervisory Board.

With Wendel-Participations SE, shareholder

1) Agreements on the use of the "Wendel" trademark and amendment to the trademark license agreement

As a reminder, by way of two agreements dated 15 May 2002, SLPS, SOGEVAL, and Wendel-Participations authorized Wendel (the "Company") to use the Wendel family name as its corporate and commercial name and granted the Company an exclusive license to use the trademark "WENDEL Investissement".

These agreements were entered into without consideration and for an indefinite period, with the stipulation that they may be revoked if the direct or indirect interest of the family companies in the capital of the Company would be less than 33.34% for 120 consecutive days. If this right of revocation is not exercised within 60 days after the expiration of the said 120-day period, the right to use the name and the exclusive license to use the trademark will become final and irrevocable.

The trademark license agreement dated 15 May 2002 was amended by amendments dated 25 October 2013, 8 December 2015, 27 Marc 2018, 18 February 2020 and 17 September 2020 in order to define the rules for the use of the Wendel trademark abroad and by the Wendel company mutual fund (*FCPE - Fonds Commun de Placement d'Entreprise*).

Wendel SE decided to set up an endowment fund (fonds de dotation) for the purpose of supporting and developing activities in the public interest in cultural, educational, social and humanitarian fields. In amendment no. 6 of 12 February 2021, Wendel-Participations SE had authorized the use of the name "Fonds de dotation Wendel SE", but the decision was made to change this name to "Wendel Cares" (amendment no. 7). The trademark license agreement was not amended for the other matters.

At its meeting on 9 February 2022, the Supervisory Board authorized the conclusion of amendment no.7 and noted the advantage of being able to use the Wendel trademark in the name of the endowment fund free of charge. It was concluded on 11 February 2022.

With André François-Poncet and David Darmon, members of the Executive Board, and with Sophie Tomasi Parise and Harper Mates, members of the Supervisory Board

1) Co-investment in ACAMS

On March 10, 2022, Wendel acquired ACAMS ("Association of Certified Anti-Money Laundering Specialists").

During its meeting of 9 February 2022, the Supervisory Board authorized co-investments in ACAMS by André François-Poncet and David Darmon, members of the Executive Board, and Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing employees.

As part of this co-investment, the following maximum amounts were invested in March 2022: €149k each by André François-Poncet and David Darmon, €74.5k by Harper Mates and €5.6k by Sophie Tomasi Parise.

These co-investments were carried out in compliance with the rules applicable in this respect for the period 2021-2025 described in Note 6-1 to the 2021 consolidated financial statements. They were conducted through the ACAMS compartment of the Expansion 17 SCA FIAR fund for the deal by deal portion (50%) and through the Millésime III compartment of the Global Performance 17 SCA FIAR fund for the pooled portion (50%).

The Supervisory Board assessed that it was in the Company's best interest to encourage, through these co-investments, the implementation of the strategic plan and talent retention in a competitive environment.

Agreements previously approved by the Annual General Meeting

Agreements approved in prior years, the execution of which continued during the past year

In accordance with Article R.225-57 of the French Commercial Code, we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended 31 December 2021.

With Wendel-Participations, shareholder

1) Agreement on the provision of country-by-country reporting (CbCR) and anti-corruption (Sapin 2 Law) services

Wendel SE and Wendel-Participations SE signed a services agreement on 18 December 2017, whereby Wendel SE provides Wendel-Participations SE with country-by-country reporting (CbCR) and anti-corruption (Sapin 2 Law) services. This agreement was amended on 1 December 2020.

Wendel invoiced a total of €15,000 before tax under this agreement in respect of 2021. On 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interest to maintain this agreement, given that the reasons justifying the initial authorization of the agreement are still relevant.

With André François-Poncet and David Darmon, members of the Executive Board, and with Sophie Tomasi Parise and Harper Mates, members of the Supervisory Board

1) Co-investments

a. 2011-2012

The principles applicable to co-investments relating to acquisitions made by Wendel between 2011 and April 2013 (as well as to subsequent re-investments made in these companies) remain unchanged. They have been described each year in the Wendel Universal Registration Document since 2011.

In accordance with these principles, Wendel's managers have personally invested alongside the Group in Parcours, Mecatherm and IHS. The co-investments in Parcours and Mecatherm were unwound following the disposal of these companies at the end of 2016 and 2018, respectively.

In 2021, the only co-investment still in effect under these principles was in IHS, via the Luxembourg fund Oranje-Nassau Développement SCA FIAR. The first liquidity maturity date was 31 March 2021, on the eighth anniversary of the initial investment, for a third of the co-investment. Based on an independent multi-criteria appraisal, the minimum return was achieved and the share of capital gains payable to the co-investors amounted to around €20 million, of which €2,187,335 to David Darmon, member of the Executive Board. This liquidity was settled in 2021.

The other two-thirds of the co-investment were subject to a liquidity event at the time of the IHS IPO in October 2021. As Wendel did not sell securities during this IPO, the capital gain will be calculated based on the average stock market price of its shares over the six months following the IPO. On the accounts closing date, this average was still not known but the minimum return will probably not be achieved and the co-investors, including David Darmon, will incur a loss on the last two thirds of their co-investment.

On 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interest to maintain the 2011-2012 co-investment program, which remains in effect for IHS, given that the reasons justifying the initial authorization of the program are still relevant.

b. 2013-2017

The principles applicable to co-investments relating to acquisitions made by Wendel between April 2013 and April 2017 (as well as to subsequent reinvestments made in these companies) remain unchanged. They have been described each year since 2013 in the Wendel Universal Registration Document.

In accordance with these principles, the relevant Wendel managers, including David Darmon, have personally invested alongside the Group in Saham, Nippon Oil Pump, CSP Technologies, Constantia Flexibles, Allied Universal and Tsebo.

The deal by deal co-investments in Saham, Nippon Oil Pump, CSP Technologies, Allied Universal and Tsebo were subject to a liquidity event following the disposal of these companies between 2018 and 2020. In 2021, the residual amounts of €38,595 and €18,092 were paid to David Darmon in respect of the deal by deal co-investments in CSP Technologies and Allied Universal.

The only deal by deal co-investment still in effect on the accounts closing date was in Constantia Flexibles.

Regarding the pooled co-investments in these companies:

- the pari passu portion was settled following the completed disposals; and
- the carried interest portion will be settled at the end of the program based on all the investments made in these companies.

On 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interests to maintain the 2013-2017 co-investment program, the pooled part of which remains fully in effect and the deal-by-deal part of which remains in effect for Constantia Flexibles, given that the reasons justifying the initial authorization of the program are still relevant.

c. 2018-2021

The principles applicable to co-investments relating to acquisitions made by Wendel between January 2018 and April 2021 (as well as to subsequent reinvestments made in these companies) remain unchanged. They have been described each year in the Wendel Universal Registration Document since 2018.

Under these principles, the relevant managers of Wendel, including André François-Poncet and David Darmon, members of the Executive Board, and Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing employees, personally invested alongside the Group in Crisis Prevention Institute (CPI) and concluded sale and purchase undertakings with Wendel Luxembourg (formerly Trief Corporation) in December 2019.

In 2021, Harper Mates, member of the Supervisory Board representing employees, reinvested €67k in CPI in December 2021 (see section 1 - Agreements authorized and concluded during the year ended 31 December 2021).

On 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interest to maintain the 2018-2021 co-investment program, which remains in effect, given that the reasons justifying the initial authorization of the program are still relevant.

With David Darmon, member of the Executive Board

1) Employment contract

David Darmon is a Wendel employee under a French employment contract that came into effect on 4 July 2005, has been suspended since 31 May 2013 and was amended on 4 March 2020. The purpose of this amendment was to:

- confirm the continuation of the suspension of the employment contract during his term of office as member of the Executive Board, it being specified that at the end of his term of office, subject to the applicable legal provisions, David Darmon will be reinstated at Wendel in a position at an equal level or equivalent to that of Deputy Chief Executive Officer and member of the Investment Committee;
- agree on the terms and conditions applicable to David Darmon during the transitional period from 9 September 2019 (date of his appointment as member of the Executive Board) until the effective termination of the US employment contract on 31 July 2020 (during his expatriation to the United States, David Darmon was CEO of Wendel North America LLC under a US employment contract signed on 31 May 2013);
- set the reinstatement salary applicable on the day of reactivation of the French employment contract as follows (subject to increases decided at the time of the annual compensation review):
  - basic gross annual salary: €490,000;
  - maximum gross variable compensation for a full year: €490,000;
- specify that the period of expatriation working for Wendel North America LLC will be taken into account in determining the seniority of David Darmon (it being specified that, in accordance with the applicable legal provisions, the period of exercise of corporate office as a member of the Executive Board is not taken into account for the calculation of seniority).

On 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interest to maintain this agreement, given that the reasons justifying the initial authorization of the agreement are still relevant.

Agreements approved during the year ended 31 December 2021

In addition, we have been notified of the implementation during the year ended 31 December 2021 of the following agreements which were approved by the Annual General Meeting of 29 June 2021 based on the statutory auditors' report on related-party agreements dated 15 April 2021.

With Wendel-Participations, shareholder

1) Agreements on the use of the "Wendel" trademark

As part of the set-up of an endowment fund by Wendel, Wendel-Participations SE, owner of the Wendel trademark, and the Company signed on 14 February 2021 an amendment to their trademark license agreement to authorize the use of the Wendel trademark by the endowment fund, which is named "Fonds de dotation Wendel SE" (amendment no. 6). At its meeting on 29 January 2021, the Supervisory Board had authorized the conclusion of the aforementioned amendment and noted the advantage of being able to use the Wendel trademark in the name of the endowment fund free of charge.

This amendment was superseded by amendment no. 7 signed on 11 February 2022 (see section 2 - Agreements authorized and concluded since the year-end).

2) Service agreement for administrative assistance

Wendel SE provides advice and assistance to Wendel-Participations SE under a contract entered into on 2 September 2003.

By way of an amendment entered into on 12 February 2021, Wendel SE and Wendel-Participations SE decided to modify, with effect as from 1 January 2021, certain provisions of the agreement aiming to (i) update and expand the scope of the services provided and (ii) consequently, increase the remuneration to €23,000 before tax. The services provided concern the following areas: human resources, accounting, IT and support services.

At its meeting on 29 January 2021, the Supervisory Board had authorized the conclusion of the aforementioned amendment and noted the advantage of updating the services provided and adapting the amount of remuneration relating thereto.

Wendel invoiced a total of €23,000 before tax under this agreement in respect of 2021. On 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interest to maintain this agreement, given that the reasons justifying the initial authorization of the agreement are still relevant.

3) Agreement to rent premises

Wendel SE makes office premises available to Wendel-Participations SE in a building located at 89 rue Taitbout, 75009 Paris, as part of a rental agreement entered into on 2 September 2003.

By way of an amendment entered into on 12 February 2021, Wendel SE and Wendel-Participations SE decided to amend, with effect as from 1 January 2021, certain provisions of the rental agreement aiming to (i) restrain the surface area of the premises leased and (ii) increase the amount of the annual occupancy fee to €80,000 (rental charges included, before tax)

At its meeting on 29 January 2021, the Supervisory Board had authorized the conclusion of the aforementioned amendment and noted the advantage of these adjustments, which take into account current price in the rental market in the district.

Wendel invoiced a total of €80,000 before tax under this agreement in respect of 2021. On 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interest to maintain this agreement, given that the reasons justifying the initial authorization of the agreement are still relevant.

With André François-Poncet and David Darmon, members of the Executive Board, and with Sophie Tomasi Parise and Harper Mates, members of the Supervisory Board

1) Principles of the 2021-2025 co-investments

Upon renewal of the Executive Board for a further four-year term of office, a new co-investment program was defined for investments made in new companies between April 2021 and April 2025 (and for later re-investments made by the Wendel group in these companies). These principles, which were approved by the Company's Annual General Meeting of 29 June 2021, have been described in the Wendel Universal Registration Document since 2021.

Under these principles, the relevant managers of Wendel, including André François-Poncet and David Darmon, members of the Executive Board, and Harper Mates and Sophie Tomasi Parise, members of the Supervisory Board representing employees:

- concluded sale and purchase undertakings with Wendel Luxembourg (see section 1 - Agreements authorized and concluded during the year ended 31 December 2021);
- personally invested alongside the Group in Tarkett in July and December 2021 (see section 1 - Agreements authorized and concluded during the year ended 31 December 2021); and
- personally invested alongside the Group in ACAMS in March 2022 (see section 2 - Agreements authorized and concluded since the year-end).

At its meeting on 17 March 2022, the Supervisory Board acknowledged it was in Wendel's best interest to maintain the 2021-2025 co-investment program, which remains in full effect, given that the reasons justifying the initial authorization of the program are still relevant.

Paris-La Défense, 14 April 2022

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Mansour Belhiba	Jacques Pierres

9.1.2 Statutory Auditors' report on the issue of shares or various securities with or without cancellation of preferential subscription rights

(Combined shareholders' meeting of 16 June 2022)

17th, 18th, 19th, 20th, 21th, 22nd, 23rd et 25th resolutions

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L. 228-92 and L.225-135 and seq. of the French Commercial Code (*Code de commerce*), we hereby report on the proposal to authorize the Executive Board to proceed with various issues of shares or securities, operations upon which you are called to vote.

Your Executive Board proposes that, on the basis of its report:

- it be authorized, with the option of sub-delegation, for a period of twenty-six months, subject to the prior authorization of the Supervisory Board Pursuant to article 15-V of the bylaws, to decide on whether to proceed with the following operations and determine the final conditions of these issues, and, if necessary, proposes to cancel your preferential subscription rights:
  - the issue, without cancellation of your preferential subscription rights (17th resolution), of shares or securities of any kind that give access to a portion of the share capital to be issued of the company or one of the companies covered by article L. 228-93 of the French Commercial Code (*Code de commerce)* within the limit of 40% of the share capital at the time of the issue;
  - the issue, with cancellation of your preferential subscription rights, by way of public offering, excluding the offers referred to in 1 ° of Article L. 411-2 of the Monetary and Financial Code (18th resolution), of shares or securities of any kind that give access to a portion of the share capital to be issued of the company or one of the companies covered by article L. 228-93 of the French Commercial Code (*Code de commerce*) within the limit of 10% of the share capital at the time of the issue;
  - the issue, with cancellation of your preferential subscription rights, by way of an offering as set out in 1 ° of Article L. 411-2 of the French Financial and Monetary Code (*Code monétaire et financier)* (19th resolution) of shares or securities of any kind that give access to a portion of the share capital to be issued of the company or one of the companies covered by article L. 228-93 of the French Commercial Code (*Code de commerce)* or that give access to the allotment of debt securities, within the limit of 10% of the share capital at the time of the issue, over a 12 months period;
  - issue of shares or securities giving access to the capital of the Company in remuneration of the securities contributed to a public exchange offer initiated by the Company, in France or abroad, according to local rules, on securities of another company whose shares are admitted to trading on a regulated market under the conditions set by article L. 225-148 of the French Commercial Code (23rd resolution), within the limit of 10% of the share capital;
- it be authorized, subject to the prior authorization of the Supervisory Board in application of article 15-V of the articles of association, by the 20th resolution and within the framework of the implementation of the delegations referred to in the 18th and 19th resolutions, to set the issue price within the annual legal limit of 10% of the share capital
- it be authorized, with the option of sub-delegation, for a period of twenty-six months, to decide on whether to proceed with the issue of shares or securities giving access to the company's share capital with a view to remunerating contributions in kind (22nd resolution), granted to the company and composed of shares or securities giving access to the share capital, within the limit of 10% of the share capital.

The total nominal amount of the increases in capital that may be performed immediately or in the future may not, under the 25th resolution, exceed the ceiling of 100% of the share capital in respect of the 17th, 18th, 19th, 20th, 22nd, 23rd and 24th resolutions, it being specified that:

- the total nominal amount of the increases in capital with cancellation of the preferential subscription rights may not, under the 25th resolution, exceed the sub-ceiling of 10% of the share capital in respect of the 18th, 19th, 20th, 22nd and 23rd resolutions.

The ceiling and sub-ceiling take into account the additional number of shares to be created within the scope of the implementation of the authorizations referred to in the 17th, 18th, 19th and 20th resolutions, under the conditions provided for in article L. 225-135-1 of the French Commercial Code (*Code de commerce*), should you adopt the 21st resolution.

It is the responsibility of the Executive Board to prepare a report in accordance with articles R. 225-113 *et seq.* of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying the content of the Executive Board's report relating to these operations and the methods used to determine the issue price of the capital securities to be issued.

Subject to a subsequent examination of the conditions for the issue that would be decided, we have no matters to report as to the methods used to determine the issue price of the capital securities to be issued provided in the Executive Board's report with regard to the 18th, 19th and 20th resolutions.

Furthermore, as said report does not specify the methods used to determine the issue price of the capital securities to be issued within the context of the implementation of the 17th, 22nd and 23rd resolutions, we cannot report on the choice of constituent elements used to determine this issue price.

As the final conditions for the issues have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights put before you in the 18th and 19th resolutions.

In accordance with article R. 225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report, if necessary, upon the use by your Executive Board of these authorizations in the event of the issue of securities, giving access to other capital securities, in the event of the issue of securities giving access to capital securities to be issued and in the event of issues of shares with cancellation of the preferential subscription rights.

Paris-La Défense, 14 April 2022

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Mansour Belhiba	Jacques Pierres

9.1.3 Statutory Auditors' report on the issue of shares or securities giving access to the capital with cancellation of preferential subscription rights reserved for members of one or more company savings schemes set up within the Group

(Combined shareholders' meeting of 16 June 2022)

26th resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L. 228-92 and L. 225-135 *et seq*. of the French Commercial Code (*Code de commerce*), we hereby report on the proposed delegation of authority to the Executive Board, subject to the prior authorization of the Supervisory Board Pursuant to article 15-V of the bylaws, to decide whether to proceed with an issue of shares or securities giving access to the capital, with cancellation of preferential subscription rights, reserved for members of one or more company savings schemes set up within the Group, an operation upon which you are called to vote. The maximum nominal amount of the capital increases that may be carried out, immediately or in the future, under this delegation, may not exceed €150,000.

This transaction is submitted for your approval in accordance with article L. 225-129-6 of the French Commercial Code (*Code de commerce*) and article L. 3332-18 *et seq*. of the French Labour Code (*Code du travail*).

On the basis of its report, your Executive Board proposes that it be authorized, for a period of fourteen months from the date of this meeting, to decide to proceed with the issue, and proposes to cancel your preferential subscription rights to the shares or securities giving access to the capital to be issued. If necessary, it will establish the final terms and conditions of issue under this transaction.

It is the responsibility of the Executive Board to prepare a report in accordance with articles R. 225-113 and seq. of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue contained in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Executive Board's report relating to this transaction and the methods used to determine the share issue price.

Subject to a subsequent examination of the conditions for the proposed issue, we have no matters to report as to the methods used to determine the issue price for the shares to be issued provided in the Executive Board's report.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report when your Executive Board has exercised this authorization in the event of the issue of shares and securities which are equity securities giving access to other equity securities and in the case of the issuance of securities giving access to equity securities to be issued.

Paris-La Défense, 14 April 2022

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Mansour Belhiba	Jacques Pierres

9.1.4 Statutory Auditors' report on the authorization for allocation of stock subscription options or stock purchase options

(Combined shareholders' meeting of 16 June 2022)

27th resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L. 225-177 and R. 225-144 of the French Commercial Code (*Code de commerce*), we hereby report on the authorization for allocation of stock subscription options or stock purchase options, subject to the prior authorization of the Supervisory Board Pursuant to article 15-V of the bylaws, reserved for those who will be designated from among the corporate officers and employees of your company and companies or groups related to it within the meaning of article L. 225-180 of said Code or some of them, a transaction upon which you are called to vote.

The total number of shares to be purchased or subscribed for through the exercise of the granted options will give rise to a total number of shares representing no more than 1% of the company's share capital at the grant date, it being specified that this ceiling will be decreased by the number of shares granted in respect of the 28th resolution of this shareholders' meeting.

The total number of shares likely to be acquired or subscribed through the exercise of options granted to members of the Executive Board may not exceed half of the ceiling mentioned in the preceding paragraph, it being specified that in any case, the total value of the options granted to members of the Executive Board, combined with that of the free shares referred to in the 28th resolution and as determined on their grant date, may not exceed the limit - expressed as a proportion of their compensation - set by the compensation policy for the members of the Executive Board.

On the basis of its report, your Executive Board proposes that it be authorized, for a period of fourteen months, from the date of this Meeting to allocate stock subscription options or stock purchase options.

It is the responsibility of the Executive Board to issue a report on the reasons for awarding the stock subscription options or stock purchase options and on the proposed methods for the determination of the subscription or purchase price. Our role is to express an opinion on the proposed methods for the determination of the share subscription or purchase price.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the methods proposed to determine the share subscription or purchase price are included in the Executive Board's report and are in accordance with French laws and regulations.

We have no matters to report as to the proposed methods for the determination of the subscription and/or purchase price.

Paris-La Défense, 14 April 2022

The Statutory Auditor

French original signed by:

DELOITTE & ASSOCIES
Mansour Belhiba

ERNST & YOUNG Audit
Jacques Pierres

9.1.5 Statutory Auditors’ report on the free allocation of existing shares or shares to be issued

(Combined shareholders’ meeting of 16 June 2022)

28th resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed free allocation of existing shares or shares to be issued, subject to the prior authorization of the Supervisory Board Pursuant to article 15-V of the bylaws, reserved for employees or corporate officers of the company and of the companies related to it, as defined in section II of article L. 225-197-1 of the French Commercial Code, or to the employees and corporate officers of the companies or groups that are related to it within the meaning of article L. 225-197-2 of the French Commercial Code, an operation upon which you are called to vote. The total number of shares that may be allocated in respect of this authorization may not represent more than 1% of the company’s share capital, it being specified that the number of shares allocated will be deducted from the maximum number of shares that may be issued pursuant to the twenty-seventh resolution.

The total number of shares likely to be granted to members of the Executive Board may not exceed half of the ceiling mentioned in the preceding paragraph, it being specified that in any case, the total value of the free shares granted to the members of the Executive Board, combined with that of the options referred to in the 27th resolution and as determined on their grant date, may not exceed the limit - expressed as a proportion of their compensation - set by the compensation policy for the members of the Executive Board.

On the basis of its report, your Executive Board proposes to be authorized, for a period of fourteen months from the date of this meeting, to grant, free of charge, existing shares or shares to be issued.

It is the responsibility of the Executive Board to prepare a report on the proposed transaction. Our role is to report, as the case may be, on any matters relating to the information thus provided to you regarding the proposed transaction.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Executive Board’s report comply with the legal provisions governing such transactions.

We have no matters to report as to the information provided in the Executive Board’s report relating to the proposed free grant of shares.

Paris-La Défense, 14 April 2022

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Mansour Belhiba	Jacques Pierres

9.1.6 Statutory auditors' report on the reduction in capital

(Combined shareholders' meeting of 16 June 2022)

16th resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with article L.22-10-62 of the French Commercial Code (*Code de commerce*) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Executive Board requests that it be authorized, subject to the prior authorization of the Supervisory Board Pursuant to article 15-V of the bylaws, for a period of twenty-six months starting on the date of this shareholders' meeting, to proceed with the cancellation of shares that the company was authorized to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of twenty-four months, in compliance with the article mentioned above.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report as to the terms and conditions of the proposed reduction in capital.

Paris La Défense, 14 April 2022

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Mansour Belhiba	Jacques Pierres

9.2 Additional reports

9.2.1 Additional report of the Executive Board on the capital increase reserved for members of the Wendel Group savings plan of November 2, 2021

The Executive Board, acting under the powers granted to it by the Shareholders' Meeting of June 29, 2021 (the "Shareholders' Meeting") in its 19th resolution, after authorization of the Supervisory Board dated September 15, 2021, decided on September 22, 2021, to implement a capital increase reserved for members of the Wendel Group Savings Plan and the international Group Savings Plan, in favor of whom the shareholders' preferential subscription rights were canceled by the Shareholders' Meeting.

In this respect, the Executive Board recalls that in 2020, members of Wendel's Group Savings Plan and International Group Savings Plan were offered the possibility of subscribing to units of an FCPE, the "Wendel FCPE", which subsequently subscribed to Wendel shares.

The Executive Board notes that the same mechanism has been implemented in 2021, with the "Relais Wendel 2021" FCPE having been created for this purpose and intended to be merged into the "Wendel FCPE" upon completion of the capital increase transaction.

Thus:

(i) employees wishing to participate in the capital increase subscribed, between September 24 and October 8, 2021, to units of the "Relais Wendel 2021" FCPE with a unit value of €10;

(ii) at the end of this subscription period, the "Relais Wendel 2021" FCPE subscribed to new Wendel shares in the context of a capital increase of the Company;

(iii) on November 2, 2021, the Executive Board noted the completion of the Company's capital increase.

The purpose of this report, prepared in accordance with Article R. 225-116 of the French Commercial Code, is to describe the final terms and conditions of the capital increase carried out with the approval of the Shareholders' Meeting.

I. Final terms and conditions of the capital increase

Maximum size of the reserved capital increase

The Executive Board, which met on September 22, 2021, decided to set the maximum nominal amount of the reserved capital increase at €150,000, *i.e.*, 37,500 shares with a nominal value of €4 each.

Subscription price

The Executive Board, which met on September 22, 2021, set the amount of the discount at 30% of the reference price, and noted that:

- the reference price, calculated on the basis of the average closing share price for the 20 trading days prior to September 22, 2021, was €122.25;
- the subscription price, set at 70% of the reference price, is €85.58.

Each new share having a par value of €4 was therefore issued with a share premium of €81.58.

Beneficiaries of the offer

The beneficiaries of the offer are members of the Wendel Group Savings Plan and the Wendel International Group Savings Plan, it being specified that the Company's capital increase is subscribed to by the "Relais Wendel 2021" FCPE, in which they hold units and which is intended to be merged into the "Wendel FCPE".

Employees and corporate officers of Wendel and companies that are members of the Wendel Group Savings Plan and the international Group Savings Plan must prove that they have served at least three (3) months as of the end of the subscription period.

Cancellation of preferential subscription rights

The Shareholders' Meeting canceled the shareholders' preferential subscription rights in favor of the beneficiaries of the offer.

- **Rights attached to shares**

The new Wendel shares will be created, will carry current rights and will be immediately assimilated to the existing shares.

The rights attached to these new shares will be identical to those attached to the Company's existing shares and are described in Wendel's by-laws. It is specified that the voting rights attached to the Wendel shares held by the "Wendel FCPE" will be exercised by the members of the Wendel Group Savings Plan and the Wendel International Group Savings Plan through the "Wendel FCPE", in proportion to the number of shares they hold in the said "Wendel FCPE", at each Shareholders' Meeting.

- **Maximum subscription rights**

Each beneficiary will be entitled to subscribe to units of the "Relais Wendel 2021" FCPE, which is intended to be merged into the "Wendel FCPE", under the conditions defined by the regulations of the Group Savings Plan and the Wendel International Group Savings Plan, as adjusted by their amendments, if any.

- **Company matching contribution**

For 2021, the matching contribution is equal to 200% of the voluntary payments made by subscribers, up to the legal cap of €5,923.58.

- **Adjustments to the reserved capital increase**

In the event that the total number of Wendel shares resulting from applications by beneficiaries to subscribe for units of the "Relais Wendel 2021" FCPE would have exceeded the maximum number of shares offered under the reserved capital increase, the applications would have been reduced. This would have been done by capping, starting with the highest requests, whose amount would have been reduced to that of the requests of an immediately lower amount and so on, until the total amount of requests was equal to or lower than the amount of the offer.

Would have been reduced in priority and in sequence:

- voluntary cash payments;
- the arbitrage of available assets from all of the Wendel Group employee savings plan mutual funds (FCPE);
- the arbitrage of unavailable assets held in the FCPE CM-CIC Perspective Monetary B mutual fund.

As the total number of Wendel shares resulting from the requests for subscription to the units of the "Relais Wendel 2021" FCPE by the beneficiaries was lower than the maximum number of shares offered in the context of the reserved capital increase, the capital increase was carried out only up to the amount of shares subscribed by the "Relais Wendel 2021" FCPE.

- **Unavailability of mutual fund (FCPE) units**

Subscribers to the offer must keep the "FCPE Wendel" units thus subscribed for a period of five (5) years, unless there is an early release case as provided for in Article R. 3324-22 of the French Labor Code.

- **Subscription period**

The subscription period for units of the "Relais Wendel 2021" FCPE was open from September 24, 2021, to October 8, 2021, inclusive.

The subscription to units of the "Relais Wendel 2021" FCPE was fully paid up on October 29, 2021, and the Wendel capital increase was completed on November 2, 2021.

- **Listing of new shares**

Admission to trading of the Company's new shares on the Euronext Paris regulated market will be requested as soon as possible after the capital increase.

II. Impact of the capital increase

The Company issued 10,885 new shares. The share capital was thus increased by a nominal amount of €43,540 (10,885 shares with a par value of €4), *i.e.*, an increase in the share capital, including the issue premium, for a total amount of €931,538.30 (issue premium of €887,998.30 per share).

In accordance with Article R. 225-115 of the French Commercial Code, the Executive Board hereafter reports on the impact of this issue on the situation of holders of Company's shares and holders of securities giving access to the Company's share capital, as well as on the theoretical impact on the stock market value of the share. The impact of the issue is assessed on the basis of the most recent half-year financial statements dated June 30, 2021.

- **Impact on share of equity as of June 30, 2021:**

For reference, the impact of the issue of the 10,885 new shares on the share of equity per share would be as follows (based on shareholders' equity at June 30, 2021, and the number of shares comprising the share capital of the Company at that date):

	Equity per share (undiluted basis)	Equity per share (diluted basis)*
Before issue of 10,885 new shares	€177.6272	€177.2622
After issue of 10,885 new shares	€177.6048	€177.2399

* *After taking into account all issued securities that may give access to the share capital.*

- **Impact of the issue on the shareholder's position:**

For reference, the impact of the issue of the 10,885 new shares on the stake of a shareholder who would hold 1% of the share capital of Wendel prior to the issue of these new shares and not subscribing to the issue (calculations based on the number of shares comprising the Company's share capital on September 22, 2021), would be as follows:

	Shareholder's interest as a% of capital (non-diluted base)	Shareholder's interest as a% of capital (diluted basis)*
Before issue of 10,885 new shares	1.0000%	0.9969%
After issue of 10,885 new shares	0.9998%	0.9966%

* *After taking into account all issued securities that may give access to the share capital.*

- **Theoretical impact on the share's current stock market value based on the average share price for the 20 trading days prior to September 22, 2021 (*i.e.*, €122.25):**

The theoretical impact of the issue of the 10,885 new shares on the market value of the Wendel share would be as follows (calculations based on the number of shares comprising the Company's share capital on September 22, 2021):

	Market value per share (non-diluted base)	Market value per share (diluted basis)*
Before issue of 10,885 new shares	€122.2500	€122.0577
After issue of 10,885 new shares	€122.2411	€122.0488

* *After taking into account all issued securities that may give access to the share capital.*

November 2, 2021,

The Executive Board

9.2.2 Statutory Auditors' supplementary report on the increase in capital reserved for members of a company savings scheme set up on November 2, 2021

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with article R. 225-116 of the French Commercial Code (*Code de commerce*) and further to our special report dated April 15, 2021, we hereby report on the issue of shares with cancellation of preferential subscription rights, reserved for employees who are members of a company savings scheme, authorised by your shareholders on June 29, 2021.

This increase in capital had been submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code (*Code de commerce*) and L. 3332-18 et seq. of the French Labour Code (*Code du travail*).

The shareholders authorised your Executive Board to decide on whether to proceed with such operation for a period of fourteen months and a maximum amount of €150 000. Exercising this authorisation, your Executive Board decided on November 2nd 2021 to proceed with an increase in capital reserved for employees who are members of a company savings scheme by issuing 10 885 ordinary shares with a par value of €4 per share and a share premium of € 81,58.

It is the responsibility of the Executive Board to prepare a report in accordance with articles R. 225-115 and R. 225-116 of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from interim financial information, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue contained in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying:

- the fairness of the financial information taken from the interim financial information prepared under the Executive Board's responsibility as at June 30, 2021, using the same methods and following the same presentation as the previous annual financial statements. We have performed procedures consisting in making inquiries of persons responsible for financial and accounting matters, verifying that this interim financial information has been prepared using the same methods and the same presentation as those used for the previous annual financial statements, and applying analytical and other review procedures.
- the compliance with the terms of the operation as authorised by the shareholders,
- the information provided in the Executive Board's supplementary report on the choice of constituent elements used to determine the issue price and on its final amount.

We have no matters to report as to:

- the fairness of the financial information taken from the interim financial information and included in the Executive Board's supplementary report,
- the compliance with the terms of the operation as authorised by the shareholders on June 29, 2021 and the information provided to them,
- the choice of constituent elements used to determine the issue price and its final amount,
- the presentation of the effect on the financial position of the share and capital security holders as expressed in relation to shareholders' equity and on the market value of the shares,
- the proposed cancellation of the preferential subscription rights, upon which you have voted.

Paris La Défense, November 2nd, 2021

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Mansour Belhiba	Jacques Pierres

9.2.3 Additional report of the Executive Board on the capital increase reserved for members of the Wendel Group savings plan of December 28, 2021

The Executive Board, acting under the powers granted to it by the Shareholders' Meeting of June 29, 2021 (the "Shareholders' Meeting") in its 19th resolution, after authorization of the Supervisory Board dated October 27, 2021, decided on December 3, 2021, to implement a second capital increase reserved for members of the Wendel Group Savings Plan and the international Group Savings Plan, in favor of whom the shareholders' preferential subscription rights were canceled by the Shareholders' Meeting.

In this respect, the Executive Board recalls that in 2020, members of Wendel's Group Savings Plan and International Group Savings Plan were offered the possibility of subscribing to units of an FCPE, the Wendel FCPE, which subsequently subscribed to Wendel shares.

The Executive Board also recalls that a first capital increase took place on November 2, 2021 as part of the 19th resolution of the Shareholders' Meeting. This first capital increase was reserved for members of Wendel's Group Savings Plan and International Group Savings Plan, who were offered the possibility of subscribing to units of the "Relais Wendel 2021" FCPE, which subsequently subscribed to Wendel shares and was then absorbed by the Wendel FCPE.

The Executive Board notes that an identical mechanism has been put in place for this second capital increase, *via* the "Relais n°2 Wendel 2021" FCPE created for this purpose, which will be merged into the Wendel FCPE following the capital increase.

Thus:

(i) employees wishing to participate in the capital increase subscribed, between December 6 and 10, 2021, to units of the "Relais n°2 Wendel 2021" FCPE with a unit value of €10;

(ii) at the end of this subscription period, the "Relais n°2 Wendel 2021" FCPE subscribed to new Wendel shares in the context of a capital increase of the Company;

(iii) on December 28, 2021, the Executive Board noted the completion of this capital increase.

The purpose of this report, prepared in accordance with Article R. 225-116 of the French Commercial Code, is to describe the final terms and conditions of the capital increase carried out with the approval of the Shareholders' Meeting.

I. Final terms and conditions of the capital increase

Maximum size of the reserved capital increase

The Executive Board, which met on December 3, 2021, decided to set the maximum nominal amount of the reserved capital increase at €106,460, *i.e.*, 26,615 shares with a nominal value of €4 each.

Subscription price

The Executive Board, which met on December 3, 2021, set the amount of the discount at 30% of the reference price, and noted that:

- the reference price, calculated on the basis of the average closing share price for the 20 trading days prior to December 3, 2021, was €109.75;
- the subscription price, set at 70% of the reference price, is €76.83.

Each new share having a par value of €4 was therefore issued with a share premium of €72.83.

Beneficiaries of the offer

The beneficiaries of the offer are members of the Wendel Group Savings Plan and the Wendel International Group Savings Plan, it being specified that the Company's capital increase is subscribed to by the "Relais Wendel 2021" FCPE, in which they hold units and which is intended to be merged into the "Wendel FCPE".

Employees and corporate officers of Wendel and companies that are members of the Wendel Group Savings Plan and the international Group Savings Plan must prove that they have served at least three (3) months as of the end of the subscription period.

Cancellation of preferential subscription rights

The Shareholders' Meeting canceled the shareholders' preferential subscription rights in favor of the beneficiaries of the offer.

- **Rights attached to shares**

The new Wendel shares are created with current dividend rights and are immediately assimilated to the existing shares.

The rights attached to these new shares are identical to those attached to the Company's existing shares and are described in Wendel's by-laws. It is specified that the voting rights attached to the Wendel shares held by the Wendel FCPE will be exercised by the members of the Wendel Group Savings Plan and the Wendel International Group Savings Plan through the Wendel FCPE, in proportion to the number of shares they hold in the said Wendel FCPE, at each Shareholders' Meeting.

- **Maximum subscription rights**

Each beneficiary was entitled to subscribe to units of the "Relais n°2 Wendel 2021" FCPE, which is intended to be merged into the Wendel FCPE, under the conditions defined by the regulations of the Wendel Group Savings Plan and the Wendel International Group Savings Plan, as adjusted by their amendments, if any.

- **Company matching contribution**

For 2021, the matching contribution is equal to 200% of the voluntary payments made by subscribers, up to the legal and annual cap of €5,923.58.

- **Adjustments to the reserved capital increase**

In the event that the total number of Wendel shares resulting from applications for units of the "Relais n°2 Wendel 2021" FCPE by the beneficiaries would have been greater than the maximum number of shares offered in the context of the reserved capital increase, the applications would have been reduced. This would have been done by capping, starting with the highest requests, whose amount would have been reduced to that of the requests of an immediately lower amount and so on, until the total amount of requests was equal to or lower than the amount of the offer.

Would have been reduced in priority and in sequence:

- voluntary cash payments;
- the arbitrage of available assets from all of the Wendel Group employee savings plan mutual funds (FCPE);
- the arbitrage of unavailable assets held in the FCPE CM-CIC Perspective Monetary B mutual fund.

As the total number of Wendel shares resulting from the requests for subscription to the units of the "Relais n°2 Wendel 2021" FCPE by the beneficiaries was lower than the maximum number of shares offered in the context of the reserved capital increase, the capital increase was carried out only up to the amount of the shares subscribed by the "Relais n°2 Wendel 2021" FCPE.

- **Unavailability of mutual fund (FCPE) units**

Subscribers to the offering will be required to hold the units of the Wendel FCPE (post-merger of the "Relais n°2 Wendel 2021" FCPE) thus subscribed for a period of five (5) years, except in the event of early release as provided for in Article R. 3324-22 of the French Labor Code.

- **Subscription period**

The subscription period for units of the "Relais n°2 Wendel 2021" FCPE was open from December 6 to 10, 2021 inclusive.

The subscription to units of the "Relais n°2 Wendel 2021" FCPE was fully paid up on December 27, 2021, and the Wendel capital increase was completed on December 28, 2021.

- **Listing of new shares**

Admission to trading of the Company's new shares on the Euronext Paris regulated market will be requested as soon as possible after the capital increase.

II. Impact of the capital increase

The Company issued 17,939 new shares. The share capital was thus increased by a nominal amount of €71,756 (17,939 shares with a par value of €4), *i.e.*, an increase in the share capital, including the issue premium, for a total amount of €1,378,253.37 (issue premium of €72.83 per share).

In accordance with Article R. 225-115 of the French Commercial Code, the Executive Board hereafter reports on the impact of this issue on the situation of holders of Company's shares and holders of securities giving access to the Company's share capital, as well as on the theoretical impact on the stock market value of the share. The impact of the issue is assessed on the basis of the most recent half-year financial statements dated June 30, 2021.

- **Impact on share of equity as of June 30, 2021:**

For reference, the impact of the issue of the 17,939 new shares on the share of equity per share would be as follows (based on shareholders' equity at June 30, 2021, and the number of shares comprising the share capital of the Company at that date):

	Equity per share (undiluted basis)	Equity per share (diluted basis)*
Before issue of 17,939 new shares	€177.6048	€177.2399
After issue of 17,939 new shares	€177.6076	€177.8219

* *After taking into account all issued securities that may give access to the share capital.*

- **Impact of the issue on the shareholder's position:**

For reference, the impact of the issue of the 17,939 new shares on the stake of a shareholder who would hold 1% of the share capital of Wendel prior to the issue of these new shares and not subscribing to the issue (calculations based on the number of shares comprising the Company's share capital on December 3, 2021), would be as follows:

	Shareholder's interest as a% of capital (non-diluted base)	Shareholder's interest as a% of capital (diluted basis)*
Before issue of 17,939 new shares	1.0000%	0.9969%
After issue of 17,939 new shares	0.9996%	0.9965%

* *After taking into account all issued securities that may give access to the share capital.*

- **Theoretical impact on the share's current stock market value based on the average share price for the 20 trading days prior to December 3, 2021 (*i.e.* €109.75):**

The theoretical impact of the issue of the 17,939 new shares on the market value of the Wendel share would be as follows (calculations based on the number of shares comprising the Company's share capital on December 3, 2021):

	Market value per share (non-diluted base)	Market value per share (diluted basis)*
Before issue of 17,939 new shares	€109.7571	€ 109.5979
After issue of 17,939 new shares	€109.7439	€109.5848

* *After taking into account all issued securities that may give access to the share capital.*

December 28, 2021,

The Executive Board

9.2.4 Statutory Auditors' supplementary report on the increase in capital reserved for members of a company savings scheme set up on December 28, 2021

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with article R. 225-116 of the French Commercial Code (*Code de commerce*) and further to our special report dated April 15, 2021, we hereby report on the issue of shares with cancellation of preferential subscription rights, reserved for employees who are members of a company savings scheme, authorised by your shareholders on June 29, 2021.

The shareholders authorised your Executive Board to decide on whether to proceed with such operation for a period of fourteen months and a maximum amount of €150 000. Exercising this authorisation, your Executive Board decided on December 28th 2021 to proceed with an increase in capital reserved for employees who are members of a company savings scheme by issuing 17 939 ordinary shares with a par value of €4 per share and a share premium of € 72,83.

It is the responsibility of the Executive Board to prepare a report in accordance with articles R. 225-115 and R. 225-116, and R.22-10-31 of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from interim financial information, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue contained in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying:

- the fairness of the financial information taken from the interim financial information prepared under the Executive Board's responsibility as at June 30, 2021, using the same methods and following the same presentation as the previous annual financial statements. We have performed procedures consisting in making inquiries of persons responsible for financial and accounting matters, verifying that this interim financial information has been prepared using the same methods and the same presentation as those used for the previous annual financial statements, and applying analytical and other review procedures.
- the compliance with the terms of the operation as authorised by the shareholders,
- the information provided in the Executive Board's supplementary report on the choice of constituent elements used to determine the issue price and on its final amount.

We have no matters to report as to:

- the fairness of the financial information taken from the interim financial information and included in the Executive Board's supplementary report,
- the compliance with the terms of the operation as authorised by the shareholders on June 29, 2021 and the information provided to them,
- the choice of constituent elements used to determine the issue price and its final amount,
- the presentation of the effect on the financial position of the share and capital security holders as expressed in relation to shareholders' equity and on the market value of the shares,
- the proposed cancellation of the preferential subscription rights, upon which you have voted.

Paris La Défense, 11 January 2022

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Mansour Belhiba	Jacques Pierres

9.2.5 Special report of the Executive Board on free shares allocated during 2021

(Article L. 225-197-4 of the French Commercial Code - Free share allocation)

I. Legal framework

The Executive Board, acting under the powers granted to it by the Shareholders' Meeting of June 29, 2021 (the "Shareholders' Meeting") in its 21st resolution, decided on July 30, 2021, to allocate free shares to executive corporate officers and certain employees of the Company and of companies related to it. These shares were allocated in full by the Company. The purpose of this report, prepared in accordance with Article L. 225-197-4 of the French Commercial Code, is to report on this allocation.

II. Allocation to corporate officers

The members of the Executive Board were granted free shares valued at €77.6 each, according to the following breakdown:

Name	Number of shares
André François-Poncet	23,421
David Darmon	14,188
TOTAL	**37,609**

The characteristics of these shares are described in section 2.2.2 of the 2021 Universal Registration Document.

III. Allocation to employees

Employees were granted free shares under two separate plans, each with a vesting period of four years and performance conditions specific to each plan: one providing for the grant of free shares valued at €77.6 each, and the other providing for the grant of so-called "AP+" free shares valued at €106.3 each. These plans do not provide for a retention period.

Allocation of free shares to the ten employees of the Company whose number of free shares is the highest:

1	2	3	4	5	6	7	8	9	10	Total
5,168	4,873	4,788	4,779	4,582	3,814	3,333	3,260	3,082	2,782	40,461

Allocation of free shares to all 76 beneficiary employees:

Employee categories	Number of shares
Managers France (54)	63,495
Non-managers France (7)	577
Other countries (15)	17,751
TOTAL (76)	**81,823**

March 21, 2022,

The Executive Board

9.2.6 Special report of the Executive Board on stock options granted during 2021

(Article L. 225-184 of the French Commercial Code - Allocation of stock options)

I. Legal framework

The Executive Board, acting under the powers granted to it by the Shareholders' Meeting of June 29, 2021 (the "Shareholders' Meeting") in its 20th resolution, decided on July 30, 2021, to allocate stock subscription options to executive corporate officers and certain employees of the Company and of companies related to it. These options were granted in full by the Company.

The purpose of this report, prepared in accordance with Article L. 225-184 of the French Commercial Code, is to report on this allocation.

II. Allocation to corporate officers

The members of the Executive Board were granted stock subscription options valued at €19.0 each, according to the following breakdown:

Name	Number of shares	Start date for exercise	Strike price	Expiration date
André François-Poncet	41,034	07/30/2025	€110.97	07/30/2031
David Darmon	24,858			
TOTAL	**65,892**			

The characteristics of these options are described in section 2.2.2 of the 2021 Universal Registration Document.

III. Allocation to employees

On July 30, 2021, employees were granted stock subscription options valued at €19.0 each, with the following characteristics:

Start date for exercise	Strike price	Expiration date
07/30/2025	€110.97	07/30/2031

Allocation of options to the ten employees of the Company to whom the highest number of options has been granted:

1	2	3	4	5	6	7	8	9	10	Total
4,544	4,285	4,210	4,202	4,029	2,722	2,446	2,417	2,397	2,397	33,649

Allocation of stock options to all 76 beneficiary employees:

Employee categories	Number of shares
Managers France (54)	50,165
Non-managers France (7)	413
Other countries (15)	15,325
TOTAL (76)	**65,903**

IV. Exercise of options during 2021

During 2021, David Darmon exercised stock options granted on July 7, 2011, as follows:

Number of options exercised during the year	Strike price
17,000	€80.91

During the 2021 fiscal year, nine employees exercised options, details of which are as follows:

	Number of options exercised during the year	Type of options (purchase/subscription)	Strike price
1	5,000	Purchase	€80.91
2	5,000	Purchase	€80.91
3	900	Purchase	€112.39
4	771	Purchase	€80.91
5	425	Purchase	€80.91
6	213	Purchase	€54.93
7	213	Purchase	€54.93
8	200	Purchase	€80.91
9	125	Purchase	€54.93

March 21, 2022,

The Executive Board

9.3 Observations from the Supervisory Board for the Shareholders' Meeting

To the Shareholders,

2021 saw a powerful rebound in the economy (+7% in France, +5% globally), despite the emergence of new Covid-19 variants and the extension of pandemic-related restrictions. In this context, Wendel has been opportunistic, benefiting from the significant refocusing work carried out over the last four years. The portfolio companies have all returned to their pre-Covid levels, including those that had their activity halted in the first half of 2020. The sale of Cromology under excellent conditions ended the turbulent history of our investment in Materis on a positive note.

Today, with its strong cash position and liquidity, Wendel is well positioned to execute the 2021-2024 roadmap agreed between the Supervisory Board and the Executive Board, and to invest in new companies. In this respect, we are delighted with the investments made: Tarkett, in the summer of 2021, and ACAMS, announced in January 2022. This US-based training company is particularly well positioned in the growing anti-money laundering and regulatory and sanctions compliance market, an area we are familiar with through our investments in Bureau Veritas and CPI. Other investments will follow, although we will have to remain vigilant in an environment marked by the geopolitical crisis, soaring commodity costs and the resurgence of inflation, rising interest rates and volatile financial markets.

In 2021, the Supervisory Board continued to perform its control and oversight of the Executive Board with the support of its two committees, the Audit, Risks and Compliance Committee and the Governance and Sustainability Committee. The Board and its committees have continued to increase their focus on ESG and take social and environmental issues into account in their decisions.

Despite the constraints linked to the health crisis, the Board and the committees were able to complete their work in accordance with to the planned schedule. Your Supervisory Board met 13 times, the Governance and Sustainability Committee 10 times and the Audit, Risks and Compliance Committee 8 times.

On March 17, 2022, your Supervisory Board examined Wendel's parent company and consolidated financial statements as prepared by the Executive Board. It has no observations to bring to your attention and recommends approval of the financial statements.

Wendel's financial position remained solid throughout the year. This allows the Executive Board, with the Board's approval, to propose a continuously increasing dividend of €3.0 for 2022, *i.e.* + 3.4% compared to the dividend paid for fiscal year 2020, which amounted to €2.90.

The creation of shareholder value is a constant concern of the Supervisory Board. Net Asset Value in 2021 increased by 18.3% thanks to the good performance of the portfolio €188.1 per share at December 31, 2021). Restated for the dividend of €2.90 per share paid in 2021, the Net Asset Value per share increased by 20.1%. However, the growth in NAV did not translate into a corresponding increase in the share price due to the widening of the discount in the share price compared to the revalued Net Asset Value per share. This is a matter of vigilance for the Supervisory Board, and we will work to ensure that Wendel's share price better reflects the intrinsic value of your Company.

The Supervisory Board warmly thanks Guylaine Saucier, whose term of office expires at the end of the Shareholders' Meeting, for her remarkable contribution to the work of the Board over the past twelve years, including eleven years as Chairman of the Audit, Risks and Compliance Committee.

The Supervisory Board submits to your vote the renewal of the term of office of Franca Bertagnin Benetton for a further period of four years.

The Supervisory Board also submits to your vote the appointment of William D. Torchiana, as an independent member of the Supervisory Board.

With American nationality, William Torchiana will bring to the Board his knowledge of the US business environment and his expertise in complex transactions and governance. Subject to his appointment, William Torchiana will join the Audit, Risks and Compliance Committee and the Governance and Sustainability Committee.

Finally, the Board recommends shareholders' approval of all resolutions submitted by the Executive Board at the Shareholders' Meeting.

9.4 Report of the Executive Board on the resolutions submitted to the Shareholders' Meeting of june 16, 2022

Ordinary Shareholders' Meeting

2021 financial statements and allocation of income

The purpose of the 1st and 2nd **resolutions** is to approve Wendel's financial statements as of December 31, 2021.

The parent company financial statements show net income of €669.2 million. Equity (excluding income for the year) amounted to €6,867.6 million and shows Wendel's financial soundness.

The consolidated financial statements show net income, Group share, of €1,046.9 million.

The 3rd **resolution** proposes to allocate net income for the year ended December 31, 2021 and distribute a dividend of €3.0 per share, an increase of +3.4% from the ordinary dividend paid in respect of 2020.

	2018	2019	2020
Dividend	€2.80	€2.80	€2.90

The ex-dividend date is June 20, 2022 and the dividend will be paid on June 22, 2022.

For individuals whose tax residence is France, the gross dividend is subject either to a flat-rate tax on the gross dividend at the rate of 12.8% (Article 200 A of the French General Tax Code) or to a progressive tax rate applied after an allowance of 40% (under Articles 200 A, 2. and 158-3 2° of the French General Tax Code). The dividend is also subject to withholding of 17.2% for social contributions.

Regulated related-party agreements

The purpose of the 4th **resolution** is to approve the agreements entered into with certain corporate officers of the Company, as described in the Statutory Auditors' special report. These agreements are:

- sale and purchase agreements between Wendel Luxembourg and André François-Poncet and David Darmon, Executive Board members, and Harper Mates and Sophie Tomasi Parise, Supervisory Board members representing employees, whose purpose is to determine what happens to co-investments in the event of leaving the Wendel Group prior to the realization of one of the liquidity events affecting the companies in which they have co-invested;
- co-investments of André François-Poncet and David Darmon, Executive Board members, and of Harper Mates and Sophie Tomasi Parise, Supervisory Board members representing employees, in Tarkett and ACAMS companies, in accordance with the 2021-2025 co-investment program;
- additional co-investment of Harper Mates, Supervisory Board member representing employees, in Crisis Prevention Institute, in accordance with the 2018-2021 co-investment program; and
- guarantee agreements granted by Wendel to the Supervisory Board members, and amendment to the guarantee agreements of the Executive Board members.

The purpose of the 5th **resolution** is to approve a regulated related-party agreement entered into with Wendel-Participations SE and described in the Statutory Auditors' special report. It is an amendment agreement allowing the use of "Wendel Cares" name for the Wendel endowment fund.

Supervisory Board: renewal of the term of office of a member of the Supervisory Board

The purpose of the 6th **resolution** is to renew the term of office of Mrs. Franca Bertagnin Benetton, expiring at the end of the Shareholders' Meeting of June 16, 2022. Its renewal for a period of four (4) years is proposed.

Her US education, her experience in the listed and non-listed companies investment sector, her knowledge of family business issues gained within the Benetton's family office, are all relevant skills for the Supervisory Board. The Board also values the qualitative contribution of Mrs. Franca Bertagnin Benetton to the work of the Board and the Audit, Risks and Compliance Committee for the four last years.

Mrs. Franca Bertagnin Benetton's background is set out in the Company's 2021 Universal Registration Document, section 2.1.1.1 "Composition of the Supervisory Board".

Supervisory Board: appointment of a new member of the Supervisory Board

The purpose of the **7th resolution** is to appoint Mr. William D. Torchiana as a member of the Supervisory Board for a period of four (4) years.

William Torchiana will bring to the Supervisory Board his expertise in mergers and acquisitions and complex transactions, acquired while working as a lawyer since 1986 in Paris and New York with the international law firm Sullivan & Cromwell LLP, of which he managed the Paris office for 14 years. He will also bring to the Board his knowledge of the US markets and business environment, and his legal and governance expertise.

If appointed as Supervisory Board member, Mr. William Torchiana will join the Audit, Risks and Compliance Committee, and the Governance and Sustainability Committee.

Mr. William Torchiana's background is set out in the Company's 2021 Universal Registration Document, section 2.1.1.1 "Composition of the Supervisory Board".

Vote on compensation of corporate officers

The purpose of the **8th, 9th and 10th resolutions** is to approve the compensation policy for the 2022 fiscal year for the Chairman of the Executive Board, the member of the Executive Board and the members of the Supervisory Board. This policy is presented in the Supervisory Board's report on Corporate governance, in sections 2.2.1, 2.2.1.2 and 2.2.1.3 of the Company's 2021 Universal Registration Document. Your vote is required pursuant to Article L. 22-10-26 II of the French Commercial Code.

The purpose of the **11th resolution** is to approve the information relating to the compensation paid or awarded in 2021 to the Company's corporate officers (members of the Executive Board and members of the Supervisory Board), such as they are presented in the Supervisory Board's report on Corporate governance, in accordance with Article L. 22-10-9 I of the French Commercial Code. Your vote is required pursuant to Article L. 22-10-34 I of the French Commercial Code.

In addition to the information concerning the total compensation and benefits of any kind paid during or awarded in respect of fiscal year 2021, the information provided in accordance with these regulations contains, in particular, the ratios between the level of compensation of executive officers and the average and median compensation of the Company's employees, as well as items illustrating the evolution of these compensations and of the performance of Wendel over the last five fiscal years.

This information is described in the Supervisory Board's report on Corporate governance, in section 2.2.2 "General information on the compensation of corporate officers related to the 2021 fiscal year" of the Company's 2021 Universal Registration Document.

The purpose of the **12th, 13th and 14th resolutions** is to approve the compensation items paid during 2021 or awarded in respect of the 2021 fiscal year to:

- Mr. André François-Poncet, Chairman of the Executive Board;
- Mr. David Darmon, member of the Executive Board; and
- Mr. Nicolas ver Hulst, Chairman of the Supervisory Board.

These compensation items are presented in the Supervisory Board's Corporate governance report in section 2.2.3 "Breakdown of compensation paid in 2021 or awarded for 2021 to Executive Board members and to the Chairman of the Supervisory Board, submitted to a shareholders' vote" of the Company's 2021 Universal Registration Document.

The variable compensation items of Mr. André François-Poncet and Mr. David Darmon will be paid to them after your approval.

Your vote is required pursuant to Article L. 22-10-34 II of the French Commercial Code.

Share buyback program

The **15th resolution** proposes to renew the authorization granted to the Company to buy back its own shares as provided for by law. As for previous years, the maximum purchase price has been set at €250, with the authorization valid for 14 months.

The share buyback program can only be used for the purposes defined by law and set out in this resolution. In practice, your Company may use it to reduce the share capital by canceling shares, carrying out external growth transactions, boosting the Company's share market or hedging stock option or free share plans. In 2021, Wendel purchased 652 037 treasury shares (including 366 478 shares under the liquidity contract).

Under no circumstances may the Company acquire more than 10% of its share capital, *i.e.* 4 474 794 shares based on the capital at December 31, 2021. This authorization is without force during a takeover bid.

Formalities

The purpose of the **30th resolution** is to grant all necessary powers to carry out formalities related to the Shareholders' Meeting.

Extraordinary Shareholders' Meeting

Capital reduction

The purpose of the **16th resolution** is to renew, for a period of 26 months, the authorization granted by the Shareholders' Meeting to the Executive Board, with the prior authorization of the Supervisory Board, to cancel, for a period of 24 months, up to 10% of the shares purchased by the Company under a buyback program.

It is specified that the Executive Board did not make use of this type of authorization during the 2021 fiscal year.

Renewal of financial authorizations

17th to 25th resolutions are intended to renew, for a period of 26 months, previously granted financial authorizations which are due to expire in August/September 2022.

The purpose of these delegations is to issue shares or securities giving immediate or future access to the Company's share capital, while maintaining or canceling shareholders' preferential subscription rights, depending on the opportunities offered by the financial markets and the interests of the Company and its shareholders. They ensure the Company's flexibility and responsiveness by enabling the Executive Board, with the prior authorization of the Supervisory Board, to carry out the market transactions necessary for the implementation of the Group's strategy.

These delegations may not be used during a takeover bid.

The amount authorized to increase the share capital with cancellation of preferential subscription rights is in accordance with best market practices and the recommendations of voting advisory agencies and investors (see the overall ceiling and sub-ceiling provided for in the 25th resolution).

During the 2021 fiscal year, the Executive Board did not make use of any of these delegations.

The purpose of the **17th resolution** is to grant a delegation of authority to the Executive Board to increase share capital <u>with preferential subscription rights,</u> up to a maximum of 40% of the share capital at the time of the issue. Any issue based on this resolution shall be deducted from the overall ceiling.

The purpose of the **18th resolution** is to grant a delegation of authority to the Executive Board to increase share capital <u>by means of a public offering, with cancellation of preferential subscription rights</u> and the possibility of granting a priority period for shareholders, up to a maximum of 10% of the share capital at the time of the issue. The issue price will be at least equal to the minimum provided for by the applicable regulatory provisions (to date, the weighted average share price of the last three trading days preceding the start of the offer, possibly reduced by a maximum discount of 10%). Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The **19th resolution** is to grant a delegation of authority to the Executive Board to issue securities, <u>through an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code and with cancellation of preferential subscription rights, i.e. for a private placement,</u> of up to 10% of share capital per year. The issue price will be at least equal to the minimum provided for by the applicable regulatory provisions (to date, the weighted average share price of the last three trading days preceding the start of the offer, possibly reduced by a maximum discount of 10%). Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights. In addition, there is a specific ceiling applicable to the issuance of securities representing debt securities, up to a nominal amount of €500 million (outside debt securities issued pursuant to a decision of the Executive Board in accordance with articles L. 228-36-A, L. 228-40, L. 228-92, paragraph 3, L. 228-93, paragraph 6 and L. 228-94, paragraph 3 of the French Commercial Code).

The **20th resolution** grants the Executive Board <u>flexibility in determining</u> the issue price in the event of a public offering (18th resolution) or private placement (19th resolution). It therefore authorizes the Executive Board, within the limit of 10% of the share capital at the time of the issue, to set a price at least equal to the average closing price of the Wendel share over a period of 20 days prior to the issue, possibly reduced by a maximum discount of 10%. Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The purpose of the **21st resolution** is to grant a delegation of authority to the Executive Board to increase the amount of the issues covered by the 17th to 20th resolutions, <u>with or without preferential subscription rights</u>, in the event that such issues are <u>oversubscribed</u> and within the limit of the overall ceiling. The maximum amount of said increase will comply with applicable regulations (currently, 15% of the initial issue). Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The purpose of the **22nd resolution** is to grant a delegation of authority to the Executive Board to increase the share capital in order <u>to remunerate in kind, contributions of securities</u>; the purpose of the **23rd resolution** is to authorize the remuneration of contributions of securities in the context of a <u>public exchange offer (OPE).</u> These delegations, granted <u>with cancellation of preferential subscription rights</u> and up to a limit of 10% of the share capital, allow the Company to acquire interests in listed or unlisted companies and to finance these acquisitions in shares, rather than in cash. Any issue based on these resolutions shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The purpose of the **24th resolution** is to grant a delegation of authority to the Executive Board to increase the Company's share capital <u>by capitalizing reserves, profits, premiums or other amounts</u> that may be capitalized in accordance with the law and the by-laws, up to a maximum of 50% of the share capital, for the benefit of the shareholders. This capital increase would be carried out by allocating bonus shares to shareholders and/or by increasing the par value of existing shares. Any issue based on this resolution shall be deducted from the overall ceiling.

The purpose of the **25th resolution** is to:

- set at 100% of the share capital the aggregate ceiling of the cumulative nominal amount of the capital increases that may be decided pursuant to the 17th to 20th and the 22nd to 24th resolutions of the Shareholders' Meeting;
- set at 10% of the share capital the sub-ceiling of the cumulative nominal amount of the capital increases with cancellation of preferential subscription rights that may be decided pursuant to the 18th to 20th, 22nd and 23rd resolutions of the Shareholders' Meeting,

it being specified that the nominal amount of the securities that may be issued in the event of over-subscription pursuant to the 21st resolution will be respectively deducted from the aforementioned overall ceiling and sub-ceiling.

Employee savings and employee share ownership

Wendel manages its employee share ownership policy with the aim of limiting the dilutive effect for shareholders.

Group Savings Plan

The purpose of the **26th resolution** is to grant, for a period of 14 months, a delegation of authority to the Executive Board to increase the share capital for a maximum nominal amount of €150,000 (unchanged versus previous years), in favor of the Group's employees and corporate officers who are members of the Group Savings Plan or of the International Group Savings Plan, subject to the prior authorization of the Supervisory Board.

In accordance with the legislation in force, the subscription price of new shares shall not be higher than the average closing share price for the twenty (20) trading days prior to the date of the Executive Board's decision setting the opening date of the subscription, nor more than 30% lower than this average or less than any other upper limit that may be set by law.

The previous delegation of authority with the same purpose, granted by the Shareholders' Meeting of June 29, 2021, was implemented by the Executive Board in November and December 2021. These transactions were successful among the beneficiaries and 28 824 shares were subscribed, *i.e.* a nominal amount of €115,296. Employee share ownership through the Group Savings Plan (excluding members of the Executive Board) represented 0.69% of the share capital as of December 31, 2021.

Grant of stock subscription and/or purchase options and free shares

The purpose of the **27th and 28th resolutions** is to authorize the Executive Board, for a period of 14 months, to grant share subscription or purchase options, and free shares, to employees and corporate officers, up to a total limit of 1% of the share capital (unchanged versus last year).

The price of the options will be set in accordance with legal and regulatory provisions, without any discount.

It is also expected that:

- the period during which the options may be exercised will start at least three (3) years from their grant date and may not exceed ten (10) years from their grant date;
- the grant of free shares to their beneficiaries will become definitive at the end of a vesting period, the length of which will be determined by the Executive Board and which may not be less than three (3) years.

The exercise of all or part of the options granted and the definitive vesting of all or part of the free shares granted to beneficiaries will be subject to the satisfaction of presence and/or performance conditions.

As regards to the members of the Executive Board, the following provisions apply:

- the exercise of share subscription or purchase options and the definitive vesting of free shares are subject to the satisfaction of the presence, performance and holding conditions provided for by the compensation policy for members of the Executive Board in force on the grant date, as may potentially be amended subsequent to its approval in accordance with applicable regulations. For 2022, these conditions are set out in the compensation policy for members of the Executive Board, described in the report on Corporate governance of the Supervisory Board in section 2.2.1.2 of the Company's 2021 Universal Registration Document;
- in accordance with recommendation 25.3.3 of the Afep-Medef Code:
  - the total number of shares resulting from the exercise of the options and the definitive vesting of the free shares granted may not exceed 50% of the overall limit mentioned above;
  - the total value of the options and free shares granted to the members of the Executive Board, as determined on the grant date, may not exceed the amount set by the compensation policy for members of the Executive Board (the compensation policy for 2022 sets this at, respectively, a maximum of 105% and 95% of the total amount of fixed and maximum annual variable compensation of the Chairman and the member of the Executive Board).

Changes to the by-laws

The purpose of the **29th resolution** is to amend Article 14, "Supervisory Board deliberations", paragraph II, of the Company's by-laws in order to allow the Supervisory Board members to make decisions through written consultation, as permitted by law.

This type of consultation offers an additional way for the Supervisory Board to make decisions, restricted to specific decisions and upon request of the Chairman, when a regular meeting (in person or remote meeting) is not possible or appropriate.

The Executive Board recommends shareholders' approval of all of the resolutions presented above, which are submitted to your Shareholders' Meeting.

March 21, 2022,

The Executive Board

9.5 Draft resolutions

Agenda

Ordinary Shareholders' Meeting

1. Approval of the parent company financial statements for the year ended December 31, 2021;
2. Approval of the consolidated financial statements for the year ended December 31, 2021;
3. Net income allocation, dividend approval and dividend payment;
4. Approval of regulated related-party agreements entered into with certain corporate officers of the Company;
5. Approval of a regulated related-party agreement entered into with Wendel-Participations SE;
6. Renewal of the term of office of Mrs. Franca Bertagnin Benetton as member of the Supervisory Board;
7. Appointment of Mr. William D. Torchiana as member of the Supervisory Board;
8. Approval of the compensation policy for the Chairman of the Executive Board;
9. Approval of the compensation policy for the member of the Executive Board;
10. Approval of the compensation policy for the members of the Supervisory Board;
11. Approval of the information relating to the compensation previously paid or awarded to the members of the Executive Board and to the members of the Supervisory Board, in accordance with Article L. 22-10-9 I of the French Commercial Code;
12. Approval of the compensation items paid during or awarded for the year ended December 31, 2021 to Mr. André François-Poncet, as Chairman of the Executive Board;
13. Approval of the compensation items paid during or awarded for the year ended December 31, 2021 to Mr. David Darmon, as a member of the Executive Board;
14. Approval of the compensation items paid during or awarded for the year ended December 31, 2021 to Mr. Nicolas ver Hulst, as Chairman of the Supervisory Board;
15. Authorization given to the Executive Board to purchase Company shares;

Extraordinary Shareholders' Meeting

16. Authorization given to the Executive Board to reduce the share capital by the cancellation of shares;
17. Delegation of authority granted to the Executive Board to increase the share capital, with preferential subscription rights maintained, through the issue of shares or securities giving access to the capital;
18. Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, through the issue of shares or securities giving access to the capital, by way of a public offering;
19. Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, through the issue of shares or securities giving access to the capital, by way of an offer referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code;
20. Authorization granted to the Executive Board to set, in accordance with the terms and conditions determined by the Shareholders' Meeting, the issue price of the shares or securities giving access to capital, with cancellation of preferential subscription rights, up to an annual limit of 10% of the share capital;
21. Delegation of authority granted to the Executive Board to increase the number of shares to be issued in the event of over-subscription, with or without preferential subscription rights;
22. Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, as remuneration for contributions in kind;
23. Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, in the context of a public exchange offer (OPE);
24. Delegation of power granted to the Executive Board to increase the share capital by incorporation of reserves, profits, premiums or other items;
25. Overall ceiling for capital increases;

26. Delegation of authority granted to the Executive Board to increase the share capital through the issue of shares or securities giving access to the share capital reserved for members of the Group Savings Plan and the international Group Savings Plan, with cancellation of preferential subscription rights in their favor;
27. Authorization given to the Executive Board to grant stock subscription or purchase options to some or all of the Company's executive corporate officers and employees, entailing the waiver by shareholders of their preferential subscription rights to the shares issued on exercise of the options;
28. Authorization given to the Executive Board to grant free shares to some or all of the Company's executive corporate officers and employees, entailing the waiver by shareholders of their preferential subscription rights to the shares to be issued;
29. Amendment of Article 14 of the by-laws relating to the deliberations of the Supervisory Board;

Ordinary Shareholders' Meeting

30. Powers for legal formalities.

A. Resolutions pertaining to the Ordinary Shareholders' Meeting

First resolution

(Approval of the parent company financial statements for the year ended December 31, 2021)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed:

- the Executive Board's management report for the 2021 fiscal year and the Supervisory Board's observations; and
- the Statutory Auditors' report on the financial statements;

approves the parent company financial statements for the fiscal year beginning on January 1, 2021 and ending on December 31, 2021, as presented by the Executive Board, which show net income of €669,270,270.08, as well as the transactions presented in these statements or described in these reports.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2021)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed:

- the Executive Board's management report for the 2021 fiscal year and the Supervisory Board's observations; and
- the Statutory Auditors' report on the consolidated financial statements;

approves the consolidated financial statements for the fiscal year beginning on January 1, 2021 and ending on December 31, 2021, as presented by the Executive Board, with net income, Group share, of €1,046.9 million, as well as the transactions presented in these statements or described in these reports.

Third resolution

(Net income allocation, dividend approval and dividend payment)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, on the proposal of the Executive Board approved by the Supervisory Board,

1. decides to allocate:
   - the income for the 2021 fiscal year amounting to........…………………...................€669,270,270.08
   - the "Retained earnings" account amounting to……………………..……..……€4,258,960,959.67
   - constituting a distributable profit of.............€4,928,231,229.75

   as follows:
   - to the shareholders, an amount €134,243,829

     representing a net dividend of €3.0 per share,
   - to other reserves an amount of..…€0
   - for the balance, to the "Retained earnings" account, an amount of.………........................……..... €4,793,987,400.75
2. decides that the ex-dividend date shall be June 20, 2022, and that the dividend shall be paid on June 22, 2022;
3. decides that the dividend that cannot be paid to Wendel treasury shares shall be allocated to "Retained earnings" account and that the amounts required to pay the dividend described above on shares resulting from the exercise of stock options or purchase options before the ex-dividend date shall be deducted from the "Retained earnings" account;
4. notes that, in accordance with Article 243 *bis* of the French General Tax Code, the dividends paid out for the past three fiscal years were:

Fiscal year	Dividends distributed	Net dividend per share
2018	€129,585,794.80	€2.80
2019	€125,110,462.40	€2.80
2020	€129,685,445.10	€2.90

For individuals whose tax residence is France, the gross dividend is subject either to a flat-rate tax on the gross dividend at the rate of 12.8% (Article 200 A of the French General Tax Code) or to a progressive tax rate applied after an allowance of 40% (under Article 200 A, 2. and 158-3 2° of the French General Tax Code). The dividend is also subject to withholding of 17.2% for social contributions.

Fourth resolution

(Approval of regulated related-party agreements entered into with certain corporate officers of the Company)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having heard the Statutory Auditors' special report on agreements governed by Articles L. 225-38 et seq. and L. 225-86 et seq. of the French Commercial Code, notes the content of the report and approves the agreements entered into with certain corporate officers of the Company during the fiscal year ended December 31, 2021 and at the beginning of the 2022 fiscal year, mentioned in this report and submitted for approval.

Fifth resolution

(Approval of a regulated related-party agreement entered into with Wendel-Participations SE)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having heard the Statutory Auditors' special report on agreements governed by Articles L. 225-38 et seq. and L. 225-86 et seq. of the French Commercial Code, notes the content of the report and approves the agreement entered into with Wendel-Participations SE at the beginning of the 2022 fiscal year, mentioned in the said report and submitted for approval.

Sixth resolution

(Renewal of the term of office of Mrs. Franca Bertagnin Benetton as member of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, notes that Mrs. Franca Bertagnin Benetton's term of office as member of the Supervisory Board expires at the end of this Meeting and resolves to renew this term of office for a period of four (4) years ending at the Ordinary Shareholders' Meeting called in 2026 to approve the financial statements for the fiscal year ending on December 31, 2025.

Seventh resolution

(Appointment of Mr. William D. Torchiana as member of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, decides to appoint Mr. William D. Torchiana as member of the Supervisory Board for a term of four (4) years expiring at the Ordinary Shareholders' Meeting called in 2026 to approve the financial statements for the year ending on December 31, 2025.

Eight resolution

(Approval of the compensation policy for the Chairman of the Executive Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Supervisory Board on Corporate governance prepared in accordance with Article L. 225-68 of the French Commercial Code, approves, pursuant to Article L. 22-10-26 II of the French Commercial Code, the compensation policy applicable to the Chairman of the Executive Board, as presented in this report (sections 2.2.1.1 and 2.2.1.2 of the 2021 Universal Registration Document, pages 116 to 124).

Ninth resolution

(Approval of the compensation policy for the member of the Executive Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Supervisory Board on Corporate governance prepared in accordance with Article L. 225-68 of the French Commercial Code, approves, pursuant to Article L. 22-10-26 II of the French Commercial Code, the compensation policy applicable to the member of the Executive Board, as presented in this report (sections 2.2.1.1 and 2.2.1.2 of the 2021 Universal Registration Document, pages 116 to 124).

Tenth resolution

(Approval of the compensation policy for the members of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Supervisory Board on Corporate governance prepared in accordance with Article L. 225-68 of the French Commercial Code, approves, pursuant to Article L. 22-10-26 II of the French Commercial Code, the compensation policy applicable to members of the Supervisory Board, as presented in this report (sections 2.2.1.1 and 2.2.1.3 of the 2021 Universal Registration Document, pages 116, 117 and 124).

Eleventh resolution

(Approval of the information relating to the compensation previously paid or awarded to the members of the Executive Board and to the members of the Supervisory Board, in accordance with Article L. 22-10-9 I of the French Commercial Code)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Supervisory Board on Corporate governance prepared in accordance with Article L. 225-68 of the French Commercial Code, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code (section 2.2.2 of the 2021 Universal Registration Document, pages 125 to 143).

Twelfth resolution

(Approval of the compensation items paid during or awarded for the year ended December 31, 2021 to Mr. André François-Poncet, as Chairman of the Executive Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Supervisory Board on Corporate governance, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and any benefits of all kinds paid during or awarded in respect of the fiscal year ended December 31, 2021 to Mr. André François-Poncet, in his capacity as Chairman of the Executive Board, as presented in this report (section 2.2.3 of the 2021 Universal Registration Document, pages 144 to 147).

Thirteenth resolution

(Approval of the compensation items paid during or awarded for the year ended December 31, 2021 to Mr. David Darmon, as a member of the Executive Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Supervisory Board on Corporate governance, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of all kinds paid during or awarded in respect of the fiscal year ended December 31, 2021 to Mr. David Darmon, in his capacity as Member of the Executive Board, as presented in this report (section 2.2.3 of the 2021 Universal Registration Document, pages 144, 148 to 150).

Fourteenth resolution

(Approval of the compensation items paid during or awarded for the year ended December 31, 2021 to Mr. Nicolas ver Hulst, as Chairman of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Supervisory Board on Corporate governance, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of all kinds paid during or awarded in respect of the fiscal year ended December 31, 2021 to Mr. Nicolas ver Hulst, in his capacity as Chairman of the Supervisory Board, as presented in this report (section 2.2.3 of the 2021 Universal Registration Document, pages 144 and 151).

Fifteenth resolution

(Authorization given to the Executive Board to purchase Company shares)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, on the proposal of the Executive Board approved by the Supervisory Board pursuant to Article 15-V of the by-laws,

- having reviewed the Executive Board's report;
- in accordance with the provisions of Articles L. 22-10-62 *et seq.* of the French Commercial Code, Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, Delegated Regulation (EU) 2016/1052 of the Commission of March 8, 2016 on the conditions applicable to share buyback programs and stabilization measures, the General Regulations of the *Autorité des marchés financiers*, Articles 241-1 *et seq.*, as well as any other provisions that may become applicable;

1. authorizes the Executive Board, with the power to sub-delegate as provided for by law, to buy back shares of the Company within the following limits:
   - the number of shares purchased by the Company during the term of the buyback program does not exceed 10% of the shares comprising the share capital of the Company at any time, with said percentage applying to share capital adjusted based on the transactions affecting it subsequent to this Meeting, *(i.e.* on the basis of the share capital as of December 31, 2021, 4,474,794 shares), it being specified that in accordance with the law, (i) if shares are redeemed to increase liquidity under the conditions defined by the AMF General Regulation, the number of shares taken into account for the calculation of that limit of 10% corresponds to the number of shares purchased, minus the number of shares sold during the term of the authorization, and (ii) if the shares are acquired by the Company for the purpose of the retention thereof and subsequent delivery for payment or exchange

during an external growth operation, the number of shares acquired may not exceed 5% of its share capital,

- the number of shares held by the Company at any time shall not exceed 10% of the Company's share capital at the date under consideration;

2. decides that the Company's shares, within the limits defined above, may be purchased for the following purposes:
   - to enable an investment service provider to make operations on a secondary market or maintain the liquidity thereof within the framework of a liquidity contract in compliance with market practices approved by the AMF (*Autorité des marchés financiers*),
   - to implement stock purchase option plans as defined in Articles L. 225-177 *et seq.* and L. 22-10-56 *et seq.* of the French Commercial Code,
   - to allocate free shares pursuant to Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code,
   - to deliver shares on the occasion of the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date,
   - to retain them pending a delivery of shares (as an exchange, payment or other consideration) in the context of acquisitions, mergers, spin-offs or asset contributions, subject to prior authorization by the Supervisory Board,
   - to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code,
   - to cancel all or part of the shares thus purchased, subject to the prior authorization of the Supervisory Board, in the context of the authorization of the Shareholders' Meeting.

this program is also intended to allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force, or by any market practice that may be admitted by the AMF, in such a case, the Company would inform its shareholders by means of a press release;

3. decides that the acquisition, disposal or transfer of shares may, subject to the applicable legal and regulatory restrictions, be performed at any time and by any means on the regulated market of Euronext Paris or elsewhere, including by:
   - block transfers,
   - public offers (purchase, sale or exchange),
   - use of any financial instruments or derivatives,
   - creation of optional instruments,
   - conversion, exchange, redemption, delivery of shares following the issue of securities giving future access to the Company's share capital, or
   - in any other way, either directly or indirectly through an investment services provider;
4. sets the maximum purchase price at €250 per share (excluding brokerage fee) (representing, on an indicative basis, a total maximum share buyback amount of €1,118,698,500 on the basis of 4,474,794 shares corresponding to 10% of the share capital as of December 31, 2021), and give full power to the Executive Board to adjust this purchase price, in the event of transactions on the Company's capital, in order to take into account the impact of these transactions on the value of the shares;
5. decides that the Executive Board may not, without the prior authorization of the Shareholders' Meeting, use this delegation from the date of the announcement by a third party of a public offer for the Company's securities until the end of the offer period;
6. gives full power to the Executive Board, with the power to sub-delegate, without this list being exhaustive, to decide and implement this authorization, to specify, where necessary, the terms and procedures, to carry out the share buyback program, and in particular to trade in the stock market, enter into any agreements, facilitate the recording of purchases and sales in stock market registers, inform the shareholders under the conditions provided for by the laws and regulations in force, make any disclosures including to the *Autorité des marchés financiers*, carry out any formalities, and, generally, do what is required for the application of this authorization;
7. decides that this authorization, which terminates, for their unused amounts, any previous authorization of the same nature, shall be valid for a period of fourteen (14) months from the date of this Shareholders' Meeting.

B. Resolutions pertaining to the Extraordinary Shareholders' Meeting

Sixteenth resolution

(Authorization given to the Executive Board to reduce the share capital by the cancellation of shares)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings,

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors,
- pursuant to Articles L. 22-10-62 *et seq.* of the French Commercial Code,

1. authorizes the Executive Board, subject to the prior authorization of the Supervisory Board pursuant to Article 15-V of the by-laws, to cancel, in one or more stages, at its sole decision and at the times that it shall determine, some or all of the treasury shares held by the Company, up to a limit of 10% of the share capital for periods of twenty-four (24) months from the date of this Shareholders' Meeting, with this limit being adjusted to take into account transactions that would affect it after this Shareholders' Meeting;
2. authorizes the Executive Board to correspondingly reduce the share capital by imputing the difference between the buyback value of the canceled shares and their par value to share premiums and the available reserves of its choice, including to the legal reserve;
3. gives all powers to the Executive Board, with the option to sub-delegate, to make the corresponding amendments to the by-laws, perform all acts, formalities or declarations and, generally, to do what is necessary for the application of this authorization;
4. decides that this authorization, which terminates, for their unused amounts, any previous authorizations of the same nature, shall be valid for a period of twenty-six (26) months from the date of this Shareholders' Meeting.

Seventeenth resolution

(Delegation of authority granted to the Executive Board to increase the share capital, with preferential subscription rights maintained, through the issue of shares or securities giving access to the capital)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings,

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors, and
- pursuant to Articles L. 225-129 *et seq.*, L. 225-132, L. 225-134, L. 22-10-49 and Articles L. 228-91 *et seq.* of the French Commercial Code,

1. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the auhtority to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, with preferential subscription rights maintained, shares of the Company or any other securities giving access, at any time or at a specified date—through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner—to a portion of the share capital to be issued by the Company or by one of the companies described in Article L. 228-93 of the French Commercial Code, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies;
2. decides that the nominal amount of any capital increases carried out immediately or at a later date under this delegation shall not exceed 40% of the share capital at the time of issue, it being specified that this amount shall be deducted from the overall nominal ceiling referred to in Paragraph 1 of the 25th resolution of this Shareholders' Meeting;
3. decides that to these amounts shall be added, if applicable, the nominal amount of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decides that the issue or issues shall be reserved, on a preferential basis, to shareholders who may subscribe as of right in proportion to the number of shares they own;
5. takes note that the Executive Board may grant shareholders the right to subscribe for excess securities in addition to the number of securities they are entitled to subscribe for as of right, in proportion to their subscription rights and, in any case, not exceeding the number requested,
6. takes note that if all the shares issued are not taken up through subscriptions as of right and, if applicable, subscriptions for excess shares, the Executive Board may use, as provided for by law and in the order that it shall determine, one or more of the powers below:
   - restrict the increase of capital to the subscription amount, subject to this amount attaining at least three-quarters of the increase decided,
   - distribute as it sees fit all or a portion of the securities not taken up,
   - offer to the public all or a portion of the securities not taken up;

7. takes note and decide, where necessary, that this delegation by law entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
8. decides that the issues of equity warrants in the Company may be carried out by subscription offer, but also by free allocation to the owners of existing shares, it being specified that the Executive Board shall have the power to decide that allocation rights comprising fractional shares shall not be negotiable and that the corresponding securities shall be sold;
9. decides that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
10. gives full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this delegation, in particular but not restricted to:
    - determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment (in particular pursuant to Article L. 228-7 of the French Commercial Code); provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
    - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; amend, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
    - in agreement with the holders of any securities issued, amend all characteristics of the securities issued under this delegation,
    - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
    - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly, and
    - generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
11. decides that this delegation, which cancels and replaces the unused amounts of any previous delegation of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Eighteenth resolution

(Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, through the issue of shares or securities giving access to the capital, by way of a public offering)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings:

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors;
- pursuant to the previsions of Articles L. 225-129 *et seq*., L. 225-134, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52 and L. 228-91 *et seq*. of the French Commercial Code,
- it being specified that this delegation does not apply to offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (covered by the 19th resolution below),

1. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the authority to issue, on one or more occasions and as part of a public offering, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date—through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner—to a portion of the share capital to be issued by the Company or by one of the companies described in Article L. 228-93 of the French Commercial Code, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies;

2. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the authority to issue shares or securities giving access to the capital of the Company subsequent to the issue, by companies described in Article L. 228-93 of the French Commercial Code, of securities giving access to the capital of the Company;
3. decides that the nominal amount of any capital increases carried out immediately or at a later date under this delegation shall not exceed 10% of the share capital at the time of issue, it being specified that this amount shall be deducted from (i) the overall nominal ceiling referred to in Paragraph 1 and (ii) the nominal sub-ceiling referred to in Paragraph 2, of the 25th resolution of this Shareholders' Meeting;
4. decides that to this amount shall be added, if applicable, the nominal amount of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
5. decides to cancel the preferential subscription rights of shareholders to securities issued under this delegation, it being understood that the Executive Board may grant to shareholders, for a period of time and according to terms and conditions that it shall set in accordance with applicable legal and regulatory provisions, for the entire share issue through public offering, a priority period to subscribe for the abovementioned securities, in proportion to the number of shares held by each shareholder, as of right and possibly not as of right, without giving rise to the creation of negotiable rights;
6. decides that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L. 225-134 of the French Commercial Code, in the order that it deems appropriate;
7. takes note and decide, where necessary, that this delegation shall by law entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution or by companies described in Article L. 228-93 of the French Commercial Code, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
8. takes note that, pursuant to Article L. 22-10-52 of the French Commercial Code:
   - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date (which under current regulations is the weighted average share price of the last three trading days prior to the beginning of the offering, discounted by 10%),
   - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;
9. decides that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
10. gives full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this delegation, in particular but not restricted to:
    - determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment (in particular pursuant to Article L. 228-7 of the French Commercial Code); provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
    - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; where appropriate, these securities may be combined with warrants giving an entitlement to the allocation, acquisition or subscription of bonds or other debt securities; amend, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
    - in agreement with the holders of any securities issued, amend all characteristics of the securities issued under this delegation,
    - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,

- recognize the amount of the capital increase or increases resulting from any issue carried out under this delegation and amend the by-laws accordingly, and
- generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;

11. decides that this delegation, which cancels and replaces the unused amounts of any previous delegation of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Nineteenth resolution

(Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, through the issue of shares or securities giving access to the capital, by way of an offer referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings:

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to the provisions Articles L. 225-129 *et seq.*, L. 225-134, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52 and Articles L. 228-91 *et seq.* of the French Commercial Code, and 1° of Article L. 411-2 of the French Monetary and Financial Code,

1. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the authority to issue, on one or more occasions and as part of offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code, in the proportions and at the times that it shall determine, under the conditions and maximum limits stipulated under the law and regulations, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date—through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner—to a portion of the share capital to be issued by the Company or by one of the companies described in Article L. 228-93 of the French Commercial Code or to the allocation of debt securities, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies;
2. decides that the nominal amount of any capital increases carried out under this delegation shall not exceed 10% of the share capital on a 12-month period, this amount being deducted from (i) the overall nominal ceiling referred to in Paragraph 1 and (ii) the nominal sub-ceiling referred to in Paragraph 2, of the 25th resolution of this Shareholders' Meeting;
3. decides that to this amount shall be added, if applicable, the nominal amount of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decides that the nominal amount of the securities representing debt securities that may be carried out under this delegation shall not exceed €500 million or the equivalent in any foreign currency used or unit of account established by reference to several currencies at the time the issue is decided, it being specified that (i) this amount will be increased, where applicable, by any above-par redemption premium, and (ii) these amounts are independent from the amount of any debt securities issued pursuant to a decision of the Executive Board in accordance with articles L. 228-36-A, L. 228-40, L. 228-92, paragraph 3, L. 228-93, paragraph 6 and L. 228-94, paragraph 3 of the French Commercial Code;
5. decides to cancel the preferential subscription rights of shareholders to securities issued under this delegation;
6. decides that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L. 225-134 of the French Commercial Code, in the order that it deems appropriate;
7. takes note and decide, where necessary, that this delegation shall by law entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution or by companies described in Article L. 228-93 of the French Commercial Code, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
8. takes note that, pursuant to Article L. 22-10-52 of the French Commercial Code:
   - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date (which under current regulations is the weighted average share price of the last three trading days prior to the beginning of the offering, discounted by 10%),
   - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;

9. decides that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
10. gives full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this delegation, in particular but not restricted to:
    - approve the list of beneficiaries to whom the issue will be reserved,
    - determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment (in particular pursuant to Article L. 228-7 of the French Commercial Code); provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
    - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; where appropriate, these securities may be combined with warrants giving an entitlement to the allocation, acquisition or subscription of bonds or other debt securities; amend, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
    - in agreement with the holders of any securities issued, amend all characteristics of the securities issued under this delegation,
    - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
    - recognize the amount of the capital increase or increases resulting from any issue carried out under this delegation and amend the by-laws accordingly, and
    - generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
11. decides that this delegation, which cancels and replaces the unused amounts of any previous delegation of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Twentieth resolution

(Authorization granted to the Executive Board to set, in accordance with the terms and conditions determined by the Shareholders' Meeting, the issue price of the shares or securities giving access to capital, with cancellation of preferential subscription rights, up to an annual limit of 10% of the share capital)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings,

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to the provisions of Article L. 22-10-52 paragraph 2 of the French Commercial Code,

1. authorizes the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, to depart from the price-setting method set forth in the 18th and 19th resolutions and to set the issue price as follows:
    - for a share issue, the issue price shall be at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a 10% discount may be applied,
    - for an issue of other securities, the issue price shall be set such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined above;
2. decides that the nominal amount of any capital increases carried out under this authorization cannot exceed 10% of the Company's share capital at the time of the issue over a 12-month period, this amount being deducted from (i) the overall nominal ceiling referred to in Paragraph 1 and (ii) the nominal sub-ceiling referred to in Paragraph 2, of the 25th resolution of this Shareholders' Meeting;

3. decides that the Executive Board shall not, without the prior authorization of shareholders, use this authorization from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
4. decides that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Twenty-first resolution

(Delegation of authority granted to the Executive Board to increase the number of shares to be issued in the event of over-subscription, with or without preferential subscription rights)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings,

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to Article L. 225-135-1 of the French Commercial Code,

1. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, and within the share capital limit and the limit specified in the resolution authorizing the issue, for each of the issues decided by virtue of the 17th, 18th, 19th, 20th resolutions of this Shareholders' Meeting, in the event of excess demand, the authority to increase the number of securities to be issued at the same price as that set for the initial issue and within the periods and up to the limits provided by applicable regulations on the issue date (currently within 30 days of the closing date of the subscription and by up to 15% of the initial issue);
2. decides that the nominal amount of any capital increase carried out in accordance with this resolution shall be deducted (i) from the overall nominal ceiling referred to in Paragraph 1 and, as the case may be, (ii) from the nominal sub-ceiling referred to in Paragraph 2, of the 25th resolution of this Shareholders' Meeting;
3. decides that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
4. decides that this delegation is given for a period of 26 months from the date of this Shareholders' Meeting.

Twenty-second resolution

(Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, as remuneration for contributions in kind)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to Articles L. 225-129 *et seq*., L. 225-147, L. 22-10-53 and L. 228-91 et seq. of the French Commercial Code,

1. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the authority to issue, on one or more occasions, shares or securities giving access to the Company's share capital, on the basis of the report from the contributions auditor (commissaire aux apports), up to a maximum of 10% of the share capital at the time of issue, in consideration for contributions in kind made to the Company and comprising shares or securities giving access to the capital, when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable;
2. decides that the nominal amount of any capital increase carried out in accordance with this resolution shall be deducted from (i) the overall nominal ceiling referred to in Paragraph 1 and (ii) the nominal sub-ceiling referred to in Paragraph 2, of the 25th resolution of this Shareholders' Meeting;
3. decides that to this amount shall be added, if applicable, the nominal amount of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decides to cancel, in favor of the holders of the contributed shares, preferential subscription rights to the shares and securities issued in consideration for the contributions in kind;
5. decides that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
6. gives full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this delegation and in particular but not restricted to:
   - approve the valuation of contributions and set the exchange ratio as well as, if applicable, the amount of the cash consideration,
   - approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the special benefits,

- recognize the number of securities to be issued,
- determine the dates and terms of issues, notably the price and the effective date ownership rights take effect on shares or other securities to be issued and giving access to the share capital of the Company,
- recognize the difference between the issue price of new shares and their par value in shareholders' equity on the balance sheet, under share premiums, to which all shareholders shall have rights,
- charge, if applicable, all costs and fees related to the authorized transaction against share premiums and deduct from this amount the sums required to raise the legal reserve,
- recognize the amount of the capital increase or increases resulting from any issue carried out under this delegation and amend the by-laws accordingly, and
- generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;

7. decides that this delegation, which cancels and replaces the unused amounts of any previous delegation of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Twenty-third resolution

(Delegation of authority granted to the Executive Board to increase the share capital, with cancellation of preferential subscription rights, in the context of a public exchange offer (OPE))

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings,

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to Articles L. 225-129 *et seq.,* L. 22-10-54, and L. 228-91 *et seq.* of the French Commercial Code,

1. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the authority to issue, on one or more occasions, shares or securities giving access to the Company's share capital, in consideration for shares tendered in a public exchange offer initiated by the Company, in France or outside France, in compliance with local regulations, on the shares of another company whose shares are traded on a regulated market, in accordance with Article L. 22-10-54 of the French Commercial Code;
2. decides that the nominal amount of any capital increases carried out under this delegation shall not exceed 10% of the share capital, this amount being deducted from (i) the overall nominal ceiling referred to in Paragraph 1 and (ii) the nominal sub-ceiling referred to in Paragraph 2, of the 25th resolution of this Shareholders' Meeting;
3. decides that to this amount shall be added, if applicable, the nominal amount of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decides to cancel, in favor of the holders of the contributed shares, preferential subscription rights to the shares and securities issued in consideration for the contributions in kind;
5. decides that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
6. gives full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this delegation and in particular but not restricted to:
   - approve the valuation of contributions and set the exchange ratio as well as, if applicable, the amount of the cash consideration,
   - acknowledge the number of securities contributed to the exchange,
   - recognize the number of securities to be issued,
   - determine the dates and terms of issues, notably the price and the effective date ownership rights take effect on shares or other securities to be issued and giving access to the share capital of the Company,
   - recognize the difference between the issue price of new shares and their par value in shareholders' equity on the balance sheet, under share premiums, to which all shareholders shall have rights,
   - charge, if applicable, all costs and fees related to the authorized transaction against share premiums and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this delegation and amend the by-laws accordingly, and
   - generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
7. decides that this delegation, which cancels and replaces the unused amounts of any previous delegation of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Twenty-fourth resolution

(Delegation of authority granted to the Executive Board to increase the share capital by incorporation of reserves, profits, premiums or other items)

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary General Meetings,

- having reviewed the report of the Executive Board;
- pursuant to Articles L. 225-129, L. 225-129-2, L. 22-10-49, L. 225-130 and L. 22-10-50 of the French Commercial Code,

1. delegates to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the authority to increase share capital, on one or more occasions, in the proportions and at the times that it shall determine, through the successive or simultaneous capitalization of all or part of the reserves, profits or premiums (from issues, mergers or contributions) or other sums that may be capitalized under law or the by-laws, implemented by the issue and allocation of bonus shares or by an increase in the par value of shares or by the combined use of both methods;
2. decides that the nominal amount of any capital increases carried out under this delegation shall not exceed 50% of the share capital, this amount being deducted from the overall nominal ceiling referred to in Paragraph 1 of the 25th resolution of this Shareholders' Meeting;
3. decides, in the event of the distribution of bonus shares:
   - that the rights representing fractional shares shall not be negotiable and that the corresponding securities shall be sold; the proceeds of the sale shall be allocated to the rights holders in accordance with applicable laws and regulations,
   - to carry out any adjustments intended to take into account the impact of transactions on the Company's share capital and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital;
4. decides that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period;
5. gives full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this delegation, in particular but not restricted to:
   - set the amount and nature of the sums to be incorporated into the capital;
   - set the number of shares to be issued or the amount by which the par value of shares comprising the share capital shall be increased;
   - set the date from which ownership rights on new shares or the increase in par value shall take effect;
   - appropriate from one or more available reserve accounts the amounts required to raise the legal reserve;
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this delegation and amend the by-laws accordingly, and
   - generally take all appropriate steps and enter into any agreements in order to ensure successful completion of the planned transactions;
6. decides that this delegation, which cancels and replaces the unused amounts of any previous delegation of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Twenty-fifth resolution

(Overall ceiling for capital increases)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings,

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors, and
- pursuant to Article L. 225-129-2 of the French Commercial Code,

1. decides to set at 100% of the share capital the overall ceiling of the cumulative nominal amount of any capital increases that may be decided pursuant to the 17th to the 20th, the 22nd to the 24th resolutions of this Shareholders' Meeting;
2. decides to set at 10% of the capital the sub-ceiling of the cumulative nominal amount of the capital increases with cancellation of preferential subscription rights that may be decided pursuant to the 18th to the 20th, the 22nd and the 23rd resolutions of this Shareholders' Meeting;
3. decides that the nominal amount of shares that may be issued in the event of over-subscription pursuant to the 21st resolution will be respectively deducted from the aforementioned overall ceiling and sub-ceiling;
4. decides that to these amounts shall be added, as the case may be, the nominal amount of additional shares to be issued to protect the rights of the holders of securities giving access to the Company's share capital;
5. decides that this delegation, which cancels and supersedes, for their unused amounts, any previous delegation of the same nature, shall be valid for a period of twenty-six (26) months from the date of this Shareholders' Meeting.

Twenty-sixth resolution

(Delegation of authority granted to the Executive Board to increase the share capital through the issue of shares or securities giving access to the share capital reserved for members of the Group Savings Plan and the international Group Savings Plan, with cancellation of preferential subscription rights in their favor)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Extraordinary Shareholders' Meetings:

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to Articles L. 225-129, L. 225-129-2, L. 225-129-6, L. 225-138-1, and L. 22-10-49 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labor Code;

1. delegates to the Executive Board, with the power to sub-delegate as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, the authority to increase the share capital, on one or more occasions, through the issue of shares or securities giving access to the capital, reserved for members of one or more company savings plans implemented within the Group;
2. decides to set at €150,000 the maximum aggregate nominal amount of capital increases that may be carried out by virtue of this delegation;
3. decides to cancel, in favor of members of one or more company savings plans implemented within the Group, shareholders' preferential subscription right to securities issued under this delegation;
4. decides that the subscription price of new shares, set by the Executive Board in accordance with Article L. 3332-19 of the French Labor Code, shall not be higher than the average closing share price for the twenty (20) trading days prior to the date of the Executive Board decision setting the opening date of the subscription, nor more than 30% lower than this average or less than any other upper limit that may be set by law;
5. authorizes the Executive Board to allocate, free of consideration, to the members of one or more company savings plans implemented within the Group, in addition to the shares or securities giving access to the share capital to be subscribed in cash, shares or securities giving access to share capital already issued, in full or partial substitution for the discount set by the Executive Board and/or as a matching contribution, with the stipulation that the resulting benefit from this allocation may not exceed the applicable legal or regulatory limits defined in Articles L. 3332-11 and L. 3332-19 *et seq.* of the French Labor Code;
6. gives the Executive Board full powers, with the power to sub-delegate as provided for by law, to implement this authorization with a view to, in particular, but not restricted to:
   - determining the companies or corporate Groups whose employees may subscribe or receive the shares or securities allocated by virtue of this resolution,
   - deciding that shares or securities may be subscribed or acquired directly by the beneficiaries, members of a company savings plan implemented within the Group or through mutual funds or other structures or entities authorized by applicable legal or regulatory provisions,
   - deciding the amount to be issued or sold, setting the issue price in accordance with the terms and limits set by the legislation in force and the terms of payment, approving the dates, terms and conditions of the issues to be carried out under this delegation,
   - setting the date from which ownership rights on the new shares shall take effect, setting the period within which payment must be made within the maximum period set by the legal and regulatory provisions in force, as well as, if applicable, the required length of service for beneficiaries to participate in the transaction and benefit from the Company's contribution,
   - in the event of the allocation, free of consideration, of shares or securities giving access to the share capital, setting the number of the shares or securities giving access to capital to be issued, the number to be allocated to each beneficiary and setting the dates, time periods, terms and conditions of the allocation of these shares or securities giving access to the share capital within the legal and regulatory limits in force and, notably, choosing to allocate these shares or securities giving access to the share capital in full or partial substitution for the discount decided by the Executive Board, or to apply the value of these shares or securities to the total of the matching contribution or to combine the two possibilities,
   - charging, if applicable, costs against share premiums, notably issue expenses, and deducting from this amount the sums required to raise the legal reserve,
   - recognizing the amount of the capital increase or increases resulting from any issue carried out under this delegation and amending the by-laws accordingly, and
   - generally, taking all appropriate steps and entering into any agreements in order to ensure the successful completion of the planned transactions;
7. decides that this delegation, which terminates any previous delegation of the same nature, shall be valid for a period of fourteen (14) months from the date of this Shareholders' Meeting.

Twenty-seventh resolution

(Authorization given to the Executive Board to grant stock subscription or purchase options to some or all of the Company's executive corporate officers and employees, entailing the waiver by shareholders of their preferential subscription rights to the shares issued on exercise of the options)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Extraordinary Shareholders' Meetings,

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to Articles L. 225-177 *et seq.* and Articles L. 22-10-56 *et seq.* of the French Commercial Code;

1. authorizes the Executive Board to grant, on one or more occasions, stock subscription options, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, and/or stock purchase options in the Company, in favor of individuals that it shall designate – or have designated – from among the executive corporate officers described in Article L. 225-185 of the French Commercial Code and employees of the Company or of companies or corporate Groups related to it as defined by Article L. 225-180 of the French Commercial Code;
2. decides that the number of shares available to be vested or subscribed through the exercise of options granted under this authorization shall not exceed 1% of the existing share capital on the date the options are granted, not taking into account any adjustments that may be made to preserve the rights of the beneficiaries of said options; it being specified that the number of shares granted under the 28th resolution of this Shareholders' Meeting shall be deducted from this ceiling;
3. decides that the total number of shares that may be acquired or subscribed by the members of the Executive Board through the exercise of the options granted under this authorization to the members of the Executive Board may not exceed 50% of the ceiling mentioned in the previous paragraph; it being specified that in any event, the total value of the options granted to members of the Executive Board, combined with that of the free shares referred to in the 28th resolution resolution and as determined on their grant date, may not exceed the limit - expressed in proportion of their compensation - set by the compensation policy for the members of the Executive Board;
4. decides that the Executive Board may amend its initial choice between stock subscription and stock purchase options, if the option-exercise period has not yet begun; should the Executive Board amend its choice in favor of stock subscription options, it must obtain the prior approval of the Supervisory Board, in application of Article 15-V of the by-laws;
5. duly notes that, in accordance with the provisions of Article L. 225-178 of the French Commercial Code, this authorization includes an express waiver by shareholders of their preferential rights to subscribe to any shares to be issued as these options are exercised, for option beneficiaries;
6. notes that the exercise of all or part of the options granted to the beneficiaries - with the exception of those granted to members of the Executive Board whose plan is specific (see below) - will be subject to the satisfaction of presence and/or performance conditions determined by the Executive Board;
7. notes that in the event of a grant of options to the members of the Executive Board, the exercise of the options will be subject to the satisfaction of the presence, performance and holding conditions provided for by the compensation policy for the members of the Executive Board in force on the grant date, as may potentially be amended subsequent to its approval in accordance with applicable regulations;
8. decides that the options to be granted under this authorization shall be subject to disclosure in the form of a special report of the Executive Board to the Shareholders' Meeting, in accordance with legal and regulatory provisions in force;
9. gives the Executive Board full powers to implement this authorization with a view to, in particular, but not restricted to:
   - setting the conditions for the exercise of options by employees and in particular (i) the period(s) to exercise the options thus granted, it being specified that the period during which these options may be exercised will start at least three (3) years from their grant date and may not exceed ten (10) years from their grant date and (ii) the presence and/or performance conditions,
   - determining the dates of each allocation,
   - determining the subscription price for new shares and the purchase price for existing shares, it being specified that this share subscription or purchase price will be set in accordance with the legal and regulatory provisions in force on the date on which the options are granted, without however being lower than the average closing share price of the twenty (20) trading days prior to the date of the price setting nor, as regards to stock purchase options, the average purchase price of treasury shares held by the Company,
   - setting the list or categories of beneficiaries of the options,

- taking the necessary measures to protect the interests of the beneficiaries in order to take into account any financial transactions that may occur before the options are exercised,
- approving the rules of the option plan and, as the case may be, amending it following the grant of options,
- providing for the possibility of temporarily suspending the exercise of options in accordance with legal and regulatory provisions for a maximum of three (3) months in the event that financial transactions are carried out involving the exercise of rights attached to the shares,
- recording, if appropriate, for each capital transaction, the number and total value of the shares issued during the year as a result of the exercise of options,
- charging, if applicable, costs against share premiums, notably issue expenses, and deducting from this amount the sums required to raise the legal reserve,
- recognizing the amount of the capital increase or increases resulting from any issue carried out under this authorization and amending the by-laws accordingly, and
- generally, taking all appropriate steps and entering into any agreements in order to ensure the successful completion of the planned transactions;

10. decides that this authorization, which terminates any previous authorizations of the same nature, shall be valid for a period of fourteen (14) months from the date of this Shareholders Meeting.

Twenty-eighth resolution

(Authorization given to the Executive Board to grant free shares to some or all of the Company's executive corporate officers and employees, entailing the waiver by shareholders of their preferential subscription rights to the shares to be issued)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Extraordinary Shareholders' Meetings:

- having reviewed the report of the Executive Board and the special report of the Statutory Auditors; and
- pursuant to Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code;

1. authorizes the Executive Board to grant, on one or more occasions, existing performance shares or, subject to the prior approval of the Supervisory Board in application of Article 15-V of the by-laws, performance shares to be issued, in favor of employees or corporate officers of the Company described in paragraph II of Article L. 225-197-1 of the French Commercial Code, or employees and corporate officers of companies or corporate Groups related to it as defined by Article L. 225-197-2 of the French Commercial Code;
2. decides that the total number of shares, whether existing or to be issued, that may be granted under this authorization shall not exceed 1% of the existing share capital on the date the shares are granted, not taking into account any adjustments that may be made to preserve the rights of the beneficiaries of said shares; it being specified that the number of shares granted shall be deducted from the maximum number of shares that may be issued in the framework of the 27th resolution of this Shareholders' Meeting;
3. decides that the total number of shares that may be allocated to the members of the Executive Board may not exceed 50% of the ceiling mentioned in the previous paragraph; it being specified that in any event, the total value of the free shares granted to the members of the Executive Board, combined with that of the options referred to in the 27th resolution and as determined on their grant date, may not exceed the limit - expressed in proportion of their compensation - set by the compensation policy for the members of the Executive Board;
4. decides that, subject to legal exceptions:
   - the allocation of shares to their beneficiaries will become definitive at the end of a vesting period, the length of which will be determined by the Executive Board and which may not be less than three (3) years,
   - the Executive Board may set a period over which the beneficiaries must hold the aforementioned shares;
5. notwithstanding the provisions of the above paragraph, decides that the Executive Board may provide that the definitive allocation of the shares and the right to freely transfer them may nevertheless be acquired by a beneficiary if the latter were to be struck by one of the cases of disability covered by Article L. 225-197-1 of the French Commercial Code;
6. notes that the definitive vesting of all or part of the free shares granted to beneficiaries - with the exception of those granted to members of the Executive Board whose plan is specific (see below) - will be subject to the satisfaction of the presence and/or performance conditions determined by the Executive Board;
7. notes that in the event of a grant of free shares to the members of the Executive Board, the definitive vesting of the shares will be subject to the satisfaction of the presence, performance and holding conditions provided for by the compensation policy for the members of the Executive Board in force on the grant date, as may potentially be amended subsequent to its approval in accordance with applicable regulations;
8. authorizes the Executive Board to adjust the number of shares, as the case may be, during the vesting period, as a result of transactions affecting the Company's share capital, so as to protect the rights of the beneficiaries;

9. duly notes that in the case of shares to be issued, this authorization shall entail, in favor of the beneficiaries, the waiver by the shareholders of their preferential rights to subscribe to the shares whose issuance is authorized;
10. gives the Executive Board full powers to implement this authorization with a view to, in particular, but not restricted to:
    - setting the conditions and criteria for the share grants,
    - establishing the list of beneficiaries of shares or defining the category or categories of beneficiaries to receive performance shares as well as the number of shares to be awarded to each,
    - adjusting, if applicable, the number of shares granted to protect the rights of beneficiaries with regard to any transactions involving the Company's share capital, it being specified that the shares granted as a result of these adjustments shall be considered to have been distributed on the same date as the shares initially awarded,
    - determining whether bonus shares allocated will be shares to be issued and/or existing shares (in the case of shares to be issued, subject to the preapproval of the Supervisory Board pursuant to Article 15-V of the by-laws),
    - approving the rules of the bonus share plan and, as the case may be, amending it following the grant of shares,
    - in the event of the issue of new shares, charging the amounts required for the full payment of shares against reserves, profits or share premiums,
    - charging, if applicable, costs against share premiums, notably issue expenses, and deducting from this amount the sums required to raise the legal reserve,
    - recognizing the amount of the capital increase or increases resulting from any issue carried out under this authorization and amending the by-laws accordingly, and
    - generally, taking all appropriate steps and entering into any agreements in order to ensure the successful completion of the planned transactions;
11. decides that this authorization, which terminates any previous authorizations of the same nature, shall be valid for a period of fourteen (14) months from the date of this Shareholders Meeting.

Twenty-ninth resolution

(Amendment of Article 14 of the by-laws relating to the deliberations of the Supervisory Board)

The Shareholders' Meeting, voting under the quorum and majority required for Extraordinary General Meetings, on the proposal of the Executive Board approved by the Supervisory Board pursuant to Article 15-V of the by-laws, having reviewed the report of the Executive Board, hereby decides to amend Article 14, paragraph II, of the by-laws, in order to allow the Supervisory Board members to make decisions through written consultation, as follows:

Former text	New text
Supervisory Board meetings are held at the registered office or at any other location specified in the meeting notice. They are presided over by the Chairman of the Supervisory Board.	Supervisory Board meetings are held at the registered office or at any other location specified in the meeting notice. They are chaired by the Chairman of the Supervisory Board. By way of exception, upon request of the Chairman, decisions within the Supervisory Board's remit mentioned in Article L. 225-82 of the French Commercial Code may be made by way of written consultation. In the event of written consultation, the agenda and the draft resolution are sent to the Supervisory Board members by whatever means. The Supervisory Board members express their vote by whatever written means. Resolutions of the Supervisory Board by way of written consultation are valid only if at least half of its members have expressed their vote.

C. Resolution pertaining to the Ordinary Shareholders' Meeting

Thirtieth resolution

(Powers for legal formalities)

The Shareholders' Meeting, voting under the quorum and majority conditions required for Ordinary Shareholders' Meetings, grants full powers to the bearer of copies or extracts of the minutes of these proceedings to make all declarations and carry out all registration, deposit and other formalities.

10 ADDITIONAL INFORMATION

10.1 Contracts

Shareholders' and corporate governance agreements are described in section 8.3.10 of the Universal Registration Document.

Financial contracts are described in note 7 "Financial risk management" to the consolidated financial statements (section 6.7 of the Universal Registration Document).

Except for these contracts and agreements, the Group does not have any significant dependence on any given patent, license, or industrial, commercial or financial contract.

10.2 Transactions with related parties

Information on related parties can be found in note 5 "Related parties" to the consolidated financial statements of the Universal Registration Document (section 6.7).

The regulated related-party agreements as defined by Articles L. 225-38 and L. 225-86 of the French Commercial Code are mentioned in the Statutory Auditors' special report on regulated related-party agreements and commitments in section 9.1.1 of the Universal Registration Document.

10.3 Significant changes in financial condition or business status

Wendel acquires ACAMS, the world's largest membership organization dedicated to fighting financial crime

Announced on March 10, 2022, Wendel completed the acquisition of ACAMS ("Association of Certified Anti-Money Laundering Specialists" or the "Company") from Adtalem Global Education (NYSE: ATGE), which had been announced on January 24, 2022. Wendel invested c. $338 million of equity for a c. 98% interest in the Company, alongside ACAMS' management and a minority investor.

ACAMS is the global leader in training and certifications for anti-money laundering ("AML") and financial crime prevention professionals. ACAMS has developed a very large global network with over 90,000 members in 175 jurisdictions. Of these members, more than 50,000 professionals have achieved CAMS certification - a recognized AML qualification – that promotes ongoing education through participation in conferences, webinars and other training opportunities.

Sale of Cromology completed

After obtaining the necessary regulatory approvals, on January 21, 2022, Wendel announced that it had completed the sale of Cromology to DuluxGroup, a subsidiary of Nippon Paint Holdings Co., Ltd. This transaction generated net proceeds for Wendel from the sale of €896 million, or €358 million more than its valuation of the company in the NAV published before the announcement of the transaction, on June 30, 2021.

This transaction is a milestone in Wendel's 2021-24 roadmap, and its target to accelerate the redeployment of its capital toward growth companies.

Early repayment of all bonds maturing in October 2024

On March 18, 2022, Wendel announced that it was exercising the make-whole redemption of the bonds maturing in October 2024 with outstanding principal of €500 million (ISIN FR0012199156) and bearing interest at 2.750% at a price determined in accordance with the terms and conditions of the bonds. This operation will further optimize the cost and the maturity of Wendel's debt. Pro forma the issuance of €300 million in January 2022 and of this repurchase, Wendel average maturity would be extended to 7.2[1] years and its average weighted cost of debt lowered to 1.7%.

(1) As of March 18, 2022

10.4 Expenses pursuant to Articles 39-4 and 223 *quater* of the French Tax Code

2014	Wendel's expenses pursuant to Articles 39-4 and 112 *quater* of the French Tax Code amounted to:	**11,434€**
2015	Wendel's expenses pursuant to Articles 39-4 and 112 *quater* of the French Tax Code amounted to:	**7,482€**
2016	Wendel's expenses pursuant to Articles 39-4 and 112 *quater* of the French Tax Code amounted to:	**19,340€**
2017	Wendel's expenses pursuant to Articles 39-4 and 112 *quater* of the French Tax Code amounted to:	**21,499€**
2018	Wendel's expenses pursuant to Articles 39-4 and 112 *quater* of the French Tax Code amounted to:	**4,568€**
2019	Wendel's expenses pursuant to Articles 39-4 and 112 *quater* of the French Tax Code amounted to:	**3,923€**
2020	Wendel's expenses pursuant to Articles 39-4 and 112 *quater* of the French Tax Code amounted to:	**3,923€**
2021	Wendel's expenses pursuant to Articles 39-4 and 112 quater of the French Tax Code amounted to:	**3,923€**

10.5 Suppliers & customers

In 2021

Pursuant to Article D. 441-4 of the French Commercial Code, the breakdown of the payment terms of the Company's suppliers and customers shows that no invoices received were past due one the closing date of the fiscal year and one invoice issued was past due at the closing date of the fiscal year totaling €3.9 thousand incl. VAT.

Customer invoices were past due by more than 60 days for one invoice amounting to €3.9 thousand and no supplier invoices were more than 60 days past.

No supplier or customer invoices were disputed or unrecognized.

10.6 Persons responsible for the Universal Registration Document and the audit of financial statements

10.6.1 Person responsible for financial information

Jérôme Michiels, Executive Vice-President in charge of Finance

Tel.: +33 (0)1 42 85 30 00

E-mail: j.michiels@wendelgroup.com

10.6.2 Person responsible for the Universal Registration Document including the annual financial report

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and does not contain any omissions that could alter its scope.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated Group of companies and that the management report (for which the cross-reference table appears in section 10.7.3) presents a true and fair picture of the business, results and financial condition of the Company and of its consolidated Group of companies, and describes the main risks and uncertainties to which they are exposed.

Paris, April 14, 2022

André François-Poncet,

Chairman of the Executive Board

10.6.3 Persons responsible for the audit of the financial statements and their fees

10.6.3.1 Statutory Auditors

Ernst & Young Audit represented by Jacques Pierres

Member of the Compagnie régionale des Commissaires aux comptes of Versailles.

Tour First

1/2, place des Saisons

92400 Courbevoie-Paris-La Défense 1, France

Date appointed to first term: Combined Shareholders’ Meeting of November 15, 1988 (formerly named Castel Jacquet et Associés)

Appointment last renewed: Shareholders' Meeting of May 16, 2019

Term of office: 6 fiscal years

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the 2024 fiscal year

Deloitte Audit represented by Mansour Belhiba

Member of the *Compagnie régionale des Commissaires aux comptes* of Versailles.

Tour Majunga – 6 place de la Pyramide – 92908 Paris-La Défense

Date first appointed: Shareholders' Meeting of May 16, 2019

Term of office: 6 fiscal years

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the 2024 fiscal year

10.6.3.2 Fees paid by the Group to the Statutory Auditors and members of their networks

The fees paid to the Statutory Auditors and members of their networks are presented in note 37 to the 2021 consolidated financial statements presented in this Universal Registration Document (section 6.11).

10.7 Cross-reference tables

10.7.1 Cross-reference table for the Universal Registration Document

The following cross-reference table identifies the principal categories of information required under Appendices 1 and 2 of European Regulation 2019/980 of March 14, 2019, supplementing European Regulation 2017/1129 of June 14, 2017, and refers to the corresponding pages of this Universal Registration Document.

Categories of Appendices 1 and 2 to European Regulation 2019/980

Universal Registration Document	Pages
12. Administrative, management and supervisory bodies and executive management	
Composition of administrative, management and supervisory bodies	72 to 90, 102 to 105
Conflicts of interest in administrative, management and supervisory bodies and senior management	77, 103, 113
13. Compensation and benefits	
Compensation and benefits of corporate officers	116 à 151
Amounts provided for or otherwise recognized for the purpose of paying pensions, retirement or other benefits	123, 124, 207, 208, 401 to 404
14. Management entities	
Expiration dates of current terms of office	72, 74, 78 to 90
Service contracts	77, 103
Information on the Supervisory Board Committees	95 to 99
Compliance with a Corporate Governance Code	101
Potential significant impacts on governance	N/A
15. Employees	
Number of employees and employee breakdown	198 to 209, 409, 447
Shareholdings and stock options held by members of the administrative, supervisory and management bodies	78 to 90, 104, 105, 131 to 138
Agreements providing for employee share ownership	126, 130, 206, 207
16. Principal shareholders	
Shareholders with more than 5% of the share capital or voting rights	465 to 467
Existence of different voting rights	465, 467, 481
Control of the issuer	465, 466
Arrangements known to the issuer, the implementation of which could result in a change of control of the issuer	466, 476
17. Transactions with related parties	484 to 489, 534
18. Financial information concerning the assets and liabilities, financial condition and earnings of the issuer	
Historical financial information	334 to 348, 452, 458 to 460
Interim and other financial information	N/A
Audit of historical annual financial information	424 to 430, 453 to 456
Pro forma financial information	N/A
Dividend policy	41, 459, 479
Judicial proceedings and arbitration	161, 400, 401, 443
Significant changes in financial condition of the issuer	422, 451, 452, 534, 535
19. Additional information	
Share capital	468
Articles of incorporation and by-laws	478 to 480
20. Significant contracts	376 to 380, 476, 477, 534
21. Available documents	464

This Universal Registration Document has been filed with the French Market Authorities (Autorité des marchés financiers – AMF), as a competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation. The Universal Registration Document may be used for the purposes of a public offer of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments made to the Universal Registration Document. The resulting document is then approved by the AMF in accordance with EU Regulation 2017/1129.

10.7.2 Cross-reference table for the annual financial report

This Registration Document includes all the items of the annual financial report mentioned in chapter I from Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the AMF's General Regulations.

The following table shows the sections of the Universal Registration Document corresponding to the various chapters of the annual financial report.

Annual financial report	Pages
Parent company financial statements	341, 342, 432 to 452
Consolidated financial statements of the Group	334 to 340, 350 to 423
Management report (refer to the cross-reference table in this report 10.7.3)	-
Statement by the person responsible for the annual financial report	537
Statutory Auditors' report on the parent company financial statements	453 to 456
Statutory Auditors' report on the consolidated financial statements	424 to 430
Report of the Supervisory Board on Corporate governance (refer to the cross-reference table in this report 10.7.4)	-

10.7.3 Cross-reference table of the Executive Board's management report

The following cross-reference table identifies the main information required by Articles L. 225-100 *et seq.*, L. 232-1, II and R. 225-102 of the French Commercial Code and refers to the corresponding pages of this Universal Registration Document.

Executive Board's report	Pages
Activity report	
Financial condition and business activities of the Company in the past fiscal year	42 to 69, 334 to 347
Earnings and business activities of the Company, its subsidiaries and the companies it controls	42 to 69, 334 to 342
Key financial performance indicators	40, 41, 334, 338, 343, 344, 458, 459, 465
Key non-financial performance indicators relating to the Company's specific business, in particular information relating to environmental and personnel issues	225 to 231
Analysis of changes in business, earnings and financial condition	334 to 347
Significant events occurring between the balance-sheet date and publication of the management report	422, 451, 534, 535
Trends and outlook	38 to 41, 42 to 69
Research and development activities	42 to 69, 409
Changes to the presentation of annual financial statements and valuation methods	334 to 347, 358 to 365, 438, 439
Description of principal risks and uncertainties	154 to 163, 192 to 215, 375 to 382, 401, 443
Financial risks related to the effects of climate change and measures to reduce them	216 à 221
Internal control and risk management procedures	164 to 176
Information on "high threshold" Seveso installations	N/A
Information on the use of financial instruments	375 to 382, 445
Investments made in the three previous fiscal years	480
Acquisitions during the year of significant or controlling interests in companies whose registered office is in France	N/A
Names of controlled companies and the amount of the Company's equity stake	423
Business activity of the Company's subsidiaries and companies controlled by it	42 to 69, 423
Existing branches	N/A
Social, environmental and societal information	
Information on the manner in which the Company handles the corporate social and environmental consequences of its business activities and NFS	179 à 231
Independent verifier report on NFPS compliance	330 à 332
Information on Vigilance plan implementation	187, 270 to 275, 290 to 292, 320 to 322
Anti-corruption system	192, 193, 198, 290
Information concerning the share capital	
Shareholding structure and changes thereto during the fiscal year	465, 467, 468
Buyback and sale by the Company of its own shares	399, 472 to 474
Transactions on Company shares by executive managers and individuals who are closely related to them	475
Employee participation in share capital	206, 207, 465, 467
Information on stock subscription options awarded to corporate officers and employees	120, 121, 131 to 138, 206, 207
Obligation for executives to hold shares obtained through stock option or bonus share plans	113, 120
Elements of calculation and results of the adjustment of the translation bases and conditions of subscription or exercise of securities giving access to the capital or subscription or purchase options	N/A
Information on allocation of free shares to corporate officers and employees	120, 121, 135 to 138, 206, 207

Executive Board's report	Pages
Summary of valid authorizations to increase capital and their use during the fiscal year	470, 471
Disposal of shares to reduce cross holdings	N/A
Other information	
Amount of dividends and other distributed income paid in the three previous fiscal years	452, 459, 515
Expenses described in Articles 39-4 and 223 *quater* of the French Tax Code	536
Breakdown of the Company's supplier and customer payment terms	536
Five-year financial summary	452
Injunctions or financial penalties for anti-competitive practices	N/A
Amount of loans granted under Article L. 511-6 of the French Monetary and Financial Code	N/A

10.7.4 Cross-reference table of the report of the Supervisory Board on Corporate governance

The following cross-reference table identifies the main information required by Article L. 22-10-20 of the French Commercial Code and refers to the corresponding pages of this Universal Registration Document.

Report of the Supervisory Board on Corporate governance	
Procedures for the exercise of executive management	72 to 106
Limitations imposed by the Supervisory Board on the powers of the Executive Board	110, 111
List of appointments and positions held in any company by each corporate officer	78 to 90, 104, 105
Agreements between a director or significant shareholder and a subsidiary	115
Valuation procedure for related-party agreements and current agreements	113, 114
Delegations of power and authorizations granted by the General Meeting to the Executive Board in connection with capital increases	470, 471
Compensation policy for corporate officers	116 to 124
Information relating to the compensation of corporate officers pursuant to Article L. 22-10-9	125 to 143
Information on factors likely to have an impact in the event of a takeover offer	477
Composition of the Board and the preparation and organization of its proceedings	72 to 99
Gender equality in the Board and description of the diversity policy applied within the Board	74, 75
Description of the provisions of the Afep-Medef Code whose application is ruled out	101
Special terms and conditions relating to the participation of shareholders in the General Meeting	481
Observations of the Supervisory Board	507

10.7.5 Cross-reference table for the Extra-Financial Performance Statement (EFPD)

The cross-reference table below links the extra-financial information required in the Extra-financial performance declaration (EFPD) with the other parts of the Wendel Universal Registration Document, when they are relevant to the Company's main risks or policies, in accordance with Article L. 225-102-1 of the French Commercial Code.

Topics	Paragraph
Business model	
Description of the main businesses (business segments and/or divisions), products or services, including key figures (i.e. volume of activity, headcount, results) by business/division and/or geographical area	Introductory guide and chapter 1
Interactions within its subsidiaries/business segments (i.e. customer categories, potential partnerships, use of subcontracting, competitive positioning, relations with stakeholders, etc.)	Competitive positioning: section 1.2
Challenges and outlook for the entity and its businesses (i.e. market trends, ongoing transformations, sectoral sustainable development issues, etc.)	Strategic orientations: - section 1.3.4
Information relating to value creation and its distribution among stakeholders	Dividends: section 8.1.2 Supporting and strengthening our commitments to civil society – section 4.1.7.1.2
Vision and objectives of the entity (i.e. values, strategy, transformation or investment plan)	Part 1.3.4
Main risks related to Wendel's business	
Extra-financial challenges within Wendel Group subsidiaries and responsible investment procedures	Section 4.1.7.2
Risks related to the human resources of Wendel teams	Section 4.1.7.1.2 – Fostering employability, inclusion, well-being and engagement through concrete actions
Risk of non-independence of governance bodies and control mechanisms	Section 4.1.7.1.1 – Ensuring balanced governance
Risks linked to business ethics	Section 4.1.7.1.1 – Strengthening and upholding business ethics within the Group
Risks related to climate change	Section 4.1.7.1.1 – Measuring and managing our environmental footprint Section 4.1.8 Climate Plan
Other information disclosed by Article L. 225-102-1 of the French Commercial Code	
The social consequences of the business, particularly with regard to collective agreements and their impact, the fight against discrimination and the promotion of diversity, societal commitments, disability;	Section 4.1.7.1.2
The environmental consequences of the business, in particular with regard to climate change, the circular economy, food waste, the fight against food insecurity, respect for animal welfare and responsible, equitable and sustainable nutrition;	The climate challenges of Wendel's business are among the main risks facing the Group. The carbon footprint of the investment holding company is presented in section 4.1.7.1.1. The carbon footprint of investments is presented in section 4.1.7.2. The risks and opportunities related to climate change are presented in section 4.1.8. The circular economy approach implemented within the Company is presented in section 4.1.7.1.1 – Measuring and managing our environmental footprint Other environmental risks have not been identified as relevant to Wendel's activity as an investor (apart from risks related to the activities of controlled companies)
The impact of the business on respect for human rights	Promotion of and compliance with the provisions of the ILO fundamental conventions and with human rights – 4.1.7.1.2 Vigilance plan – 4.1.5
The impact of the business on the fight against corruption	Section 4.1.7.1.1 – Strengthening and upholding business ethics within the Group

10.8 Glossary

Financial and extra-financial glossary

The definitions below are specific to the Wendel Group's activity.

Term	Definition
Co-investment	Mechanism enabling key managers to personally invest in portfolio assets.
Due diligence	All checks and analyses carried out by an investor during the review of a proposed investment.
EBIT	EBIT, or operating income, refers to net earnings before interest and taxes.
EBITDA	EBITDA, or gross operating income, refers to net earnings before interest, taxes, depreciation and amortization.
Exercisable voting rights	Real number of voting rights excluding shares without voting rights (treasury shares).
Financial covenant	Various commitments of the borrower to its lender(s). These commitments generally relate to compliance with financial ratios.
Financial credit ratings	The rating agencies (Standard & Poor's and Moody's in the specific case of Wendel) assign, after a detailed analysis on the basis of respective methodologies for the business segment, a financial rating to assess the credit quality of the issuer and the level of risk associated with the borrower's debt instruments.
Financial ratings	The rating agencies (Standard & Poor's and Moody's in the specific case of Wendel) assign, after a detailed analysis on the basis of respective methodologies, a financial rating to assess the credit quality of the issuer and the level of risk associated with the borrower's debt instruments.
GHG	Greenhouse gases.
Gross debt	Total Company financial debt.
ILO	International Labor Organization.
Internal rate of return on equity	The IRR measures the profitability of capital invested by shareholders in a project.
Investment grade	Category of credit rating that indicates the high quality of the debt issuer. Investment grade ratings range from AAA to BBB- according to Standard & Poor's scale.
ITO	Independent third-party organization - Organization verifying the mandatory social and environmental information.
KPIs	Key Performance Indicators.
Loan-to-Value Ratio	Ratio of Wendel's net debt to gross assets excluding cash and cash equivalents.
NAV	See Net Asset Value.
Net Asset Value	The Wendel Group's principal performance indicator. Valuation of the Group's assets (total assets less borrowings and other liabilities) at a specific date. The calculation method for Net Asset Value is presented in section 5.3.1.2.
Net Asset Value per share	Net Asset Value divided by the total number of shares comprising Wendel's equity at the valuation date.
Net debt	Gross financial debt minus available cash and cash equivalents and short-term financial investments.
Net income from operations	Net income from operating segments is the Group's "recurring" income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, asdefined in note 6 to the consolidated financial statements.
Organic growth	Sales growth at constant structure and exchange rates.
SASB	Sustainability Accounting Standard Board, a non-profit organization to develop sustainable accounting standards.
Share discount	Difference between the Company's share price and its NAV on a given date. In the NAV calculation, the share price corresponds to the average of the 20 most recent share prices before the NAV calculation date. When this figure is negative, it is referred to as a discount; when it is positive, it is referred to as a premium.
TFCD	Task Force on Climate-related Disclosures, a working group created in 2015 to make recommendations on how to report and publish the risks and opportunities related to climate change.
Theoretical voting rights	Total number of voting rights.
Total shareholder return	Total shareholder return is the rate of return on a share of stock over a given period and includes dividends received and capital gains. Dividends received are reinvested on the same date.
TSR	See Total shareholder return.

Glossary for Company businesses

Term	Definition
Beamhouse Stahl	First stages of the leather production process from a raw hide; it involves removing unwanted components from the hide and preparing the hide for tanning by soaking.
Certified Instructor - CPI	Employee of a CPI-customer company who has been trained to train other employees of their company.
CSR	Corporate Social Responsibility.
Ecolutions - Constantia Flexibles	All sustainable packaging technologies and ranges.
Golden hand - Stahl	Highly qualified technician developing products directly with end customers.
In-Mold Label (IML) – Constantia Flexibles	Refers to a label already in its injection-molded final form, by blow-molding or thermoforming on a container.
Lease Up Rate – IHS	See Tower colocation rate.
Leather finish – Stahl	Process to enhance the leather softness, improve aesthetics, neutralize odors and create, if required, a non-slippery type surface.
LT1	Number of lost-time injuries per million hours worked among employees with permanent or fixed-term contracts, temporary staff and subcontractors.
LT2	Number of injuries with or without lost time per million hours worked among employees with permanent or fixed-term contracts, temporary staff and subcontractors.
NAFEX	Nigerian Autonomous Foreign Exchange.
QHSE	Quality, Health, Safety, Environment.
REACH	REACH is a European Union regulation adopted to better protect human health and the environment against risks related to chemical substances.
Supply chain	Supply chain.
Tower colocation rate	In the telecom tower industry, this is the average number of tenants or sites leased by operators on a telecom tower.

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